

Oadby & Wigston Borough Council

EMPLOYMENT SITES AND BROWNFIELD LAND STUDY



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Final Report
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EXECUTIVE SUMMARY

- i. Roger Tym & Partners together with Innes England have been commissioned by Oadby and Wigston Borough Council (the Council) to undertake an assessment of the Borough's employment and other brownfield land. The purpose of this is to provide evidence to support policies and proposals for future Development Plan Documents (DPD), Supplementary Planning Documents (SPD) and Economic Development Strategy, within the Borough for the period to 2026. Each section of this study includes a summary of key points (not repeated here).

The key study finding- 'Change Management'

- ii. The challenge for the Borough is that employment land policy is no longer going to be about allocating new land, and safeguarding existing sites. Given the forecast economic changes, a more sophisticated approach to 'change management' is required. This will involve the careful release of some land which is no longer suitable, recycling and 'reinventing' other land and identifying some new land.
- iii. There will need to be a clear understanding of the economic changes taking place, where the Borough wants to be (and can be realistically) and how best to use the available land assets to contribute to this by proactively delivering change using policy, development management / control, other intervention tools and cooperation with the private sector.

Our approach involved a parallel process of:

- Articulating the employment requirements stemming from the 'top down' Sub Regional Employment Land Study (ELS), by unpacking some of the figures and assumptions included in this; and,
- Undertaking a detailed assessment of the Borough's employment sites (see figure 1.1) to provide a 'bottom up' site assessment by utilising the unique RTP Site Assessment Matrix as a basis for developing an employment site hierarchy.
- Assimilating and fine tuning the findings from the above, by articulating what is working well, what is not and then assessing the capacity for change.

We found that there is a lot that is working well in the Borough...

- iv. We found that the majority of sites in the Borough are, despite their age and poor access, operating well and near full capacity with limited vacancies. The Borough has a very strong and varied manufacturing economy, based around a number of sectors including food, construction and distributions. The Borough's property portfolio is diverse too, meeting the needs of very small companies in multi let properties; through to purpose built plants serving very large companies. Some companies have been present in the Borough for a long time with an established presence.
- v. The Business Needs Survey recently undertaken by the Borough, identified that the most positive benefits of being located in Oadby and Wigston were the suitability of premises, followed by ease of travel (accessibility for products, services and customers), committed and appropriately skilled staff, good value rates and proximity to Leicester. In terms of

preferred locations; 47% stated that they would prefer to be located on another estate in Oadby and Wigston with next preference being elsewhere in Leicestershire.

- vi. The Borough has some unique company representations including office headquarter functions for global and national companies, bio technology and aerospace companies. There are also some national names likes Jacobs, Marks & Spencer and Deli France here. Some long standing companies such as Cromwell Tools have invested considerably in new buildings and expanded within the Borough. Many of the companies are serving a local market, and hence for most, poor access to the motorway has not been identified as an issue.
- vii. The majority of employment sites are based within the South Wigston area - this supports local residents in the area to access employment; especially, as there is a generally lower rate of car ownership and greater dependence on public transport or walking to work. These companies also provide a range of basic to higher skilled jobs, again helping to meet the needs of the local sub area.
- viii. There are some 'hidden gems' serving small start up office based businesses. These have been led by the private sector and often housed in poor quality buildings but showing the potential and scope for the Borough to develop this type of offer to support the diversification of its economy.

There are some signs of underperformance creeping through...

- ix. There are some signs of 'creeping' underperformance related to the economic structural change and obsolete property taking place due to the high reliance of the Borough's economy on the manufacturing sector and ageing property stock. This is being manifest by increasing vacancy levels and obsolete properties; though at present these higher vacancy levels are contained in a few sites (particularly Kenilworth Drive and Kirkdale Road).
- x. It is expected that there will be further shrinkage in the manufacturing sector, resulting in a reduction in requirement for floorspace, signs of vacancies will become apparent due to structural change and also due to existing buildings becoming obsolete and companies looking to either re-house or expand in more modern units. What is not clear is just how far companies in sectors such as food and construction will be affected by global impacts - the former may be more resilient to change and so the level of shrinkage could be less.
- xi. A further reason for underperformance has been a constrained land supply and the allocation of 'undeliverable land'. It is important for policy to take account of deliverability issues as part of the wider consideration of employment delivery and restructuring. There is now the potential to provide 3.5 ha of new greenfield land within the Borough as part of the Direction of Growth (Core Strategy Hearing Proposed Amendments Document).
- xii. Within the sites assessed by this study, only 6% of the total area is used for office based employment. In keeping with national trends, there is a need for the Borough to encourage the diversification of its economy and grow office based employment. Some land to support the Borough's office growth requirements has been identified in the Town

Centre Masterplans. Proactive action is likely to be required to bring about the delivery of these sites.

- xiii. There are signs of small scale office/ workspace developments within a number of the employment sites. There are also a handful of large office headquarter businesses that have been in the Borough for a long time. However, the Borough has not managed to attract any major new office headquarter functions recently due possibly to the lack of suitable sites and also the strong policy and inward investment focus to channel this type of development to the central regeneration sites of Leicester.

What is the capacity to change and adapt?

- xiv. To assess the capacity to change, we considered the findings from the Sub Regional ELS assessment (top down assessment) with the findings from our site assessment matrix and site hierarchy information (bottom up assessment) to determine how to best meet the strategic requirement and at the same time help the Borough to adapt to structural change in a way that brings about positive and considered change for the benefit of the Borough's economy and community.
- xv. There is potential and capacity to change and meet the refined sub regional employment requirements of land release, new replacement land (particularly at the Direction of Growth) and, recycled land stemming from the Release and Core Employment Site categories identified in our site hierarchy.
- xvi. However, this will need careful management and use of policy, particularly through Development Plan Document (DPD) and Area Action Plans to channel change. A key site that forms part of this change management is Kenilworth Drive in Oadby. Our initial assessment points to the fact that this site is underperforming. It requires detailed consideration on how to manage and deliver change here to maximise the full potential of this site, recognising that land ownership here is fragmented.

Delivery issues and study recommendations

- xvii. The delivery issues and recommendation focus on structural change and actions to enable the delivery to take place. The emphasis is on adopting a proactive role in change management and seeking to retain as much of the new land requirement within the Borough. The following are the key recommendations:
- *Develop spatial policy on how and where best to accommodate the forecast structural changes.*
 - *Plan to be more self-sufficient in meeting the Borough's new land requirements.*
 - *Develop a strategic approach to change management using the Site Assessment Matrix and site hierarchy as a tool to guide this process.*
 - Targeted intervention is needed to unlock the full potential of the Kenilworth Drive estate and a range on non spatial actions are also needed, along with measures to maintain competitiveness of existing businesses.

1 INTRODUCTION

- 1.1 Roger Tym & Partners together with Innes England have been commissioned by Oadby and Wigston Borough Council (the Council) to undertake an assessment of the Borough's employment and other brownfield land. The purpose of this is to provide evidence to support policies and proposals for future Development Plan Documents (DPD), Supplementary Planning Documents (SPD) and Economic Development Strategy, within the Borough for the period to 2026.

Study Questions

- 1.2 The Council has vested effort and resources on a Borough Employment Land Study by B E Group and a Sub Regional Employment Land Study (ELS) by PACEC to articulate the strategic employment land requirements and policy guidance for the Borough of Oadby and Wigston. These studies ¹ have informed the formulation of strategic employment policy in the Borough's Core Strategy.
- 1.3 Although providing strategic guidance on land requirements; there is a recognised gap in the guidance included in the various studies to enable the Council to adapt to the inevitable economic market change taking shape; and more importantly, to use strategic policy and development control powers as a tool to help 'steer and manage change' in the direction the Borough wishes its spatial economy and communities to develop.
- 1.4 The emphasis on safeguarding employment sites has resulted in some tensions between policy and pragmatism when determining planning applications. In some instances, officers have followed the policy guidance to safeguard employment sites, only to find the recommendation overturned by Members in support of wider 'leisure and community' uses. Acknowledging this tension has been an important starting point in framing the following study questions which we use to guide our study:
- i) What is working well in the Borough and why? (So this is protected and built on).
 - ii) What is underperforming and why? (So action can be taken to remove market failures).
 - iii) What is the capacity of the Borough to change and grow? (So we can articulate the impact on employment land requirement).
- 1.5 It will be important for this study to provide an understanding of why the policy tension has arisen and provide guidance that helps to overcome this, by clearly articulating the process of structural change and its impact on the employment land requirements.

Approach

- 1.6 Our approach involves a parallel process of:

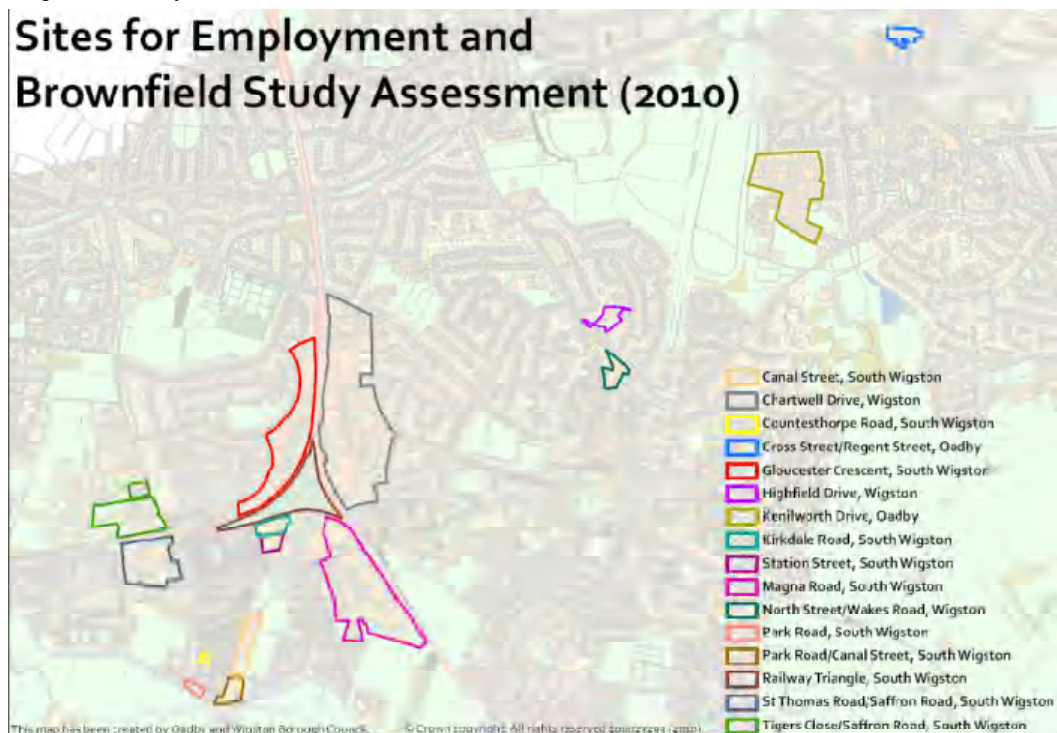
¹ The Leicester and Leicestershire Employment Land Study by PACEC (2008) and the Oadby & Wigston Employment Land Study by B E Group (2006)

- Articulating the employment requirements stemming from the 'top down' sub regional ELS, by unpacking some of the figures and assumptions included in this; and,
- Undertaking a detailed assessment of the Borough's employment sites (see figure 1.1) to provide a 'bottom up' potential to meeting the identified requirement by utilising the unique RTP Site Assessment Matrix as a basis for developing an employment site hierarchy.

1.7 Our assessments are based on assimilating the findings from the top down requirements and 'bottom up' assessment to provide the Council guidance on:

- The sites which could have the greatest potential for 'managed' recycling for modern employment and other uses.
- The sites which might become obsolete over time and could partially be developed for other uses and mixed uses including employment.
- Other non spatial actions that Council and its partners could consider to support economic development and restructuring of the Borough.

Figure 1.1 Study Sites

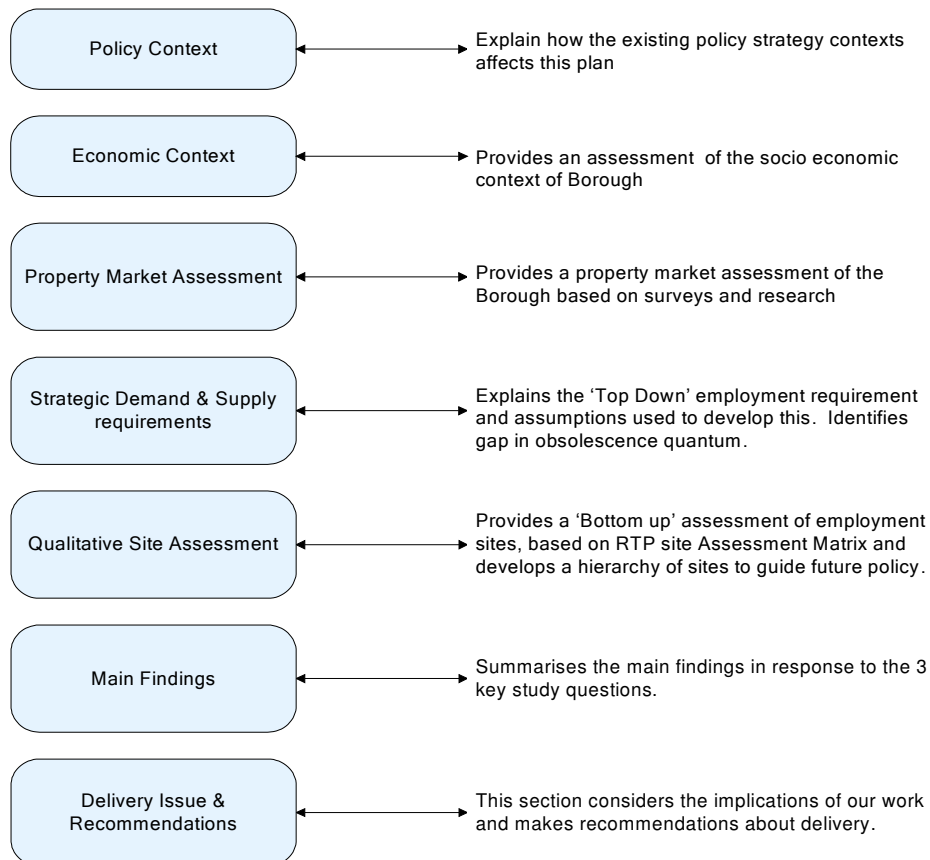


Source: Oadby & Wigston Borough Council

Report Structure

1.8 Figure 1.2 shows how we have structured this report.

Figure 1.2 Report Structure



There are a series of important caveats attached to this work

1.9 The following assumptions were agreed with the client to guide this study:

- RTP will use the Leicester & Leicestershire HMA Employment Land Study (abbreviated in this document to the Sub Regional ELS) findings and the policy and employment land requirement as stated in the Core Strategy as the starting point for the land requirement, assumptions and gap analysis. It is not the purpose of this study to test the methodology or conclusions arrived at in these documents. RTP is also not undertaking any new locally specific job number analysis for this study.
- RTP will use the Leicester & Leicestershire HMA Employment Land Study breakdown to provide the individual requirements for warehousing and industrial to come to a requirement figure for new employment sites.
- Given the fact that this study is building on previous strategic studies, resources are limited for this study. We have not considered the wider economic potential for the

Borough resulting from economic structural change. The focus of this study has been limited to the sixteen identified sites. The site visits are based on the external buildings and environment only and not of the internal condition of properties, and no business interviews have been undertaken, as a separate Business Needs Survey has been commissioned by the Council. Having caveat this, we have in fact undertaken some additional economic assessment work, some business and land agent consultations and we have had to unravel some of the data included in the sub regional study to identify how land assumptions were translated on the 'ground'.

- Our assessment is based on information and market conditions at present, no one, commercial property agents included, can realistically predict the medium to long term demand for individual sites with any degree of certainty. Even the worst site can remain viable because a particular occupier demands it. Therefore regular reviews and fine tuning will be essential.

2 POLICY CONTEXT

- 2.1 In this section we consider the main policy informing the employment land requirements for the Borough. It is important to note that there is a wealth of information already documented for this purpose in the previous strategic level employment land studies. Thus, to avoid duplication and repetition, we have only highlighted the key headline policy drivers here.
- 2.2 The policy context shows the importance of planning for and providing adequate employment land and ensuring that this provision plays to local strengths.

Sustainable Development

- 2.3 The Government's Strategy for Sustainable Development² sets out four Government objectives:
- Social progress which recognises the needs of everyone;
 - Effective protection of the environment;
 - The prudent use of natural resources; and
 - The maintenance of high and stable levels of economic growth and employment.
- 2.4 Local planning authorities contribute to sustainable development through development plans. Planning Policy Statement (PPS)1, Delivering Sustainable Development, at paragraph 27 states that such plans among other things should seek to:
- Bring forward sufficient land for housing and industrial development, which is of suitable quality and in appropriate locations, to meet the expected needs;
 - Allocate sites on the basis of their accessibility and sustainable transport needs, and the provision of essential infrastructure, amongst other criteria;
 - Provide improved access to jobs by ensuring that new development is located where everyone can access services on foot, bicycle or public transport rather than having to rely on access by car;
 - Focus developments that attract a large number of people, including offices, in existing centres, in order to promote the vitality and viability of these centres, social inclusion and more sustainable patterns of development;
 - Reduce the need to travel and encourage accessible public transport provision by actively managing urban growth to make full use of opportunities for increasing public transport patronage; and
 - Promote more efficient use of land through higher-density, mixed use development and the reuse of suitably located previously developed land and buildings.

² A Better Quality of Life - A Strategy for Sustainable Development for the UK (May 1999)

Planning for Sustainable Economic Growth

- 2.5 Planning Policy Statement (PPS) 4, Planning for Sustainable Economic Growth, was published in December 2009. This brings together planning for all economic land uses, so as well as the existing PPG 4 it also replaced PPS6, relating to town centre uses, and parts of PPS7, relating to economic development in rural areas. The key objective of the PPS is to ensure that the planning system positively and proactively supports economic development.
- 2.6 Two of the policies in PPS4 are especially relevant to Employment Land Reviews (ELRs). The first is Policy EC1, Using Evidence to Plan Positively, whose opening paragraph reads in part:
- 2.7 'Regional planning bodies and local planning authorities should work together to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market... [They] should ensure that the evidence they gather is proportionate to the scale of the issue.'
- 2.8 The policy goes on to say that local evidence bases should assess the need for and supply of land for economic development over the plan period. It adds that assessment should ensure that 'existing site allocations for economic development are reassessed against the policies in this PPS, particularly if they are for single or restricted uses.'
- 2.9 The second policy that bears directly on ELRs is Policy EC2, which sets out requirements for both regional planning bodies and local planning authorities in producing development plans. They should:
- Set criteria for, or identify the general location of strategic sites, ensuring that major greenfield sites are not released unnecessarily through competition between local authorities.
 - Seeks to make the most efficient and effective use of land, prioritising previously developed land which is suitable for re-use, reflects the different location requirements of businesses.
 - At a regional level, disaggregate minimum job targets to local authority level.
 - At a local level, identify a range of sites to facilitate a broad range of economic development, including mixed use. Existing site allocations should not be carried forward from one development plan to the next without evidence of need and reasonable prospect of their uptake during the plan period.
- 2.10 With regard to planning decisions, policy EC10 of PPS4 advises that local planning authorities 'should adopt a positive and constructive approach towards planning applications for economic development. Planning applications that secure sustainable economic growth should be treated favourably.'
- 2.11 One of the key changes to PPS 4 is the renewed focus on town centres, as the primary location for 'main town centre uses'. PPS 4 defines town centre uses as:
- Retail
 - Leisure

- Offices
 - Arts and Tourism
- 2.12 The PPS continues, but strengthens, previous guidance which promoted a spatial hierarchy focusing the most intense 'town centre' land uses in the most accessible (i.e. town centre) locations.
- 2.13 It is important to note that the approach set out in central government guidance does not preclude the provision of new space outside of town centres. Only that the town centres should be the first place the local authorities look when seeking to accommodate new town centre offices.
- 2.14 Policy EC 5.5 of PPS 4 states 'Having identified sites for development, local planning authorities should allocate sufficient sites in development plan documents to meet at *least the first five years identified need. Where appropriate, local development frameworks should set out policies for the phasing and release of allocated sites to ensure that those sites in preferred locations within centres are developed ahead of less central locations.*'

Transferring Employment Land to Housing

- 2.15 Employment land is also mentioned in Planning Policy Statement (PPS) 3, Housing. This statement generally encourages re-use of previously developed land for housing, and specifically states that local planning authorities should consider 'whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development'.

Regional Policy

- 2.16 The sustainable economic growth objectives at a national level set the foundation for planning policy at a regional level (for now at least, though is this changing). The East Midlands Regional Spatial Strategy (RSS), published in March 2009, predates PPS4. Nevertheless, many of the objectives and the guidance are incorporated. The main exception to this being the requirement to set jobs growth targets at a local authority level. The East Midlands Regional Spatial Strategy is one of the few regional strategies in England not to provide detailed employment land or job provision targets.
- 2.17 We understand the reason for this was that at the time the Government Office advised the Assembly that they were not required to do this. This is now recognised as a deficiency and the new PPS4 (December 2009) provides an explicit requirement for regions to provide local level job targets. We are aware that emda has recently embarked on a study to determine regional level employment land and job provision targets. This could have some implications on the Leicester and Leicestershire HMA sub regional employment study, and hence on Oadby and Wigston, but it is too soon to say. The effect of the changes stemming from the recent Government change too could affect this.
- 2.18 In the absence of regional level job or land provision targets the Leicester and Leicestershire housing market area (HMA) local authorities have worked in partnership to undertake a joint employment land study. In determining the distribution of growth, the RSS sets a settlement hierarchy and the study has acknowledged this. At the top of the

hierarchy and therefore the primary focus for new employment development and regeneration is the Leicester Principal Urban Area (PUA), and it should be noted that built up areas of Oadby and Wigston Borough is fully within the Leicester PUA. However, the joint study has recognised that there are limitation of land availability in Leicester and Oadby and Wigston and it recommends that adjoining authorities forming the HMA will absorb some of the growth that cannot be met in these areas.

Regional Economic Strategy

- 2.19 'A Flourishing Region' the regional economic strategy for the East Midlands identified various strategic priorities and within these, it identified four priority sectors on the basis of growth prospects, and sectors' presence in the region. These priority sectors are:
- Transport Equipment
 - Food and Drink
 - Construction
 - Healthcare
- 2.20 The overall aim in terms of employment land, is to develop land which maximises opportunities for collaborative innovation activities and inward investment. The RES states that the proposed developments should be:
- Linked to RES priority sectors (listed above).
 - Maximise clustering benefits
 - Improve links between academic institutions and businesses.
 - Encourages sustainable building design.
 - Be supported by work of Innovation East Midlands.

The RSS and RES Subsumed into the Regional Strategy

- 2.21 From 1 April 2010, emda and the East Midlands Leaders' Board (EMLB) assumed joint responsibility for preparing an integrated East Midlands Regional Strategy.
- 2.22 In the first instance, the current Regional Economic Strategy (RES) is brought together with the existing Regional Spatial Strategy (RSS) to form an interim Regional Strategy. So the findings listed above are still valid, only the legal status of the documents has changed.

Abolishment of the Regional Strategy

- 2.23 On 27 May 2010 the Rt Hon Eric Pickles MP, Secretary of State for Communities and Local Government, wrote to Council leaders highlighting the Coalition Government's commitment to rapidly abolish Regional Strategies (RS) and return decision making powers on housing and planning to local councils.
- 2.24 The letter goes on to say that 'decisions on housing supply will rest with LPAs without the framework of regional numbers and plans'. It also makes clear that a formal announcement on abolition will be made soon and that in the meantime 'LPAs and PINS

- [are] to have regard to the letter as a material planning consideration in any decisions they are currently taking’.
- 2.25 The means by which RS abolition will occur have yet to be set out in detail. However, if the Secretary of State thinks it necessary or expedient to do so the Secretary of State may at any time revoke all or any part of a regional strategy under section 79(6) of the Local Democracy, Economic Development and Construction Act 2009.
- 2.26 The Regional Strategy (and the RSS) did not set any employment numbers for the Leicestershire HMA and the Rt Hon Pickles letter does not refer to employment specifically; however, the emphasis in the letter is the point of returning decision making powers on housing and planning to local councils. For the purpose of this study, it was agreed at the outset that we would be working with the employment requirements identified in the sub regional employment study.

LDF Core Strategy Development Plan Document

- 2.27 The Oadby and Wigston Core Strategy Development Plan Document underwent Examination into the soundness and legal compliance during April 2010. As a result of the Hearings a number of further changes to the Core Strategy Development Plan Document were proposed as set out in the Core Strategy Hearing Proposed Amendments Document.
- 2.28 The key employment related policies included in Core Strategy Policy 1 stemming from this latest document are outlined below:
- ‘...The Direction of Growth will include in the region of 2.5 to 3.5 hectares of new B1 and/ or B2 employment land which will eventually replace the equivalent amount of poor quality employment land located within existing Identified Employment Areas in the Borough...’
 - ‘...Seek opportunities to achieve the regeneration of the Identified Employment Areas in the Borough. The main focus will be on providing land for smaller employment uses and for existing employment uses to expand within the Borough where this is the most sustainable approach. Until such time that replacement employment land has been delivered, Identified Employment Areas will be retained for employment use. Where it is recognised to be the sustainable approach, existing employment land and premises outside of the Identified Employment Areas will be retained for employment uses.’
 - A new paragraph 5.23 states ‘An overriding principle in relation to the Direction of Growth is the need to establish a balance between amount of employment land and housing provided. Whilst precision is difficult due to the varying economic climate and uncertainty over the types of businesses that may wish to locate within the Direction of Growth of the time of its development, evidence suggests that in the region of 2.5 to 3.5 hectares of employment land is appropriate. It is intended that master planning will further inform the actual amount of employment land to be provided within the Direction of Growth which will be allocated in the Allocations Development Plan Document.’

- Amended paragraph 5.20 acknowledges that there is a lack of land in the Borough to provide significant allocations of new employment land, and that this will be redistributed to the New Business Quarter, Leicester and Sustainable Urban Extension in Blaby and South Charnwood.
- 2.29 The key employment related policies included in Core Strategy Policy 2 stemming from this latest document are outlined below:
- ...Approximately 6,000 square metres of office floorspace (gross) will be provided in the centres of Wigston and Oadby. The approximate split between the centres will be as follows: Wigston - 5,000 m² (gross) and Oadby - 1,000 m² (gross).

Town Centre Masterplans and Area Action Plans

- 2.30 Within the Core Strategy, Wigston is identified as the Borough's main town and Oadby and South Wigston are identified as District Centres. Masterplans have been produced for Wigston, South Wigston and Oadby centres which are expected to be adopted as Area Action Plans in due course. Work to date indicates that there will be one key location for the provision of additional office accommodation within Oadby town centre, with more significant office development proposed to the north side of Wigston town centre with an element of commercial development over retail development in other parts of the centre. The likely office floorspace to be created from redevelopment of the Masterplans has been included in the Sub Regional ELS and the LDF Core Strategy. The findings emerging from the various Masterplans relating to individual employment sites have been taken account of in the preparation of the individual site records and have informed the SAM.

Summary of Key Points

- 2.31 The key objective of the PPS 4 is to ensure that the planning system positively and proactively supports economic development.
- 2.32 There are likely to be changes in the status of regional strategies with likely abolishment of these. The Leicester and Leicester HMA local authorities have not relied on regional employment numbers and so this abolishment should not affect the employment requirements, however, there is a degree of uncertainty pending. For the time being, our assessment builds on the HMA study findings.
- 2.33 Regionally, there is evidence to support that the region has sector strengths in transport equipment, food, construction and health care. We demonstrate in the later sections, that the Borough has a particular strength in two of these, food and construction, and some unique company representation operating in the transport equipment and health sectors.
- 2.34 The Regional Strategy guidance supports developing linkages between academic institutions and businesses. Our research on the individual sites supports this, particularly for construction, food and health and environmental related business in the Borough.
- 2.35 The latest Core Strategy Hearing Proposed Changes, sets a quantum of new employment land of between 2.5 ha to 3.5 Ha to be replaced in the proposed Direction of Growth, and

recognises the potential for 6000m² of new office space to be delivered in the town centres of Wigston and Oadby. This will inform the 'gap analysis' later in this study.

3 ECONOMIC CONTEXT

- 3.1 We state in section two that there are regional priority sectors in transport equipment, food and drink, construction and healthcare. It is useful to see if there are any sector concentrations in the Borough and the implications this could have on land requirements, labour skills and impact on future land requirement.
- 3.2 The data we have analysed in this section builds on work done in previous strategic employment land studies, the Borough’s Economic Strategy and Oadby and Wigston Community Profiles. To avoid repetition, we have taken account of the key points from these to inform our understanding of the Borough’s particular demographic and socio economic characteristics. These socio economic issues have an important bearing on type and location of employment and why in the short to medium term there is a strategic policy reason to safeguard employment generating sites which offer a diverse range of jobs meeting the needs of both low and high skilled employees.
- 3.3 We find that the Borough has a particularly strong representation in food, construction and distribution sectors. This evidence is taken forward into the property market considerations in the next section to see how the property requirements and type of business translate into floorspace and concentrations within sub areas of the Borough. A very interesting property market pattern emerges reflecting the findings of this economic context.

Economic Sector Assessment

Figure 3.1 shows the Annual Business Information (2008)³ for business sectors represented in the Borough compared to Leicestershire, East Midlands and Great Britain.

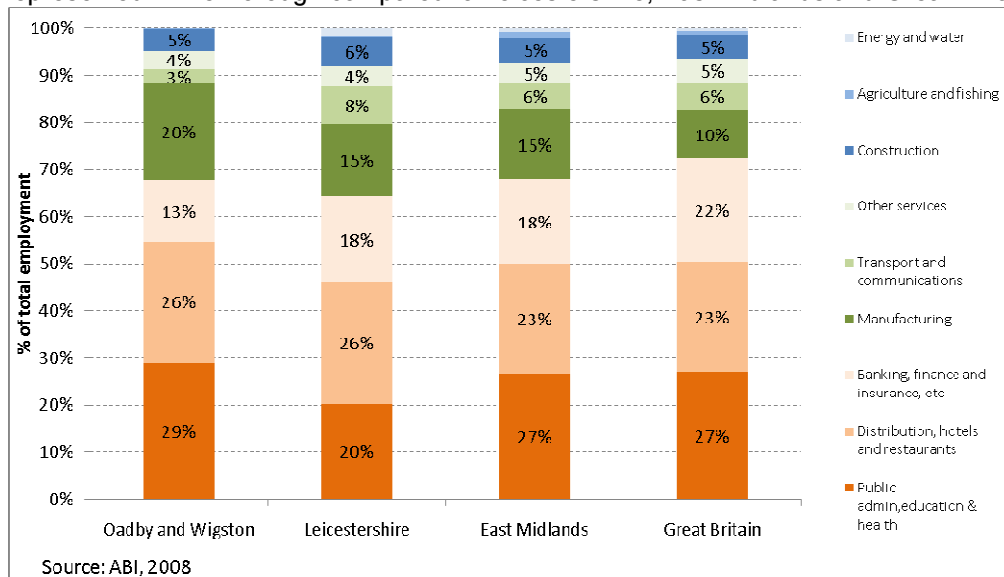


Figure 3.1 Employment by Sectors

Source: RTP (ABI 2008)

³ This is the latest ABI data available.

What does the economic sector assessment tell us?

- 3.4 The striking feature illustrated by figure 3.1 is that the Borough is under-represented in the Banking, Finance and Insurance sector; however, it fairs strongly in Public Administration, Education and Health sector, and has a greater representation in the manufacturing sector than the comparators. In some quarters this manufacturing concentration is considered a sectoral weakness, given the continued structural shifts globally in manufacturing and the continued shrinkage of this sector in the UK. However, there is a move nationally, based on 'New Jobs New Industries' Strategy to encourage hi tech and innovative manufacturing. The Borough is mindful of the risks associated with an over-reliance on a narrow range of economic sectors.
- 3.5 A key theme of the Borough's Economic Development Strategy, the State of the Borough Report and Core Strategy is the need to diversify the economy and widen the manufacturing base, by encouraging new, knowledge based activities. However, it should be noted that there are sectors that were outside the remit of this study e.g. retail and education which also provide high levels of employment in the Borough and should be considered as part of any future policy development (recognised by definition of employment of PPS 4).

Some interesting findings concerning the office sector in the Borough

- 3.6 There is a strong policy and regeneration focus regionally and sub regionally to channel major new office sector employment, such as banking, finance and insurance to central areas such as the Leicester PUA regeneration locations such as the New Business Quarter. It will therefore be a challenge for the Borough to compete for major new service sector investments in under-represented sectors such as Banking.
- 3.7 However, we show in the property section that the Borough does have some very interesting office sector representation (that may have gone unnoticed to date), understanding their location preference (via the Business Survey) could inform the Borough's aspiration to secure higher value office sector jobs by providing office sites in the key town centres and seeking to stop the out migration of higher skilled workforce to places like Leicester.

Economic Clusters

- 3.8 There is a widely held view of stimulating 'economic clusters' and identifying locally important clusters where an area may have an economic strength, due to the dense mesh of contacts across firms in related industries, and the requirement for similar labour and skills. By locating within close proximity, each individual firm gains economies of scale as part of an informal complex of inter - trading or competing. Our assessment helps to articulate the 'employment clusters'⁴ that are important locally and why some of these might benefit from wider regeneration support.

⁴ Note we use the definition of clusters broadly based on numbers of employed and this is not based on detailed Location Quotient strengths analysis.

- 3.9 The findings from our site surveys and the evidence research from the sector analysis have identified strong locally prevalent clusters in the food, and manufacturing of building products (sub sectors). Our survey analysis also revealed local representation of some companies that are seen as growth sectors nationally and regionally, particularly in high value office users and manufactures in hi technology transport and bio tech manufacturing.

We should try to understand the manufacturing sector and its requirements ...

- 3.10 Although the percentage of employment in the manufacturing sector has fallen from 31% in 1988, the Borough continues to have a much higher percentage of manufacturing employment (20%) compared to the country average of (10%) in 2008. This is equal to 3, 789 jobs.

Food Sector

- 3.11 We have interrogated the manufacturing sector further to understand if there are any particular types of manufacturing sub sectors that are important to the Borough and how they might be supported to remain competitive in the future. The strongest 'cluster' as shown in table 3.1 is the manufacture of food and beverages, where the Borough has 7% representation compared to the 3% in Leicestershire. We know from our site survey analysis that there are a number of large national food companies, such as M & S sandwiches, Jacobs, Deli France and Blackfriars Flapjacks represented within close proximity of each other in South Wigston.
- 3.12 The contribution made by this sector to the Borough's economy would need further investigation, particularly in terms of local employment contribution. There should also be investigation to see how this particular cluster can be supported by the regional innovation 'I-hub for food cluster' and by local universities.

Construction Sector

- 3.13 A further sub sector strength of manufacturing is around the manufacture of machinery, metal fabrication and manufacture of furniture. Our site surveys revealed a very strong cluster in the South Wigston area of businesses serving the construction and property industry through the manufacture of doors, window frame, shop fittings and conservatories.

Collaboration with universities and education providers should be proactively supported

- 3.14 There are constant changes taking place in the building and construction industries, and whilst these individual companies are 'competing for the short term market', there are likely to be tremendous changes in the design and building of modern energy efficient properties that take account of the Code for Sustainable Homes development requirements. There maybe some scope in looking to assist these companies to 'stay

ahead of the game' in terms of innovation and technology. A possible scope might be to investigate the potential for a collaborative project with the local universities that specialise in construction e.g. Loughborough and De Montfort⁵. During our site visits, we noted that South Wigston College has a base on Chartwell Drive Industrial Estate, delivering construction skills training close to the location of many of the individual companies. Such collaborative working between education providers and industry should be proactively supported.

Table 3.1 Manufacturing Sub Sector

	Oadby & Wigston		Leicestershire	East Midlands	GB
	Number	% of total emp	% of total employment		
Manufacturing					
15 : Manufacturing of food and beverages	1,317	7%	2%	3%	1%
16 : Manufacture of tobacco products	0	0%	0%	0%	0%
17 : Manufacture of textiles	138	1%	0%	1%	0%
18 : Manufacture of wearing apparel; dressi	78	0%	0%	0%	0%
19 : Tanning and dressing of leather; manu	45	0%	0%	0%	0%
20 : Manufacture of wood and products of v	39	0%	1%	0%	0%
21 : Manufacture of pulp, paper and paper p	1	0%	1%	0%	0%
22 : Publishing, printing and reproduction o	140	1%	1%	1%	1%
23 : Manufacture of coke, refined petroleum	0	0%	0%	0%	0%
24 : Manufacture of chemicals and chemica	160	1%	1%	1%	1%
25 : Manufacture of rubber and plastic prod	170	1%	1%	1%	1%
26 : Manufacture of other non-metallic mine	40	0%	1%	1%	0%
27 : Manufacture basic metals	36	0%	0%	0%	0%
28 : Manufacture of fabricated metal produc	516	3%	2%	2%	1%
29 : Manufacture of machinery and equipm	314	2%	2%	1%	1%
30 : Manufacture of office machinery and o	0	0%	0%	0%	0%
31 : Manufacture of electrical machinery ar	20	0%	1%	1%	0%
32 : Manufacture of radio, television and co	47	0%	0%	0%	0%
33 : Manufacture of medical, precision and	100	1%	1%	0%	0%
34 : Manufacture of motor vehicles, trailers	5	0%	1%	1%	1%
35 : Manufacture of transport equipment	209	1%	1%	1%	1%
36 : Manufacture of furniture; manufacturing	390	2%	1%	1%	1%
37 : Recycling	27	0%	0%	0%	0%
<i>Total Manufacturing Employment</i>	<i>3,789</i>	<i>20%</i>	<i>15%</i>	<i>15%</i>	<i>10%</i>
Total Employment	18,554	100%	100%	100%	100%

Source: RTP (ABI 2008)

Distribution Sector

3.15 The Borough and the County both have a higher percentage representation in the distribution, hotels and restaurants sector (26%) compared to the East Midlands and Great Britain (20%). This equates to 4,775 jobs in the Borough. As table 3.2 shows, much of this employment is in retail, however a substantial amount, 1,290 jobs are in wholesale distribution. Cromwell Tools, on the Chartwell Drive Industrial Estate, is one of

⁵ This links with the Oadby and Wigston Economic Strategy action to 'improve links with local universities and business in Oadby and Wigston in order to encourage innovation, research and development and graduate retention...Pg 26'

the biggest employers in the Borough, and form part of this sub sector employing some 600⁶ people.

- 3.16 This high percentage presence in distribution sector goes a little against the commonly held assumption that the distribution sector prefers to be located on good strategic road networks; particularly as most of the employment sites in the Borough do not have very good strategic road network access. Thus, once, more it would be useful, to understand, via the Borough's Company survey, why Cromwell tools chose to locate and expand where it has. There maybe some other unique assets or qualities the Borough has to attract such businesses possibly associated with the local labour supply.

Table 3.2 Sub Sector for Distribution, Hotels and Restaurants

	Oadby & Wigston		Leicestershire	East Midlands	GB
	Number	% of total emp	% of total employment		
Distribution, Hotels and Restaurants					
50 : Sale, maintenance and repair of motor vehicles and motor	216	1%	2%	2%	2%
51 : Wholesale trade and commission trade, except of motor v	1,290	7%	6%	5%	4%
52 : Retail trade, except of motor vehicles and motorcycles; re	2,480	13%	12%	10%	10%
55 : Hotels and restaurants	789	4%	6%	6%	7%
<i>Total Distribution, Hotels and Restaurants</i>	<i>4,775</i>	<i>26%</i>	<i>26%</i>	<i>23%</i>	<i>23%</i>

Source: RTP (ABI 2008)

Socio Economic Differences

- 3.17 There are some strong distinctions in the Borough's socio economic profile particularly between some areas within South Wigston and Oadby. One such difference relates to the mode of transport. Figure 3.2 shows a high proportion of residents in the South Wigston area depend on public transport as the mode for transport, whereas comparatively greater Oadby residents travel by car. This has a bearing on the location and local accessibility to employment. The South Wigston area is fortunate to have a large number of locally accessible employment areas. Indeed we noticed during our site visits that there were visible signs of people walking to and from work in South Wigston.
- 3.18 There are a number of general differentials between South Wigston and Oadby in for instance, skills, types of jobs, qualifications, cost of house price⁷. More locations in the South Wigston sub area feature in the index of multiple deprivation, and more parts of Oadby, feature in those individuals with highly skilled, highly paid jobs, with higher value homes, and greater car ownership, thus enabling them to travel further for better paid more specialist jobs.
- 3.19 Thus, in terms of current job requirements, the Borough's population has a diverse need to provide for a range of low skilled jobs in easily accessible locations, particularly in the

⁶ Source: Oadby and Wigston Community Profiles prepared by Leicestershire County Council

⁷ Observations based on the Oadby and Wigston Community Profiles prepared by Leicestershire County Council

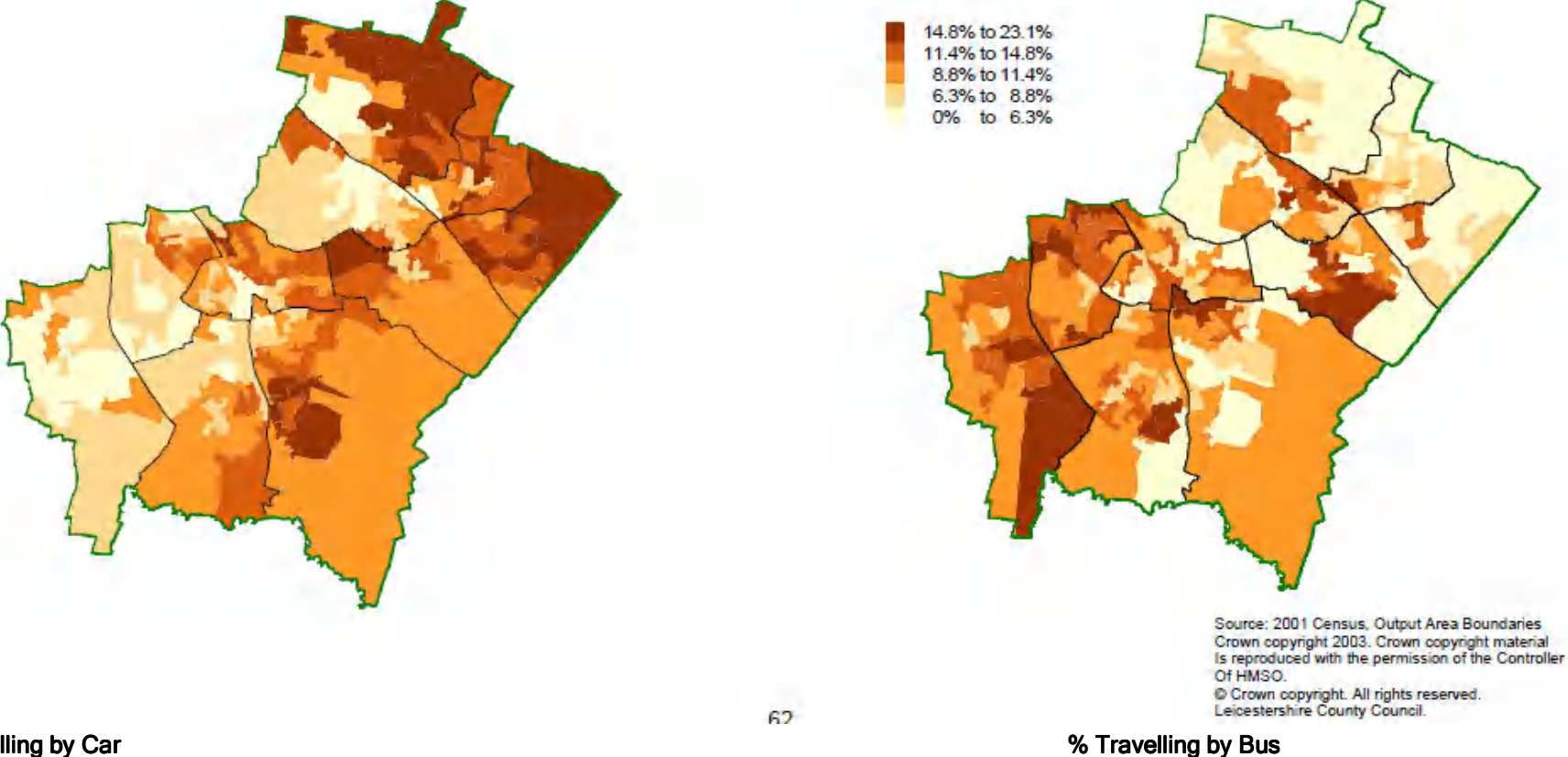
South Wigston area and high skilled jobs, particularly in the Oadby area to retain some of those currently commuting out of the Borough to meet their employment requirements. The Borough has aspirations to raise the skills levels in the South Wigston area; however, such actions can take time to filter through.

Summary of Key Points

- With global shift in employment sectors, manufacturing employment is still very important to the Borough, with 20% of employment in manufacturing compared to 10% for Great Britain. However in the longer term, this sector is expected to shrink further due to global economic changes and this will manifest itself in a consequent reduction in manufacturing property requirements in the Borough.
- The Borough has three key economic clusters⁸ in food, construction and distribution sectors, each with varying employment land requirements, and mostly concentrated in South Wigston area.
- The Borough has a highly diverse socio-economic profile, with some strong distinctions, particularly between South Wigston and Oadby sub areas. This affects the types of employment available to match the requirements of the residents in these sub areas.
- The current diverse offer in the South Wigston area caters well for the requirements of the generally lower skilled, lower car owning population. Similarly, companies have stated that they value the 'committed and appropriately skilled staff' as a reason for their preference to stay in the Borough.
- The Oadby sub area includes generally higher skilled, higher car owning and higher income residents, with also higher levels of outmigration for work. Appropriate property and employment diversification in this sub area, could form part of the strategy to seek to stem the outmigration of the higher skilled workforce, particularly into Leicester, and support the Borough's aspirations to strengthen higher value office based employment in the Borough.

⁸ Note clusters used loosely here to signify significant employment rather than a location quotient strength.

Figure 3.2 Mode of Transport in Oadby and Wigston Borough



Source: 2001 Census, Output Area Boundaries
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Leicestershire County Council.

% Travelling by Car

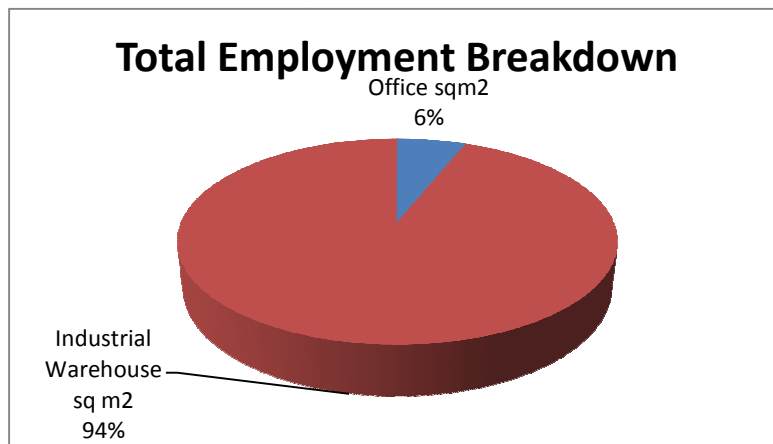
% Travelling by Bus

Source: Community Profiles for Oadby & Wigston prepared by Leicestershire County Council (2005)

4 OADBY & WIGSTON PROPERTY MARKET

- 4.1 Confirming the findings of the economic sector analysis in the previous section, the employment property market assessed is dominated by industrial and warehousing floorspace (94% of total floorspace) compared to office space (6%) as illustrated in Figure 4.1. Much of this industrial and warehousing floorspace is concentrated in the Wigston and South Wigston area. There are a wide range of units available on a range of easy entry, sale and lease arrangements.

Figure 4.1 Oadby and Wigston Industrial, Warehousing and Office Representation



Source: RTP / Innes England

Office Sector Surprises

Global, national and regional headquarter functions are located in the Borough

- 4.2 The Borough has some interesting and substantial office business presence and this has come as an important revelation from this study. It is true that the large proportion of the employment stock assessed serves a demand for moderately priced industrial accommodation of small and medium sized industrial businesses. However, our research has identified the presence of a few substantial offices serving regional and national headquarter functions. For example the Borough is home to the national headquarters of the Institute of Occupational Safety and Health employing 150 people; and R R Donnelley, a global document solutions company employing some 600 people, within 56,000 sq ft of offices, which represents nearly 30% of the total office floorspace assessed. The Borough is also home to the headquarters of Service Master and there appear to be a number of related 'cleaning and environmental businesses'. Also present, is a substantial police office base. Most of these businesses are located in a few 'unsuspecting sites' such as the Tigers Road and Highfield Drive. Given their scale and 'dominance' of the sites they are located in, their relocation could pose a substantial risk to the Borough is securing alternative businesses of this scale.

There are some unique little gems that could benefit from refinement

- 4.3 There is a unique little development of no more than 0.2 ha at Countesthorpe Road, South Wigston, serving a large number of small local office based businesses including finance, sonar technologies, property maintenance, clinical audit support centre, construction office, heating, simulator facilities, and health & safety. The quality of the external building is deceptively poor, and at first sight one would be forgiven for walking away from this site. However, further investigation of the usage, sector representation, internal space and vibrancy of the businesses shows that such a site is a 'little hidden gem'; providing decent internal space, that is cheap and flexible, with offsite car parking, close to the town centre and train station. More importantly, this development is contributing to helping the Borough diversify the economic base towards more office and higher value business sectors.
- 4.4 The site lacks refinements to fully bring out the potential e.g. front desk reception, signage, and poor external appearance (damaged windows). We recommend various actions in the site assessment register to support this site and possibly encourage improvements to the building fabric. The South Wigston Master Plan did not consider this site individually, but recommends that as part of various infill sites, that for most, residential use would improve aesthetics, increase local population and activity. Having undertaken the site assessment, we would disagree with this view, and consider there is scope to 'lift' this site into a virtually full office space, potentially linked to some business start up development and should not readily be released for residential use.
- 4.5 Another little gem, again firmly embedded within a dense residential area, occupying approximately 1 ha at Cross Street /Regent Street, close to Oadby town centre. A range of small specialist businesses operating in IT, business and environmental services have been established in fairly basic units that could possibly be made more efficient when the market demand for such uses makes it viable to do so.

Further employment land provision for office use

- 4.6 There is provision for further office development highlighted in the Wigston (4,675 sq m) and Oadby (1,225 sq m) Masterplans. These sites were not individually assessed as part of this study as they were subject to detailed investigation as part of the Masterplan preparation. There may be scope in seeking to stem some of the out migration of the higher skilled workforce from the Oadby sub area, and to look to capture and develop a local higher skilled economy linked to these new office development provisions.

Manufacturing Specialism

- 4.7 The Borough has a number of long standing companies specialising in bio technology and aerospace such as Nova Laboratories and Linread Northbridge requiring highly skilled labour. There is also a very strong specialism in food cluster with companies like R F Brooks (suppliers of sandwiches to M & S), Deli France, Jacobs, Blackfriars Flapjack. These companies occupy relatively large premises, with two of these occupiers individually occupying over 214,000 sq ft, within purposely built or modified premises for food production and are concentrated in the South Wigston area.

- 4.8 During our research, it has become apparent that the Borough has a large building construction sector specialism with a wide range of smaller companies occupying between 1500 sq ft up to 5000 sq ft, and producing doors, frames, joiners, kitchens, conservatories, timber merchants, primarily in older units with a concentration again in the South Wigston area.
- 4.9 Generally, given the strategic access constraints of the area, it has been a commonly held belief amongst property market agents, that the access constraints common throughout the Borough will deter medium to large sized companies from locating in it. However, the Borough is home to Cromwell Tools specialising in the distribution and sale of industrial tools and associated equipment. This company is spread across a number of sites, with one of its main operations base on Chartwell Drive comprising of over 300,000 sq ft of floor space, and employing over 600 people. This company has made a substantial investment in their facilities at Chartwell Drive showing a commitment to the Borough. It is unlikely that other operators of this size would naturally choose to locate in the Borough given the local constraints and competitions from other locations which offer better strategic access.

Multi Let Employment Workspace Provision

- 4.10 The private sector is providing a wide range of flexible, easy rental, multi-let schemes in the Borough, including provision at Branston House (West Avenue) on the Chartwell Drive site managed by Hammond Grange Ltd, Iliffe House on (Iliffe Road) on the Kenilworth Drive site, Cromwell Business Centre on the Gloucester Crescent site, Alpha House on Countesthorpe Road. These provide a range of units for a variety of office and workspace type uses. In many other Leicestershire areas, it is often the local authority that intervenes to provide this sort of provision, to enable business start up. The private sector is leading in Oadby and Wigston on this, yet again demonstrating the robustness and demand from the property market.
- 4.11 There maybe some scope to investigate with the main providers of these multi let centres to identify if there is a gap in provision or if there is any further support that the Borough and its partners could provide through agencies such as Business Link or Prospect Leicestershire.

Low Vacancy Levels

- 4.12 Despite the current economic conditions, there is a very strong local market for the existing building stock. Our research has shown that the majority of the sites have near 100% occupancy with limited sites currently available on the market. Overall the average vacancy levels currently stand at 9.6%. This is heavily skewed by higher vacancies at two buildings at Kirkdale Road and Kenilworth Avenue. The removal of these results in a vacancy level of 4.3% which is considerably below the market norm of 8% identified by RTP as the general level of vacancy required for the property market to function

effectively. Thus indicating that there is a slight undersupply of floorspace in the Borough (when we exclude the two sites with higher vacancies⁹⁹).

- 4.13 It is fair to state that this demand has been generated due to a constrained market supply in the Borough with very little new land has been coming on stream for employment development in recent years. However, it is interesting to note that occupiers have not sought to relocate to other areas in the sub region where there are more modern buildings available, again indicating a strong preference for wanting to stay in the Borough, and particularly in the South Wigston area.

Limited Land for New Development

The railway sidings development has been very successful

- 4.14 There have been very few sizeable new developments within the Borough in recent years, due primarily to the limited viable, serviced employment land supply. Of the main employment sites that were allocated in the 1999 Local Plan, the former railway sidings were developed as a phase of the Chartwell Drive Industrial Estate in the 1980's, with a number of major occupiers and zero vacancy in this modern development. This newer area shows there is high demand for decent quality buildings in the right location in the Borough and companies are willing to pay a decent rental for these.

The railway triangle site has failed to secure development

- 4.15 The Railway Triangle site, which was also allocated for new employment development at the same time as the railway sidings, has failed to secure private sector investment, most likely due to the substantial infrastructure required to unlock this site. Overtime this site is being reclaimed by nature as a wildlife asset, and indeed part of the earlier Local Plan designation was removed from development potential due to the local nature designation.

Elizabeth Business Park is potentially a victim of the current depressed market

- 4.16 The most recent development was Elizabeth Business Park (2009) on former playing fields off Tigers Close, South Wigston. This is a parade of seven modern units of 2,300 sq ft each, constructed in 2009. In the current market, it is proving difficult to let at their current values of £6 per sq ft. This may be related to the limited scope for negotiation in the quoted rental levels due to the cost of constructing modern industrial units. There is a substantial premium by comparison to the cheaper older stock within the district of which there is limited availability on the market. This indicates that employment demand in the Borough is price sensitive. There is clearly a strong market for secondary stock, of lower quality and price.

⁹⁹ If we including Kenilworth Drive and Kirkdale Road it creates an overall vacancy level of 9.6% >8%

Obsolete Building Stock and Poor Location

- 4.17 Most of the existing employment sites have relatively poor strategic access, and poor local access, particularly for modern large articulated vehicles, by virtue of their layout and location, adjacent to or within densely populated residential areas. There is a general level of acceptance of these operational constraints by the businesses operating in these locations, and it has not deterred many businesses from making considerable commitments or investments within the Borough or from vacating sites in preference of more modern and better accessible locations elsewhere in the County. This comes back to the findings of the Business Needs Survey that businesses prefer the Borough's location (close to Leicester), the floorspace on offer in the Borough and are attracted by other factors such as the proximity to their markets, (suppliers and customers), they have a committed labour supply and have cheaper rentals.
- 4.18 Although the majority of the stock (approximately 80%) within the Borough is over thirty years old and whilst much is fit for purpose, and occupied, there is no doubt that the increasing age of the existing stock is likely to become an important consideration in longer term business efficiencies. Symptomatic of this is obsolescence is restricted loading access, relatively low internal minimum eaves height, and increasing maintenance costs and running / energy costs. Despite this, there is generally very high demand in most of the employment sites we have assessed. So, although externally, the physical appearance does not appear to be conducive to modern business operation, the existing businesses continue to locate here. Appreciating this demand for older stock is extremely important, it is all too easy to condemn sites as obsolete and redundant, when in fact the majority of the sites are fully occupied. We acknowledge that future structural changes in the economic sectors are likely to lead to a decline in floorspace requirements, particularly of some of the older manufacturing stock.

Signs of obsolescence and higher vacancy levels

- 4.19 There are some signs of this obsolescence resulting in rising vacancy levels, notable at Kenilworth Drive (Oadby Industrial Estate), where this is about 15%¹⁰. This higher vacancy level may not be entirely due to the quality of building stock alone, and to a lesser degree some vacancies could be attributable to the prevailing economic conditions. However, it is also likely, that a small percentage of this site is now victim to the reduction in floorspace required as a result of sectoral changes taking place within the Borough wide economy.
- 4.20 There are no clear sector strengths recognisable at the Kenilworth Drive site and non B class users such as leisure and community uses are slowly encroaching into this employment site, without a clear plan of the sites future potential and understanding of the amount of land that can be released from employment use and amount that should be retained and recycled for new employment use. This site, of all the sites assessed, could

¹⁰ Kirkdale Road site where there is 100% vacancy on a smaller site, ear marked for change in the South Wigston Masterplan.

have a greater potential in helping to 'reshape' and transform the local economy, aimed at capturing some of the higher skilled employment locally if it were provided with the right catalyst and intervention. There is a clear need for a well considered regeneration / masterplan for this site, supported with an action plan and policy to help reshape this site to contribute to the longer term economic restructuring required in the Borough. A key challenge here will be the highly fragmented site ownership. Thus, owners will need to be convinced of the longer term growth potential of helping to restructure this site. What to do, and how to achieve this, requires detailed consideration of the site and it's potential.

Business Needs Survey Findings

- 4.21 The following are a few headline points relating to property issues identified in the recent Business Needs Survey¹¹ 2010 that are relevant to this study:

Suitability of premises, local access to markets, staff commitment are the key benefits of the Borough

- 4.22 The most positive benefits of being located in Oadby and Wigston were the suitability of premises, followed by ease of travel (accessibility for products, services and customers). Committed and appropriately skilled staff, good value rates, proximity to Leicester. In terms of preferred locations; 47% stated that they would prefer to be located on another estate in Oadby and Wigston with next preference being elsewhere in Leicestershire.
- 4.23 Conversely, the main reasons cited as important factors contributing to an expected decline in the businesses included, finding new customers, and access to new funds; whereas the size of the current premises did not feature as key contributory factors.

RTP Comment: *This goes against the general perception that because the stock of premises in the Borough is old, it is obsolete, indeed it is only obsolete when companies are no longer prepared to pay for the space and the property sits vacant for long periods. For businesses to identify the premises as their primary reason for being located in the Borough comes as somewhat of a surprise, given the external appearance of many of the sites compared to some of the modern developments elsewhere in the County. And yet, it seems that businesses like the variety of property on offer and given the choice, they would prefer to be located within the Borough. This view is certainly backed up by the very low vacancy levels in general.*

This finding concerning the suitability of premises has important implications on the refinements we suggest in the property gap analysis section later.

The survey also supports the view that the majority of the companies in the Borough are serving a local market and hence strategic road access may not be as important as access to local markets.

¹¹ These findings are based on a survey sample of 30 respondents (12% sample size) from some of the main employment sites in the Borough.

Low vacancy and business optimism but space constraints may force companies to relocate.

- 4.24 Businesses optimism, in general terms, is good and around three quarters of all businesses surveyed expect their total employment to increase or stay the same over the next two years. The most popular reason for relocation is company expansion and floorspace requirements were cited as a reason for considering the relocation.
- 4.25 What is clear from the survey is that there is strong support for the retention of existing employment sites, and that the main constraints on expansion are lack of space to expand, lack of finance to invest, and the constraints imposed by the planning process.

RTP Comment: *This optimism supports our findings of low vacancy levels in the Borough and the preference of the Borough as the preferred location. However, the below equilibrium supply of premises, and serviced sites, could force some companies out of the Borough if they do not have support in their expansion plans within the Borough. Proactive action in supporting some of the major employers in the Borough to stay and expand locally should be a priority, and policy should support this expansion where possible and avoid the complaint that the planning process is a constraint to economic development.*

Long term presence of some unique businesses in the Borough

- 4.26 A significant proportion of businesses have been in the Borough for a long period of time (over 20 years) whilst also undertaking the same nature of businesses.

RTP Comment: *This corresponds with our finding where there are some unique companies operating in the Borough, such as biotechnology (Nova Laboratories) and aerospace sector (Linread Northbridge), which have not been under the radar of property agents as their properties have generally not come into the property market churn or been acknowledged in previous employment studies.*

Summary of Key Points

- 4.27 There is a very strong concentration of industrial manufacturing and distribution floorspace in the Borough (94%), with a small (6%), but valuable office sector presence. Much of the stock is over thirty years old, and often lacks good quality links to strategic road access. However, this has not deterred businesses from wanting to locate and remain in the Borough. This is evident by the very low vacancy levels (4.3%), falling to zero levels of vacancy in some sites. There are two sites, Kenilworth Drive and Kirkdale Road, where vacancy levels are much higher.
- 4.28 The recent Borough's Business Needs Survey identified that the most positive benefits of being located in Oadby and Wigston were the suitability of premises, followed by ease of travel (accessibility for products, services and customers). Committed and skilled staff, good value rates, proximity to Leicester. In terms of preferred locations; 47% stated that

- they would prefer to be located on another estate in Oadby and Wigston with next preference being elsewhere in Leicestershire.
- 4.29 Appreciating this demand for older stock is extremely important, it is all too easy to condemn sites as obsolete and redundant, when in fact the majority of the sites in the Borough are fully occupied. We acknowledge that future structural changes in the economic sectors are likely to lead to a decline in floorspace requirements, particularly of some of the older manufacturing stock.
- 4.30 The Borough's sector specialism, manifests in specific property requirements, particularly relating to the food cluster, where for example, two of the food companies individually occupy over 214,000 sq ft, within purposely built factories, and the distribution cluster, where one company occupies over 300,000 sq ft. If any of these were to relocate out of the Borough, they could leave behind large vacant property floorspace, particularly at Magna Road and Chartwell Drive sites. Given their scale and specification, they may prove difficult to let. Fortunately, the Borough's property floorspace is not simply dominated by a few large companies; there is a healthy mix of a range of medium sized and smaller companies operating through out the Borough. There are also a number of private sector property management agents providing a range of multi use floorspace in semi managed workspace type settings.
- 4.31 A significant proportion of businesses have been in the Borough for a long period of time (over 20 years) whilst also undertaking the same nature of businesses. This has meant that some unique companies operating in the Borough, such as in biotechnology (Novo Laboratories) and aerospace (Linread Northbridge) have not been under the radar of property agents as their properties have generally not come into the property market churn or been acknowledged in previous employment studies
- 4.32 There is a unique office market in the Borough with some headquarter functions for national and global companies such as the Institute of Occupational Safety and Health employing 150 people; and R R Donnelley, a global document solutions company employing some 600 people, within 56,000 sq ft of offices, (this represents nearly 30% of the total office floorspace assessed) . Most of these office businesses are located in a few 'unsuspecting sites' such as the Tigers Road and Highfield Drive. Given their scale and 'dominance', their relocation could pose a substantial risk to the Borough in securing alternative businesses of this scale.
- 4.33 At the other extreme, there are a couple of small office developments at Countesthorpe Road and Cross Street, that are 'hidden gems' that need to be nurtured because of their contribution in helping to support the economic diversification of the Borough towards the higher value, office based businesses.
- 4.34 There is very little new land for development available in the Borough. The most recent developments have been at the railway sidings on Chartwell Drive, where all the units are fully occupied, and more recently at the playing fields on Tigers Close, where only one of the new units is let. This may be related to the limited scope for negotiation in the quoted rental levels due to the cost of constructing modern industrial units.

- 4.35 The recent Core Strategy Hearing Proposed Amendments Document has identified new potential employment land of between 2.5ha to 3.5ha as part of the proposed Direction of Growth in South of Wigston. There is also provision for further office development highlighted in the Wigston (4,675 sq m) and Oadby (1,225 sq m) Masterplans.

5 STRATEGIC DEMAND AND SUPPLY REQUIREMENT

'Top Down' Assessment

- 5.1 In this section we articulate the employment requirements stemming from the sub regional ELS, by unpacking some of the figures and assumptions included in this.
- 5.2 The critical findings stemming from this section revolve around:
 - The Borough's ability to retain an element its employment requirement within its boundary at the proposed 'Direction of Growth' and by recycling a little more land back to employment use.
 - The assumptions made in sub regional ELS relating to the amount of land that would be 'lost' due to obsolescence.

Leicester and Leicestershire HMA Employment Land Study

- 5.3 The Leicester and Leicestershire HMA Employment Land Study ('referred to in this report as the 'Sub Regional ELS') was commissioned to underpin joint planning and delivery for employment land across the HMA and is evidence base for determining the sub regional employment land requirement. The study covers the period 2007-2026 and was published in October 2008. For the purpose of developing the gap analysis, we need to unravel some of the assumptions made in the sub regional ELS and compare with the findings from our qualitative assessment.
- 5.4 The aim of the sub regional ELS, like any employment land study is to ensure the right quantity and quality of employment land is provided and that the overarching economic objectives of the study area are not compromised because of a failure to make provision for, or manage, employment land.
- 5.5 The sub-regional ELS follows the same logical sequence as many local employment land reviews, firstly setting quantitative land provision targets, secondly comparing these targets with the quantity of supply, and thirdly considering qualitative sectors. However, it is important to recognise that the qualitative analysis for this sub regional study was limited. Sites were not assessed as rigorously as a local employment study would be able to; nor are local circumstances considered in detail. This is not a critique of the work, but simply a reflection of the study as a strategic study covering seven districts.

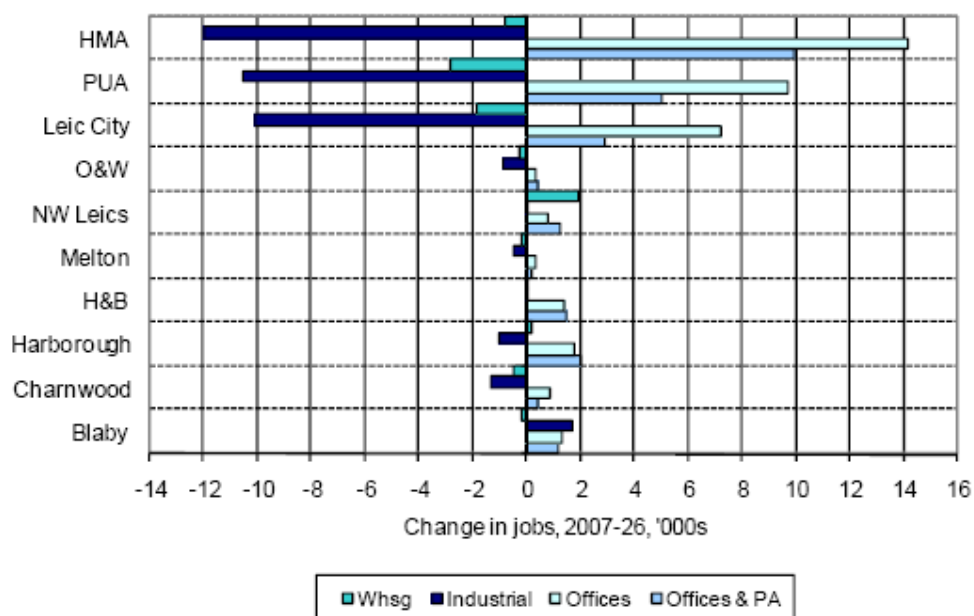
Understanding the Impact of Structural Change on Demand

- 5.6 The core assessment of the sub-region ELS used Experian forecasts to estimate the market demand for land in Leicestershire. These were produced in May 2008 so predate the recession, (in the current economic climate, these are probably optimistic).

Oadby & Wigston needs to provide less industrial land and marginally more office land in the future

- 5.7 For Oadby and Wigston the forecasts showed that the Borough would generate only 300 new, net additional, jobs between 2007 and 2026, and the job growth is less than 1% over 20 years.
- 5.8 Figure 5.1 shows the forecast changes in employment across the sub regional ELS area. This shows that the Borough of Oadby and Wigston will over the course of the study period lose jobs in industrial and warehousing and gain marginally in office and public administration.

Figure 5.1 Job Change Forecasts



Source: PACEC, Experian

- 5.9 Appendix G of the Sub Regional ELS translates the above negative job changes for industrial and warehousing, and marginal increase in office jobs into employment land requirements. It shows that over the period up to 2026 Oadby and Wigston will:
- Lose just over 10.6 ha of B2 and B8 land because it will no longer be needed to accommodate these jobs.
 - Require an additional 11,500 sq m of office space (8,000 square metres needed to accommodate growing office sectors and 3,500 sq m to replenish obsolete stock).

Understanding the Basis of the Experian Forecasts used to Determine Demand

It is helpful, as an aside, to understand how the demand figure is developed from Experian forecasts¹². The models are frequently criticised because they are not aspirational and we should be aiming for higher employment targets. There is often a mismatch between a Borough being required to provide new houses but no jobs. However there is a perfectly rational explanation for this mismatch due to the following provisions:

Firstly, and most significantly, the economic models make provision for changing demographics. In particular, the modelling takes account of the decline in the working age population cohort and decreasing housing sizes. Very simplistically the working age population is not growing and most (if not all) new houses are required to offset the smaller average household size.

Secondly, the models were based on the economy functioning at near full employment; any effort to increase employment rates can only be marginal. This will have changed with the recession but the capacity to employ people, in terms of land and floorspace, remains.

Finally, and more controversially the models normally assume commuting patterns remain the same. They do not include any ambitions by local areas to become more self-sufficient. In the case of Oadby and Wigston, the Borough will continue to 'donate workers' to Leicester City, which performs the role of a major city within a 'Principal Urban Area' in the East Midlands Regional Plan. However, we understand that there are local aspirations to move towards a knowledge based economy and seek to retain some of the higher skilled workforce commuting out to work.

Some more land is needed to accommodate the replacement of obsolete stock

- 5.10 In addition to the land loss due to declining industrial and warehousing sectors, the Sub Regional ELS recognises that some new land is still required for the renewal of existing sites which become obsolete (and can be lost to other uses). The authors state that *'this unsuitable (obsolete) land is not likely to be taken up for renewal and therefore should not be included in the balance'*.

The employment land that will be 'lost' due to obsolescence is not mentioned any further in the Sub Regional ELS nor is there any account of the quantum of land to be lost.

- 5.11 Understanding that there is this land loss included in the calculations is an important consideration as part of the future proactive planning and management of employment sites (and handling tensions arising due to market pressures on non B class employment uses).
- 5.12 It is important that we understand the likely quantum of loss and articulate where best this land loss should be channelled and the scope for longer term recycling of some of this land back to employment reuse. We shall consider this as part of the 'bottom up' qualitative assessment of sites in the next section.

¹² In our experience all forecasts from the main forecasting houses produce similar results.

- 5.13 We briefly explain the method used to arrive at the Sub Regional ELS. The Sub Regional ELS is based on a number of assumptions in arriving at the 'obsolescence' land figure. It assumes that each year a set amount of employment land is lost and the jobs are replaced elsewhere based on the following:
- 0.75% of the industrial stock is renewed (i.e. lost and replaced) each year, and 50% of the replacement floorspace is built on new land (land not previously in employment use and in the case of Oadby and Wigston much of this replacement is proposed outside the Borough).
 - For warehousing, the annual renewal rate is 1% and 75% of the replacement floorspace is built on new land.
 - For offices the renewal rate is 1% with 50% on new land.
- 5.14 The exact calculations used in the Sub Regional ELS are complicated. We have sought to understand this by setting out the workings transparently in Appendix 1a of this report.
- 5.15 Based on our calculations, the study assumes the following (by 2026):

Sub Regional ELS Findings Summarised:

- **9 ha of new industrial and warehousing land is required** to replace obsolete employment sites.
- **10.6 ha will be lost** from industrial and warehousing due to sectoral change and subsequent **decline in jobs**.
- **9 ha will be lost due to obsolescence** i.e. land no longer suitable and so will be lost from the system.¹³
- **6 ha** of industrial and warehousing employment land to be **recycled along with 3,515 sq m** of office space.
- **11,500 square metres of new office floorspace to be provided** to accommodate growing sectors (8,000 sq m) and to replace obsolete stock (3,500 sq m)

Summary of Key Points

- 5.16 The starting point for the demand assessment is the findings stemming from the Sub Regional ELS, based on the Experian Forecasts. This points to a reduction in industrial employment land requirement of 10.6 ha by 2026 due to declining industrial and warehousing employment.
- 5.17 However, because we need to allow for the replacement of overall obsolete stock, there is a positive land requirement of 9ha in the Sub Regional ELS. There is also an increase in office space requirement of 11,500 sq m.
- 5.18 An important element missing from the Sub Regional ELS was an allowance for the amount of 'land lost' from employment use due to obsolescence (9ha). This is a critical

¹³ The study shows that some 10.6 ha will be lost from industrial and warehousing decline in jobs, but it fails to highlight the 9 ha is assumed to be lost due to obsolescence.

consideration when formulating spatial policy and translating this into development management.

- 5.19 Thus, the current stance aimed at safeguarding all identified employment sites due to lack of 'new' sites, does not take account of the need to also manage the loss of sites due to obsolescence.

6 QUALITATIVE SITE ASSESSMENT

'Bottom Up' Assessment

- 6.1 This section explains the finding of our site surveys to provide a 'bottom up' assessment of the employment sites. We score all the sites consistently using the RTP Site Assessment Matrix as a basis for developing an employment site hierarchy. This in turn is used to guide to our recommendations on the future potential of the employment land provision to meet the 'refined strategic employment land assessment' developed in the previous section.

Site identification

- 6.2 The Borough Council provided individual maps of the sixteen employment and brownfield sites within Oadby and Wigston Borough to be assessed by this study. Figure 1.1 shows the location, boundary and names of each of the sites surveyed as part of this study.
- 6.3 We have worked closely with the client to represent each site on an OS base map - it is hoped that this will enable compatibility with future Annual Monitoring Reports to be prepared by the Council.

Site visits to inform individual site level assessment

- 6.4 Each site was visited by a member of the RTP and Innes England team jointly, to gather a range of qualitative data including building condition, types of business, site and building floorspace, vacancy levels, transport and access, and any environment issues. This was supplemented with additional desk top research to determine the floorspace and site area of each site primarily using Valuation Office data, and mapping research to identify risk of flood or areas of landscape designations. In some instances, we undertook additional research to learn more about some of the significant individual companies using Companies House data and web based research, and contacted property agents to discuss details relating to vacant properties.

Site Assessment Matrix

- 6.5 The RTP Site Assessment Matrix (SAM) provides an assessment framework aimed at ensuring that the judgments underlying future decisions on the provision of employment land within Oadby and Wigston are openly expressed and organised in a transparent framework. The SAM ensures that relevant factors are included and that each existing employment site is assessed on a comparable and consistent basis.
- 6.6 It takes account of both quantitative and qualitative factors and scores each individual site against eight different criteria which underpin the Matrix. These are based on the RTP QUELS study¹⁴ taking account of factors such as transport accessibility, quality of

¹⁴ Cited by the ODPM as best practice in the development of qualitative site appraisal criteria.

- buildings, market renewal, strategic fit, environmental impact, vacancy (market demand), non employment use and risk factors.
- 6.7 The indicator used for market demand in the case of Oadby and Wigston is whether the site is occupied and whether there is evidence of renewal and investment. The condition of the buildings on the site is one consideration but just because buildings are dated or reaching the end of their lifespan is not enough in its self to release the employment site. There is also a market for cheaper, secondary space in Oadby and Wigston Borough and not everything needs to be or should be, new and modern.
- 6.8 We subjected each site to a comprehensive assessment using our Site Assessment Matrix based on the information gathered from our surveys and research. Table 6.1 shows the SAM Proforma including the assessment criteria and scoring framework that was developed for this study.
- 6.9 Table 6.2 summaries the scores of the SAM for all the sites. A colour coding of green, amber and red has been used based on the current assessment findings to guide the development of the site hierarchy. Green indicates sites that score relatively highly in comparison to the rest, red is used for those sites with a very high negative score, and amber is used for everything in between.

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Table 6.1 Site Assessment Matrix Assessment Proforma

OADBY & WIGSTON BOROUGH COUNCIL - RTP EMPLOYMENT SITE ASSESSMENT MATRIX														
Site XYZ														
Criteria	Assessment Measure	Notes/Scoring Method	-5	-4	-3	-2	-1	0	1	2	3	4	5	SUB TOTALS
Strategic Fit	Contribute to strategic policy in terms of high skilled jobs, developing sector specialism, and meeting local jobs needs?	Scored: Between 5 for high value service jobs, 3 for hi tech, cluster and local jobs, 0 if vacant.												0
Vacancy	How appealing is this site in terms of current demand and vacancy levels?	Scored: 5 for high demand 0% vacancy, 3 for good demand and less than 8% vacancy and minus 5 for greater than 50% vacancy												0
Transport Accessibility	How accessible is the site in terms of strategic and local road and public transport (e.g train, bus service) and impact on residential areas?	Scored: Between minus 5 if very poor access or negative impact on residents, 0 for average access, and + 5 if Excellent												0
Building Quality	Is the quality of the building suitable for modern business needs (e.g. storage, loading and movement)?	Scored: Plus 5 for very high quality, Zero is average, fit for purpose at moment to Minus 5 very Poor quality and in need of renewal.												0
Market Renewal	Is there evidence of market renewal and private sector investment showing that market wishes to invest in this location?	Scored: +5 if considerable modernisation, 3 if some signs of modernisation, 0 if no signs of renewal.												0
Non 'B' Class Use	Are there signs of non 'B' Class employment uses taking place?	Scored: Between minus 5 if high number of non 'B' Class use, minus 3 if some Non B Class use, 0 if no Non B Class use.												0
Environmental Impact	Is the site affected by flooding or negatively impact on a recognised biodiversity area?	Scored: Zero if not affected; Minus 5 if severely affected by flood or impacts on biodiversity.												0
Risk	Is there a high risk associate with this site either in terms of dependency on single / multiple user or other adverse impact?	Scored: Zero if not affected; Minus 5; if affected by single main user or other adverse impact on employment land												0

Source: RTP 2010

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Table 6.2 Site Assessment Matrix Summary

Criteria	St Thomas	Canal St	Countesth				Railway	Gloucester	Chartwell	Highfield	Kenilworth	Cross St	Total	Total without Kenilworth Av & Station Rd (A)				
	Tiger's Rd	Rd	Canal St	Park Rd	Park Rd	orpe Rd *	Kirkdale Rd	Station St	Magna Rd	Triangle	Crs	Dr			North St	Dr	Dr	Regent St
	Zone A 2	Zone B1	Zone B2	Zone B3	Zone B4	Zone C1		Zone C2	Zone D1	Zone D2	Zone Dabc	Zone H	Zone I	Zone J	Zone K			
Economic benefit	5	3	3	3	3	5	0	3	3	0	3	3	3	5	3	3		
Vacancy - Demand	-1	5	5	5	5	-1	-5	5	3	-5	3	3	5	5	-1	3		
Transport Accessibility	3	1	-3	-3	-3	1	-3	-3	-3	-5	-3	-3	1	0	-3	0		
Building Quality	3	1	-3	-3	0	0	0	1	1	0	3	1	0	3	-1	0		
Market Renewal	3	0	0	0	0	0	0	0	3	0	1	3	0	3	0	1		
Non B Class Use	0	-1	0	0	0	0	0	0	0	0	0	0	0	0	-1	0		
Environmental	0	0	0	-1	-1	0	0	0	0	-1	0	0	0	0	0	0		
Risk	-3	0	-3	-3	0	0	0	-3	0	-3	0	0	0	-3	0	0		
Total Score	10	9	-1	-2	4	5	-8	3	7	-11	7	7	9	13	-3	7		
Office sqm2	13,345	623	0	0	0	632	0	0	18	0	591	231	0	2538	382	260	18,620	18,238
Industrial/Warehouse sq m	1799	11445	19885	4854	1377	0	11175	3838	44100	0	48199	83993	3040	0	50839	5699	290243	228229
Total Floor Area sq m	13144	12068	19885	4854	1377	632	11175	3838	44118	0	48790	84224	3040	2538	51221	5959	306863	244467
Total Site Area (Ha)	6.76	5.5	2	1.2	0.4	0.2	1.2	1.2	15.7	3.14	10.15	26.6	1.2	1.1	10.3	2.7	89.35	77.85
Vacant floorspace sq m	1495	0	0	0	0	158	11,175	0	3051	0	1442	3838	0	0	7660	595	29414	10,579
Vacancy %	11%	0	0	0	0	25%	100%	0	7%	n/a	3%	4%	0	0	15%	1%	9.6%	4.33%

Source: RTP and Innes England (2010)

Towards developing a site hierarchy

- 6.10 In section 5, we noted that it will be important for the Borough to have a better understanding of the likely quantum of loss and articulate where best this land loss should be channelled and the scope for longer term recycling of some of this land back to employment reuse. The Sub Regional ELS shows that overtime, the Borough will need to do the following to its employment sites:
- Release land due to the decline of manufacturing sector and obsolete land;
 - Provide some new land, some recycled land and some exported land to compensate for obsolete industrial and warehousing sites.
 - Provide additional new office sector land in the town centre sites and export to Leicester.
- 6.11 Developing a site hierarchy provides a way of translating the quantum to the spatial context, by identifying the most appropriate sites likely to support the Borough to change and adapt overtime. The site hierarchy begins to identify where sites could be released over time in a managed and planned way to accommodate structural change of the vacated sites.
- 6.12 The alternative option to developing site hierarchy is to have a 'flexible policy' that permits the loss of employment land to other uses at any location. Such an approach would fail to accommodate a planned release of sites where this release is most beneficial to the wider area and also would not enable the type of policy led structural change envisaged by this study that requires the concentration of intervention on important underperforming sites.

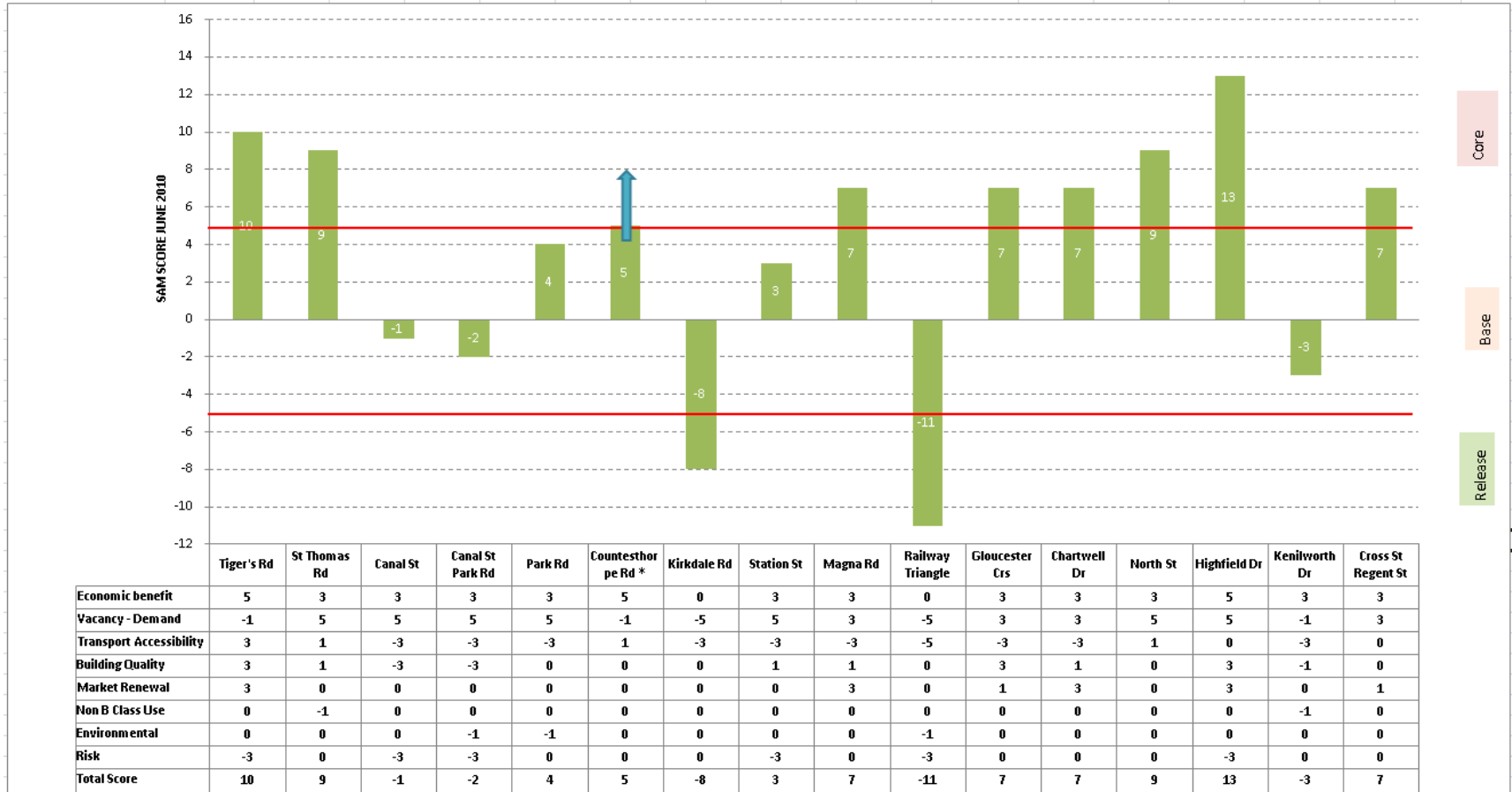
Hierarchy of Employment and Brownfield Sites

- 6.13 The results of the SAM are depicted in figure 6.1 and this forms the basis of developing a site hierarchy resulting in Core, Base and Release Employment Site categories.

Professional judgement is required

- 6.14 The SAM does not substitute a mechanical process for professional judgment. Professional judgment is needed to allocate scores to sites, and to supplement and sometimes override the verdicts which the matrix provides. The matrix is a systematic way of making judgments about the key qualitative criteria which should be part of employment land policy. Its logic is fairly intricate; this is unavoidable, because it attempts to capture a complex set of factors, linked by complex interrelationships. A less formal assessment method would be less demanding, but also less systematic and less transparent. This section explains how the various sites have been assessed and classified into three categories as part of a site hierarchy, providing varying degrees of protection for employment use.
- 6.15 We are also mindful that a recommendation to adopt a more flexible policy on the use of a site, which is occupied at the moment, can sometimes result in the extinguishment of the existing business on site. It is not our intention to bring about any forced vacancies resulting in the loss of valuable local jobs, but instead to plan for future longer term employment requirements.

Figure 6.1 Oadby and Wigston Employment and Brownfield Sites Hierarchy Chart



*Following the final professional judgement of sites after applying the scores, the Countesthorpe Road site was moved to the Core Site Category

6.16 The definition of the site hierarchy categories are as follows:

- **Core Employment Site:** Good quality employment site, serving incoming or local clients with a local, regional or national presence and of a scale and vibrancy to be regarded as a highly important contributor to the local economy. The 'Core Employment Sites' should be safeguard for employment use and pressure from non B class employment should be resisted.
- **Base Employment Site:** These sites are very import to the local market at present, providing a valuable employment premises. Loss of employment use should be strongly resisted, except in circumstances where the only way to stimulate re-use of vacant property is through the mixed use redevelopment of the site. The presumption thus is in favour of retention for employment use. However, in circumstances where there has been long term vacancy of obsolete buildings, then a degree of flexibility should be exercised within this category, combined with proactive support, to bring about new modern employment (non B class) re-use.
- **Release Employment Site:** These are obsolete employment sites and premises that are no longer suitable for modern efficient employment requirements because they are dominated by buildings that have come to the end of their economic life and have been vacant for a long time, combined with poor site suitability in terms of access, site layout and location. Release Employment Sites should be removed from the employment sites portfolio and released for other usage.

Site Categories for the Borough

Core Employment Sites

6.17 The sites falling within the Core Employment Site category are Magna Road, Tigers Close, St Thomas Road, Highfield Drive, North Street, Chartwell Drive, Gloucester Crescent, Cross Street /Regent Street and Countesthorpe Road. Given the Borough's tight land constraints, it is important to safeguard the Core Employment Sites against any non B class employment uses. (See paragraph 6.14).

Base Employment Sites

6.18 The sites falling with the Base Employment Site category are Kenilworth Drive, Canal Street, Canal Street/ Park Road, Park Road, Countesthorpe Road and Station Street. These Base Employment Sites are currently very important local employment sites and should be safeguarded. However, due to various reasons, including age, location, vacancy, and other site issues, it is considered that over time a degree of flexibility will be needed with these sites.

6.19 The majority of the Core Employment Sites will be recycled primarily for modern employment uses. The aim with this category is to enable the Borough and its Partners to proactively manage the transformation of Borough's employment land supply to provide an appropriate employment land offer to meet future needs and 'positively remove' land that is no longer required for traditional employment uses due to structural change in locations that would benefits from alternative uses.

- 6.20 A key site within the Base Employment Site category is the Kenilworth Drive site, which, due to its scale and location; offers considerable potential in helping to shape the future requirements of the Borough's land supply to meet modern employment and community needs. This is a challenging site, particularly due to the fragmented land ownership patterns, and will need detailed consideration as to what is deliverable and achievable to guide the proactive management to implement a longer term strategy for the transformation.

Release Employment Sites

- 6.21 Only two sites are currently identified in the Release Employment Sites category, Kirkdale Road and Railway Triangle.
- 6.22 The Kirkdale Road site has been identified as part of the Release Employment Sites category due to the long term vacancy and zero demand for employment use. The South Wigston Masterplan identifies this as a key site in the delivery of the masterplan for mixed residential led development. Given the range of local services, including health, shops, bus and railway station, we consider this site is particularly appropriate for older person housing or a residential use that generates some employment..
- 6.23 The Railway Triangle falls within the Release Employment Site category, due to the limited scope of delivery because of the high cost of transport infrastructure and the risk of retention (and non delivery) to the wider employment policy for the Borough. The Sub Regional ELS did not include this site as part of the available development pipeline due to the high cost of building a road bridge over the railway would make development unviable. Similarly, we have also excluded the land area from our calculations of available supply. It is advised that this site is removed from the employment land allocation to avoid any future confusion.

Changes to the SAM findings

- 6.24 There is one site, Countesthorpe Road, where we consider the need, based on our professional judgement, to override the SAM findings. This site has fallen within the Base Employment category in the SAM due to the estimated higher rate of vacancy¹⁵, and poor condition of the external building. However, we consider in terms of the use in the site, in providing cheap and flexible small start up space for a variety of high value office based businesses, this site begins to fulfil a very important economic function in helping to diversify the economy of the Borough. For consistency, the transport accessibility has been scored fairly low, but in fact, taking account of the impact and accessibility of the actual businesses based here, the transport accessibility is good with minimal impact of residents. The site has considerable potential to help contribute to the restructuring of the sub area economy and for these combined reasons we consider that it should be re-classified as a Core Employment Site. This is depicted in figure 6.1 as an upward arrow.

¹⁵ It was not possible to fully calculate the level of vacancy in this site.

Review of the Site Assessment Matrix

- 6.25 The judgements informing the SAM can only realistically be made to reflect the short term based on the information and market conditions at present. No one, commercial property agents included, can realistically predict the long term demand for individual sites with any degree of certainty. Even the worst site can remain viable because a particular occupier demands it, and conversely the best sites can become redundant due to company decisions to relocate leaving behind either a purpose built or scale of building that is difficult to let or sale.
- 6.26 The site assessments informing the SAM are therefore not static, external influences or proactive interventions could change the scoring. Similarly there will over time need to be a review of the demand forecasts governing the employment changes predicted in the area. For this reason, there should be regular reviews of the property portfolio, possibly as part of the Annual Monitoring Report, to keep the SAM updated.

Summary of Key Points

- 6.27 Each site was visited jointly by a member of RTP and Innes England and the research was augmented by other telephone interviews, policy research and mapping data for flood risk and biodiversity.
- 6.28 The RTP Site Assessment Matrix was used to provide a transparent approach to scoring all sixteen sites on a consistent basis. This is based on nine locally specific criteria, developed after detailed consideration of the Boroughs socio economic, economy, environment and property market considerations.
- 6.29 The scores are summarised in table 6.2. The SAM provides an assessment of the current situation affecting each of the sites, and this will need to be regularly monitored and reviewed.
- 6.30 The SAM has in turn been used to develop a site hierarchy, resulting in Core, Base and Release Employment Site categories. These are based on a detailed qualitative assessment of each site and a degree of professional judgement is required in the scoring of sites. The site score of one site, Countesthorpe Road, has been revised to reflect its important contribution to the diversification of the economy.
- 6.31 The sites falling within the Core Employment Sites category are Magna Road, Tigers Close, St Thomas Road, Highfield Drive, North Street, Countesthorpe Road, Chartwell Drive, Cross Street /Regent Street and Gloucester Crescent. Given the Borough's tight land constraints, it is important to safeguard the Core Employment Sites against any non B class employment uses.
- 6.32 The sites falling with the Base Employment Sites category are Kenilworth Driver, Canal Street, Canal Street/ Park Road, Park Road and Station Street. These Base Employment sites are currently very important local employment sites and should be safeguarded. However, due to various reasons, including age, location, vacancy, and other site issues, it is considered that over time a degree of flexibility will be needed with these sites. The majority of the Base Employment Sites will be recycled for mixed uses, including some back to modern employment use. The aim with this category is to enable the Borough

and its Partners to proactively manage the transformation of Borough's employment land supply to provide an appropriate employment land offer to meet future needs and 'positively remove' land that is no longer required for traditional employment uses due to structural change in locations that would benefit from alternative uses.

- 6.33 Only two sites are currently identified in the Release Employment Sites category, Kirkdale Road and Railway Triangle. Note the Railway Triangle does not form part of the land availability calculations in the Sub Regional Study and has not been included in this study either; thus leaving just one site in the Release Employment Sites category.

7 MAIN FINDINGS, DELIVERY AND RECOMMENDATIONS

- 7.1 The objective of this study was to provide evidence to support policies and proposals for future Development Plan Documents (DPD), Supplementary Planning Documents and Economic Development Strategy in relation to employment land requirements within the Borough for the period to 2026 by building on the strategic Sub Regional ELS (2008) and the Borough's Business Needs Survey (2010).
- 7.2 In this section, we:
- Summarise the main findings of this study by responding to the three study questions which were set out in the introduction.
 - Use the above findings to 'fine tune' the strategic Sub Regional ELS requirement and supply information.

What is Working Well and Why?

- 7.3 We found that the majority of sites in the Borough are, despite their age and poor access, operating well and near full capacity with limited vacancies. The Borough has a very strong and varied manufacturing economy, based around a number of sector specialism's including food, construction and distributions. The Borough's property portfolio is diverse too, meeting the needs of very small companies in multi let properties; through to purpose built plants serving very large companies. Some companies have been present in the Borough for a long time with an established presence.
- 7.4 The Borough's Business Needs Survey identified that the most positive benefits of being located in Oadby and Wigston were the suitability of premises, followed by ease of travel (accessibility for products, services and customers), committed and appropriately skilled staff, good value rates and proximity to Leicester. In terms of preferred locations; 47% stated that they would prefer to be located on another estate in Oadby and Wigston with next preference being elsewhere in Leicestershire.
- 7.5 According to the finding from the Business Needs Survey, companies are generally optimistic about the future despite the current recession, and they seem to favour the Borough as a location for a host of reasons, including the floorspace provision and rental levels.
- 7.6 The Borough has some unique company representations including office headquarter functions for global and national companies, bio technology and aerospace companies. There are also some national names likes Jacobs, Marks & Spencer and Deli France here. Some long standing companies such as Cromwell Tools have invested considerably in new buildings and expanded within the Borough. The majority of companies are serving a local market, and hence for most, poor access to the motorway has not been identified as an issue.
- 7.7 The majority of employment sites are based within the South Wigston area, which supports local residents in this area to access employment as there is a generally lower

- rate of car ownership and greater dependence on public transport or walking to work. These companies also provide a range of basic to higher skilled jobs, again helping to meet the needs of the local sub area.
- 7.8 There are some hidden gems serving small start up office based and environmental type businesses. These have been led by the private sector and often housed in poor quality buildings but showing the potential and scope for the Borough to develop this type of offer to support the diversification of its economy.
- 7.9 A key action stemming from this assessment will be to enable the range of businesses already operating within the Borough to remain here and to stay competitive by adapting to meet future needs in an ever changing market. This requires wider interventions beyond just property allocation.
- 7.10 There is good partnership working between the Leicestershire Housing Market Area (HMA) Authorities and economic development agencies at the sub regional level, with signs of joint understanding and cooperation to support the wider sub regional economy. This includes recognising the role of central Leicester as the focus for office sector and channeling supply requirements for industrial space around proposed sustainable urban extensions that are able to accommodate growth. However, it is noted that the allocation and provision of any employment land within the wider HMA is outside of the Borough's statutory control and will prove a challenge to monitor in the future.

What is Underperforming and Why?

- 7.11 There are some signs of 'creeping' underperformance related to the economic structural change and obsolete property taking place due to the reliance of the Borough's economy on the manufacturing sector¹⁶ and ageing property stock. This is being manifest by increasing vacancy levels and obsolete properties; though at present these higher vacancy levels are contained at a few sites (particularly Kenilworth Drive and Kirkdale Road).
- 7.12 One of the reasons for higher vacancies on modern stock (Elizabeth House, Tiger's Close) is most likely the result of the higher rentals being charged. In the current market, it is proving difficult to let some modern industrial units at their current values of £6 per sq ft. This may be related to the limited scope for negotiation in the quoted rental levels due to the cost of constructing modern industrial units. There is a substantial premium by comparison to the cheaper older stock within the district of which there is limited availability on the market. This indicates that any replacement of obsolete stock will need to be competitively priced as companies in the Borough are used to paying less for older stock, or the Borough will need to 'actively seek to manage the structural economic change' by creating the setting and location to attract the higher value companies that can afford to pay more for new stock.

¹⁶ Note this is only true with regard to the employment sites assessed, the wider Borough economy includes greater employment strengths in a range of sectors that have not been assessed as part of this study.

- 7.13 A further reason for underperformance has been constrained land supply and the allocation of 'undeliverable land' (e.g. railway triangle). It is important for policy to take account of deliverability issues as part of the employment land allocations. There is now the potential to provide 3.5Ha of new land within the Borough as part of the Direction of Growth in the Borough's Core Strategy Hearing Proposed Amendments Document.
- 7.14 The Business Needs Survey identified that some companies are likely to want to expand in the medium term and there maybe limited scope to do so. If the expansion needs of companies cannot be met in Borough, it could lead companies to relocate elsewhere, unless some targeted action is taken to retain these companies. There are some opportunities immediately within the locations where expansion is most likely to be sought, for instance at the former Premier Drum Site and at vacant sites off Viking Road. However, delivering the conversion or refurbishment of these properties may require some joint interventions, involving support from Prospect Leicestershire to bring about the recycling of existing employment sites. Depending on timing of schemes, the proposed land allocation at the Direction of Growth could help to serve these expansion needs. The treatment of vacated sites will require careful consideration.
- 7.15 Within the sites assessed by this study, only 6% of the total area is used for office based employment. In keeping with national trends, there is a need for the Borough to encourage the diversification of its economy and grow office based employment¹⁷. Some land to support the Borough's office growth requirements has been identified in the town centre Masterplans. Proactive action is likely to be required to bring about the delivery of these sites and support existing sites to remain.
- 7.16 There are signs of small scale office/ workspace developments within a number of the employment sites. There are also a handful of large office headquarter businesses that have been in the Borough for a long time. However, the Borough has not recently managed to attract any major new office headquarter functions due possibly to the lack of suitable sites and also the strong policy and inward investment focus to channel this type of development to the central regeneration sites in Leicester.

The Capacity to Change

- 7.17 To assess the capacity for change, we need bring together the findings from the strategic Sub Regional ELS assessment (top down assessment) with the site hierarchy information (bottom up assessment) to consider how to best meet the strategic requirement and at the same time help the Borough to adapt to structural change in a way that brings about positive and considered change for the benefit of the Borough's economy and community.
- 7.18 The strategic modeling does not take account of the Borough's policies and ability to provide sustainable development (which seeks to maintain employment provision close to existing labour supply, particularly in the South Wigston area), and ambitions to reduce the out migration of higher skilled workforce (particularly in the Oadby area). Instead, the

¹⁷ Note that not all office sectors were assessed as many are not based in the sites assessed, also the % will not total to 100% due to rounding off of actual.

strategic model¹⁸ recommends the need to export much of the Borough's employment land requirement to the wider HMA (to Blaby and Charnwood in particular), and considers less recycling and more obsolescence than our findings reveal.

Fine Tuning the Supply Requirements

- 7.19 The local analysis undertaken by this study is able to introduce an element of fine tuning to the sub regional findings¹⁹. The fine tuning seeks to meet more of the Borough's employment land requirement within the Borough and reduces the level of land to be exported to the wider HMA. We explain our reasoning for the fine tuning below and then set out refinements to show the capacity for change locally and summarise these refinements in table 7.1.
- 7.20 The findings from the Borough's Business Needs Survey identified that:
- 'the most positive benefits of being located in Oadby and Wigston were the suitability of premises, followed by ease of travel (accessibility for products, services and customers). Committed and appropriately skilled staff, good value rates, proximity to Leicester. In terms of preferred locations; 47% stated that they would prefer to be located on another estate in Oadby and Wigston.'*
- 7.21 Supporting these finding, we found that the Borough has a very strong property market, with high demand, and low vacancy levels, (zero vacancy in some sites) despite the fact that it has an older property stock and poor strategic access. Factors such as location, floorspace, access to local markets, commitment of the workforce, and good value rates seem to play an important role in company's preferences to choose the Borough as their preferred location.
- 7.22 This strong preference to stay local within the Borough highlights the importance of an employment land policy that seeks to reduce the 'export' of the Borough's employment land requirement to other HMA authorities and instead looks to strengthen the Borough's portfolio of employment land by:
- Providing more of the 'new land requirement' within the Borough, at the proposed Direction of Growth South of Wigston, than was assumed in the Sub Regional ELS²⁰;
 - Looking to recycle 'back to modern employment use' more of the existing stock, (
 - Reducing the amount of obsolescence.

The Direction of Growth will provide a valuable source of new local employment land provision reducing the amount to be exported

¹⁸ Based on the available information at the time and without the qualitative assessment of local employment sites.

¹⁹ Note we have not reassessed the full requirement findings of this study, but sought to make minor adjustments, based on the local surveys, to ensure the Borough is more 'self contained' in terms of meeting its employment land requirements.

²⁰ This was not an option when the sub regional land study was being undertaken and so could not have been factored in the calculations.

- 7.23 The Borough's current employment land supply is constrained by a lack of deliverable 'greenfield' land for replacing obsolete employment areas and expansion plans. This is supported by the Business Needs survey where some major employers are looking to expand in the medium term and there is currently limited scope for them to do so. It is important from the local socio economic analysis of the sub areas to retain as much of the employment provision within the Borough to meet the local employment needs rather than to export this to the wider HMA. For these reasons, we recommend that the maximum amount of land, 3.5 Ha, should be allocated at the Direction of Growth in South of Wigston for employment use.
- 7.24 Table 7.1 shows the 3.5 Ha of new employment potential identified at the Direction of Growth. This was not identified at the time of preparing the Sub Regional ELS and provides a valuable 'new' local source of greenfield employment land, and contributes to reducing the amount of land that will need to be exported to the wider HMA to 2.6ha (from the 7.6Ha that was proposed in the Sub Regional ELS).

Evidence shows less obsolescence in warehousing than was assumed and more recycling is needed to meet wider objectives

- 7.25 Our survey findings highlighted that most of the major warehousing sites (situated on Chartwell Drive, and Magna Road), are housed in fairly modern buildings that are unlikely to require the higher rate of renewal assumed in the Sub Regional ELS. Below we show a comparison of the changes in land requirement affected by an adjustment of the following assumption to the Sub Regional ELS:
- Sub Regional Study Assumptions: 'For warehousing, the annual renewal rate is 1% and 75% of the replacement floorspace is built on new land'.
 - RTP Adjustment: 'For warehousing, the annual renewal rate is 1% and 50% of the replacement floorspace is built on new land'.
- 7.26 Our analysis also identified the scope to partially recycle the majority of the base employment sites, and some key sites e.g. Kenilworth Road site to 'turn them around to meet more modern employment needs'. However, such an objective will require proactive policy and action to support renewal of targeted brownfield sites).
- 7.27 Appendix 1b and Table 7.1 summarises the implication on land supply as a result of these adjustments. There is a reduction in the amount of land lost to obsolescence by 1.5ha, (down to 7.5Ha from the 9Ha in the Sub Regional ELS). This instead is reflected in the increase in the amount of land to be recycled (increased from 6 Ha in the Sub Regional ELS to 7.5Ha); and there is a consequent reduction of 1.5ha of the overall new greenfield land requirement from 9 Ha in the Sub Regional ELS to 7 Ha, (and as explained in paragraph 7.24, there is an overall reduction in the amount of new greenfield land requirement to be exported to the wider HMA.

No change is proposed to office land requirement and supply forecasts

- 7.28 The land requirements for office use stemming from the Sub Regional ELS are summarised in Appendix 1c. No change is proposed to these calculations. Office floorspace requirement and supply calculations remains unchanged with up to 5,800 sq m

of offices to be provided in the Oadby Masterplan (1,225 sq m) and Wigston Masterplan (4,675 sq m). The remaining gap of 5,700 is to be reflected in the employment land allocations for the New Business Quarter in Leicester.

Table 7.1 Industrial and Warehousing Adjustments

	Industrial & Warehousing Space Comparison		Sub Regional ELS (2008)		RTP Revision (2010)		Note
	Sites	ha	Sites	ha	Sites	ha	
Because of Declining Employment Because of obsolescence (A)	Sub Total		-10.6		Sub Total	-10.6	Min 1.2 Max 10.6ha
	Sub Total		-9		Sub Total	-7.5	RTP assessment of sites shows less warehousing is expected to fall obsolete, and more industrial land to be recycled.
TOTAL SITES TO BE RELEASED	TOTAL LOSS		-19.6		TOTAL LOSS	-18.1	Maximum loss cannot exceed 10.6Ha without requiring a new demand assessment.
New Land Requ	To replace obsolete ('A' above)	<i>Tigers Rd</i>	<i>0.8</i>		<i>Tigers Rd</i>	<i>0.8</i>	Now built
		<i>Magna Road</i>	<i>0.6</i>		<i>Magna Road</i>	<i>0.6</i>	Yet to be built
		<i>Export to HMA</i>	<i>7.6</i>		<i>NEW Direction of Growth</i>	<i>3.5</i>	The direction of growth is a new potential.
					<i>Export to HMA</i>	<i>2.6</i>	There is a reduced amount to be exported.
TOTAL NEW LAND REQUIRED	TOTAL GAIN		9		TOTAL GAIN	7.5	
Net Change in Land	TOTAL NET		-10.6		TOTAL NET	-10.6	
Recycled	New space on reused land (recycled)	<i>Not identified – based on assumption.</i>		6	<i>Kenilworth Drive, Premier Drum and Viking Road and other Base Employment Sites.</i>	7.5	We consider the potential and requirement to encourage redevelopment of existing sites is higher due to local demand, supply constraints and local access
		TOTAL RECYCLED	TOTAL RECYCLED	6	TOTAL RECYCLED	7.5	
Net Change in Land	TOTAL NET		0		TOTAL NET	0	

Source: RTP: based on Appendix 1 (2010)

Sub Regional ELS % stock renewal = 15Ha which is made up of 9Ha of obsolete land to be replaced on new land and 6Ha on recycled land.
RTP % stock renewal unchanged = 15 Ha, but is made up of 7.5Ha of obsolete land to be replaced on new land (reduced by 1.5ha) and 7.5 ha on recycled land (increased by 1.5Ha) See appendices for more detail

Delivery

- 7.29 The challenge for the Borough is that employment land policy is no longer going to be about allocating new land, and safeguarding existing sites. Given the forecast economic changes and tight land supply within the Borough, a more sophisticated approach to 'change management' is required.
- 7.30 This will need to take account of the economic changes²¹ taking place now, where the Borough wants to be (and can be realistically) in the future and how best to use the available land assets to contribute to this. Proactive management will require focused use of policy, development management / control, other intervention tools and cooperation with the private sector and other agencies.
- 7.31 This will involve the careful release of some land which is no longer suitable for employment use altogether, recycling and 'reinventing' other land, and identifying new land to meet the needs of obsolete sites. The emphasis, given the Borough's employment profile, is to look to retain as much of the new employment land within the Borough. The site hierarchy, economic analysis and the fine tuning of employment land requirement provide a strong basis for doing this.
- 7.32 As part of the proposed recommendations, we recognise the fact that the Borough is part of the wider Leicester Housing Market Area, and there is a Partnership, led by Prospect Leicestershire, guiding the development and delivery of the strategic employment land strategy for the sub region.

New land requirement retained within the Borough

- 7.33 Since the preparation of the ELS, the potential to meet more of the Borough's new employment land requirement within the Borough (rather than exporting this to the wider HMA) has become available through the identification in the Core Strategy for a Direction of Growth that includes 3.5ha of employment land. This will provide an important opportunity for the Borough to meet its new employment land requirements locally.

Stock loss, renewal and recycling

- 7.34 Based on the Sub Regional ELS, by 2026 the stock of industrial and warehousing employment needed to supply Oadby and Wigston Borough could be 10.6a ha less than today. This is because it is forecast that there will be fewer jobs in total for manufacturing and warehousing. However this is a net change figure; a reduction in the total level of stock does not mean we don't need to provide any new space. New space and land is still required for qualitative purposes as part of the stock renewal of existing companies.
- 7.35 The Site Hierarchy identifies a few sites which together offer the potential to achieve the restructuring and longer term change of site release and recycling for employment.²² Only

²¹ Other employment sectors such as education, leisure, retail and health have not been considered by this study but are likely to be important contributors to a future Employment DPD document and delivery process.

²² Note we never future forecast precisely what is likely to happen as many factors besides property consideration are at work and so annual monitoring of the situation and refinements of the hierarchy are essential.

one site is identified to be released immediately, on Kirkdale Road, creating a release of 1.2 Ha of land to be removed from the B class employment land requirement.

Kenilworth Drive

- 7.36 The key site within the Base Employment category is Kenilworth Drive with just over 10Ha. However, it is important to note, that at present, 85% of the Kenilworth Drive industrial estate is operating as an active industrial site generating jobs and adding value to the economy. It is very important not to assume that we are proposing the release of all 10 ha of this site. This is not the case. The Kenilworth Drive site is important for employment, and due to it's location within the Borough part of it must be safeguarded. What our assessment does show, is that this site is no longer as vibrant as it could be, and without some careful invention, the site, which is an extremely important land asset, (serving needs within the Borough), will continue to decline and redevelop in a random 'haphazard way'. This could fail to make the most of creating something special to meet the needs of modern businesses and communities in the area. We propose a focused regeneration framework is developed to fully articulate the development potential of this site.

Town Centre Masterplans

- 7.37 There is a marginal increased requirement for an additional 11,500 sq m of office space (8,000 square metres needed to accommodate growing office sectors and 3,500 sq m to replenish obsolete stock). This growth has been accommodated in the town centre Masterplans and the balance has been given over to the Leicester PUA office development area at the New Business Quarter. Again, simple allocation of sites is unlikely to bring forward development, and careful consideration will need to be given to priority sites to create the 'domino effect'.

Recommendations

Develop policy on how and where best to accommodate the forecast structural changes

- 7.38 As part of the Employment Land Allocations DPD, (and the Area Action Plans proposed for the Masterplans) the Borough needs to have a clear policy and plan of action explaining the basis for the policy aimed at facilitating the structural changes forecast and showing where and how best this will be achieved.
- 7.39 The findings from this study will provide some²³ of the evidence base to support the strategy context, policies and quantum.

²³ Note this study did not assess wider employment issues related to education, health, retail or leisure sectors.

Recommendation 1:

Ensure Development Plan Documents give full consideration to Employment Sites and provide clear policy guidance on employment strategy, quantum of land to be released, new land to replace obsolescence, and new office land. The policy should include the site hierarchy developed in this study as a basis to guide planning decisions.

Plan to be more self sufficient in meeting the new land requirements, recycling of existing stock and allow for some carefully managed release of obsolete sites, (giving priority to new employment related reuse).

- 7.40 With global shift in employment sectors, manufacturing employment is still very important to the Borough. However in the longer term, this sector is forecast to shrink further and this will manifest itself in a consequent reduction in manufacturing property requirements in the Borough. We recognise that the Borough's has a strong and resilient manufacturing sector, however, this cannot completely avoid the longer term structural changes that are forecast.
- 7.41 There is a requirement to provide new land to meet the needs of obsolescence and renewal as well as some loss due to declining manufacturing sectors. However, where land is released from mainstream employment use, policy emphasis should seek to give priority to new employment related reuse of the obsolete land.
- 7.42 The focus of this assessment based on a local analysis to guide the Borough to becoming more self sufficient in meeting its employment land requirements within the Borough (by using the potential now available at the Direction of Growth) and through slightly greater recycling and implementing a strategy of managed release of obsolete sites.
- 7.43 The main requirements are included in the recommendation box below.

Recommendation 2 :

Adopt the proposed employment land requirement figures to 2026 revised by RTP and summarised below (based on Appendix 1a and 1b of this study):

INDUSTRIAL AND WAREHOUSING SPACE

New land required (replace obsolete) 7.5 Ha

- 3.5ha is to be provided in the Direction of Growth
- 2.6 ha is to be exported to the Leicester HMA
- 1.4ha is at existing allocations at Tigers Rd and Magna Rd

Existing employment sites recycled for employment use 7.5 Ha

- Total to be recycled is 7.5 Ha

Land loss due to sectoral change and obsolescence 18 Ha

- Net decline in floorspace is 10.6 Ha

- Forecast lost due to obsolescence is 7.5 Ha (and met on new sites)

OFFICE SPACE

Additional 11,500 sq m of office space is required

8,000 square metres needed to accommodate growing office sectors

3,500 sq m to replenish obsolete stock).

Develop a strategic and transparent approach to change management using the Site Assessment Matrix and site hierarchy

- 7.44 As part of the study findings, the RTP SAM has been modified to reflect the economic and property context of the Borough. This in turn has been used to guide the creation of a site hierarchy involving three categories.

Recommendation 3:

Adopt the proposed site hierarchy as detailed below:

- **Core Employment Site:** Good quality employment site, serving incoming or local clients with a local, regional or national presence and of a scale and vibrancy to be regarded as a highly important contributor to the local economy. The 'Core Employment Sites' should be safeguard for employment use and pressure from non B class employment should be resisted.
- **Base Employment Site:** These sites are very important to the local market at present, providing a valuable employment premises. Loss of employment use should be strongly resisted, except in circumstances where the only way to stimulate re-use of vacant property is through the mixed use redevelopment of the site. The presumption thus is in favour of retention for employment use. However, in circumstances where there has been long term vacancy of obsolete buildings, then a degree of flexibility should be exercised within this category, combined with proactive support, to bring about new modern employment re-use.
- **Release Employment Site:** These are obsolete employment sites and premises that are no longer suitable for modern efficient employment requirements because they are dominated by buildings that have come to the end of their economic life and have been vacant for a long time, combined with poor site suitability in terms of access, site layout and location. Release Employment Sites should be removed from the employment sites portfolio and released for other use.

There will be a need for a regular review of the Site Assessment Matrix and Site Hierarchy

- 7.45 The SAM provides a starting point in providing an informed understanding of the Borough's employment portfolio and guidance on how to 'manage this portfolio' through the use of policy and proactive action to influence the direction of forecast economic structural change and strategy direction.
- 7.46 However, it has to be appreciated that the SAM is based on information and market conditions at present and it is not a static document. No one, commercial property agents

included, can realistically predict the long term demand for individual sites with any degree of certainty. Even the worst site can remain viable because a particular occupier demands it, and conversely the best sites can become redundant due to company decisions to relocate leaving behind either a purpose built or scale of building that is difficult to let or sale.

- 7.47 The sites included in the three site hierarchy categories based on the SAM are not static, external influences or proactive interventions could change the scoring and categorisation of the employment sites between the three categories. Similarly there will over time need to be a review of the demand forecasts governing the employment changes predicted in the area. For this reason, there should be regular reviews of the property portfolio, possibly as part of the Annual Monitoring Report, to keep the SAM updated.

Recommendation 4:

Review the SAM and Site Hierarchy on a regular basis as part of the Annual Monitoring Report for Employment land.

Targeted intervention is needed to unlock the full potential of Kenilworth Drive

- 7.48 Given the importance of the Kenilworth Drive site in Oadby, due to its scale, location and current market led changes taking place, and the importance of the delivery of the site to the Borough's overall employment change management, we consider this site requires more detailed consideration.
- 7.49 We would recommend that the Borough prepares a regeneration framework for the Kenilworth Drive site as this site offers the greatest opportunity for change, but this change needs to be carefully planned and guided by a consideration of various factors affecting the site.
- 7.50 This is a challenging site, particularly due to the fragmented land ownership patterns, and will need detailed consideration as to what is deliverable as part of a longer term strategy for change and revival of this area.

Recommendation 5:

Prepare a regeneration framework for Kenilworth Drive as a key priority.

Targeted interventions are required to support the change management in partnership with Prospect Leicestershire and the private sector

- 7.51 To complement the various policy recommendations we suggest that the Council prepare an action plan that addresses the following action points:
- The establishment of an 'early warning system' for some of the larger employers in the Borough of which there are a number, ranging from office sector, food sector and distribution sector. Decisions by any of these companies to vacate and leave the Borough could have a significant effect on jobs, and employment land, and could impact on the site hierarchy.
 - Consider developing dialogues with local universities related to environmental construction techniques building on the Borough's construction industry cluster

strength and food technology, (given the large number of jobs and companies in these sectors)

- Develop a dialogue with South Leicestershire College about Construction and food technology training and business start up schemes.
- Investigate the scope for supporting the refurbishment and start up business development at the Countesthorpe Road site, former Premier Drum Site and the vacant sites on Viking Road.
- Talk to the Borough's unique companies representing bio technology and aerospace sectors to consider their property requirements and attraction to stay in the Borough.

Recommendation 6:

Develop a series of targeted actions with a range of partners based on enabling the current employers within the Borough to remain competitive.'

APPENDIX ONE - Sub Regional ELS Assumptions Explained

RENEWAL CALCULATION - PACEC Assumptions		B2 Sq M	Land (42% Plot ratio)	B8 SqM	Land (50% Plot ratio)	B2 & B8 SqM	Land	Note
A	Total Stock (2007)	268,000	64	155,000	31	423,000	95	See table 3.2 Pacec - pg 49
B	% of stock renewed pa	0.75%		1.00%				See table 6.1 Pacec - pg 68
C	Stock Renewed pa	2,010	0.48	1,550	0.31	3,560	0.79	Percent [B] of stock [A]
D	Stock Renewed 19 years	38,190	9	29,450	6	67,640	15	[C] x 19years - study period for Paced
E	Proportion of which requires new sites	50%		75%				Assumed loss of existing stock to alternative uses - PACEC assumptions table 6.1
F	New land required for renewal of obsolete stock	19,095	4.5	22,088	4.4	41,183	9.0	New suitable land to be identified. Percent [E] of [D] - working through Pacec assumption
G	Existing sites lost to alternative use	-19,095	-4.5	-22,088	-4.4	-41,183	-9.0	Land lost from employment as obsolete. = F (This figure forms part of Pacec method on flow chart Fig 6.1 pg 69 but fail to show the figure of loss.
H	Existing land recycled over period	19,095	4.5	7,363	1.5	26,458	6.0	Retained in Employment Use. Percent (100 - [E]) of [D]
J TOTAL EMPLOYMENT CHANGE CALCULATION		B2 SqM	Land (42% Plot ratio)	B8 SqM	Land (50% Plot ratio)	B2 & B8 SqM	Land	Continuation of Pacec
K	Decline in floorspace (net change)	-25,919	-6.2	-22,301	-4.5	-48,220	-10.6	land lost from declining employment sectors (see PACEC Appendix G tables 1.7 and 1.8)
L	New land required for renewal of obsolete stock	19,095	4.5	22,088	4.4	41,183	9.0	All renewal [F]
M	Total employment land lost due to renewal of obsolete stock and decline in floorspace	-45,014	-11	-44,389	-9	-89,403	-20.0	Renewal & net change. [G] + [K]
N	Existing land recycled over period	19,095	4.5	7,363	1.5	26,458	6.0	No impact on net change [H]

APPENDIX TWO - TRANSLATING SUB REGIONAL ELS ASSUMPTIONS

REVISED CALCULATION - RTP ADJUSTMENT	B2 SqM	Land (42% Plot ratio)	B8 SqM	Land (50% Plot ratio)	B2 & B8 SqM	Land	Note
Total Stock (2007)	268,000	64	155,000	31	423,000	95	See table 3.2 Pacec pg 49
% of stock renewed pa	0.75%		1.00%				See table 6.1 Pacec - pg 68
Stock Renewed pa	2,010	0.48	1,550	0.31	3,560	0.79	
Stock Renewed 19 years	38,190	9	29,450	6	67,640	15	19years - Paced study period
Proportion of which requires new sites	50%		50%				RTP reduced warehouse renewal to 50% instead of 75%
New land required for replacement	19,095	4.5	14,725	2.9	33,820	7.5	This figure reduces from 9 (appendix 1) to 7.5
Existing land lost to alternative use	-19,095	-4.5	-14,725	-2.9	-33,820	-7.5	This figure reduces from 9 (appendix 1) to 7.5
Existing land recycled over period	19,095	4.5	14,725	2.9	33,820	7.5	Recycled land increases from 6 (appendix 1) to 7.5.e

EMPLOYMENT NET CHANGE CALCULATION	B2 SqM	Land (42% Plot ratio)	B8 SqM	Land (50% Plot ratio)	B2 & B8 SqM	Land	RTP Slight Revisions
Decline in floorspace (net change)	-25,919	-6.2	-22,301	-4.5	-48,220	-10.6	land lost from declining employment sectors (see PACEC Appendix G tables 1.7 and 1.8))
TOTAL LAND CHANGE	B2 SqM	Land (42% Plot ratio)	B8 SqM	Land (50% Plot ratio)	B2 & B8 SqM	Land	Note
New land required for renewal of obsolete stock	19,095	4.5	14,725	2.9	33,820	7.5	All Renewal
Total employment land lost due to renewal of obsolete stock and decline in floorspace	-45,014	-11	-37,026	-7	-82,040	-18	Land lost to alternative use from above + decline in floorspace
Existing land recycled over period	19,095	4.5	14,725	2.9	33,820	7.5	From above increased from 6 to 7.5

Source: RTP Assessment based on revised assumption of Sub Regional ELS

RENEWAL CALCUALTION OFFICE USE	B1 Sq M	Note
Total Stock (2007)	37,000	
% of stock renewed pa	1%	
Stock Renewed pa	370	
<i>Stock Renewed 19 years</i>	<i>7,030</i>	
Proportion of which requires new sites	50%	Implied loss of existing stock to alternative uses
New land required for replacement	3,515	
Existing land lost to alternative use	-3,515	
Existing sites lost to alternative use	3,515	Retained in Employment Use
EMPLOYMENT NET CHANGE CALCULATION	B1 Sq M	Note
Increase in floorspace (net change in floorspace implied by net job changes)	8,007	From growing employment sectors (see PACEC Appendix G)
TOTAL LAND CHANGE	Sq M	Note
New Land Required	11,522	Renewal plus job growth (3.5 + 8 = 11.5)
Existing land lost to alternative use	-3,515	Renewal above
Existing sites lost to alternative use	3,515	(No impact on net change)

Source: RTP Assessment of Sub Regional ELS Assumptions

