

PLANNING,
REGENERATION +
INFRASTRUCTURE

REVIEW OF
HARBOROUGH DC
EMPLOYMENT
EVIDENCE BASE

LAND TO THE WEST OF
LUTTERWORTH

RICHBOROUGH COMMERCIAL
MAY 2025

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This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

Signed: [Redacted]

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For and on behalf of Lambert Smith Hampton

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1.0 INTRODUCTION

1.1 Overview

1.1.1 The purpose of this report is to support a submission to the Harborough Local Plan 2020-2041 Regulation 19 consultation. The report covers the following:

Assesses the existing commitments proposed supply of employment land identified in the Proposed Submission Draft Harborough Local Plan (March 2025)

Reviews the methodology used in the Strategic B8 Needs Sensitivity Report (2024) to establish the level of need for future strategic warehousing in Harborough;

Assesses the proposed apportionment of future supply across the Leicester and Leicestershire Functional Economic Area (FEMA) that has been identified to meet that need; and

Reviews the employment policies of the draft plan.

1.1.2 In light of this, the report highlights the suitability, availability and deliverability of land to the east of Magna Park and to the west of Lutterworth for flexible B8 industrial / logistics and distribution development. Richborough are promoting a 74-hectare site on land to the east of Magna Park and to the west of Lutterworth in Harborough District Council, for either residential or employment development or a mix of both.

1.2 Harborough District Council Local Plan

1.2.1 The current Harborough Local Plan was adopted in 2019 and covers the period 2011 to 2031. Harborough District Council (HDC) commenced work on the preparation of a replacement Plan in 2021 to cover the period 2020-2041, with an Issues and Options consultation (Regulation 18) taking place between 16 January to 27 February 2024. Following this, the Council has now published its Proposed Submission Draft Harborough Local Plan 2020-2041 for public consultation. The Regulation 19 consultation takes place between 10th March and 6th May 2025, and a revised Local Development Scheme (March 2025) indicates that the Replacement Plan will be submitted for Examination in September/October 2025, with an indicative timescale for Adoption of October to December 2026.

1.3 Regulation 19 Consultation

1.3.1 The Regulation 19 Consultation Draft Local Plan (Draft LP) sets out a development strategy for the District which includes to:

Deliver the homes needed, focusing development in sustainable locations with access to services and opportunities for sustainable travel, whilst supporting the vitality of rural areas and ensuring the scale of development is appropriate to individual towns or villages.

Promote job creation and economic growth by identifying and protecting land for a variety of economic uses, from local shops to large-scale distribution

- 1.3.2 Policy DS02: Creating Jobs and Diversifying the Economy of the LP states that the Employment land requirement for the District for 2020-41 is 60ha and allocates a minimum of 16.4 hectares of land for business uses, General Industry and non-strategic Storage and Distribution. These sites are largely made up of existing allocated sites and are reviewed in Section 3 of this report. The Draft LP considers there to be a surplus of 5.9ha of employment land overall based on 5.1 ha of total completions in 2020/21-2022/23, 50.2 ha of Commitments at 31/3/23 and the proposed allocations. Whilst this suggests an overall surplus it hides the variance in the different types of use however, with a surplus of Office and non-strategic B8 provision, and a deficit of R&D, Light Industrial and General industrial uses.¹ Paragraph 4.24 of the Draft LP states that:

“4.2.4 We want to diversify the economy to avoid an over reliance on the logistics sector. A range of spaces is needed to accommodate business growth, and to attract a broader base of businesses that can create jobs including those offering higher skilled roles.

4.25. There needs to be enough flexibility in the supply of employment land to provide choice for businesses starting up or relocating to our district as well as to enable existing business to expand to retain the jobs they provide. This flexibility in land supply is also there to facilitate the replacement of older employment premises / property which are not serving modern business needs.”

- 1.3.3 In terms of Strategic Storage and Distribution uses, Policy DS02 provides for additional development of 340,000sqm for large-scale Warehousing as an extension of, or on a site within, Magna Park. Two sites are allocated to meet this need as follows:

55,000 sqm on land south of George House, Coventry Road, in accordance with Policy SA01.

285,000 sqm on land at Mere Lane, Magna Park, in accordance with Policy SA01

- 1.3.4 The supporting text at Paragraph 4.26 acknowledges the logistical advantages of the area known as the Golden Triangle and that the need for Strategic Distribution continues to grow, with demand driven by the rise of e-retailing. There is recognition of the need for more and larger strategic distribution spaces to support Leicester and Leicestershire’s growing logistics sector and that the district has an important and continuing role to play in this. The supporting text refers to the Harborough Strategic B8 Needs Sensitivity Analysis, 2024, which is reviewed in Section 3 of this report and where the 340,000sqm within Policy DS02 is taken from.

- 1.3.5 Section 4 of this report provides some analysis of the Employment policies in the Draft LP.

¹ Harborough District Council Proposed Submission Draft Harborough Local Plan, March 2025 – Table 4, p29

2.0 NATIONAL PLANNING POLICY FRAMEWORK

2.1 Overview

2.1.1 The National Planning Policy Framework (NPPF), revised in December 2024, sets out the Government's planning policies for England and how these should be applied.

2.1.2 We note that HDC reached Regulation 19 stage on 10th March 2025 and as such, it is seeking to benefit from the transitional arrangements set out in paragraphs 234(a) and 235 of the NPPF (December 2024) with the intention of being examined under the previous version of the NPPF (December 2023). For clarity, we have drawn reference to both the 2023 and 2024 NPPFs (where relevant) within this section of our report.

2.2 Achieving Sustainable development

2.2.1 Local policies need to be set in the context of the overarching purpose of the planning system, which is "to contribute to the achievement of sustainable development, including the provision of homes, commercial development, and supporting infrastructure in a sustainable manner (Paragraph 7)." To genuinely contribute to sustainable development, local planning authorities must have regard to the impacts of development, not just locally, but nationally and even globally. It follows that where a local authority or functional economic market area (FEMA) is of national importance to a particular sector, then local policies should acknowledge wider national demand.

2.2.2 In achieving sustainable development, the planning system has three overarching objectives – economic, social and environmental. Paragraph 8 states that the economic objective is "to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure." The social objective is to support strong, vibrant and healthy communities. The environmental objective is "to protect and enhance our natural, built and historic environment; including making effective use of land, improving biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy."

2.2.3 It follows that where location is critical to the efficiency of an economic sector, then sustainable development requires local planning policies to ensure sufficient land is available in locations that maximise sectoral efficiencies, improve productivity, minimise pollution, make prudent use of natural resources and limit CO₂ emissions.

2.2.4 Moreover, where strategic infrastructure has been provided, but insufficient land is allocated alongside to accommodate sectors that require proximity to that infrastructure, then land is not being effectively used; and the objective of building a strong, responsive and competitive economy may be undermined.

2.3 Presumption in favour of sustainable development

2.3.1 The Framework maintains a presumption in favour of sustainable development as set out in Paragraph 11:

“Plans and decisions should apply a presumption in favour of sustainable development. For plan-making this means that:

- a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;
- b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses.”

2.4 Plan-making

2.4.1 In terms of plan-making, Chapter 3 sets out that plans should provide a framework for meeting housing needs and addressing other economic, social and environmental priorities and Paragraph 16 (b) states that “Plans should be prepared positively, in a way that is aspirational but deliverable.” It follows that plans should aim to accommodate sectors that would bring economic growth and are deliverable.

2.5 Strategic policies

2.5.1 Paragraph 20 states that... “Strategic policies should set out an overall strategy for the pattern, scale and design quality of places and make sufficient provisions for... (amongst other uses) ...employment...and other commercial development.” Paragraph 22 states that... “Strategic policies should look ahead over a minimum 15-year period from adoption, to anticipate and respond to long-term requirements and opportunities.” and Paragraph 23 states that... “Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period.”

2.6 Preparing and reviewing Plans

2.6.1 With regards to preparing plans, paragraph 31 (paragraph 32 in the 2024 NPPF) clarifies that... “The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate ... and take into account relevant market signals.” ...and Paragraph 33 (paragraph 34 in the 2024 NPPF) states that... “Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years and should then be updated as necessary...”

2.7 Building a strong, competitive economy

2.7.1 Chapter 6 (paragraphs 85 – 87) of the NPPF sets out the following guidance for local planning authorities when formulating planning policies related to economic development:

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

86. Planning policies should:

a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard Local Industrial Strategies and other local policies for economic development and regeneration; (NB. The 2024 NPPF adds reference to the national industrial strategy²)

b) set criteria or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period; (The 2024 NPPF makes the important distinction that policies should set criteria and identify strategic sites).

c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

The 2024 NPPF adds:

c) pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics;

d) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

e) be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances.

2.7.2 In terms of paragraph 87, the 2023 NPPF states that:

² Invest 2035: The UK's Modern Industrial Strategy identifies priority sectors for growth and support as: advanced manufacturing; clean energy industries; creative industries; defence industries; digital and technology businesses; financial services; life sciences; and professional and business services

87. Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

2.7.3 The changes made to the 2024 NPPF highlight the importance of

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

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

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

c) the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.

2.7.4 In summary, the NPPF sets out the Government's guidance for local planning authorities when formulating employment policies and allocating sites. Local planning authorities should, at the start of the plan, allocate sufficient employment land to meet objectively assessed needs over the plan period. Once the plan is adopted, local planning authorities should undertake regular reviews of need. Local plan policies should be flexible enough to accommodate needs not anticipated in the plan and recognise the specific locational requirements of different sectors.

2.8 Planning Practice Guidance (PPG)

2.8.1 Planning Practice Guidance (PPG) was launched in March 2014 and has been periodically updated. PPG provides guidance to local authorities on the assessment of land availability and development needs. The analysis of supply and demand is to enable plan makers to understand where there is over-supply and under-supply.

2.8.2 The Housing and Economic Needs Assessment chapter of PPG requires local authorities to produce a robust evidence base identifying future economic growth requirements:

"Strategic policy-making authorities will need to prepare a robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions." (Paragraph: 025 Reference ID: 2a-025-20190220)

2.8.3 PPG sets out a number of methods to do this:

"Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:

sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)

demographically derived assessments of current and future local labour supply (labour supply techniques)

analysis based on the past take-up of employment land and property and/or future property market requirements

consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics. Authorities will need to take account of longer-term economic cycles in assessing this data and consider and plan for the implications of alternative economic scenarios.” (Paragraph: 027 Reference ID: 2a-027-20190220)

- 2.8.4 PPG sets out how strategic policy making authorities can identify the existing stock of employment land and identify the recent pattern of supply and loss:

“A simple typology of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities, can be developed and analysed. This can be supplemented by information on permissions for other uses that have been granted, if available, on sites formerly in employment use.” (Paragraph: 028 Reference ID: 2a-028-20190220)

- 2.8.5 PPG further clarifies that:

“It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.

Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied.” (Paragraph: 029 Reference ID: 2a-02920190220)

- 2.8.6 PPG provides specific guidance regarding how authorities should assess need and allocate space for logistics:

“The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).

Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately

skilled local labour. Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas. This can be informed by:

- engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;
- analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;
- analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and
- engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.

Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones).

Authorities will also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of 'last mile' facilities serving local markets. A range of up-to-date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals, anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability." (Paragraph: 031 Reference ID: 2a-031-20190722)

- 2.8.7 The Housing and Economic Land Availability Assessment chapter of PPG sets out the method for assessing land to meet development needs. The PPG requires "suitability, availability and achievability" to be considered to establish if sites are likely to be developed... including "whether the site is economically viable. This will provide information on which a judgement can be made as to whether a site can be considered deliverable within the next five years, or developable over a longer period." (Paragraph: 017 Reference ID: 3-017-20190722)
- 2.8.8 PPG also states that for sites to be considered suitable, regard should be had to the following factors:
- "A site or broad location can be considered suitable if it would provide an appropriate location for development when considered against relevant constraints and their potential to be mitigated. When considering constraints, plan-makers may wish to consider the information collected as part of the initial site survey, as well as other relevant information, such as:
- national policy;
 - appropriateness and likely market attractiveness for the type of development proposed;
 - contribution to regeneration priority areas;
 - potential impacts including the effect upon landscapes including landscape features, nature;

and heritage conservation.

Plan-makers need to assess the suitability of identified sites or broad locations for different forms of development where appropriate, taking into account the range of needs for housing, economic and other uses.

When assessing sites against the adopted development plan, plan-makers will need to take account of how up to date the plan policies are and consider the relevance of identified constraints on sites / broad locations and whether such constraints may be overcome. When using the emerging plan to assess suitability, plan-makers will need to account for potential policy changes or other factors which could impact the suitability of the site / broad location. For example, an emerging site allocation may enable development to come forward. This will have to be reflected in the assessment of achievability.” (Paragraph: 018 Reference ID: 3-018-20190722)

2.8.9 PPG states that the following factors should be considered when assessing the availability of sites:

“A site can be considered available for development, when, on the best information available (confirmed by the call for sites and information from landowners and legal searches where appropriate), there is confidence that there are no legal or ownership impediments to development. For example, land controlled by a developer or landowner who has expressed an intention to develop may be considered available.

The existence of planning permission can be a good indication of the availability of sites. Sites meeting the definition of deliverable should be considered available unless evidence indicates otherwise. Sites without permission can be considered available within the first five years, further guidance to this is contained in the 5-year housing land supply guidance. Consideration can also be given to the delivery record of the developers or landowners putting forward sites, and whether the planning background of a site shows a history of unimplemented permissions.” (Paragraph: 019 Reference ID: 3-019-20190722)

2.8.10 With regard to achievability, the PPG identifies the following factors that should be considered:

“A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the capacity of the developer to complete and let or sell the development over a certain period.” (Paragraph: 020 Reference ID: 3-020-20190722)

2.8.11 PPG also notes that when constraints are identified that impact the suitability, availability, and achievability of sites “the assessment will need to consider what action could be taken to overcome them. Examples of constraints include policies in the National Planning Policy Framework and the adopted or emerging development plan, which may affect the suitability of the site, and unresolved multiple ownerships, ransom

strips tenancies or operational requirements of landowners, which may affect the availability of the site.” (Paragraph: 021 Reference ID: 3-021-20190722).

- 2.8.12 In gathering evidence to plan for business uses, PPG states that planning authorities need to liaise closely with the business community, to assess “evidence of market demand (including the locational and premises requirements of particular types of business)” (Paragraph: 026 Reference ID: 2a-026-20190220). Developers, property agents and businesses are cited as sources of this data
- 2.8.13 The needs of new development are to be assessed quantitatively and qualitatively. The location of economic development should be determined by market requirements; analyses of demand and supply should have regard to functional economic market areas. In assessing economic development needs, plan makers should consider a wide range of market indicators; these include intelligence from developers, agents and businesses, rental values, premises requirements, take-up of land, identification of over-supply and evidence of market failure.
- 2.8.14 PPG notes that in analysing employment land, an examination of recent take-up provides “an understanding of the underlying requirements for office, general business and distribution space and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.” (Paragraph: 029 Reference ID: 2a-02920190220) In assessing future needs local authorities should use data which is “current and robust” and “will need to take account of longer-term economic cycles.” (Paragraph: 027 Reference ID: 2a-027-20190220)

3.0 REVIEW OF PROPOSED EMPLOYMENT LAND SUPPLY

3.1 Introduction

3.1.1 Alongside existing commitments and completions, the HDC Draft LP allocates a minimum of 16.4 hectares of non-strategic employment land to meet an identified need of 60 hectares.

3.1.2 Policy DS02 indicates the scale and distribution of this new (16.4ha) supply in the following locations:

5 hectares on site allocations (identified in Policy SA01) in the Leicester Urban Area at the Land South of Gartree Road Strategic Development Area;

8.3 hectares on site allocations (identified in Policy SA01) in the Market Towns with 4.9 hectares at Market Harborough and 3.4 hectares at Lutterworth;

3.1 hectares on site allocations (identified in Policy SA01) in the Large Villages with 3.1 hectares at Kibworth.³

3.1.3 Policy SA01 provides further details of all the allocations identified to meet the need, the majority of which have been carried over from the extant LP. Progress of these sites in meeting the identified employment need since the adoption of the extant LP is varied and is summarised below alongside newly proposed allocations.

3.2 Review of Draft LP Allocations

3.2.1 Land South of Gartree Road – Part of Gartree Road Strategic Development Area (OA1) – 5 ha

3.2.2 This is a new allocation which is proposed for a mixed-use neighbourhood as part of the Leicester Urban Area. It will provide approximately 4,000 homes, with 3,150 within HDC and the remainder within Oadby and Wigston. The employment element will consist of 5 ha of general employment land within HDC.

3.2.3 Land OS 3070, Leicester Road, Market Harborough (MH5) – 0.6 ha

3.2.4 This is a new allocation which is proposed for a mix of employment uses including E(g), B2 and non-strategic B8. There are areas of flood risk within the site which will need to be mitigated to enable development to proceed. The site is considered to provide opportunities for small employment units to support SME businesses. The estimated floorspace is 1,085 sqm.

3.2.5 Compass Point Business Park, Northampton Road, Market Harborough (MH6) – 4.3 ha

3.2.6 Planning consent was permitted in July 2018 for the construction of one building to provide up to 14 start up units on 0.6ha of this 5ha site. The building was constructed and is now home to the Harborough Enterprise Centre. The remainder of the allocated site is unoccupied with no extant planning consent, despite it being allocated for employment use in Local Plans since 2001. The allocation was intended to form an extension of the existing Compass Point Business Park, with all highway infrastructure being in place. Much of the land

³ Harborough District Council Proposed Submission Draft Harborough Local Plan, March 2025 – Policy DS02, page 26

surrounding the site has been developed for residential use in accordance with Policy MH2 (East Blackberry Grange).

- 3.2.7 Land South of Lutterworth Road / Coventry Road, Lutterworth (L3) – 3.4 ha
- 3.2.8 This 3ha site was allocated in the extant Local Plan for business / light industrial use and is located immediately adjacent to the A4303 within 1.5 miles of M1 Junction 20. It is to the south of Lutterworth but physically separated by the A4303. Outline consent (16/01288/OUT) for up to 9,500sqm of B1 employment use was granted in 2017, followed by full consent for the erection of a single B1 office space on part of the site (1,610sqm) in December 2017. Vehicular access has been implemented under the outline consent, but planning consent for the office space has now expired. Detailed consent (22/01318/FUL)⁴ was permitted in November 2023 for the erection of a drive-thru restaurant and a drive-thru coffee shop representing a loss of 0.64ha of the 3ha allocation on the basis that the intended employment use has yet to come forward, with the planning submission indicating a lack of operator/market interest. There are no known physical constraints to development and the SELAA (2017) indicated the site to be deliverable within 5 years. Despite the seemingly positive planning history, no employment development has been brought forward at this site.
- 3.2.9 Land South and West of Priory Business Park, Kibworth Harcourt (K2) – 3.1 ha
- 3.2.10 This 6ha site is located immediately to the South and West of the existing Priory Business Park in Kibworth. Outline consent for up to 11,368sqm of commercial/industrial floorspace (and ancillary office and retail floorspace) was granted in November 2016. A full application for the erection of 10 commercial / industrial buildings housing a variety of smaller units was consented in October 2021 and varied in December 2023 to provide a total floor area of 8,817sqm. This represents Phase 1 of the development and occupies the allocated employment land. Further phases of development consisting of commercial, retail and office use has yet to progress. The site is being marketed as Beauchamp Business Park and is currently under construction with many of the buildings complete.
- 3.3 Review of Existing Commitments
 - 3.3.1 Land at Airfield Farm (Wellington Business Park), Market Harborough
 - 3.3.2 An outline consent was permitted in October 2023 for construction of a Business Park comprising of up to approximately 41,000sqm of floorspace on this 13ha greenfield site for B1, B2 and non-strategic B8 business uses. The masterplan accompanying the application indicates various individual buildings ranging in floorspace from 186sqm up to the largest at 7,432sqm. The site is currently being marketed as Wellington Business Park providing "...the opportunity for new build industrial / warehouse units, offices and other commercial uses to be constructed on a built to suit basis on both a leasehold and freehold basis...with Industrial / Warehouse units available from 10,000 – 100,000 sqft. Office buildings are available from 5,000 sqft...Alternatively, consideration

⁴ Pre-commencement conditions were discharged in July 2024 but no development has commenced at the date of this report

may be given to sale of individual parcels of land...". A reserved matters application has yet to be submitted. HDC assessed the site as being developable in 6-10 years in the SELAA (prepared in March 2017). The planning history of the site shows that consent for a Business Park on part of the site was consented in 2002, and it has been allocated for part employment use in several iterations of the Local Plan. It has been advertised on the market since 2021. A road providing access to the site has been implemented as a result of development to the South, removing any highway constraints to development. Progress has slipped, bringing into question the likelihood of the site coming forward within the plan period.

3.3.3 Airfield Business Park, Leicester Road

3.3.4 Planning consent was permitted in July 2024 for the construction of 5 buildings (providing 11 units) providing approximately 10,300 sqm of non-strategic employment use on 3.6ha. Two of the units will accommodate drive-thru units which represents a small loss of the intended use in the Local Plan (on approximately 0.5ha of the site). The largest unit will be approximately 6,300sqm (GIA). The site is an extension of an existing Business Park that was first consented for such use in 2005 and has been allocated in the Local Plan since 2011. The application represents a second (and final) phase of development on the site, following the approval and subsequent construction and occupation of 3 units providing B1, B2 and B8 use on 2.2ha of the site. Construction of the site appears to be underway and whilst the SELAA assessment that the site would be delivered in 0-5 years may be missed, the site is likely to be completed in the short term.

3.3.5 Lutterworth East SDA

3.3.6 This greenfield site forms part of the East of Lutterworth Strategic Development Area and is located immediately adjacent to the M1 which separates it from Lutterworth. The wider SDA will deliver up to 2,750 houses, two primary schools, a neighbourhood centre with retail, healthcare and community facilities, public open space & greenspace and extensive highway infrastructure (including a new bridge over the M1). The majority of the site is located to the north of the A4304 and contains 10ha of employment land which is anticipated to be delivered in the far north of the development and as part of a new Business Park to the south, adjacent to J20 of the M1.

3.3.7 A hybrid planning application was permitted in May 2022 granting outline consent for the above described development and full consent for development of a spine road, associated junctions and infrastructure. No further reserved matters have been submitted to date for any of the phases of development. An application to vary the accompanying Section 106 Agreement to reduce the Affordable Housing provision across the site was submitted in September 2024 and is pending determination. The submission cites the fact that the permission is not viable in its current form and there is no evidence that development has commenced on any part of the site.

3.3.8 Part of the East of Lutterworth SDA is located to the South of the A4304, immediately adjacent to Junction 20 of the M1. The outline planning consent indicates that this element of the site will provide 13ha of storage and distribution uses (up to 52,000sqm). Condition 20 of the consent specifically limits this to:

“B8 Floorspace The floor space of any single building constructed on the land that lies to the south of the A4304 identified for B8 uses, Storage and Distribution as defined by the Town and Country Planning (Use Classes Order) 1987 as amended, shall be restricted to 9000m².

REASON: The site is not designated as a site for strategic scale units which are considered in Local Plan policy BE2 to exceed 9000m² to ensure compliance with Policies SS1 and BE1 of the Harborough Local Plan.”

- 3.3.9 A variation of condition application was submitted in July 2024 to lift the limit on floorspace to non-strategic B8 in light of more recent evidence of demand, and to increase flexibility and market attractiveness. This application, submitted by Leicestershire County Council, was approved by Harborough DC’s Planning Committee on 3rd December 2024. An Employment Lands Need Assessment was submitted in support of the application. The granting of consent represents a significant shift away from the policies contained within the Local Plan which currently directs development of strategic distribution units in excess of 9,000sqm to Magna Park.
- 3.3.10 Land off Marlborough Drive, Fleckney
- 3.3.11 This 3ha site is immediately adjacent to the existing Churchill Way Industrial Estate with access gained through the estate. Outline consent was permitted for erection of up to 8,550sqm for B1, B2 and B8 employment use in June 2019. Reserved matters consent has since followed, with one unit for B2 use granted in July 2022 representing Phase 1 of the development. This unit has since been constructed on a site of approximately 1.5ha and is occupied by Network Rail. Reserved matters consent for Phase 2 of the scheme was permitted in September 2022 for the erection of 10 units providing a combined floorspace of 3,744 sqm on the remainder of the site. To date, there is no indication that Phase 2 is under construction.
- 3.3.12 Land North of Broughton Way, Elm Business Park, Broughton Astley
- 3.3.13 This 6.8ha site was allocated for mixed employment / service and leisure use in the Broughton Astley Neighbourhood Plan which was adopted in 2014. Outline consent (19/00856/OUT) was permitted in December 2020 for a mixed-use development comprising offices, general industry, storage and distribution, cafes and restaurants, D1 uses including health care and children’s nursery and D2 leisure uses. Reserved matters consent (22/01383/REM) followed in November 2022 for the erection of four industrial/warehouse buildings with ancillary office use which represented Phase 1 of the development⁵. The four units provide a total of 12,124sqm of flexible B2/B8 floorspace with the largest unit, Unit 4 extending to 52,400 sqft. An undetermined variation of condition application was submitted in January 2023 seeking to allow phase 1 to be occupied prior to the completion of highway improvements. The site is currently being marketed with the units being promoted on a design and build basis, but there is no evidence of construction to date.

⁵ On 13/01/2025, HDC discharged all pre-commencement conditions required by 19/00856/OUT and confirmed the installation of drainage works constituted a lawful commencement of development

3.4 Strategic Distribution Supply

3.4.1 In terms of Strategic Storage and Distribution uses, Policy DS02 provides for additional development of 340,000sqm for large-scale Warehousing as an extension of, or on a site within, Magna Park. Two sites are allocated to meet this need as follows:

55,000 sqm on land south of George House, Coventry Road, in accordance with Policy SA01.

285,000 sqm on land at Mere Lane, Magna Park, in accordance with Policy SA01

3.4.2 This builds on the strategy pursued in the extant Harborough DC Local Plan, in which Policy BE2 made provision for the supply of Strategic Storage and Distribution facilities by safeguarding Magna Park and committed and allocated sites for such use. Policy BE2 identified the following sites to meet Strategic needs:

380,000sq.m. already committed on two sites through planning applications;

320,000sq.m. on land North and West of Magna Park

3.4.3 Progress of these commitments and allocations since the adoption of the extant LP is summarized below:

3.4.4 Commitment at Magna Park North

3.4.5 Outline consent (16/00286/OUT) was granted for the erection of a 100,000sqm Storage and Distribution Centre (B8) with ancillary B1(a) offices on land adjoining and linked to Magna Park to the North in October 2016. This site is now complete and is occupied by Wayfair.

3.4.6 Commitment at Magna Park South

3.4.7 Outline consent (15/00865/OUT) was granted in July 2018 for the erection of up to 278,709sqm of Storage, Distribution buildings (B8) with ancillary B1(a) offices. A series of reserved matters applications have been permitted since then providing 11 separate buildings over 3 phases of development. Work has now been completed (in 2024) with each unit being built on a speculative basis. At May 2024, 3 of the units were being marketed as 'available to occupy' with the remainder being occupied.

3.4.8 Land North and West of Magna Park

3.4.9 This additional site to the north and west of Magna Park was allocated in the extant Local Plan to provide 320,000 sqm for non-rail served strategic storage and distribution, in addition to the land already committed by way of planning permission. A hybrid planning consent (15/01531/OUT) was allowed on appeal (APP/F2415/W/18/3206289) on 18th April 2019 granting outline permission for the erection of up to 427,200 sqm storage and distribution (B8) with ancillary offices (B1), 3,700 sqm for a Logistics Institute of Technology (D1), 9,000 sqm small business space (B1), 300 sq m estate office, conference facility and exhibition centre (D1) and detailed consent for the creation of a 134 space HGV parking facility, gatehouse and HGV Driver Training Centre in addition to substantial highway works and landscaping and open space proposals (which were the main focus of the appeal). The outline consent included the commitment at Magna Park North (see 3.4.4). A series of reserved matters applications have been permitted since then, with construction following at pace and the first completions being reached in 2024. At the date of this report, 5 units are complete with 4 occupied and the remaining unit being advertised as available to occupy in Q2 2025. Of the remaining two plots, one is

currently subject to an undetermined Reserved Matters application submitted in December 2024 and the remainder being marketed as available on a build to suit basis.

3.5 Summary of Supply

3.5.1 The high-level review of HDC's Draft LP employment land supply is summarised in the table below.

Table 1: HDC Local Plan Employment Supply

DS02 Allocations	Settlement	Allocated Land (Ha)	Consented (Ha)	Status	LSH Comments
Land South of Gartree Road	Oadby	5	0	New Allocation	Retain
Land OS3070, Leicester Road	Market Harborough	0.6	0	New Allocation	Retain
Compass Point Business Park, Northampton Road	Market Harborough	4.3	0	Rollover allocation - no evidence of deliverability	-4.3 ha
Land South of Lutterworth Road / Coventry Road	Lutterworth	3.4	-0.6ha	Rollover allocation - no evidence of deliverability	-3.4ha
Land South and West of Priory Business Park	Kibworth Harcourt	3.1	0	Rollover allocation - no evidence of deliverability	-3.1ha
Total		16.4			5.6ha
Existing Commitments	Settlement	Completed (Ha)	Balance (Ha)	Status	
Land at Airfield Farm, Wellington Business Park	Market Harborough	0	13.1	Outline consent; Not commenced. No evidence of deliverability	- 13.1ha
Airfield Business Park, Leicester Road	Market Harborough	2.2	3.8	Detailed consent - Under construction	Retain
East of Lutterworth SDA	Lutterworth	0	23	Outline consent - Not commenced. VAC consent to enable units >9,000sqm on 13ha. Viability & Deliverability issues on remaining 10ha	- 10ha
Land off Marlborough Drive	Fleckney	1.5	1.5	Detailed consent - Not commenced	Retain
Elm Business Park	Broughton Astley	0	6.8	Outline consent on whole site; Reserved matters consent on Phase 1; VAC application pending determination to enable Phase 1 to commence	Retain.
Total		3.7	48.2		28.8ha

Source: HDC Local Plan and LSH Analysis

- 3.5.2 The delivery of non-strategic employment sites in HDC has been slow, as confirmed by review of the Annual Monitoring Reports (only available for 2018/19 to 2021/22) and the Issues & Options Consultation Paper which states that the average completions have been 1.3ha since 2011. Delivery has been particularly slow in Lutterworth where none of the allocated employment sites from the Extant Plan have commenced construction or benefit from extant detailed consents. Despite this, one of those sites is rolled forward for allocation in the Draft LP and the East of Lutterworth SDA is included in the commitments despite viability and deliverability issues. This is reflected in the recent decision to lift the restrictions on strategic floorspace on part of the site to improve the viability of employment land in this location.
- 3.5.3 The HDC Draft LP states that the employment land requirement of 60 hectares will be met through the allocation of 16.4ha of land for Business Uses, General Industry and non-strategic Storage and Distribution in addition to the delivery of employment completions and commitments. However, LSH's review of this employment land supply, as highlighted in Table 1, shows there to be deliverability concerns regarding several of the sites included. These include 3 of the proposed allocations that have been rolled over from the extant plan despite no evidence of deliverability and 2 of the sites included in the existing commitments which have seen no development to date. LSH consider the deliverable employment land supply to consist of 28.8ha, leaving a substantial shortfall from the employment land requirement that the Draft LP will not meet.
- 3.5.4 The supply of Strategic Distribution Sites as indicated in the Draft LP is focused entirely on Magna Park and comprises two further allocated sites (totalling 340,000 sqm). This reflects the success of Magna Park as evidenced by the rate of progress of the commitments and allocations contained in the extant Local Plan. This strong record of recent completions, alongside the justification provided to vary the floorspace condition at the East of Lutterworth SDA, demonstrates strong demand for strategic B8 in this location - i.e. Lutterworth / Magna Park and close to the M1 and within the Golden Triangle. Despite the strong record of completions and the locational benefits, no further sites are allocated in the draft LP to meet the need for Strategic Distribution beyond additional growth at Magna Park. LSH believe this to be a missed opportunity to provide further variety in the employment land supply to help deliver the flexibility set out in the Draft LP.

4.0 REVIEW OF STRATEGIC EMPLOYMENT NEED AND APPORTIONMENT

4.1 Introduction

4.1.1 As part of the evidence base supporting HDC's Draft LP, the Council commissioned an updated assessment of need for Strategic B8 development, comprising warehousing and logistics units of over 9,000 sqm in size across Leicester & Leicestershire (L&L); and to consider what proportion of this might be planned for in the draft LP (i.e. within Harborough District). As such, Icen Projects were instructed to prepare a Strategic B8 Needs Sensitivity Report (December 2024). This establishes a more up-to-date assessment of need than that included in the Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change Study (GL Hearn, April 2021, amended March 2022). Whilst we understand that work is ongoing to update that study on a regional basis across the L&L authorities, it is not available to feed into the HDC Regulation 19 consultation Draft LP. What role that evidence will play in the emerging Plan is unclear, particularly as the 2024 Sensitivity Report acknowledges that its conclusions can only be considered on an 'interim basis', and HDC recognize that the outcome of the joint work may present a case for reviewing its Plan in due course. It is conceivable that this study will be issued prior to the submission of this Local Plan for examination later in 2025.

4.1.2 The 2024 Sensitivity Report establishes a need for 3.9-5.1m sqm of Strategic B8 floorspace across Leicester & Leicestershire for 2020-2041. This is equivalent to a gross need of 1,103–1,456 ha of land and was based on the outcome of four scenarios for demand based on updated data as follows:

Gross Completions: 5.1m sqm / 1,456 Ha

Net Absorption (Past Take-up): 4.5m sqm / 1,300 Ha

Net Absorption + Suppressed Demand Adjustment at 5% rate: 3.9m sqm / 1,103 Ha

Net Absorption + Suppressed Demand Adjustment at 8% rate: 4.9m sqm / 1,410 Ha

4.1.3 At the base date of the Sensitivity Report (2024), the supply across L&L was considered to consist of 551 ha, being made up of 359ha of completions between 2020-24 and extant commitments of 192ha.

4.1.4 The 2024 Sensitivity Report further reduces the level of need by allowing for some development to occur through the recycling and redevelopment of existing stock – land and premises which are already within use. This is a theme that was explored in the 2021 Logistics Study. Applying the same logic, the 2024 Sensitivity Report predicts this could contribute 368ha to meeting the need of 1,456 ha established by the Gross Completions Model. The 2024 Sensitivity Report concludes that the Gross Completions Model is the most appropriate to base an assessment of need upon, over and above the net absorption models that are also discussed.

- 4.1.5 Rather than apportion the level of established need across authorities, the 2021 Logistics Study identified six Areas of Opportunity across Leicestershire. Area of Opportunity 6 is based on the M1 Corridor South of Leicester and falls within the west of Harborough District encompassing M1 J19 and J20. However, the 2024 Sensitivity Report identified that no decisions by the L&L LPAs have been made regarding the apportionment based on these Areas of Opportunity and that it remains an ongoing area of work. In order to inform the HDC Draft Local Plan, the 2024 Sensitivity Report does undertake an apportionment exercise. This is based on the distribution of net absorption across L&L over the previous 10 years, and consideration of broad locations that could accommodate additional strategic B8 development. The 2024 Sensitivity Report concludes that an appropriate contribution of 100-140ha of additional strategic B8 development should be made in HDC. HDC have made provision to allocate land in the draft LP to meet the upper bound (140ha) of this range.
- 4.1.6 This section of the report explores the forecasting approach of the 2024 Sensitivity Report, with particular reference to the allowance for recycling of sites and reviews the apportionment exercise in terms of the approach used and the ability of the wider region to accommodate the predicted levels of strategic B8 land needs.
- 4.2 Completions Trend Scenario & Replacement on Existing Sites
- 4.2.1 The completions trend modelling is based on monitoring data provided by the Leicestershire authorities for the period 2012/13 to 2022/23, with a further set of completions sourced from CoStar for 2023/24. This was then annualised and extrapolated to provide a forecast to 2041 with the addition of a 5-year margin, which was calculated as a need for 5,096,185 sqm (equivalent to 1,456 ha when using a 0.35 plot ratio). These figures are double those generated by the 2021 Logistics Study.
- 4.2.2 Whilst the use of the completions trend scenario is a welcome move away from the modelling engaged in the 2021 Logistics Study, the 2024 Sensitivity Report makes the same assumption that some of the demand for strategic units can be met by replacing older stock. It is based on the understanding that there is a continual need to build new large scale warehousing to replace existing capacity.
- 4.2.3 As per the 2021 Logistics Study, the 2024 Sensitivity Report considers all units will require replacing after 30 years (High Replacement Scenario). In other words, it is therefore assumed that all units built pre-2010 in L&L will become obsolete and need replacing during the forecasting period. However, no evidence is provided within either Study to support this key assumption that after 30 years all units will require demolition and replacement. After a time period of this length, it is reasonable to expect the unit may no longer be fit for purpose to meet the most up to date requirements. However, it is also reasonable to expect other options being considered such as replacing the cladding and roofing, internal refits, rather than simple demolition and replacement. It is also reasonable to assume that older stock will still be in demand for many operators, in much

the same way existing older stock is still occupied now. Therefore the assumption that units can be replaced and contribute to the supply of B8 as a ‘new’ unit is unfounded in evidence.

- 4.2.4 The 2024 Sensitivity Report then considers that where strategic units are in optimum locations (i.e. existing logistics sites with strong strategic road access), then older units are more likely to be replaced on site and this redevelopment of sites will provide additional strategic B8 supply. However, there is no guarantee that the demolition of a unit with a rebuild on the same footprint will constitute anything other than a zero gain in floorspace.
- 4.2.5 At 5.27 – 5.30 the 2024 Sensitivity Report maps the strategic stock across L&L, highlighting those constructed pre 2010 and those constructed post 2010. A further analysis is made of those considered to be optimally located and therefore capable of being replaced on site, which produces the following results:

Table 2: Stock Replacement Scenario

	Total Stock (sqm)	Pre-2010 Stock (sqm)	Replaced on site (sqm) – based on Icení’s assessment
Floorspace	4,995,467	2,574,431	1,652,044
% of Total Stock	-	51.5%	33.1%
% of pre-2010 stock			64.2%

Source: Table 5.4 of Sensitivity Report (2024)

- 4.2.6 Icení’s Assessment shows that 2.6m sqm of strategic stock across L&L is pre-2010 and in their assessment, 64.2% of this can be replaced on site. However, there appears to be no evidence in the report to justify this. Instead, it is purely based on a desktop exercise to assess those units considered to be in an ‘optimum location’. If any allowance was to be made for some of the need being met by the recycling of stock, then it should be supported by a property condition survey at the very least.
- 4.2.7 At paragraph 5.31, the 2024 Sensitivity Report applies a further ‘filter’ with regards to the ability of pre-2010 stock contributing to future need. In acknowledging that some stock on ‘optimum’ sites may be redeveloped for manufacturing use, split down into smaller units or be redeveloped at lower plot ratios, the 2024 Sensitivity Report assumes that 50% of pre-2010 stock can contribute to future need rather than 64%. There is no logic applied to this level of reduction or evidence to justify why 50% is deemed to be appropriate. Despite this, the reduction from 64% to 50% is the equivalent of approx. 400,000 sqm of floorspace.
- 4.2.8 Icení consider that 50% of pre-2010 stock across L&L that is located in ‘optimum’ locations can be replaced on site and contribute to meeting overall need. This is the equivalent of approx. 1.3m sqm of floorspace or 368ha of land. The 2024 Sensitivity Report considers it appropriate to subtract this from the level of need established

by the Past Completions model. For the reasons outlined above, LSH consider the methodology and justification for this to be unsound and it should be disregarded.

- 4.2.9 Even though the methodology behind the recycling of sites is not accepted as being robust, the 2024 Sensitivity Report states at Paragraph's 5.32 and 5.33 that it should only be applied to the gross completions model as follows:

“5.32 The process of this adjustment is shown in the figure below. It is necessary to take this into account in particular in considering the gross completions projection.

5.33 The adjustment is not applied to the net absorption models as these intrinsically capture the replacement of older stock due to being a net trend (move ins – moves outs).”

- 4.2.10 Despite this, in bringing the evidence together in Table 5.5, the 2024 Sensitivity Report applies the recycling of stock to both the Gross Completions model and the standard Net Absorption model. This has a significant impact on reducing the net level of need of the latter model, and in doing so, would appear to contradict the statement in para 5.33. This has a fundamental impact on the 2024 Sensitivity Report's conclusions on the matter at Para 5.36:

“5.36 It is recommended, based on the current analysis, that the gross completions model (with stock recycling adjustment) is used as it provides a mid-point estimate between the net absorption model with a high suppressed demand adjustment and the standard net absorption model; and broadly aligns with the quantum of need shown by the net absorption model with 5% suppressed demand adjustment.”

- 4.2.11 Notwithstanding the concerns raised regarding the recycling of sites, the taking of a mid-point estimate simply because it is in the middle of a range is not justification for use of the figure. The modelling should be justified on its own merits, and not simply due to the position it occupies in relation to the outputs of other models.
- 4.2.12 If the recycling of stock adjustment is only made to the gross completions model as per para 5.32 of the 2024 Sensitivity Report, then it has the following impact on the outcome of the various models used with the corrected figure for the Net Absorption model:

Table 3: Corrected Summary of Model outcomes

	Gross Completions	Net Absorption	Net Absorption +8% Suppressed Demand	Net Absorption + 5% Suppressed Demand
Need (2020- 41) sqm	5,096,185	4,548,268	4,935,972	3,860,315
Need (2020- 41) Ha	1,456	1,300	1,410	1,103
Recycling of stock	-368	-	-	-
Completions (2020/21- 23/24)	-359	-359	-359	-359
Commitments	-192	-192	-192	-192
Residual Need	537	749	859	552

Source: Table 5.5 Sensitivity Report (2024)

4.2.13 This greatly reduces the correlation between the models referred to in para 5.36 of the 2024 Sensitivity Report, with the outcome of the gross completions model producing an estimate of need that is now the lowest and not the midpoint. This calls into the question the recommendations of the 2024 Sensitivity Report, and particularly the level of need, following the apportionment across L&L, that Harborough DC are advised to provide for in their Draft LP.

4.3 Apportionment Exercise

4.3.1 Notwithstanding the concerns raised above regarding the estimated level of need for Strategic B8 warehousing across L&L, the 2024 Sensitivity Report undertakes an apportionment exercise to inform the potential contribution Harborough DC make to meeting this need through allocations in their Draft LP.

4.3.2 The starting point for the apportionment is an analysis of past take up based on historic net absorption rates (2012/13-2022/23). This is intended to show the net change in Strategic B8 floorspace over time and the distribution of development through L&L. However, the use of net absorption rates in this instance is of immediate concern given that the outcomes of this form of modelling were rejected in the 2024 Sensitivity Report's consideration of overall Strategic B8 Floorspace Needs. To rely on only CoStar's absorption rate dataset is not justified and alternative forms of modelling should have been explored to see if there were any correlation or patterns to be drawn from the results. For example, the use of monitoring records from across the LPAs in L&L as they more accurately record site activity than Co-Star, could have been used. This can be seen in the difference between the models used to generate the total need. The completion model produces a higher level of need, whilst the absorption model produces a lower level of need. So, whilst both models show an increase in need for Strategic B8 land, clearly one shows higher and different amounts. Therefore, both models should have been applied to the apportionment exercise to at least allow comparisons to be made between the results.

4.3.3 The 2024 Sensitivity report indicates that the modelling shows that Harborough has accounted for 25.5% of the study area’s total net absorption. This rate is then applied to the 2024 Sensitivity Report’s assessment of residual need to 2041, which shows that HDC need to plan for 137 ha in their Draft LP.

4.3.4 The absorption and apportionment rates for the study area are summarised in Table 6.1 of the 2024 Sensitivity report as follows:

Table 4: Apportionment and Net Absorption Rates

	North West Leicestershire	Harborough	Hinckley & Bosworth	Blaby	Leicester City
Avg. Net Absorption (% 2012-23)	59.1%	25.5%	10.0%	3.7%	1.7%
Total (ha)	317	137	54	20	9

Source: Table 6.1 Sensitivity Report (2024)

4.3.5 The 2024 Sensitivity Report makes brief reference to the constrained land supply position in Leicester City and Oadby and Wigston in paragraph 6.5 as follows:

“The constrained land supply position in Leicester City and Oadby and Wigston, in particular in locations which are accessible to the Strategic Road Network, means that these authorities have not substantively contributed to the supply of strategic B8 development over the last decade, and Icen considers that their geography and land supply constraints mean that they are unlikely to make a substantive contribution in the future.”

4.3.6 However, this is the only reference to the ability of other Authorities having any capacity or capability to accommodate any of the study area’s future Strategic B8 Needs. There is no assessment of current spatial planning policy, despite the text at para 6.3 recognising that past patterns of distribution of development (that the above table relies upon) being a “relevant market signal but will have been influenced by past spatial planning policies”.

4.3.7 Furthermore, the total apportioned to Leicester City in the exercise described above amounts to 9ha. As part of their commission Icen undertook an assessment of the Candidate Sites within HDC that have been promoted for strategic B8 development. Stage 1 of the Initial Assessment is described in Paragraphs 7.1 to 7.9 of the 2024 Sensitivity Report. The very first criteria is given as follows:

“The site assessment methodology adopts a minimum site size of 10 ha in respect of extensions of existing sites already in strategic B8 use and 15 ha related to standalone new sites. This is to ensure a critical mass of development to support investment in infrastructure and services, including public transport access and reflect the scale of units and typical plot ratio demanded by the sector.”

- 4.3.8 Given the site size criteria above, the total need apportioned to be met by Leicester City of 9 hectares would fail Icen's assessment of being a suitable site. It would not even be taken forward to the Stage 2 detailed assessment. Table 7.1 of the 2024 Sensitivity Report summarises the results of the Candidate Site Assessment and shows that of the 17 sites assessed, 10 sites failed the Stage 1 Assessment. Of those 10 sites that failed at Stage 1, 6 sites were described as not meeting the minimum size threshold. At the very least, this should be reapportioned to the other authorities and demonstrates that the apportionment exercise is not a robust process.
- 4.4 High Level review of future supply across Leicester and Leicestershire
- 4.4.1 As described above, the 2024 Sensitivity Report apportions approximately 25% of the indicative need shown across Leicester and Leicestershire (i.e. at least a quarter of the L&L total), within Harborough District. The remainder is apportioned to North West Leicestershire, Hinkley & Bosworth, Blaby and Leicester based on the rate that these authorities have contributed to the supply of strategic B8 development over the last decade. There is no evidence of an assessment of the capability of each of these authorities to provide the level of future supply indicated.
- 4.4.2 North West Leicestershire District Council (NWLDC)
- 4.4.3 The North West Leicestershire Local Plan 2011 to 2031 was adopted in November 2017. A Partial Review was undertaken in 2018, with the North West Leicestershire Local Plan (as amended by the Partial Review) adopted in March 2021.
- 4.4.4 Work has commenced on a new Local Plan for the District to cover the period up to 2042. The latest version of the LDS (February 2025) indicates that Regulation 19 consultation will take place in May/June 2026 with submission to follow in July 2026. Subject to the outcome of the examination, NWLDC hope to reach adoption in Summer 2027. Regulation 18 Consultation on the preferred options took place in March – April 2024 and highlighted the ongoing work to apportion the findings of the 2021 Logistics Study. On account of this, the Reg 18 consultation stated NWLDC's intention to address the needs for and locations of strategic warehousing in the Regulation 19 Plan. Following the conclusion of the Reg 18 consultation, NWLDC are currently undertaking (until 2nd May 2025) a further consultation on a number of additional housing and employment sites and a call for sites for general needs employment (i.e. non-strategic) and lorry parking.
- 4.4.5 Subject to the outcome of the ongoing apportionment exercise relating to the 2021 Logistics Study, NWLDC's Reg 18 Consultation highlighted two sites considered potentially capable of meeting future Strategic warehousing needs as follows:
- Land east of A444 and west of A42 j11 – 28ha
 - Part of the East Midlands Freeport site – 100ha (reduced to 82ha on account of landscaping)

- 4.4.6 In addition to the above, the Employment Topic Paper⁶ that accompanied the Reg 18 Consultation listed the sites that formed part of NWLDC’s Employment Land Supply (at 01/04/2023) and allocations in the extant plan where development has not started. In terms of strategic distribution / warehousing, the Topic Paper considered the following were likely to be carried over into the new Plan:

Land At Netherfield Lane, Sawley (20/00316/OUTM): 72,725sqm of strategic & nonstrategic B8 (51.74Ha) – LSH Update: Reserved matters consent (22/00954/REMM) granted in July 2023 for 4 units for strategic or distribution use; the most recent discharge of conditions approval granted in Feb 2025; J1 A50, Castle Donington (19/01496/OUTM): Development of up to 92,500 sqm of B8, B2 and E(g)(iii) (20.6Ha) – LSH Update: Reserved matters consent (24/00074/REMM) granted in March 2025 for first phase of the development comprising site wide enabling works; and
Land Adj to Aldi RDC, Sawley: 60,000sqm of strategic B8 (14Ha) - LSH Update: Full application (24/01200/FULM) for development of the site to provide a unit within B2/B8 (circa 59,910 sqm) use submitted September 2024; pending determination.

- 4.4.7 Hinckley & Bosworth Borough Council (HBBC)

- 4.4.8 The Hinckley & Bosworth Local Plan 2006-2026 consists of a series of documents with supporting maps that were adopted between December 2009 and July 2016:

The Core Strategy DPD adopted in December 2009,
The Site Allocations & Development Management Policies DPD adopted in July 2016,
Hinckley Town Centre Area Action Plan DPD adopted in March 2011, and
Earl Shilton & Barwell Area Action Plan DPD adopted in September 2014

- 4.4.9 Work began on the review of the Local Plan in January – February 2018, with a new plan to be produced to cover the period from 2024 to 2045. The most recent version of the LDS (March 2025) indicates that a Regulation 18 Consultation will be held in September – October 2025, followed by a Regulation 19 consultation in March-April 2026 and submission of the Plan in November 2026. Subject to the outcome of the examination, HBBC hope to reach adoption in Late 2027. This follows a previous Regulation 18 consultation that took place in July – September 2024. The subsequent changes introduced in the new NPPF and the change to the standard housing method in December 2024, led HBBC to determine that a further Reg 18 consultation would be necessary.

- 4.4.10 In July 2024, LSH undertook an Employment Land Review (ELR) on behalf of HBBC. The ELR identified HBBC’s location in the... “golden logistics triangle’, the focus of demand from national logistics companies, and part of the Midlands automotive cluster, sharing good connections to the national motorway network and a pool of

⁶ NWLDC Employment Topic Paper (January 2024)

skilled engineering workers” as key factors in the pattern of past take-up of strategic warehousing in the District, particularly since 2019. The ELR then identified 22 sites within existing employment areas or with planning consent for employment use that appeared to be available for development. Of those, the ELR considered there to be two sites considered currently available for large scale logistics:

Griffen Park, Desford (11.76ha) and
Mountpark Bardon III (16.08ha)

4.4.11 The ELR also considers the findings of the 2021 Logistics Study and states that:

“The study instead assumes that the 72 hectares would be shared across at least two of six ‘areas of opportunity’ in land parcels of at least 25ha (or at least 10 ha if an extension to an existing industrial estate). 11.4.9 Proximity to junctions on the strategic highway networks are a key criteria and a range of factors are considered to establish which are most appropriate to accommodate the shortfall. Two of nine shortlisted junctions are within Hinckley & Bosworth. These are the junction of the A50 and A46 at Groby and junction 22 of the M1 at Markfield. As these are both within the same area of opportunity (Area 4) the implication is that these two locations should not accommodate the entirety of the 72ha and at least 25ha (or 10ha if an extension) would need to be located elsewhere.” (Para’s 11.4.8-11.4.9, HBBC Employment Land Review 2024 (LSH))

4.4.12 The two sites highlighted in the ELR were included in the Reg 18 Consultation as part of the Policy SP02 Development Strategy. Part 3 of the policy made provision for 194.68ha of employment land including 28.37ha permitted for Strategic B8 purposes (or land that’s available for development throughout the borough on existing employment sites.) However, the Reg 18 Consultation Draft document made no further provision for Strategic Warehousing, stating at Paragraph 8.2 that:

“Strategic B8 requirements for Leicester and Leicestershire are still emerging and are dependent on the outcome of the Hinckley National Rail Freight Interchange (HNRFI) which is still being considered by the Planning Inspectorate. The strategic B8 requirement will therefore be identified in the Regulation 19 plan in due course.” (Hinckley and Bosworth Local Plan, Regulation 18 Consultation Draft Plan July 2024, Page 72)

4.4.13 The Hinckley NRFI site is located in both HBBC and Blaby District Council. The DCO application has since been refused by the Secretary of State for Transport and there is currently no timeline for the release of the updated 2021 Logistics Study and associated apportionment exercise.

4.4.14 Blaby District Council (BDC)

4.4.15 The current Blaby Local Plan consists of the Core Strategy (adopted 2013) and the Delivery Development Plan Document (adopted 2019). Work is underway to produce a new Local Plan, with the most recent version of the

LDS (February 2025) indicating that a Regulation 19 Consultation will be produced by July 2025, followed by consultation. Submission of the Plan is anticipated in December 2025 and subject to the outcome of the examination, BDC hope to reach adoption in December 2026. This follows a Regulation 18 consultation that took place in January - March 2021.

4.4.16 The Regulation 18 consultation pre-dated the publication of the 2021 Logistics Study and did not specify an amount of Strategic warehousing land that BDC would look to allocate in the Local Plan. Reference was made to the ongoing work in relation to the 2021 Logistics Study and a commitment to work with their partner authorities to agree a distribution of the need emanating from that work.

4.4.17 Following its publication, the 2021 Logistics Study referenced two sites within Blaby that could contribute to future supply:

Land West of St Johns Enderby (19/0164/OUT): 99,000 sqm (33ha) allocated for B8 storage and distribution uses in the Development Plan Document – LSH Update: The outline application was refused in October 2023. It was subsequently allowed on appeal (APP/T2405/W/24/3342111) on 3rd Sept 2024, granting consent for x4 warehouse buildings with ancillary offices and gatehouses (Use Class B8) and x1 training and education centre (Use Class F1).

Hinckley National Rail Freight Interchange at J2 of the M69: Approx 650,000 sqm on 226ha and located largely in BDC – LSH Update: The Secretary of State for Transport refused the Development Consent Order Application on 10th March 2025.

4.4.18 It is important to stress that of the two sites above, Land West of St Johns is already included in the supply trajectory of the 2021 Logistics Study and 2024 Sensitivity Report. The Hinckley NRFI was not included on the basis it had no consent. This has subsequently been refused.

4.4.19 Leicester City Council (LCC)

4.4.20 The current development plan documents for Leicester are the Leicester Local Development Framework Core Strategy (originally adopted in November 2010, and revised in 2014), saved policies from the 2006 City of Leicester Local Plan, and the Leicester and Leicestershire Waste Development Framework Core Strategy & Development Management Policy Document (2009). LCC began the preparation of a new Local Plan in April 2014 to cover the period 2020 to 2036. The Regulation 18 Consultation took place in September – December 2020, followed by the Regulation 19 Consultation in January to February 2023. The plan was submitted in September 2023 and is currently subject to examination with adoption anticipated in August 2025. The most recent version of the LDS (February 2025) confirms that upon adoption, the Local Plan will be subject to review.

4.4.21 The Reg 19 Draft Local Plan references the 2021 Logistics Study as part of the evidence base underpinning the employment policies of the plan and states at paragraph 12.3 that:

“...within the administrative boundary of Leicester very little land is available. The existing stock of land and buildings which are fit for purpose for employment use will therefore continue to be strongly protected and where possible enhanced or redeveloped for business/ industry and storage uses (B2, B8, and E(g))...” (Draft City of Leicester Local Plan, Paragraph 12.3. Page 160)

4.4.22 Policy SL01 of the draft Local Plan sets out the Location of Development and states that... “Additional land for Strategic distribution uses (over 9000 sqm in size) will not be provided within the city’s boundary.” Further to this, Charnwood Borough Council confirmed the lack of suitable sites in their Hearing Statement for Matter 4: Employment of the Hearing sessions ...”it should be noted that there have been no suitable sites identified within the city of Leicester due to the specific requirements of the logistic sector, notably in terms of site size and access to the Strategic Road Network.”⁷

4.4.23 The Hearing sessions commenced on 1st October 2024 and closed on 21st November 2024. On 6th January 2025, the Planning Inspector issued a Post Hearing Letter to set out the next steps for the Examination of the Leicester Local Plan 2020-2036. The letter confirmed that subject to consultation on the Main Modifications proposed by LCC, then the Plan is likely to be found sound and legally compliant.

4.5 Summary of future supply across Leicester and Leicestershire

4.5.1 LSH’s review of Local Plan preparation and potential future supply of Strategic Warehousing across the authorities identified in the 2024 Sensitivity Report apportionment exercise is summarized below and compared to the land apportioned in the 2024 Sensitivity Report:

Table 5: Future Supply compared to Land Apportioned across L&L

	North West Leicestershire	Harborough	Hinckley & Bosworth	Blaby	Leicester City	Total (Ha)
(a) Future Supply identified (Ha)	197	137	28	0	0	362
(b) Land Apportioned (Ha)	317	137	54	20	9	537
Difference (b-a) (Ha)	120	0	26	20	9	175

Source: LSH

4.5.2 As can be seen from the table above, a high-level review of the status of plan preparation shows a ‘gap’ in future provision of 175 hectares between sites identified for future Strategic Warehousing across the L&L authorities

⁷ Leicester City Local Plan Matters, Issues and Questions for the Examination (MIQs) – Matter 4, Charnwood BC Hearing Statement, September 2024.

and the amount that is apportioned by the 2024 Sensitivity Report. This highlights the fact that the apportionment exercise is an unrealistic assessment of the capability of the L&L authorities to accommodate future Strategic Warehousing needs, without the cooperation of those authorities.

- 4.5.3 If the apportionment exercise is to be relied upon, then it is clear that there is a significant amount of supply that will not be delivered through allocations in future Local Plans. Therefore opportunities should be maximized to bring Strategic B8 sites forward in suitable locations now.

4.6 Summary

- 4.6.1 The 2024 Sensitivity Report establishes a more up-to-date assessment of need than that included in the Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change Study (GL Hearn, April 2021, amended March 2022). Within the Sensitivity Report need was modelled on the basis of four scenarios which produced the following outputs:

Gross Completions: 5.1m sqm / 1,456 Ha

Net Absorption (Past Take-up): 4.5m sqm / 1,300 Ha

Net Absorption + Suppressed Demand Adjustment at 5% rate: 3.9m sqm / 1,103 Ha

Net Absorption + Suppressed Demand Adjustment at 8% rate: 4.9m sqm / 1,410 Ha

- 4.6.2 The Sensitivity Report recommended the use of the Gross Completions model, with the corresponding level of need being almost double that established in the 2021 Logistics Study (updated in 2022).
- 4.6.3 However, the Sensitivity Report also recommended that the level of need could be reduced on the assumption that some of the demand for strategic units can be met by replacing older stock in situ. This is a 'carry over' from the Logistics Study and no evidence is provided within either Study to support this key assumption that after 30 years units will require demolition and replacement. Nor is it supported by a property condition survey.
- 4.6.4 The Sensitivity Study makes the key distinction that the recycling of stock assumption should not apply to the Net Absorption modelling but then proceeds to do so. This renders any comparison of the total need generated by the modelling unsound.
- 4.6.5 In apportioning the total need generated by the gross completions modelling the 2024 Sensitivity Study applies the Net Absorption model. This is despite rejecting the outcome of this scenario for the purposes of generating the total need. No assessment of the wider region to accommodate future needs is undertaken.
- 4.6.6 LSH's review of the progress of Local Plan reviews shows that the other authorities considered capable of accommodating Strategic B8 needs are not as advanced as Harborough DC, or in the case of Leicester City incapable of accommodating any further need for strategic employment land.

4.6.7 Much of the data used in the 2024 Sensitivity Study is unsourced and the approach lacks transparency. The outputs of the scenario are unrealistic, for example assuming 70% of current large employment sites will need replacing by 2041 or 10 ha can be accommodated in Leicester City when this size of site is deemed incapable of accommodating Strategic Warehousing development elsewhere in the 2024 Sensitivity Study. For these reasons the modelling is not considered robust for planning purposes and the apportionment exercise needs further consideration of the capability of the other authorities to accommodate additional Strategic Warehousing needs.

4.6.8 Based on the evidence presented by the Council, LSH feel that an appropriate need figure would be as follows:

Table 6: Calculation of Residual Need

Need	1,456 ha
Minus Completions (2020/21-23/24)	359ha
Minus Commitments	192ha
Residual Need	905ha

Source: LSH

4.6.9 The residual need figure shown in the table above does not include an allowance for the recycling of existing stock, which LSH believe is not justified in the 2024 Sensitivity Report. This leaves a net need figure of 905 ha.

4.6.10 Despite the reservations LSH have raised in this report regarding the Apportionment exercise, for ease of comparison, we have applied the same rates of apportionment in Table 8 below to the revised net need figure of 905 ha:

Table 7: Apportionment of revised Residual Need

	North West Leicestershire	Harborough	Hinckley & Bosworth	Blaby	Leicester City	Total
(a) Apportionment of revised 905ha	535 (59.1%)	231 (25.5%)	91 (10%)	33 (3.7%)	15 (1.7%)	905ha
(b) Apportionment in 2024 Sensitivity Study	317 (59.1%)	137 (25.5%)	54 (10%)	20 (3.7%)	9 (1.7%)	537ha
Difference (b-a) Ha	218	94	37	13	6	368ha
LSH calculation of future supply	197	137	28	0	0	362ha

Source: LSH

4.6.11 Notwithstanding our previous concerns regarding the ability of the other authorities to contribute to the future supply, this shows an increase of 94ha for Harborough DC.

4.6.12 This still leaves a deficit of 543ha between the revised Residual Need figure of 905ha and the LSH calculation of future supply of 362ha. Again, despite the reservations LSH have raised in this report regarding the Apportionment exercise, for ease of comparison, Table 8 below shows the impact of applying the same rates of apportionment to the difference of 543ha.

Table 8: Apportionment of difference between revised Residual Need and Future Supply

	North West Leicestershire	Harborough	Hinckley & Bosworth	Blaby	Leicester City	Total
(a) Apportionment of revised 543ha	321 (59.1%)	138 (25.5%)	54 (10%)	20 (3.7%)	9 (1.7%)	543ha

Source: LSH

4.6.13 This shows that a further 138ha (i.e. 25.5%) would need to be accommodated in Harborough DC in addition to the 137ha allocated in the Draft LP. There is therefore a total need for 275ha to be allocated for Strategic B8 in the Draft LP. LSH consider the Plan to be unsound until this level of need is met by further allocations.

5.0 REVIEW OF HDC DRAFT LP POLICIES

5.1 Introduction

5.1.1 The Draft LP seeks to support vibrant town centres to adapt to changing needs and retain and provide employment land and create opportunities for business expansion, job creation, and economic growth. The means by which this is hoped to be achieved is through Policy DS02 which is reviewed below in relation to its treatment of employment land.

5.2 Policy DS02 Development Strategy: Creating Jobs and Diversifying the Economy

5.2.1 Policy DS02 of the Draft LP states that the Employment land requirement for the District for 2020-41 is 60ha and allocates a minimum of 16.4 hectares of land for business uses, General Industry and non-strategic Storage and Distribution.

“Policy DS02 Development Strategy: Creating Jobs and Diversifying the Economy

1. The Local Plan will contribute to the creation of jobs through providing land for a diverse range of business sectors and sizes.

2. The employment land requirement for Harborough District is 60 hectares between 2020 and 2041. In addition to the delivery of employment commitments and completions a minimum of 16.4 hectares of land for Business Uses (Office and Light Industry (E(g)(i)-(iii), General Industry (B2) and non-strategic Storage and Distribution (B8) (in units <9,000sqm) will be delivered on Site Allocations identified in Policy SA01, in the following places:

- a) 5 hectares on site allocations (identified in Policy SA01) in the Leicester Urban Area at the Land South of Gartree Road Strategic Development Area;
- b) 8.3 hectares on site allocations (identified in Policy SA01) in the Market Towns with 4.9 hectares at Market Harborough and 3.4 hectares at Lutterworth;
- c) 3.1 hectares on site allocations (identified in Policy SA01) in the Large Villages with 3.1 hectares at Kibworth.”

5.2.2 These sites are largely made up of existing allocated sites and are reviewed in Section 3 of this report. LSH found that there is no evidence to demonstrate that these sites have any further prospect of being developed within the plan period of the new Local Plan than under the existing Local Plan. The review also found that progress has been slow on sites allocated for employment use in the extant Local Plan. This is particularly the case in the main settlements of Market Harborough and Lutterworth, which form the top tier of the settlement hierarchy in both the existing and Replacement Local Plan. Reasons for the slow rate of progress range from changing market conditions to marginal viability of sites. This is reflected in the number of schemes where permissions have been varied to allow for alternative development or employment types to open up the wider site.

5.2.3 Paragraph 4.2.4-4.2.5 of the Draft LP states that:

“4.2.4 We want to diversify the economy to avoid an over reliance on the logistics sector. A range of spaces is needed to accommodate business growth, and to attract a broader base of businesses that can create jobs including those offering higher skilled roles.

4.2.5 There needs to be enough flexibility in the supply of employment land to provide choice for businesses starting up or relocating to our district as well as to enable existing business to expand to retain the jobs they provide. This flexibility in land supply is also there to facilitate the replacement of older employment premises / property which are not serving modern business needs.”

5.2.4 Despite the justification provided at paragraphs 4.2.4 – 4.2.5 and the Council’s acceptance of the need for greater flexibility, the sites allocated in the Draft LP largely consist of existing rollover allocations. In LSH’s view, this continues the mistakes made in the extant plan of allocating sites in the wrong location or placing onerous restrictions on the type of employment use that fails to reflect the needs of the market. This is evidenced by the East of Lutterworth SDA, where B8 floorspace was restricted to units of less than 9,000sqm in the outline planning consent. The subsequent variation of condition application to lift the floorspace highlighted more recent evidence of demand, and to increase flexibility and market attractiveness.

5.2.5 In light of this, it is felt that additional provision should be made in the Policy for allocation of further sites beyond existing employment areas that will provide the flexibility described in the supporting text. One such site, to the West of Lutterworth and being promoted by Richborough, would provide exactly this.

5.2.6 Parts 7 and 8 of Policy DS02 of the HDC Draft LP also makes provision for the supply of Strategic Storage and Distribution facilities by safeguarding Magna Park and committed and allocated sites for such use:

“7. Additional development of 340,000 sqm floorspace for Strategic Distribution for large-scale Warehousing (use class B8 in units of more than 9,000 sqm (gross)) will be provided in the district. Additional development should form an extension of, or be on a site within, Magna Park in the following locations:

- a) 55,000 sqm on land south of George House, Coventry Road, in accordance with Policy SA01.
- b) 285,000 sqm on land at Mere Lane, Magna Park, in accordance with Policy SA01.

8. Magna Park including allocated sites MP1 and MP2 in Policy SA01, as identified on the Policies Map, is safeguarded for strategic storage and distribution (Class B8). Proposals for redevelopment at Magna Park including allocated sites will be permitted where:

- a) each unit has at least 9,000 sqm gross floorspace; and
- b) any new building or the change of use of an existing building(s) is for Class B8 and uses ancillary to this main use only; or
- c) the proposal for any non-strategic storage and distribution use is small-scale, proportionate in scale to the strategic storage and distribution use and ancillary to the use of individual plots or

beneficial to the functioning of Magna Park as a strategic storage and distribution park and the benefits to the district and achievement of local plan objectives are significant.”

5.2.7 The policy clearly states that proposals for new units at such sites would need to be at least 9,000 sqm gross floorspace, with the exception of small-scale proposals for units that are ancillary to the main use of individual plots. However, no clarification is provided as to what represents ‘small-scale’ or ‘proportionate in scale to the use of individual plots and Magna Park as a whole.

5.2.8 No other locations within Harborough DC are identified as being suitable for such use in order to protect and maintain Magna Park’s function as a leading regional and national distribution hub. Access to the strategic road network is identified as a key advantage of the site, alongside the availability of space to support both current and future business needs. Para 4.28 of the supporting text recognizes that:

“Beyond Lutterworth, there are no other locations within the district which benefit from the same level of access to the Strategic Road Network (Harborough Strategic B8 Needs Sensitivity Analysis, 2024). We also recognise that some non-strategic storage and distribution uses can complement these areas as long as they are small scale, proportionate, and beneficial to the overall functioning of the strategic distribution park. This flexibility allows us to support the diverse needs of businesses while maintaining the primary focus on strategic distribution.”

5.2.9 Although the Policy allows for the development of ancillary non-strategic storage and distribution use within the site, additional provision should be made to incorporate land adjacent to Magna Park to build on the locational advantages emphasized in the supporting text. This would be complementary to the inclusion of the two sites allocated that will effectively form an extension of the existing completed employment land.

5.2.10 Allocating more strategic employment land in this location will make a greater contribution to meeting the considerable needs across Leicester & Leicestershire. The conclusions of the 2024 Sensitivity Report indicate this need has doubled since the production of the 2021 Logistics Study. LSH’s concerns regarding the methodology engaged in the 2024 Sensitivity Report suggest that the need is even greater, with a need for HDC to allocate an additional 138ha than that provided for in the Draft LP. It is LSH’S belief that the Site being promoted by Richborough Estates, extending to 74ha, is a prime candidate given its location to helping to meet this substantial shortfall.

6.0 CONCLUSION

- 6.1.1 This review has been prepared in response to the Regulation 19 Proposed Submission Draft Harborough Local Plan 2020-2041, and in support of the promotion of land to the west of Lutterworth for flexible B8 industrial / logistics and distribution development.
- 6.1.2 It is LSH's view that Harborough DC's non-strategic deliverable employment land supply amounts to 28.8ha against a requirement of 60ha. It is also LSH's view that Harborough DC should look to allocate 275ha of B8 Strategic Distribution and Warehousing in contrast to the 137ha currently proposed in the Draft LP.
- 6.1.3 The review of Harborough DC's existing supply of employment sites found that progress has been slow on sites allocated for employment use in the extant Local Plan. This is particularly the case in the main settlements of Market Harborough and Lutterworth, which form the top tier of the settlement hierarchy in both the existing and Replacement Local Plan. Reasons for the slow rate of progress range from changing market conditions to marginal viability of sites. This is reflected in the number of schemes where permissions have been varied to allow for alternative development or employment types to open up the wider site. LSH's review of the Employment Land Supply shows there to be deliverability concerns regarding 3 of the proposed allocations that have been rolled over from the extant plan and 2 of the sites included in the existing commitments which have seen no development to date. LSH consider the deliverable employment land supply to consist of 28.8ha, leaving a substantial shortfall from the employment land requirement (60ha) that the Draft LP will not meet.
- 6.1.4 In contrast, completion of Strategic Distribution and Warehousing sites has progressed rapidly. Development at Magna Park has been undertaken on a speculative basis but take up and occupation of completed units has been strong. This emphasises its locational advantage close to the strategic road network and within the 'Golden Triangle'.
- 6.1.5 The need for Strategic Warehousing expressed in Harborough DC's Draft Local Plan is based on the recommendations of the Strategic B8 Needs Sensitivity Report (Iceni Projects, 2024) and Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change Study (GL Hearn, April 2021 updated 2022).
- 6.1.6 The modelling outputs of the 2024 Sensitivity Report have been found to be based on a series of modelling assumptions for which no evidence is provided. Whilst extrapolating Gross Completions over the last 10 years produces a level of demand that is double that recommended in the 2021 Logistics Study, the total need is then reduced by an unfounded assumption that all premises will need replacing after 30 years life and an arbitrary figure of 50% of 30-year-old premises will be replaced in situ.

- 6.1.7 This is then compounded by an apportionment exercise that fails to take into consideration the ability of the other authorities in the Leicester and Leicestershire region to accommodate additional demand. The lack of evidence provided to justify the approach to calculate need and apportion an element of this to HDC leads LSH to recalculate the amount of Strategic B8 Warehousing it believes HDC should be providing for in their Draft LP. This is shown in Chapter 4 of this report to be a total of 275ha i.e an additional 138ha to the amount proposed to be allocated in Policy DS02. This failure to meet the need for Strategic B8 Warehousing is considered contrary to NPPF paragraphs 11, 20 and 23 (in both the 2023 and 2024 versions of the NPPF).
- 6.1.8 Consideration of further sites is clearly required to both meet the demand for local and Strategic Employment use and to help the Council achieve its stated aim to increase the “flexibility in the supply of employment land to provide choice for businesses starting up or relocating to our district as well as to enable existing business to expand to retain the jobs they provide”.
- 6.1.9 The land to the West of Lutterworth provides an opportunity to provide flexible employment uses in a location that maximizes access to the strategic road network, complements the existing use of and further allocations at Magna Park and achieves market attractiveness to ensure its deliverability. This will ensure compliance with the NPPF that requires planning policies to be flexible enough to accommodate needs not anticipated in the plan, and to enable a rapid response to changes in economic circumstances.