

LEICESTER AND LEICESTERSHIRE EMPLOYMENT LAND REVIEW 2012 UPDATE

Executive Summary

1 Introduction

1.1 The Leicester and Leicestershire Employment Land Study 2012 provides an update to the 2008 study.

1.2 The 2008 study – the first joint approach to employment land planning across the local planning authority areas (LPAs) in Leicester and Leicestershire recommended a new sustainable pattern of employment land with strategic scale allocations.

1.3 The new study was required to update the evidence base for employment land planning policies and deliverability in the context of the market downturn since the end of the last property boom in 2008.

1.4 The update identified two key findings. First, the local planning authorities and developers have put in place planning policies and proposals for a new pattern of sustainable development in broad support of the 2008 study recommendations. Second, development is currently focused on building out pre 2008 serviced sites and that market failure in long term investment in the advance infrastructure will need to be addressed to ensure the provision of new employment land. Following the replacement of the regional regeneration funding regimes and institutions with more limited funding and Local Enterprise Partnerships (LEPs), the public sector has a weaker hand to address this market failure.

1.5 The 2012 study concluded with six recommendations to the Leicester and Leicestershire Enterprise Partnership (LLEP) and local planning authorities to combine and innovate with their resources to stimulate investment in advance infrastructure.

2 The Employment Land Study 2008: Brief, Findings and Recommendations

2.1 In 2008, the local planning authorities recognised inter dependencies between districts in planning for jobs for their respective residents. Breaking new ground, the Leicester Shire Economic Partnership commissioned PACEC, Warwick Business Management Limited and Mather Jamie to undertake the first joint employment land study for Leicester and Leicestershire. The brief set out the need for:

- Joint employment land planning and delivery up to 2026;
- Employment land policies and allocations through Local Planning Authorities' Core Strategies; and
- Investment priorities and targets.

2.2 The methodology required:

- The review of the existing supply of employment land and premises through criteria based assessments;
- The review and critique of supply and demand forecasts for employment land and premises;
- The production of alternative demand scenarios;
- An estimation of the gap between supply and demand;
- A review of potential employment land allocations; and
- Advice on delivery of employment land

2.3 The study was undertaken through a policy lens which combined three dominant policy themes:

The market. To identify an adequate supply of sites of the right quality and in the right places at the right time to meet employment forecasts and safeguard and protect these sites from competition from other uses, particularly housing;

Sustainable development and climate change: To reduce carbon emissions arising from development through new construction standards, renewable energy generation and aligning homes with jobs and services and making the fullest possible use of sustainable modes of transport; and

Local distinctiveness: To address a narrative for creating a prosperous, enterprising and dynamic economy, characterised by innovative businesses and creative people.

2.4 The supply demand gap analyses identified areas of oversupply and gaps in the provision of new employment land across uses and districts for period 2007 – 2026 (see Table 6 below) and across Leicester and Leicestershire requirements for:

- i) 100,000 sq m of offices
- ii) 183 ha for light industrial and small scale warehousing
- iii) 50 ha for a road rail strategic distribution centre

2.5 To provide a Leicester and Leicestershire – wide planning framework for these requirements, the study recommended a new pattern of *sustainable* development highlighting the key roles of: in situ renewal; sustainable urban extensions; market towns; a strategic road – rail link and science parks.

Table 1 New Pattern of Employment Development Proposed in 2008 Study

Office and R&D	Light industrial and small warehousing	Strategic Warehousing
In situ renewal	In situ renewal	Road - rail
New Business Quarter,	Strategic Urban	

Leicester	Extensions	
Leicester Science Park	Market Towns	
Loughborough Science Park		
Strategic Urban Extensions		
Market Towns		

Source: PACEC 2008

2.6 In accordance with this framework, the study recommended new allocations as set out below.

Table 2, 2008 Study: Recommended Allocations Of Previously Undeveloped Employment Land to 2026

	Offices	Light industrial and small warehousing	Strategic warehousing
PUA			
Leicester City	60,000 sq m	9.3 ha	0
Charnwood North SUEs	20 ha		0
Charnwood South SUEs	0	50 ha	0
Blaby Blaby SUEs	0	24 ha	0
Oadby & Wigston	5,800 sq m	0	0
PUA total	65,800 sq m	103.3 ha	0
Rest of Leicestershire			
NW Leics Coalville SUEs	20 – 25 ha		0
NW Leics Rail - linked	0	0	50 ha
Hinckley & Bosworth	6 ha (34,000 sq m)	14 ha	0
Hinckley & Bosworth SUEs	20 – 25 ha		0
Harborough	5 ha		0
Melton	2 ha (500 sq m)	11 ha	0
Rest of Leicestershire	34,500 sq m	80 ha	50 ha
Total	Min 100,300 sq m	Max 183.3 ha	50 ha

NB May not sum due to rounding

Harborough potential additional requirement subject to monitoring

Source: Experian; PACEC 2008

3 Employment Land Study Update 2012: Brief, Findings, Recommendations

3.1 In 2012 the Housing, Planning and Infrastructure Group of the Leicester and Leicestershire LEP commissioned Lambert Smith Hampton, PACEC and Warwick Business Management Limited to update the Leicester and Leicestershire Employment Land Study 2008. The purpose of the study was to provide an up to date evidence base to inform emerging employment land policies in Local Plans.

3.2 The objectives of the study were to:

- Update forecasts of demand for office, industrial and warehousing development land at the district, PUA and Leicester and Leicestershire levels;
- Update data on the supply of offices, industrial and warehousing development land at the district, PUA and Leicester and Leicestershire levels;
- Undertake gap analyses to identify market areas of oversupply and gaps in the provision of office, industrial and warehousing development; and
- Make recommendations on the potential de – allocation of sites and allocation of sites and measures to bring forward development.

3.3 To address the objectives the study methodology provides for:

- A demand side assessment comprising two elements: a qualitative review of occupier trends in the take up of employment land since 2008 and job - based forecasts of office, industrial and warehousing land requirements for the period 2010 – 2031;
- A supply side assessment based on the deliverability of sites within the employment land pipeline;
- Gap analyses for office (B1 a + b), industrial (B1 c, B2 and small B8) and strategic warehousing (B8) uses at the district, PUA and Leicester and Leicestershire levels; and
- A report of the study findings and recommendations to address identified barriers to development.

4 The Demand Assessment: Occupier Trends

4.1 The demand assessment of occupier trends was based on an analysis of the take up of new employment land for the period 2008 – 2012.

4.2 This assessment found that demand for the period was shaped by:

- i) Tenure: Owner occupiers provided the key source of demand for new offices, industrial and warehousing schemes through either a) pre sold schemes or b) schemes on their own land; and
- ii) Uses: Occupier demand for large scale warehousing schemes (on sites along the M1 corridor) and purpose built offices.

Table 3 Large Pre Sold and Pre Let Developments 2008 – 2012

Schemes	Uses	Sq m
Marks and Spencer, East Midlands Distribution Park, Castle Donington	Rail linked distribution centre	93,000
Crown Crest (Leicester) plc, Desford	Warehouse	43,819
Santander, Carlton Park, Blaby	Data centre	31,569
George House, Magna Park, Harborough	Head Quarters	8,815
SportPark, Loughborough Science and Enterprise Park	Head Quarters	7,500

5 The Demand Assessment: Employment Forecasts

5.1 The second part of the demand assessment was provided through employment based forecasts of demand for new employment land for the period 2010 – 2031.

5.2 The forecasts for land requirements were based on the methodology set out in the ODPM Employment Land Reviews: Guidance Note (2004) as follows:

1. Employment forecasts by Standard Industrial Classification (SIC) which is a system for classifying business establishments by the type of economic activity in which they are engaged
2. Conversion of forecast jobs to full time equivalents and use class
3. Conversion of forecast full time equivalent jobs to office floorspace and industrial and warehousing land
4. Estimate of floorspace and land required for renewal
5. Estimate of floorspace and land required for development pipeline
6. Supply / demand gap for offices, industry (comprising B1, B2 and small B8) and strategic warehousing

5.3 The employment forecasts were derived from the latest forecasts for the UK economy published by HM Treasury, which presents the average of a comparison of 24 independent forecasts of GDP over the period 2012 -13 and 13 forecasts over the longer period 2012 – 2016.

6 The supply assessment

6.1 The assessment of the supply side was informed by: semi structured interviews with commercial property developers active in Leicester and Leicestershire; a review of the schemes completed during the period 2008 - 2012 and an assessment of the deliverability of sites in the development pipeline.

6.2 The developers reported the high water mark of the last commercial property boom as 15th September 2008, the day Lehman Brothers filed for Chapter 11 bankruptcy protection. Since this event, the market has been characterised by weaker demand from occupiers, limited credit and lower investment values for completed schemes. Under these conditions, developers have adopted new business models through which they have:

- i) Suspended investment in advance infrastructure required to bring forward new employment land for development;

ii) Suspended speculative development; and

ii) Limited development to 'design and build' schemes on pre - 2008 serviced plots for freehold purchasers and in some cases leaseholders where there is a 10 – 15 year commitment and a good covenant.

6.3 Turning to recent completions, the large owner occupier led schemes (shown in Table 3 above) and new Council offices at Hinckley and Melton were complemented by light industrial and warehousing developments on fifteen other sites. These sites which were serviced and under development before 2008 include: Grove Park and LE3 in Blaby; Interchange, Watermead Business Park and The Warren in Charnwood; Airfield Farm, Riverside and Compass Point in Harborough; Tungsten Park in Hinckley; and Westminster Estate, Interlink, Ivanhoe Business Park and Willow Farm in North West Leicestershire.

6.4 The assessment of sites in the development pipeline considered: emerging land allocations; allocations in adopted plans; windfall sites and sites under construction. The assessment showed that local planning authorities and developers had progressed planning policy frameworks and proposals for schemes respectively as follows:

1) Sustainable Urban Extensions with employment land allocations at:

- i) Lubbethorpe, Blaby;
- ii) West Loughborough, Charnwood
- iii) North East of Leicester in Charnwood;
- iv) Earl Shilton, Hinckley and Bosworth;
- v) Barwell, Hinckley and Bosworth;
- vi) Coalville in North West Leicestershire.

2) Strategic road – rail – air linked logistics and distribution scheme of 555,740 sq m, adjacent to East Midlands Airport, North West Leicestershire

3) Science Park Phase 4, Loughborough, Charnwood;

6.5 In parallel developers had promoted three large scale schemes as follows:

- i) Glenfield, Blaby: a consented 97,680 sq m B1/2/8 scheme;
- ii) Lounge, Ashby, North West Leicestershire: a consented 78,000 sq m B8 scheme;
- iv) MIRA Technology Park, Hinckley and Bosworth, a consented 132,000 sq m scheme for mostly research and development office based activities along with Enterprise Zone status.

6.6 Developers reported that economies of scale, carbon credits and growth in internet shopping are combining together to create demand for super size and road – rail linked warehousing in the 'Golden Triangle' which includes Leicestershire's M1 corridor.

6.7 During the period 2008 – 2012, there were no examples of developers having invested in advance infrastructure required to bring forward new employment sites into development. Two planned investments in advance infrastructure – at Logix 2,

Hinckley and Glenfield, Blaby – highlighted this market failure as both investments relied on public sector interventions. In the first case, the investment was funded following the change of use of part of the site for housing and, in the second case, the investment will be subsidised through a loan from the Growing Places Fund.

6.8 In this context, the pipeline sites were classified as:

Tier 1: Land available for immediate development;

Tier 2: Land with one or more of the following land development issues: planning; advance infrastructure and the ‘liquidity trapped’ sites where funding was also required for advance infrastructure.

6.9 Sites not available to the open market were excluded from the supply. These include sites held by occupiers for their occupation and sites subject to specific ‘gateway’ policies (for example at Loughborough Science and Enterprise Park).

7 Gap analyses

7.1 Under the final step of the study, the balance was calculated between the demand for new employment land (arising from employment forecasts, renewal, pipeline and vacancies) and the supply of new employment land.

7.2 The supply/demand balance shown in Table 4 below highlights a shift from Leicester and Leicestershire wide requirements in 2008 for new employment land for the period 2007 – 26 to Leicester and Leicestershire wide surpluses in 2012 for the period 2010 - 2031.

Table 4 Comparative Requirements 2008 (2007 – 26) and 2012 (2010 – 31)

	2008 Study (2007 – 26)	2012 Study (2010 – 31)
Offices	- 100,000 sq m	13,190 sq m
Industrial	- 183 ha	27.22 ha
Warehousing	- 50 ha	52.87 ha

7.3 This shift reflects three developments since 2008:

- i) The overall downgrading of forecast employment growth;
- ii) Falling office floorspace requirements per worker (from 16.3 sq m in 2001 to 6 – 10 sq m of office floorspace) due to new ways of working; and
- iii) Local planning authorities and developers bringing forward proposals for new employment land, most notably within proposals for Sustainable Urban Extensions and at the proposed road – rail – air linked distribution centre adjacent to East Midlands Airport.

7.4 However, **a supply/demand balance based on *deliverable* Tier One sites shows that overall shortfalls in new employment land have not improved significantly since 2008.**

Table 5, 2012 Study: Supply (Tier One Sites) / Demand Balance: 2010 - 31

	Forecast requirements	Tier One supply	Requirements
Offices	210,800 sq m	132,565 sq m	- 78,235 sq m
Industrial	163.6 ha	63.345 ha	-100.255 ha
Warehouses	129.3 ha	58.03 ha	- 71.0 ha

7.5 The district by district Tier One supply / demand balances, identify shortfalls of deliverable land in three specific sub markets:

i) Leicester City Centre and PUA office markets: The analysis identified a shortfall in planned provision of 74,885 sq m in offices across the PUA. Measures to bring forward sites for Grade A office schemes in Leicester city centre are set out in the recent, 'Leicester Office Market Review.'

ii) Leicester and PUA light industrial / small warehousing markets: The analysis identified a shortfall in planned provision of 47.29 ha to accommodate demand from mostly Leicester based firms, for light industrial and small warehousing uses. Measures will need to focus on bringing forward strategic scale sites close to the city boundaries to meet this forecast demand.

iii) M1 Corridor Strategic Warehouses: A further shortfall relates to the supply of sites to accommodate super size and road - rail linked warehouses. This shortfall reflects a national demand for warehousing and distribution centres in the 'Golden Triangle' which includes Leicester's M1 corridor. Whilst a large scale road – rail – air linked scheme is the subject of a developer led proposal, planning for future provision needs to set in the context of a warehousing employment land review for the 'Golden Triangle' area.

The three sub markets are highlighted in bold in the Table 6 below

Table 6 Supply / Demand Balances: 2008 and Tier One Sites 2012

	Offices sq m		Industrial ha		Warehousing ha	
	2007 - 26	2010 - 31	2007- 26	2010 - 31	2007 - 26	2010 - 31
PUA						
Leicester	-16,028	- 33,270	-39.3	-33.76	-29.4	- 19.2
Blaby	19,523	- 9,688	-11.8	-10.24	-12.0	- 1.3
Charnwood	47,129	- 26,727	10.6	0.81	-11.5	- 11.2
O & Wgston	-11,522	- 5,200	-3.2	- 4.1	0	0
Sub mkts		- 73,885		- 47.29		
Leics						
Harborough	14,705	29,780	7.7	-12.175	-32.9	- 38.05
H & B'worth	32,515	- 7,930	-4.0	- 5.1	-8.6	9.69
Melton	-3,980	3,700	-3.9	- 7.3	-7.0	0
NW Leics	4,318	-29,400	41.4	- 26.84	- 0.5	- 22.41
Sub mkt iii						- 71.87

Source: PACEC

8 Findings, Conclusions and Recommendations

8.1 The Supply Side

8.2 Since the end of the last property boom in 2008, developers have adopted new business models to adjust to conditions of lower demand and capital values and limited credit facilities. Through these models, developers have:

i) Switched from purchasing land outright to arrangements such as options and draw down agreements under which the developer will only commit funds once there is certainty over the development of a scheme;

ii) Focused investment in land development activity on bringing forward mostly housing led mixed use sites for planning applications;

iii) Suspended investment in advance infrastructure required to bring forward new employment land except in cases where there is some form of public sector subsidy;

iv) Suspended speculative development due to lack of credit and weaker tenant demand (characterised by rising tenant incentives and shorter leases with more frequent break options); and

v) Responded to the more limited demand for pre sold / let 'design and build' schemes for owner occupiers and leaseholders (providing a 10 – 15 year commitment and a good covenant)

8.3 To fund such schemes *cash rich* developers have used their own resources subject to securing returns on internally determined investment hurdle rates whilst *cash poor* developers have entered into forward sale agreements with investors.

8.4 To make viable such scheme, both *cash rich* and *cash poor* developers have built out schemes on pre - 2008 serviced sites in some cases at a marginal developer's profit.

8.5 As the supply side adjusts to new market conditions and opportunities, the market may become characterised by:

i) A growing dominance of (globally) well funded, large scale developers focused on the most profitable forms of development on the most prime sites, for example in Leicester and Leicestershire, large scale warehouses on sites with immediate access to the motorway, as these developers will be required by their investors to achieve pre determined investment 'hurdle' rates;

ii) A continuing but lesser role for smaller developers building out their land banks and operating in non - prime locations;

iii) A need for the public sector to work much more closely with both the large and small scale developers as a catalyst for innovations in planning, regeneration and development finance to fund advance infrastructure required for large scale schemes and 'liquidity trapped' sites.

8.6 The Demand Side

8.7 Since the slowdown in economic growth, businesses have become more cautious about committing to new premises. However, some businesses are addressing growth markets and have requirements for new build premises. Given the constraints on credit, demand for new build schemes is limited to:

- i) 'Covenant led' purpose built 'design and build' developments for purchase or lease by businesses with strong balance sheets and records of profitable trading; and
- ii) Owner occupier - led schemes where businesses acquire sites for their own development or develop on their existing sites

8.8 Turning to the office market, a recent study, GVA (2011) 'What will influence UK occupier requirements in the next decade?', concluded that three factors may result in a decrease in the total UK stock of offices in the decade 2011 – 2021; as follows:

- Lower employment growth in the financial and business services sector (at the rate of 1.5% pa against a 3% growth rate for the period 1993 – 2007);
- Higher employment densities as more efficient, large floorplates accommodate office workers within less floorspace; and finally a
- Lower rate of development due to lack of bank finance, lower capital values and lower demand

8.9 In addition, the Office of Budget Responsibility has forecast that employment will fall in the public sector by 300,000 jobs over the four years to 2014/15. In the East Midlands, the Civil Service is planning to reduce its head count by 20% and its office estate by 40 - 50% due to consolidation into larger offices, typically in Birmingham and Nottingham.

8.10 In the logistics and distribution sector, demand is being shaped by economies of scale: carbon credits and the growth in internet shopping. These drivers are combining together to create demand for super size, road – rail linked warehouses in the 'Golden Triangle' which includes the Leicestershire M1 Corridor

8.11 Schemes at DIRFT in Daventry (for a total of 1.3m sq m of warehousing with 15,000 jobs and adjacent to East Midlands Airport (for 0.55m sq m of warehousing and 6,000 jobs) dwarf the rest of the commercial property. Such schemes are set to become the dominant source of activity in employment land planning, development and job creation in the 'Golden Triangle' during the plan period.

8.12 Conclusions

8.13 Since 2008, the employment land market in Leicester and Leicestershire has been transformed on the supply side by crises in the credit markets and on the demand side by growth in the market for super size road – rail linked warehousing and decline in the overall demand for offices.

8.14 In the early stages of the plan period, developers will build out their pre - 2008 serviced sites to meet demand from occupiers with the financial strength to secure 'design and build' schemes through either freehold purchase or lease. Whilst developers are investing to bring forward planning applications for housing - led mixed use schemes, there is a clear market failure to invest in advance infrastructure required to bring forward new employment land. In this context the LLEP and the Leicester and Leicestershire LPAs have already granted been granted a loan from the Growing Places Fund to enable a developer to invest in advance road works for an employment site.

8.15 However, the scale of development needed requires further innovations in planning, regeneration and development finance. For example, the LLEP and LPAs are well placed to leverage investment in advance infrastructure for housing - led mixed use schemes to bring forward the strategic employment sites within the Sustainable Urban Extensions.

8.16 The super - size warehousing market is the subject of substantially more significant occupier and property developer and investor pressures. A more detailed study of this market is required to enable the LLEP and LPAs to form a considered approach to manage the inevitable development pressures and impacts and opportunities arising.

8.17 Recommendations

The LLEP and the LPAs to:

- i) Identify priority geographical sub - areas where investment in advance infrastructure is required to bring forward new employment land;
- ii) Leverage all development opportunities to bring forward investment in and phased development of new employment land, most notably in the proposed SUEs;
- iii) Establish policy frameworks for and viability of funding regimes for innovations in planning, regeneration and development finance to fund advance infrastructure in and phasing the development of new employment land;
- iv) Review the potential supply of offices in the context of forecast decline in overall demand and supply side constraints on renewal and upgrading of the stock;
- v) Strengthen the evidence base for employment land planning for supersize warehouses through:
 - a) A sector based research study into the market drivers as well as the economic, employment and environmental impacts; and
 - b) A 'Golden Triangle' wide Employment Land Review
- vi) Consider establishing a shared approach to collecting employment land monitoring data with a view to strengthening the evidence base at the LPA and HMA levels and publishing an Employment Land Annual Review in partnership with the Commercial Property Forum.

**Leicester and Leicestershire
HMA Employment Land
Study**

A report prepared by
Lambert Smith Hampton
PACEC
and Warwick Business Management Ltd

on behalf of
Leicester and Leicestershire Local Enterprise
Partnership

PACEC

Public and Corporate
Economic Consultants
www.pacec.co.uk

49-53 Regent Street
Cambridge CB2 1AB
Tel: 01223 311649
Fax: 01223 362913

504 Linen Hall
162-168 Regent Street
London W1R 5TB
Tel: 020 7734 6699
Fax: 020 7434 0357

e-mail:

March 2013

Ref: H:\1204\20LLEP\Rep\Draft\Draft report.doc

Contents

1	Introduction	1
1.1	Introduction	1
1.2	Methodology	1
2	Methodology.....	4
2.1	Employment land demand: market review	4
3	Employment land demand: job forecasts	6
3.1	Introduction	6
3.2	Raw data	6
3.3	Employment forecasts by use class and district	7
3.4	Floorspace forecasts	8
3.5	Floorspace to industrial and warehousing land.....	9
3.6	Renewal.....	9
3.7	Pipeline.....	10
3.8	Vacant Property	11
3.9	Supply/Demand Balance	11
4	Creating a picture of future requirements	13
4.1	Introduction	13
4.2	Leicester City	13
4.3	Blaby.....	19
4.4	Charnwood	25
4.5	Oadby and Wigston	34
4.6	Harborough.....	39
4.7	Hinckley and Bosworth	45
4.8	Melton	52
4.9	North West Leicestershire	58
4.10	Leicester/Leicestershire HMA	65
4.11	Leicester Principal Urban Area	76
5	Findings, conclusions and recommendations.....	86
5.1	The Supply Side	86
5.2	The Demand Side.....	88
5.3	Barriers to Development.....	89
5.4	Conclusions	90
5.5	Recommendations.....	91

1 Introduction

1.1 Introduction

1.1.1 The Housing, Planning and Infrastructure Group of the Leicester and Leicestershire Enterprise Partnership (LEEP) commissioned Lambert Smith Hampton, PACEC and Warwick BML to update the Leicester and Leicestershire Employment Land Review 2008. The purpose of the study is to provide an up to date evidence base to inform emerging employment land policies in Local Plans.

1.1.2 The objectives of the study were to:

- Provide a policy context
- Update forecasts of demand for office, industrial and warehousing development land at the district, PUA and Leicester and Leicestershire Housing Market Area (HMA) levels;
- Update data on the supply of office, industrial and warehousing development land at the district, PUA and Leicester and Leicestershire HMA levels;
- Undertake gap analyses to identify market areas of oversupply and gaps in the provision of office, industrial and warehousing development; and
- Make recommendations on the potential phasing of sites, allocation of sites and potential measures to bring forward development.

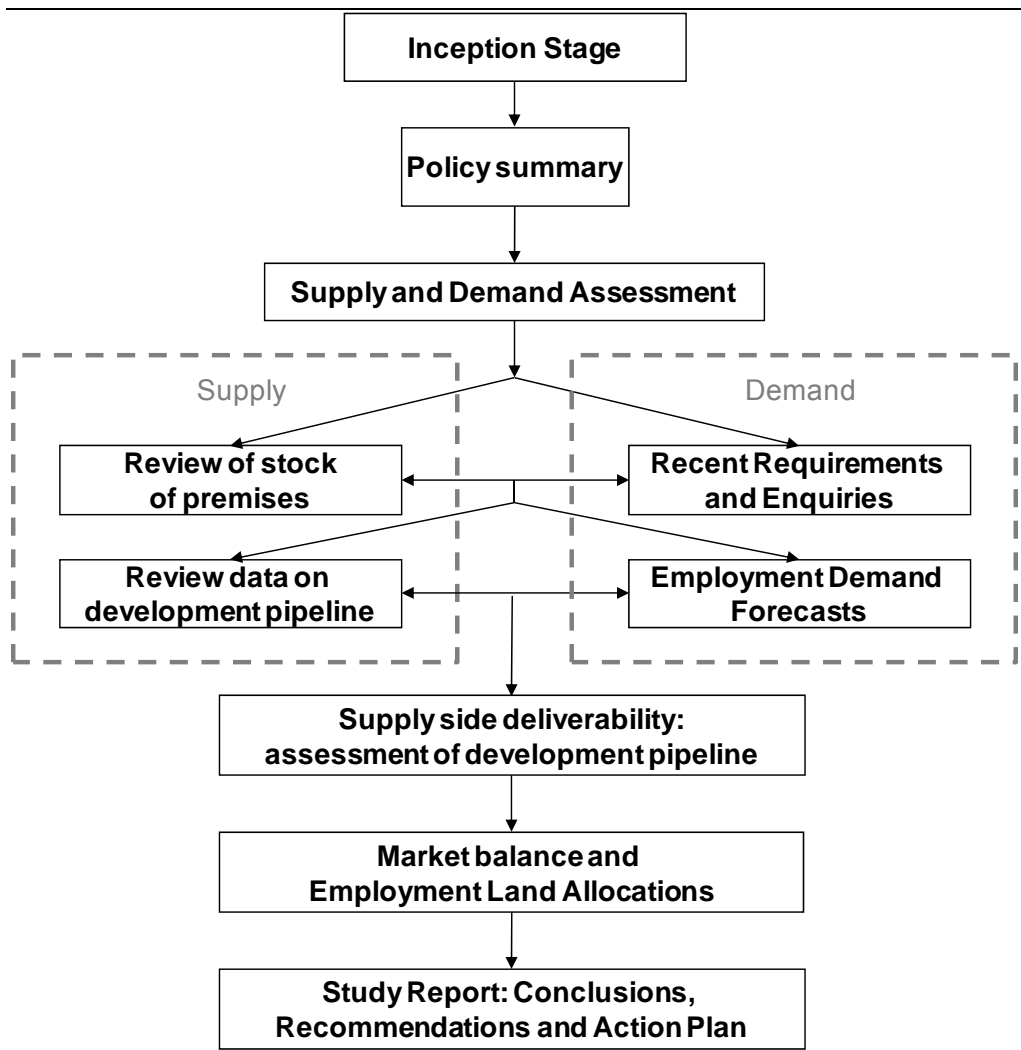
1.1.3 To undertake the update, the consultancy team has worked with representatives of the LLEP, the local planning authorities, developers and agents in the collection, analyses and interpretation of data, semi structured interviews and consultations.

1.1.4 The consultancy team members - Geoff Gibson of Lambert Smith Hampton, Matt Rooke and Rod Spires of PACEC and Simon Smith of Warwick BML – wish to record their thanks to all of those who gave of their time to make this report possible.

1.2 Methodology

1.2.1 To undertake the update study, the consultancy team developed an overall conceptual framework and methodology to address the study objectives.

Figure 1.1 Conceptual framework



- 1.2.2 Demand Side Assessment: For the period 2008 – 12, the study drew together changes in demand for employment land, identified as large scale closures and occupier trends in the take up of development, completions and starts since the last review.
- 1.2.3 For the period 2010 – 31, forecasts of office floorspace and industrial and warehousing land requirements were prepared in accordance with the methodology set down in the ODPM Employment Land Reviews: Guidance Note (2004).
- 1.2.4 Supply Side Assessment: For 2012, an assessment was made of the deliverability of sites within the employment land pipeline. Under the assessment, sites were allocated in accordance with the following classifications: tier 1, available for immediate development; tier 2, land with one or more of the following land development issues: planning; advance infrastructure and funding required for advance infrastructure. Sites which are not available to the open market were excluded from the supply.

- 1.2.5 Market Balance and Employment Land Allocations: The supply demand gap analyses were undertaken by office (B1 a and B1b), industrial (B1 c, B2 and small B8 less than 10,000 sq m) and strategic warehousing (B8) uses at the following levels: district, PUA and Leicester and Leicestershire HMA.
- 1.2.6 Study Findings and Issues: The findings concern evidence of need and potential oversupply and constraints on the supply side. The constraints to the supply side concern: liquidity and investment conditions for advance infrastructure; occupier demand (expressed as deals based on pre sold and pre let schemes). The issues concern policy approaches to addressing areas of need and oversupply and securing advance infrastructure required for new sites.

2 Methodology

2.1 Employment land demand: market review

2.1.1 In the period since 2008, the value of new office construction orders in the UK has fallen to 50% of the historic rate. This reflects the lack of bank finance for speculative development and non viability of development due to weak rental growth and lower capital values attached by investors to completed schemes. It is predicted new office development will remain subdued for many years as the availability of development finance will improve only gradually and many schemes will remain unviable.

2.1.2 However, demand has arisen across all of Leicester and Leicestershire's geographical and property sub markets from pre sold and pre let schemes. The latter need to be subject to long leases to occupiers with good covenants. Examples of pre sold and pre let scheme include:

New offices:

- 31,569 sq m data centre for Santander, Carlton Park, Narborough;
- 8,185 sq m offices, George House for Asda, Magna Park, Harborough;
- 7,500 sq m SportPark at the Loughborough Science and Enterprise Park
- 3,250 sq m of offices for Melton Borough Council, Melton
- 2,694 sq m of offices for Hinckley and Bosworth Borough Council, Hinckley

New warehouses:

- 93,000 sq m rail linked distribution centre for Marks and Spencer on 18.13 ha at East Midlands Distribution Park, Castle Donington
- 43,819 sq m for Crown Crest (Leicester) plc on 6.81 ha at the former Timken Desford Steel Limited site

2.1.3 Developers have brought forward office, light industrial and warehousing schemes on sites that were serviced and under development before 2008. Notable schemes have been completed at the following fifteen sites:

- Blaby: Grove Park and LE3, Kirkby Muxloe
- Charnwood: Interchange, Birstall; Watermead Business Park; The Warren, East Goscote
- Oadby and Wigston: Tiger's Close, South Wigston
- Harborough: Three sites in Market Harborough: Airfield Farm, Riverside and Compass Point

- Hinckley and Bosworth: Tungsten Park, Hinckley
- North West Leicestershire: Westminster Estate, Measham; Interlink, Bardon; Ivanhoe Business Park, Ashby; and Willow Farm, Castle Donington.

2.1.4 The closure of Astra Zeneca brought a 21.54 ha site to the market. Of this land 13 ha has been taken up by Jayplas for their own occupation and the remaining 8.54 ha is added to the supply. Elsewhere in the market, developers were active in the planning phases of the land development process for example at:

- Proposals for SUE sites were progressed at Lubbethorpe, Blaby; West of Loughborough and North East of Leicester in North and South Charnwood respectively; Earl Shilton and Barwell in Hinckley and Bosworth; and Coalville together with a smaller scheme, the Melton Growth Area.
- Large scale schemes at Glenfield, Blaby, 97,680 sq m B1/2/8 scheme; Lounge, Ashby 78,000 sq m B8; and Science Park Phase 4, West of Snells Nook Lane, Loughborough.
- The MIRA Technology Park in Hinckley Bosworth has been granted planning permission for 132,000 sq m of mostly research and development office based activities along with Enterprise Zone status. This scheme though is not available to the open market as it is focussed on businesses engaged in research and development in the transport sector.
- The most significant proposal is being promoted by Roxhill for a 555,740 sq m road – rail – air linked logistics and distribution scheme adjacent to East Midlands Airport in North West Leicestershire. This scheme is to be considered by the National Infrastructure Commission.

2.1.5 During this period there is little evidence of developers investing in advance infrastructure required to bring forward new employment sites for development. This market failure reflects the lack of development finance available and the risks attached to such investments without any guarantee of early returns. This has led to sites being 'liquidity trapped' where investment in advance infrastructure will be subject to large scale pre sale or let deals. Two planned investments in advance infrastructure illustrate the need for financial innovations to address market failure. In Hinckley, Goodman have reinvested part of the proceeds from the sale of former employment land for housing to fund the access road required for the Logix 2 scheme. At Glenfield, Blaby, the advance infrastructure costs will be shared between the housing and employment elements of the scheme and supported by the public sector through a loan from the Growing Places Fund.

3 Employment land demand: job forecasts

3.1 Introduction

3.1.1 The forecasts of floorspace and land requirements are based upon the methodology set down in the ODPM Employment Land Reviews: Guidance Note (2004). The six steps of the forecasting methodology are as follows:

- 1 Employment forecasts by use class
- 2 Conversion of forecast jobs to floorspace (for offices, industrial and warehousing uses)
- 3 Conversion of floorspace to industrial and warehousing land
- 4 Estimate floorspace and land required for renewal
- 5 Estimate floorspace and land required for development pipeline
- 6 Set out supply/demand balances for offices, industrial (comprising B1c / B2 and small B8) and finally strategic warehousing as a distinctive and substantial source of market demand

3.1.2 In the remaining sections of this chapter these six steps are explained in detail, beginning with the forecasts of employment.

3.2 Raw data

3.2.1 PACEC's data has been used, which includes a continuous data set of workplace jobs (employees plus the self-employed) by district, dating back to 1971, which takes account of numerous changes in geographical boundaries, data collection methods, and industrial classifications over that period. The raw employment data is taken from datasets published by the Office for National Statistics:

- 1971-1991 – Census of Employment
- 1991-1998 – Annual Employment Survey
- 1998-2008 – Annual Business Inquiry
- 2008-2010 (latest) – Business Register and Employment Survey

Data on self-employment is taken from the Labour Force Survey and Census of Population.

3.2.2 The first stage in the floorspace and land assessment is to estimate the amount of employment in each land use class:

- B1(a) + B1(b) – Offices (including public administration)
- B1(c) + B2 – Industry
- B8 – Warehousing

3.2.3 This is accomplished by drawing up a correspondence between the Standard Industrial Classification (SIC) and the office, industrial, and warehousing land use classes. Since the previous ELR was published, the data collection method has changed (from the Annual Business Inquiry to the Business Register and Employment Survey) and the SIC has been updated (from SIC2003 to SIC2007). As a result, the employment datasets are not exactly comparable. However, as a result of the development of the new SIC, it has been possible to make some improvements to the mapping of SIC to use class. The main differences between this review and the previous ELR are as follows:

- “Printing and publishing” was a single sector in the previous review and was assigned to the office use class. In this forecast, it has been possible to separate out the printing sector and assign this to industry.
- “Banking and finance” was classed as an office use in the previous review. In this forecast, it has been possible to separate out high street banking activities (classified as A2) from other financial and back office functions (which remain classified as office uses)
- Temporary employees working for agencies were all assigned to the office use class – these have been assigned to all of the SIC sectors on a pro rata basis.
- The “services to buildings and landscaping activities” component of the “business support” sector has been relocated from office to industry.
- Employment in construction was assigned to B2 in the previous ELR. For this review, 10% of employment in this sector is assigned to offices and 5% to industry.

Broadly, the net result of the above changes is to reduce employment demand in offices and industry, while leaving warehousing broadly unchanged.

3.2.4 Once the appropriate raw data have been assembled and classified, the next stage in the methodology is to forecast the changes in employment in each district and use class over the study period.

3.3 Employment forecasts by use class and district

3.3.1 PACEC’s methodology for forecasting employment demand is based upon the following:

- The historic relationship between annual growth in GDP and growth rates in individual industrial sectors, estimated using regression analysis (taking into account the possibility for a time lag between GDP growth and growth in particular industries)
- Historic trends in the share of employment in each industry which is to be found in each district

- Forecasts of GDP
- Adjustments for local conditions

3.3.2 For the update, we have used the latest forecasts for the UK economy published by HM Treasury, which present the average of a comparison of 24 independent forecasts of GDP over the period 2012-2013 and 13 forecasts over the longer period 2012-2016. We have extended these to fit the study period by assuming that GDP growth for 2013-16 is representative of the longer-term economic cycle.

3.3.3 These national GDP forecasts are used as a framework for the national and district-level forecasts of employment by use class. Firstly, we project forward the national change in employment in each use class using the regression analysis. Secondly, we project forward the change in each district's share of employment in each use class. Finally, we make adjustments based on local conditions which may have distorted the trend analysis, such as a major local development which boosted local employment in a particular sector but which is unlikely to be repeated.

Full-time equivalent jobs

3.3.4 The floorspace requirement of employment can be estimated using standard ratios of the amount of space required per full-time employee or equivalent. The first step in this calculation is therefore to convert the number of workplace jobs (which includes part-time workers) to their full-time equivalent. The percentage of jobs which are filled by part-time workers varies from industry to industry. The average percentage of employees which worked part time in the Leicester and Leicestershire HMA in 2010 were 23% in B1-class workplaces, 13% for B8-class workplaces, and just 9% for B2-class workplaces. We have applied these ratios to our forecast of workplace jobs to convert it into a forecast of full-time equivalent jobs by assuming that these part-time employment ratios are applicable to the individual districts, and that these percentages will remain constant over the forecast period.

3.3.5 The next part of the methodology deals with the conversion of full-time equivalent job forecasts to floorspace and land forecasts.

3.4 Floorspace forecasts

3.4.1 Under step two, the forecast FTE jobs are translated into demand for floorspace (as Gross External Area). The methodology uses a standard ratio of *net internal* floorspace per employee. This is then converted from net to *gross internal* floorspace and then from internal to *gross external* floorspace in line with Employment Land Reviews: Guidance Note (ODPM, 2004), the 2nd edition of the Employment Densities Guide (HCA, 2010).

- 3.4.2 Since the 2008 ELR, new evidence on employment densities has been published, summarised in the 2nd edition of the Employment Densities Guide. The major change is due to the growth in flexible working which is enabling the better utilisation of office space. This has and is continuing to translate into a sharp fall in office space per worker. A survey undertaken by Gerald Eve / RICS in 2001 recorded an average overall national benchmark for office employment of 16.3 sq m per worker, ODPM (2004), p 99. In 2011, GVA reported densities in a range of 6 – 10 sq m per worker with 8 sq m per worker typical for occupiers in the financial and business services sector.
- 3.4.3 To account for the adoption of new working practices within existing, refurbished and new offices, we have assumed that existing offices are occupied at the old employment density of 18 m² (gross external) per FTE job in 2010. We have further assumed that the future density of employees in offices will increase (on a straight line basis) to a higher density of 12.2 m² (gross external) per FTE job by 2031.
- 3.4.4 Summary of floorspace ratios (Gross External Area per FTE job)
- Offices: 18m² in 2010, 12.2 m² in 2031
 - Industry: 37.4 m²
 - Warehousing: 75 m²

3.5 Floorspace to industrial and warehousing land

- 3.5.1 The following plot ratios of gross external floorspace per hectare were applied to convert floorspace demand to land demand, as used in the 2008 ELR:
- Warehousing 5,000 sq.m.
 - Industrial 4,200 sq.m.
- 3.5.2 Estimates of office requirements are currently left in sq.m. for simplicity. This is because plot ratios for offices can vary dramatically, from 20,000-30,000 sq.m. per hectare in city centres, down to 3,000 sq.m. per hectare in more rural or out of town locations.

3.6 Renewal

- 3.6.1 A second source of demand for new employment land arises from the need to renew ageing and obsolete office, industrial and warehousing stock. This source of demand arises even in circumstances where there is a forecast decline or stability in jobs to be accommodated in B use class properties.
- 3.6.2 Data show the age profile of the stock varies between property types and location. However the data do not provide a guide to the rate of renewal as the data are a function of the levels of clearance of old

stock, renewal of existing stock and development of new stock. However the data show that over 70% of the warehousing stock was built in the 32 years 1971 – 2003 (at the rate of 2.2% per annum) against 55% of offices and 40% of industrial property (at rates of 1.7% and 1.25% pa respectively). By location, some districts have newer stock than others, for example over 90% of warehouses in Harborough and North West Leicestershire were built since 1971 whilst in Leicester only 40% of warehouses were completed during the same period.

- 3.6.3 There are no evidence bases for calculating the rate of renewal of the stock and the rate at which this renewal takes place on brown field land or on previously undeveloped land. In this context we have adopted conservative rates of renewal of 1% pa for offices and warehouses (to reflect the mix between older office buildings and newer purpose built stock). A renewal rate of 0.75% pa is adopted for industrial property due to lower rates of demand. The rates of renewal on new employment land are assumed to be 50% of new office and industrial development and 75% of new warehousing.
- 3.6.4 We do not have access to updated statistics for the stock of employment floorspace and land since the 2008 ELR, as the relevant datasets are no longer published by DCLG and in any case the sector definitions are not compatible with the split between B1(a) and B1 (b) Offices and B1 (c) and B2 Industry which we have used in this review. Therefore, the stock of land and floorspace is estimated from the most recent employment figures using the procedure set out above to convert employment to floorspace and land demand.

3.7 Pipeline

- 3.7.1 A further requirement arises from the need to enable the land market to function effectively. At the beginning of a plan period, there are a number of employment sites in development providing competition and choice within geographical and property sub markets. In anticipation of these sites being taken up, it is necessary to identify further sites to be brought through the planning and land development process. As stated in the 2008 study (Section 7.2.5) Roger Tym and Partners have argued that (a pipeline) of five or more years is appropriate in circumstances where development is complex. Changes in market conditions since 2008 underpin the case for planning for a long pipeline of sites. This is because allocated employment sites may be 'liquidity trapped' pending investment in advance infrastructure and following such investment development may be delayed pending pre-sold and pre-let deals. In this context we have provided for a pipeline equivalent to six times the annual forecast requirements.
- 3.7.2 The pipeline is calculated as follows: the requirement arising from employment demand (where this is positive) plus renewal on new employment land divided by the number of years in the plan period multiplied by six years.

3.8 Vacant Property

3.8.1 In calculating the supply side, allowance needs to be made according to whether there are higher or lower levels of vacancies in the existing stock. In a study prepared by Roger Tym and Partners for Charnwood Borough Council (2006), it was noted 'a certain level of vacant floorspace is generally required for the property market to function effectively. This equilibrium vacancy is generally held to be around 7.5% of the stock (based on ODPM's Commercial and Industrial Property and Vacancy Statistics which are no longer collected). The actual level of vacant floorspace may be higher or lower than this, indicating that the market is in disequilibrium:

- a vacancy rate of more than 7.5% means that floorspace is oversupplied. We add this oversupply, or surplus, to the supply available to accommodate future change in demand
- a vacancy rate of less than 7.5% means that the floorspace market is undersupplied. This undersupply, or deficit, is space that should be vacant but is occupied. We subtract it from the supply available to accommodate future change in demand.'

3.9 Supply/Demand Balance

3.9.1 Under the final step we calculate the balance between the demand for new employment land (arising from employment forecasts, renewal, pipeline and vacancies) and the supply of new employment land.

3.9.2 On the demand side no provision is made for large scale, one off requirements. However we have acknowledged that the M1 corridor is part of the 'Golden Triangle' (the area between the M1, M69 and M6) for large scale national logistics and distribution centres. Given the scale of the demand it is more appropriate to seek to plan for such national provision on a sub regional as opposed to a district by district basis. For example a 714,000 sq m scheme is planned at DIRFT III across the County boundary at Daventry. As an interim measure we have undertaken a supply demand balance calculation based on employment demand arising from trends established in the 1980s arising from growth in national warehousing most notably in Harborough and North West Leicestershire and strategic warehousing sites in the HMA most notably the Leicestershire M1 corridor districts (Harborough, Hinckley and Bosworth, Blaby and North West Leicestershire). However we recommend that a supply demand balance based on the 'Golden Triangle' sub region could provide a more robust evidence for the purposes of planning strategic warehousing.

3.9.3 Turning to the supply side we have assessed deliverability within the pipeline of new employment land and windfall sites. The assessment has comprised a review of completions and starts for the period 2008 –

12 and interviews with developers active in the market. Based on our findings, we have classified sites as follows:

- Tier 1, available for immediate development;
- Tier 2, land with one or more of the following land development issues: planning; advance infrastructure and funding required for advance infrastructure;
- Sites which are not available to the open market and hence excluded from the supply. These include sites held by occupiers for their occupation and sites subject to specific 'gateway' policies for example at Loughborough Science and Enterprise Park.

3.9.4 Sites in the supply have been allocated to the uses they are most likely to be developed for as follows: offices (with research and development identified as B1 (b) where appropriate; light and general industry and small scale warehousing and finally strategic warehousing (defined as units of more than 10,000 sq m). In cases where sites are subject to formal allocations and planning permissions, the take up between the various uses has been estimated. For example, in North West Leicestershire a required 20ha allocation within the proposed SUE has been divided as follows: 25,000 sq m of office on 5 ha; 5 ha for light and general industry and small warehousing and 10 ha for strategic warehousing.

3.9.5 In the next chapter we apply the step by step methodology as follows: district by district, M1 corridor (strategic warehousing), PUA and the Leicester and Leicestershire HMA.

3.9.6 Notes: Positive figures indicate an 'over – supply' i.e. supply is greater than demand and negative figures indicate an 'under – supply' i.e. demand is greater than supply.

4 Creating a picture of future requirements

4.1 Introduction

4.1.1 In this chapter, the employment land demand forecasting methodology is applied to the districts comprising the Leicester and Leicestershire HMA, and the HMA as a whole, in the following order:

PUA districts:

- 1 Leicester City
- 2 Blaby
- 3 Charnwood
- 4 Oadby and Wigston

Other districts:

- 5 Harborough
- 6 Hinckley and Bosworth
- 7 Melton
- 8 North West Leicestershire

4.2 Leicester City

Employment forecasts

4.2.1 The forecast of workplace jobs in Leicester City over the period 2010-2031 is set out in Table 4.1 below.

Table 4.1 Workplace jobs in Leicester City, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	27.9	26.8	28.4	30.4	33.1
B1c/B2 Industrial	30.6	29.0	24.2	22.0	20.0
B8 Warehousing	10.8	10.7	11.4	11.6	11.8
Other	106.9	104.8	109.3	113.5	118.2
<i>Total</i>	<i>176.2</i>	<i>171.4</i>	<i>173.2</i>	<i>177.5</i>	<i>183.1</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

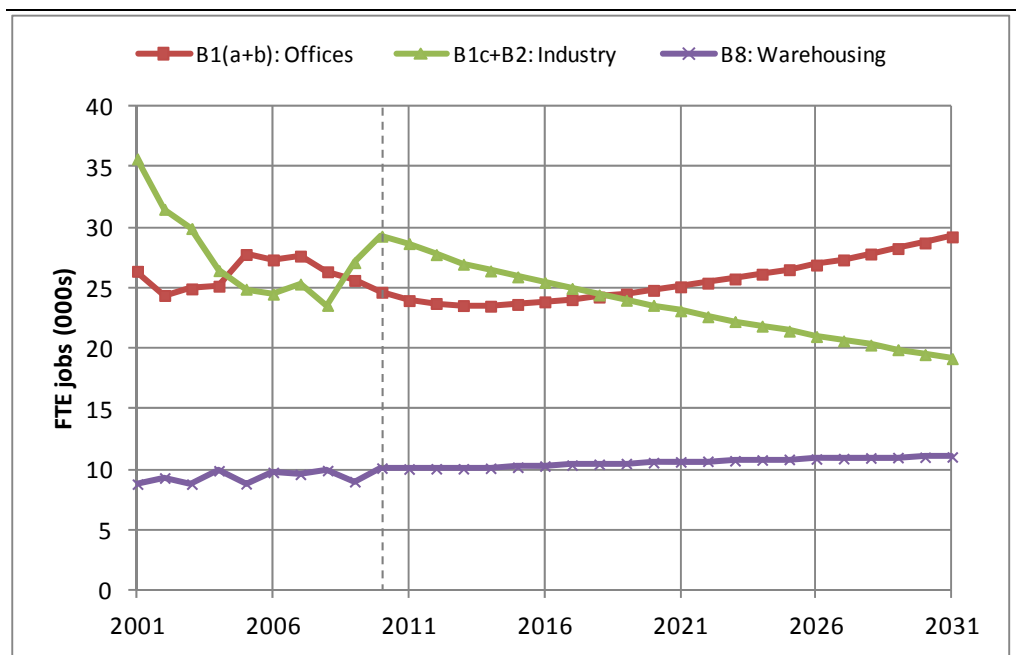
4.2.2 The forecast FTE job figures are set out in Table 4.2 below, while the longer-term trends and forecasts are shown in the following Figure 4.1.

Table 4.2 FTE jobs in Leicester City, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	24.6	23.7	25.1	26.9	29.2
B1c/B2 Industrial	29.3	27.8	23.1	21.0	19.2
B8 Warehousing	10.1	10.1	10.6	10.9	11.0
Other	85.2	83.5	87.1	90.4	94.2
<i>Total</i>	<i>149.2</i>	<i>145.0</i>	<i>145.9</i>	<i>149.2</i>	<i>153.6</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.1 Full time equivalent jobs in Leicester City in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.2.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.3 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

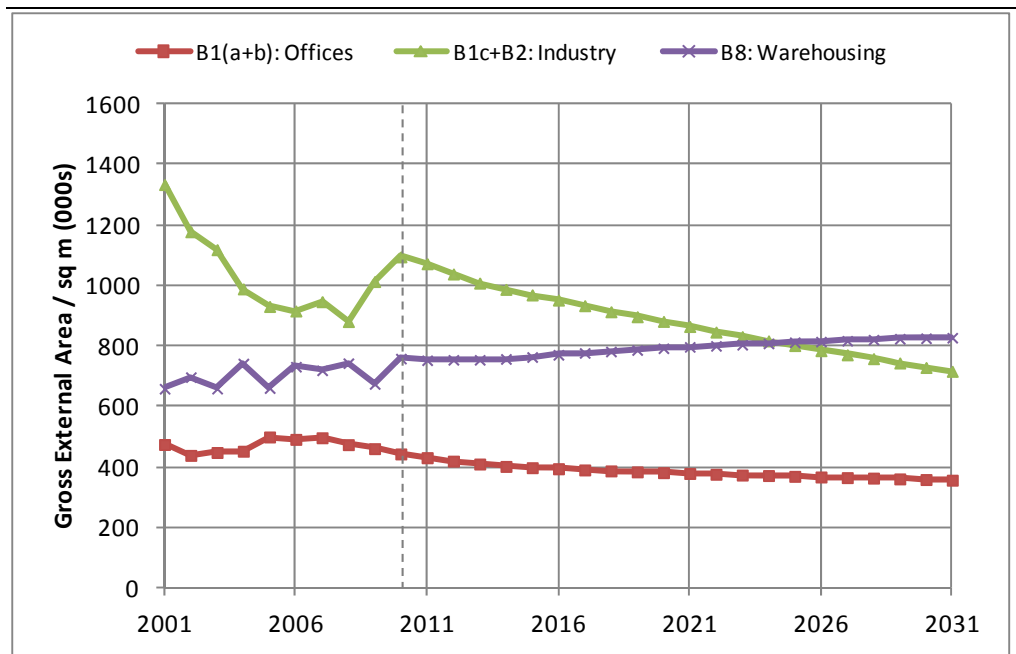
Table 4.3 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	443.5	420.1	379.0	367.3	356.8
B1c/B2 Industrial	1,095.1	1,038.1	864.5	785.1	716.6
B8 Warehousing	758.8	754.8	797.4	815.0	827.8
<i>B-class total</i>	2,297.4	2,213.0	2,040.9	1,967.4	1,901.2

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.2.4 The trends in floorspace demand are set out in Figure 4.2 below.

Figure 4.2 Gross External Area of floorspace demand in Leicester City in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to industrial and warehousing land demand

4.2.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.4 Floorspace/land requirements due to forecast employment demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
	B1a/b Offices	-52,700	-63,300	n/a	-52,700
B1c/B2 Industrial	-253,100	-321,500	4,200	-60.3	-76.6
B8 Warehousing	60,300	73,000	5,000	12.1	14.6

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.2.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.5 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	420,100	2,100 (0.5%)	29,400	29,400	39,900	39,900
B1c/B2 Industrial (land /ha)	247.2	1.9 (0.75%)	26.0	13.0	35.2	17.6
B8 Warehousing (land /ha)	151.0	1.5 (1%)	21.1	15.9	28.7	21.5

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.2.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period. The pipeline estimate for the period 2012-2031 is greater than that for 2012-2026 for warehousing land as the demand component of the total requirement grows smaller over time – see the decelerating growth curve of Figure 4.2 above.

Table 4.6 Floorspace/land requirements

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
B1a/b Offices (floorspace /m ²)	29,400	39,900	12,600	12,600	42,000	52,500
B1c/B2 Industrial (land /ha)	13.0	17.6	5.6	5.6	18.5	23.2
B8 Warehousing (land /ha)	27.9	36.1	12.0	11.4	39.9	47.5

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.2.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing, and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small B8 together with B1 c and B2), and strategic warehousing (defined as units of more than 10,000 sq m) appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.7 Office requirements (sq m)

Forecast	52,500
Tier One Supply	19,230
Tier Two Supply	25,648
Balance	-7,622

Table 4.8 Industrial Requirements B1 c / B2 and small B8 (ha)

Forecast	51.50
Tier One Supply	17.74
Tier Two Supply	1.60
Balance	-32.16

Table 4.9 Strategic warehousing requirements (ha)

Forecast	19.20
Tier One Supply	0.00
Tier Two Supply	0.00
Balance	-19.20

4.2.9 The tables show forecast demand for the period 2010 – 31 for 52,500 sq m of offices, 51.5 ha of industrial land and 19.2 ha of strategic warehousing land. Turning to the new development pipeline, the Supply Demand balance shows a small shortfall in the planned provision for offices (-7,622 sq m), and substantial shortfalls in the provision of land for industrial (32.16 ha) and strategic warehousing (19.2 ha) uses. The deficits in industrial and strategic warehousing will

need to be met respectively elsewhere within the PUA and Leicester and Leicestershire HMA.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.10 Tier one sites

TIER ONE SITES	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Ashton Green, Leicester Road/ Beaumont Road/ Thurcaston Road *		5.0		A
Fletton Close, Hamilton		2.67		A
High View Close, Gypsy Lane Brickworks *		2.09		A Council owned
Ashton Close +		2.085		A Small plots being sold
Smartpoint, Troon Way/ Melton Road		1.76		W
Crest Rise, Gypsy Lane		1.60		A
Innovation and Technology Park, Exploration Drive (1.19 ha) +	5,950 (B1 b)			A
Incubator, Innovation and Technology Park, Exploration Drive *	3,080 (B1 b)			PP
Innovation building, Innovation and Technology Park, Exploration Drive + (0.307 ha)	1,500			PP linked to retail scheme
Barkby Road *		1.36		A
Charter Street *		1.18		PP 1,926 mail sorting office
Former Bus Depot, Southgates	100			W
High Cross Street	4,000			W
Vaughan Way	4,600			W
Total	19,230	17.745		

Note: Site Council Ownerships:
 * owned
 + HCA owned
 Source: Leicester City Council

Table 4.11 Tier two sites

TIER TWO SITES	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Welford Place	5,000			W
St George's Central	11,148			W building to be upgraded
Dover Street/ Granby Street	9,300			W building and car park
Total	25,648	1.596		

Note: Site Council Ownerships:
 * owned
 + HCA owned
 Source: Leicester City Council

Table 4.12 Off market and excluded from the supply

OFF MARKET AND EXCLUDED FROM THE SUPPLY	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Off Market				
Welford Place (potential Council office scheme) *	The Council is assessing its reqmts			W
Mountain Road		2.01		A LPC de – inking plant
Charter Street *		1.18		PP 1,926 mail sorting office
Innovation and Technology Park, Exploration Drive + (0.416)	1,650			PP Zeeko
Excluded				
Former John Ellis School, Corporation Road:		3.61		W Subject to flood plain
Syston Street East		2.76		W Subject to waste use
Total	1,650	9.976		

Note: Site Council Ownerships:
 * owned
 + HCA owned
 Source: Leicester City Council

4.3 Blaby

Employment forecasts

4.3.1 The forecast of workplace jobs in Blaby over the period 2010-2031 is set out in Table 4.13 below.

Table 4.13 Workplace jobs in Blaby, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	13.3	13.6	16.9	18.9	21.0
B1c/B2 Industrial	7.6	8.0	8.5	8.1	7.6
B8 Warehousing	4.8	4.8	5.1	5.2	5.3
Other	27.4	28.0	32.6	34.8	36.9
<i>Total</i>	<i>53.1</i>	<i>54.5</i>	<i>63.0</i>	<i>67.0</i>	<i>70.8</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

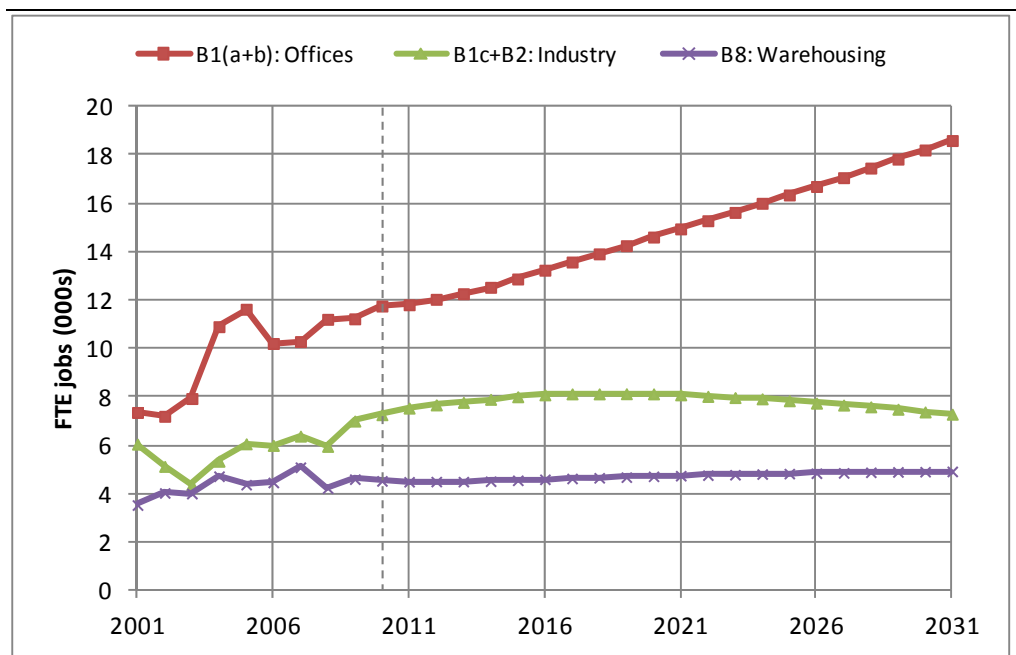
4.3.2 The forecast FTE job figures are set out in Table 4.14 below, while the longer-term trends and forecasts are shown in the following Figure 4.3.

Table 4.14 FTE jobs in Blaby, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	11.8	12.0	14.9	16.7	18.6
B1c/B2 Industrial	7.3	7.7	8.1	7.7	7.3
B8 Warehousing	4.5	4.5	4.7	4.8	4.9
Other	21.8	22.3	26.0	27.7	29.4
<i>Total</i>	<i>45.3</i>	<i>46.5</i>	<i>53.8</i>	<i>57.0</i>	<i>60.2</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.3 Full time equivalent jobs in Blaby in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.3.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.15 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

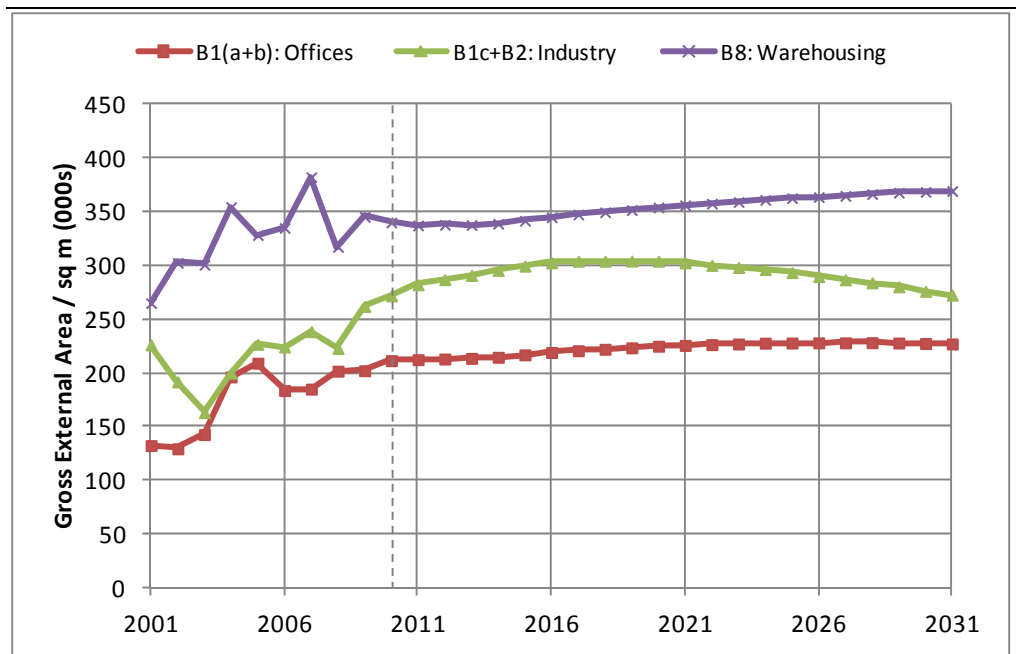
Table 4.15 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	211.5	213.1	225.6	228.0	227.0
B1c/B2 Industrial	271.7	286.9	302.5	289.6	272.4
B8 Warehousing	339.9	337.8	355.9	363.6	369.1
B-class total	823.2	837.7	884.0	881.2	868.5

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.3.4 The trends in floorspace demand are set out in Figure 4.4 below.

Figure 4.4 Gross External Area of floorspace demand in Blaby in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.3.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.16 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
B1a/b Offices	14,900	13,900	n/a	14,900	13,900
B1c/B2 Industrial	2,800	-14,400	4,200	0.7	-3.4
B8 Warehousing	25,800	31,400	5,000	5.2	6.3

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.3.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.17 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	213,100	2,100	29,800	14,900	40,500	20,200
B1c/B2 Industrial (land /ha)	68.3	0.5	7.2	3.6	9.7	4.9
B8 Warehousing (land /ha)	67.6	0.7	9.5	7.1	12.8	9.6

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.3.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period. The pipeline estimate for the period 2012-2031 is greater than that for 2012-2026 for as the demand component of the total requirement grows smaller over time – see the decelerating growth curves of Figure 4.4 above.

Table 4.18 Floorspace/land requirements

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
B1a/b Offices (floorspace /m ²)	29,800	34,100	12,800	10,800	42,600	44,900
B1c/B2 Industrial (land /ha)	4.2	4.9	1.8	1.5	6.1	6.4
B8 Warehousing (land /ha)	12.3	15.9	5.3	5.0	17.5	20.9

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.3.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small B8 together with B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.19 Office requirements (sq m)

Forecast	44,900
Tier One Supply	35,212
Tier Two Supply	14,200
Balance	4,512

Table 4.20 Industrial requirements B1 c / B2 and small B8 (ha)

Forecast	13.50
Tier One Supply	3.26
Tier Two Supply	4.70
Balance	-5.54

Table 4.21 Strategic warehousing requirements (ha)

Forecast	13.80
Tier One Supply	12.50
Tier Two Supply	11.34
Balance	10.04

4.3.9 The tables show forecast demand for the period 2010 – 31 for 44,900 sq m of offices, 13.5 ha for industrial land and 13.8 ha for strategic warehousing. Turning to the new development pipeline, the Supply Demand balance shows a surplus of offices (4,512 sq m); a deficit of industrial land (5.54 ha) and a surplus of 10.04 ha in land for strategic warehousing.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.22 Tier one sites

TIER ONE SITES	Offices / R&D (sq m)	B1(c)/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Glenfield Road, Kirby Road/ Ratby Lane	21,570	3.26 (13,710)	12.5 (62,400)	PP
Grove Park, Enderby (2.6 ha)	8,891 B1/B2			PP
LE3 Ratby Lane/ Oak Spinney Park, Kirkby Muxloe (1.88 ha)	4,751			PP
Total	35,212	3.26	12.5	

Source: Blaby District Council

Table 4.23 Tier two sites

TIER TWO SITES	Offices / R&D	B1(c)/B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Blaby SUE, Strategic Employment Site. Land East of the Warrens (South of M69), Enderby (21 ha site)	7,600	4.7 (19,700)	11.34 (56,700)	A
Blaby SUE, Gateway Employment Site: Business Centre	4,600 B1a/ b/c	-	-	A
Blaby SUE, District Centre, Lubbesthorpe	2,000			A
Total	14,200	4.7	11.34	

Source: Blaby District Council

Table 4.24 Off market

OFF MARKET	Offices / R&D	B1(c)/B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Carlton Park, Coventry Road, Narborough (3 ha)	12,000			A
Total	12,000			

Source: Blaby District Council

Blaby: 2008 - 12

- 4.3.10 Starts and Completions: During the period, the largest start was the 31,569 sq m data centre on 5.87 ha at Carlton Park for Santander. At Grove Park, starts were made to two (929 and 504.6 sq m) design and build schemes. At Westleigh’s LE3 scheme, 942 sq m was completed on 0.25 ha. In addition small schemes were completed at Highfields, Stoney Stanton and Feldspar Close, Warrens Industrial Area.
- 4.3.11 Land Lost: Three sites totalling 4.6 ha have been deleted from the supply shown in the 2008 PACEC study as follows: 3.6 ha at Quarry Lane, Enderby, a former landfill site and two small sites at Station Road, Stoney Stanton and Whetstone where planning permissions have expired.
- 4.3.12 Land Gained: During the period a scheme at Glenfield for 97,680 sq m (as revised) was approved on appeal by the Secretary of State.

4.3.13 Blaby has a balanced portfolio of ‘tier one’ sites with recent completions at two sites. At the third site, Glenfield, the developer has secured a loan from the Growing Places Fund to bring forward off site highway improvement works. The pipeline of ‘tier two’ sites comprises three sites identified within the master plan for the Sustainable Urban Extension including a 21 ha strategic employment site.

4.4 Charnwood

Employment forecasts

4.4.1 The forecast of workplace jobs in Charnwood over the period 2010-2031 is set out in Table 4.25 below.

Table 4.25 Workplace jobs in Charnwood, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	12.2	12.6	16.0	18.0	20.0
B1c/B2 Industrial	11.3	10.7	8.9	8.1	7.4
B8 Warehousing	4.2	3.9	3.5	3.4	3.3
Other	43.2	44.1	50.7	54.0	57.1
<i>Total</i>	<i>71.0</i>	<i>71.3</i>	<i>79.1</i>	<i>83.5</i>	<i>87.9</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

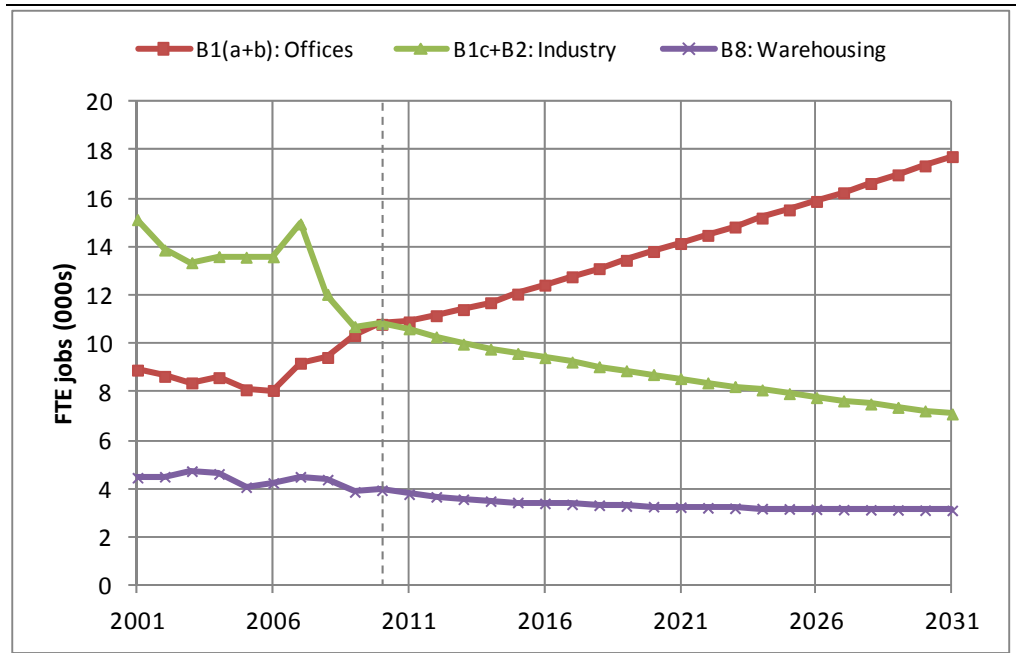
4.4.2 The forecast FTE job figures are set out in Table 4.26 below, while the longer-term trends and forecasts are shown in the following Figure 4.5.

Table 4.26 FTE jobs in Charnwood, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	10.8	11.2	14.1	15.9	17.7
B1c/B2 Industrial	10.8	10.3	8.6	7.8	7.1
B8 Warehousing	3.9	3.7	3.2	3.2	3.1
Other	34.4	35.1	40.4	43.1	45.5
<i>Total</i>	<i>60.0</i>	<i>60.2</i>	<i>66.4</i>	<i>69.8</i>	<i>73.4</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.5 Full time equivalent jobs in Charnwood in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.4.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.27 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

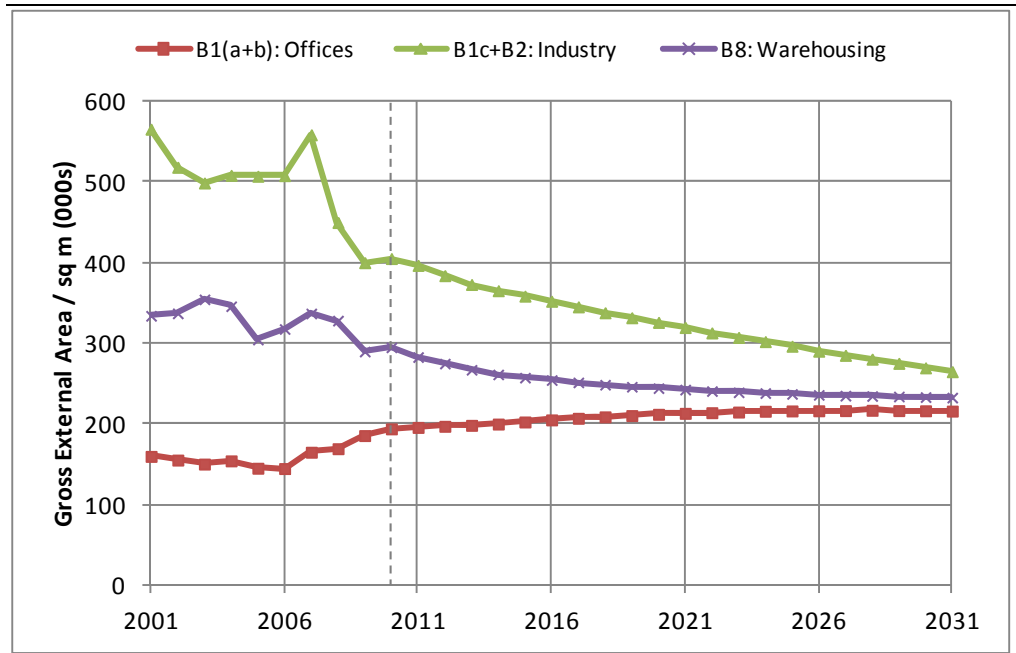
Table 4.27 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	194.3	197.5	213.5	216.8	216.4
B1c/B2 Industrial	405.3	384.2	320.0	290.6	265.2
B8 Warehousing	295.3	275.3	243.0	236.4	233.1
<i>B-class total</i>	895.0	857.0	776.5	743.8	714.7

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.4.4 The trends in floorspace demand are set out in Figure 4.6 below.

Figure 4.6 Gross External Area of floorspace demand in Charnwood in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.4.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.28 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
B1a/b Offices	19,300	18,900	n/a	19,300	18,900
B1c/B2 Industrial	-93,700	-119,000	4,200	-22.3	-28.3
B8 Warehousing	-38,800	-42,100	5,000	-7.8	-8.4

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.4.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.29 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	197,500	2,000	27,600	13,800	37,500	18,800
B1c/B2 Industrial (land /ha)	91.5	0.7	9.6	4.8	13.0	6.5
B8 Warehousing (land /ha)	55.1	0.6	7.7	5.8	10.5	7.8

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.4.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period. The pipeline estimate for the period 2012-2031 is greater than that for 2012-2026 for as the demand component of the total requirement for office floorspace grows smaller over time – see the decelerating growth curve of Figure 4.6 above.

Table 4.30 Floorspace/land requirements

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
	B1a/b Offices (floorspace /m ²)	33,100	37,600	14,200	11,900	47,300
B1c/B2 Industrial (land /ha)	4.8	6.5	2.1	2.1	6.9	8.6
B8 Warehousing (land /ha)	5.8	7.8	2.5	2.5	8.3	10.3

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.4.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small warehousing together with B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.31 Office requirements (sq m)

Forecast	49,500
Tier One Supply	23,273

Tier Two Supply	43,557
Balance	17,330

Table 4.32 Industrial B1 c / B2 and small B8 requirements (ha)

Forecast	18.90
Tier One Supply	19.71
Tier Two Supply	66.61
Balance	67.42

Table 4.33 Strategic warehousing requirements (ha)

Forecast	0.00
Tier One Supply	0.00
Tier Two Supply	0.00
Balance	0.00

4.4.9 The tables show forecast demand for the period 2010 – 31 for 49,500 sq m of offices; 18.9 ha for industrial land and no land for strategic warehousing. Turning to the new development pipeline, the Supply Demand balance shows a surplus of offices (17,330 sq m) and a surplus of 67.42 ha of industrial land. However this surplus reflects the strategic approach to plan and provide for employment land needs for both Charnwood and the wider PUA during and beyond the period.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.34 Tier one sites

TIER ONE SITES	Offices / R&D (sq m)	B1(c)/B2/ Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
North Charnwood				
Former Astra Zeneca site, Bishop Meadow, Loughborough	3,250 (1.2)	5.44 (29,940)		W
Former Astra Zeneca site, Bishop Meadow, Loughborough (CBC option land)		1.9 (9,500).		W
North Road, Charnwood Business Park, Loughborough	2,257 (0.4)			A
Total	5,507	7.34		
South Charnwood				
Phase 1 Watermead Business Park, Syston	13,870 (4.1)			PP
The Warren, East Goscote		4.9 (16,340)		PP
Interchange, Harrowgate Drive, Birstall	3,896 (1.0)	3.39 (14,886)		PP
Phase 2 Thurmaston Industrial Estate, Melton Road, Thurmaston		3.68		W
Granite Way, 251 Loughborough Road, Mountsorrel		0.4		A
Total	17,766	12.37		
Charnwood Total	23,273	19.71		

Source: Charnwood Borough Council

Table 4.35 Tier two sites

TIER TWO SITES	Offices / R&D	B1(c)/B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
North Charnwood				
West of Loughborough SUE	12,500 (2.5)	13.3		Emerging allocation
Developers' (Persimmon and Wm. Davis), masterplan identifies employment land in Phases C and D				
Dishley Grange, Hathern, Loughborough 37,160 sq m on 9.5 ha	5,000 (1)	7.66 (32,160)		Outline PP
Investment in advance infrastructure and planning obligation requirements is subject to a substantial pre - let				
Loughborough / Shepshed, proposed mixed housing employment development	3,000 (0.6)	5.4		Emerging allocation
Total	20,500	26.36	nil	
South Charnwood				
North East of Leicester SUE	6,807 (1.7)	11		Emerging allocation
Phase 2 Watermead Business Park, Syston	5,850 (1.17)	10.53		Emerging allocation
Phase 3 Watermead Business Park, Syston	2,900 (0.58)	5.22		Emerging allocation
A substantial investment will be required to service both sites				
Birstall / Rothley, proposed mixed housing employment development	7,500 (1.5)	13.5		
Total	23,057	40.25		
Charnwood Total	43,557	66.61		

Source: Charnwood Borough Council

Table 4.36 Off-market sites

OFF MARKET SITES	Offices / R&D	B1 (c)/ B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
North Charnwood				
Science Park (Phase 2), Ashby Road, Loughborough	35,780 (7.9 ha) B1 (b)			PP subject to S106
Phase 2: 10.1 ha 7,500 sq m SportPark completed on 2.9ha. Of, 7.2 ha balance, 4.1 unallocated				
Science Park (Phase 3), East of Snells Nook Lane, Loughborough	106,500 21.3 ha) B1 (b)			Emerging allocation
Phase 2 and 3 subject to University's Gateway policies and hence excluded from the open market				
Science Park (Phase 4), West of Snells Nook Lane, Loughborough (Wilson Bowden)	126,000 25.2 ha B1 (b)			Emerging allocation
Phase 4 is subject of an emerging policy framework to limit development to B1 (b) uses with provision for B1 (a) and (c) uses where there is a connection to the University or local R&D activities				
Rothley Lodge Commercial Park, Mountsorrel		5.9 (10,650)		PP
Acquired for development and occupation by Samworth Brothers				
Loughborough Industrial Park, Messenger Close, Weldon Road, Loughborough *		0.1		A
Land safeguarded for possible access road Dishley Grange				
Total	268,280 54.4 B1(b)	6	nil	

Source: Charnwood Borough Council

North Charnwood: 2008 - 12

- 4.4.10 Completions: During the period, the largest completed scheme was the £15m, 7,500 sq m, SportPark on 2.9ha at the Loughborough Science and Enterprise Park. This development accommodates a wide range of sports related organisations including the governing bodies of the following sports: swimming, cricket, squash and volleyball.
- 4.4.11 Land Lost: 11ha of new employment land was lost due to flood risk (9.6ha at Dishley Grange) and change of use to housing (0.9ha at Burder Street). At Messenger Close, 0.1ha was safeguarded for an access road to Dishley Grange and 0.4ha was sold to Astra Zeneca.
- 4.4.12 Land Gained: These losses though were made up by a windfall gain following the closure of Astra Zeneca's 24.94ha site. Of this land, Jayplas has taken up 13ha for its own occupation and 8.54ha (on three sites) is added to the stock of available employment land. The balance of 3.4ha falls within the functioning flood plain.
- 4.4.13 Emerging allocations: Two allocations are proposed for general employment purposes. These are a 15.8 ha strategic employment site within the West of Loughborough SUE and a 6 ha allocation associated with a supplementary housing scheme on a site yet to be identified in the Loughborough / Shepsted area.

- 4.4.14 As a result, the current supply of immediately available employment land in North Charnwood is highly constrained. However the two emerging allocations present a high level and long term employment land strategy. The objectives of the strategy are to contribute towards the employment land needs of North Charnwood during and beyond the plan period. Based on the principles of sustainable development and planning for economic growth, the strategy links employment and housing land development in order to: address market failure in investment in advance infrastructure for employment land; promote sustainable development (creating opportunities for renewal, energy generation and reducing the need to travel and dependence on the car) and ensure competition and choice throughout and beyond the plan period. The scale of the allocations recognises the very long time horizons sought by the commercial development and investment markets and the potential of the area as a driver for business success with the capacity to create highly skilled and well paid jobs.
- 4.4.15 Off-market sites: Phase 1 of the Science Park has already been successfully established. The University has entered into successful collaborations with global aerospace and automotive companies and developed expertise in vehicle, road and driver safety research, sports development and research and education. It has promoted technology transfer and growth through the foundation of an innovation centre.
- 4.4.16 The existing Science Park and proposals for phases 2 and 3 are treated as off market sites due to occupancy limitations imposed by the University's 'Gateway Policy' which requires businesses to enter into contractual links for R&D services. That part of the Science Park (phase 4) outside of the University estate is subject to an emerging policy framework limiting occupancy primarily to B1 (b) with B1 (a) and B1 (c) where businesses can demonstrate connectivity to the University or local R&D activities.
- 4.4.17 The extension of the Science Park is consistent with regional priorities for employment land allocations which aim to ensure provision for the needs of high technology and knowledge based industries. The concept is consistent too with the strategic priority of the LLEP to, 'exploit the full commercial potential of the knowledge, expertise and capabilities of the three Universities and local business.' The economic shock occasioned by the closure of the Astra Zeneca site with the loss of high skilled R&D jobs provides further impetus for the proposal.
- 4.4.18 The specialist nature of the emerging Science Park allocation means that it will serve a broader regional and national context which cannot be accommodated within the normal predictive models for employment land forecasting.
- 4.4.19 Having regard to these factors the purposes of the emerging allocation are to:

- Create a location of international significance to serve the global market for research and development;
- Enable the University of Loughborough to build on its international reputation and consolidate its position as the leading employer in the district by developing, within its estate, centres of excellence in research, teaching and commercialisation of its knowledge;
- Enable businesses which cannot meet the University's Gateway Policy criteria to locate in close proximity to the established Science Park, recognising that demand from globally foot – loose inward investors is unpredictable but can be significant in scale and requires a favourable and inviting planning regime;
- Provide for scale and certainty to attract public/private investment in advance infrastructure and the creation of development ready plateaus to ensure the Science Park offers a deliverable option to mobile international research and development activities.

South Charnwood: 2008 - 12

4.4.20 Completions: During the period 2008 -12, development was completed at four sites:

- Interchange, Harrowgate Drive: Under Phase 1, Jelsons have completed 4 offices of 240 sq m and 6 industrial units of 240 sq m. A 2,500 sq m industrial unit for Microkerf has been completed and a further 2,500 sq m unit is under construction along with a new Fire and Rescue Head Quarters.
- Watermead Business Park: Dunelm purchased a site and developed a store support centre for its own occupation (1,858 sq m). The site developer Raynsway has built an office building (672 sq m) for Interserve to zero carbon passivhaus standards
- The Warren, East Goscote: Jelsons have developed 2,812 sq m
- Granite way, Loughborough Road: A Council depot has been developed on 0.8 ha

4.4.21 Land gained: 3.68ha of previously developed land at Thurmaston Industrial Estate

4.4.22 Emerging allocations: The allocations are emerging as part of a high level and long term employment land strategy. The objectives of the strategy are to contribute towards the employment land needs of Charnwood and the PUA during and beyond the plan period. Based on the principles of sustainable development and planning for economic growth, the strategy links employment and housing land development in order to: address market failure in investment in advance infrastructure for employment land; promote sustainable development (creating opportunities for renewal, energy generation and reducing the need to travel and dependence on the car) and ensure competition and

choice throughout and beyond the plan period. The scale of the allocations recognises the very long time horizons sought by the commercial development and investment markets and the potential of the area as a driver for business success and the creation of highly skilled and well paid jobs.

- 4.4.23 The first is a local employment land allocation of 12.7 ha within the North of Leicester SUE. This is intended primarily to provide a sustainable source of employment for the residents of the emerging development. The second site is a 17.5 ha allocation at Watermead Business Park (Phases 2 and 3) (which is linked to a long term aspiration to redevelop 12.5 ha of fully occupied employment land in Thurmaston). The third is an emerging proposal for a 15 ha allocation at Birstall / Rothley as part of a wider, mixed use ‘garden suburb’ development.
- 4.4.24 As a result, South Charnwood has four substantial tier one employment sites which are serving the occupier market for either pre sold or pre let deals. The pipeline is fed by three emerging allocations which together will contribute towards Charnwood’s and the wider PUA’s employment land requirements to 2031 and beyond.

4.5 Oadby and Wigston

Employment forecasts

- 4.5.1 The forecast of workplace jobs in Oadby and Wigston over the period 2010-2031 is set out in Table 4.37 below.

Table 4.37 Workplace jobs in Oadby and Wigston, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	2.8	2.7	2.8	2.9	3.2
B1c/B2 Industrial	5.2	5.1	4.7	4.4	4.1
B8 Warehousing	1.3	1.2	0.9	0.9	0.9
Other	11.9	12.0	13.3	14.0	14.8
<i>Total</i>	<i>21.1</i>	<i>20.9</i>	<i>21.7</i>	<i>22.3</i>	<i>22.9</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

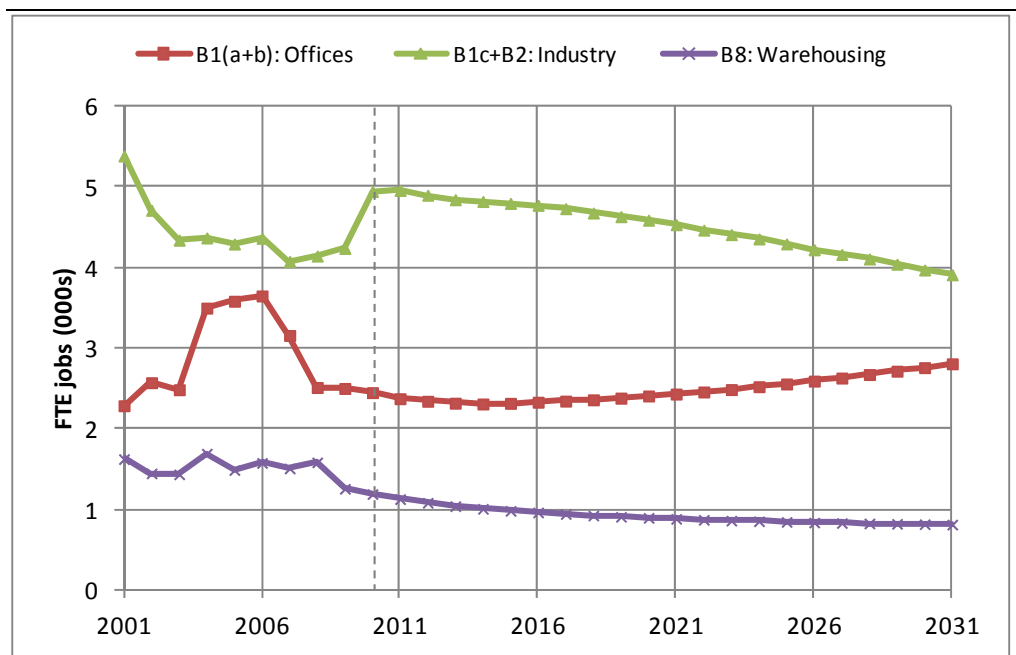
- 4.5.2 The forecast FTE job figures are set out in Table 4.38 below, while the longer-term trends and forecasts are shown in the following Figure 4.7.

Table 4.38 FTE jobs in Oadby and Wigston, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	2.5	2.3	2.4	2.6	2.8
B1c/B2 Industrial	4.9	4.9	4.5	4.2	3.9
B8 Warehousing	1.2	1.1	0.9	0.8	0.8
Other	9.5	9.5	10.6	11.2	11.8
<i>Total</i>	<i>18.1</i>	<i>17.9</i>	<i>18.5</i>	<i>18.8</i>	<i>19.3</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.7 Full time equivalent jobs in Oadby and Wigston in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.5.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.39 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

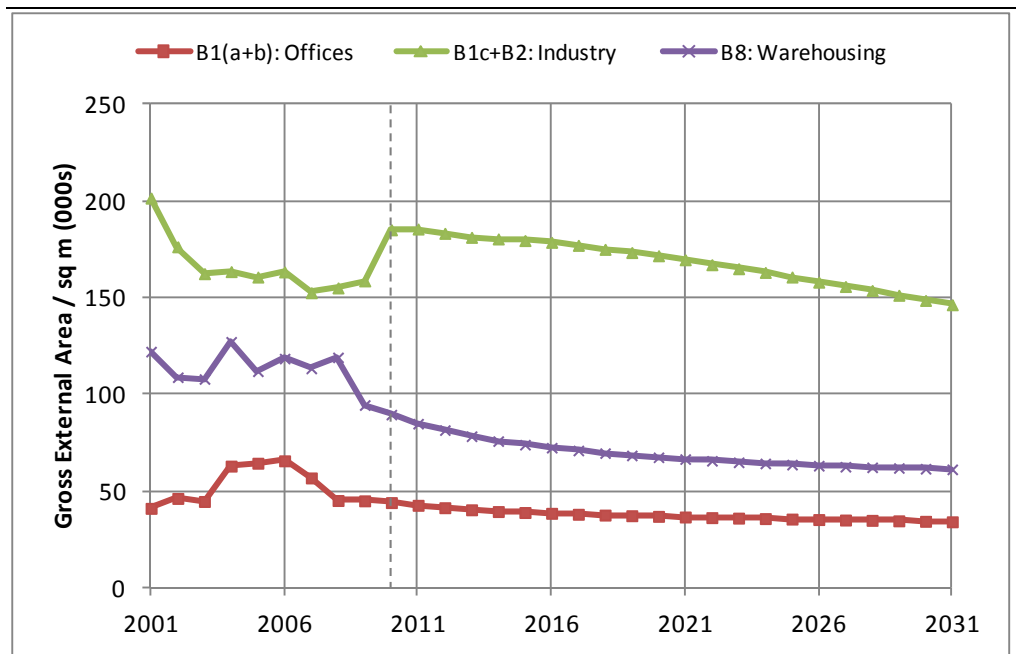
Table 4.39 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	44.2	41.6	36.8	35.4	34.3
B1c/B2 Industrial	185.0	183.2	169.6	158.0	146.3
B8 Warehousing	89.7	81.6	66.7	63.2	61.4
<i>B-class total</i>	<i>318.9</i>	<i>306.4</i>	<i>273.0</i>	<i>256.7</i>	<i>242.0</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.5.4 The trends in floorspace demand are set out in Figure 4.8 below.

Figure 4.8 Gross External Area of floorspace demand in Oadby and Wigston in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.5.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.40 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
	B1a/b Offices	-6,100	-7,300	n/a	-6,100
B1c/B2 Industrial	-25,300	-36,900	4,200	-6.0	-8.8
B8 Warehousing	-18,400	-20,300	5,000	-3.7	-4.1

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.5.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.41 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	41,600	400	5,800	2,900	7,900	3,900
B1c/B2 Industrial (land /ha)	43.6	0.3	4.6	2.3	6.2	3.1
B8 Warehousing (land /ha)	16.3	0.2	2.3	1.7	3.1	2.3

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.5.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period.

Table 4.42 Floorspace/land requirements

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
B1a/b Offices (floorspace /m ²)	2,900	3,900	1,200	1,200	4,200	5,200
B1c/B2 Industrial (land /ha)	2.3	3.1	1.0	1.0	3.3	4.1
B8 Warehousing (land /ha)	1.7	2.3	0.7	0.7	2.4	3.1

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.5.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small warehousing together with B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.43 Office requirements (sq m)

Forecast	5,200
Tier One Supply	0
Tier Two Supply	12,550
Balance	7,350

Table 4.44 Industrial B1 c / B2 requirements (ha)

Forecast	4.1
Tier One Supply	0.00
Tier Two Supply	3.0
Balance	-1.1

Table 4.45 Strategic warehousing requirements (ha)

Forecast	0.00
Tier One Supply	0.00
Tier Two Supply	0.00
Balance	0.00

4.5.9 The tables show forecast demand for the period 2010 – 31 for 5,200 sq m of offices and 4.1 ha of industrial land. There is no demand for strategic warehousing land. Turning to the new development pipeline, the Supply Demand balance shows a surplus of offices (7,350 sq m) and a shortfall of 1.1 ha of industrial land. This small deficit in industrial land will need to be met elsewhere within the PUA and Leicester and Leicestershire HMA.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.46 Tier one sites

TIER ONE SITES	Offices / R&D (sq m)	B1 (c)/ B2 (Ha)	B8 (Ha)	W: Windfall A: Allocated PP: Consented
None				
Total				

Source: Oadby and Wigston Borough Council

Table 4.47 Tier two sites

TIER TWO SITES	Offices / R&D	B1 (c)/ B2 (ha)	Strategic B8	W: Windfall A: Allocated PP: Consented
Land off Magna Road, Magna Industrial Estate, South Wigston (0.55 ha)	250* (0.05ha)	0.5		
Development constrained by ground conditions				
South East Wigston (2.5 – 3.5 ha)	2,500* (0.5ha)	2.5		EA
Wigston Town Centre	9,000			EA
Oadby Town Centre	800			EA
Total	12,550*	3.0	-	

Note: *Approximation based upon 5,000sqm per hectare (B1/B2)
Source: Oadby and Wigston Borough Council

Oadby and Wigston: 2008 - 12

- 4.5.10 Starts and Completions: During the period, the only completion was Hammond Grange’s small industrial unit scheme totalling 1,728 sq m at Tigers Close, South Wigston.
- 4.5.11 Land lost: During the period 3.02 ha of employment land were subject to change of use as follows:
 - The Old Barracks, Tigers Road, South Wigston: 400 sq m offices B1 (a) on 0.14 ha to a nursery (D1)
 - 7 West Avenue, Wigston: 1,278 sq m B2 on 0.49 ha to sui generis
 - South Leicester College, Blaby Road / Canal Street, South Wigston: 3,000 sq m (B2) on 0.9 ha to (D1)
 - Waitrose, 36 Harborough Road, Oadby: 3,000 sq m B2 on 1.49 ha to A1
- 4.5.12 There are no ‘tier one’ sites in Oadby and Wigston. However the Council is identifying two sites for offices and a third for industrial (B1 c and B2) uses. The office sites are being brought forward through the emerging Town Centre Area Action Plans for Oadby and Wigston respectively (which are expected to be adopted in October 2012). The industrial site – for the 'Direction of Growth, South East Wigston' – is being brought forward through the Allocations DPD. This expected to be adopted in Autumn 2014.

4.6 Harborough

Employment forecasts

- 4.6.1 The forecast of workplace jobs in Harborough over the period 2010-2031 is set out in Table 4.48 below.

Table 4.48 Workplace jobs in Harborough, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	5.7	5.6	6.4	7.0	7.7
B1c/B2 Industrial	4.4	4.2	3.6	3.3	3.0
B8 Warehousing	5.5	5.9	7.4	7.9	8.2
Other	25.0	24.8	26.7	27.9	29.2
<i>Total</i>	<i>40.5</i>	<i>40.5</i>	<i>44.1</i>	<i>46.1</i>	<i>48.2</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

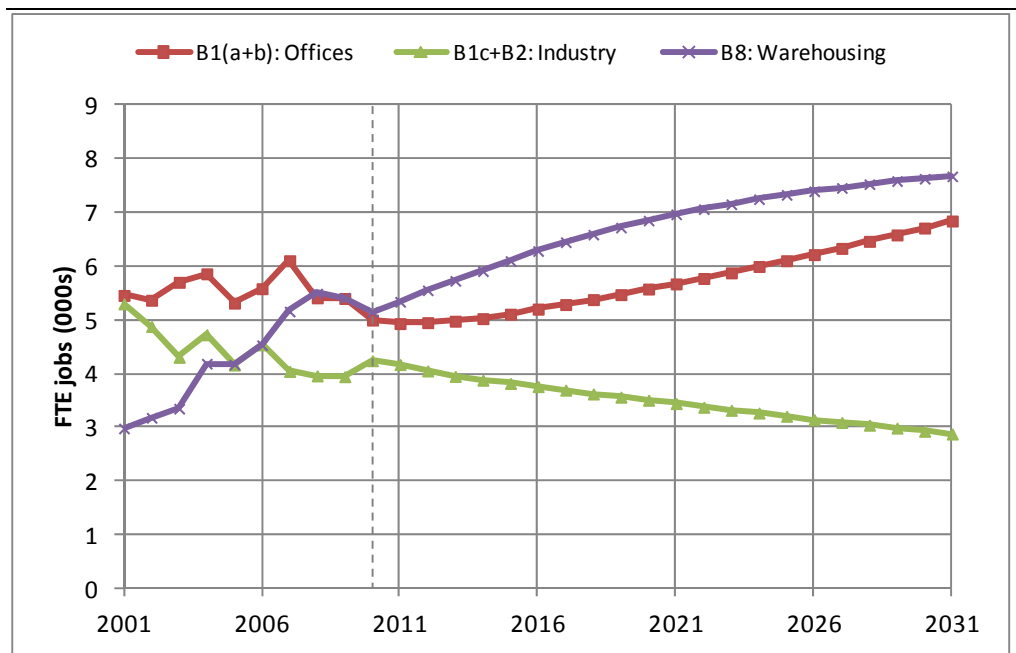
4.6.2 The forecast FTE job figures are set out in Table 4.49 below, while the longer-term trends and forecasts are shown in the following Figure 4.9.

Table 4.49 FTE jobs in Harborough, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	5.0	5.0	5.7	6.2	6.8
B1c/B2 Industrial	4.2	4.1	3.4	3.1	2.9
B8 Warehousing	5.2	5.6	7.0	7.4	7.7
Other	19.9	19.7	21.2	22.2	23.3
<i>Total</i>	<i>34.3</i>	<i>34.3</i>	<i>37.3</i>	<i>39.0</i>	<i>40.7</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.9 Full time equivalent jobs in Harborough in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.6.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.50 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

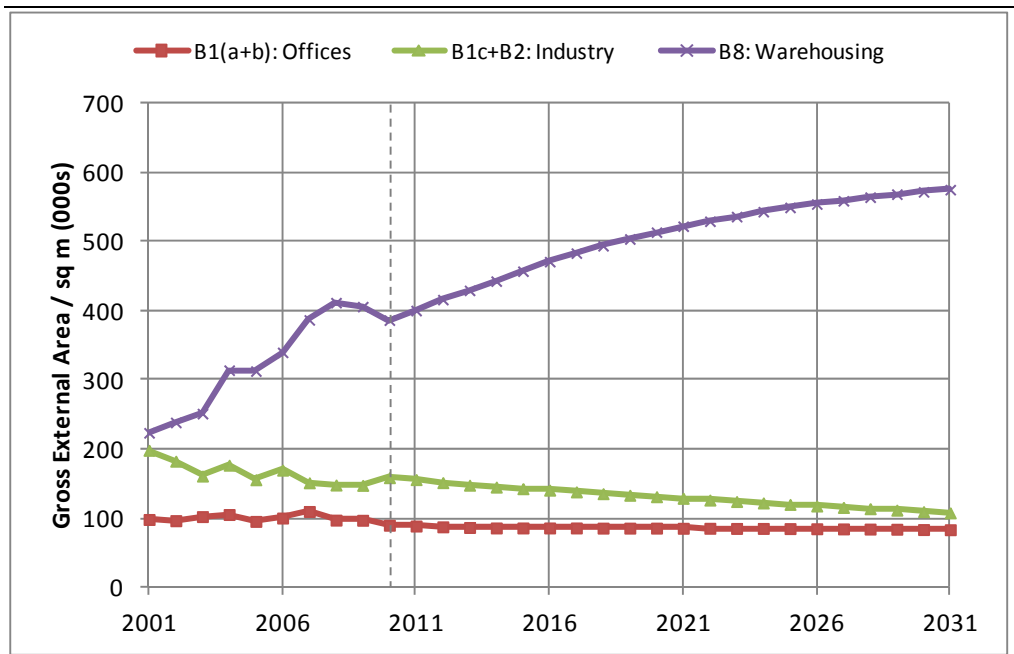
Table 4.50 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	89.9	87.7	85.7	84.8	83.5
B1c/B2 Industrial	158.6	151.6	128.9	117.7	107.7
B8 Warehousing	386.5	416.3	522.3	554.4	575.2
<i>B-class total</i>	635.0	655.6	736.8	756.9	766.4

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.6.4 The trends in floorspace demand are set out in Figure 4.10 below.

Figure 4.10 Gross External Area of floorspace demand in Harborough in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.6.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.51 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
B1a/b Offices	-2,800	-4,200	n/a	-2,800	-4,200
B1c/B2 Industrial	-33,900	-43,900	4,200	-8.1	-10.4
B8 Warehousing	138,100	158,900	5,000	27.6	31.8

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.6.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.52 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	87,700	900	12,300	6,100	16,700	8,300
B1c/B2 Industrial (land /ha)	36.1	0.3	3.8	1.9	5.1	2.6
B8 Warehousing (land /ha)	83.3	0.8	11.7	8.7	15.8	11.9

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.6.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period. The pipeline estimate for the period 2012-2031 is greater than that for 2012-2026 for warehousing land as the demand component of the total requirement grows smaller over time – see the decelerating growth curve of Figure 4.10 above.

Table 4.53 Floorspace/land requirements

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
B1a/b Offices (floorspace /m ²)	6,100	8,300	2,600	2,600	8,800	11,000
B1c/B2 Industrial (land /ha)	1.9	2.6	0.8	0.8	2.7	3.4
B8 Warehousing (land /ha)	36.4	43.6	15.6	13.8	51.9	57.4

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.6.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small B8 together with B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.54 Office requirements (sq m)

Forecast	11,000
Tier One Supply	40,780
Tier Two Supply	7,750
Balance	37,530

Table 4.55 Industrial B1 c / B2 and small B8 requirements (ha)

Forecast	19.90
Tier One Supply	7.175
Tier Two Supply	6.45
Balance	-6.275

Table 4.56 Strategic warehousing requirements (ha)

Forecast	40.90
Tier One Supply	2.85
Tier Two Supply	0.00
Balance	-38.05

4.6.9 The tables show forecast demand for the period 2010 – 31 for 11,000 sq m of offices, 19.9 ha of industrial land and 40.9 ha of strategic warehousing land. Turning to the new development pipeline, the Supply Demand balance shows a surplus of offices (37,530 sq m) and deficits of 6.27 ha of industrial land and 38 ha of strategic warehousing land. The forecast demand for strategic warehousing land is based on a trend established by the growth in national distribution centres at Magna Park. This development reflected demand for locations next to the Motorway network within an area of central England called the

Golden Triangle. It is not demand specific to Harborough. Accordingly future employment land allocations for strategic warehousing need to be planned for on a sub regional as opposed to a district by district basis. In this context is noteworthy that at DIRFT in nearby Daventry, 180,741 sq m of warehousing is under construction as Phase II and a further 714,000 sq m of warehousing is proposed as Phase III. Job creation at Phases II and III is estimated at 2,000 and 9,000 jobs respectively.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.57 Tier one sites

TIER ONE SITES	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Airfield Farm, Leicester Road, Market Harborough (4.64 ha)	5,800 (1.16)	3.48		PP
Compass Point Business Park, East of Northampton Road, Market Harborough (7.98 ha)	28,800 (5.76) B1	1.92 B1		PP
Peaker Park, East of Rockingham Road, Market Harborough (1.9 ha)	2,375 (0.475)	1.425		PP
George House, Hunter Boulevard, Magna Park			2.85	PP
Bruntingthorpe Industrial Estate, Bruntingthorpe	3,805 B1b (1.34)			PP
Land adj Unit P, Valley Way, Market Harborough (1,400 B2)		0.35		PP
Total	40,780	7.175	2.85	

Source: Harborough District Council

Table 4.58 Tier two sites

TIER TWO SITES	Offices / R&D	B1c/B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Railway Goods Yard, Rockingham Road, Market Harborough		1.8 B1c/B2		PP
Leaders Farm, South of Coventry Road, Lutterworth (4.4 ha) *	5,500 (1.1)	3.3		A
West of Northampton Road, Market Harborough (1.8 ha)	2,250 (0.45)	1.35		A
Total	7,750	6.45		

Site

* County Council owned

Source: Harborough District Council

Ownerships

Harborough: 2008 - 12

4.6.10 Completions: During the period, approximately 10.8 ha of new employment land was developed with completions at: George House, Plot 7000, Magna Park (8,185 sq m B1(a) on 3 ha); Airfield Farm (2.7 ha with 0.49 ha under construction); Riverside, Market Harborough (3,686 sq m B1(c) / B2 and 250 sq m B1(a) on 1.13 ha); Compass Point (1.92 ha) and Holt Farm, Lutterworth (1,138 sq m on 1.56 ha).

- 4.6.11 Land Lost: 9.1 ha of new employment land were lost in Market Harborough for housing as follows: 4.5 ha at Compass Point Business Park; 1.4 ha at the former Tungstone Batteries site and 0.5 ha at Kettering Road/ Rockingham Road. In addition 2.7 ha was lost at Peaker Point for non B1,2 and 8 employment uses: a care home, petrol filling station/ convenience store and public house.
- 4.6.12 A further 8 ha have been identified as tier 2 sites due to development constraints at Railway Goods Yard, Market Harborough and availability constraints (which could prevent employment development being delivered at Leaders Farm, Lutterworth and West of Northampton Road, Market Harborough).
- 4.6.13 In Harborough the supply of good quality serviced employment land of potential interest to occupiers is limited to just two sites: Airfield Farm and Compass Point in Harborough. These sites need to be protected for employment uses on two grounds. Firstly, losses to other uses would reduce competition and choice in an already highly constrained market. Secondly, investment in advance infrastructure for replacement employment land may require some form of public sector intervention. At Compass Point, the development of less office floorspace at a higher density would address the planned oversupply of offices and release land to meet the undersupply of light industrial and small warehousing.
- 4.6.14 Emerging allocations: Harborough District Council is currently assessing a number of potential sites for allocation as new employment land. The assessment process will need to balance the need to allocate land that could be delivered to and be attractive to the market whilst widening competition and choice.

4.7 Hinckley and Bosworth

Employment forecasts

- 4.7.1 The forecast of workplace jobs in Hinckley and Bosworth over the period 2010-2031 is set out in Table 4.59 below.

Table 4.59 Workplace jobs in Hinckley and Bosworth, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	6.1	6.0	6.8	7.4	8.2
B1c/B2 Industrial	10.2	9.6	7.8	7.1	6.4
B8 Warehousing	3.6	3.3	2.7	2.6	2.5
Other	23.2	23.0	24.8	26.0	27.2
<i>Total</i>	<i>43.1</i>	<i>41.9</i>	<i>42.2</i>	<i>43.1</i>	<i>44.3</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

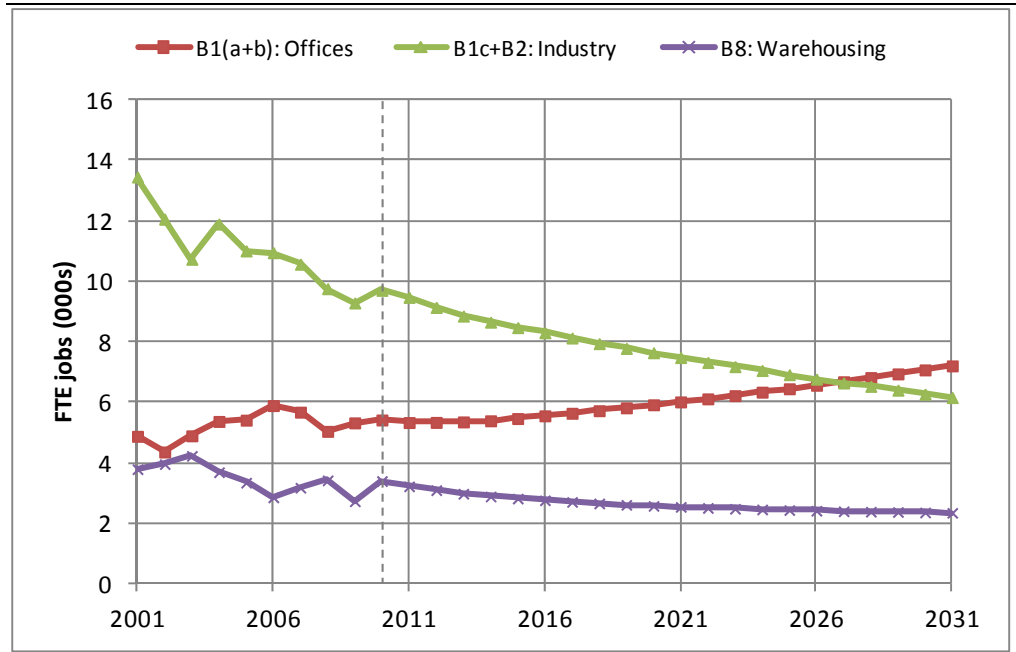
4.7.2 The forecast FTE job figures are set out in Table 4.60 below, while the longer-term trends and forecasts are shown in the following Figure 4.11.

Table 4.60 FTE jobs in Hinckley and Bosworth, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	5.4	5.3	6.0	6.6	7.2
B1c/B2 Industrial	9.7	9.1	7.5	6.8	6.2
B8 Warehousing	3.4	3.1	2.5	2.4	2.4
Other	18.5	18.4	19.8	20.7	21.7
<i>Total</i>	<i>37.0</i>	<i>35.9</i>	<i>35.8</i>	<i>36.5</i>	<i>37.4</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.11 Full time equivalent jobs in Hinckley and Bosworth in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.7.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.61 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

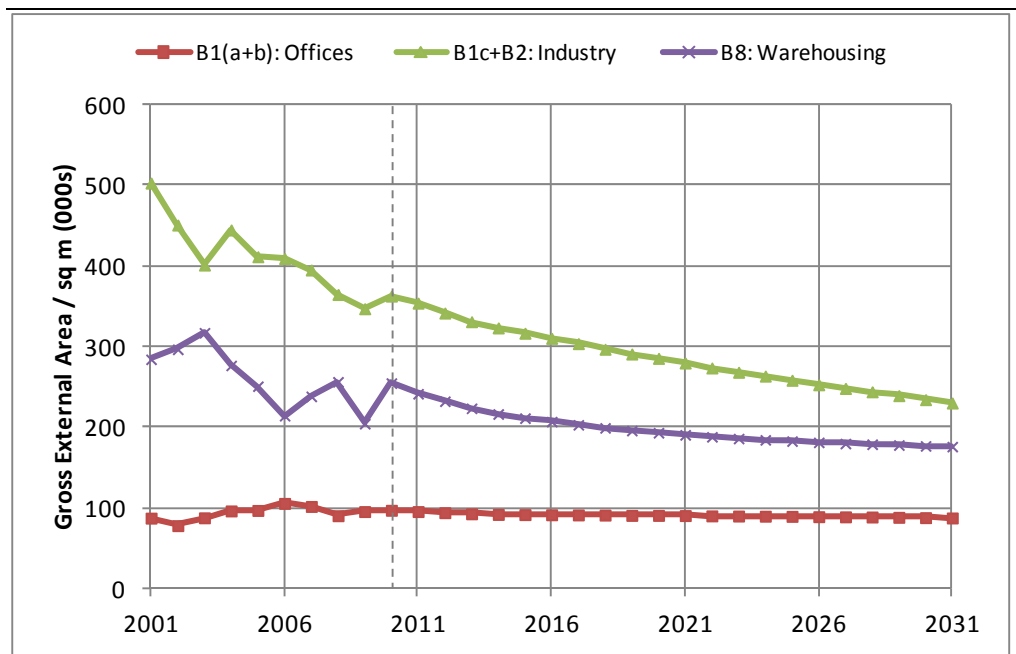
Table 4.61 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	97.6	94.6	90.9	89.7	88.0
B1c/B2 Industrial	363.0	341.9	280.0	253.1	230.4
B8 Warehousing	255.2	232.7	191.1	181.7	176.5
<i>B-class total</i>	<i>715.8</i>	<i>669.2</i>	<i>562.0</i>	<i>524.5</i>	<i>494.9</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.7.4 The trends in floorspace demand are set out in Figure 4.12 below.

Figure 4.12 Gross External Area of floorspace demand in Hinckley and Bosworth in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.7.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.62 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
B1a/b Offices	-4,900	-6,600	n/a	-4,900	-6,600
B1c/B2 Industrial	-88,800	-111,500	4,200	-21.1	-26.5
B8 Warehousing	-51,000	-56,200	5,000	-10.2	-11.2

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.7.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.63 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	94,600	900	13,200	6,600	18,000	9,000
B1c/B2 Industrial (land /ha)	81.4	0.6	8.5	4.3	11.6	5.8
B8 Warehousing (land /ha)	46.5	0.5	6.5	4.9	8.8	6.6

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.7.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period.

Table 4.64 Floorspace/land requirements

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
B1a/b Offices (floorspace /m ²)	6,600	9,000	2,800	2,800	9,500	11,800
B1c/B2 Industrial (land /ha)	4.3	5.8	1.8	1.8	6.1	7.6
B8 Warehousing (land /ha)	4.9	6.6	2.1	2.1	7.0	8.7

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.7.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small B8 warehousing together with B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.65 Office requirements (sq m)

Forecast	11,800
Tier One Supply	3,870
Tier Two Supply	0
Balance	-7,930

Table 4.66 Industrial B1 c / B2 and small B8 requirements (ha)

Forecast	12.90
Tier One Supply	7.80
Tier Two Supply	11.90
Balance	6.80

Table 4.67 Strategic warehousing requirements (ha)

Forecast	3.50
Tier One Supply	13.19
Tier Two Supply	0.00
Balance	9.69

4.7.9 The tables show forecast demand for the period 2010 – 31 for 11,800 sq m of offices, 12.9 ha of industrial land and 3.5 ha of strategic warehousing land. Turning to the new development pipeline, the Supply Demand balance shows a deficit of 7,930 sq m in offices and surpluses of 6.8 ha and 9.69 ha in the provision of industrial and strategic warehousing land respectively.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.68 Tier one sites

TIER ONE SITES	Offices / R&D	B1c/ B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Hinckley Town Centre				
Bus Station, Lancaster Road (3.98 ha)	706			PP
Small schemes (0.72 ha) Clarence Buildings, 3A Market Place 1 Horsefair 62 Castle Street Essentia House, 55 Upper Bond Street Dennis House, 4 Hawley Road	1,306			PP
Jarvis Porter, Coventry Road, Hinckley (0.7 ha)	3,870		0.7 (3,524)	PP
Elsewhere				
Logix 2, Rugby Road, Burbage (16 ha)	1,858	5.5 (19,510)	10 (68,747)	PP
Interlink Distribution Park, Stanton near Bardon (2.49 of 3.59 ha site with NWL)			2.49	PP
Tungsten Park, Coventry Road, Hinckley		2.3 B1/2/8		PP
Total	3,870	7.8	13.19	

Source: Hinckley and Bosworth Borough Council

Table 4.69 Tier two sites

TIER TWO SITES	Offices / R&D	B1c/ B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Barwell SUE		6.5		
Land allocations to be brought forward through the Earl Shilton and Barwell Area Action Plan. Outline planning application for 2,500 houses and 6.5 ha of employment land to be determined by December 2012.				
Earl Shilton SUE		5.4		
Land allocations to be brought forward through the Earl Shilton and Barwell Area Action Plan. The two sets of developers have respectively proposals for a) 1,300 houses and 3 – 4 ha of employment land and b) a further 200 homes.				
Total	-	11.9	-	

Source: Hinckley and Bosworth Borough Council

Table 4.70 Off-market and excluded from the supply

OFF MARKET AND EXCLUDED FROM THE SUPPLY	Offices / R&D	B1c/B2	B8	W: Windfall A: Allocated PP: Consented
Nailstone Quarry		0.19	9.31 (94,971)	PP
This site is not well located for distribution based businesses				
Caterpillar (UK) Limited, Peckleton Lane, Desford			12.3 est. (61,583)	
This scheme is planned for Caterpillar's own use				
MIRA Technology Park (MTP), Watling Street, Higham on the Hill (71.5 ha)	118,000 (B1 b) 14,000 (B1 a)			
The MTP is focussed on businesses engaged in research and development in the transport sector. It has EZ status for businesses resident by 01/04/15 and will apply for a period of five years from the date of occupation and hence is not open to the wider market				
Total	132,000	-	21.8	

Source: Hinckley and Bosworth Borough Council

Hinckley: 2008 - 12

4.7.10 Starts and Completions: During the period, there were three major completions and one start in Hinckley and Bosworth as follows:

- 43,819 sq m warehousing scheme developed by Crown Crest (Leicester) plc for its own occupation on the former 6.81 ha Timken Desford Steel Limited site;
- 3,530 sq m scheme in 18 small industrial units at Tungsten Park, Hinckley
- 2,269 sq m of office workspaces through the conversion of the former Atkins Bros Limited building, Lower Bond Street, Hinckley (the wider scheme included the development of a new FE college building and loss of 4,847 sq m of B1 c space)
- 3,377 sq m Hinckley Hub office scheme (including 2,694 sq m for the Council). This scheme replaces 758 sq m of B1 (a), 8,610 sq m B2 and 1,914 sq m of B8. On relocation, the Council plans to vacate offices at Argent's Mead (3,251 sq m) and Florence House (418 sq m).

4.7.11 Looking forward, at the former Sketchley Works, Goodman has placed a contract for the construction of an access road to bring forward the development of Logix 2, a mixed office, industrial and warehousing scheme on 16 ha. The works are to be funded by reinvestment of a receipt from the sale of rest of the site following change of use to housing.

4.7.12 Land Lost: 3 ha of new employment land identified in the 2008 PACEC study was deleted from the supply as planning permission was granted for a superstore on part of the Jarvis Porter site. In addition 13.88 ha of employment land was lost at two sites. The first (1.99 ha) site at Dunlop Limited, Station Road, Bagworth, was the subject of a planning

permission for 61 houses and 2,800 sq m of B1/B2 workspaces. The second (11.89) ha site at Fleetguard Nelson, Brookfield Road, Burbage, was the subject of planning permission for 390 houses.

- 4.7.13 Land gained: MIRA has secured planning permission for a 71 ha research and development park to accommodate businesses seeking to use MIRA's services and proving ground. The scheme comprises 118,000 sq m of B1 (b) and 14,000 sq m of B1 (a) along with a hotel, local retail, restaurant and leisure facilities.
- 4.7.14 Emerging allocations: There are two emerging new employment land allocations. These are identified within the SUEs at Barwell (6.5 ha) and Earl Shilton (5.4 ha).
- 4.7.15 The date by which these sites will be delivered is unknown.
- 4.7.16 The schemes at MIRA and Caterpillar are not available to the open market and the Nailstone scheme is excluded from the supply as it is poorly located for distribution occupiers due to its distance from the motorway.
- 4.7.17 As a result, Hinckley and Bosworth have just four substantial tier one sites which are readily available to the market. At Tungsten Park, there are consented and serviced sites for light industrial / small warehousing units and offices totalling 1,858 sq m and 2,787 sq m respectively. The balance of the site is available for a car showroom and trade counters. At Logix 2, 16 ha are available for B1a, b, B2 and B8 uses although market demand is likely to be for large scale warehouses.
- 4.7.18 The supply of new employment land to meet needs across the office, light industrial and large warehousing sub markets will be subject to bringing forward the employment land allocations with the proposed SUEs.

4.8 Melton

Employment forecasts

- 4.8.1 The forecast of workplace jobs in Melton over the period 2010-2031 is set out in Table 4.71 below.

Table 4.71 Workplace jobs in Melton, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	2.3	2.0	1.5	1.5	1.5
B1c/B2 Industrial	5.4	5.3	4.7	4.4	4.0
B8 Warehousing	1.2	1.1	1.0	1.0	1.0
Other	14.1	14.1	15.4	16.2	17.0
<i>Total</i>	<i>23.1</i>	<i>22.6</i>	<i>22.7</i>	<i>23.0</i>	<i>23.4</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

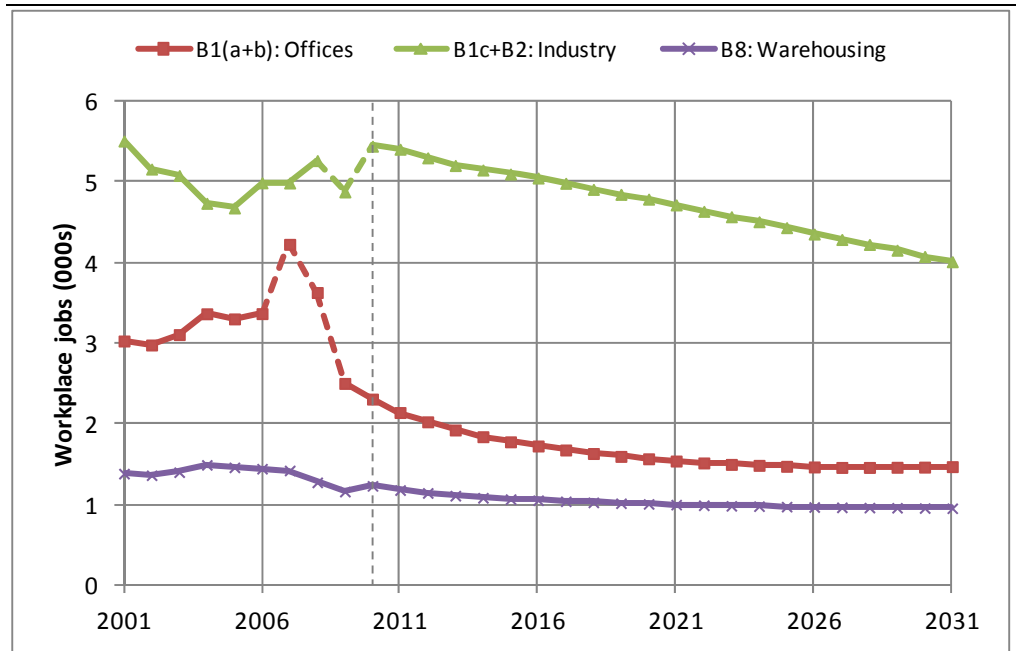
4.8.2 The forecast FTE job figures are set out in Table 4.72 below, while the longer-term trends and forecasts are shown in the following Figure 4.13.

Table 4.72 FTE jobs in Melton, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	2.0	1.8	1.4	1.3	1.3
B1c/B2 Industrial	5.2	5.1	4.5	4.2	3.8
B8 Warehousing	1.2	1.1	0.9	0.9	0.9
Other	11.2	11.2	12.3	12.9	13.5
<i>Total</i>	<i>19.6</i>	<i>19.2</i>	<i>19.1</i>	<i>19.3</i>	<i>19.6</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.13 Full time equivalent jobs in Melton in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data. Dashed data series indicate suspected weaknesses in ONS data; trends and forecasts have been calculated with smoothed data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.8.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.73 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

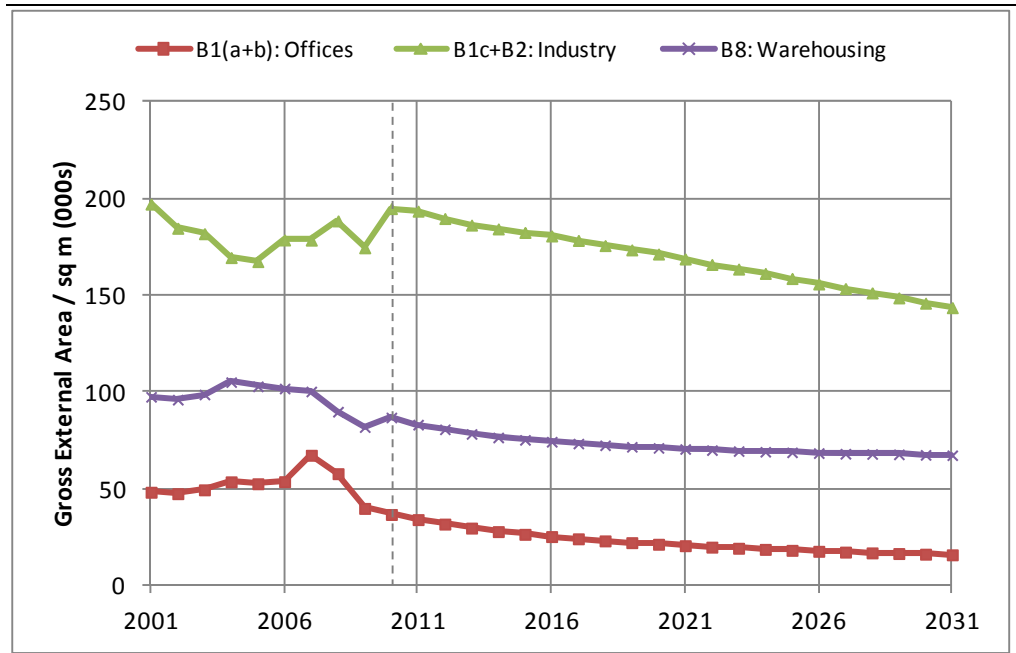
Table 4.73 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	36.8	31.8	20.6	17.8	15.9
B1c/B2 Industrial	194.7	189.6	168.7	155.8	143.5
B8 Warehousing	86.9	80.7	70.6	68.4	67.4
<i>B-class total</i>	<i>318.4</i>	<i>302.1</i>	<i>259.9</i>	<i>242.0</i>	<i>226.8</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.8.4 The trends in floorspace demand are set out in Figure 4.14 below.

Figure 4.14 Gross External Area of floorspace demand in Melton in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.8.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.74 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
B1a/b Offices	-14,000	-15,900	n/a	-14,000	-15,900
B1c/B2 Industrial	-33,800	-46,000	4,200	-8.0	-11.0
B8 Warehousing	-12,300	-13,300	5,000	-2.5	-2.7

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.8.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares. As previously discussed in the Employment Land Review 2008, within Leicester and

Leicestershire Melton has the oldest office stock and along with Leicester the highest prevalence of pre – 1940 factory buildings and pre – 1970 warehousing (see sections 3.3.9, 3.3.11 and Figure 3.10. 3.11 and 3.12). Although little office space and warehousing space has been built in Melton in recent years, Melton along with North West Leicestershire the second highest proportion of its factory stock completed after 1981. In the light of this evidence, a higher local renewal rate of the industrial stock may be justified.

Table 4.75 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	31,800	300	4,500	2,200	6,000	3,000
B1c/B2 Industrial (land /ha)	45.1	0.3	4.7	2.4	6.4	3.2
B8 Warehousing (land /ha)	16.1	0.2	2.3	1.7	3.1	2.3

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.8.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period.

Table 4.76 Floorspace/land requirements

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
	B1a/b Offices (floorspace /m ²)	2,200	3,000	1,000	1,000	3,200
B1c/B2 Industrial (land /ha)	2.4	3.2	1.0	1.0	3.4	4.2
B8 Warehousing (land /ha)	1.7	2.3	0.7	0.7	2.4	3.0

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.8.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small B8 together with B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.77 Office requirements (sq m)

Forecast	4,000
Tier One Supply	7,700
Tier Two Supply	0
Balance	3,700

Table 4.78 Industrial B1 c / B2 and small B8 requirements (ha)

Forecast	7.30
Tier One Supply	0.00
Tier Two Supply	15.10
Balance	7.80

Table 4.79 Strategic warehousing requirements (ha)

Forecast	0.00
Tier One Supply	0.00
Tier Two Supply	0.00
Balance	0.00

4.8.9 The tables show forecast demand for the period 2010 – 31 for 4,000 sq m of offices, 7.3 ha of industrial land and no requirement for strategic warehousing land. Turning to the new development pipeline, the Supply Demand balance shows a surplus of offices (3,700 sq m) and 7.8 ha of industrial land.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.80 Tier one sites

TIER ONE SITES	Offices / R&D (sq m)	B1 c/ B2/ Small (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Melton Fields Business Park, Land West of Bowling Green Leicester Road, Melton Mowbray (2.2 ha)	7,700			Outline PP
Total	7,700			

Source: Melton Borough Council

Table 4.81 Tier two sites

TIER TWO SITES	Offices / R&D	B1 c/ B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Melton West Employment Growth Area		14		Emerging
Emerging allocation in the Core Strategy (Publication) version. Site is subject to a deliverability assessment on delivery, take up, phasing and market opportunities over the plan period				
Normanton Lane Industrial Estate, Bottesford		0.7		A
John O’Gaunt Industrial Estate, Somerby Site is subject of planning applications		0.4		A
Total		15.1		

Source: Melton Borough Council

Table 4.82 Off-market and excluded from the supply

OFF MARKET AND EXCLUDED FROM THE SUPPLY	Offices / R&D	B1 c/ B2/ B8	Strategic B8	W: Windfall A: Allocated PP: Consented
St Gobain, Welby Way, Melton Mowbray		1.5	8.0	PP
Planning permission granted for 5,476 sq m B2 scheme along with 80,000 sq m of open storage for St Gobain's own use				
Asfordby Business Park, Asfordby		16		Not allocated
Owner has prepared a master plan for a 43,000 sq m scheme but the site is unallocated and poorly located for the market				
Holwell Works, Asfordby Hill (15 ha)		15		PP
Planning permission for 36,152 sq m B1 (c), 2 and 8 scheme, development constraints include ecological interest, site contamination and highway and utilities service requirements				
Total		32.5	8.0	

Source: Melton Borough Council

Melton: 2008 - 12

- 4.8.10 Completions: During the period, 4,820 sq m of offices were developed in the borough including the Council's new head quarters totalling 3,250 sq m. In addition 1,022 sq m of B1 (c) and 6,533 sq m of B2 were developed with notable schemes at Pedigree Petfoods (1,425 sq m) and Long Clawson Dairy. B8 warehousing developments amounted to 11,643 sq m for the expansion of Long Clawson Dairy and distribution businesses at Asfordby Business Park (pallets) and Normanton Airfield.
- 4.8.11 During the period 2,193 sq m of B2 and 3,752 sq m of B8 were lost to other uses, the latter being the subject to a change of use to a leisure (skate / BMX) complex. A small 0.2 ha site at Charlotte Street, Melton Mowbray was subject to change of use for a vet's surgery (D1) and retail (A1).
- 4.8.12 Emerging allocations: Melton Borough Council has allocated a 14 ha employment growth area in the Melton Core Strategy (Publication) DPD. The allocation is the broad direction of growth to the West of Melton Mowbray, adjacent to the A607 Leicester Road.
- 4.8.13 Melton does not have any sites delivering schemes for the open market although Westleigh are bringing forward Melton Fields Business Park with support of a loan from the Growing Places Fund. The other employment sites are not well located for the market in rural locations at Bottesford, Somerby and the former coal and steel works at Asfordby Business Park and Holwell Works.

4.9 North West Leicestershire

Employment forecasts

- 4.9.1 The forecast of workplace jobs in North West Leicestershire over the period 2010-2031 is set out in Table 4.83 below.

Table 4.83 Workplace jobs in North West Leicestershire, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	8.5	8.7	11.0	12.3	13.7
B1c/B2 Industrial	8.7	8.2	6.9	6.2	5.7
B8 Warehousing	9.8	10.3	12.2	12.8	13.2
Other	29.3	28.8	30.4	31.7	33.1
<i>Total</i>	<i>56.2</i>	<i>56.0</i>	<i>60.4</i>	<i>63.0</i>	<i>65.6</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

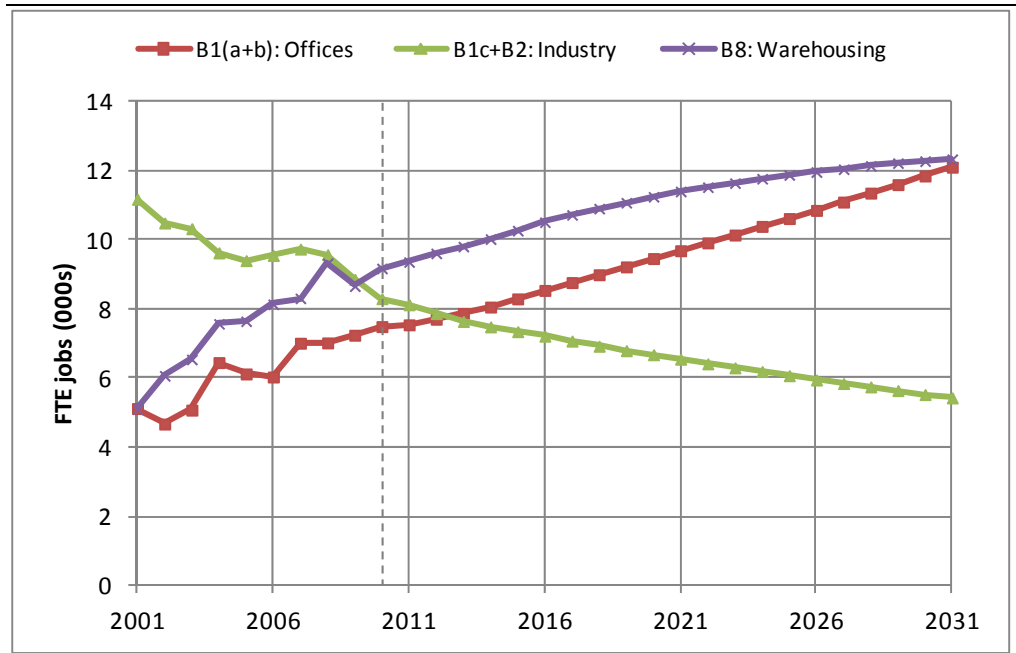
4.9.2 The forecast FTE job figures are set out in Table 4.84 below, while the longer-term trends and forecasts are shown in the following Figure 4.15.

Table 4.84 FTE jobs in North West Leicestershire, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	7.5	7.7	9.7	10.9	12.1
B1c/B2 Industrial	8.3	7.9	6.5	5.9	5.4
B8 Warehousing	9.2	9.6	11.4	12.0	12.3
Other	23.3	23.0	24.2	25.3	26.4
<i>Total</i>	<i>48.3</i>	<i>48.1</i>	<i>51.9</i>	<i>54.0</i>	<i>56.2</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.15 Full time equivalent jobs in North West Leicestershire in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.9.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.85 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

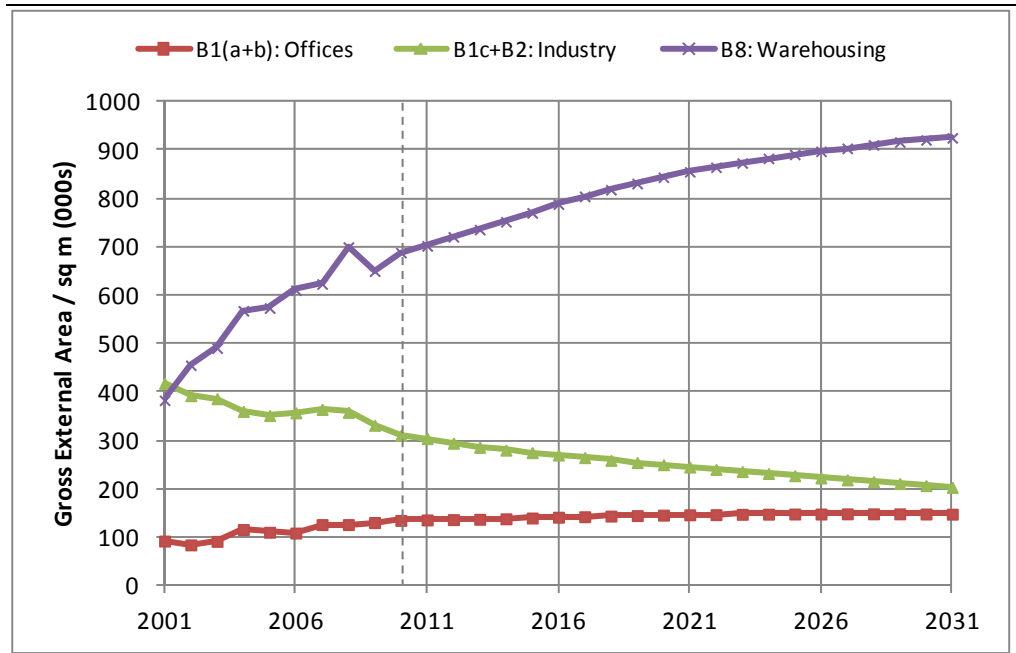
Table 4.85 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	134.8	136.5	146.3	148.2	147.8
B1c/B2 Industrial	310.3	294.2	245.0	222.5	203.1
B8 Warehousing	688.0	720.5	854.8	897.1	924.9
<i>B-class total</i>	1,133.1	1,151.2	1,246.1	1,267.7	1,275.7

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.9.4 The trends in floorspace demand are set out in Figure 4.16 below.

Figure 4.16 Gross External Area of floorspace demand in North West Leicestershire in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.9.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.86 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
B1a/b Offices	11,700	11,300	n/a	11,700	11,300
B1c/B2 Industrial	-71,700	-91,100	4,200	-17.1	-21.7
B8 Warehousing	176,500	204,400	5,000	35.3	40.9

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.9.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.87 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	136,500	1,400	19,100	9,600	25,900	13,000
B1c/B2 Industrial (land /ha)	70.0	0.5	7.4	3.7	10.0	5.0
B8 Warehousing (land /ha)	144.1	1.4	20.2	15.1	27.4	20.5

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.9.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period. The pipeline estimate for the period 2012-2031 is greater than that for 2012-2026 for office and warehousing floorspace and land as the demand component of the total requirement grows smaller over time – see the decelerating growth curve of Figure 4.16 above.

Table 4.88 Floorspace/land requirements

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
	B1a/b Offices (floorspace /m ²)	21,300	24,200	9,100	7,700	30,400
B1c/B2 Industrial (land /ha)	3.7	5.0	1.6	1.6	5.3	6.6
B8 Warehousing (land /ha)	50.4	61.4	21.6	19.4	72.1	80.8

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.9.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small B8 together with B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.89 Office requirements (sq m)

Forecast	31,900
Tier One Supply	2,500
Tier Two Supply	5,000

Balance	-24,400
---------	---------

Table 4.90 Industrial B1 c / B2 and small B8 requirements (ha)

Forecast	35.50
Tier One Supply	8.66
Tier Two Supply	15.80
Balance	-11.04

Table 4.91 Strategic warehousing requirements (ha)

Forecast	51.90
Tier One Supply	29.49
Tier Two Supply	124.00
Balance	101.59

4.9.9 The tables show forecast demand for the period 2010 – 31 for 31,900 sq m of offices, 35.5 ha of industrial land and 51.9 ha of strategic warehousing land. Turning to the new development pipeline, the Supply Demand balance shows deficits of offices (24,400 sq m) and industrial land (11.04 ha) and a surplus of 101.59 ha of strategic warehousing land. However this surplus arises from a proposal for a road – rail distribution centre on a 110 ha sites which arises from national as opposed to local distribution requirements.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.92 Tier one sites

TIER ONE SITES	Offices / R&D	B1 c/ B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
East Midlands Distribution Centre			20.39	PP
Westminster Estate, Measham			5.03	PP
Ivanhoe Business Park, Ashby		7.66 B1/2/8		PP
Interlink Distribution Park, Stanton near Bardon (1.1 ha of 3.59 ha site with H&BBC)			1.1	PP
Interlink Distribution Park, Stanton near Bardon			3.00 (12,450)	
Willow Farm, Castle Donington (0.5 ha)	2,500	1.0 B1 (c)		PP
Total	2,500	8.66	29.49	

Source: North West Leicestershire

Table 4.93 Tier two sites

TIER TWO SITES	Offices / R&D	B1 c/B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Strategic Road/ Rail Freight Distribution Centre			110 (555,740)	EA
Coalville SUE, Strategic Employment Site (20 ha)	5,000	5	14	PP
Ashby Business Park, Ashby		8.10 (23,365) B1/2/8		PP
Forest Business Park, Bardon Lodge, Bardon		2.7		PP
Total	5,000	15.8	124	

Source: North West Leicestershire

Table 4.94 Excluded from the supply

EXCLUDED FROM THE SUPPLY	Offices / R&D	B1c/B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Lounge, Ashby			30 (78,000)	PP subject to S 106
Total			30	

Source: North West Leicestershire

North West Leicestershire: 2008 - 12

4.9.10 Starts and Completions: During the period, development on 29.74 ha of new employment land was completed at five sites. These were at:

- East Midlands Distribution Centre (a 93,000 sq m rail linked distribution centre for Marks and Spencer on 18.13 ha);
- Westminster Estate, Measham (21,784 sq m B2/8 on 6.73 ha);
- Interlink (comprising three large warehouses on 2.05 and 1.25 ha);
- Ivanhoe Business Park, Ashby (1,991 sq m B1 and 3,006 sq m B2 on 1.07 ha); Willow Farm, Castle Donington (Redwing Court, a 1,360 sq m scheme of 7 offices on 0.51 ha).

4.9.11 Land Lost: At Moira Road, Woodville Woodlands, a 4.1 ha site was lost to change of use to housing.

4.9.12 Land Gained: Planning permission has been granted for a warehousing scheme at the Lounge site, Ashby, subject to a Section 106 agreement requiring provision of a rail link. However this scheme has been excluded from the supply due to questions over the deliverability of the rail link.

4.9.13 The development pipeline is dominated by proposals for the following rail linked large scale warehousing schemes:

- East Midlands Distribution Centre (where development is underway);

- Land adjacent to East Midlands Airport where Roxhill are promoting a 557,400 sq m scheme on 110 ha.

4.9.14 The market for new out of town offices, light industrial and smaller warehouses is currently being served by Willow Farm, Castle Donington, and Ivanhoe Business Park, Ashby.

4.9.15 The Council has identified a requirement of 134 ha of new employment land for the plan period 2006 – 31. Of this total 43.13 ha was started in the period 2006 – 11 and a further 85.82 ha were committed at April 2011. The Council has added to the requirement employment land lost at Woodville Woodlands (4.83 ha) and Swainspark (5.00 ha) and a further 29.5 ha to account for further losses to 2031. This leaves a residual requirement for 44.38 ha. Of this land, an allocation of a 20 ha is proposed within the Coalville SUE.

4.10 Leicester/Leicestershire HMA

Employment forecasts

4.10.1 The forecast of workplace jobs in the HMA over the period 2010-2031 is set out in Table 4.95 below.

Table 4.95 Workplace jobs in HMA, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	78.7	78.1	89.7	98.4	108.4
B1c/B2 Industrial	83.5	80.3	69.3	63.6	58.3
B8 Warehousing	41.3	41.3	44.2	45.3	46.1
Other	280.9	279.5	303.1	318.1	333.5
<i>Total</i>	<i>484.4</i>	<i>479.1</i>	<i>506.4</i>	<i>525.4</i>	<i>546.3</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

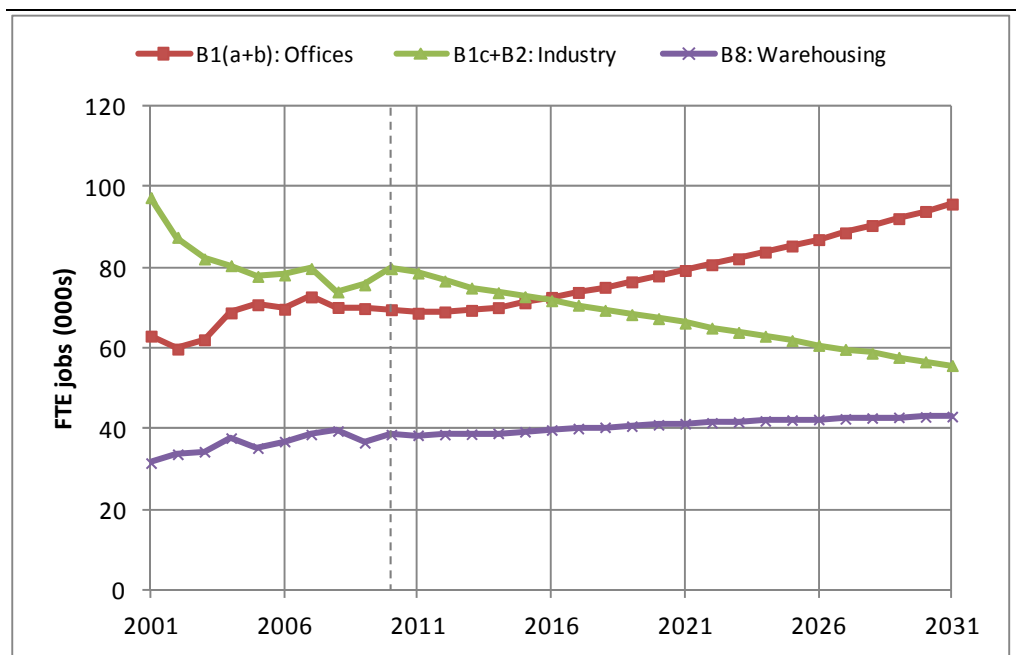
4.10.2 The forecast FTE job figures are set out in Table 4.96 below, while the longer-term trends and forecasts are shown in the following Figure 4.17.

Table 4.96 FTE jobs in HMA, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	69.6	69.0	79.3	87.0	95.8
B1c/B2 Industrial	79.8	76.7	66.3	60.8	55.8
B8 Warehousing	38.7	38.7	41.4	42.4	43.1
Other	223.8	222.7	241.5	253.5	265.7
<i>Total</i>	<i>411.9</i>	<i>407.1</i>	<i>428.5</i>	<i>443.6</i>	<i>460.4</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.17 Full time equivalent jobs in HMA in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.10.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.97 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

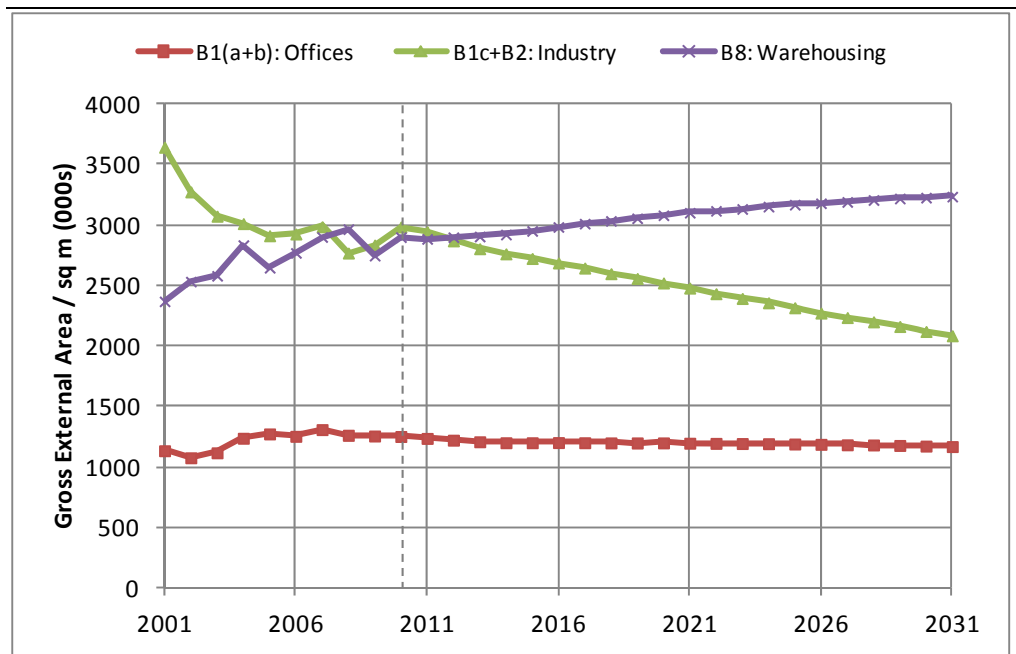
Table 4.97 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	1,253	1,223	1,198	1,188	1,170
B1c/B2 Industrial	2,984	2,870	2,479	2,272	2,085
B8 Warehousing	2,900	2,900	3,102	3,180	3,235
<i>B-class total</i>	<i>7,137</i>	<i>6,992</i>	<i>6,779</i>	<i>6,640</i>	<i>6,490</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.10.4 The trends in floorspace demand are set out in Figure 4.18 below.

Figure 4.18 Gross External Area of floorspace demand in HMA in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.10.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.98 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
B1a/b Offices	-34,700	-53,100	n/a	-34,700	-53,100
B1c/B2 Industrial	-597,500	-784,400	4,200	-142.3	-186.8
B8 Warehousing	280,200	335,700	5,000	56.0	67.1

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.10.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.99 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	1,222,700	10,100	141,800	85,600	192,400	116,200
B1c/B2 Industrial (land /ha)	683.3	5.1	71.7	35.9	97.4	48.7
B8 Warehousing (land /ha)	579.9	5.8	81.2	60.9	110.2	82.6

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

4.10.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period. The pipeline estimate for the period 2012-2031 is greater than that for 2012-2026 for warehousing land as the demand component of the total requirement grows smaller over time – see the decelerating growth curve of Figure 4.18 above. Please also note that the demand for new floorspace in the HMA as a whole is equal to the sum of the **positive** demand figures for each district; as demand in some sectors in some districts is zero or negative, the total demand evident in the HMA is greater than would be expected from the forecast of whole-HMA employment due to the need to cater for the geographical sub-markets.

Table 4.100 Floorspace/land requirements for pipeline

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
B1a/b Offices (floorspace /m ²)	131,400	160,000	56,300	50,600	188,000	210,800
B1c/B2 Industrial (land /ha)	36.5	48.7	15.7	15.4	52.2	64.1
B8 Warehousing (land /ha)	141.0	176.2	60.4	55.6	201.5	231.8

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

4.10.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (i.e. small B8 together with B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.101 Office requirements (sq m)

Forecast	210,800
Tier One Supply	132,565
Tier Two Supply	108,705
Balance	30,470

Table 4.102 Industrial (B1 c / B2 and small B8) requirements (ha)

Forecast	163.6
Tier One Supply	63.345
Tier Two Supply	125.16
Balance	25.905

Table 4.103 Strategic warehousing requirements (ha)

Forecast	129.30
Tier One Supply	58.03
Tier Two Supply	135.34
Balance	64.07

4.10.9 The tables show forecast demand for the period 2010 – 31 for 210,800 sq m of offices, 163.6 ha of industrial land and 129.3 ha of strategic warehousing land. Turning to the new development pipeline, there are surpluses of 30,470 sq m of office floorspace, 25.9 ha of industrial land and 64.07 ha of strategic warehousing land. The surplus in strategic warehousing arises from the proposal for a road – rail distribution centre on a 110 ha site in North West Leicestershire which is planned to meet national as opposed to local distribution needs.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.104 Tier one sites

LEICESTER CITY TIER ONE SITES	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Ashton Green, Leicester Road/ Beaumont Road/ Thurmaston Road *		5.0		A
Fletton Close, Hamilton		2.67		A
High View Close, Gipsy Lane Brickworks *		2.09		A Council owned
Ashton Close +		2.085		A Small plots being sold
Smartpoint, Troon Way/ Melton Road		1.76		W
Crest Rise, Gipsy Lane		1.60		A
Incubator building Innovation and Technology Park, Exploration Drive +	3,080 (B1 b)			A
Innovation and Technology Park, Exploration Drive (1.19 ha) +	5,950 (B1 b)			A balance of above site
Barkby Road *		1.36		A
Charter Street *		1.18		PP 1,926 mail sorting office
Innovation building, Innovation and Technology Park, Exploration Drive + (0.307 ha)	1,500			A Application for incubator
Former Bus Depot, Southgates	100			W
High Cross Street	4,000			W
Vaughan Way	4,600			W
Leicester City Total	19,230	17.745		
BLABY TIER ONE SITES	Offices / R&D (sq m)	B1(c)/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Glenfield Road, Kirby Road/ Ratby Lane	21,570	3.26 (13,710)	12.5 (62,400)	PP
Grove Park, Enderby (2.6 ha)	8,891 B1/B2			PP
LE3 Ratby Lane/ Oak Spinney Park, Kirkby Muxloe (1.88 ha)	4,751			PP
Blaby Total	35,212	3.26	12.5	

CHARNWOOD TIER ONE SITES	Offices / R&D (sq m)	B1(c)/B2/ Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
North Charnwood				
Former Astra Zeneca site, Bishop Meadow, Loughborough	3,250 (1.2)	5.44 (29,940)		W
Former Astra Zeneca site, Bishop Meadow, Loughborough (CBC option land)		1.9 (9,500).		W
North Road, Charnwood Business Park, Loughborough	2,257 (0.4)			A
Total	5,507	7.34		
South Charnwood				
Phase 1 Watermead Business Park, Syston	13,870 (4.1)			PP
The Warren, East Goscote		4.9 (16,340)		PP
Interchange, Harrowgate Drive, Birstall	3,896 (1.0)	3.39 (14,886)		PP
Phase 2 Thurmaston Industrial Estate, Melton Road, Thurmaston		3.68		W
Granite Way, 251 Loughborough Road, Mountsorrel		0.4		A
Total	17,766	12.37		
Charnwood Total	23,273	19.71		
HARBOROUGH TIER ONE SITES				
Airfield Farm, Leicester Road, Market Harborough (4.64 ha)	5,800 (1.16)	3.48		PP
Compass Point Business Park, East of Northampton Road, Market Harborough (7.98 ha)	28,800 (5.76) B1	1.92 B1		PP
Peaker Park, East of Rockingham Road, Market Harborough (1.9 ha)	2,375 (0.475)	1.425		PP
George House, Hunter Boulevard, Magna Park			2.85	PP
Bruntingthorpe Industrial Estate, Bruntingthorpe	3,805 B1b (1.34)			PP
Land adj Unit P, Valley Way, Market Harborough (1,400 B2)		0.35		PP
Total	40,780	7.175	2.85	

HINCKLEY AND BOSWORTH TIER ONE SITES	Offices / R&D	B1c/ B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Hinckley Town Centre				
Bus Station, Lancaster Road (3.98 ha)	706			PP
Small schemes (0.72 ha) Clarence Buildings, 3A Market Place 1 Horsefair 62 Castle Street Essentia House, 55 Upper Bond Street Dennis House, 4 Hawley Road	1,306			PP
Jarvis Porter, Coventry Road, Hinckley (0.7 ha)	3,870		0.7 (3,524)	PP
Elsewhere				
Logix 2, Rugby Road, Burbage (16 ha)	1,858	5.5 (19,510)	10 (68,747)	PP
Interlink Distribution Park, Stanton near Bardon (2.49 of 3.59 ha site with NWL)			2.49	PP
Tungsten Park, Coventry Road, Hinckley		2.3 B1/2/8		PP
Hinckley and Bosworth Total	3,870	7.8	13.19	
MELTON TIER ONE SITES	Offices / R&D (sq m)	B1 c/ B2/ Small (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Melton Fields Business Park, Land West of Bowling Green Leicester Road, Melton Mowbray (2.2 ha)	7,700			Outline PP
Melton Total	7,700			
NORTH WEST LEICESTERSHIRE TIER ONE SITES	Offices / R&D	B1 c/ B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
East Midlands Distribution Centre				
Westminster Estate, Measham			20.39	PP
Ivanhoe Business Park, Ashby		7.66 B1/2/8		PP
Interlink Distribution Park, Stanton near Bardon (1.1 ha of 3.59 ha site with H&BBC)			1.1	PP
Interlink Distribution Park, Stanton near Bardon			3.00 (12,450)	
Willow Farm, Castle Donington (0.5 ha)	2,500	1.0 B1 (c)		PP
North West Leicestershire Total	2,500	8.66	29.49	

Please see individual district sections for notes and sources.

Table 4.105 Tier two sites

LEICESTER CITY TIER TWO SITES	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Welford Place	5,000			W
St George's Central	11,148			W building to be upgraded
Dover Street/ Granby Street	9,300			W building and car park
Leicester City Total	25,648	1.596		

BLABY TIER TWO SITES	Offices / R&D	B1(c)/B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Blaby SUE, Strategic Employment Site. Land East of the Warrens (South of M69), Enderby (21 ha site)	7,600	4.7 (19,700)	11.34 (56,700)	A
Blaby SUE, Gateway Employment Site: Business Centre	4,600 B1a/ b/c	-	-	A
Blaby SUE, District Centre, Lubbesthorpe	2,000			A
Blaby Total	14,200	4.7	11.34	
CHARNWOOD TIER TWO SITES	Offices / R&D	B1(c)/B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
North Charnwood				
West of Loughborough SUE	12,500 (2.5)	13.3		Emerging allocation
Developers' (Persimmon and Wm. Davis), masterplan identifies Phase C 9.7 ha and Phase D: 2.1ha, 3.7ha and 5.3 ha				
Dishley Grange, Hathern, Loughborough 37,160 sq m on 9.5 ha	5,000 (1)	7.66 (32,160)		Outline PP
Investment in advance infrastructure and planning obligation requirements is subject to a substantial pre - let				
Loughborough / Shepshed, proposed mixed housing employment development	3,000 (0.6)	5.4		Emerging allocation
Total	20,500	26.36	nil	
South Charnwood				
North East of Leicester SUE	6,807 (1.7)	11		Emerging allocation
Phase 2 Watermead Business Park, Syston	5,850 (1.17)	10.53		Emerging allocation
Phase 3 Watermead Business Park, Syston	2,900 (0.58)	5.22		Emerging allocation
A substantial investment will be required to service both sites				
Birstall / Rothley, proposed mixed housing employment development	7,500 (1.5)	13.5		
Total	23,057	40.25		
Charnwood Total	43,557	66.61		
OADBYS AND WIGSTON TIER TWO SITES	Offices / R&D	B1 (c)/ B2 (ha)	Strategic B8	W: Windfall A: Allocated PP: Consented
Land off Magna Road, Magna Industrial Estate, South Wigston (0.55 ha)	250* (0.05ha)	0.5		
Development constrained by ground conditions				
South East Wigston (2.5 – 3.5 ha)	2,500* (0.5ha)	2.5		EA
Wigston Town Centre	9,000			EA
Oadby Town Centre	800			EA
Oadby and Wigston Total	12,550*	3.0	-	

HARBOROUGH TIER TWO SITES	Offices / R&D	B1c/B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Railway Goods Yard, Rockingham Road, Market Harborough		1.8 B1c/B2		PP
Leaders Farm, South of Coventry Road, Lutterworth (4.4 ha) *	5,500 (1.1)	3.3		A
West of Northampton Road, Market Harborough (1.8 ha)	2,250 (0.45)	1.35		A
Harborough Total	7,750	6.45		
HINCKLEY AND BOSWORTH TIER TWO SITES	Offices / R&D	B1c/ B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Barwell SUE		6.5		
Land allocations to be brought forward through the Earl Shilton and Barwell Area Action Plan. Outline planning application for 2,500 houses and 6.5 ha of employment land to be determined by December 2012.				
Earl Shilton SUE		5.4		
Land allocations to be brought forward through the Earl Shilton and Barwell Area Action Plan. The two sets of developers have respectively proposals for a) 1,300 houses and 3 – 4 ha of employment land and b) a further 200 homes.				
Hinckley and Bosworth Total	-	11.9	-	
MELTON TIER TWO SITES	Offices / R&D	B1 c/ B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Melton West Employment Growth Area		14		Emerging
Emerging allocation in the Core Strategy (Publication) version. Site is subject to a deliverability assessment on delivery, take up, phasing and market opportunities over the plan period				
Normanton Lane Industrial Estate, Bottesford		0.7		A
John O'Gaunt Industrial Estate, Somerby		0.4		A
Site is subject of planning applications				
Melton Total		15.1		
NORTH WEST LEICESTERSHIRE TIER TWO SITES	Offices / R&D	B1 c/B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Strategic Road/ Rail Freight Distribution Centre			110 (555,740)	EA
Coalville SUE, Strategic Employment Site (20 ha)	5,000	5	14	PP
Ashby Business Park, Ashby		8.10 (23,365) B1/2/8		PP
Forest Business Park, Bardon Lodge, Bardon		2.7		PP
North West Leicestershire Total	5,000	15.8	124	

Please see individual district sections for notes and sources.

Table 4.106 Off market and excluded from the supply

LEICESTER CITY - OFF MARKET AND EXCLUDED FROM THE SUPPLY	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Off Market				
Welford Place (potential Council offices)	The Council is assessing its rqmts			W
Mountain Road		2.01		A LPC de – inking plant
Charter Street *		1.18		PP 1,926 mail sorting office
Innovation and Technology Park, Exploration Drive +	1,650			PP 1,650 sq m, Zeeko
Excluded				
Former John Ellis School, Corporation Road:		3.61		W Subject to flood plain
Syston Street East		2.76		W Subject to waste use
Leicester City Total	1,650	9.976		
BLABY OFF MARKET	Offices / R&D	B1(c)/B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Carlton Park, Coventry Road, Narborough (3 ha)	12,000			A
Blaby Total	12,000			
CHARNWOOD OFF MARKET SITES	Offices / R&D	B1 (c)/ B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
North Charnwood				
Science Park (Phase 2), Ashby Road, Loughborough	35,780 (7.9 ha) B1 (b)			PP subject to S106
Phase 2: 10.1 ha 7,500 sq m SportPark completed on 2.9ha. Of, 7.2 ha balance, 4.1 unallocated				
Science Park (Phase 3), East of Snells Nook Lane, Loughborough	106,500 21.3 ha) B1 (b)			Emerging allocation
Phase 2 and 3 subject to University's Gateway policies and hence excluded from the open market				
Science Park (Phase 4), West of Snells Nook Lane, Loughborough (Wilson Bowden)	126,000 25.2 ha B1 (b)			Emerging allocation
Phase 4 is subject of an emerging policy framework to limit development to B1 (b) uses with provision for B1 (a) and (c) uses where there is a connection to the University or local R&D activities				
Rothley Lodge Commercial Park, Mountsorrel		5.9 (10,650)		PP
Acquired for development and occupation by Samworth Brothers				
Loughborough Industrial Park, Messenger Close, Weldon Road, Loughborough *		0.1		A
Land safeguarded for possible access road Dishley Grange				
Charnwood Total	268,280 54.4 B1(b)	6	nil	

HINCKLEY AND BOSWORTH - OFF MARKET AND EXCLUDED FROM THE SUPPLY	Offices / R&D	B1c/B2	B8	W: Windfall A: Allocated PP: Consented
Nailstone Quarry		0.19	9.31 (94,971)	PP
This site is not well located for distribution based businesses				
Caterpillar (UK) Limited, Peckleton Lane, Desford			12.3 est. (61,583)	
This scheme is planned for Caterpillar's own use				
MIRA Technology Park (MTP), Watling Street, Higham on the Hill (71.5 ha)	118,000 (B1 b) 14,000 (B1 a)			
The MTP is focussed on businesses engaged in research and development in the transport sector. It has EZ status for businesses resident by 01/04/15 and will apply for a period of five years from the date of occupation and hence is not open to the wider market				
Hinckley and Bosworth Total	132,000	-	21.8	
MELTON - OFF MARKET AND EXCLUDED FROM THE SUPPLY	Offices / R&D	B1 c/ B2/ B8	Strategic B8	W: Windfall A: Allocated PP: Consented
St Gobain, Welby Way, Melton Mowbray		1.5	8.0	PP
Planning permission granted for 5,476 sq m B2 scheme along with 80,000 sq m of open storage for St Gobain's own use				
Asfordby Business Park, Asfordby		16		Not allocated
Owner has prepared a master plan for a 43,000 sq m scheme but the site is unallocated and poorly located for the market				
Holwell Works, Asfordby Hill (15 ha)		15		PP
Planning permission for 36,152 sq m B1 (c), 2 and 8 scheme, development constraints include ecological interest, site contamination and highway and utilities service requirements				
Melton Total		32.5	8.0	
NORTH WEST LEICESTERSHIRE - EXCLUDED FROM THE SUPPLY	Offices / R&D	B1c/B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Lounge, Ashby			30 (78,000)	PP subject to S 106
North West Leicestershire Total			30	

Please see individual district sections for notes and sources.

4.11 Leicester Principal Urban Area

Employment forecasts

- 4.11.1 For consistency with the previous ELR, the PUA is defined as **Leicester + Oadby and Wigston + Blaby + Charnwood**. The forecast of workplace jobs in the PUA over the period 2010-2031 is set out in Table 4.107 below.

Table 4.107 Workplace jobs in PUA, 2010-2031

	Workplace jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	56.1	55.7	64.0	70.2	77.3
B1c/B2 Industrial	54.7	52.9	46.3	42.6	39.2
B8 Warehousing	21.1	20.6	20.8	21.1	21.2
Other	189.4	188.8	205.9	216.4	227.0
<i>Total</i>	<i>321.4</i>	<i>318.1</i>	<i>337.1</i>	<i>350.2</i>	<i>364.7</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

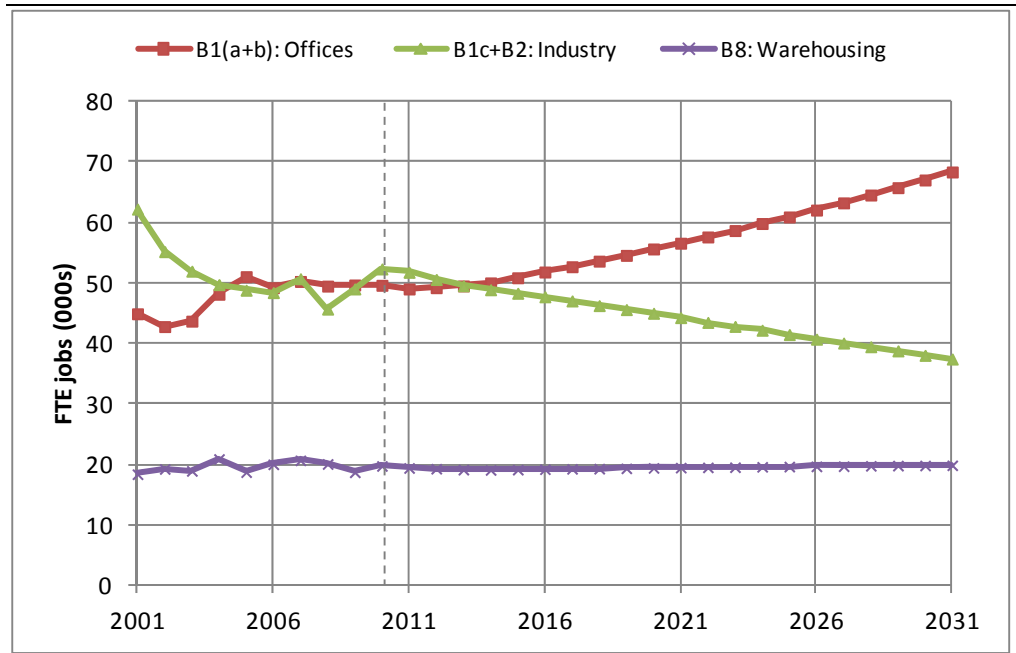
4.11.2 The forecast FTE job figures are set out in Table 4.108 below, while the longer-term trends and forecasts are shown in the following Figure 4.19.

Table 4.108 FTE jobs in PUA, 2010-2031

	FTE jobs (000s)				
	2010	2012	2021	2026	2031
B1a/b Office	49.6	49.2	56.6	62.1	68.4
B1c/B2 Industrial	52.3	50.6	44.3	40.7	37.4
B8 Warehousing	19.8	19.3	19.5	19.7	19.9
Other	150.9	150.4	164.0	172.4	180.9
<i>Total</i>	<i>272.6</i>	<i>269.6</i>	<i>284.4</i>	<i>294.9</i>	<i>306.6</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Figure 4.19 Full time equivalent jobs in PUA in B1/2/8 use classes, 2001-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010), HM Treasury forecasts May 2012, PACEC

Forecast FTE jobs to floorspace

4.11.3 Under stage two the forecast FTE jobs are translated into demand for floorspace (Gross External Area) (see Table 4.109 below). The methodology uses standard ratios for floorspace per employee, net to gross, and internal to external conversion, as published in the Employment Land Reviews: Guidance Note (ODPM, 2004) and the 2nd edition of the Employment Densities Guide (HCA, 2010). The methodology accounts for rising office employment density across the plan period.

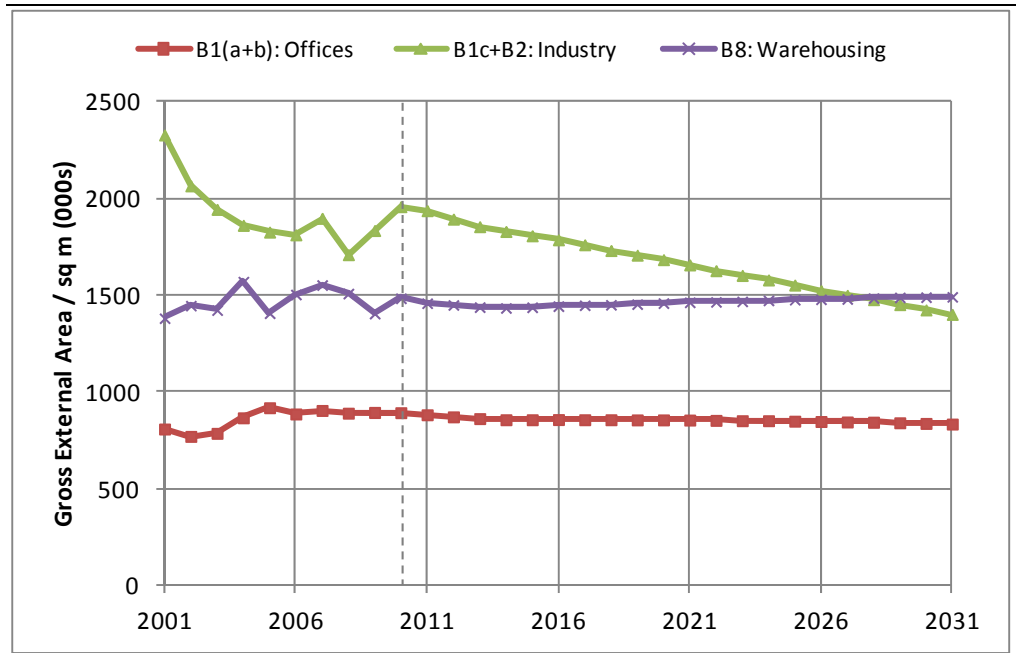
Table 4.109 Floorspace

	Floorspace (/000 m ²)				
	2010	2012	2021	2026	2031
B1a/b Office	894	872	855	848	834
B1c/B2 Industrial	1,957	1,892	1,656	1,523	1,401
B8 Warehousing	1,484	1,449	1,463	1,478	1,491
<i>B-class total</i>	<i>4,334</i>	<i>4,214</i>	<i>3,974</i>	<i>3,849</i>	<i>3,726</i>

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

4.11.4 The trends in floorspace demand are set out in Figure 4.20 below.

Figure 4.20 Gross External Area of floorspace demand in PUA in B1/2/8 use classes, 2011-2031



Note: Dotted vertical line indicates latest available data.
 Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Floorspace demand to land demand

4.11.5 Under step three, the forecast floorspace is translated into land requirements for B1(c)/B2 industrial, and B8 warehousing use classes. The demand for offices is retained in square metres of floorspace since there are wide divergences in plot ratios between town centre and out of town business park sites.

Table 4.110 Floorspace/land requirements due to demand

	Change in floorspace (/m ²)		Plot ratio (except offices)	Change in floorspace (offices, /m ²) or land (/ha)	
	2012-2026	2012-2031		2012-2026	2012-2031
B1a/b Offices	-24,700	-37,800	n/a	-24,700	-37,800
B1c/B2 Industrial	-369,200	-491,900	4,200	-87.9	-117.1
B8 Warehousing	28,900	42,000	5,000	5.8	8.4

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Renewal

4.11.6 In the fourth step we set out the estimate of floorspace and land required for renewal of stock. Office floorspace is set out in square metres and industrial and warehousing land as hectares.

Table 4.111 Floorspace/land requirements for renewal

	2012		Requirement to 2026		Requirement to 2031	
	Stock	Renewal p.a.	Total	Of which new land	Total	Of which new land
B1a/b Offices (floorspace /m ²)	872,200	8,700	92,700	61,100	125,800	82,900
B1c/B2 Industrial (land /ha)	450.6	3.4	47.3	23.7	64.2	32.1
B8 Warehousing (land /ha)	289.9	2.9	40.6	30.4	55.1	41.3

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Pipeline

- 4.11.7 In the fifth step we take into account the need for a pipeline to ensure competition and choice in geographical and property sub-markets during and beyond the plan period. It is therefore imperative that Local Planning Authorities plan, monitor and manage their employment land stock to ensure sites are being brought forward as existing sites are developed out. For this review we assume a six-year pipeline period. The pipeline estimate for the period 2012-2031 is greater than that for 2012-2026 for warehousing land as the demand component of the total requirement grows smaller over time – see the decelerating growth curve of Figure 4.18 above. Please also note that the demand for new floorspace in the PUA as a whole is equal to the sum of the **positive** demand figures for each district; as demand in some sectors in some districts is zero or negative, the total demand evident in the PUA is greater than would be expected from the forecast of whole-PUA employment due to the need to cater for the geographical sub-markets.

Table 4.112 Floorspace/land requirements for pipeline

	New requirement (new land for renewal, plus demand)		Pipeline requirement (six years)		Total requirement	
	2012-2026	2012-2031	2012-2026	2012-2031	2012-2026	2012-2031
B1a/b Offices (floorspace /m ²)	95,200	115,500	40,800	36,500	136,100	152,100
B1c/B2 Industrial (land /ha)	24.3	32.1	10.4	10.1	34.7	42.2
B8 Warehousing (land /ha)	47.6	62.2	20.4	19.6	68.1	81.8

Source: Office for National Statistics (Census of Population, Business Register Employment Survey, Labour Force Survey, and respective antecedents, 1971-2010); HM Treasury forecasts May 2012; ODPM Employment Reviews: Guidance Note 2004; HCA Employment Densities Guide (2nd Edition) 2010; PACEC

Supply/demand balance 2010 - 31

- 4.11.8 For planning purposes, the B8 warehousing requirements outlined above have been separated into small, local warehousing and strategic warehousing. The supply/demand balance tables below incorporate small B8 requirements with the rest of the industrial uses (small warehousing together B1 c and B2), and strategic warehousing appears in its own table. This reflects the large-scale requirements for

strategic warehousing and the need to plan for them on a county-wide basis.

Table 4.113 Office requirements (sq m)

Forecast	152,100
Tier One Supply	77,715
Tier Two Supply	95,955
Balance	21,570

Table 4.114 Industrial B1 c / B2 and small B8 requirements (ha)

Forecast	91.10
Tier One Supply	40.71
Tier Two Supply	75.91
Balance	25.52

Table 4.115 Strategic warehousing requirements (ha)

Forecast	33.00
Tier One Supply	12.50
Tier Two Supply	11.34
Balance	-9.16

4.11.9 The tables show forecast demand for the period 2010 – 31 for 152,100 sq m of offices, 91 ha of industrial land and 33 ha of strategic warehousing land. Turning to the new development pipeline, the Supply demand balance shows surpluses for offices (21,570 sq m) and industrial land (25.52 ha) and a deficit of strategic warehousing land of 9.16 ha.

Windfall Sites, Allocated Sites and Planning Permissions

Table 4.116 Tier one sites

LEICESTER CITY TIER ONE SITES	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Ashton Green, Leicester Road/ Beaumont Road/ Thurgate Road *		5.0		A
Fletton Close, Hamilton		2.67		A
High View Close, Gipsy Lane Brickworks *		2.09		A Council owned
Ashton Close +		2.085		A Small plots being sold
Smartpoint, Troon Way/ Melton Road		1.76		W
Crest Rise, Gipsy Lane		1.60		A
Innovation and Technology Park, Exploration Drive (1.19 ha) +	5,950 (B1 b)			A balance of above site
Incubator, Innovation and Technology Park, Exploration Drive +	3,080 (B1 b)			PP
Innovation building, Innovation and Technology Park, Exploration Drive + (0.307 ha)	1,500			PP linked to retail scheme
Barkby Road *		1.36		A
Charter Street *		1.18		PP 1,926 mail sorting office
Former Bus Depot, Southgates	100			W
High Cross Street	4,000			W
Vaughan Way	4,600			W
Leicester City Total	19,230	17.745		
BLABY TIER ONE SITES	Offices / R&D (sq m)	B1(c)/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Glenfield Road, Kirby Road/ Ratby Lane	21,570	3.26 (13,710)	12.5 (62,400)	PP
Grove Park, Enderby (2.6 ha)	8,891 B1/B2			PP
LE3 Ratby Lane/ Oak Spinney Park, Kirkby Muxloe (1.88 ha)	4,751			PP
Blaby Total	35,212	3.26	12.5	

CHARNWOOD TIER ONE SITES	Offices / R&D (sq m)	B1(c)/B2/ Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
North Charnwood				
Former Astra Zeneca site, Bishop Meadow, Loughborough	3,250 (1.2)	5.44 (29,940)		W
Former Astra Zeneca site, Bishop Meadow, Loughborough (CBC option land)		1.9 (9,500).		W
North Road, Charnwood Business Park, Loughborough	2,257 (0.4)			A
Total	5,507	7.34		
South Charnwood				
Phase 1 Watermead Business Park, Syston	13,870 (4.1)			PP
The Warren, East Goscote		4.9 (16,340)		PP
Interchange, Harrowgate Drive, Birstall	3,896 (1.0)	3.39 (14,886)		PP
Phase 2 Thurmaston Industrial Estate, Melton Road, Thurmaston		3.68		W
Granite Way, 251 Loughborough Road, Mountsorrel		0.4		A
Total	17,766	12.37		
Charnwood Total	23,273	19.71		

Please see individual district sections for notes and sources.

Table 4.117 Tier two sites

LEICESTER CITY TIER TWO SITES	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Welford Place	5,000			W
St George's Central	11,148			W building to be upgraded
Dover Street/ Granby Street	9,300			W building and car park
Leicester City Total	25,648	1.596		

BLABY TIER TWO SITES	Offices / R&D	B1(c)/B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Blaby SUE, Strategic Employment Site. Land East of the Warrens (South of M69), Enderby (21 ha site)	7,600	4.7 (19,700)	11.34 (56,700)	A
Blaby SUE, Gateway Employment Site: Business Centre	4,600 B1a/ b/c	-	-	A
Blaby SUE, District Centre, Lubbesthorpe	2,000			A
Blaby Total	14,200	4.7	11.34	

CHARNWOOD TIER TWO SITES	Offices / R&D	B1(c)/B2/ Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
North Charnwood				
West of Loughborough SUE	12,500 (2.5)	13.3		Emerging allocation
Developers' (Persimmon and Wm. Davis), masterplan identifies Phase C 9.7 ha and Phase D: 2.1ha, 3.7ha and 5.3 ha				
Dishley Grange, Hathern, Loughborough 37,160 sq m on 9.5 ha	5,000 (1)	7.66 (32,160)		Outline PP
Investment in advance infrastructure and planning obligation requirements is subject to a substantial pre - let				
Loughborough / Shepshed, proposed mixed housing employment development	3,000 (0.6)	5.4		Emerging allocation
Total	20,500	26.36	nil	
South Charnwood				
North East of Leicester SUE	6,807 (1.7)	11		Emerging allocation
Phase 2 Watermead Business Park, Syston	5,850 (1.17)	10.53		Emerging allocation
Phase 3 Watermead Business Park, Syston	2,900 (0.58)	5.22		Emerging allocation
A substantial investment will be required to service both sites				
Birstall / Rothley, proposed mixed housing employment development	7,500 (1.5)	13.5		
Total	23,057	40.25		
Charnwood Total	43,557	66.61		
OADBY AND WIGSTON TIER TWO SITES	Offices / R&D	B1 (c)/ B2 (ha)	Strategic B8	W: Windfall A: Allocated PP: Consented
Land off Magna Road, Magna Industrial Estate, South Wigston (0.55 ha)	250* (0.05ha)	0.5		
Development constrained by ground conditions				
South East Wigston (2.5 – 3.5 ha)	2,500* (0.5ha)	2.5		EA
Wigston Town Centre	9,000			EA
Oadby Town Centre	800			EA
Oadby and Wigston Total	12,550*	3.0	-	

Please see individual district sections for notes and sources.

Table 4.118 Off market and excluded from the supply

LEICESTER CITY - OFF MARKET AND EXCLUDED FROM THE SUPPLY	Offices / R&D (sq m)	B1c/B2 Small B8 (ha)	Strategic B8 (ha)	W: Windfall A: Allocated PP: Consented
Off Market				
Welford Place (potential Council offices)	The Council is assessing its rqmts			W
Mountain Road		2.01		A LPC de – inking plant
Charter Street *		1.18		PP 1,926 mail sorting office
Innovation and Technology Park, Exploration Drive + (0.416 ha)	1,650			PP for Zeeko
Excluded				
Former John Ellis School, Corporation Road:		3.61		W Subject to flood plain
Syston Street East		2.76		W Subject to waste use
Leicester City Total	1,650	9.976		
BLABY OFF MARKET	Offices / R&D	B1(c)/B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
Carlton Park, Coventry Road, Narborough (3 ha)	12,000			A
Blaby Total	12,000			
CHARNWOOD OFF MARKET SITES	Offices / R&D	B1 (c)/ B2 Small B8	Strategic B8	W: Windfall A: Allocated PP: Consented
North Charnwood				
Science Park (Phase 2), Ashby Road, Loughborough	35,780 (7.9 ha) B1 (b)			PP subject to S106
Phase 2: 10.1 ha 7,500 sq m SportPark completed on 2.9ha. Of, 7.2 ha balance, 4.1 unallocated				
Science Park (Phase 3), East of Snells Nook Lane, Loughborough	106,500 21.3 ha B1 (b)			Emerging allocation
Phase 2 and 3 subject to University's Gateway policies and hence excluded from the open market				
Science Park (Phase 4), West of Snells Nook Lane, Loughborough (Wilson Bowden)	126,000 25.2 ha B1 (b)			Emerging allocation
Phase 4 is subject of an emerging policy framework to limit development to B1 (b) uses with provision for B1 (a) and (c) uses where there is a connection to the University or local R&D activities				
Rothley Lodge Commercial Park, Mountsorrel		5.9 (10,650)		PP
Acquired for development and occupation by Samworth Brothers				
Loughborough Industrial Park, Messenger Close, Weldon Road, Loughborough *		0.1		A
Land safeguarded for possible access road Dishley Grange				
Charnwood Total	268,280 54.4 B1(b)	6	nil	

Please see individual district sections for notes and sources.

5 Findings, conclusions and recommendations

5.1 The Supply Side

5.1.1 The consultancy team undertook semi structured interviews with employment land developers operating within Leicester and Leicestershire. The purposes of the interviews were to:

- Discuss business strategies in the post credit era;
- Identify conditions required to deliver freehold and pre-let design and build and speculative schemes;
- Discuss current and emerging schemes and their status in their development pipeline;
- Identify any specific barriers to development and interventions that could unlock early investment.

5.1.2 The participants ranged from small private / family owned local businesses to subsidiaries of multi-national corporations operating on a global basis.

5.1.3 A key finding is that all developers have adopted similar strategies following the end of the most recent commercial property boom (which is widely regarded as 15th September 2008, the day Lehman Brothers filed for Chapter 11 bankruptcy protection). In the immediate aftermath, developers acted to deleverage their businesses by:

- a Giving priority to raising cash through the sale of schemes that were either recently completed or under construction; and
- b Disposing of serviced sites to owner occupiers and in some cases to other developers at a significant discount to the pre 2008 market value.

5.1.4 Having strengthened their balance sheets, developers have adopted a new business model with variations based on their respective cash/ credit positions as follows:

- a Responded to demand for pre-let/sale design and build schemes, *the cash rich* on their own terms based, for example, on internally determined return on investment hurdle rates, *the cash poor* at a discount to these rates;
- b Built out these schemes on pre 2008 serviced sites;
- c Development finance obtained by *the cash rich* through their own resources and by *the cash poor* through the forward sale of the resulting investments and with both the cash rich and poor retaining fewer completed schemes within their investment portfolios;
- d Speculative development abandoned as a product due to risks and hence tight margins but also because many respondents

consider they can react quickly to market demand by delivering fast track turnkey schemes. Therefore, apart from possibly some small unit schemes, it is considered that any significant speculative development in the near future is unlikely.

- 5.1.5 Turning to the new land market, developers have generally moved away from purchasing land outright, even sites that are de-risked with planning permission, in preference to option and draw down agreements. In the post 2008 era, land development activity has been based on bringing forward mostly mixed use (housing and employment land) sites through planning but not – at this stage – for investment in advance infrastructure.
- 5.1.6 The fundamental constraints to the new business model have been a) lack of effective occupier demand for freehold and pre-let design and build schemes and b) falling capital values for such investments. Post 2008, weak occupier demand has translated into falling rents, rising tenant incentives and shorter leases with more frequent break options. The capital market for funding/investments was also badly affected with yields increasing and a general shift towards quality covenants offering secure income on long leases which are in limited supply.
- 5.1.7 Against this background, overall development activities since 2008 have been and are likely to continue to be substantially lower than in the pre 2008 era. In the first place, development activity will continue to be constrained as the cost of second hand properties is significantly below the costs of design and build schemes. In the second place, design and build schemes are constrained by the overall lack of funding for purchasers and pre-let schemes.
- 5.1.8 To sum up, since 15th September 2008, developers have adjusted to limited credit facilities by adopting new business models. These new business models have translated into:
- a Development activity focused on design and build schemes on pre 2008 serviced plots for freehold purchasers and in some cases leaseholders where there is a 10 – 15 year commitment and a good covenant;
 - b Continued investment in bringing forward sites for planning permission, most notably mixed use schemes including employment land, for example Wilson Bowden Development's scheme at Glenfield and proposals for SUEs;
 - c Suspension of investment in advance infrastructure and abandonment of speculative development resulting in 'liquidity trapped' sites.
- 5.1.9 As the supply side adjusts to new market conditions and opportunities, we can foresee:
- a A growing dominance of well funded, large scale developers focussed on the most profitable forms of development on the

most prime sites, for example large scale warehouses on sites 'bang on the motorway,' as these developers will be required by their investors to achieve pre determined investment 'hurdle' rates;

- b A continuing but lesser role for smaller developers building out their land banks and operating in non prime locations;
- c A need for the public sector to work much more closely with both the large scale and small scale developers as a catalyst for innovations in planning, regeneration and development finance to fund advance infrastructure required for large scale schemes and 'liquidity trapped' sites.

5.2 The Demand Side

5.2.1 Since the slow - down in economic growth, businesses have become more cautious about committing to new premises. However, some businesses are addressing growth markets and have requirements for new premises. Given the constraints on credit, demand for new build schemes are limited to:

- a 'Covenant led' purpose built 'design and build' developments for purchase or lease by businesses with strong balance sheets and records of profitable trading; and
- b Owner occupier led schemes where businesses acquire sites for their own development or develop on their existing sites.

5.2.2 The main drivers for demand in the office market for the next decade have been identified by GVA as follows:

- Lower employment growth in the financial and business services sector (at the rate of 1.5% pa against a 3% growth rate for the period 1993 – 2007); with overall office employment being accommodated within less floorspace due to
- Higher employment densities arising from trends in occupier requirements: growth in flexible working and pressure to reduce energy consumption under the CRC Energy Efficiency Scheme (formerly known as the Carbon Reduction Commitment, the CRC scheme is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations (which together are responsible for around 10% of the UK's emissions); and finally
- Low rates of development due to lack of bank finance, lower capital values and lower effective demand.

5.2.3 Together, GVA conclude, these factors may result in a decrease in the total UK stock of offices in the decade 2011 – 21, GVA (2011) 'What will influence UK occupier requirements in the next decade?' during the period 2011 – 2021.

5.2.4 In addition, the Office of Budget Responsibility has forecast that employment will fall in the public sector by 300,000 jobs over the four years to 2014/15. In the East Midlands, the Civil Service is planning to reduce its head count by 20% and its office estate by 40 – 50%. In the Leicester PUA, reductions in Civil Service staff and the existing 40,000 sq m office estate could be greater as Government Departments consolidate into single larger buildings in regional centres such as Birmingham and Nottingham.

5.2.5 In the logistics and distribution sector, demand is being shaped by economies of scale; carbon credits and the growth in internet shopping. These drivers are combining together to create demand for super size, road – rail linked warehouses in the ‘Golden Triangle’ which includes Leicestershire’s M1 Corridor.

5.2.6 The largest schemes and emerging proposals include:

Completed and Under Construction:

- DIRFT I 390,645 sq m 4,000 jobs
- DIRFT II 180,741 sq m 2,000 jobs

Proposed

- DIRFT III 714,000 sq m 9,000 jobs
- Adj East Midlands Airport 555,740 sq m 6,000 jobs

Schemes of this scale dwarf the rest of the commercial property market and are set to become the dominant source of activity in employment land planning, development and job creation in the ‘Golden Triangle’ during the plan period.

5.3 Barriers to Development

5.3.1 In the context of weak occupier demand in the UK and restricted global credit markets, developers serving international and national markets are focussing on the most prime development opportunities. In this context, there is no business case for speculative development in Leicester and Leicestershire but opportunities remain for design and build schemes on pre 2008 serviced sites. Accordingly investment is following occupier demand on serviced sites.

5.3.2 When effective demand arises, developers’ need to react quickly to meet occupiers’ requirements within budget limits. In the new business environment, developers have innovated in their efforts to bring forward development. For example, developers have built to new ‘green’ standards to satisfy the move by businesses to reduce their carbon footprints and annual costs. Not surprisingly developers referred to planning, the negotiation of Section 106 Agreements and the provision of utility services as sources of time delays and uncertainty over costs.

- 5.3.3 Developers identified the need for greater collaboration and innovation between developers and the public sector to fund investment in advance infrastructure required to bring forward new employment land for development. For example, the link between housing and employment land planning is seen as a catalyst to fund such infrastructure investment. One developer noted a welcome change in the attitude of one local planning authority from resistance to support following recognition of the job creation role of development.
- 5.3.4 The UK's leading developers in large scale warehousing are present in Leicester and Leicestershire. These developers referred to the existing and potential strategic rail freight connected sites but noted these would be insufficient to meet all demand given the area's central geographical location and motorway connections. Developers confidently predicted road based sites could be built out within 3-4 years. To address this demand, developers are looking forward to the further allocation of sites capable of large scale distribution use, i.e. in terms of good motorway access and with the ability to provide large regular shaped level development plateaus. One developer cited co-operation by local planning authorities in Nottinghamshire and Derbyshire between J24-J29 M1 as an example of how a collaborative approach could deliver a planning framework to meet the inevitable site requirements.

5.4 Conclusions

- 5.4.1 Since 2008, the employment land market in Leicester and Leicestershire has been transformed on the supply side by crises in the credit markets and on the demand side by growth in the market for super size road – rail linked warehousing. During the plan period, it is anticipated demand for new employment land will be dominated by demand for large warehouses and the renewal of the office and industrial stock. Sites allocated for B use class employment sites will continue to attract pressures for other employment related uses including budget hotels and road site restaurants.
- 5.4.2 In the early stages of the plan period, the supply side will meet demand from occupiers with the financial strength to secure 'design and build' schemes through either freehold purchase or lease. To ensure a continuing supply of serviced sites, the LLEP and the LPAs are already acting to support developers through the Growing Places Fund to invest in advance infrastructure.
- 5.4.3 However the scale of investment needed in advance infrastructure through the plan period will require further innovations in planning, regeneration and development finance. In this context, the LLEP and LPAs are well placed to leverage investment in advance infrastructure for housing led schemes, for example within the SUEs, to bring forward the linked the strategic employment sites.

5.4.4 The super size warehousing market is in another league and may present a further opportunity to leverage market led investment in advance infrastructure. There is a strong case to plan for this market within the 'Golden Triangle' sub region to ensure that no one district becomes subject to excessive development pressures and the benefits of road – rail links and job creation are maximised. In this context, a more detailed study of this market is required to enable the LLEP and other LEPs with their respective LPAs to form a considered approach to planning for and managing the inevitable development pressures and impacts and opportunities arising.

5.5 Recommendations

- i) The LLEP and the LPAs to identify priority geographical sub areas where investment in advance infrastructure is required to bring forward new employment land;
- ii) The LLEP and the LPAs to leverage all development opportunities to bring forward investment in and phased development of new employment land, most notably in the proposed SUEs;
- iii) The LLEP and the LPAs to establish the viability of, policy frameworks and funding regimes for these innovations in funding advance infrastructure in and phasing the development of new employment land;
- iv) The LLEP and LPAs to review the potential supply of offices in the context of forecast decline in overall demand and supply side constraints on renewal and upgrading of the stock;
- v) The LLEP and the LPAs to strengthen the evidence base for employment land planning for supersize warehouses through:
 - a) A sector based research study into the market drivers as well as the economic, employment and environmental impacts; and
 - b) A 'Golden Triangle' wide Employment Land Review
- vi) The LLEP and the LPAs to consider establishing a shared approach to collecting employment land monitoring data with a view to strengthening the evidence base at the LPA and HMA levels and publishing an Employment Land Annual Review in partnership with the Commercial Property Forum.