Employment Land and Premises Study

Oadby and Wigston Borough Council

Final Report

October 2017

CONTENTS

EXECUTIVE SUMMARY

Introduction

i) This report assesses the supply, need and demand for employment land and premises (use class B) in the Borough of Oadby and Wigston. It has been carried out to *"determine the overall requirement to meet the employment needs for the Borough of Oadby and Wigston to 2031. The key objective of the assessment is to provide Oadby and Wigston Borough Council with a robust evidence base on which to develop the employment element of the Local Plan."* The study updates previous employment land evidence base documents for the Borough. It also provides a local compliment to the county-wide Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA). There are three main objectives to this study, to:

- *"Undertake an audit and provide a detailed analysis and understanding of the Borough's existing eight Identified Employment Areas and premises in terms of quantity, nature and quality*
- *Develop a hierarchy of the Borough's employment sites identifying which sites should be sustained for employment use and which sites have the scope for redevelopment/ reallocation…*
- *…the study should identify the level and type of employment land that would be appropriate within the Council's Direction for Growth area(s). "*

Methodology

ii) A number of research methods have been used, including site visits and interviews with property market stakeholders such as developers, investors and their agents. Major employers in the Borough have been individually consulted, as have key public-sector agencies. The property market in the local authority areas elsewhere in Leicester and Leicestershire has been reviewed through desktop analysis of employment and planning strategies, and consultations with officers from those local authorities. Finally, the land supply has been assessed against forecast data to understand future land need. The methodology follows Planning Practice Guidance on employment land reviews.

Findings

iii) The Borough of Oadby and Wigston has a relatively affluent and skilled population, with reasonable level of economic activity.

iv) The Borough of Oadby and Wigston's dependence on public sector employment is slightly above average with 30 percent of the Borough's workforce employed in public administration, education and health, in 2016. This will reflect employment at South Leicestershire College, the government offices on Tigers Road, and nearby facilities such as HMP Glen Parva.

v) The Borough of Oadby and Wigston also retains a strong local manufacturing sector, with 17.6 percent of the working population in manufacturing jobs, well above wider averages. In terms of service sectors, business administration and support services, along with public administration and defence have the strongest roles.

vi) There is a strong desire for growth amongst the Borough's large businesses, complimented by interest from inward investors from elsewhere in the Leicester Conurbation. This is generating property requirements of up to 3250-5000 sqm, which could be delivered as Design and Build opportunities of up to 1.28 ha each and with the occupiers showing specific interest in the Wigston Direction for Growth Site.

vii) Larger units, of more than 500 sqm let or sell quickly when they come to the market. Across Leicester generally there is a shortage of smaller industrial units of up to 200 sqm. In the City, the best quality light industrial space can achieve £80/sqm, but businesses come to the Borough of Oadby and Wigston for more affordable options and are unlikely to pay more than £60/sqm, for new or second-hand space. A development of 200-450 sqm industrial units on the former R F Brookes site, Magna Road, South Wigston will meet some needs, however stakeholders indicated that other development is required to counteract the diminishing local supply of office and industrial accommodation.

viii) The office market generally meets the needs of local service sector businesses, mainly for suites of up to 150 sqm. However, shortages of space across the Leicester Conurbation are encouraging some larger occupiers to look away from the City Centre and motorway accessed sites to more peripheral locations such as the Borough of Oadby and Wigston. Office rents of up to £140/sqm are achievable for good quality stock and possible future new builds, but most of the Borough of Oadby and Wigston's existing low-quality stock achieves no more than £80/sqm. The Borough is viewed in terms of affordability which limits what occupiers will pay.

ix) The defined functional economic market area for the Borough of Oadby and Wigston includes the other local authority areas of Leicester and Leicestershire.

x) Within that functional economic market area most of the local authorities feel they can meet their employment land needs on land within their own local authority area boundaries. The exception is Leicester City, which has a significant, and long established, shortage of employment land and will be looking for support from its neighbours. However, the bulk of the need will be met in the SUEs and other Growth Areas of Blaby and Charnwood. The small land supply of the Borough of Oadby and Wigston will make only a modest contribution to external needs although it is expected the Borough will derive some benefit from companies unable to find accommodation in inner Leicester and seeking affordable options in peripheral locations.

xi) In terms of competition, the Borough sits in the shadow of Leicester City Centre but moving forward the major development proposals of Blaby and Charnwood are likely to have a growing impact. Major logistics facilities are under development, or expansion, in North West Leicestershire and Harborough. However, as the Borough has little large scale warehousing it does not compete in the regional/national storage and distribution market with these locations.

Employment Land Supply and Need

xii) The existing employment land supply is 3.35 ha. Two further future sources of employment land have also been identified, totalling 5.17 ha, including the second phase of the Wigston Direction for Growth and the re-use of the Borough of Oadby and Wigston Water Treatment Plant, Oadby. The maximum land supply total is thus 8.52 ha. Undeveloped employment land and Employment Areas are shown in Figure ES1, overleaf.

Wigston Direction for Growth

xiii) Evidence is that demand and need exists for a full allocation of 5 ha at the Wigston Direction for Growth to 2031. Justifications for this are:

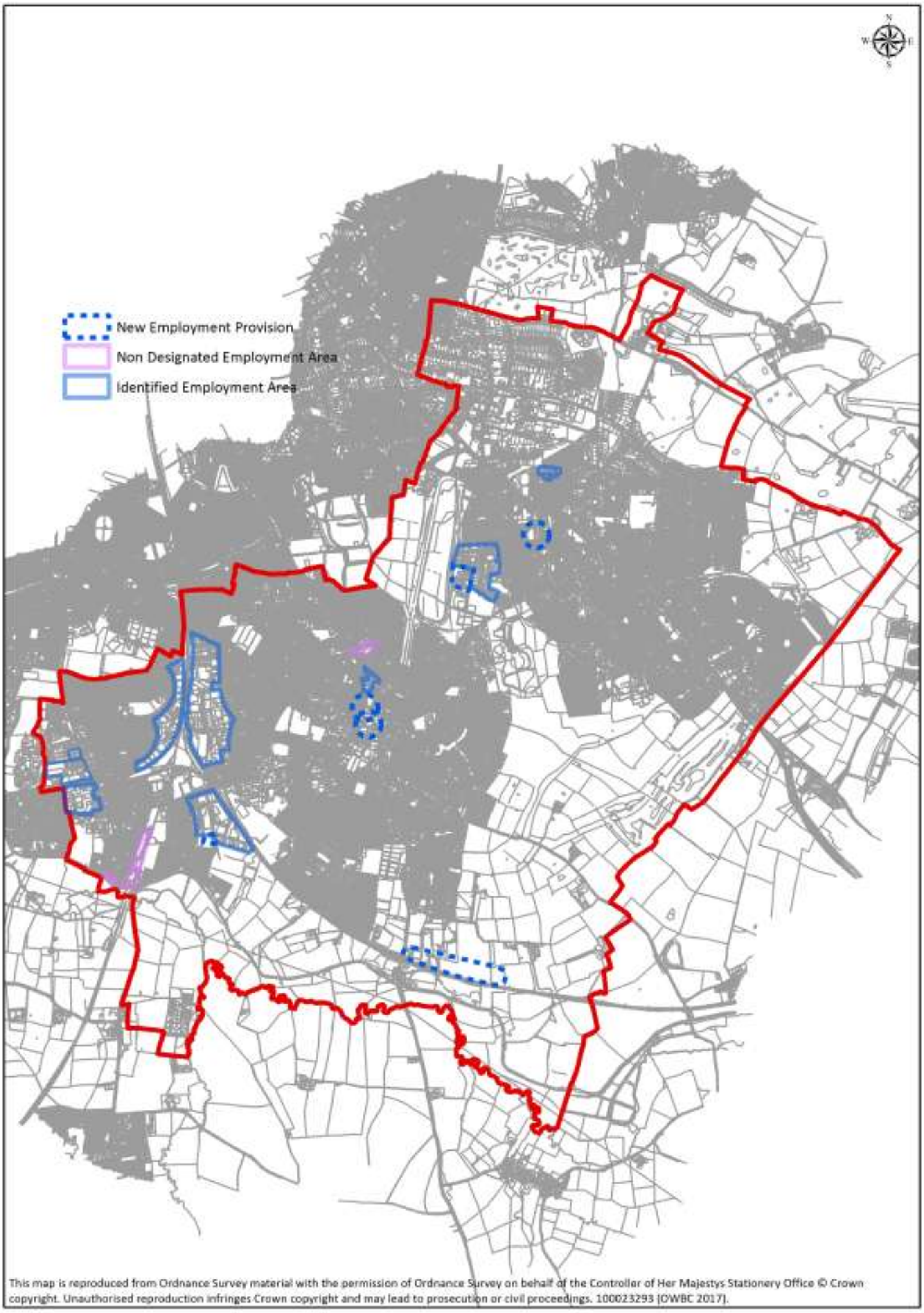
- *Justification One: The Overall Strength of Industrial Demand* – Nationally, sub-regionally and locally there is strong unmet demand for mid-sized industrial premises, the use most likely to locate on the Wigston Direction for Growth, against supply

- *Justification Two: The Need for Larger Business Space/Freehold Options* – Strong local need for units of more than 500 sqm each, with large business requirements extending up to 5,000 sqm each. Strong demand for freehold units, both locally and across the Leicester Conurbation
- *Justification Three: Local Supply Shortages* – Against this demand current supply is limited to seven currently available buildings. Space is generally of moderate quality with little freehold availability.
- *Justification Four: The Need for Unconstrained, Large, Available Sites* – The Wigston Direction for Growth is the only site in the Borough capable if meeting large business requirements, for up to 1.28 ha of land quickly
- *Justification Five: Specific Interest in the Wigston Direction for Growth* – Research has identified two specific inward investment enquiries with interest in the Direction for Growth site, two further local businesses expressed interests. The combined land requirement is for some 2 ha
- *Justification Six: Location Not Seen as a Barrier to Development* – None of the stakeholders consulted felt the location of the Wigston Direction for Growth was a significant barrier to its market attractiveness or developability.

xiv) To assess need, three recognised methods of forecasting have been used:

- Forward projection of historic land take up trends, High Growth Model – Utilises all past take up data since 1996, including the exceptionally large Cromwell Tools on Chartwell Drive, Wigston (3.99 ha), in 1998/99 which is 57 percent of all take up recorded. Model assumes this is not exceptional though and could be repeated.
- Forward projection of historic land take up trends, Moderate Growth Model – Assumes the Cromwell development is exceptional and will not be repeated over the plan period
- Labour demand – jobs growth, as identified in Oxford Economics (2016) forecast modelling, consistent with that used in the HEDNA Study.

Figure ES1 – The Full Employment Land Supply (developed and undeveloped) of the Borough of Oadby and Wigston



Source: OWBC, 2017

xv) The outputs from all the models are outlined in Table ES1.

Table ES1 – Land Forecast Models – Summary

Model	Land Stock 2017, ha*	Land Need 2011-2031, ha	Buffer (five years take-up rate) ha	Land Need Incl. Five year buffer	Surplus (Shortfall), ha	Assumptions
Long Term Land Take-up – Moderate Growth Model	8.52	2.80	0.70	3.50	5.02	Based on historic (20 years) take-up of 0.14 ha/pa. Exclusive of exceptional take-up at Cromwell Tools
Long Term Land Take-up – High Growth Model	8.52	6.60	1.65	8.25	0.27	Based on historic (20 years) take-up of 0.33 ha/pa. Inclusive of take-up at Cromwell Tools
Employment based on adjusted stock	8.52	1) +5.00 Growth 2) -14.50 Change	1) +1.25 2) N/A	1) +6.25 Growth 2) -14.50 Change	1) 2.27 2) 23.02	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group, 2017

**Maximum realistic land supply.*

xvi) The figures allow for a five-year buffer to allow for choice and potential change in needs during the two periods as well as providing some accounting for further possible losses in the supply.

xvii) Under both land take up models, the Borough of Oadby and Wigston has sufficient land to meet needs although the High Growth Model, requires the Borough's full plausible supply (8.52 ha) to meet the 8.25 ha need (including the 5 year buffer).

xviii) The jobs based forecast model suggests the Borough has an oversupply of employment land. This indicates that most of the current land supply may be surplus to requirements and could be used for other activities. However, the market assessment and a review of the historic trends in employment change and land take up (see Section 8.0) suggest that these forecasts underestimate land needs significantly.

xix) In terms of the two take up models, market evidence gathered for this study suggests strong market demand for space, including interest from inward investors and a strong desire for growth amongst the Borough's indigenous large businesses, with requirements for up to 5000 sqm of premises each and sites of up to 1.28 ha each. This evidence favours the High Growth Model which generates demand of 8.25 ha to 2031.

Recommendations

xx) This report has had full regard to the requirements of the NPPF and the PPGs to encourage and deliver growth through the planning system. The key recommendation is:

That the Council should seek to deliver the High Growth land take-up scenario. This suggests that the Borough's needs are 8.25 ha to 2031 (inclusive of a five-year buffer).

xxi) Table ES2 provides an indicative split of that need, by Use Class, reflecting past take up trends. As can be seen, most of the need is for B1(c)/B2 industry, combined with a modest element of B1(a) offices. Any B8 warehousing will be of a small scale, indeed the whole 0.27 ha identified for this use could not support more than 1,000 sqm of single storey space.

Table ES2 – High Growth Model Need, Split by Use Class – Revised Split*

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (8.9)	B1(b) (0.0)	B1(c) (26.6)	B2 (61.1)	B8** (3.4)	Mixed (0.0)	
2011-2031	0.59	-	1.76	4.03	0.22	-	6.60
+5 Years Buffer	0.15	-	0.44	1.01	0.05	-	1.65
Total	**0.74**	**-**	**2.20**	**5.04**	**0.27**	**-**	**8.25**

Source: BE Group, 2017
**This model uses a Use Class split based on the Moderate Growth Model take up rate (excluding the Cromwell Tools completion), but applies that split to the High Growth Model Need. This is to avoid the over emphasis on B8 uses that results when Cromwell Tools, an exceptionally large local warehouse development, atypical for the Borough, is included in calculations.*
***Small scale B8 uses only, with individual developments likely significantly below 1,000 sqm each.*

xxii) The other recommendations of this study are:

- The hierarchy of the Borough's Employment Areas is identified as:

  Core Employment Areas

  - Magna Road, South Wigston
  - Tigers Close, South Wigston
  - Chartwell Drive, Wigston
  - Gloucester Crescent, South Wigston
  - Highfield Drive, Wigston
  - Canal Street, South Wigston.

Base Employment Areas

- St Thomas Road, South Wigston
- North Street, Wigston
- Cross Street/Regent Street, Oadby
- Kenilworth Drive, Oadby
- Park Road/Canal Street, South Wigston
- Park Road, South Wigston.

Release Sites

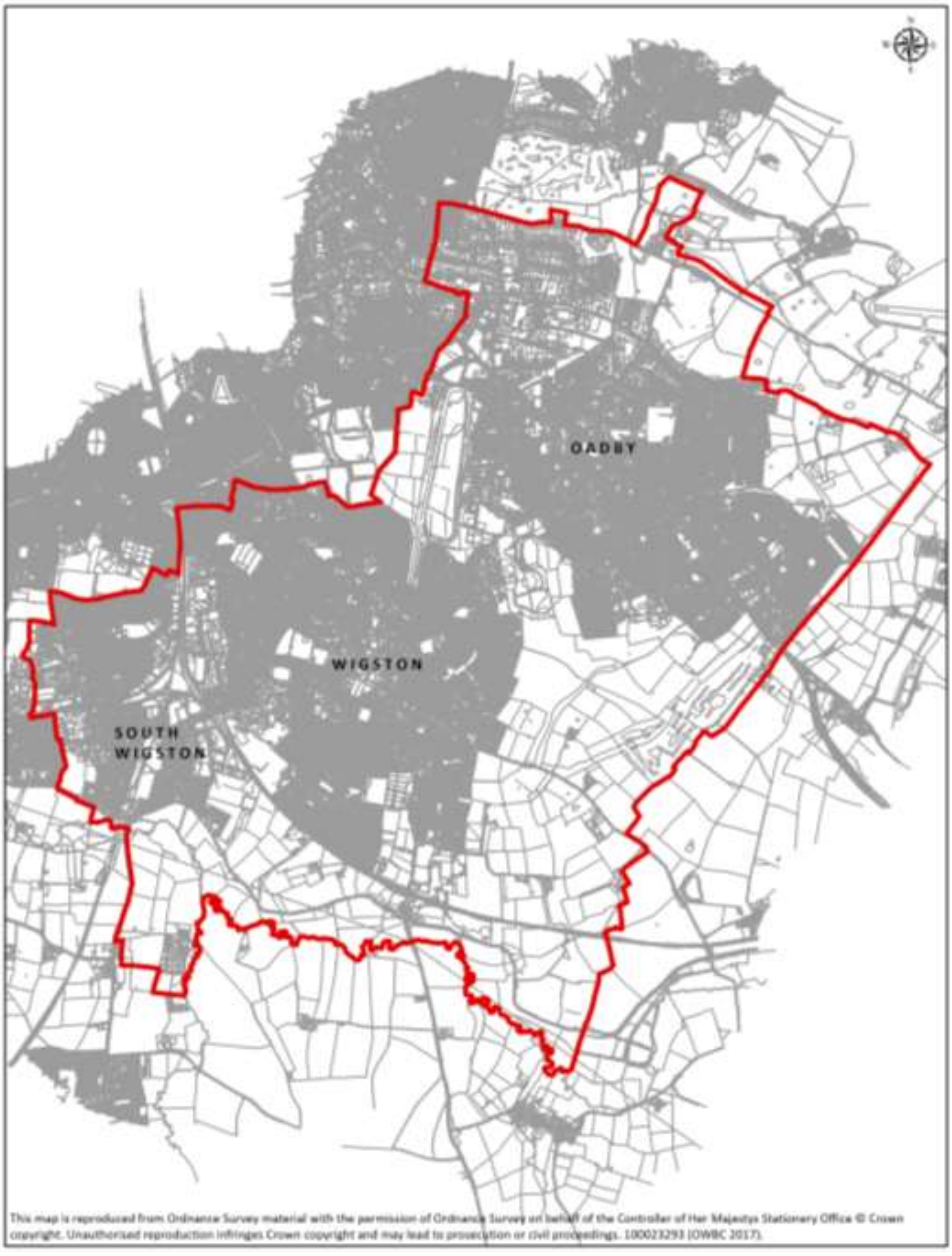
- None, assuming Railway Triangle, South Wigston is no longer considered.

- Within the Core Employment Areas, non B-Class employment uses should not be permitted.
- For the Base Employment Areas, a more flexible approach could be taken to help facilitate a broad range of economic development. In some cases, a more intensive mixed-use development could provide greater benefit to the local community than if the site was retained solely in employment use.
- Employment development outside Employment Areas contributes to local employment activity and jobs. Any consideration of future non-employment use, in such locations, should be addressed in the same way as land in Base Employment Areas
- Protect the Wigston Direction Growth Phase One and allocate the Phase Two Site
- Questions have been raised about the deliverability of some employment sites, NPPF requires that sites should be fit for purpose and this means that they need to be deliverable. To achieve this, it is recommended that the Borough Council and other relevant partners proactively explore delivery strategies by which sites can be brought forward, in discussions with owners and developers
- The Council should work with neighbouring authorities on issues in which interests will overlap.
- Review and monitor the employment land and premises position and undertake the study again in about five years, as 2031 is a long time in the future and much will happen before then.

1.0 INTRODUCTION

1.1 This report provides an employment land and premises assessment for the Borough of Oadby and Wigston (see Figure 1). It has been carried out on behalf of Oadby and Wigston Borough Council (the Council).

Figure 1 – The Borough of Oadby and Wigston



Source: OWBC, 2017

1.2 The study has been commissioned to "*determine the overall requirement to meet the employment needs for the Borough of Oadby and Wigston up to 2031. The key objective of the assessment is to provide Oadby and Wigston Borough Council with a robust evidence base on which to develop the employment element of the Local Plan*."

1.3 BE Group, economic development and property consultants, compiled this report during June-September 2017. The study updates previous employment land evidence base documents for the Borough, notably the 2006 Oadby and Wigston Employment Land Study, which was also completed by BE Group, and relevant elements of the Council's existing Employment Land and Brownfield Study (2010) and Employment Sites Supplementary Planning Document (2011). It also provides a local compliment to the county-wide Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA).

1.4 The study has three main objectives, as set out in the study brief, to:

- *"Undertake an audit and provide a detailed analysis and understanding of the Borough's existing eight Identified Employment Areas and premises in terms of quantity, nature and quality*
- *Develop a hierarchy of the Borough's employment sites identifying which sites should be sustained for employment use and which sites have the scope for redevelopment/ reallocation. Consider any cascading effects between different existing and potential new identified employment sites. Recommend any policy mechanisms which can resist losses in those areas that are considered the best sites for future employment use in the Borough*
- *With regard to the above, the study should identify the level and type of employment land that would be appropriate within the Council's Direction for Growth area(s). "*

Background

1.5 Oadby and Wigston Borough Council is in the process of reviewing its Local Plan and developing a single Local Plan document covering both broad policy and Site Allocations and Development Management Policy. Consultation on The Oadby and Wigston Local Plan Preferred Options took place in late 2016, with a Pre-submission Consultation expected between November 2017 and December 2017. Submission of the new Local Plan to the Secretary of State is expected in early 2018, with an Examination in Public in spring 2018 and estimated adoption by the summer.

1.6 The Spatial Strategy within the current adopted Core Strategy identifies a need to deliver 1.3 ha of industrial and warehousing land up to 2026. In addition, it identifies in the region of 2.5-3.5 ha employment land to be provided on the Wigston Direction for Growth area (to the south-east of Wigston). The purpose of the Wigston Direction for Growth is to accommodate the housing and employment growth required in the wider Leicester Conurbation on greenfield land up to 2026 - after all available previously developed (brownfield) land within the Centres and existing urban area has been considered. A further 2.5 ha is proposed over 2011-2031 for the Wigston Direction for Growth in the Emerging Local Plan which, at the time of writing, was at Pre-Submission Draft.

1.7 These allocations are supported by an evidence base comprising the Oadby and Wigston Employment Land and Brownfield Study (2010), Employment Sites Supplementary Planning Document (September 2011) and the Oadby and Wigston annual Employment Land Availability Study. In addition to this, the Leicester and Leicestershire Housing Market Area Employment Land Study (PACEC 2008, refreshed 2012) was prepared and agreed jointly by all of the Local Planning Authorities in Leicestershire and provides the evidence that underpins the Council's existing adopted Local Plan policies.

1.8 More recently the Leicester and Leicester wide HEDNA Study, published in January 2017, identifies greater employment land needs for the Borough of Oadby and Wigston. These equate to up to 1 ha of B1(a, b) land over 2011-2031 and up to 4 ha of B8 land, for sub-9,000 sqm warehouses, over 2011-2031. Considering this new county-wide evidence, and a changing economy generally, there is now a need to update the local evidence base and assess supply and need for an extended period, in line with the new Local Plan period, to 2031. Also, to reflect revised government guidance on the carrying out of employment needs studies issued in March 2014 as part of Government Planning Practice Guidance.

Methodology

1.9 Research methods used include site visits, face-to-face and telephone interviews with property market stakeholders such as developers, investors and their agents. Consultations were undertaken with a number of the Borough's major private sector employers and key public sector agencies. Desktop analysis of national, sub-regional and local reports and strategies has been undertaken.

1.10 The property market in the local authority areas elsewhere in Leicester and Leicestershire, has also been reviewed. This has been undertaken through consultations with officers from the relevant Councils, combined with desktop analysis of the Employment Land Studies and Local Plans of those local authorities. Understanding the supply and demand of employment land and premises in neighbouring areas is important in assessing their impact on the Borough's land and property market.

1.11 Conditions in the eight defined Employment Areas of the Borough have been reviewed using quantitative and qualitative methods, identifying any underused or vacant land which may provide opportunities for regeneration and redevelopment.

1.12 Finally, the land supply has been assessed against forecast data to understand the future need for any additional employment land. This is then developed into a series of economic development recommendations that cover not just land, but also premises.

1.13 Appendix 1 contains a list of all consultees.

Employment Land Review Guidance

1.14 A key reason for undertaking the Employment Land and Premises Study is to take account of recently published Planning Practice Guidance (PPG), which provides guidance on how local authorities should approach both housing and employment land reviews. Two guidance notes have been produced – *Housing and Economic Land Availability Assessment* which provides a methodology of reviewing suitable land, and *Housing and Economic Development Needs Assessments*, which provides guidance on how future needs can be determined. The assessment process takes the form of a five stage methodology under the following headings:

- **Stage 1: Identification of sites and broad locations** to provide an audit of available land of 0.25 ha and above. This will be a desk top review identifying as wide a range as possible of sites and broad location for development (including those existing sites that could be improved, intensified or changed). The outcome of this stage is to understand key employment land supply issues and generate a portfolio of potential employment sites to take forward for more detailed review.

- **Stage 2: Site/broad location assessment** to estimate the development potential. This will include a re-appraisal of the suitability of previously allocated land, and the potential to designate allocated land for different or a wider range of uses. This stage entails a qualitative review of all significant sites and premises for their 'suitability', 'availability' and 'achievability' in order to confirm which of them are unsuitable for/unlikely to continue in B1/B2/B8 employment use; to establish the extent of 'gaps' in the portfolio; and if necessary, identify additional sites to be allocated or safeguarded. This exercise will help to inform whether a site is 'deliverable', 'developable' or neither. In assessing the portfolio, factors which need to be considered include:
  - *"The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated though a simple assessment of employment land by sub-areas and market segment, where there are distinct property market areas within authorities.*
  - *Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums).*
  - *Market signals, such as levels and changes in rental values, and differentials between land values in different uses.*
  - *Public information on employment land and premises required.*
  - *Information held by other public sector bodies and utilities in relation to infrastructure constraints.*
  - *The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of 'revealed demand' for employment land.*
  - *The locational and premises requirements of particular types of business.*
  - *Identification of oversupply and evidence of market failure (e.g. physical or ownership constraints that prevent the employment site*

being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the prevailing market rents).”

- **Stage 3: Windfall assessment** Not applicable as relates to housing only.
- **Stage 4: Assessment review** ascertaining the need for economic development uses. To understand the future quantity of land required across the main business sectors; to provide a breakdown of that analysis in terms of quality and location and provide an indication of ‘gaps’ in supply through economic forecasting, consideration of recent trends and/or assessment of local property market circumstances. Preferred forecast methods include:
  - Sectoral and employment forecasts and projections (labour demand)
  - Demographically derived assessments of future employment needs (labour supply techniques)
  - Analysis based on the past take-up of employment land and property and/or future property market requirements.

  The outcome of this stage is to provide broad quantitative employment land requirements across the principal market segments covering the Borough’s Local Plan period and an analysis of the likely ‘gaps’ in supply that need to be filled
- **Stage 5: Final evidence base**, the outcome of which will be the completion of the employment land review, to be taken forward in the Local Plan. The Review is prepared in line with this advice.

1.15 Table 1 shows how the Employment Land and Premises Study aligns with this Guidance. The link between the report and the PPG methodology is not always clear cut, with different sections overlapping, indeed certain steps overlap.

Table 1 – Employment Land Reviews – PPG Guidance

Stage 1 – Site / Broad Location Identification	
Step 1 – Determine assessment area and site size	Undertaken by Oadby and Wigston Borough Council
Step 2 – Desktop review of existing information	Covered in Sections 2, 3, 4, 5, 6
Step 3 – Call for sites / broad locations	Three 'Call for Sites' have been completed by Oadby and Wigston Borough Council in 2013, 2015 and 2016.
Step 4 – Site / broad location survey	Covered in Section 6
Stage 2 – Site / Broad Location Assessment	
Step 5 – Estimating the development potential in parallel with assessing suitability, availability, achievability – including viability	Covered in Section 6 and Appendices
Step 6 – Overcoming constraints	Covered in Section 6 and Appendices
Stage 3 – Windfall Assessment	
Step 10 – Determine housing / economic development potential of windfall sites (where justified)	N/A
Stage 4 – Assessment Review	
Step 11 – Review assessment and prepare draft trajectory; enough sites / broad locations?	Section 8
Stage 5 – Final Evidence Base	
Step 12 – Evidence Base and monitoring	ELPS produced by BE Group and monitoring undertaken by Oadby and Wigston Borough Council

Source: BE Group 2017

2.0 STRATEGIC CONTEXT

Introduction

2.1 This section focuses on national, regional and local reports and strategies that have a relevance to the allocation of employment land and premises.

National

National Planning Policy Framework – Department for Communities and Local Government (2012)

2.2 The NPPF sets out the Government's economic, environmental and social planning policies for England, articulating the Government's vision of sustainable development. It provides a framework for the production of local and neighbourhood plans.

2.3 The NPPF requires local authorities to set a clear economic vision and strategy based on an understanding of the existing business needs, likely changes in the market and any barriers to investment. This understanding should be achieved through working with the local business community, neighbouring local authorities and the Local Enterprise Partnership (LEP).

2.4 Paragraphs 18 to 22 of the NPPF establish that the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth, and that significant weight should be placed on the need to support economic growth through the planning system. It sets out a requirement for local planning authorities to plan proactively to meet the development needs of businesses and support an economy fit for the 21st Century.

2.5 In drawing up local plans, the NPPF requires local authorities to:

- Set out a clear economic vision and strategy
- Set criteria or identify strategic sites for local and inward investment
- Support existing business sectors and where possible identify and plan for new or emerging sectors likely to locate in the area
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries

- Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement
- Facilitate flexible working practices.

2.6 Paragraph 22 states that planning policies should avoid the long term protection of sites allocated for employment use, where there is no reasonable prospect of a site being used for that purpose. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

2.7 Paragraphs 160 and 161 set out that local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To do this they should work with Local Enterprise Partnerships, the business community, county and neighbouring authorities to understand business needs, likely changes in the market and barriers to investment. They should use their evidence base to assess the land and floorspace for economic development, including the quantitative and qualitative needs for all foreseeable types of economic activity and the existing and future supply of land.

Sub-Regional

Leicester & Leicestershire Housing and Economic Development Needs Assessment – Leicester and Leicestershire Authorities and Leicester and Leicestershire Enterprise Partnership (2017)

2.8 A Housing and Economic Development Needs Assessments (HEDNA) was commissioned jointly by all the local authorities within Leicester and Leicestershire to assess future housing needs, the scale of future economic growth and the quantity of land and floorspace required for B-class economic development uses between 2011 and 2031/36. "*The assessment provides an evidence base to inform the preparation of statutory local plans by individual local planning authorities, a non-statutory Strategic Growth Plan for Leicester and Leicestershire and a refresh of the LEP's Strategic Economic Plan."*

2.9 The HEDNA considers the need for B-class employment land (B1, B2 and B8 units up to 9,000 sqm in size) across the Functional Economic Market Area based on full-time equivalent employment growth arising from the Planned Growth Scenario. "*This is based on modelling which relates the 21 sectors in the economic forecasts to use classes and takes an average employment density (sqm floorspace per job) to estimate net growth in floorspace." This then makes assumptions on plot ratios and includes a 'margin' (equivalent to 5 years' past take-up) to take account of potential error margins in the modelling, provide a choice of sites and flexibility of supply*." These assumptions are summarised in Table 2 below:

Table 2 – Overview of Modelling Assumptions

Scenario	Key Assumptions
Labour Demand	• Net growth in jobs in Planned Growth Economic Scenario • Employment densities (sqm per FTE job) from HCA Employment Densities Guide: 3rd Edition • Plot ratio assumptions of 2.0 for B1(a/b) offices in Leicester, and 0.35 elsewhere; with a ratio of 0.42 for B1(c) and B2 uses • Margin based to provide flexibility of supply based on 5 years' past take-up (gross completions).
Past Completions	• Projection of past gross completions based on local authority monitoring data.

Source: Leicester and Leicestershire Authorities and Leicester and Leicestershire Enterprise Partnership, 2017

2.10 The following summary Table 3 draws together the various locally specified need for employment land. This shows a need for between 142 and 198 ha of land for office development (B1a and B1b) to 2031. "*For office floorspace, the labour demand and completion trend scenarios should be considered together as providing an appropriate range for future provision."* For the Borough of Oadby and Wigston needs equate to up to **1 ha of B1(a, b) land** over 2011-2031 and up to **4 ha of B8 land, for sub-9,000 sqm warehouses**, over 2011-2031.

2.11 For industrial floorspace, there tends to be a poor correlation between past employment and floorspace trends, where job numbers have fallen but floorspace numbers may have not. The Planned Growth Scenario envisages that manufacturing GVA grows strongly and therefore the HEDNA concludes that greater weight should therefore be given to the completions trend for B1c/B2 floorspace.

Table 3 – Employment Land Needs 2011-2031, ha

	Premises Type		
	B1a/b	**B1c/B2**	**Small B8**
Leicester	2-6	36	15
Blaby	37-45	15	10
Charnwood	14-37	21	11
Harborough	14-21	22	8
Hinckley and Bosworth	11-32	14	16
Melton	10-18	21	14
NWL	45-46	3	17
Oadby and Wigston	***1***	***0***	***4***
FEMA	**142-198**	**132**	**93**

Source: Leicester and Leicestershire Authorities and Leicester and Leicestershire Enterprise Partnership, 2017

2.12 Table 4 details the need for strategic B8 development (units of over 9,000 sqm). Taking into account growth in traffic/trade and replacement of out-dated supply, a minimum need for 472 ha of land is demonstrated. "*Where this is met will be influenced by the availability of land at commercially attractive locations and policy choices*." A general finding of this study is that the Borough of Oadby and Wigston does not have an identified need for larger B8 accommodation, and lacks the land supply to support larger logistics units.

Table 4 – Need for Strategic B8 Distribution Development, 2011-2031

Year	**To 2031**
Replacement build ('000 sqm floorspace)	1,260
Growth build ('000 sqm floorspace)	185
Total ('000 sqm floorspace)	**1,445**
Land required (ha)	**361**

Source: Leicester and Leicestershire Authorities and Leicester and Leicestershire Enterprise Partnership, 2017

Leicester and Leicestershire Housing Market Area Employment Land Study – Leicester and Leicestershire Local Enterprise Partnership (2013)

2.13 The 2013 draft of this report was commissioned to update the Leicester and Leicestershire Employment Land Review 2008. It has now been superseded by the HEDNA study, as a sub-regional evidence base document, but it is worth noting that following an analysis of jobs growth, the study shows a forecast demand for the period 2010-2031 for **5,200 sqm** of offices and **7.2 ha of industrial land in the Borough of Oadby and Wigston.** No demand for strategic warehousing land was identified. As is shown in Table 5, when compared to the local land supply, as of 2013, the Borough has a surplus of offices (7,350 sqm) and a shortfall of 4.2 ha of industrial land. *"This small deficit in industrial land will need to be met elsewhere within the PUA and Leicester and Leicestershire HMA*."

Table 5 – The Borough of Oadby and Wigston – Supply/Demand Balance, 2010-2031

	Office Requirements (sqm)	Industrial B1c/B2 Requirements (ha)	Strategic Warehousing Requirement (ha)
Forecast	5,200	7.20	0.00
Tier One Supply	0	0.00	0.00
Tier Two Supply	12,550	3.00	0.00
Balance	7,350	-4.20	0.00

Source: Leicester and Leicestershire Local Enterprise Partnership, 2013

Leicester and Leicestershire Strategic Distribution Sector Study – Leicester and Leicestershire Housing Planning and Infrastructure Group (2014)

2.14 The Distribution Sector Study, "*develops a recommended strategy designed to maintain and enhance the county's established competitive advantage and enable growth for the strategic distribution sector in Leicestershire*." It is preceded by Parts A (Review and Research) and B (Planning for Change and Growth).

2.15 Section A is summarised as:

- *"The southern part of the East Midlands region, of which Leicestershire in part, has become the competitive 'location of choice' in both supply chain cost and performance terms when sourcing and distributing on a national basis*
- *A significant quantum of large scale warehouse floor space has been developed in the golden triangle – 2.25 million square metres of floor spaces across 89 warehouse units in Leicestershire – predominantly serving a national market*
- *LLEP Strategic Economic Plan 2014-2020: 51,300 jobs in the LLEP area in distribution and logistics, accounting for 12 percent of local employment*
- *21 percent of the LLEP area Gross Value Added from strategic distribution."*

2.16 Section B is summarised as the following:

- *"Preferred high replacement land use forecast suggests that around 50 ha of* *new land at rail-served sites will need to be brought forward by 2031 once existing consents and pipeline sites are accounted for*

- *Preferred high replacement scenario suggests around 107 ha of new land at non rail-served sites will need to be brought forward within Leicestershire up to 2031*
- *The recycling of plots at existing sites may contribute towards meeting the identified land use requirement to 2031, albeit this issue will need to be addressed by a separate future commissioned study."*

2.17 The total gross warehouse new-build which can be expected by 2031 is demonstrated in Table 6 below, together with the associated land requirements for the preferred high replacement scenario.

Table 6 – Total Gross New-Build Floor Space and Associated Land Requirements to 2031*

	000s		
Year	**2021**	**2026**	**2031**
Leicestershire			
Replacement Build	675	900	1,260
Growth Build	87	136	185
Total	**762**	**1,036**	**1,445**
Land Required (ha)	**191**	**259**	**361**
	000s		
Year	**2021**	**2026**	**2031**
East Midlands			
Replacement Build	2,417	3,222	4,511
Growth Build	501	779	1,059
Total	**2,918**	**4,001**	**5,570**
Land Required (ha)	**730**	**1,000**	**1,393**

**Land required = floorspace is 40 percent of plot footprint*
Source: Leicester and Leicestershire Housing Planning and Infrastructure Group, 2014

2.18 Criteria are provided to rationalise any decisions made when identifying and assessing potential new sites for strategic distribution. Sites considered to be appropriate for hosting such a use should meet the following criteria:

- *"Good connections with the strategic highway network – close to a junction with the motorway network or long distance dual carriageway*
- *Appropriately located relative to the markets to be served*

- *Offers modal choice; is served by a railway line offering a generous loading gauge (min. W9), available freight capacity and connects to key origins/destinations directly without the requirement to use long circuitous routes*
- *Is sufficiently large and flexible in its configuration so that it can accommodate an intermodal terminal and internal reception sidings*
- *Is sufficiently large and flexible in its configuration so that it can accommodate the size of distribution centre warehouse units now required by the market*
- *Is accessible to labour, including the ability to be served by sustainable transport, and located close to areas of employment need*
- *Is located away from incompatible land-uses."*

2.19 Following these criteria, the core market locations for major logistics locations in the county are:

- The M1 Corridor North West of Leicester/East Midlands Main Line – North West Leicestershire, Charnwood, east Hinckley and Bosworth
- M42 Corridor/East Midland Airport – North West Leicestershire
- M69 Corridor/Leicester-Nuneaton Railway Line – Blaby and Hinckley and Bosworth
- The M1 Corridor North West of Leicester – West Harborough.

2.20 These locations all fall outside of the Borough of Oadby and Wigston and the east of the county generally.

Local

Oadby and Wigston Adopted Core Strategy – Oadby and Wigston Borough Council (2010)

2.21 The Adopted Core Strategy sets out the vision, spatial objectives and planning strategy for the Borough up to 2026. It aims to increase the quality of employment land available in the Borough, however it will also be required to "*balance the availability of employment land and premises in the context of the overall strategy for employment land in the Leicestershire Housing Market Area."*

2.22 So that the Vision and Strategy can be effectively delivered, several spatial objectives are set out. Relevant to this study is '*Spatial Objective 5: Improved*

Employment Opportunities', which asserts that: "*New employment land will be provided in the Town Centres, in South Wigston and in the Direction for Growth at Wigston. The new employment land will provide opportunities to consider relaxing the need to protect the existing employment areas for employment uses beyond 2026 and to investigate their use for alternative types of development more appropriate to the local area*."

2.23 '*Core Strategy Policy 1 – Spatial Strategy for Development in the Borough of Oadby and Wigston'*, highlights the following policy actions, to:

- Allocate land for the development of a minimum of 1,800 new dwellings (90/year) between 2006 and 2026
- Identify land for the development of 5,800 sqm of office floor space to be provided in the centres of Wigston and Oadby, and 1.3 ha of industrial and warehousing land between 2008 and 2026. Freehold land and premises should account for at least 25 percent of the total requirement
- Focus residential development in the centres of Oadby (80 new dwellings), Wigston (170 dwellings) and South Wigston (150 dwellings)
- Provide a target of approximately 200 new dwellings on suitable land outside of Oadby and Wigston Town Centre Masterplan areas and outside of the South Wigston Masterplan area, but within the Leicester Principal Urban Area. Suitable sites will be identified in the Allocations Development Plan Document
- Make provision for one Direction for Growth of approximately 450 new homes adjoining the Leicester Principal Urban Area on land to the south east of Wigston in the Allocations Development Plan Document. The Wigston Direction for Growth will include in the region of 2.5-3.5 ha 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.

2.24 '*Core Strategy Policy 2 – Development in the Centres of Oadby, Wigston and South Wigston'*, asserts that the role of Wigston as the Borough's main Centre, as well as the roles of Oadby and South Wigston as district centres, will be sustained and enhanced:

- Approximately 6,000 sqm of gross office floorspace will be provided and split between the centres of Wigston (5,000 sqm) and Oadby (1,000 sqm)

- Approximately 20,000 sqm of gross retail floorspace will be split between Wigston (13,000 sqm), Oadby (5,000 sqm) and South Wigston (2,000 sqm).

2.25 ‘*Core Strategy Policy 3 – Regeneration Schemes’*, notes that the Borough Council will require the production of Masterplans, Development Briefs and/or other appropriate plans or strategies where large-scale change of regeneration schemes are proposed. Schemes such as the Wigston Development for Growth would fall under this criterion.

Emerging New Local Plan: Pre-Submission Draft – Oadby and Wigston Borough Council (2017)

2.26 The Local Plan establishes a Vision and several Spatial Objectives which underpin the policies and proposals in the Plan. Relevant to this study *‘Objective 5 – Improved Employment Opportunities’* seeks to:

- support a diverse range of employment opportunities by appropriate management of existing employment sites, as well as providing for new and additional employment land at the most sustainable locations. This will, in turn, achieve a better balance between the location of jobs and housing which will reduce the need to travel and promote sustainable growth;
- allocate new employment land that will provide opportunities for fresh employment uses and accommodation that will meet the needs of local businesses with intentions to grow and / or that wish to be situated within bespoke modern facilities; and,
- protect existing employment areas to ensure adequate provision of local employment opportunities for residents in the Borough.

2.27 ‘*Policy 4.2 – Spatial Strategy for Development in the Borough’* suggests that sufficient employment land will be allocated over the Plan period up to 2031. Development will be focused in the centres of Oadby, Wigston and South Wigston, as well as the wider Leicester Principal Urban Area in the Borough. Through the Wigston Direction for Growth area, a provision of 2.5 ha of new employment land will be allocated as part of Phase One development, with a further 2.5 ha of employment land for Phase Two.

2.28 ‘*Policy 7.6 – Regeneration Schemes and Large Scale Change’* notes that in the case of regeneration schemes or large scale change (e.g. greenfield release sites), the

Council will require the production of, either, Masterplans, Development Briefs and/or other appropriate plans or strategies. These should:

- *"Identify sites suitable for new development or redevelopment and set out the appropriate uses*
- *Conserve and enhance heritage assets and their settings*
- *Establish a spatial and sustainable pattern of growth*
- *Identify constraints to development and illustrate how these will be overcome.*
- *Identify all sensitive features and measure for protection*
- *Illustrate all relevant access, transport and potential traffic issues, as well as mitigation measures*
- *Establish priorities for implementation along with timescales and sources of funding*
- *Take account of local landscape and/or townscape character in the design of the scheme*
- *Set out the necessary infrastructure needed to bring the site forward*
- *Take into account all other relevant policies within this Local Plan."*

2.29 '*Policy 8.4.1 – Protecting Identified Employment Areas'* suggests that, in accordance with guidance set out in the Employment Sites Supplementary Planning Document, the Council intends to protect Core Identified Employment Areas, safeguarding them for B1, B2 and B8 uses only. Proposals outside of these uses will only be considered acceptable on Base Identified Employment Areas if they can demonstrate that the alternative use:

- *will not have an adverse impact on any other employment use(s) in the identified employment area in which it is located;*
- *will not significantly reduce the overall supply and quality of employment land and premises within the locality;*
- *will deliver economic regeneration benefits to the site and/or area or there will be a significant community benefit which outweighs the impact;*
- *will involve a vacant building for which there is clear and robust evidence of proactive marketing (a minimum of twelve months), with registered commercial agents at a reasonable price, to demonstrate that there is no realistic prospect for continued employment use; and,*
- *the site/premises are no longer suitable or reasonably capable of being redeveloped for employment purposes."*

Local Plan: Saved Policies – Oadby and Wigston Borough Council (2013)

2.30 Several policies have been saved from the earlier, 1999 Oadby and Wigston Local Plan. Chapter 7 – Industry and Employment, addresses the level of land allocations and policies relevant to new development in the Borough. '*Employment Proposal 1*' (EP 1) states that…. *"within those identified employment areas indicated on the Proposals Map, development, redevelopment or changes of use for employment purposes will be permitted. Proposals to change the use of land or buildings from B1, B2 or B8 to any use outside Class B1 will not be permitted unless:*

- *The new use is complimentary or ancillary to an existing or proposed employment use; or*
- *The land and buildings are unfit for employment purposes; and*
- *An alternative comparable site for employment is made available within the local plan built up area."*

2.31 Saved policy EP 4 [OLP] discusses the fact that new employment developments, or those intending to change the use of industrial or warehousing units, close to residential properties, will not be granted without planning conditions to ensure that the amenities of adjoining residents are protected.

2.32 EP 9 asserts that "*planning permission will not be granted for new speculative development on employment allocations, or speculative redevelopment in identified employment area, unless a range of unit sizes is provided*."

2.33 EP 10 states that the approval of planning permission for the redevelopment or conversion of existing employment uses outside the identified employment areas will be approved in cases where the premises are deemed no longer suitable by the Local Planning Authority, or there is an existing conflict between the approved use and its surroundings.

2.34 EP 11 looks in greater specificity towards the land bounded by Station Street, the railway line, properties on Bennett Way, and north of the public car park. Applications for development for employment purposes here will be permitted where:

- *"All vehicular access is from Bennett Way and improvements are provided to the junction with Blaby Road to facilitate right turning movements*
- *There is no significant adverse impact on nearby residential properties*
- *The site is used for light industry and office use (Class B1 (Business) Use)*

- *Appropriate landscape screening is provided*
- *A high quality of design is achieved."*

Employment Sites: Supplementary Planning Document (SPD) – Oadby and Wigston Borough Council (2011)

2.35 The purpose of this SPD is to support the Council's planning policies in relation to Identified Employment Sites (Employment Areas) and other employment land within the Borough of Oadby and Wigston. The SPD established the circumstances in which the release of employment land and premises for alternative uses will be considered and builds upon the Council's economic development objectives contained in the other adopted policy documents.

2.36 The identified employment sites/areas in question are listed in Table 7 below. "*The scope of this Supplementary Planning Document therefore extends to all sites and premises that are currently in, or were last in employment use (where vacant and sites proposed for new employment use."*

Table 7 – List of Identified Employment Areas and Other Employment Sites

Identified Employment Areas	Other Employment Sites
Magna Road, South Wigston	Highfield Drive, Wigston
Tigers Close, South Wigston	Canal Street, South Wigston
St Thomas Road, South Wigston	Park Road, South Wigston
North Street, Wigston	Station Street, South Wigston
Chartwell Drive, Wigston	Kirkdale Road, South Wigston
Gloucester Crescent, South Wigston	
Cross Street/Regent Street, Oadby	
Kenilworth Drive, Oadby	
Railway Triangle, South Wigston	

Source: Oadby and Wigston BC, 2011

2.37 The SPD sets out detailed guidance as to the policies and supporting evidence requirements for proposals that would affect Identified Employment Sites and other employment land. These Supplementary Employment Policies are as follows:

2.38 '*SEP1 – Identified Employment Sites Hierarchy'*, states that the Borough Council will implement the Identified Employment Sites Hierarchy as follows:

- Core Employment Sites – Magna Road, South Wigston; Tigers Close, South Wigston; St Thomas Road, South Wigston; North Street/Wakes Road, Wigston; Chartwell Drive, Wigston; Gloucester Crescent, South Wigston; Cross Street/Rent Street, Oadby
- Base Employment Sites – Kenilworth Drive, Oadby
- Release Employment Sites – The Railway Triangle, South Wigston.

2.39 '*SEP2 – Core Identified Employment Sites'*, states that proposals for the re-use or redevelopment of sites or premises within Core Identified Employment Sites for non-B Class uses will be resisted.

2.40 In '*SEP3 – Base Identified Employment Areas'* for sites that fall within the Base Identified Employment Sites category there will be a presumption for the retention of B Class Uses. Proposals for non-B Class uses may be acceptable where it can be demonstrated that: "*The level of employment density generated is broadly similar to that which could be expected from the existing use, or where the premises are vacant, the previous use based on the following employment density assumptions:*

- *"Office development – 18 sqm per full time equivalent employee*
- *General business development – 30 sqm per full time equivalent employee*
- *Warehouse development – 50 sqm per full time equivalent employee*
- *Non-B Use Class development – 40 sqm per employee."*

2.41 '*SEP4 – Release Identified Employment Sites*.' These sites are considered to be obsolete and no-longer viable for employment generating uses. These can therefore be released for other more appropriate uses. These sites will be removed from the portfolio of Identified Employment Sites through the Allocation Development Plan Document.

2.42 In '*SEP5 – Other Employment Land and Premises'*, proposals that would affect employment land outside of Identified Employment Areas/Sites will only be permitted in cases where: "*the proposal is in accordance with the other policy that has precedence at national or local level; the land/premises are no longer suitable/viable for employment use; there is no likelihood of the land or premises being in demand for employment use, now or in the future; and the existing use is considered incompatible with surrounding uses."*

The Adopted Town Centres Area Action Plan – Oadby and Wigston Borough Council (2013)

2.43 The Oadby and Wigston Town Centres Area Action Plan forms a part of the statutory planning basis for the determination of development proposals within the centres of Wigston and Oadby. It seeks to inform and deliver 'transformational change' over the Plan period and beyond. The document is part of the Borough Council's current Local Plan along with the Adopted Core Strategy.

2.44 '*Area Action Plan Policy (AAPP) 3 – Primary Frontages'*, asserts that although the prime function of the Centres of Wigston and Oadby is as a shopping location, the ground floor level of primary frontages will be granted for non-A1 uses, "*provided that more than 70 percent of units within all such frontages in Wigston (90 percent on Bell Street) and 65 percent in Oadby remain in A1 retail use, and no more than three consecutive units are in non-A1 use on the identified frontages*." '*AAPC 4 – Secondary Frontages'*, also asserts the need for frontages to accommodate a range of commercial uses including banks and building societies.

2.45 '*AAPP 6 – Other Areas Within the Area Action Plan Boundary'*, states that "*areas that are located outside the town centre boundary but within the Area Action Plan boundary are primarily residential in nature and therefore proposals that harm the residential amenity of these areas will not be permitted."* To this end, proposals for new development or change of use of buildings over 200 sqm that would be better located within the core of the centre ("particularly A1 retail of B1 Office uses but also including leisure development") will only be granted permission if it can be proven that developments will not result in any harm to local amenity or the viability of the centre.

2.46 Wigston Centre's primary function is as a retail centre. The Centre has very little office accommodation, which potentially presents an issue about having a competitive edge with Oadby, which has a comparatively large amount of office accommodation. The Council intends to pursue the regeneration of the Centre with private and public-sector partners to achieve the following approximate levels of development:

- 9,000 sqm new office floorspace including a new health centre
- 11,800 sqm new retail floorspace (gross)
- 150 new residential units

- At least 500 car parking spaces
- The extension of The Lanes to secure a continuous pedestrian spine
- New and improved areas of the public realm as well as improvements to public transport facilities along Bull Head Street and Leicester Road.

2.47 Wigston's Masterplan established three key areas of change within the town, which form the key allocations for Wigston Centre:

- Burgess Street / Junction Road – 'Burgess Junction' – including 9,400 sqm new retail floorspace; 8,725 sqm new commercial floorspace; multi-storey car park to provide at least 400 spaces; public realm improvements.
- Paddock Street – 'Long Lanes' – residential led site comprising approximately 150 residential units in a mix of town house and apartments and of mixed tenure; new retail/leisure provision of 620 sqm.
- Frederick Street/Bell Street – 'Chapel Mill' – including new retail development (1,765 sqm) up to three storeys and a standalone office development on Frederick Street (1,750 sqm) of up to three storeys in height.

2.48 Oadby Centre offers "*a reasonable range of office space relative to its size, however demand is being limited by its close proximity of Leicester City Centre and by the office parks around Junction 21A of the M1."* The Council is pursuing the regeneration of Oadby District Centre, which will include:

- 800 sqm new commercial floorspace
- 5,070 sqm new retail floorspace (gross)
- 75 new residential units
- At least the existing number of car parking spaces.

2.49 This is to be implemented through two keys sites:

- Brooksby Square – new residential development fronting Harborough Road of at least 35 residential units, with new public square at the end of South Street.
- Baxter's Place – including 2,170 sqm new retail floorspace; 800 sqm new commercial floorspace at upper floors; car parking to provide at least 210 spaces; 1,275 sqm community use.

Employment Sites and Brownfield Land Study – Oadby and Wigston Borough Council (2010)

2.50 The Employment Sites and Brownfield Land Study was commissioned by Oadby and

Wigston Borough Council to assess the Borough's employment and other brownfield land with the purpose of providing evidence to support policies and proposals for future Development Plan Documents (DPD), Supplementary Planning Documents (SPD) and Economic Development Strategies, within the Borough for the period to 2026. It should be noted that the study's findings on individual Employment Areas are incorporated and updated in Section 6.0 of this Employment Land and Premises Study.

2.51 It notes that the Borough contains a strong concentration of industrial manufacturing and distribution floorspace (94 percent) with a "*small (6 percent), but valuable office sector presence.*" Much of this stock is over thirty years old, often lacking in good quality links to strategic road access. There are however very low vacancy levels (4.3 percent), falling to zero in some sites.

2.52 There is a limited supply of new land for development available in the Borough where the most recent developments have been at the railway sidings on Chartwell Drive (fully occupied) and the playing fields at Tigers Close (one let), however "*this may be related to the limited scope for negotiation in the quoted rental levels due to the cost of constructing modern industrial units."*

2.53 The report suggests that, based on findings the Sub Regional Employment Land Study:

- 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)
- 6 ha of industrial and warehousing employment land to be recycled along with 3,515 sqm of office space
- 11,500 sqm of new office floorspace to be provided to accommodate growing sectors (8,000 sqm) and to replace obsolete stock (3,500 sqm).

2.54 The report demonstrates that the land requirements for office use stemming from the Sub Regional Employment Land Study need not be changed and will remain up to 5,800 sqm of offices to be provided in the Oadby Masterplan (1,225 sqm) and

Wigston Masterplan (4,675 sqm). From here however, it is also asserted that regarding industrial/warehouse space, there is less obsolescence in warehousing than was assumed and more recycling is needed to meet wider objectives.

2.55 The survey finds that most of the major warehousing sites (Chartwell Drive and Magna Road), are housed in modern buildings unlikely to require the higher rate of renewal assumed in the Sub Regional Employment Land Study. Analysis also identified the scope to partially recycle most of the base employment sites, including certain sites like Kenilworth Road which need to be turned around to meet more modern employment needs.

Oadby and Wigston Employment Land Study – Oadby and Wigston Borough Council (2006)

2.56 This report, the Borough's last formal Employment Land Study, assessed the supply of and demand for employment land and premises in the Borough of Oadby. It was carried out on behalf of Oadby and Wigston Borough Council, Leicestershire County Council and the then Leicestershire Economic Partnership. It comprised three main elements:

- *"An assessment of the Borough's economy that will inform the amount, location and type of employment land and premises required to facilitate its development and growth*
- *A review of the current portfolio of employment land and premises*
- *Recommendations on the future allocation of employment land and premises to maintain the Borough's economic growth*."

2.57 It provided inspection and mapping of the Borough's B1, B2 and B8 properties and Employment Areas (the categorisation of which is considered further in Section 6.0 of this study) and noted a lack of quality or modern properties. Private sector commercial property agents, contacted for the study, reported that generally industrial need far outweighs office. Requirements are for the smaller end up to 200 sqm offices; 100-500 sqm industrial.

2.58 There were few vacant premises in the Borough, in part reflecting the small property market generally. There were shortages at either end of the size spectrum in both office and industrial sectors, very small space for micro businesses (up to 100 sqm) and units of above 2,000 sqm into which growing, local businesses can expand.

2.59 The major issue affecting the Borough is the ready availability of employment land in accessible locations. In 2006 the land supply was realistically only 1.35 ha. The shortage of available land was manifesting itself in pent-up property demand throughout the Borough and the rest of the Leicester and Leicestershire Urban Area (LLUA). There were also very few available offices of any sort. There were also few industrial properties, with shortages in the 0-200, and 2,000 plus sqm size bands against identified requirements. There was a lack of freehold space and modern premises to meet the requirements identified.

2.60 Based on historic take-up rates and Structure Plan guidance, the Borough had a shortage of employment land for B1 light industrial, B2 and B8 uses to 2016. An additional 6.4 ha was required based on past take-up rates, the preferred method, or 4.67 ha based on a survey of local businesses.

2.61 The key recommendations were to:

- *"Strategically reconsider the Borough's employment land supply situation, as the Structure Plan guidance to allocate a Strategic Employment Site of 15 ha is questionable*
- *Allocate a further 4.67-6.02 ha of employment land in addition to the existing 1.35 ha that is currently available for the period 2005-2016. This equates to less than half the remaining 1996-2016 Structure Plan allocation requirement of employment land needed for the Borough*
- *More land needs to be allocated close to the strategic highway network where possible. This includes the provision of freehold land and premises (available independent of developers direct to owner-occupiers), which should account for approximately 20 percent of the total*
- *Make planning policy stronger to prevent the loss of existing employment land and premises to higher value uses*
- *Assess whether there are other areas of the Borough that are being underused in any way. The Borough has limited land and its use needs to be maximised, this could be looked at in connection with any urban capacity studies carried out*
- *There has to be strategic cross-border co-operation, facilitated at the regional level, to allocate sufficient employment land to allow the LLUA to grow and catalyse improvements throughout the sub-region*

- *Continue the planning policy to limit major out-of-town office development to promote sustainable development*
- *Maximise public sector support to facilitate the development of serviced offices and managed workspaces. The former to help boost the service sector; focus on the attraction of smaller businesses because of the Borough's accessibility issues, and capitalise on the University of Leicester's presence. The latter recognising the industrial strengths of the Borough*
- *There is little the Borough can do about its location, but if possible the feasibility of improving communication networks to Leicester City Centre and the M1 should be considered in conjunction with Leicestershire County Council*
- *Review and monitor this position and undertake the study again in the future*."

Summary

2.62 It is a responsibility of local government to support and encourage economic growth. This includes the provision, initially through planning policy, of sufficient employment land and premises. This must be of the right scale, type, location, be readily available for development and be well related to the strategic or local highway network according to the nature of the site and the function of the settlement. One of the most important issues to consider is that the land must be allocated in sustainable locations and be readily capable of development. The employment land portfolio needs to be balanced and to adequately cater to all sectors of the economy, i.e. small and large businesses, offices and industrial, high and low quality operations.

2.63 The Adopted Oadby and Wigston Core Strategy identifies the following local land needs to 2026:

- 5,800 sqm of office floor space to be provided in the centres of Wigston and Oadby and 1.3 ha of industrial and warehousing land between 2008 and 2026. Freehold land and premises should account for at least 25 percent of the total requirement
- One Direction for Growth of approximately 450 new homes adjoining the Leicester Principal Urban Area on land to the south east of Wigston. The Wigston Direction for Growth will include in the region of 2.5-3.5 ha of new B1 and/or B2 employment land.

2.64 The emerging Local Plan indicates that the Wigston Direction for Growth area, will comprise 2.5 ha of new employment land to be allocated as part of Phase One development, with a further 2.5 ha of employment land for Phase Two.

2.65 Leicester and Leicester-wide HEDNA Study (2017) identifies greater employment land needs for the Borough of Oadby and Wigston. These equate to up to 1 ha of B1(a, b) land over 2011-2031 and up to 4 ha of B8 land, for sub-9,000 sqm warehouses, over 2011-2031. In comparison, the earlier Leicester and Leicestershire Housing Market Area Employment Land Study (2013) identified local needs to 2010-2031 for 5,200 sqm of offices.

2.66 HEDNA, reflecting the earlier Leicester and Leicestershire Strategic Distribution Sector Study identifies a county-wide need for 361 ha of land for strategic logistics uses to 2031. The Borough of Oadby and Wigston is outside of the desirable market areas for these uses however.

3.0 SOCIO-ECONOMIC PROFILE

Introduction

3.1 This section provides a summary profile of the prevailing social and economic conditions in the Borough of Oadby and Wigston. It aims to provide the socio-economic context which shapes employment land demand and supply factors in the study area to facilitate sustainable growth.

3.2 Reflecting both NPPF and PPG guidance, local planning authorities should have a clear understanding of needs and stronger indication of performance against neighbouring areas, as well as sub-regional and national averages.

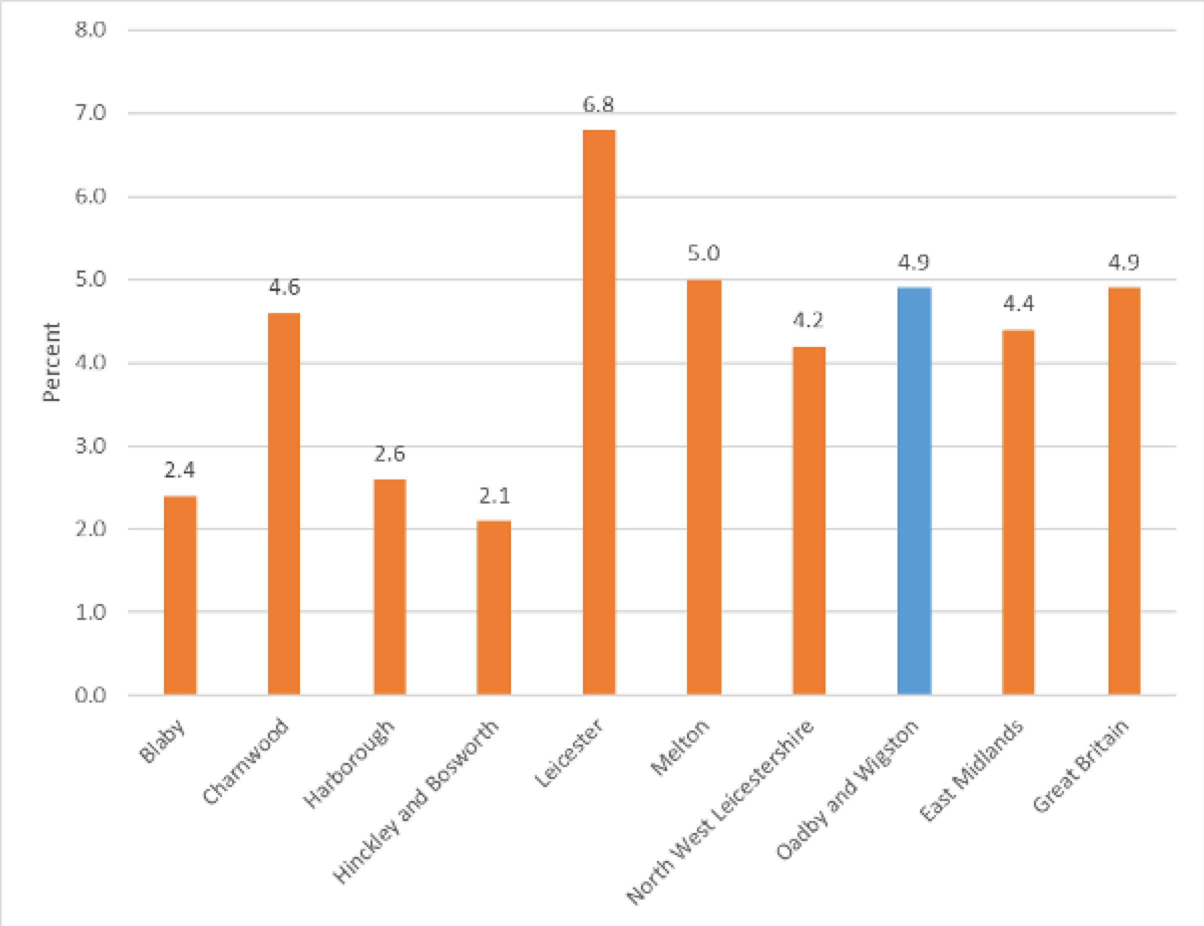
3.3 It should be noted that commuting patterns are discussed in Section 7.0 where they help to define the functional economic market area. A functional economic market area for the Borough of Oadby and Wigston, reflecting PPG, is defined in Section 7.0. This comprises the other local authority areas of Leicester and Leicestershire. Where relevant, comparisons are made between the Borough and these locations.

Demographic Assessment

3.4 The population of the Borough was 55,800 as of the latest (2016) ONS Population Estimates. This was 1.2 percent of the East Midlands total (4.7 million). Within that population the following can be noted:

- As of December 2016, 77.6 percent of the Borough's working age population was in employment (25,700 residents). This is notably above the East Midlands (73.4 percent) and national (72.7 percent) averages
- Also in December 2016, the Borough had an unemployment rate (4.9 percent), matching the figure for Great Britain whilst sitting 0.5 percent higher than the figure for the wider East Midlands. Compared to its neighbours (Figure 2), some of whom boast an unemployment rate of less than 3 percent (including Blaby, Charnwood and Harborough), the Borough of Oadby and Wigston's unemployment rate could be considered to be high – however it is still some way below the 6.8 percent figure recorded in Leicester City.

Figure 2 – Unemployment Rates*



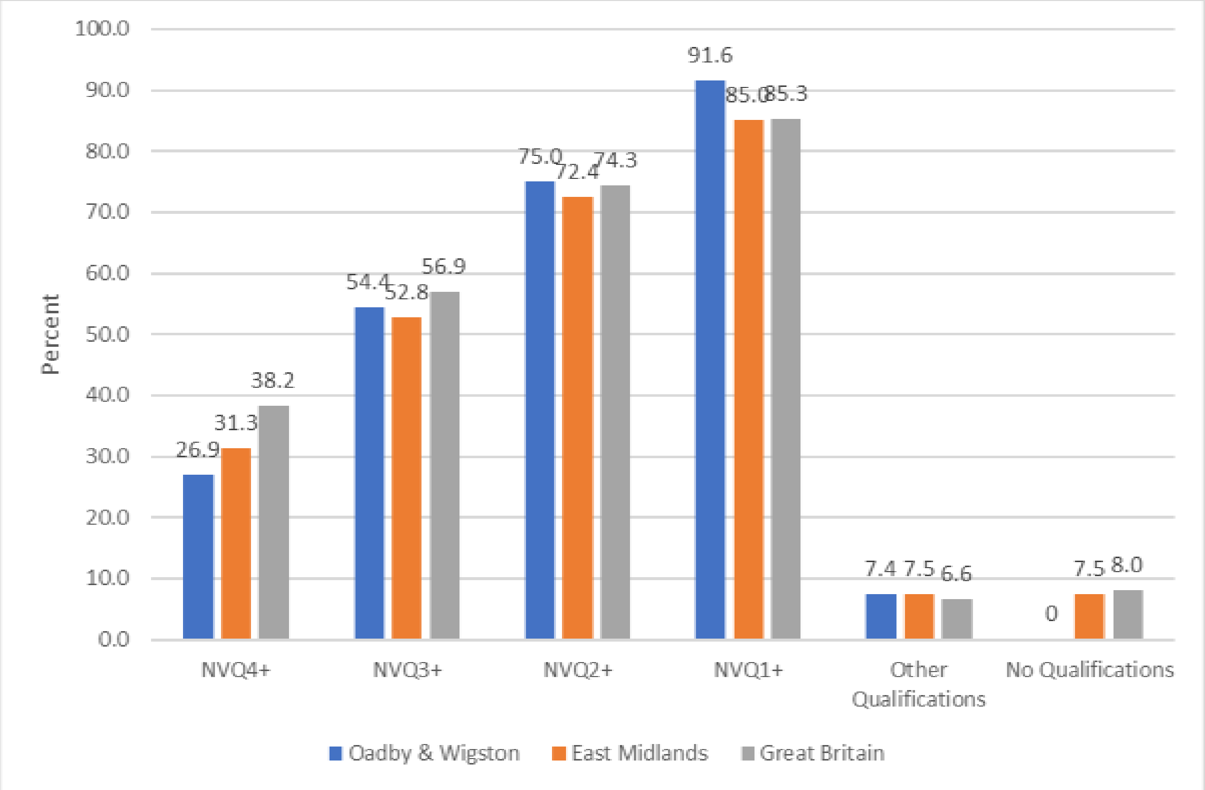
Source: ONS Annual Population Survey, 2016
**Percentage of economically active population*

- Deprivation is not a significant issue in the Borough of Oadby and Wigston. In the national Index of Multiple Deprivation (IMD) 2015, the Borough is ranked as the 249th most deprived local authority area in England (out of 326 local authority areas). Thus, there are only 77 local authority areas in England with a lower rate of deprivation.
- There are 34 Lower Super Output Areas (LSOAs) in the Borough, 40 percent of which were amongst the 20 percent least deprived in the UK. Further to this, there are currently no local LSOAs in the Top 20 percent least deprived in the UK. Within this limited local context, the areas of highest deprivation are found in West Wigston and South Wigston. The eastern suburbs of Oadby and the southern suburbs of Wigston have the lowest levels of deprivation locally
- Figure 3 shows that the National Vocational Qualification (NVQ) level attained by the working age population of the Borough compares well to wider regional and national averages. For more basic NVQ1+/2+ attainment especially, the

average is considerably higher. It should be noted however that the average for NVQ3+ drops down slightly, and again further for NVQ4+

- The proportion of residents with no qualifications in the Borough of Oadby and Wigston is noted as negligible and for statistical purposes at least, reported at a level of zero.

Figure 3 – Qualifications



Source: ONS Annual Population Survey 2016

Employment by Occupation

3.5 Table 8 measures local economic activity using Business Register and Employment Survey (BRES) data. BRES provides details of the number of jobs within differing industry sectors within a local authority area. The figures show that:

- The local role of the public sector is slightly above average with 30 percent of the area's workforce employed in public administration, education and health, in 2016. The highest count amongst these is in education at 13.5 percent, which is well above wider averages. This will reflect employment at South Leicestershire College as well as schools. Public administration employment will include local residents who work at HMP Glen Parva and the government offices on Tigers Road, as well as Borough Council employees

- The local manufacturing sector accounted for 17.6 percent of jobs locally in 2016, well above the regional average of 13.5 percent and most notably the national average of 8.2 percent. This reflects the presence of some proportionally large manufacturing and production businesses in Wigston/South Wigston, including the Jacobs factory on Canal Street
- Transport and storage has a relatively modest role locally, with the proportion employed locally in this sector (2.6 percent) being around half the regional average
- The local retail sector employs 13.6 percent of the current workforce, the second highest proportion behind manufacturing. Although above both the regional and national averages.

Table 8 – Economic Activity

	Employment Structure			
	Oadby and Wigston		East Midlands	Great Britain
	No.	Percent	Percent	Percent
1: Agriculture, forestry and fishing*	3	0.0	0.9	0.7
2: Mining, quarrying and utilities	78	0.5	1.8	1.3
3: Manufacturing	3,060	17.6	13.5	8.2
4: Construction	816	4.7	5.0	4.5
5: Motor trades	145	0.8	2.0	1.8
6: Wholesale	932	5.4	4.5	4.0
7: Retail	2,360	13.6	10.4	9.9
8: Transport and storage (inc postal)	453	2.6	5.1	4.6
9: Accommodation and food services	739	4.3	5.6	7.1
10: Information and communication	255	1.5	2.2	4.2
11: Financial and insurance	298	1.7	1.8	3.5
12: Property	191	1.1	1.2	1.7
13: Professional, scientific and technical	545	3.1	6.1	8.3
14: Business administration and support services	1,446	8.3	10.3	8.8
15: Public administration and defence	664	3.8	3.8	4.4
16: Education	2,347	13.5	9.4	9.2
17: Health	2,246	12.9	12.6	13.2
18: Arts, entertainment, recreation and other services	796	4.6	3.9	4.4
Total	**17,373**	**100.0**	**100.0**	**100.0**

Source: Business Register and Employment Survey, 2016

**Excludes farm based agriculture.*

- The strongest office-based sectors locally are business administration and support services, along with public administration and defence. Business administration employment is below wider averages though. The professional, scientific and technical sector employed only modest numbers locally, 3.1 percent, compared to an East Midlands average of 6.1 percent and a national average of 8.3 percent. As is discussed below however, the number of local businesses in that sector is proportionally high
- Several sectors have a comparatively weak role in the Borough. Agriculture and mining are unsurprisingly so, although farm labour in the Borough's countryside areas is not recorded. Motor Trade also accounts for less than one percent of local employment.

Numbers and Sizes of Businesses

3.6 ONS data identifies that there were 1,915 VAT and PAYE registered businesses operating in the Borough in 2016. This is increased from 1,470 VAT registered businesses operating in the Borough in 2011, as identified in the 2011 Census, demonstrating a strong growth rate of around 23 percent in five years.

3.7 On a national scale 89.1 percent of businesses in Great Britain employ less than ten people (micro businesses), 98 percent of businesses are classified as small (up to 49 employees).

3.8 The Borough broadly follows the national pattern but with a slightly more pronounced proportion of micro firms employing 1-4 people. Table 9 below shows that 89 percent of businesses in the Borough employ less than ten people, while all those registered as small businesses total 98.7 percent. On the larger side, only five local businesses were identified as having more than 250 employees in the Borough in 2016.

Table 9 – Business Sizes

Area	Number/ Percentage	Employees						
		1-4	5-9	10-19	20-49	50-99	100-249	250+
Oadby and Wigston	Number	1,500	205	120	65	10	15	5
	Percent	78.3	10.7	6.3	3.4	0.5	0.8	0.3
East Midlands	Number	132,065	20,910	10,495	5,745	1,820	1,030	635
	Percent	76.5	12.1	6.1	3.3	1.1	0.6	0.4
Great	Number	1,931,755	284,110	144,775	76,455	24,820	14,015	9,485

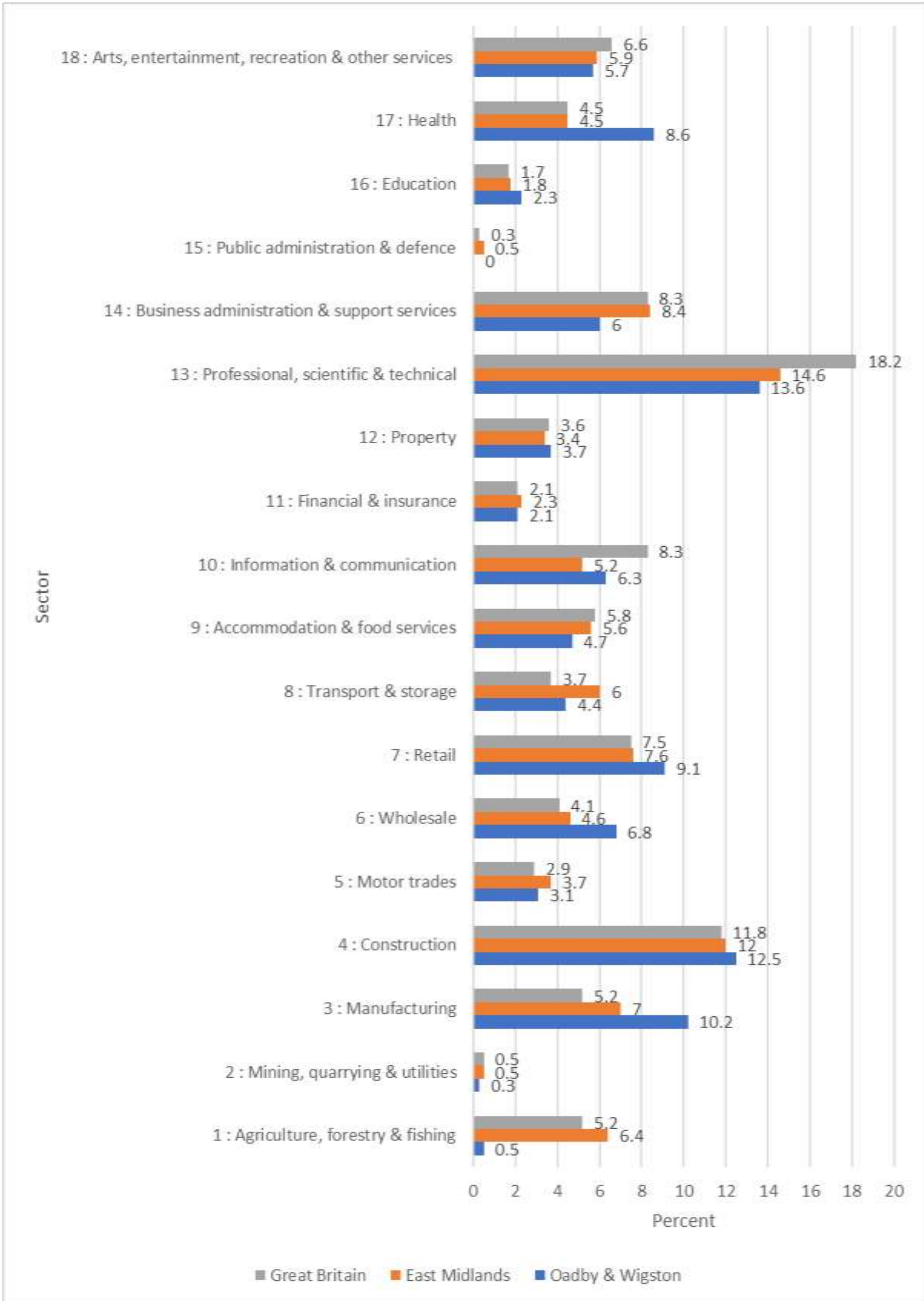
Britain	Percent	77.7	11.4	5.8	3.1	1.0	0.6	0.4

Source: ONS UK Business Counts – Enterprises, 2016

3.9 The total number of businesses can be broken down further by industry sector. Figure 4 (overleaf) shows that:

- The highest proportion of businesses in the Borough is in the office based professional, scientific and technical sector (13.6 percent). This includes a range of professional uses such as architects and solicitors, alongside research and development businesses. As employment in this sector, as noted above, is not high, this suggests the Borough accommodates several somewhat larger businesses in this sector
- The second most populous sector is retail whose proportion is almost 2 percent higher than the wider areas of study. This reflects the proportionate strength of the three centres as business locations
- The construction sector is the third largest (12.5 percent) and the proportion of businesses in the Borough of Oadby and Wigston is just ahead of both the regional and national percentages
- The Borough has a notably large health sector, which whilst only accounting for 8.6 percent of the Borough's enterprises, is considerably above the 4.5 percent noted on a regional and national scale respectively
- The local manufacturing sector comprises 10.2 percent of businesses, considerably larger than the national figure of 5.2 percent and slightly higher than the regional figure of 7.0 percent. This again illustrates the strength of local manufacturing
- Mining, quarrying and utilities and agriculture, forestry and fishing sectors account for negligible business proportions of 0.3 and 0.5 percent respectively. The Borough of Oadby and Wigston is understandably some way behind both the region and the nation in terms of agriculture enterprises, whose proportions are 6.4 and 5.2 percent respectively.

Figure 4 – Businesses by Sector, Percent



Source: ONS UK Business Counts – Enterprises, 2016

Premises Supply

3.10 Table 10 shows the supply of office and industrial premises (hereditaments identified by the Valuation Office for the purposes of business rates collection) by unit. The most recent Valuation Office data available at the local authority level is 2012, so will not include any recent development.

Table 10 – Distribution of Premises, Number of Units

	Factories/ Warehouses	Offices
Blaby	640	420
Charnwood	1,550	580
Harborough	760	620
Hinckley and Bosworth	1,110	370
Leicester	3,950	1,680
Melton	530	150
North West Leicestershire	1,080	630
Oadby and Wigston	***490***	***130***
East Midlands	42,060	21,890
England	424,910	340,890

Source: ONS Commercial and Industrial Floorspace, 2012

3.11 In 2012, the Borough of Oadby and Wigston had 490 industrial/warehouse units, 4.8 percent of the total of neighbouring local authorities (listed in Table 10 above) and 1.2 percent of the East Midlands region's industrial stock. In terms of offices, the Borough has 2.8 percent of the local authorities' group stock.

3.12 In addition, Table 11 below shows the supply of office and industrial premises by floorspace. From this 2012 data, the Borough had 361,000 sqm of industrial/warehouse space, 1.0 percent of that present in the East Midlands region. The Borough also had 31,000 sqm of office stock, 0.6 percent of the East Midlands region's supply. As with the above figures for stock based on number of units, the Borough had the lowest amount of floorspace amongst the authorities situated within the Leicester PUA.

Table 11 – Distribution of Premises, Floorspace, Sqm

	Factories/ Warehouses	Offices
Blaby	670,000	208,000
Charnwood	1,245,000	140,000
Harborough	1,248,000	86,000

	Factories/ Warehouses	Offices
Hinckley and Bosworth	1,026,000	83,000
Leicester	2,608,000	482,000
Melton	494,000	48,000
North West Leicestershire	1,429,000	149,000
Oadby and Wigston	***361,000***	***31,000***
East Midlands	37,787,000	4,991,000
England	304,853,000	89,250,000

Source: ONS Commercial and Industrial Floorspace, 2012

Homeworking

3.13 In the Borough of Oadby and Wigston, homeworking accounted for 8.9 percent of the working age population in employment in the 2011 Census, which remains the key data source for assessing homeworking. This proportion is below both the homeworking level across the East Midlands (10.7 percent) and England (10.9 percent). The result is unsurprising given that the Borough is a suburban Borough with easy access to all the employment opportunities of the Leicester Conurbation and a limited rural catchment.

Earnings

3.14 Pay levels in the Borough are amongst the lowest in Leicester and Leicestershire (see Table 12). In 2016, average weekly pay in the Borough of Oadby and Wigston was £444.1/week when measured by place of work and £460.0/week when measured by place of residence. By place of work, the Borough records the lowest gross median weekly pay amongst its local authority neighbours. This low pay problem is also further cemented by looking at pay by place of residence, in which the Borough is all but the lowest again, appearing just higher than Leicester City (£436.1/week).

3.15 On both counts the Borough is notably below the gross median weekly pay for both the East Midlands and England. The East Midlands however is much above the figure reported for the country, so clearly the Borough of Oadby and Wigston is closer in line to the national average than the average for the region.

3.16 Table 12 demonstrates that the Borough is most closely related to Melton than any other of its neighbouring authorities in terms of median pay, on both counts. In its 2015 Employment Land and Premises Study, Melton was reported to have a low pay problem, but local pay was slightly ahead of the Borough of Oadby and Wigston which sat at the bottom of the list of local authorities for the Leicester and Leicestershire area. The Borough of Oadby and Wigston has improved from the £303.3/week (by place of work) reported in 2013, bolstering not only its own pay figures, but also moving closer to Melton in the process.

Table 12 – Average Weekly Earnings

Area	Gross Median Weekly Pay, £ (Analysis by place of work)	Gross Median Weekly Pay, £ (Analysis by place of residence)
Blaby	482.8	566.0
Charnwood	498.1	535.1
Harborough	519.2	607.2
Hinckley and Bosworth	476.1	505.7
Leicester	487.6	436.1
Melton	457.0	468.7
North West Leicestershire	523.7	510.9
Oadby and Wigston	***444.1***	***460.0***
East Midlands	540.2	541.0
England	483.2	501.7

Source: Annual Survey of Hours and Earnings 2016

Summary

3.17 The Borough of Oadby and Wigston has a population of 55,800 residents comprising an economically active, well-educated and skilled workforce. The Borough has a relatively low unemployment rate (4.9 percent), matching the figure nationally whilst sitting only 0.5 percent higher than the regional figure for the East Midlands. Several neighbouring authorities – including Blaby, Charnwood and Harborough – boast an unemployment rate of less than 3 percent, however unemployment in the Borough of Oadby and Wigston sits some way below the 6.8 percent figure recorded in Leicester.

3.18 Public sector employment in the Borough of Oadby and Wigston is above average with 30 percent of the areas workforce employed in public administration, education and health sectors, in 2016. The highest amongst these is education, which accounts for a 13.5 percent proportion, and reflects the importance of the University of Leicester, South Leicestershire College and other education institutions to the local economy.

3.19 The local manufacturing sector accounts for 17.6 percent of employment figures in 2016. This figure is much above the regional average and 13.5 percent and most notably the national average of 8.2 percent.

3.20 There were some 1,915 businesses operating in the Borough, demonstrating a marked increase in the total of 1,470 in 2011. The majority (89 percent) of these businesses are identified as micro businesses (less than ten employees), whilst all those registered as small businesses (less than 50 employees) total 98.7 percent.

3.21 Regarding the numbers of enterprises in the Borough, the professional, scientific and technical sector holds the highest proportion at 13.6 percent. This sector will include a range of professionals including architects and solicitors, alongside research and development businesses.

3.22 Elsewhere, the Borough also has significant health and manufacturing sectors which account for an enterprise proportion of 8.6 and 10.2 percent respectively. These sectors also command a level much above those recorded on both a regional and national scale, with a significant business count in the manufacturing sector cementing the notion that this does include a number of larger employers at the local level.

3.23 Average weekly pay in the Borough is currently amongst the lowest in Leicester and Leicestershire. In 2016, average weekly pay in the Borough of Oadby and Wigston was £444.1/week when measured by place of work and £460.0/week when measured by place of residence. By place of work, the Borough records the lowest gross median weekly pay amongst its local authority neighbours. With pay by place of residence, the Borough is all but the lowest again, appearing just higher than Leicester City (£436.1/week).

4.0 PROPERTY MARKET ASSESSMENT

Introduction

4.1 This section begins our consideration of the demand for land and property in the Borough of Oadby and Wigston. It first provides some brief comments on national and regional market trends which will impact on the local demand for land and premises. The local market is assessed through a quantitative review of the local supply of vacant premises alongside up to date market intelligence derived from consultations with a range of developers, scheme managers and property agents, as well as enquiries data from the Leicester and Leicestershire Local Enterprise Partnership.

National and Regional Property Markets

4.2 BE Group has long experience operating in the commercial property market across the UK, as well as in the East Midlands, and understands market perceptions and the conditions facing the industrial, logistics and office sectors, along with the wider investment market.

4.3 Some brief comments on the wider market are therefore provided below.

Industrial Market

- The national and regional picture is one of improving demand against a reducing stock of premises. There is a dearth of good quality existing buildings in prime locations, particularly for sub-1,000 sqm units and ‘mid box’ options of 5,000-10,000 sqm (Lambert Smith Hampton, 2016)
- Conditions in the UK industrial market continue to favour developers and investors as available supply in ready to occupy buildings remains restricted. E-commerce occupiers continue to drive growth, amongst those in the manufacturing sector who are performing well by recent standards. The present weaknesses appear to be represented by consumer goods firms, possibly reflecting manufacturers anticipating slower consumer demand as inflation picks up (Cushman and Wakefield, 2017)
- Prime headline rents for industrial units for sub-2,000 sqm space currently sit at £65/sqm in Leicester, which is comparable to most other Midlands cities, bar Birmingham which is achieving an average closer to £70/sqm. Ongoing supply constraints mean that upward pressure on rents is expected to continue until at least 2018, and likely further if macro economic conditions remain favourable
- At the start-up and micro business level, companies still want flexible terms and short lease lengths reflecting their inability to predict the longer term future for their company
- Owner occupiers are becoming more prevalent with the increase in business confidence

encouraging firms to expand and review their occupational requirements. This is leading to greatly strengthened freehold demand, but local markets frequently lack the freehold stock to meet needs

- This may encourage firms to relocate from areas with limited options for owner occupancy, once those businesses reach a certain stage of maturity. However, this is dependent on the nature of the business. For example, high value and high technology sectors will require a high grade of space which can only be found in certain locations
- With renewed interest from occupiers, pension funds and larger national investors, and reducing stock, it is expected that 2017 may see the growth of speculative development at the smaller end of the market, as opposed to the reduced delivery of large-scale industrial stock over the past year.

Warehouse Market

- Growth prospects for the warehouse/distribution property market appear strong, as general economic conditions improve and consumers continue to embrace online retailing
- Deals with Amazon and Howdens increased the average deal size above the long term average to 28,000 sqm, the highest level since 2011. Driven by these larger bespoke facilities, more than 50 percent of the market in the East Midlands has been for build to suit units
- As one measure of demand, the 2014 Strategic Distribution Sector Study for Leicester and Leicestershire, forecast a need for 50 ha of new land at rail-served sites to 2031, across the county, once existing consents and development proposals are accounted for. A further 107 ha of new land at non rail served sites will also be required
- However, the market generally is being constrained by a national lack of prime and active logistics sites. 2016 saw just three speculative completions in the East Midlands and a total of just 27,000 sqm is due for delivery across 2017. As of January 2017, the total supply in the East Midlands stood at 470,000 sqm of large-scale logistics space. As with most regions, supply is skewed towards the smaller end of the spectrum with just four units on the market over 30,000 sqm
- Partnered with an increase in larger deals, as detailed, this could lead to a sizeable deficit in supply against demand across the region (Savills, 2017)
- In the East Midlands, the logistics market is focused on the M1 Corridor, moving south from Nottinghamshire, through Leicestershire (Castle Donnington, East Midlands Airport and Kegworth, to the North; Leicester, Lutterworth and Hinckley to the south), through Rugby, Daventry and on towards Milton Keynes
- So far speculative development has concentrated on established logistics locations, but it is expected that activity will move out to secondary locations as demand encourages developers/investors to look at higher risk locations and occupiers seek relief from prime rent rises
- Despite this lack of currently available space, it is anticipated that take-up will continue to increase throughout the next few years.

Office Market

- Generally, the office market in regional locations in the UK has been more subdued, with a slower recovery from the recession than the logistics or industrial property markets

- In the East Midlands, Leicester is the dominant office market, followed by Nottingham and Derby. Leicester has strengths in high tech and financial services sectors, with recent incomers including IBM and Hastings Direct
- However, there is a severe lack of available stock, in particular Grade A stock, in the City. Leicester's Grade A supply is currently constricted to one 1,500 sqm building at Colton Square, the remaining building from the 10,500 sqm regeneration scheme completed in 2008. The Waterside scheme, which is expected to complete in 2018, will add another 5,500 sqm to the high-grade supply, but this will not meet all needs
- As a result, businesses are increasingly having to look to strong secondary and suburban locations. Businesses are also becoming increasingly open-minded about the refurbishment of existing, lower-quality stock
- Generally, property stakeholders believe that the development pipeline is approximately 18 months behind the current demand curve. In the short term, this will mean reduced choice for occupiers, while in the long term it is likely to encourage development
- However, while there is a shortage of high grade space, there remains a significant regional stock of second hand offices. In the short term this stock will actually grow as companies seek to upgrade to better options. A growing market will encourage refurbishments, but genuinely undesirable offices may also be lost to residential, and similar, conversions, something recently evident in Oadby.

Public Sector Property Enquiry Analysis

4.4 Leicestershire and Leicester Enterprise Partnership (LLEP) is the organisation with prime responsibility for sites and premises marketing and/or enquiry handling in Leicestershire.

4.5 Enquiries data has been provided by LLEP from 2009 onwards, however, there is a caveat to the analysis of this data. The enquiries are derived from a mix of sources including the LLEP website (so this may involve multiple searches by the same organisation), enquiries to the former East Midlands Development Agency (EMDA) and overseas inward investment interest via UK consulates – so data may not be uniformly recorded. It should also be noted that the LLEP data also records no inward investment successes for the Borough over the last 20 years.

4.6 Table 13 sets out year by year analysis of the sector type of property enquiries for the Borough between 1st January 2009 and 31st December 2016. Over this period some 1,545 enquiries were received for the Borough, with industrial/office premises accounting for 63.6 percent. There were very few land requirements. The figures reveal that following the recession period still clearly being felt in 2009, enquiries in

2010 rose sharply, almost double those received in the previous year. Enquiries grew strongly then to 2012, with companies clearly thinking about the future, even if national and regional markets remained in recession. From this peak year, enquiry numbers have levelled out, with some fluctuation. 2016 saw a surprisingly low level of interest in all property types although it is not clear how much of this can be attributed to a genuine reduction in requirements and how much to variation in how data is collected and analysed.

Table 13 – LLEP Enquiries 2009-2016 – The Borough of Oadby and Wigston

	Office	Serviced Offices	Industrial/ Warehouse	Land	Total
2009	21	7	58	-	**86**
2010	40	30	75	9	**154**
2011	44	23	116	6	**189**
2012	68	35	200	7	**310**
2013	41	17	132	2	**192**
2014	46	32	159	5	**242**
2015	64	23	168	1	**256**
2016	27	12	74	3	**116**
Total	**351**	**179**	**982**	**33**	**1,545**
Percent	**22.7**	**11.6**	**63.6**	**2.1**	**100.0**

Source: LLEP, 2017

4.7 Table 14 shows that most enquiries are for properties at the smaller end of the size spectrum, with the strongest interest being for 0-93 sqm options in all sectors. However, the industrial/warehousing sector, not unsurprisingly, exhibits a greater percentage of enquiries for larger floorspaces – up to 929 sqm and then for 2,324+ sqm properties. There is also modest demand for larger floorplate offices of greater than 1,395 sqm. 70 percent of the enquiries for land relate to sites of 2.21 ha and above.

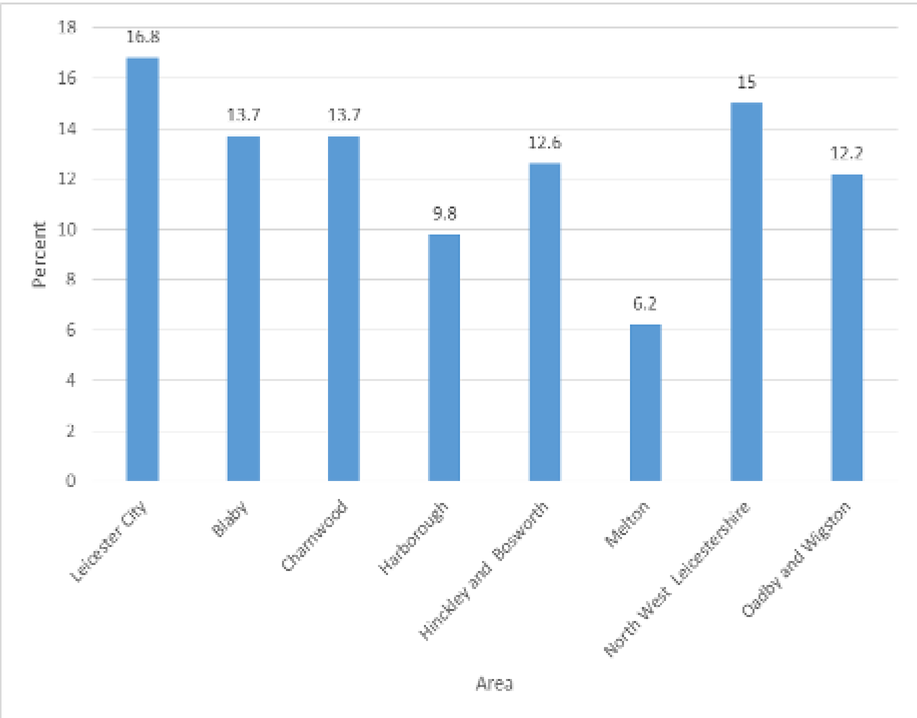
Table 14 – LLEP Enquiries 2009-2016 Sizes – The Borough of Oadby and Wigston

Type	Size Band, sqm							Total
	0-93	94-232	234-464	465-929	930-1,394	1,395-2,323	2,324+	
Office	227	30	45	28	2	6	13	**351**
Serviced Offices	103	25	22	16	2	3	8	**179**
Industrial/ Warehouse	520	111	145	81	23	31	71	**982**
Land Size Band, ha	**0-2.20**	**2.21-4.40**	**4.41+**					**Total**
Number	10	12	11					**33**

Source: LLEP, 2017

4.8 Reflecting its city role, Leicester represents the largest share of enquiries recorded by LLEP (see Figure 5), 16.8 percent of the total over 2009-2016. The Borough of Oadby and Wigston has an average share of enquiries (12.2 percent), not dissimilar to the proportions boasted by Hinckley and Bosworth and, to a lesser degree, Blaby and Charnwood. Melton received by far the lowest share of enquiries, only 6.2 percent.

Figure 5 – LLEP Enquiries 2009-2016 – Locations Desired



Source: LLEP, 2017

Property Supply

4.9 A schedule of the vacant floorspace being marketed in the study area (as at June 2017) has been compiled mainly from physical survey, a trawl of commercial property agents' websites and consultations with agents. The marketed space is taken to be a reasonably close approximation to that which is vacant – although there may be occupiers waiting for interest in their property before moving, and empty units not actually being marketed. The schedules for industrial (including warehouses and workshops), offices and retail/leisure space have been included in Appendix 2.

4.10 Across the study area, a total supply of 6,329 sqm vacant space is reported, comprised of 32 individual premises. 4,829 sqm (76 percent of the total supply, seven premises) is industrial and 1,500 sqm, in 25 premises, is offices. Reflecting the nature of the Borough, most industrial space is found in the Employment Areas of Wigston and South Wigston while office space is focused in the centres of Oadby and Wigston.

Industrial

4.11 As Table 15 shows, industrial availability comprises 4,829 sqm in seven buildings, a small supply but not unusually so give the modest scale of most of the Borough's Employment Areas. The largest industrial premises currently on the market is 22 Mandervell Road on Kenilworth Drive Industrial Estate. Standing at 1,413 sqm this is available on both a freehold and leasehold basis and is of a moderate quality. This is also the only option of its type available in Oadby.

Table 15 – Industrial – Amount of Marketed Property

	0-100	101-300	301-500	501-800	801-1,000	1,001+	Total
Oadby							
Floorspace (sqm)	-	-	-	-	-	1,413	**1,413**
No of Premises	-	-	-	-	-	1	**1**
Wigston							
Floorspace (sqm)	-	282	305	767	840	-	**2194**
No of Premises	-	1	1	1	1	-	**4**
South Wigston							
Floorspace (sqm)	-	-	-	1222	-	-	**1222**
No of Premises	-	-	-	2	-	-	**2**

	0-100	101-300	301-500	501-800	801-1,000	1,001+	Total
Total							
Floorspace (sqm)	**-**	**282**	**305**	**1,989**	**840**	**1,413**	**4,829**
No of Premises	**-**	**1**	**1**	**3**	**1**	**1**	**7**

Source: BE Group, 2017

4.12 In Wigston and South Wigston, individual options range from 282-840 sqm, with nothing at the smaller and larger ends of the market. As Table 16 shows, the space is spread across the main Identified Employment Areas of the three settlements, with a concentration in Chartwell Drive, the Borough's largest Employment Area.

Table 16 – Industrial – Marketed Property by Identified Employment Area

Employment Area	No. of Premises	Floorspace (sqm)
Kenilworth Drive, Oadby	1	1,413
Chartwell Drive, Wigston	4	2,194
Gloucester Crescent, South Wigston	1	629
St Thomas Road, South Wigston	1	593
Total	**7**	**4,829**

Source: BE Group, 2017

4.13 Similarly, to the above office availability, all currently marketed options are of moderate quality, with no purely budget or high-end options available. Of the seven marketed options, three (43 percent) are offered on either a freehold or leasehold basis, with the remainder purely leasehold. The premises available for sale/to let are generally the larger properties, including 22 Mandervell Road, Oadby.

Office

4.14 As Table 17 shows, whilst there is individual suite availability up to 305 sqm, most supply is of 50 sqm or less, particularly in Oadby. The focus is on 21-40 sqm suites, which are mostly found in Lyn House, Oadby Centre. It should be noted that Lyn House has prior approval planning permission to partially convert this building to residential, which will remove some of this supply.

Table 17 – Office – Amount of Marketed Property

	0-20	21-40	41-50	51-100	101-200	201-300	301+	Total
Oadby								
Floorspace (sqm)	19	318	86	~	~	234	~	**657**
No of Premises	1	9	2	~	~	1	~	**13**
Wigston								
Floorspace (sqm)	43	73	43	217	~	~	305	**681**
No of Premises	3	3	1	3	~	~	1	**11**
South Wigston								
Floorspace (sqm)	~	~	~	~	162	~	~	162
No of Premises	~	~	~	~	1	~	~	1
Total								
Floorspace (sqm)	**62**	**391**	**129**	**217**	**162**	**234**	**305**	**1,500**
No of Premises	**4**	**12**	**3**	**3**	**1**	**1**	**1**	**25**

Source: BE Group, 2017

4.15 Wigston offers the greater diversity of space, with more options up to 100 sqm, but only one available suite larger than a 305 sqm Centre property on Long Street. As noted in Table 18, most available premises are found in, or on the edge of, Oadby and/or Wigston Centres bar one property in South Wigston. There are no freehold options and available suites are generally of moderate quality.

Table 18 – Office – Marketed Property by Employment Area

Employment Area	No. of Premises	Floorspace (sqm)
Wigston Centre	13	657
Oadby Centre	11	681
St Thomas Road, South Wigston	1	162
Total	**25**	**1,500**

Source: BE Group, 2017

Valuation Office Data

Industrial

4.16 According to the latest Valuation Office (VO) statistics (2012) there are 490 industrial hereditaments in the Borough, totalling 361,000 sqm. Out of this space, there is currently only seven marketed premises totalling 4,829 sqm. This suggests an overall 'occupancy rate' for the Borough of Oadby and Wigston of 98.7 percent by floorspace. By premises numbers, the 'occupancy rate' is 98.6 percent.

4.17 Generally, occupancy rates of 90-95 percent can be considered high and suggests that, subject to the natural churn of business expansion and relocation, most schemes in the Borough are fully occupied.

Office

4.18 According to the same VO statistics, there are 130 office hereditaments in the Borough, totalling 31,000 sqm. Out of all this space there are currently 25 marketed premises totalling 1,500 sqm. This suggests an overall ‘occupancy rate’ for the study area of 95.2 percent floorspace. By premises numbers the overall ‘occupancy rate’ is 80.8 percent.

Property Market – Stakeholders

4.19 This section provides qualitative evidence of the demand for industrial and office property within the study area, through consideration of the comments of stakeholders’ active in the Borough’s property market, developers, scheme managers and their agents.

4.20 Five private sector stakeholders were contacted by telephone for an informal discussion of the property market. These comprise the main commercial property agents, mostly Leicester based, who are active in the Borough. To protect anonymity of individuals and organisation, names of commentators are not revealed.

4.21 These views are the opinions of the representatives of the consulted organisations at the time of the consultation. They are not the views of Oadby and Wigston Borough Council.

4.22 Their views have been summarised in a series of tables. Table 19 provides a breakdown of the general comments received regarding industrial and office land in the Borough.

Table 19 – Property Market Comments – Land

Contact	Comment
National Agent	Future commercial development is needed to supplement local demand which characterises the market. Freehold supply must be addressed through out-of-town developments, with an element of both industrial and office stock.
Regional Agent	In general, there appears to have been no [office or industrial] planning consents granted in recent years – with a forthcoming

Contact	Comment
	supply being considerably outweighed by demand. New stock is required outside of the busy Centres. Occupiers will generally consider moving from Leicester for lower occupational costs. Land values of £740,000/ha should be achievable in new developments in suburban Leicester.
Regional Agent	There appears to be a real lack of development land in the Borough of Oadby and Wigston, with few opportunities seemingly moving forward. There may however be opportunities on the outskirts of both Oadby and Wigston and the market does require a level of development to make the most of local occupier interest. In South Wigston, there is a strong, existing, pent-up demand for office and industrial stock from occupiers wanting to upgrade.
Sub-Regional Agent	Do not currently market land options in the Borough, but receive regular enquiries for development space. Demand in the area proves real need for quality employment space in the Borough of Oadby and Wigston.

Source: BE Group, 2017

4.23 Table 20 provides a summary of the comments received from stakeholders with regards to the local industrial property market.

Table 20 – Property Market Comments – Industrial

Contact	Comment
National Agent	There is a general shortage of industrial supply in both Oadby and Wigston/South Wigston, with strong, local demand resulting in a quick turnover of availability. A recent 600 sqm unit was let within 2/3 weeks for £40/sqm. Demand for the unit was strong given the rarity of such availability in the current supply. Some space has been lost to trade uses in recent years. However, this is a secondary issue to the lack of stock generally.
Regional Agent	There are few freehold options on the market, but demand fluctuates for stock of this nature. At present, certain local occupiers may want to invest in the area by purchasing long-term premises as an upgrade. In Leicester City and surrounds, supply up to 200 sqm is lacking against high demand. Good quality, small industrial units can at times fetch premium rents of up £80/sqm, however it is likely that the Borough of Oadby and Wigston can expect up to £60/sqm for new developments of this nature. Larger stock tends towards the £50-£60/sqm range, offered on traditional lease terms of 3/5 years, however as larger space becomes available it is at a premium and values will no doubt increase.
Regional Agent	There is a moderate amount of good quality stock, focused in Wigston, where the local occupier market is consistently strong.

Contact	Comment
	Stock in Oadby is aging however. Values across the board top out at £60/sqm The agent's clients are looking build out a series of 200 – 450 sqm units at the Former R F Brookes site on Magna Road in South Wigston. The 2 ha site will accommodate units for flexible leases and freehold interests – aiming to attract occupiers from the likes of existing employment areas, including Kenilworth Drive, whose units are old and showing their age.
Sub-Regional Agent	Looking to complete the private sale of a 4,890 sqm unit on Chartwell Drive, Wigston. This sale will soon go to 'best bids' for an expected total of c. £1.8 million. Supply of this nature is rare in the Borough – especially freehold industrial premises – and as such demand has been strong. Pre-existing Employment Areas continue to demonstrate an appeal and are now almost all at full capacity. An element of new industrial development is needed to satisfy local demand for new space to upgrade into. Depending on specification, industrial space will trade between £40-£60/sqm. It is unlikely that new developments will fetch much more than this however, which makes viability an issue.
Local Agent	The market faces a diminishing supply of good quality office and industrial stock – especially regarding freehold premises, for which local demand indicates an appetite. Wigston/South Wigston is the focus of industrial accommodation, and rents of between £40-£50/sqm can be achieved here on moderate quality stock. The market is characterised by local interest, however some occupiers from Leicester, will often look to the Borough of Oadby and Wigston for lower occupational costs The proximity to the much larger market of Leicester does not deflect local interest too much. Other parts of the Leicester Conurbation, including the central train station are perfectly accessible from the Borough and there is no incentive for companies to move into the City proper and pay higher rents for the privilege. Similarly, a move east, into the Harborough countryside would not offer significant benefits either. Thus, the Borough of Oadby and Wigston has a 'captive audience' of local firms for new developments should they move forward.

Source: BE Group, 2017

4.24 Table 21 provides a summary of the comments received on the local office property market.

Table 21 – Property Market Comments – Office

Contact	Comment
National Agent	Stock in Leicester is diminishing, presenting an opportunity for the Borough of Oadby and Wigston to appeal to occupiers from neighbouring areas, for whom lower occupational costs are more important than a central location There are no major office developments in the pipeline and supply is generally struggling against demand. Values can

Contact	Comment
	achieve up to c. £140/sqm, but a lot of lower-quality stock, strategically marketed at c.£80/sqm, continues to struggle to achieve interest in the local market.
Local Agent	The market faces a diminishing supply of good quality office stock – especially regarding freehold premises, for which local demand indicates an appetite. Typically, Centre values will tend towards £80/sqm, sometimes tailored down to find occupiers, who may otherwise be reluctant to take space. Oadby does not present as a primary office location, however, it has a larger amount of stock than Wigston, which partially explains why Oadby's big Centre office buildings have struggled to secure occupiers.
Regional Agent	Offices in the Borough see a strong local demand, which is not currently matched by a good level of supply. Existing Employment Areas in both Oadby and Wigston see strong demand from occupiers. Values achieved will range between £80-£140/sqm, heavily dependent on condition. Currently there appears to be an oversupply of low quality stock, especially in Oadby. Some Leicester occupiers are now beginning to consider the Borough of Oadby and Wigston as potential relocation options, partly due to a lack of available stock, but also because space can be occupied at a reduced rate, without disturbing customer bases or labour markets. New developments are needed however outside of the busy Centres. There are very few freehold options, but market demand fluctuates in interest for stock of this nature. At present certain local occupiers may want to invest in the area by purchasing long-term premises.
Regional Agent	Great shortage of office space, with the market characterised by old, defunct 1960's accommodation. Not an institutional office location, but demand from smaller businesses is reasonable. A development of 150 sqm units would potentially be a good development to attract local office demand – primarily on a freehold basis as developers would likely want to cash out on new schemes. Market demand is generally characterised by small, provincial, short term interest by companies with poor covenants. Companies will invest in freehold office property if the stock is there. There is a risk of losing interest to larger locations, even with lower occupational costs. Lyn House sees intermittent interest – but activity is slow even though the building boasts a prime location within the context of the town.

Source: BE Group, 2017

4.25 From the above Tables, it is the view of property market stakeholders that the Borough of Oadby and Wigston needs both office and industrial development in order to monopolise on the growing demand from local occupiers for freehold space. A development of 200-450 sqm industrial units on the Former R F Brookes site on

Magna Road will provide some respite for this in the short term, however most stakeholders indicated that development is required with some urgency to counteract the diminishing supply of both office and industrial accommodation.

4.26 Industrial stock is focused in Wigston/South Wigston, where demand, against available supply is high. The market is characterised by local interest, however some occupiers from Leicester City, will often look to the Borough of Oadby and Wigston for its lower occupational costs. Conversely, higher costs in Leicester mean that existing local firms have little incentive to move to the City.

4.27 Larger units, of more than 500 sqm let or sell quickly when they come to the market. Demand is mainly leasehold, but freehold interests are noted and more companies might look to buy, for owner occupation or investment, if the stock was available. Across Leicester generally there is a shortage of smaller industrial units of up to 200 sqm. In the City, the best quality light industrial space can achieve £80/sqm, but businesses come to the Borough for more affordable options and are unlikely to pay more than £60/sqm, for new or second-hand space. This rate makes achieving financially viable developments challenging.

4.28 The office market is again characterised by reasonable local demand, mainly for suites of up to 150 sqm. However, shortages of space across the Leicester Conurbation are encouraging some larger occupiers to look away from the City Centre and motorway accessed sites to more peripheral locations such as the Borough of Oadby and Wigston. Again however, the Borough is viewed in terms of affordability which limits what occupiers will pay. Rents of up to £140/sqm are achievable for good quality stock and possible future new builds, but most of the Borough's existing low quality stock achieves no more than £80/sqm and sometimes less. Older stock, particularly in Oadby, is increasingly surplus to modern requirements, which explains why owners are seeking to re-use it for housing.

Summary

4.29 There is a significant shortage of both industrial and larger warehouse stock in the East Midlands, and nationally, which is not being addressed through speculative development. In the East Midlands, the logistics market is focused on the M1 Corridor, moving South through to Leicestershire.

4.30 Regional office markets in the UK have generally been more subdued than their industrial and logistics counterparts, with a slower recovery from the recessionary period. In the East Midlands, Leicester is the dominant market. However, with Grade-A supply currently constricted to one 1,400 sqm building at Colton Square, this is encouraging organisations to look at assets in strong, secondary locations.

4.31 LLEP receives more enquiries for industrial space than for offices; and fewest for sites. Most industrial enquiries are for units up to 929 sqm; and for sites up to 2 ha. Over the last decade 12.2 percent of those enquiring about property in Leicester and Leicestershire wanted space specifically in the Borough of Oadby and Wigston. This is below Leicester and Charnwood, but comparable to most other Leicestershire local authority areas.

4.32 Inward investment plays a negligible role in the economy of the Borough of Oadby and Wigston, indeed the LLEP and its predecessors have not recorded any inward investment successes into the Borough since 1997.

4.33 As of June 2017, there was 4,829 sqm of industrial floorspace on the market, comprising seven properties. Supply is more heavily weighted towards Wigston with 3,416 sqm. 1,413 sqm can be found in Oadby. Oadby does however contain the only vacant option above 1,000 sqm. Wigston's options cover a size range from 282 sqm to 840 sqm. All options are of a moderate quality, with a mix of freehold/leasehold and purely freehold options available.

4.34 There are 25 individual office premises on the market, comprising 1,500 sqm. Most are found in Oadby and Wigston Centres, particularly Lyn House in Oadby. Most options are less than 100 sqm in size and the largest is 305 sqm. There are no freehold options on the market.

4.35 Industrial stock is focused in Wigston/South Wigston, where demand, against available supply is high. The market is characterised by local interest, however some occupiers from Leicester, will often look to the Borough for its lower occupational costs. Freehold interests are increasing. Industrial rents currently being achieved are £40-£60/sqm. There are shortages of sub-200 sqm units across Leicester.

4.36 The local office market is also characterised by strong local demand, and an increasing willingness of larger firms to look to the peripheries of Leicester to meet need. However, this demand is not being matched by stock levels and it is felt that new developments of smaller space is required to realise the opportunities of demand. Centre rents generally start at £80/sqm and may drop lower, reflecting an oversupply of low grade space, some of which is now being converted to housing. This may rise to £140/sqm, however with the right product, although no higher as potential occupiers in the Borough are seeking affordable options.

5.0 STAKEHOLDER CONSULTATIONS

Introduction

5.1 This section provides commentary about the Borough, drawn from consultations with the public sector and major businesses. It should be noted that each organisation's comments are their perception of the situation, and may well reflect their role and involvement, rather than being the complete picture.

5.2 The Council provided a list of 13 employers in the Borough. All have been contacted by BE Group and five responses have been secured, from one public sector body (who discussed the growth and inward investment requirements of two further businesses) and four local businesses. Others declined to participate or did not respond to multiple attempts to contact them.

5.3 Discussions were also undertaken with a range of local property agents and landowners/developers of the Borough's employment land supply. The results of these discussions are considered separated in Sections 4.0 and 6.0.

5.4 To protect the anonymity of those contributing to this study, the details of individual private companies responding are not repeated in the Main Report.

Leicester and Leicestershire Enterprise Partnership

5.5 The consultation draft of the Strategic Economic Plan (SEP) for Leicester and Leicestershire, identifies the following key sectors for the Borough of Oadby and Wigston:

- Advanced manufacturing and engineering
- Food and drink manufacturing
- Low Carbon
- Textiles manufacturing.

5.6 Growth sectors for the Borough of Oadby and Wigston are:

- Creatives industries
- Professional and financial services.

5.7 The emerging SEP will look at ways to develop these and other sectors locally.

5.8 An inward investment requirement was received through the LLEP for a Design and Build opportunity, focused on the Wigston Direction for Growth site. This 0.5 ha requirement is for an undisclosed textile manufacturer, currently based in Leicester, who detailed the following specification:

- Two-storey building totalling circa. 3,250 sqm
- Ground floor to total circa. 1,860 sqm and be used primarily for manufacturing processes
- First floor to total circa. 1,390 sqm and be used primarily as an office area for design and administration purposes
- 40 car parking spaces.

5.9 LLEP received a second requirement from an existing South Wigston occupier for a design and build requirement on the Wigston Direction for Growth site. The company requires a 5,000 sqm unit for heavy industrial manufacturing.

Local Businesses

5.10 One to one consultations have taken place with four businesses, and associated organisations, located in the Borough. The aim of these consultations was to assess both the current situation of these employers, as well as how their land and property needs may change moving forward.

5.11 There is a strong desire for further growth amongst the businesses consulted with. All but one indicated a desire to expand. For the most part, expansion plans take the form of purchasing neighbouring units to deliver larger facilities on the Borough. The outstanding business can grow within its current accommodation, installing a mezzanine floor when expansion is required. Two businesses indicated they may consider investing in design and build premises for owner occupation, which could be accommodated on the Wigston Direction for Growth site, although these are long term aspirations.

5.12 The Borough was seen as a logistically sound location, with motorway links at the M1 and M69 providing reasonable access to local, regional and national markets. Access to Leicester also provides businesses with a strong level of captive demand. The wider conurbation provides a strong and well-trained labour force and companies report no problems recruiting employees ranging from construction workers to high tech and laboratory technicians.

5.13 Generally parking and traffic around peak hours were highlighted as concerns for several businesses, although it was understood that this is to be expected in a densely developed area like the Borough of Oadby and Wigston. One business did however highlight that traffic issues have forced some relocations out of the Borough in recent years and may continue to do so moving forward.

Summary

5.14 LLEP, four key businesses, and major developers/landowners were consulted on a one to one basis as part of the study. The LLEP identifies several key growth sectors for the Borough, but equally significantly it identifies two key requirements for primarily industrial space of 3,250-5,000 sqm, to be delivered as Design and Build opportunities and with the occupiers showing specific interest in the Wigston Direction for Growth area.

5.15 Amongst the four local businesses consulted there is a strong desire for growth. Many local businesses have taken steps to secure the land and property they need, with many highlighting nearby expansion opportunities. In addition to this, there is a long term, but real appetite for Design and Build opportunities which again could be linked to the Wigston Direction for Growth area.

5.16 Traffic issues and parking problems on heavy commercial areas have become an issue for some occupiers in recent years. It has been suggested that these issues forced smaller enterprises to relocate in recent years to less congested areas.

6.0 EMPLOYMENT AREAS AND EMPLOYMENT LAND

Introduction

6.1 This section looks at the existing portfolio of employment land in the study area, both developed employment land and premises in the Borough's industrial estates and business parks (Employment Areas) and the potential land supply contained in AAP plans for Centre office development and the Wigston Direction for Growth.

6.2 The Borough needs a balanced portfolio of land to accommodate a sustainable, growing economy that can respond to dynamic market conditions, changing business needs and working practices. By initially establishing how much land there is, the second task is to consider how much land is needed in the future (to 2031), which is picked up in the forecasting section later in the report.

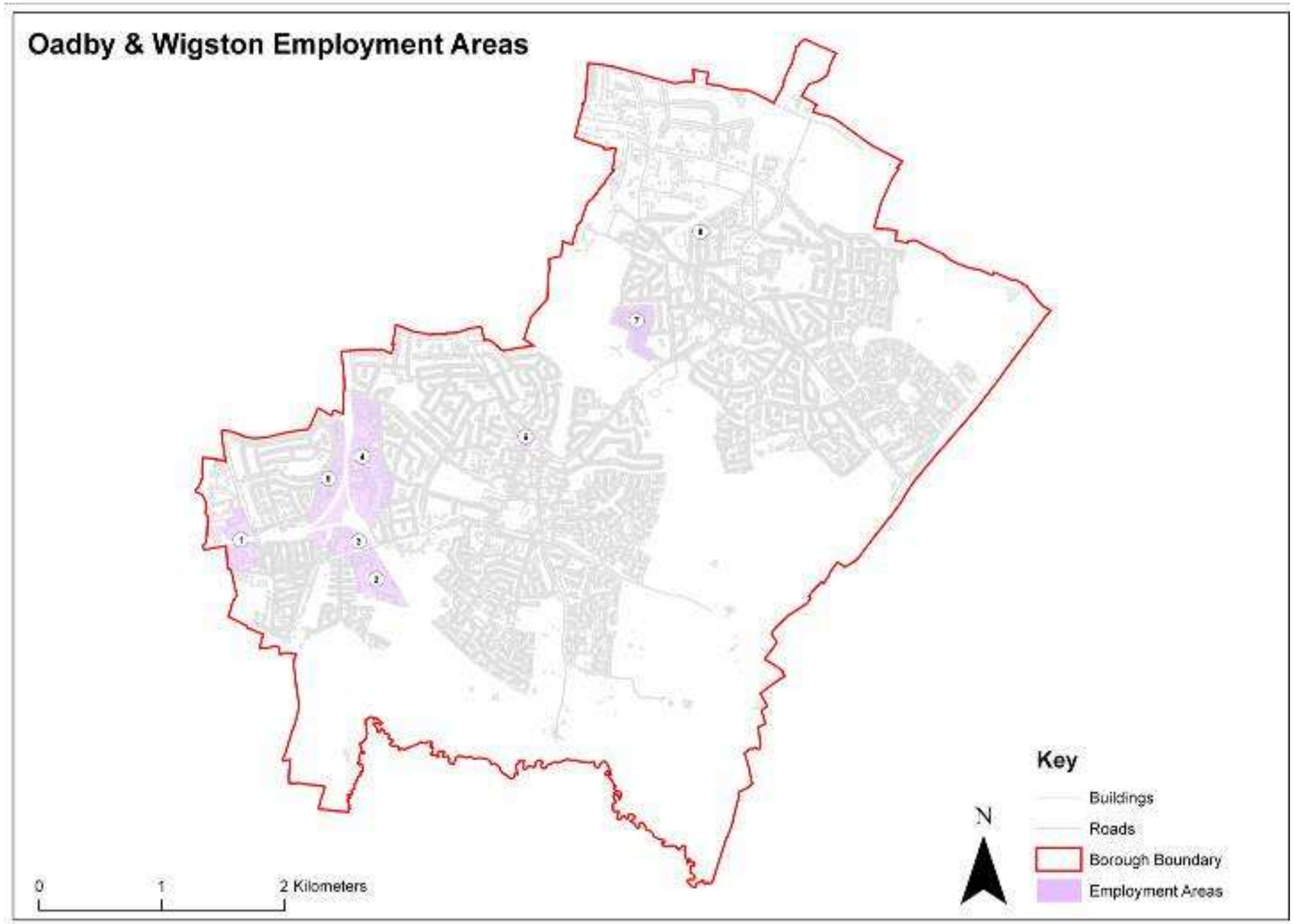
Employment Areas Assessment

6.3 The 2006 Oadby and Wigston Employment Study drew on Valuation Office (VO) data on the size of B1, B2, B8 property hereditaments (or premises units) in the Borough, and a combined physical survey of them was carried out as part of the study research. Overall, 332 premises were surveyed in the Borough, over 85 percent industrial, ten percent office and the remainder warehouses/open storage facilities. Each property was assessed to consider the nature of its occupancy, type, age and quality at that time.

6.4 This base data was then used to assess the strengths and weaknesses of the Borough's Employment Areas, to provide guidance as to their continued protection for employment uses. The 332 properties were grouped into eight defined Employment Areas, as shown in Figure 6. These are:

- No. 1: Saffron Road/Wilson Road/St Thomas Road, South Wigston
- No. 2: Magna Road Industrial Estate, South Wigston
- No. 3: Blaby Road, South Wigston
- No. 4: Chartwell Drive/West Avenue/Pullman Road/Clarke's Road, South Wigston
- No. 5: Gloucester Crescent/Cornwall Road/Radnor Road, South Wigston
- No. 6: North Street, Wigston
- No. 7: Oadby Industrial Estate, Oadby
- No. 8: Cross Street, Oadby.

Figure 6 – The Borough of Oadby and Wigston Employment Areas at 2006



Source: O&WBC, 2006

6.5 In 2010, the Borough's Brownfield and Employment Land Study updated and revised the main Employment Areas, plus a number of additional locations with B-Class employment (see below). assessing them against the following criteria:

- Strategic Fit – Does it contribute high skilled, high value jobs to the area?
- Vacancy
- Transport Accessibility
- Building Quality
- Market Renewal
- Presence of Non B-Class Uses
- Environmental Impact – Local issues of flooding, land of ecological value, etc
- Risk – High dependency on a single occupier, or other risk factor.

6.6 Each Employment Area was scored minus five to five against these criteria, which informed the categorisation of the areas into a three-level hierarchy:

- *Core Employment Site:* Good quality employment site, serving incoming or local clients with a local, regional and 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 safeguarded and pressure from none B-Class uses resisted
- *Base Employment Site*: These sites are very important sites for the market at present, providing valuable employment premises. Loss of employment uses should be resisted, except where the only way to stimulate the re-use of property is through a mixed-use redevelopment site. The presumption is therefore in favour of 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 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 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 released from the employment sites portfolio and released for other usage.

6.7 The 2010 Study produced the following hierarchy of Employment Areas, subsequently reflected in Policy SEP1 – Identified Employment Sites Hierarchy' of the Core Strategy

Core Employment Areas

- No. 1: Saffron Road/Wilson Road/St Thomas Road, South Wigston (plus Tigers Close, then undeveloped)
- No. 2: Magna Road Industrial Estate, South Wigston
- No. 4: Chartwell Drive/West Avenue/Pullman Road/Clarke's Road, South Wigston
- No. 5: Gloucester Crescent/Cornwall Road/Radnor Road, South Wigston
- No. 6: North Street, Wigston
- No. 8: Cross Street, Oadby
- Highfield Drive, Wigston (Not reviewed in 2006)
- Countesthorpe Road, South Wigston (Not reviewed in 2006).

Base Employment Areas

- No. 7: Oadby Industrial Estate, Oadby
- Canal Street, South Wigston (Jacobs, not reviewed in 2006)
- Park Road/Canal Street and Park Road (Not reviewed in 2006)
- Station Street, South Wigston (Not reviewed in 2006).

Release Sites

- Kirkdale Road, South Wigston (since lost to housing)
- Railway Triangle, South Wigston (vacant railway land, no longer considered viable B-Class land).

6.8 No. 3: Blaby Road, South Wigston was not reviewed as the bulk of the site was now a Tesco foodstore and the remaining factory, Premier Drums, was vacant (and is now consented for redevelopment for Non B-Class use, see Section 9.0).

2017 Employment Land and Premises Study – Employment Area Assessments

6.9 This study updates the Employment Area Assessment exercises completed over the last decade. It builds on the detailed premises research completed in 2006, to provide updated and expanded area proformas for each Area, set out in the following format:

- Site Name

- ‘Description’ is BE Group’s comment on the area
- ‘Total Number of Units’ is based on the 2006 physical site survey, updated with recent site visits and a review of completions and losses in the stock since 2006
- ‘Vacant/Derelict Units’ reflects the identified stock of vacant units as of June 2017. The proportion between these two equates to the ‘Occupancy Rate’
- Given that most of the areas are industrial, ‘Buildings Type’ is based on the number of offices in an area (which is usually quite low), and seemed the easiest way of illustrating this characteristic of the areas
- The age of property is broken down into the number of units in each of the four categories assessed in ‘Buildings Age’. Most properties are either pre 1945 or post 1945, there are usually few in the post 1990 and new categories, so these fields have been highlighted for ease of viewing
- ‘Buildings Quality’ has also been broken down into each of the four categories assessed. Again the two key fields have been highlighted – derelict and good. The former because it shows where regeneration could take place or where the property is vulnerable to alternative higher value use proposals
- The ‘Total Floorspace’ is based on VO data for the whole area, updated to reflect any recent completion or losses
- Site Scoring – To ensure a degree of consistency with the Oadby and Wigston Employment Sites and Brownfield Land Study, the same site scoring exercise, noted above, is completed for each area. Each site is scored out of 25, made up of eight individual measures noted above. The scoring system and the detailed score results are provided in Appendix 3 and 4
- Vacant land is identified, as is the scope for remodelling of particular properties or sites. Expansion possibilities are also included. These are identified, for simplicity, as ‘Opportunities for redevelopment/expansion’. However, in most cases, where an Employment Area is functioning well and most land/property is in use, there may be no such opportunities
- Other general conclusions and recommendations on each area are provided
- The ‘Grade’ refers to BE Group’s professional opinion on the ranking that should be afforded to the individual area, based on the previous findings. This is an overall hierarchical assessment banded A to E. These are described in Table 22.

Table 22 – Grades A to E Definitions

Grade	Definition	Action
A	High quality, prestigious, flagship business areas due to their scale, location and setting. Capable of competing for investment in the regional market place. These are prime sites for marketing to a cross section of users including new inward investors. They can also meet the needs of image-conscious, aspirational companies already in the local authority area.	Equates to '*Core Employment Areas'* Protect strongly in the Local Plan Support and expand
B	Good employment sites due to their scale, location and setting. Capable of competing for investment in the sub-regional market place. These are prime sites for marketing to a cross section of users, B1, B2 and B8, including some new inward investors.	
C	Key employment sites with an influence over the whole local authority area, but primarily geared towards local businesses and B1 light industrial, B2 and B8 uses.	Equates to '*Base Employment Areas'* Protect in the Local Plan Support
D	Lower quality locations in residential areas suffering from poor accessibility and massing.	Equates to '*Base Employment Areas'* but may reduce to '*Release Site'* if quality declines further Continue to protect/review through the Local Plan
E	Very poor-quality areas. Widespread vacancy and dereliction in poor environments. Or areas which have been, or are in the process of being, lost to other uses.	Equates to '*Release Site'* Promote alternative uses if possible

Source: BE Group 2017

6.10 The list and scale of the Borough of Oadby and Wigston's Employment Areas changed between the 2006 and 2010 Studies, with further change since then. To ensure as up to date list of areas as possible, this study uses as its base the List of Identified Employment Areas and Other Employment Sites set out in the Council Employment Sites SPD (2011). The areas included are listed below, with any deviation from the SPD list noted:

Identified Employment Areas

- Magna Road, South Wigston – Previously No. 2: Magna Road Industrial Estate, South Wigston
- Tigers Close, South Wigston – Previously No. 1: Saffron Road/Wilson Road/St Thomas Road, South Wigston, north of the railway line
- St Thomas Road, South Wigston – Previously No. 1: Saffron Road/Wilson Road/St Thomas Road, South Wigston, south of the railway line

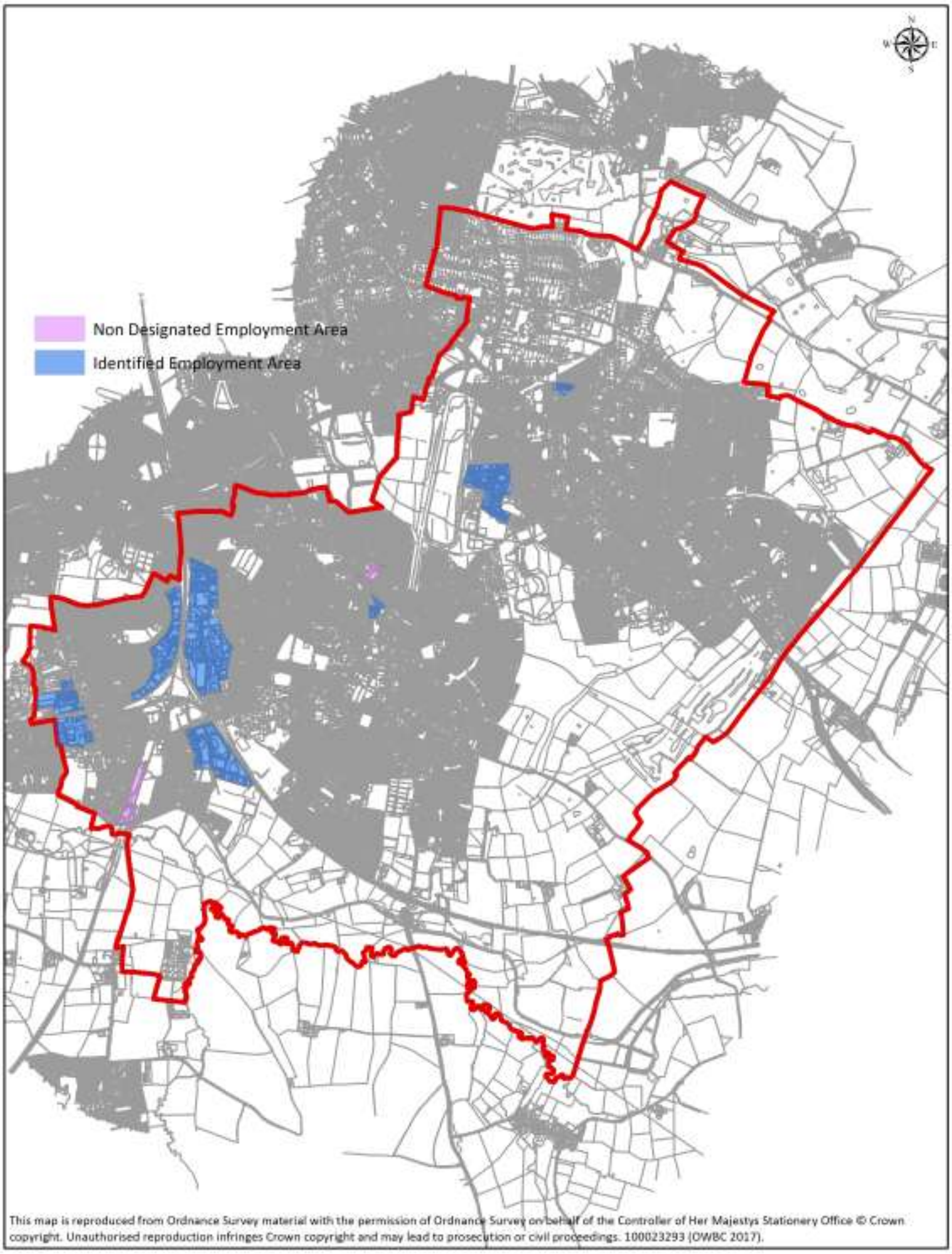
- North Street, Wigston – Previously No. 6: North Street, Wigston
- Chartwell Drive, Wigston – Previously No. 4: Chartwell Drive/West Avenue/Pullman Road/Clarke's Road, South Wigston
- Gloucester Crescent, South Wigston – Previously No. 5: Gloucester Crescent/Cornwall Road/Radnor Road, South Wigston
- Cross Street/Regent Street, Oadby – Previously No. 8: Cross Street, Oadby
- Kenilworth Drive, Oadby – Previously No. 7: Oadby Industrial Estate, Oadby
- ~~Railway Triangle, South Wigston –~~ No longer considered viable employment land due to access constraints.

Other Employment Sites

- Highfield Drive, Wigston
- Canal Street, South Wigston
- Park Road/Canal Street, South Wigston
- Park Road, South Wigston
- ~~Station Street, South Wigston –~~ There is an aspiration to redevelop the Main Arriva Bus Deport for alternative, primarily residential, uses, subject to a viable relocation site for the Bus Depot being identified
- ~~Kirkdale Road, South Wigston –~~ Factory premises now redeveloped for housing.

6.11 These Identified Employment Areas and Other Sites are show in in Figure 7, overleaf.

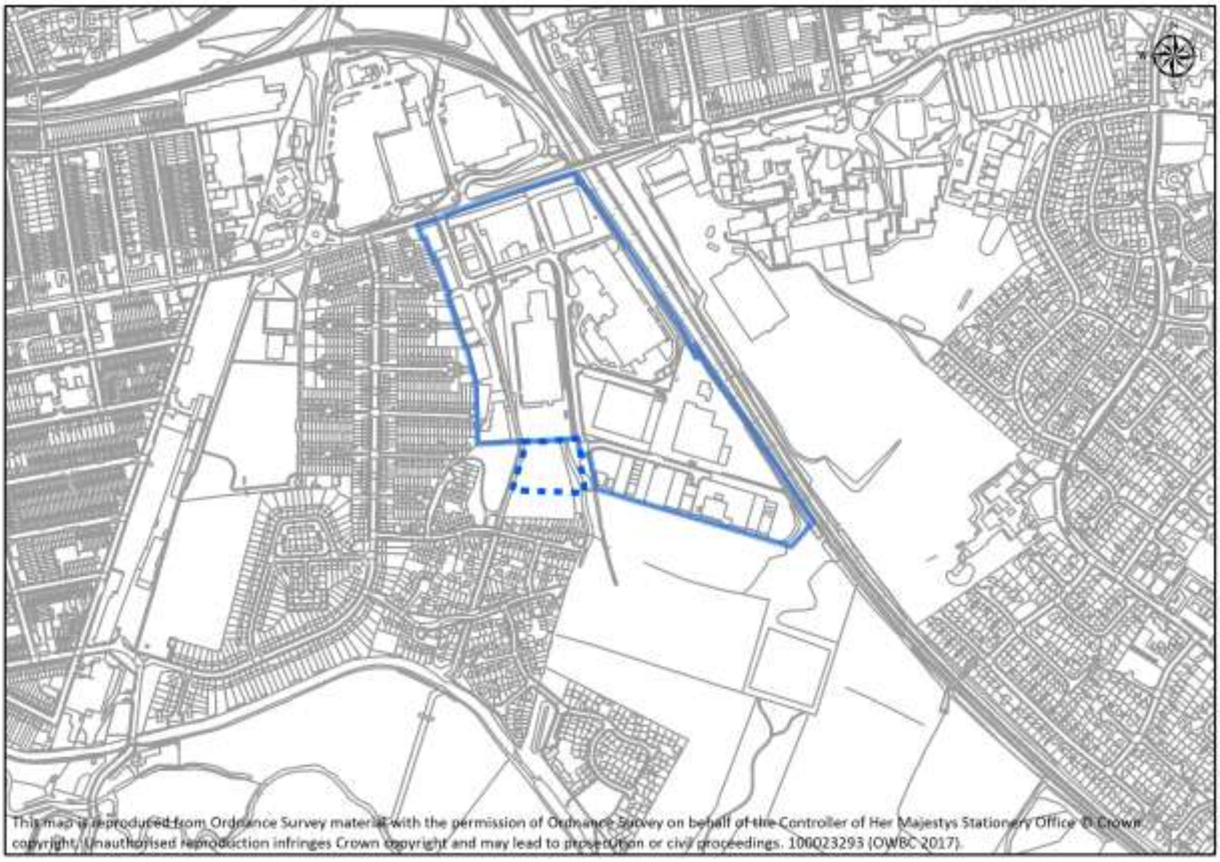
Figure 7 – The Borough of Oadby and Wigston Employment Areas Analysed 2017



Source: OWBC, 2017

Area Assessments – Identified Employment Areas

Magna Road, South Wigston



Description

Large established industrial estate to the east of South Wigston. The west of the Area comprises a linier row of mostly budget quality light industrial and storage units while the east is dominated by a range of large industrial and warehouse units, the largest two being proposed for redevelopment. In the south east, Harrison Close accommodates several scrap yards and recycling facilities.

Total Number of Units	16	**Vacant/Derelict Units**	2	**Occupancy Rate, percent**	87		
Buildings Type, number of offices	0						
Buildings Age, number of units	**Pre 1945** 1	**Post 1945**	13	**Post 1990**	2	**New**	0
Buildings Quality, number of units	**Derelict** 0	**Poor**	3	**Average**	13	**Good**	0
Total Floorspace, sqm	54,552						
Site Scoring	7						

Opportunities for Redevelopment/Expansion

The area includes one remaining backland employment site in the South East – Em6 Land off Magna Road, South Wigston, 0.55 ha (dotted line in the above plan).

The former R F Brookes chilled food factory is now proposed, subject to planning, for clearance and redevelopment for some 20 smaller B-Class units of 200 – 450 sqm, totalling 7,330 sqm. This makes a redevelopment site of some 2.18 ha.

Land around Harrison Close comprises a range of scrap yard/recycling and lower grade warehouse facilities, totalling 3.0 ha, which could provide a further infill site without encroaching on the recreation and housing land to the south, and support the wider modernisation of the Area taking place to the north. At present though, the current occupiers do continue to provide a useful economic function in the Borough though.

Conclusions/Recommendations Established industrial estate, accommodating both local firms and several larger occupiers, with plans for diversification and modernisation of a key site – **Protect in the Local Plan for B1, B2, B8 uses.** The R F Brookes clearance application provides a rare opportunity for a large-scale delivery of modern new premises in the Borough, broadening its offer. The change should be supported with the view to maximising premises development on the sites, particularly for desirable industrial and warehouse options.	
Grade	B

Tigers Close, South Wigston

Description

Good quality, office employment area to the west of South Wigston abutting the Blaby boundary. Dominated by a number of large public sector occupiers, including the Driving Standards Agency and the Animal/Plant Health Agency, as well as the very large Leicester HQ office of marketing consultant RR Donnelley. In the west, a scheme of modern, terraced industrial units was developed between 2007 and 2009 on Tigers Close. One building is in use as D1 Creche, close to the Saffron Road frontage.

Total Number of Units	15	**Vacant/Derelict Units**	1		**Occupancy Rate, percent**	93		
Buildings Type, number of offices	6							
Buildings Age, number of units	**Pre 1945**	2	**Post 1945**	3	**Post 1990**	1	**New**	9
Buildings Quality, number of units	**Derelict**	0	**Poor**	0	**Average**	5	**Good**	10
Total Floorspace, sqm	12,669							
Site Scoring	12							

Opportunities for Redevelopment/Expansion

Former Employment Site Em8 is now in full use, with undeveloped land used as vehicle testing space for the Driving Standards Agency. Other land is in use or associated with the Army Cadets facility on Tigers Road, which falls outside of the Employment Area boundary. There is a very small area of landscaping in the Animal/Plant Health Agency curtilage, 0.05 ha, which could provide some infill, if needed.

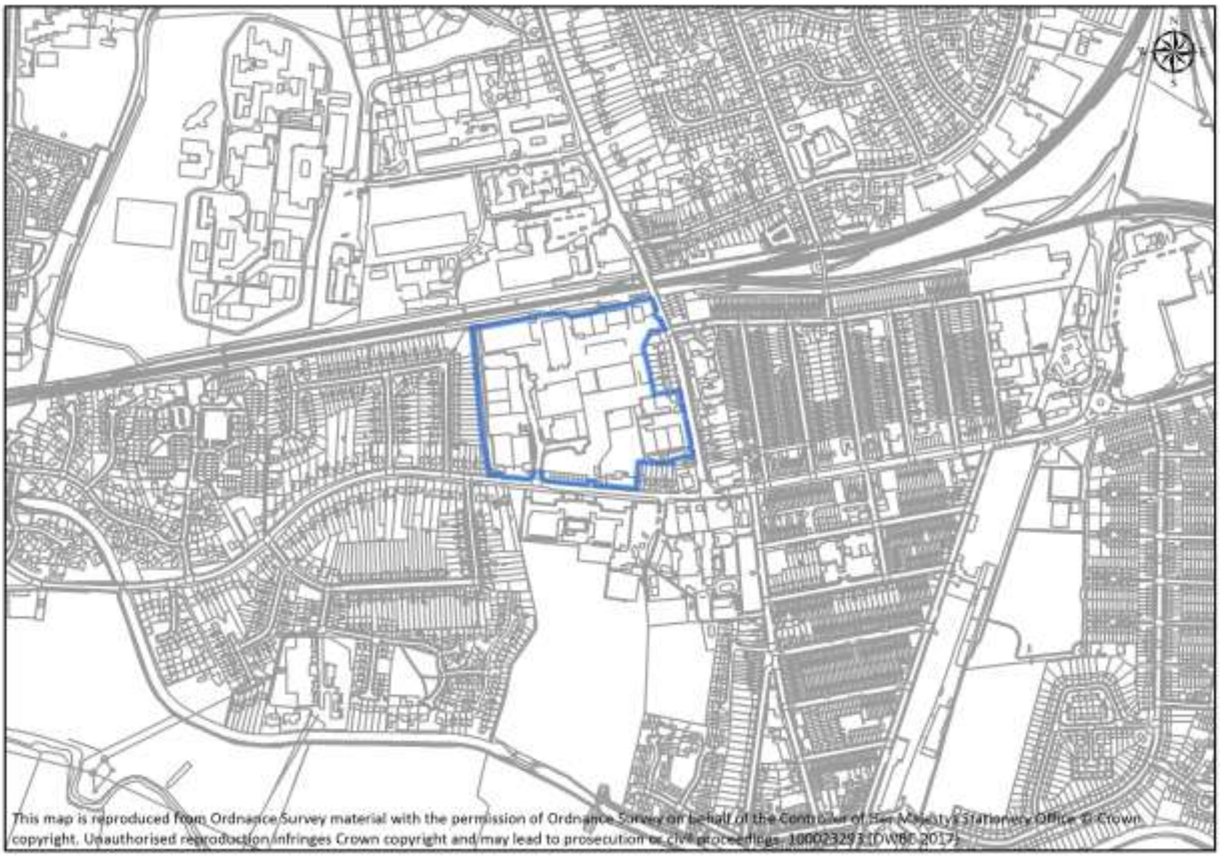
The general capacity for expansion of this area is limited by the surrounding residential neighbourhoods, Army Cadets, community facilities and, in the west, HMP Glen Parva (in Blaby District). If one of these non-residential facilities became surplus to requirements, they could provide space for expansion of the area or re-use of premises for B1(a) offices. However, there appears little prospect of this at present.

Conclusions/ Recommendations

Key location for B1(a) offices in the Borough, including several major public sector and HQ facilities, along with some good quality light industrial space – **Protect strongly in the Local Plan for B1, B2, B8 uses.**

Grade	A

St Thomas Road, South Wigston



Description
Small employment area to the west of South Wigston abutting the Blaby boundary and separated from Tigers Close by the railway line. The bulk of the site comprises mid-sized, moderate quality industrial units, including the multi-occupancy Draper Distribution Centre. Smaller premises on the St Thomas Road and Saffron Road are in B8 trade use, with retail elements and, in one case, a coffee shop. There are various other services in the immediate vicinity, including a Petrol Filling Station and convenience store.

Total Number of Units	27	**Vacant/Derelict Units**	2	**Occupancy Rate, percent**	93

Buildings Type, number of offices	4

Buildings Age, number of units	**Pre 1945**	0	**Post 1945**	22	**Post 1990**	4	**New**	1
Buildings Quality, number of units	**Derelict**	0	**Poor**	0	**Average**	22	**Good**	5

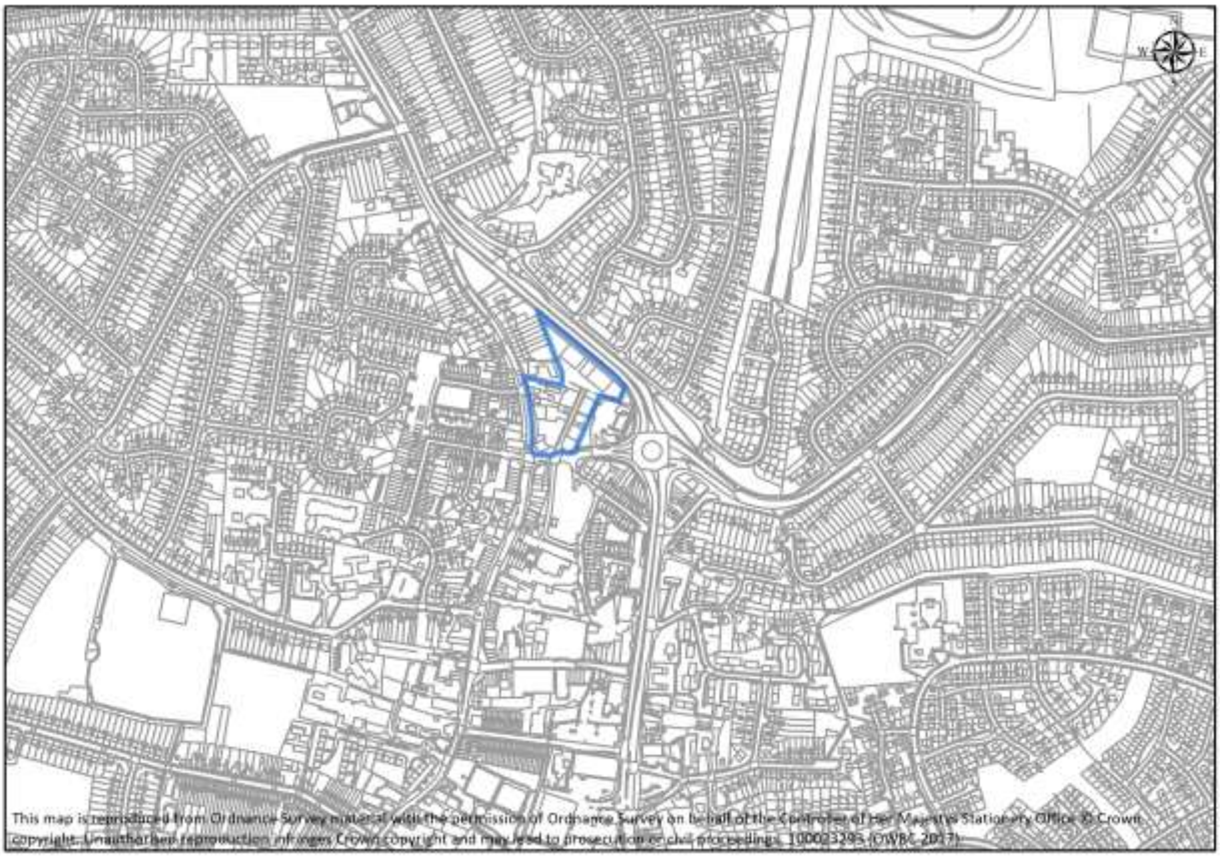
Total Floorspace, sqm	20,884
Site Scoring	6

Opportunities for Redevelopment/Expansion
All land is in use at present and the area is bound by surrounding residential neighbourhoods and services. There are three large open storage areas in the east and south which could provide a future infill site of some 1.1 ha. However, they are in use at present by multiple occupiers, primarily Gibbs and Dandy and SIG.

Conclusions/ Recommendations
Although the main road frontages are in trade uses, the core of the area provides a good rage of B2/B8 premises, including some modern terraced space of 500-1000 sqm – **Protect in the Local Plan for B1, B2, B8 uses.**

Grade	C

North Street, Wigston



Description

Small area of moderate quality industrial units on edge of Wigston Centre. Fronted by Sui Generis motor dealership.

Total Number of Units	8	**Vacant/Derelict Units**	0	**Occupancy Rate, percent**	100			
Buildings Type, number of offices	0							
Buildings Age, number of units	**Pre 1945**	0	**Post 1945**	8	**Post 1990**	0	**New**	0
Buildings Quality, number of units	**Derelict**	0	**Poor**	0	**Average**	8	**Good**	0
Total Floorspace, sqm	2,976							
Site Scoring	10							

Opportunities for Redevelopment/Expansion

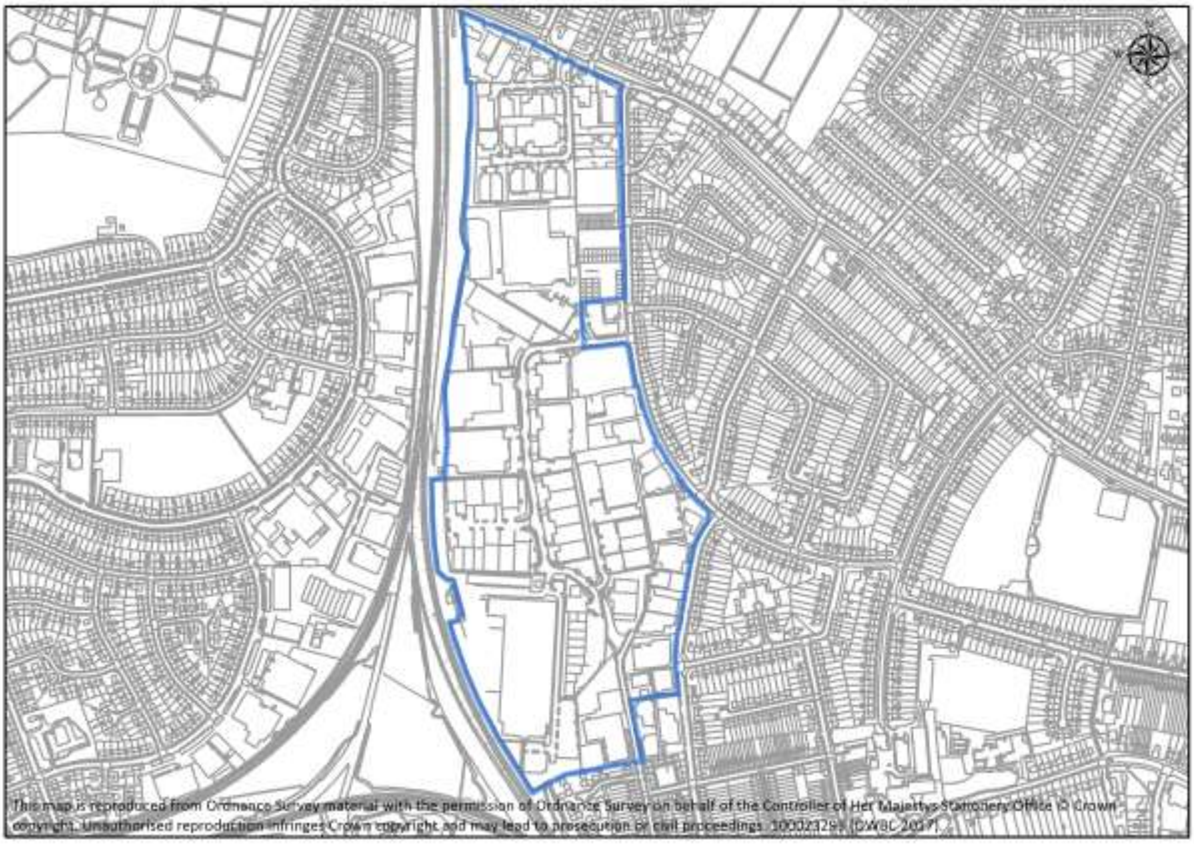
Small area, which is generally well used. Some land in frontage, some 0.05 ha, is used for vehicle parking/display associated with adjacent car dealership. This could provide infill development but in practice, any scheme here is unlikely to be for B-Class use.

Conclusions/ Recommendations

Small, well used employment area – **Protect in the Local Plan for B1, B2, B8 uses.**

Grade	C

Chartwell Drive, Wigston



Description
The largest dedicated employment area in the Borough, and premier industrial location. On the west side of Wigston, close to the border with Leicester City, the estate is essentially fully developed following Cromwell's development of the former railway sidings site to the south, generally only recycled premises come available. Most of the companies tend to be small companies closely allied to the local area. The estate comprises a mix of light industrial, manufacturing and small-scale distribution uses, there is little in the way of office space. The northern, Aylestone Lane, frontage is dominated by B8 trade uses, but these are not in evidence in the bulk of the Area to the south. No loses to non B-Class uses in evidence.

Total Number of Units	126	**Vacant/Derelict Units**	4	**Occupancy Rate, percent**	**97**

Buildings Type, number of offices	4

Buildings Age, number of units	**Pre 1945**	1	**Post 1945**	117	**Post 1990**	1	**New**	7
Buildings Quality, number of units	**Derelict**	1	**Poor**	0	**Average**	118	**Good**	7

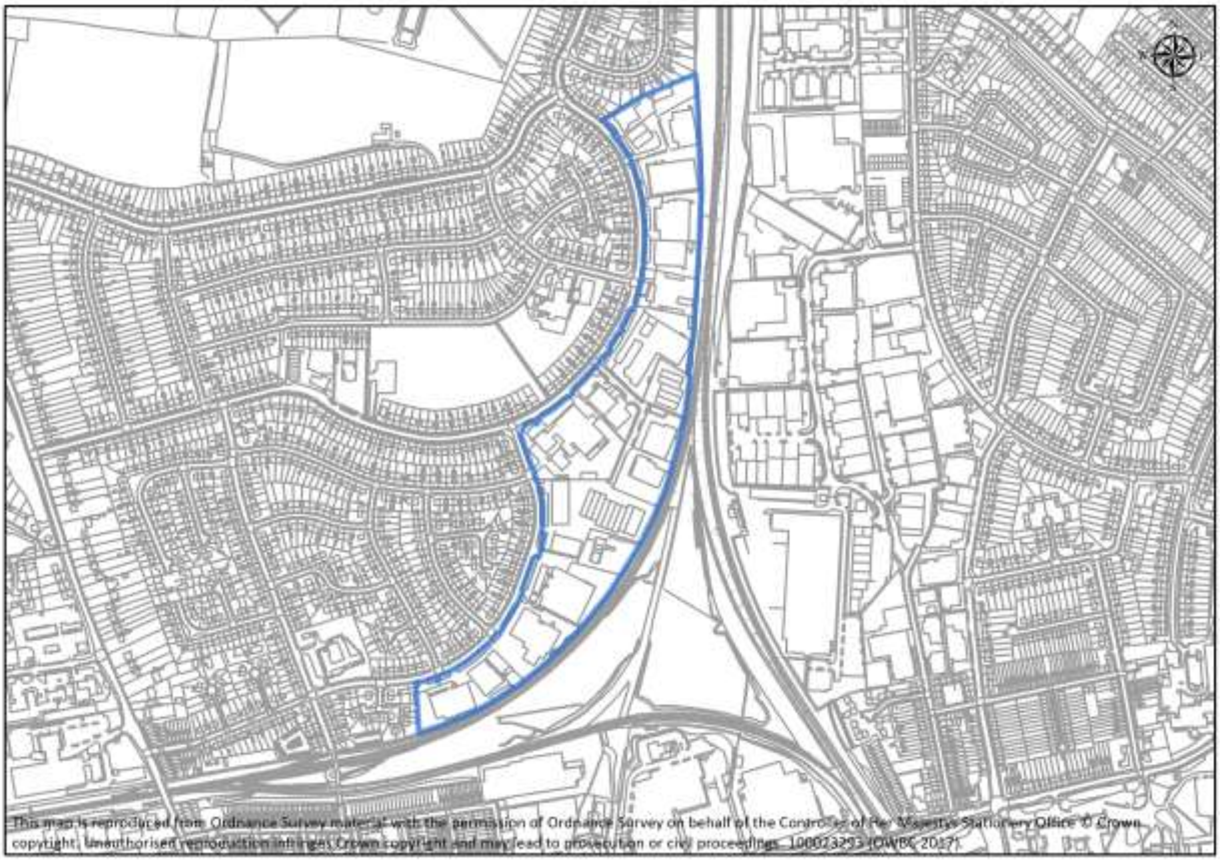
Total Floorspace, sqm	129,006
Site Scoring	10

Opportunities for Redevelopment/Expansion
Although individual properties may be able to expand within their curtilages, the Employment Area as a whole is largely fully developed, with little unused space or low grade units suited for redevelopment. There is no scope for expansion of the estate, as a whole, as it is sandwiched between residential areas and the railway line. There is one infill site in evidence, however, 0.88 ha of land to the east of Cromwell Tools, fronting Clarkes Road, and to the north of Hanesn Court. The bulk of the land is in use as additional parking for Cromwell, and is assumed to be under its ownership, but the site could be developed for a separate occupier, with access of Clarkes Road.

Conclusions/ Recommendations
Major Employment Area for the Borough, both in terms of its scale and the range of businesses accommodated – **Protect strongly in the Local Plan for B1, B2, B8 uses.**

Grade	A

Gloucester Crescent, South Wigston



Description

A large dedicated employment area in the Borough, closely related to Chartwell Trading Estate, which is the other side of the railway line which forms its eastern boundary. On the north side of South Wigston, close to the border with Leicester City, the estate is essentially fully developed and generally only recycled premises come available. Most companies are small or mid-sized, and operate in a range of general industrial and engineering sectors. The estate comprises a mix of light industrial, manufacturing and small-scale distribution uses, there is little in the way of office space. There has been some change of use within buildings to provide a café and martial arts gym, but the losses, some 792 sqm or 1.7 percent of the total floorspace, are negligible in the context of the areas

Total Number of Units	41	**Vacant/Derelict Units**	1	**Occupancy Rate, percent**	**97**

Buildings Type, number of offices	1							
Buildings Age, number of units	**Pre 1945**	0	**Post 1945**	39	**Post 1990**	1	**New**	1
Buildings Quality, number of units	**Derelict**	0	**Poor**	1	**Average**	40	**Good**	0
Total Floorspace, sqm	47,482							
Site Scoring	6							

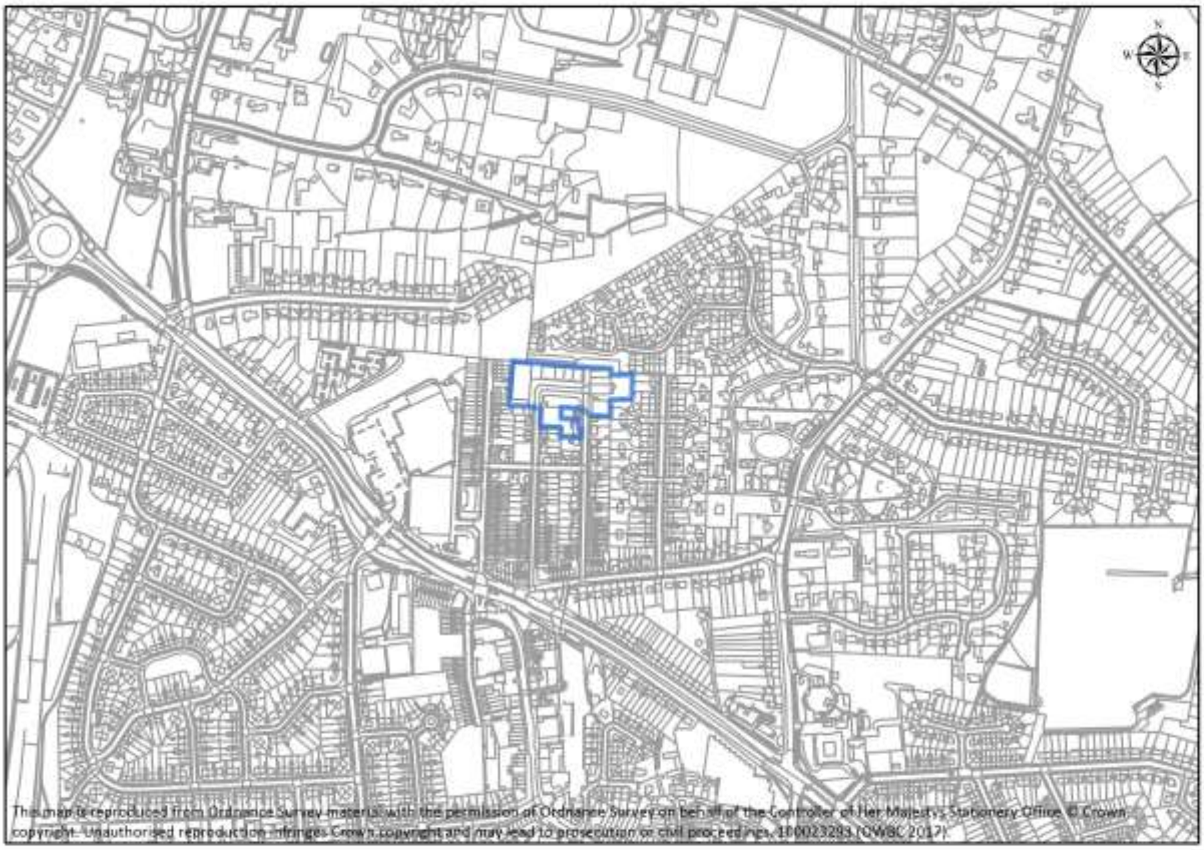
Opportunities for Redevelopment/Expansion

As noted, the site is fully developed and tightly bound by surrounding housing and the rail line. There are three vehicle yards in the area which may provide modest infill options, although they are in use at present:

- Woods Coaches Garage, Bedford Road – 0.14 ha
- HB Specialist Supplies Yard, Gloucester Crescent – 0.36 ha
- Cockerills Recovery Yard, Cornwall Road – 0.28 ha.

Conclusions/Recommendations Active and well occupied local industrial estate, accommodating several of the Borough's mid-sized employers – **Protect strongly in the Local Plan for B1, B2, B8 uses.** Some losses to non B-Class uses have occurred but they are small in scope. Further, large scale losses appear unlikely as the area lacks the micro business units which could be easily converted for food, gyms and other such options.	
Grade	A

Cross Street/Regent Street, Oadby



Description
Very small area in residential location. Average quality buildings in area with no prominence and limited access, close to Oadby Centre.

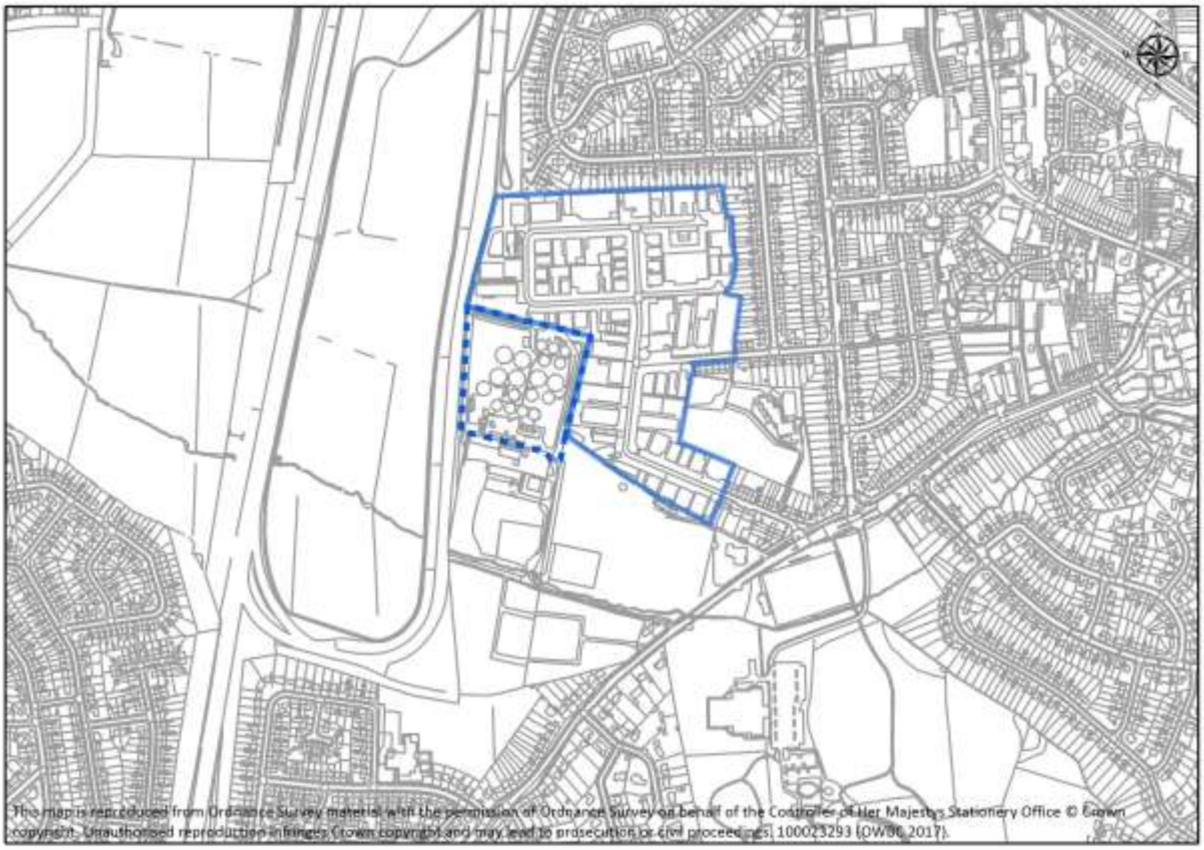
Total Number of Units	8	**Vacant/Derelict Units**	0	**Occupancy Rate, percent**	**100**			
Buildings Type, number of offices	1							
Buildings Age, number of units	**Pre 1945**	0	**Post 1945**	8	**Post 1990**	0	**New**	0
Buildings Quality, number of units	**Derelict**	0	**Poor**	0	**Average**	8	**Good**	0
Total Floorspace, sqm	2,880							
Site Scoring	1							

Opportunities for Redevelopment/Expansion
Area of modest quality generally, that may offer a long-term redevelopment option but at present appears well occupied providing budget quality space to a range of local firms. Site is surrounded by housing however, which makes a redevelopment for B-Class use unlikely.

Conclusions/Recommendations
Small buildings in use – **Protect in the Local Plan for B1, B2, B8 uses.** However, consider for reuse if an appropriate scheme comes forward which will deliver superior economic benefits.

Grade	D

Kenilworth Drive, Oadby



Description
Self-contained moderate quality industrial estate close to Oadby Centre. Mixed industrial and offices (including several multi-led, business centre buildings). Also, space in more diverse uses including gyms (and a training centre for Leicester Tigers Rugby Cub, linked to the adjacent playing fields, although this seems to operate mostly as a B1(a) administrative office), private members snooker club, trade uses dance studio and a religious temple, all mixed within the Area. Across the estate some 2,900 sqm, (5.4 percent of the total floorspace) in 6 units (7.9 percent of the total) is in non B Class use. Access is constrained through suburban, residential areas.

Total Number of Units	76	**Vacant/Derelict Units**	1	**Occupancy Rate, percent**	**98**			
Buildings Type, number of offices	9							
Buildings Age, number of units	**Pre 1945**	10	**Post 1945**	65	**Post 1990**	1	**New**	0
Buildings Quality, number of units	**Derelict**	0	**Poor**	8	**Average**	68	**Good**	0
Total Floorspace, sqm	53,277							
Site Scoring	3							

Opportunities for Redevelopment/Expansion
The Area is densely developed, with most property well used, including multi occupancy office schemes. It is also tightly bound by surrounding housing, associated recreation space, Leicester Racecourse and a water treatment works. The Borough of Oadby and Wigston Water Treatment Works (shown as a dotted line in the above plan) is a possible brownfield redevelopment site and discussed further below.

Conclusions/Recommendations	
Moderate quality but well occupied local industrial estate. In addition to a good range of office, industrial and storage options, suited to local firms, the Area accommodates several other diverse uses. The presence of such non B-Class uses partly reflects the reality of Oadby, i.e. that the town lacks alternative space for D1/D2 uses who do not want a Centre shop unit. In this context, the 5-8 percent of space lost to such units is not large and units converted for D1/D2 use can usually be converted back to B-Class employment, when needed – **Protect in the Local Plan for B1, B2, B8 uses. But show flexibility on appropriate alternative uses given the lack of other space in Oadby which could accommodate such other employment-generating uses.**	
Grade	C

Area Assessments – Other Employment Sites

Highfield Drive, Wigston

Description
Residential street which accommodates a single large office complex, comprising a single large, converted dwelling house with extensive modern extensions to the rear. Building is surrounded by comparatively large parking areas and landscaping, separating it from adjacent housing. Occupier is the Institution of Occupational Safety and Health.

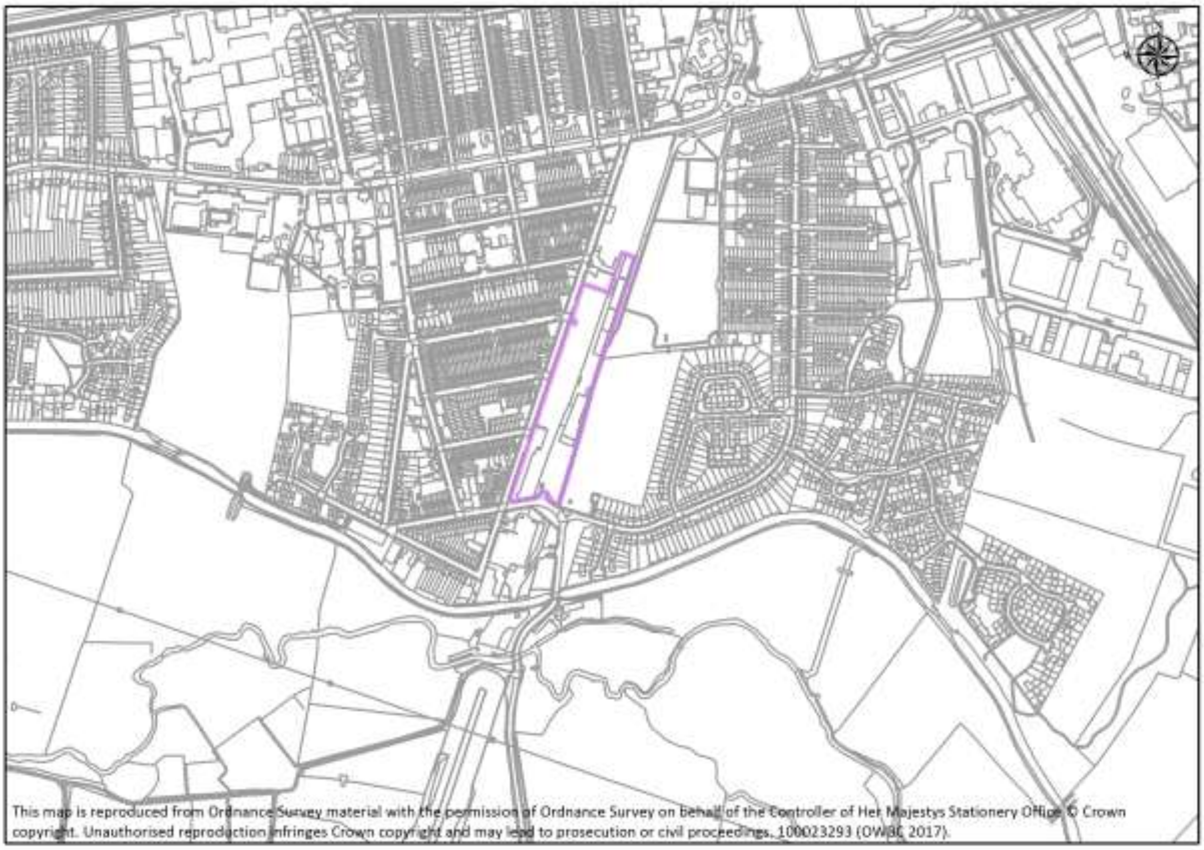
Total Number of Units	11	**Vacant/Derelict Units**	0	**Occupancy Rate, percent**	100			
Buildings Type, number of offices	1							
Buildings Age, number of units	**Pre 1945**	1	**Post 1945**	0	**Post 1990**	0	**New**	0
Buildings Quality, number of units	**Derelict**	0	**Poor**	0	**Average**	0	**Good**	1
Total Floorspace, sqm	2,538							
Site Scoring	18							

Opportunities for Redevelopment/Expansion
Land fronting Highfield Drive could provide a degree of infill although this would mean the loss of landscaping and some car parking, and bring the offices closer to adjacent housing.

Conclusions/Recommendations
Good quality, solus office building which is home to a key local service sector occupier – **Protect strongly in the Local Plan for B1(a) uses.**
If that occupier vacates, the site may not find another comparable office user and could then be considered for re-use for housing or another compatible use such as a hotel or residential intuition.

Grade	B

Canal Street, South Wigston



Description
A single, linier manufacturing complex for UB Jacobs. Comprises a range of interconnected older buildings to the south of South Leicestershire College and tightly bound by surrounding terraced housing and local retail.

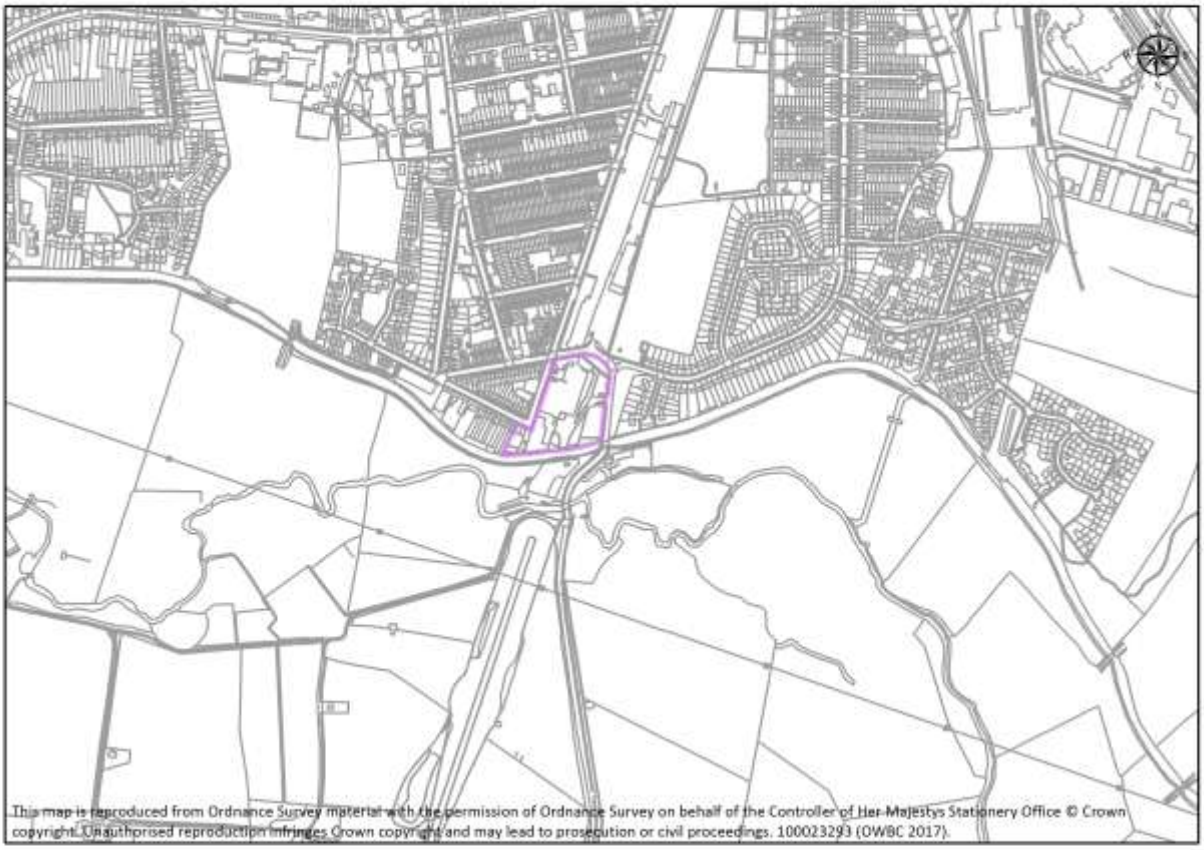
Total Number of Units	1	**Vacant/Derelict Units**	0	**Occupancy Rate, percent**	**100**		
Buildings Type, number of offices	0						
Buildings Age, number of units	**Pre 1945** 1	**Post 1945**	0	**Post 1990**	0	**New**	0
Buildings Quality, number of units	**Derelict** 0	**Poor**	0	**Average**	1	**Good**	0
Total Floorspace, sqm	19,916						
Site Scoring	6						

Opportunities for Redevelopment/Expansion
Dense factory complex, with little open space bar some parking/loading space fronting Countesthorpe Road.

Conclusions/Recommendations
Space for a key manufacturing – **Protect in the Local Plan for B1, B2, B8 uses, but with a focus on UB Jacobs over other parts of the site.** If Jacobs vacates, finding new occupiers for its linier shaped and specialist production facilities could be challenging and redevelopment options, likely for a mix of uses, including education, would then have to be considered.

Grade	B

Park Road/Canal Street, South Wigston



Description

Comprises a large, historic factory complex, Premier Works, which has been sub-divided into approx. 19 industrial units accommodating a selection of local engineering, manufacturing and construction industry units, in a residential area backing onto the Grand Union Canal

Total Number of Units	21	**Vacant/Derelict Units**	0	**Occupancy Rate, percent**	**100**

Buildings Type, number of offices	1

Buildings Age, number of units	**Pre 1945**	21	**Post 1945**	0	**Post 1990**	0	**New**	0
Buildings Quality, number of units	**Derelict**	0	**Poor**	1	**Average**	21	**Good**	0

Total Floorspace, sqm	6,728
Site Scoring	3

Opportunities for Redevelopment/Expansion

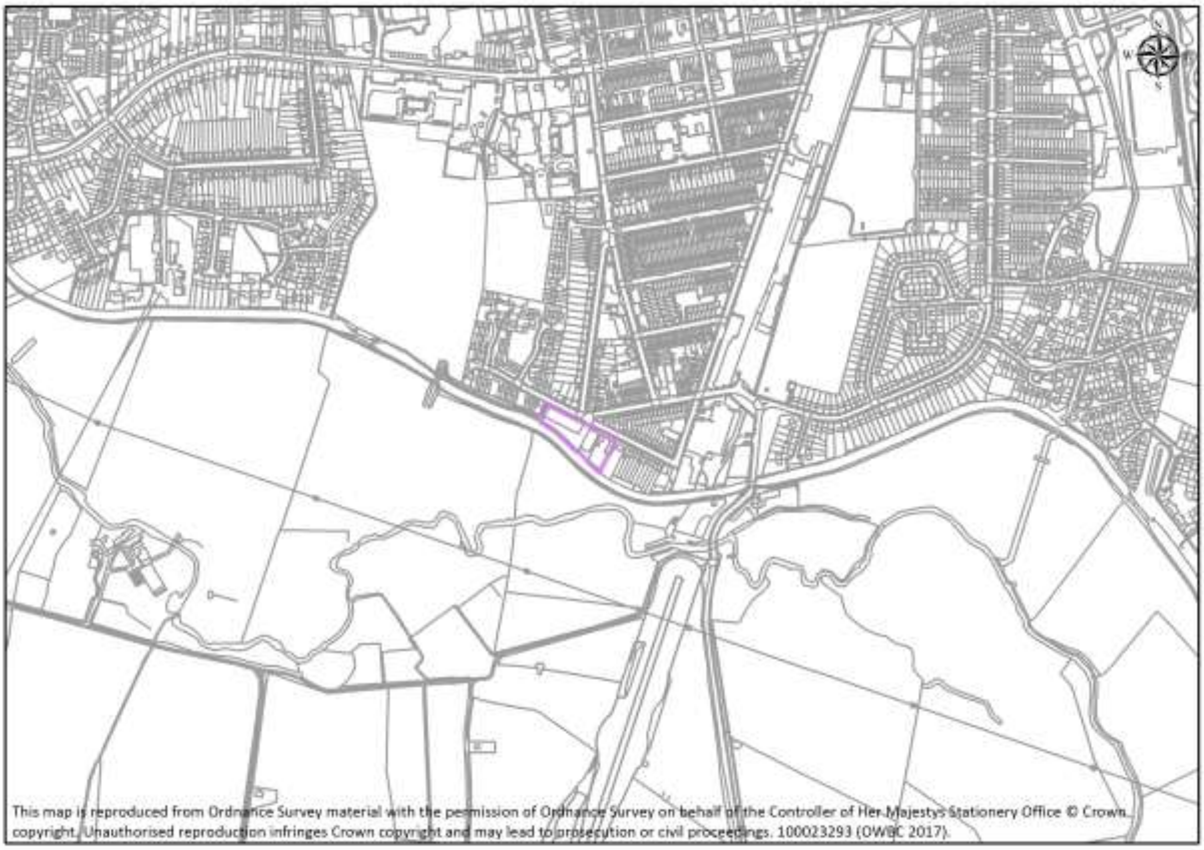
Dense factory complexes, with little open. Premier Works may offer a long term redevelopment option but at present appears well occupied providing budget quality space to a range of local firms.

Conclusions/Recommendations

Factory complexes, including space for a key manufacturing business and space for a selection of smaller, but still important local industrial firms – **Protect in the Local Plan for B1, B2, B8 uses.** However, consider for reuse if an appropriate scheme comes forward which will deliver superior economic benefits.

Grade	D

Park Road, South Wigston



Description
Two small/mid-sized, moderate quality industrial buildings, in a residential area backing onto the Grand Union Canal. One in trade use.

Total Number of Units	2	**Vacant/Derelict Units**	0	**Occupancy Rate, percent**	**100**

Buildings Type, number of offices	0							
Buildings Age, number of units	**Pre 1945**	0	**Post 1945**	2	**Post 1990**	0	**New**	0
Buildings Quality, number of units	**Derelict**	0	**Poor**	1	**Average**	1	**Good**	0
Total Floorspace, sqm	1,372							
Site Scoring	2							

Opportunities for Redevelopment/Expansion
Two backland industrial buildings of limited economic value which may represent a future infill redevelopment opportunity. Backland location makes it unlikely that any future proposals will be for high value B-Class use though.

Conclusions/Recommendations
Small buildings in use – **Protect in the Local Plan for B1, B2, B8 uses.** However, consider for reuse if an appropriate scheme comes forward which will deliver superior economic benefits.

Grade	D

6.12 Overall, there is 323,756 sqm, in 317 properties, in the Borough's eight Identified Employment Areas. Another 30,554 sqm, in 35 properties, is found in the three Other Employment Sites reviewed.

6.13 Looking at the Identified Employment Areas only, 39.8 percent of the floorspace (129,006 sqm) and 39.7 percent of the premises (126) are found in Chartwell Drive. Collectively the three biggest areas – Chartwell Drive, Wigston; Gloucester Crescent South Wigston and Kenilworth Drive, Oadby – account for 70.9 percent of the floorspace (229,764 sqm) and just over three quarters of the premises (243).

6.14 The stock is overwhelmingly industrial in nature, out of 317 properties, only 25 (7.9 percent) were offices, with only Tigers Close providing larger HQ office properties of more than 1,000 sqm each.

6.15 The quality of the stock varies, only 18 of the 317 properties can be described as new, i.e. built in this century, with another 10 likely built in the 1990s. The overwhelming majority, 275 or 86.7 percent of premises, were likely built between 1945 and 1990, i.e. they are a comparable age to the residential estates that surround them.

6.16 The quality of space varies, but only 12 poor quality units were noted and nothing stands derelict. Occupancy rates are uniformly high, with only Magna Road, South Wigston showing an occupancy rate of less than 90 percent.

6.17 Because of this high occupancy rate there is little unused land which might provide future opportunities for regeneration and renewal. The exception is proposals to clear a large unit at Magna Road for future redevelopment of smaller business space. This affects 2.18 ha of land in that Area. Some other land parcels, in use at present, but offering long term prospects for infill are:

- Magna Road, South Wigston – Land on the southern and eastern sides of Harrison Close comprises a range of scrap yard/recycling and older warehouse facilities, totalling 3.0 ha, which could provide a further infill site without encroaching on the recreation and housing land to the south, and support the wider modernisation of the Area taking place to the north. At present though, the current occupiers do continue to provide a useful economic function in the Borough though
- Tigers Close, South Wigston – There is a very small area of landscaping in the Animal/Plant Health Agency curtilage, 0.05 ha, which could provide some

infill, if needed

- St Thomas Road, South Wigston – There are three large open storage areas in the east and south which could provide a future infill site of some 1.1 ha. However, they are in use at present by multiple occupiers, primarily Gibbs and Dandy and SIG
- Chartwell Drive, Wigston – There is one infill site, comprising 0.88 ha of land to the east of Cromwell Tools, fronting Clarkes Road, and to the north of Hansen Court. The bulk of the land is in use as additional parking for Cromwell, and is assumed to be under its ownership, but the site could be developed for a separate occupier, with access off Clarkes Road
- Gloucester Crescent, South Wigston – There are three vehicle yards in the area which may provide modest infill options, although they are in use at present:
  - Woods Coaches Garage, Bedford Road – 0.14 ha
  - HB Specialist Supplies Yard, Gloucester Crescent – 0.36 ha
  - Cockerills Recovery Yard, Cornwall Road – 0.28 ha.
- Highfield Drive, Wigston – Land fronting Highfield Drive could provide a degree of infill although this would mean the loss of landscaping and some car parking, and bring the offices closer to adjacent housing.

6.18 Several areas incorporate elements of non B-Class use, most notably Kenilworth Drive, Oadby (gyms, cafes and a religious temple), while St Thomas Road, South Wigston and Chartwell Drive, Wigston incorporate B8 trade uses on their main road frontages.

6.19 The encroachment of such uses into industrial estates and business parks is a national trend, but also generally reflects the local property market in the Borough. Such uses locate in the Employment Areas because there are limited alternatives. The Borough has no dedicated trade or leisure parks and, for the most part Centre shop units are too small, of inappropriate design and (likely) too expensive to accommodate them.

6.20 The proportion of the stock in other uses is modest, equating to less than 5-10 percent of the total for each Area. Significant growth of non B-Class, above this level, appears unlikely as key areas now have one or more gym and A3 café each while other industrial space does not provide the prominence that trade operators require.

It should also be noted that units taken up for such alternative uses are not necessarily permanent losses to the supply. Internally converted units, particularly industrial properties, can normally be converted back to B1, B2, B8 use when needed by the market.

Land Supply

6.21 Review of planning policy and discussions with the Council have identified three sources of undeveloped employment land in the Borough of Oadby and Wigston. Key is The Wigston Direction for Growth which comprises 2.5-3.5 ha for 2006-2026 defined in Core Strategy Policy 1. 2.5 ha now has consent for development.

6.22 Two additional identified employment land sources are:

- Site EM6: Land West of Magna Road Industrial Estate, South Wigston (0.55 ha) – Former Local Plan site
- Core Strategy Policy 2 – Development in the Centres of Oadby, Wigston and South Wigston' – Identifies that Centre regeneration will provide approximately 6,000 sqm of gross office floorspace will be provided and split between the centres of Wigston (5,000 sqm) and Oadby (1,000 sqm). If delivered in full this could provide a further 0.30 ha of employment land.

6.23 The total baseline supply is thus **3.35 ha**. These three employment land sources are discussed individually below.

Wigston Direction for Growth

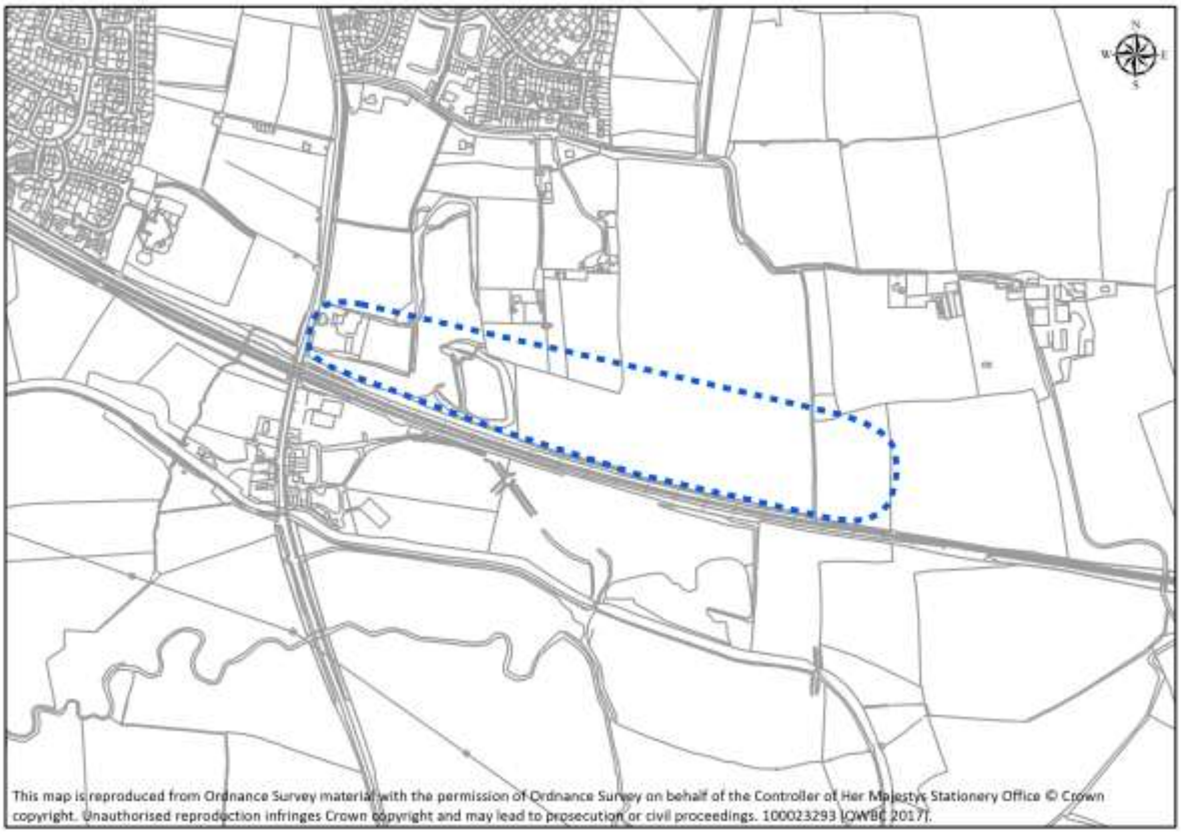
Policy

6.24 'Core Strategy Policy 1 – Spatial Strategy for Development in the Borough of Oadby and Wigston' makes provision for a Direction for Growth of approximately 450 new homes and 2.5-3.5 ha of new B1 and/or B2 employment land, adjoining the Leicester Principal Urban Area on land to the south east of Wigston. The new land will eventually replace the equivalent amount of poor quality employment land located within existing Identified Employment Areas in the Borough.

6.25 Through the Issues and Options, Preferred Options and now pre-submission draft of the new Local Plan, the Borough Council has committed to bring forward the Direction of Growth site in Wigston which has been granted Planning Permission (Phase One, see below) to deliver mix used development including housing and employment development. Further employment land, is proposed as part of 'Phase Two' of the development, equating to another 2.5 ha of land.

6.26 Thus, the maximum likely supply here is **5.0 ha**, i.e. 2.5 ha from Core Strategy allocations, now consented, and another 2.5 ha as proposed in the new Local Plan. Figure 8 shows the indicative area this enlarged Direction for Growth might cover.

Figure 8 – Wigston Direction for Growth Indicative Area

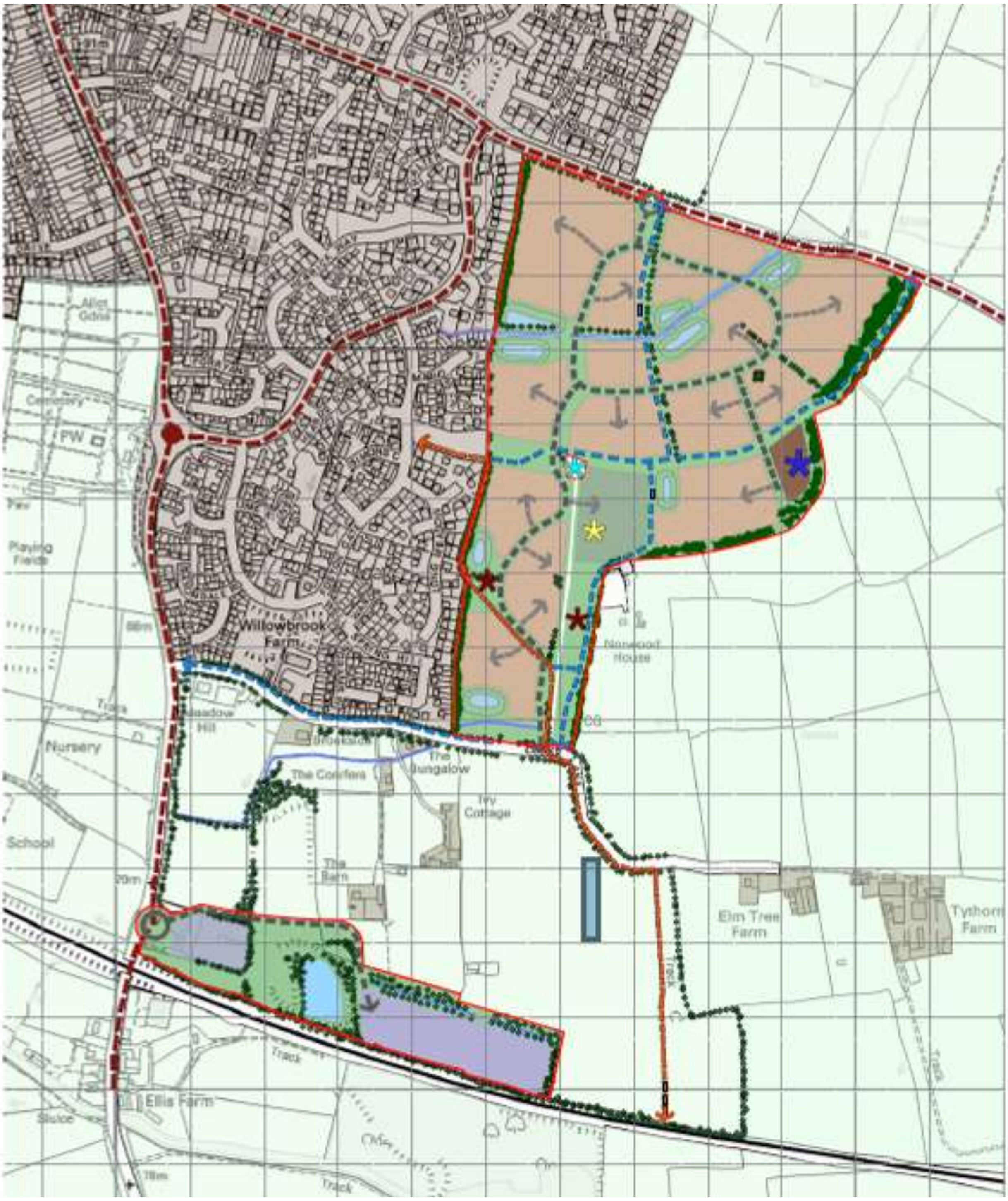


Source: OWBC, 2017

Current Conditions

6.27 Development partners are secured and active on the Phase One element of this site. In February 2016, David Wilson Homes secured Outline consent for a mixed-use development of up to 450 dwellings and 2.5 ha of employment land along with recreation space and changing facilities, allotments and other landscaping on Land South of Newton Lane and East of Welford Road, Wigston. Consented plans would see the residential and recreation elements delivered as a single eastward extension to existing housing, between Newton Lane and Cooks Lane. The employment element is planned for two main plots, separated by an existing waterbody and comprising a separate site, north of the railway line and accessed from Welford Road (see Figure 9).

Figure 9 – Current Consented Masterplan for the Wigston Direction for Growth (employment land in purple in the south)



Source: DWH/Pegasus Urban Design, 2016

6.28 The Welford Road employment site is largely unconstrained and consented proposals allow for environmental mitigation of up to 3.8 ha associated with the waterbody and surrounding landscaping, which also screens the train line. Investment in infrastructure is required, however, including roads and services, redeveloping a car garage which currently occupies the Welford Road frontage.

6.29 The Wigston Direction for Growth site is now at Full Reserved Matters stage. Subject to further consents, the development partners hope to commence residential development by September 2017.

6.30 Residential development here is the primary focus of the development team. The employment site is a secondary consideration and the team does not have a plan for taking this forward. Speculative development is particularly unlikely but design and build options remain possible, although there is no set delivery plan or timetable at present.

6.31 The current partner view is that the market is not conducive to a commercial development in this area. The main barriers to development they identified can be summarised as:

- Distance from the M1 Corridor which makes attracting larger businesses challenging
- An out of town position which is not desirable to existing local businesses
- Costs of site servicing, landscaping, including barriers to the railway, and access. These are judged to exceed likely returns.

6.32 This study accepts that there are up front investment costs on the land which need to be addressed and that a speculative development here is unlikely in the present market and given landowner views. However, the notion that there is no demand for the employment land is questioned. The following paragraphs review the market research and stakeholder engagement, undertaken for this study (Sections 4.0 and 5.0) in the context of likely scale (i.e. 5 ha to 2031) and nature (i.e. primarily industrial and smaller warehousing) of development on the Wigston Direction for Growth.

Market Demand – General Demand

6.33 As discussed in Section 4.0, analysis of the national and regional markets shows a growing market for both industrial and smaller warehouse units, the two types of premises most likely to be accommodated on the Wigston Direction for Growth Site.

Demand is growing against a reducing stock of premises, particularly for sub-1,000 sqm units and 'mid box' options of 5,000-10,000 sqm.

6.34 National conditions continue to favour development, with a range of manufacturing, and associated distribution, sectors showing growth despite economic uncertainties. Growth in the Leicester Conurbation is equal to that of any other Midlands city apart from Birmingham. Industrial rents currently sit at £65/sqm, having enjoyed reasonable uplift over 2016/17, and further gain expected until at least 2018.

6.35 Demand is led by freehold interest as more and more companies seek owner occupation, as an investment for the future, both financially and in terms of space needs. This also reflects the greater availability of low interest commercial finance in recent years, economic conditions which are not expected to change in the short-medium term. Against this demand, shortages of freehold options, both developed premises and serviced design and build plots, are an issue in most local authority areas.

6.36 In the Borough of Oadby and Wigston specifically, evidence of demand can be seen in the enquiries data provided by the LLEP for 2009-2016. Over that period, the clear focus of interest from companies looking at the Borough of Oadby and Wigston was for industrial and warehouse space, with an average of 123 requirements per year recorded and steady growth in demand since the end of the national recession. Although, the greatest need is for light industrial units, requirements extend up to for 2,324+ sqm. A need for sites, mostly greater than 2 ha in size was also noted.

6.37 Against this need, current supply is limited to seven currently available buildings, ranging from 282 sqm to 1,413 sqm, only one of which is in Oadby. Space is generally of moderate quality with little freehold availability.

6.38 Property market stakeholders, active in the Borough of Oadby and Wigston, agree with the above view that the Borough lacks industrial and warehouse supply against both local and external needs, and that requirements are becoming increasingly urgent in a growing economy. Demand is mainly leasehold, but freehold interests are noted and more companies might look to buy, for owner occupation or investment, if the stock was available. The identified need is focused in Wigston/South Wigston, with units, of more than 500 sqm letting or selling quickly when they come to the market. Needs of this scale will not be satisfied by the expected redevelopment of R

F Brookes, on Magna Road, South Wigston where units of no more than 450 sqm each are proposed.

6.39 Demand is primarily local but, as evidenced by LLEP requirements, demand from outside of the Borough of Oadby and Wigston is also strong, with all parts of the Conurbation facing comparable shortages.

Market Demand – Specific Requirements

6.40 The above paragraphs show the extent of industrial/smaller warehouse demand for the Borough of Oadby and Wigston generally, and more specifically Wigston and South Wigston, the foci of local industrial and distribution activity. However, both though independent research and engagement with the LLEP, four other property requirements have come forward which have specifically indicated that they would consider design and build options on the Wigston Direction for Growth Site.

6.41 The LLEP highlighted a requirement for 3,250 sqm of premises on a 0.5 ha site for an undisclosed textile manufacturer, currently based in Leicester. A second stated requirement was for a 5,000 sqm unit for heavy industrial manufacturing, again focused on the Wigston Direction for Growth site. This second requirement could take up 1.28 ha at standard rates, giving total land requirements of 1.78 ha, i.e. some 71 percent of the currently consented 2.5 ha Direction for Growth site for just two businesses.

6.42 The businesses separately consulted for this study also showed good desire for further growth. Of only four businesses contacted, two indicated they may consider investing in design and build premises for owner occupation, locally, albeit in the medium to long term. In the Borough of Oadby and Wigston, such opportunities are only likely to be provided on the Wigston Direction for Growth site. These companies could not give specific details about the scale and nature of their requirements at this stage but both would be looking for industrial and warehouse space. Based on the sizes of their current units, needs would be in the range of 900-1,000 sqm on a quarter of a hectare, thus taking requirements on the Direction for Growth to around 2 ha.

6.43 It is important to emphasise that this study has looked at the Borough of Oadby and Wigston's market overall, and has not specifically tested demand for the Direction for Growth Site. However, at this high level, research shows good demand for industrial and warehouse units over 500 sqm in size, particularly in Wigston/South Wigston and particularly for freehold options. Demand is both local, from across the Leicester Conurbation and regional. Against this need only four industrial/warehouse units are currently on the market in Wigston/South Wigston, greater than 500 sqm in size, plus one in Oadby. Only two of these are offered freehold.

6.44 Business engagement has been conducted at a high level, but even these initial contacts have identified requirements that could fill some 2 ha of land, or 80 percent of the currently consented site. None suggest they are discouraged from sites site because of its geographic position or distance from motorway corridors, indeed the open greenfield/brownfield land is considered an advantage in development terms compared to any constrained urban land likely to become available in Wigston or South Wigston. All are willing to consider Design and Build options so would not require speculative delivery of units by partners. Based on these findings, a more detailed survey of local businesses and more site-specific market testing of the Wigston Direction for Growth is likely to identify more needs, certainly enough to fill another 3 ha of Direction for Growth land, as currently envisaged.

Site EM6: Land West of Magna Road Industrial Estate, South Wigston

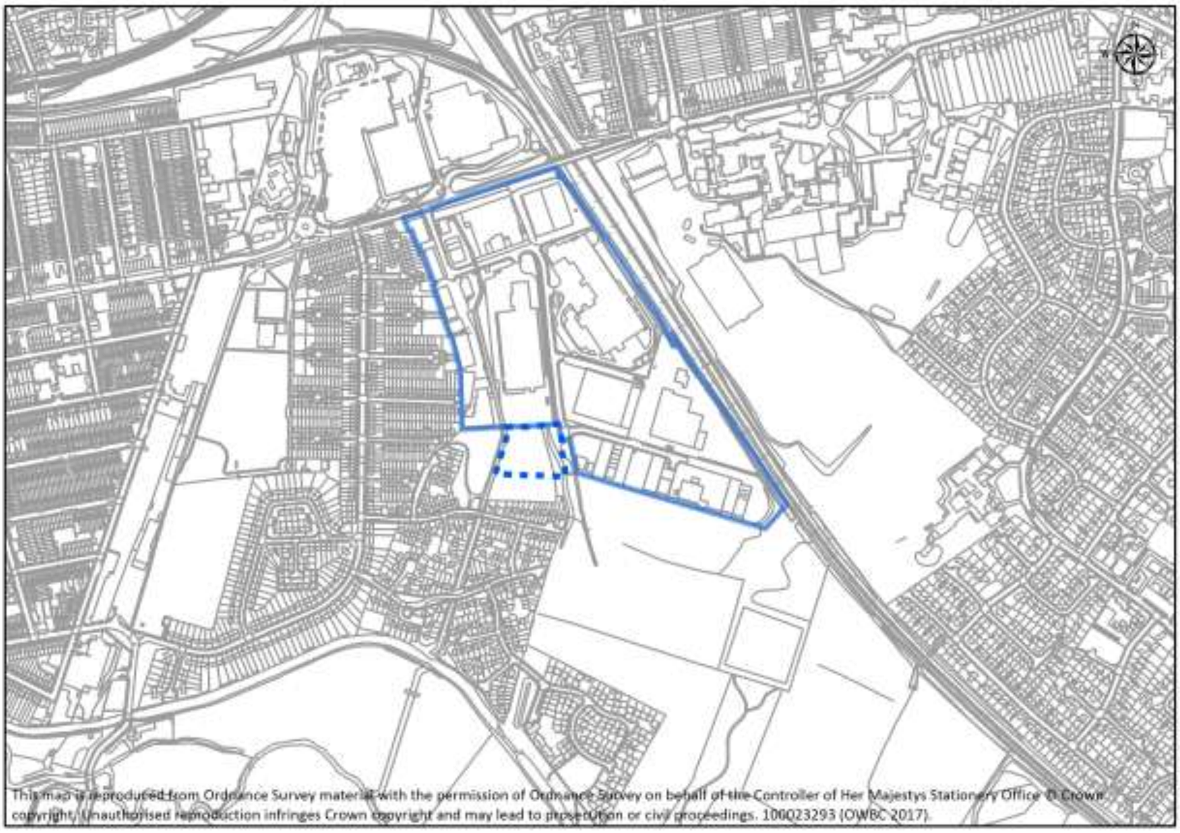
6.45 Site EM6 was first identified in the 1999 Oadby and Wigston Local Plan and has remained undeveloped since that time. The site comprises scrubland to the south and west of the existing Magna Road Employment Area, with housing to the west and north and recreation land to the south east (see Figure 10).

6.46 The land is owned by the industrial owner-occupier to the north, A E Turbine Components (AETC), and has been held as expansion land for that business, for some years, without being required. The site does, however, have an independent access onto Magna Road and thus could be developed separately from the adjacent user, if needed.

6.47 The land's backland status and lack of owner interest have inhibited development to date and it is unclear if AETC will ever require the site for its own uses. However, the site remains a viable option for growth. The redevelopment of adjacent R F Brookes will greatly intensify occupancy and economic activity in this area of Magna Road and Site EM6 could provide a strong opportunity for a further phase of development, subject to the success of the first.

6.48 Redevelopment schemes which also incorporate some of the low-grade waste/recycling, timber and other low grade uses of Harrison Close would also be valuable in improving the attractiveness of EM6 and Magna Road generally.

Figure 10 – Land West of Magna Road (dashed line) in the Magna Road Employment Area



Source: OWBC, 2017

Centre Regeneration

6.49 'Core Strategy Policy 2 – Development in the Centres of Oadby, Wigston and South Wigston' – Identifies that Centre regeneration will provide approximately 6,000 sqm of gross office floorspace will be provided and split between the centres of Wigston (5,000 sqm) and Oadby (1,000 sqm).

6.50 The Adopted AAP (2013) for Oadby and Wigston Centres puts forward a higher office development level of up to 11,275 sqm, with 10,475 sqm in Wigston and 800 sqm in Oadby. This is linked to the following specific projects:

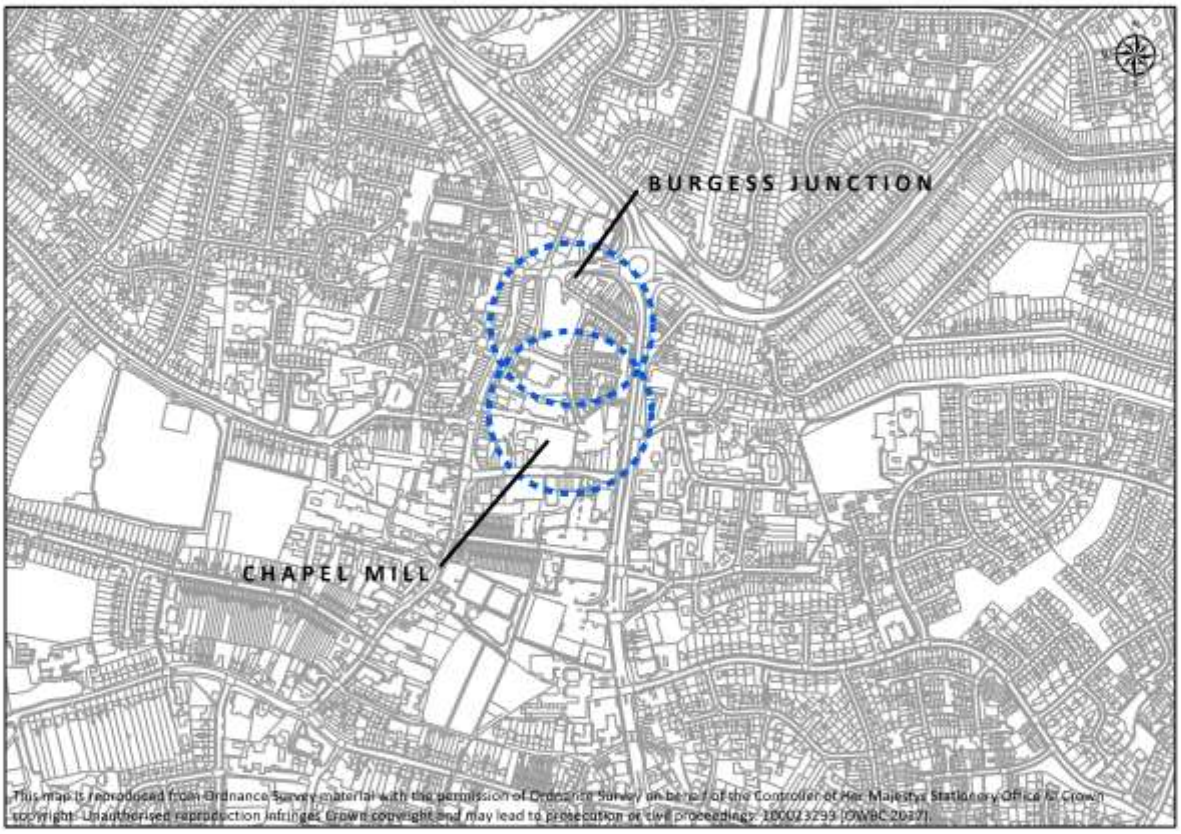
Wigston (see Figure 11 for indicative locations)

- Burgess Street / Junction Road – 'Burgess Junction' – including 9400 sqm new retail floorspace; 8725 sqm new office floorspace; multi-storey car park to provide at least 400 spaces; public realm improvements. Offices would be in buildings of three to four storeys, including some above retail, focused in the south of this area.
- Frederick Street/Bell Street – 'Chapel Mill' – including new retail development (1765 sqm) up to three storeys and a standalone office development on Frederick Street (1750 sqm) of up to three storeys in height.

Oadby (see Figure 12 for indicative locations)

- Baxter's Place – including 2170 sqm new retail floorspace; 800 sqm new office floorspace at upper floors; car parking to provide at least 210 spaces; 1275 sqm community use.

Figure 11 – Wigston Centre Indicative Regeneration Areas (likely to include B1(a) offices)

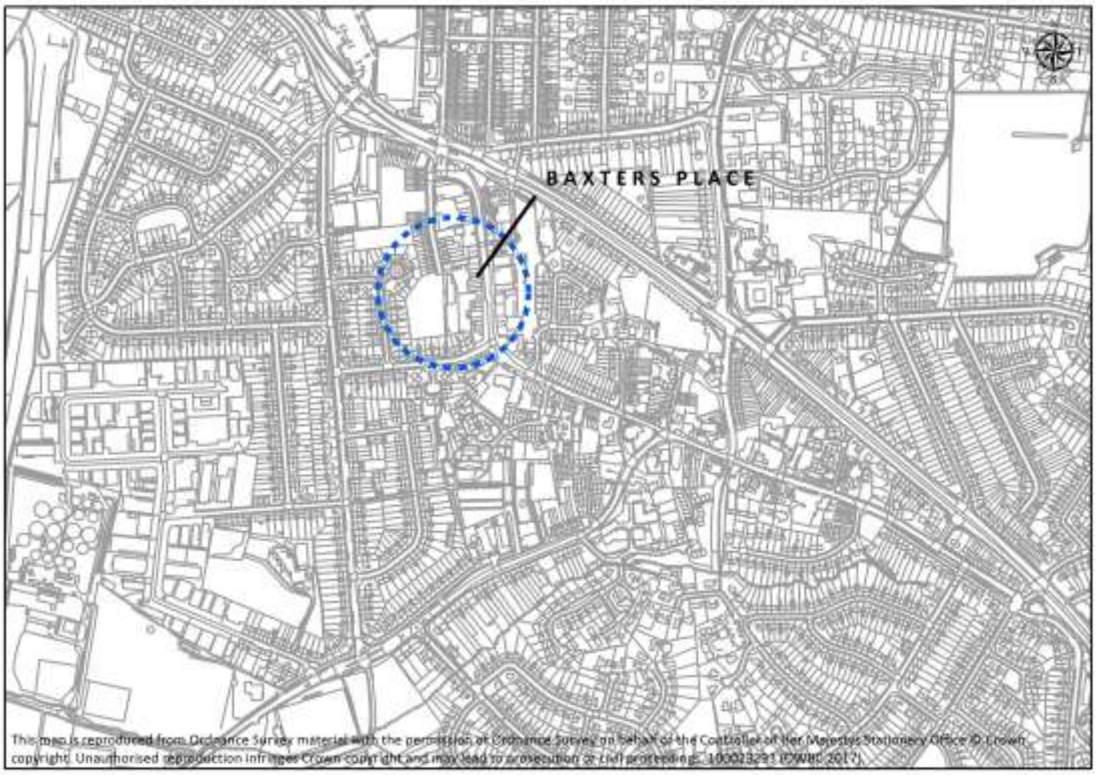


Source: OWBC, 2017

6.51 Based on the masterplan designs, full implementation of proposals in Wigston would provide some 0.3 ha of high density employment land. In Oadby, offices would be above shops only so cannot be said to directly contribute employment land.

6.52 A first stage of works, involving public realm improvements to both Centre's was completed in 2015. However, for the main redevelopment projects there is no clearly defined 'way forward' for these projects in terms of planning consents sought/achieved, identified developer partners and delivery programmes put forward, at least publicly.

Figure 12 – Oadby Centre Indicative Regeneration Areas (likely to include B1(a) offices)



Source: OWBC, 2017

6.53 However, property market stakeholders remain supportive of office provision in the Centre's even if they couldn't specifically comment regarding the quanta of space put forward in the AAP. As is noted in Section 4.0, the local office market is characterised by reasonable local demand, mainly for suites of up to 150 sqm. In addition, shortages of space across the Leicester Conurbation are encouraging some larger occupiers to look away from the City Centre and motorway accessed sites to more peripheral locations such as the Borough of Oadby and Wigston.

6.54 Oxford Economics forecasting, discussed in Section 9.0, also predicts that the Borough will gain some 1600 jobs in office based sectors such as professional services, business administration and ICT to 2031.

6.55 While office space is being lost to residential uses in Oadby Centre this is felt to reflect the unsuitability of this older stock to meet modern requirements rather than a lack of demand.

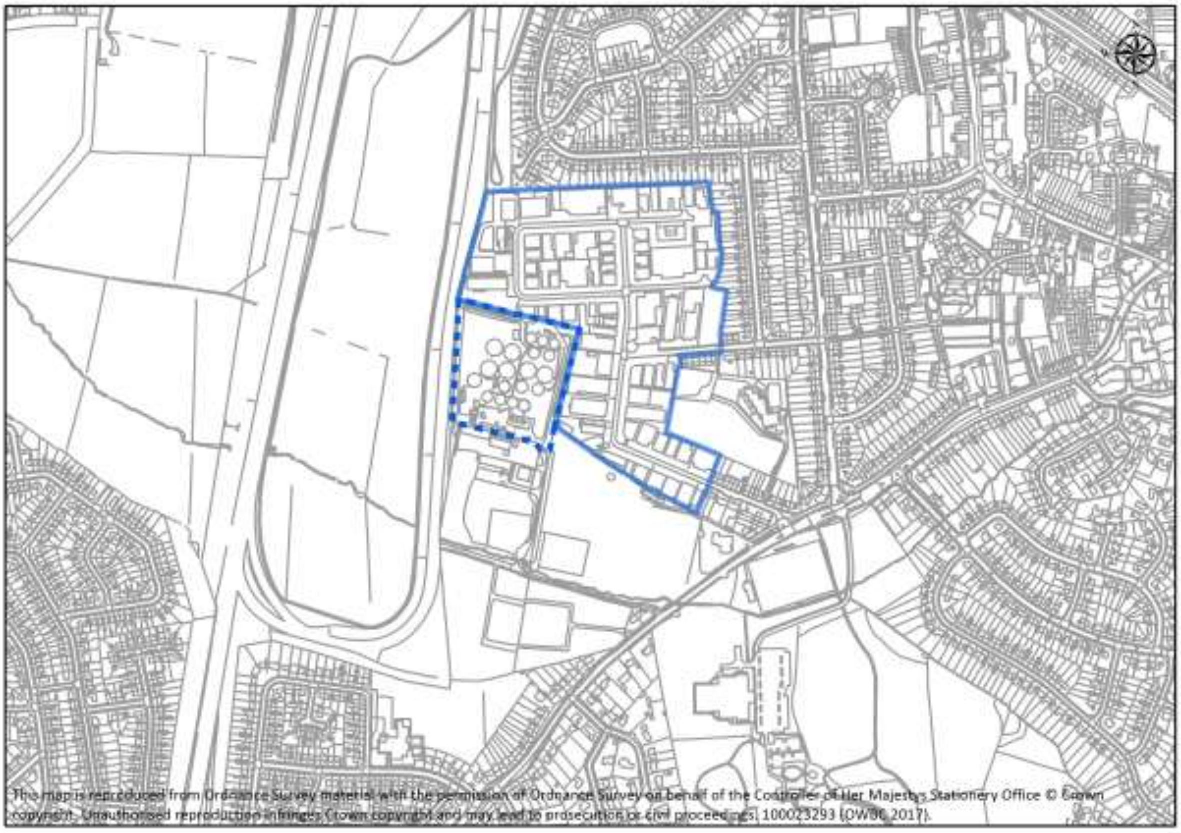
6.56 A key barrier to development is likely to be achievable rents. Stakeholders estimate that rents of no more than £140/sqm are possible for new build space. This reflects occupiers' assumptions that the Borough of Oadby and Wigston is attractive due to its affordability when compared to other parts of the Conurbation. At such levels, scheme viability is likely to be an issue although offices can be supported by cross funding from other, higher value uses such as retail and offices.

6.57 Regardless further delivery planning and involvement on the part of the public sector will likely be required to realise what is planned.

Additional Employment Land Source – The Borough of Oadby and Wigston Water Treatment Plant, Oadby

6.58 In the latest, 2016, Local Plan Call for Sites, Severn Trent Water made a submission regarding its 2.67 ha water treatment plant in Oadby, which sits south and south west of the Kenilworth Drive Employment Area, east of Leicester Racecourse and north of a Borough Council vehicle depot and a County Council household waste centre (see Figure 13).

Figure 13 – The Borough of Oadby and Wigston Water Treatment Plant (dashed line) and adjacent Kenilworth Drive Employment Area



Source: OWBC, 2017

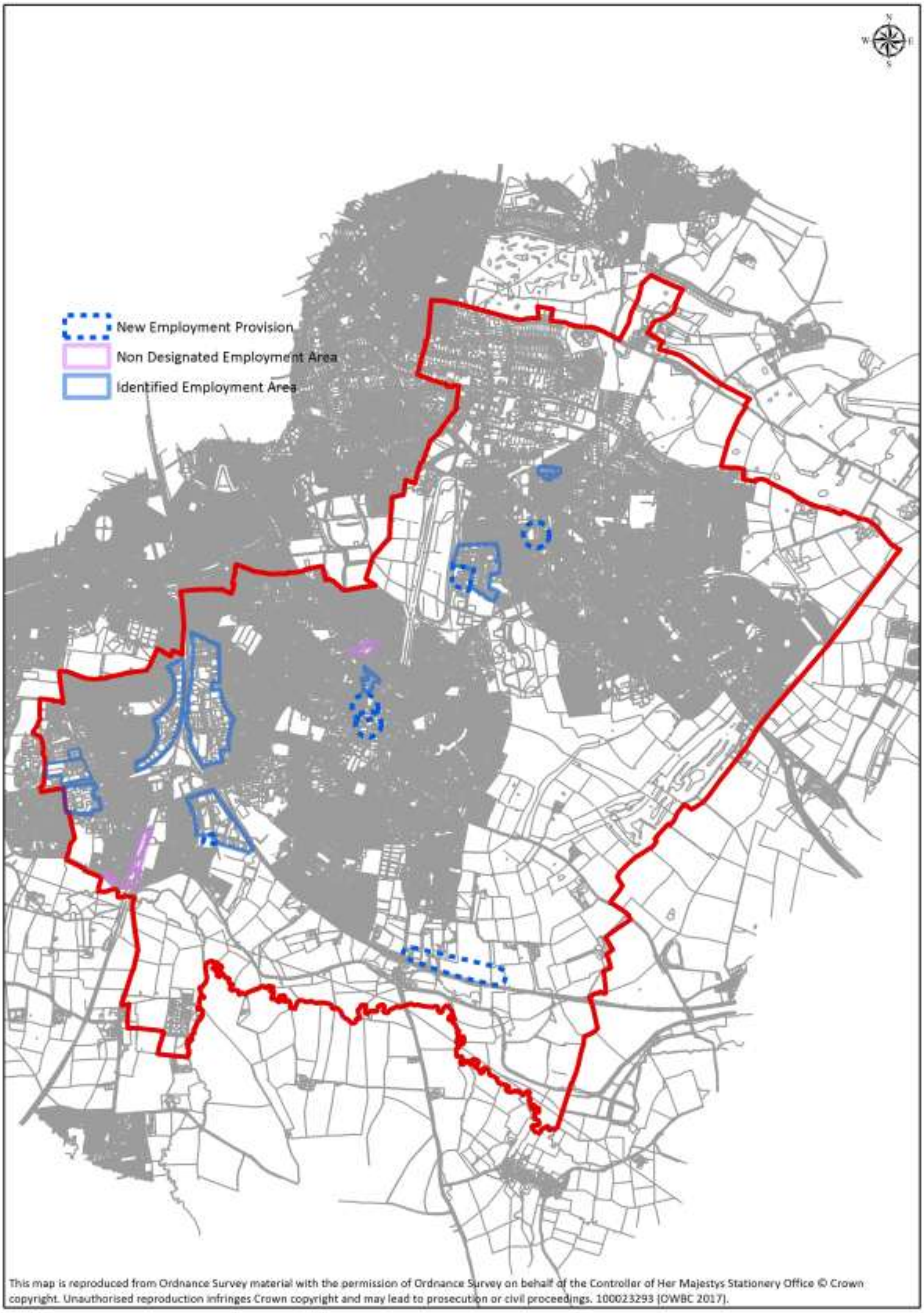
6.59 In the submission, the Treatment Plant was identified as being surplus to operational requirements and the likely subject of a future disposal plan. The Call for Sites submission proposes the site for 'employment based redevelopment proposals'. The site would, in effect, become an extension to the Kenilworth Drive Identified Employment Area.

6.60 In principle, this appears a viable proposition. Overall, Kenilworth Drive is a successful and well occupied employment location, accommodating both a diverse range of B-Class uses and a number of non- B Class options which cannot be readily housed elsewhere. The Identified Employment Area is operating close to capacity. It is assumed that any development would be for B1(c)/B2 industrial units which are, as noted elsewhere in this study, in strong demand across the Borough of Oadby and Wigston.

6.61 Several issues would need to be addressed, however, before any allocation was made, most notably how this currently backland site can be accessed. Current access is via a narrow road, running south and then east to the B582 Wigston Road, avoiding sports grounds to the north. This also accesses the Borough Council's Depot and the County Council's Household Waste site. To be a viable site, access into Kenilworth Drive would need to be secured, which may require the purchase of some land from an adjacent owner. Land to the north, between 11 and 13 Mandervell Road appears to offer the best prospect of providing an access. Decommissioning of the site would also have to address any contamination from its current use. The site is already screened from surrounding sporting uses by trees.

6.62 If this additional site is incorporated into the supply, plus a further 2.5 ha in the Wigston Direction for Growth, as proposed in the emerging Local Plan, it increases to **8.52 ha.** Figure 14 shows the full supply of developed and undeveloped employment land in the Borough of Oadby and Wigston.

Figure 14 – The Full Employment Land Supply (developed and undeveloped) of the Borough of Oadby and Wigston



Source: OWBC, 2017

Summary

6.63 A review of the Borough's allocated Identified Employment Areas and other employment sites indicates that most are established office and industrial areas, of good quality, which mix local scale premises and some larger options for regional and national operators. The Borough of Oadby and Wigston's flagship (A or B Grade), locations, equating to 'Core Employment Areas' are:

- Magna Road, South Wigston – Quality of premises varies but, the Area as whole is home to some key industrial occupiers and subject to significant investment and intensification of uses
- Tigers Close, South Wigston – Prime office location in the Borough, including some major public/private occupiers, and a focus of recent new development
- Chartwell Drive, Wigston – The largest dedicated Employment Area in the Borough, and premier industrial location
- Gloucester Crescent, South Wigston – Focus for high value manufacturing/engineering small and mid-sized businesses.
- Highfield Drive, Wigston – Solus office complex for a high value local employer
- Canal Street, South Wigston – Older premises but the bulk of which links to the Borough's key production employer.

6.64 Other areas are graded C or D which equates to Base Employment Areas. No sites we considered appropriate for Release, although two Areas already subject to plans for redevelopment for non B-Class uses were not reviewed in this Study.

6.65 The number of locations designated as Core Employment Areas is reduced on those designated Core in the 2010 Oadby and Wigston Employment Sites and Brownfield Land Study and subsequently in the Core Strategy (see Table 23). This reflects the BE Group view that the Core Area designation should be more focused on several prime Employment Areas in the Borough which, which are of the highest economic value locally, and need to be a focus for Local Plan protection.

Table 23 – Identified Employment Areas – Area Rankings and Recommended Changes

Area Ranking in Core Strategy	Area Ranking in This Study (Grading)	Comment/Justification for Change, where relevant
Identified Employment Areas		
Core Area: Magna Road South Wigston	Core Area: Magna Road, South Wigston (B)	Established industrial estate, accommodating both local firms and several larger occupiers, with plans for diversification and modernisation. Remains a key, high value Employment Area for the Borough
Core Area: Tigers Close, South Wigston	Core Area: Tigers Close, South Wigston (A)	Key location for B1(a) offices in the Borough, including several major public sector and HQ facilities, along with some good quality light industrial space. Remains a key, high value Employment Area for the Borough
Core Area: St Thomas Road, South Wigston	Base Area: St Thomas Road, South Wigston (C)	Change reflects the separation of this Area from Tigers Close, north of the railway line. St Thomas Road comprises more local scale and moderate quality light industrial space with a high proportion of B8 trade uses on main road frontages
Core Area: North Street, Wigston	Base Area: North Street, Wigston (C)	Small area of well used, but moderate quality light industrial space. Smaller premises which will meet local micro business needs only, plus some land in motor retail use
Core Area: Chartwell Drive, Wigston	Core Area: Chartwell Drive, Wigston (A)	Major Employment Area for the Borough, both in terms of its scale and the range of businesses accommodated. Remains a key, high value Employment Area for the Borough
Core Area: Gloucester Crescent, South Wigston	Core Area: Gloucester Crescent, South Wigston (A)	Active and well occupied local industrial estate, accommodating several of the Borough's mid-sized employers. Remains a key, high value Employment Area for the Borough
Core Area: Cross Street/Regent Street, Oadby	Base Area: Cross Street/Regent Street, Oadby (D)	Very small area in residential area. Average quality buildings in area with no prominence and limited access, close to Oadby Centre. Should be protected while in use by B-Class businesses but consider for reuse if an appropriate scheme comes forward which will deliver superior economic benefits.
Other Employment Sites		
Core Area: Highfield Drive, Wigston	Core Area: Highfield Drive, Wigston (B)	Good quality, solus office building which is home to a key local service sector occupier. Remains a key, high value Employment Area for the Borough
Base Area: Kenilworth Drive, Oadby	Base Area: Kenilworth Drive, Oadby (C)	Moderate quality but well occupied local industrial estate. In addition to a good range of office, industrial and storage options, suited to local firms, the Area supports a diverse range of other uses (trade, D2 leisure, community) which generate economic value and could not be accommodated elsewhere in the town
Base Area: Canal Street, South Wigston	Core Area: Canal Street, South Wigston: (B)	Viewed as a Core Area due to presence of UB Jacobs, one of the Borough's most significant employers.
Base Area: Canal Street, South Wigston	Base Area: Park/Road Canal Street, South Wigston (D)	Lower quality backland premises. Appears well used at present but generally of limited economic value

Area Ranking in Core Strategy	Area Ranking in This Study (Grading)	Comment/Justification for Change, where relevant
Base Area: Park Road, South Wigston	Base Area: Park Road, South Wigston (D)	Two backland industrial buildings of limited economic value which may represent a future infill redevelopment opportunity.
Base Area: Station Street, South Wigston	Not reviewed	Identified as housing redevelopment opportunity, subject to relocation of Bus Depot. If relocation cannot be secured the Area would remain a Base Employment Area
Release Site: Kirkdale Road, South Wigston	Not reviewed	Now lost to housing
Release Site: Railway Triangle, South Wigston	Not reviewed	No longer considered viable B-Class land

Source: BE Group 2017

6.66 At present, most of the Employment Areas are well occupied, with no large areas of void premises, even in budget quality schemes. The exception is Magna Road where a scheme of clearance and redevelopment is being pursued. Over the Local Plan period, there are several potential redevelopment/regeneration opportunities, which might deliver additional land supply, should it be required. Although it is not possible to state exactly how much brownfield land may be released in this way, the Council could usefully look in the following Employment Areas for small scale opportunity sites:

- Magna Road, South Wigston – Land on Harrison Close comprises a range of scrap yard/recycling and warehousing facilities, totalling 3.0 ha, which could provide a further infill site without encroaching on the recreation and housing land to the south
- Tigers Close, South Wigston – There is a very small area of landscaping in in the Animal/Plant Health Agency curtilage, 0.05 ha, which could provide some infill
- St Thomas Road, South – Wigston – There are three large open storage areas in the east and south which could provide a future infill site of some 1.1 ha. However, they are in use at present
- Chartwell Drive, Wigston – There is one infill site, comprising 0.88 ha of land to the east of Cromwell Tools, fronting Clarkes Road, and to the north of Hansen Court. The bulk of the land is in use as additional parking for Cromwell, and is assumed to be under its ownership, but the site could be developed for a separate occupier, with access of Clarkes Road.
- Gloucester Crescent, South Wigston – There are three vehicle yards in the area which may provide modest infill options, totalling 0.78 ha, although they

are in use at present

- Highfield Drive, Wigston – Land fronting Highfield Drive could provide a degree of infill although this would mean the loss of landscaping and some car parking, and bring the offices closer to adjacent housing.

6.67 However, these are caveated in that owner/developer aspirations for B1/B2/B8 development on these sites has not been tested.

6.68 The current supply of undeveloped employment land in the Borough is 3.35 ha, comprising:

- The Wigston Direction for Growth (up to 3.5 ha, of which 2.5 ha has consent) – As defined in Core Strategy Policy 1.
- Site EM6: Land West of Magna Road Industrial Estate, South Wigston (0.55 ha) – Former Local Plan site
- Core Strategy Policy 2 – Development in the Centres of Oadby, Wigston and South Wigston' – Identifies that Centre regeneration will provide approximately 6,000 sqm of gross office floorspace will be provided and split between the centres of Wigston (5,000 sqm) and Oadby (1,000 sqm), this increases to 11,275 sqm in the Adopted (2013) AAP. If delivered in full this could provide a further 0.3 ha of employment land.

6.69 In all cases there are barriers to delivery/viability which need to be overcome and a programme for development established. However, this study has also provided evidence of unmet demand in the Borough which supports the continued provision of this supply.

6.70 Two further future sources of employment land have also been identified:

- The Borough of Oadby and Wigston Water Treatment Plant, Oadby (2.67 ha)
- Further land at the Wigston Direction for Growth (2.50 ha as part of Phase Two).

6.71 Collectively, these add 5.17 ha to the supply to 2031.

7.0 FUNCTIONAL ECONOMIC MARKET AREA

Introduction

7.1 This section defines and reviews the functional economic market area of the Borough. It also looks in more detail at some of the neighbouring local authority areas in Leicester and Leicestershire, which may compete with the Borough for strategic level property requirements. This is undertaken in recognition that the Borough's economy does not operate in isolation, but rather it has intricate and important relationships with neighbouring areas.

Functional Economic Market Area – Quantitative Evidence

7.2 The guidance for Housing and Economic Development Needs Assessments produced by the Department for Communities and Local Government includes guidance for the definition and consideration of a functional economic market area. The guidance states:

> *"The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:*
>
> - *Extent of any Local Enterprise Partnership within the area*
> - *Travel to work areas*
> - *Housing market area*
> - *Flow of goods, services and information within the local economy*
> - *Service market for consumers*
> - *Administrative area*
> - *Catchment areas of facilities providing cultural and social well-being*
> - *Transport network."*

7.3 All definitions of a functional economic market area are approximations of the interrelationships of a local economy with areas outside the local authority. The functional economic market area cannot account for all relationships in the economy, rather it is a representation of the key economic, workforce and consumer flows for the local economy.

7.4 The Borough's economy clearly does not operate in isolation. The quantitative evidence base that influences the definition of the County's functional economic market area is considered here.

Local Enterprise Partnership

7.5 The Borough of Oadby and Wigston falls within the Leicester and Leicestershire LEP, which covers the whole of the County of Leicestershire and the City of Leicester.

Travel to Work Area

7.6 The commuting patterns of the working residents of the Borough and the workforce employed in the Borough are important in understanding the housing and employment role of the Borough in the context of the broader region. This has implications for the definition and understanding of the Borough of Oadby and Wigston's functional economic area.

7.7 Table 24 summarises the in and out commuting patterns for the Borough as at the time of the 2011 Census. The data shows that the Borough's economy is tightly defined within Leicester and Leicestershire. Travel to work flows to other nearby East Midlands/East of England cities including Nottingham, Derby, Northampton and Peterborough are modest. Indeed, in 2011 at least, more Borough residents made the long-distance commute to Westminster and the City of London, presumably via Leicester Railway Station, than travelled to Peterborough.

Table 24 – In and Out flows of the Borough of Oadby and Wigston Commuters

	Work Locations of Employed Residents of Oadby and Wigston	Origins of Oadby and Wigston Workers	Net Flow of Workers into Oadby and Wigston
Oadby and Wigston	5,479	5,479	n/a
Leicester	9,930	5,568	-4,362
Blaby	2,479	2,131	-348
Harborough	1,126	1,628	502
Charnwood	699	825	126
Hinckley and Bosworth	396	458	62
North West Leicestershire	262	126	-136
Northampton	128	17	-111

	Work Locations of Employed Residents of Oadby and Wigston	Origins of Oadby and Wigston Workers	Net Flow of Workers into Oadby and Wigston
Nottingham	119	39	-80
Kettering	114	52	-62
Corby	91	21	-70
Derby	75	29	-46
Daventry	70	35	-35
Melton	70	103	33
Westminster, City of London	69	1	-68
Rushcliffe	47	48	1
Rutland	32	85	53
Broxtowe	30	29	-1
Peterborough	26	2	-24
Elsewhere in UK	1,339	673	-666
Total	**22,581**	**17,349**	**-5,232**

Source: ONS 2011 Census

7.8 Unsurprisingly, the Borough's strongest relationship is with Leicester City and in 2011, 15,498 people commuted between the two. Overall, the Borough is a net exporter of labour into the City but does manage to attract a reasonable number of Leicester residents, 5,568 in 2011, into its employment and retail areas to work.

7.9 The Borough has further strong relationships with its two other neighbours, Blaby (4,010 commuter movements in 2011) and Harborough (2,754 commuter movements in 2011). The Borough is a net importer of labour from the latter.

7.10 Strong relationships can be noted with the other Leicester and Leicestershire Local Authority Areas, with the notable exception of Melton. 173 people moved between Melton and the Borough of Oadby and Wigston in 2011, only a few more than moved between the Borough of Oadby and Wigston and Northampton, Nottingham and Kettering.

7.11 Overall, 31.6 percent of the Borough of Oadby and Wigston's workforce also resided in the Borough in 2011. Conversely, around a quarter of the employed residents in the Borough also work in it. This indicates a high degree of dependency on surrounding areas for employment.

7.12 In terms of defining the functional economic market area, it can be seen that the Borough has strong economic linkages – which can be defined as more than 200 commuter movements, in and out of the Borough, to or from that location – with all of the other local authorities of Leicester and Leicestershire apart from Melton. Connections to neighbouring counties, such as Rutland, Nottinghamshire, Derbyshire Lincolnshire, Cambridgeshire or Northamptonshire are modest.

Housing Market Area

7.13 The 2017 HEDNA study identifies Leicester and Leicestershire as a well defined Housing Market Area. 84 percent of people moving to the area will move within it and 91 percent of those moving from a location within the area will stay within it. Around 78 percent of county commuting flows are contained within the Leicester and Leicestershire authorities.

Market Comments

7.14 Property market stakeholders identify that the Borough of Oadby and Wigston is part of the cohesive market of the Leicester Conurbation. Although, much market activity takes place within the Borough boundary, local property schemes can attract interest from occupiers in Leicester City and the parts of Blaby and Charnwood which fall in the Leicester PUA, who are looking for affordable premises options.

Services and Infrastructure

7.15 The A6 passes through Oadby on its route south east from Leicester to Market Harborough and Kettering. Just within the Borough boundary the A6 links to the A563 which forms part of the Leicester inner ring road and connects to the M1 and M69 in the west. A5199 passes through Wigston on a route from Leicester City Centre, south through rural Harborough to link with the A14 route to Kettering and Cambridge, and then on to Northampton.

7.16 In terms of services, higher order retail facilities available for the Borough's residents will be focused in Leicester City Centre and in the out of town shopping and leisure parks of the A563 – Fosse Park and Meridian Leisure Park. Secondary service locations will include the outer settlements of the Leicester Conurbation, which will include Oadby and Wigston Centres as well as Blaby Town.

7.17 Based on the above evidence, the functional economic market area for the Borough of Oadby and Wigston clearly includes other parts of Leicester and Leicestershire.

Melton has limited linkages with the Borough of Oadby and Wigston in terms of commuting patterns, but is linked to the rest of Leicester and Leicestershire through infrastructure, services and the Housing Market Area.

7.18 The other areas of Lincolnshire, Nottinghamshire, Derbyshire, Northamptonshire and Cambridgeshire, along with Rutland, have been excluded due to their lower relationships with the Borough of Oadby and Wigston. As mentioned previously, the functional economic market area should incorporate the key relationships, rather than all relationships. The Borough has a relationship with all these locations and there would be individual businesses within the Borough that would consider at least some of them as part of their core client base. However, overall the relationship is weaker than with the other locations shown above.

Neighbouring Areas

7.19 Para 160 of the NPPF states that local planning authorities should have a clear understanding of business needs within their local economic markets, by working with county and neighbouring authorities to prepare and maintain a robust evidence base about business needs and likely market changes.

7.20 Having initially defined the functional economic market area for the Borough, the remainder of this section considers each of the districts which fall within that area on an individual basis. Accordingly, discussions have been undertaken with stakeholders in relation to these adjoining market areas, specifically Blaby, Charnwood, Harborough, Hinckley and Bosworth, Leicester City, Melton and North West Leicestershire.

District of Blaby

7.21 The District Local Plan (Core Strategy) was adopted in February 2013. The Council is now preparing a Local Plan Delivery DPD. Consultation on a Preferred Options version was undertaken in later 2016.

7.22 BE Group completed the Blaby Employment Land Study refresh in November 2011. This updated the 2006 Blaby District Employment Study also undertaken by BE Group and identified a need for some 68 ha of employment land in the District to 2029, of that some 24 ha remains outstanding as of 2016. HEDNA indicates needs to 2031, of:

- B1(a,b) – 37-45 ha

- B1(c)/B2 – 15 ha
- Smaller B8 – 10 ha.

7.23 Strategic sites, aimed at meeting this need and likely to have cross boundary impact, include:

- Glenfield Park, Glenfield – The employment element is now referred to at Optimus Point and extends to 26.3 ha of Junction 21a, M1. Four large units B2/B8 are developed or under construction, 2,787-25,315 sqm, with full consent for a further 11,774 sqm. Undeveloped land can accommodate B2/B8 units of 3,000-15,000 sqm and offices 2,000-10,000 sqm. Occupiers include Boden and Everards.
- The District Council has granted outline consent for a 21 ha Strategic Employment Site at Enderby, as part of the New Lubbesthorpe Sustainable Urban Extension (SUE). Again this will primarily be 21 ha B8 logistics site. A further 2.37 ha of employment uses (B1(a) or B1(c)) will be delivered within the District and Local Centres as well as a 7,100 sqm serviced business centre close to the existing Meridian Business Park. Phase one, which will provide some 565 homes and infrastructure is currently underway. The employment uses will be delivered in phased stages over a 15-year period, subject to individual reserved matters consents
- Everards Brewery has consent to develop a 4.8 ha site at Enderby, relating to the construction of a brewery, visitor centre, food and drink preparation units (with retail trade counters), restaurants and a public house. This would see over 13,000 sqm of new floorspace, of which over half (6,926 sqm) would represent B1 and B2 floorspace. Its existing brewery site will be redeveloped for retail and leisure uses as an extension to Fosse Park
- The Local Plan Delivery DPD puts forward two further options – EMP1: Land between Leicester Lane and St Johns, Enderby and EMP2: Land north of Highfields Farm, Stoney Stanton.

7.24 Blaby and Charnwood will accommodate the bulk of the strategic level B-Class employment growth in the Leicester Conurbation over the next 15-20 years, meeting both their own needs and much of Leicester's requirement. The Borough already has a very strong relationship with Blaby, and is a modest net exporter of labour to the District. That relationship is likely to get stronger, potentially with a larger net outflow from the Borough of Oadby and Wigston, as new large-scale employment opportunities are brought forward.

Borough of Charnwood

7.25 BE Group completed the Charnwood Employment Land Review in November 2014. This identified that the Borough had a realistic employment land supply of 25.70 ha in nine sites. Forecast demand was for 49.97-67.07 ha of land to 2028. By this measure Charnwood has a land supply shortfall of 24.27-41.37 ha. HEDNA indicates needs to 2031, of:

- B1(a,b) – 14-37 ha
- B1(c)/B2 – 21 ha
- Smaller B8 – 11 ha.

7.26 Charnwood's Adopted Core Strategy proposes the delivery of at least 13,940 homes and up to 46 ha of employment by 2028. Employment land will be focused in four key locations:

- The North East of Leicester SUE at Thurmaston is allocated to deliver a community of some 4,500 homes. 13 ha of employment land will be provided to meet strategic and local employment needs. A planning application for the site was approved in November 2014. Development of the employment land will be for smaller B-Class premises, to be marketed at local micro-mid-sized businesses. Initial estimates suggest that some 4,900 sqm of B1(a) offices, 3,900 sqm of B1(b) research and development, 19,500 sqm of B1(c) light industrial, 5,500 sqm of B2 general industry and 8,000 sqm of (smaller) B8 warehousing will be developed.
- A Direction for Growth is identified for land to the north of Birstall for a SUE. This will deliver at least 1,500 homes and 15 ha of employment land by 2028. Now referred to as the Broadnook Garden Suburb it is currently at the detailed planning, financing and land acquisition stage. It is envisaged that the employment land will be developed for a B1 business park, including a significant element of high quality offices, smaller range of B1(c)/B2 industrial premises and some small scale B8 warehousing. The latter will be aimed at local operators rather than larger logistics firms.
- Watermead Regeneration Corridor – Direction for Growth. Development here will provide up to 8,750 sqm for offices and around 16 ha for employment land
- A further SUE will be allocated to the west of Loughborough to deliver a community of some 3,000 homes. 16 ha of employment land will be allocated

to meet strategic and local employment needs and support the regeneration of Loughborough and Shepshed. The scheme received outline consent in September 2015. The main 16 ha employment area would be delivered in the north west of the area, in four main blocks adjacent to the M1 carriageway. Opening up this site for development is not anticipated until after 2023. It is expected that the 16 ha site could provide for some 62,000 sqm of employment floorspace, of which half will be B8 space and the remainder mixture of B1 and B2 space.

7.27 As of February 2017, facilities in and around Loughborough University now form part of the Loughborough and Leicester Science and Innovation Enterprise Zone. The new Enterprise Zone will focus on science and hi-tech manufacturing with targets of 21,000 new jobs and £123million in investment over the next 25 years through the creation of a ‘zone of excellence’ to support new and growing businesses to bring their innovative ideas and products to the market.

7.28 Enterprise Zone facilities in Charnwood are:

- Charnwood Campus (former Fisons/AstraZeneca Campus), Loughbourough: 28 ha research and office campus supporting bio-medical and pharmaceutical industries.
- Loughborough University Science and Enterprise Park: One of the largest science parks in the UK. Situated just one mile from the M1, this 106 ha site is an established location for knowledge-based businesses specialising in advanced engineering and manufacturing, high value research and development, energy and low carbon.

7.29 Both offer a wide range of office, serviced office and laboratory facilities, for specialist sectors nor readily found in the Borough of Oadby and Wigston. Thus, the prospect of these facilities competing with the Borough of Oadby and Wigston appears modest.

7.30 As with Blaby, in Charnwood there will be a focus for large scale B-Class growth in the Leicester Conurbation. Much of that growth will be in the south of Charnwood Borough and accessible to the Borough of Oadby and Wigston residents. Thus growth in the number of Borough residents working in Charnwood is likely over the next few years. Sites in Blaby and Charnwood are also likely to be a focus for major inward investments, in the industrial and logistics sectors at least.

District of Harborough

7.31 In contrast to other parts of Leicestershire, no Strategic Employment Sites or SUEs are proposed in Harborough. However, a strategic development area is proposed to the north west of Market Harborough. This is linked to the 5.2 ha Airfield Farm employment site, which could be extended, if necessary. HEDNA indicates employment land needs to 2031, of:

- B1(a, b) – 14-21 ha
- B1(c)/B2 – 22 ha
- Smaller B8 – 8 ha.

7.32 The majority of Harborough's key employment areas are located around Market Harborough and Lutterworth. This includes the 200 ha Magna Park. Europe's largest dedicated distribution park. Magna Park is largely full, bar one remaining plot, providing some 700,000 sqm of warehouse and distribution space. It presently accommodates 28 major distribution operators including Asda, Nissan, Toyota, Argos, DHL and Lidl.

7.33 Growth over the next few years may add up to 419,800 sqm of further logistics space, consented in outline, plus 9,000 sqm of B1(a,b) small business space. 100,844 sqm is consented to provide a further B8 unit for DHL. Proposals also include a new Logistics Institute of Technology at the Park, delivered in partnership with North Warwickshire and South Leicestershire College.

7.34 The eastern and northern portion of Harborough, which bounds the Borough of Oadby and Wigston, is strongly rural in character with no large settlements, industrial estates or significant employment allocations. The Borough draws a sizable amount of labour from eastern Harborough and likely Market Harborough, and this is shown in the net inflow of commuters into the Borough of Oadby and Wigston, recorded in the 2011 Census.

Borough of Hinckley and Bosworth

7.35 BE Group completed an Employment Land Study for Hinckley and Bosworth Borough Council in 2013 (although an updated study is currently being produced). This indicates that the Borough has 98.56 ha of employment land made up of 11 sites. However, 93 percent of this resource comprises just four sites – MIRA

Technology Park Enterprise Zone; Nailstone Colliery; Hinckley Commercial Park and Neovia's land at Desford. Most of this land is in Hinckley or along the A5 Corridor. There is only a modest supply in the smaller eastern settlements of the east, such as Markfield, Ratby or Groby. An additional 53.20 ha is required based on past take-up rates of 3.80 ha/year between 1996/97 and 2011/12. HEDNA indicates needs to 2031, of:

- B1(a,b) – 11-32 ha
- B1(c)/B2 – 14 ha
- Smaller B8 – 16 ha.

7.36 In addition to the identified headline supply (98.56 ha) additional employment land is proposed in the Borough's two SUEs. There is 6.2 ha proposed to the west of Barwell and 4.5 ha to the south of Earl Shilton. These two sites will add another 11.4 ha of employment land.

7.37 In Barwell, a consortium of developers, including Taylor Wimpey, Ainscough Strategic Land and Barwood, have secured outline consent to bring forward the SUE, now known as West Barwell. This allows the delivery of up to 24,800 sqm of B2 and B8 accommodation, on a 6.2 ha site immediately west of Barwell Industrial Estate. This employment floorspace would be delivered over the 12 year lifetime of the SUE, completing by 2026. In spring 2017, the developers submitted details of community contributions to be provided, for final agreement as a Section 106. Commencement is felt likely in 2017.

7.38 Proposals in the Earl Shilton SUE (marketed as Weavers Meadow) are less advanced, but an application (incorporating 4.5 ha of employment land) by development partners Barwood, Bloor Homes and Jelson Homes is expected in 2017.

7.39 However, the Earl Shilton and Barwell Employment Land Assessment (2010) indicates that demand for employment premises in the two SUEs will be limited to local firms. The road network (even with the new A47 bypass at Earl Shilton) lacks the strategic links which might attract large distribution occupiers. Also, neither settlement has an established office market, with demand being limited to small suites of up to 300 sqm.

7.40 The focus for the delivery of strategic employment land will be the Motor Industry

Research Association (MIRA) facility on the A5. MIRA was awarded Enterprise Zone status in August 2011 and subsequently secured a £19.5 million Regional Growth Fund Grant. This will be used to support the development of the 132,716 sqm MIRA Technology Park, including the renewal of existing facilities, a hotel and retail services as well as off-site infrastructure improvements. Phase One of the Enterprise Zone is now complete providing 11,000 sqm of new floorspace, and MIRA is home to Tier One manufacturers such as Haldex and Aston Martin. As MIRA will cater to specialist automotive businesses, it will not directly compete with property schemes in the Borough of Oadby and Wigston.

7.41 Key influences on the Borough of Oadby and Wigston's land and property market include Hinckley Commercial Park, Harrowbrook Industrial Estate and Hinckley Fields Industrial Estate. All are likely to provide some employment for the Borough of Oadby and Wigston. Hinckley Commercial Park is a 20.8 ha warehouse and distribution site on the A5. It is the Hinckley and Bosworth's premier employment area and provides good quality warehousing properties to occupiers, including major logistics facilities for DHL.

7.42 Other major employment areas in the Borough include Harrowbrook Industrial Estate (37.12 ha) on the A5 and Hinckley Fields Industrial Estate (12.98 ha) to the north of Hinckley. These are large, established, industrial estates (Hinckley Fields also has several self contained offices) with little available land.

7.43 Most other employment areas in Hinckley and Bosworth are small (less than 30 units) and cater primarily for local needs. However, Hinckley and Bosworth has a number of large employers which will draw some labour from Melton. These include Triumph Motorcycles and a Tesco distribution centre at Hinckley and Caterpillar at Desford.

City of Leicester

7.44 Leicester's latest Employment Land Study was published in March 2017, it looks at needs and how that need can be met, both in the City, and in a FEMA including Blaby, Charnwood and the Borough of Oadby and Wigston. It identifies:

- *Offices:* The recommendation is to add 45,000 sqm to the existing supply of 37,425 sqm of offices in the development pipeline. This is sufficient to provide for 46,680 sqm of forecast demand (at a take up rate of 3,100 sqm/year achieved in the period 2010-16) and 15,500 sqm for the end of plan period pipeline. The balance allows for loss of sites from the existing supply. It is assumed that this additional need will be primarily met in the City Centre, given the limited take up of offices in the outer areas and in the FEMA, in recent years

- *Light and general industry*: The recommendation is to add an allocation of 45 ha to the existing supply of 10 ha in the development pipeline. The combined provision of 45 ha plus 10 ha in the City and 10 ha in the rest of the FEMA. The resulting 65 ha is sufficient to provide for take up of 45 ha in the plan period (a rate of 3 ha/year) and 15 ha for the end of plan period pipeline. The balance to allow for loss of sites from the existing supply. The recommendations are to create a strategic economic development site of Leicestershire wide significance by:
    - Allocating one or more strategic scale sites in public ownership in Leicester totalling 45 ha
    - Investing in advance infrastructure
    - Focussing estate management and economic development practice on enabling existing firms to modernise and expand in Leicester and attracting inward investors.
- In the rest of the FEMA, planning policy has been successful in bringing forward new sites. These sites though require investment in advance infrastructure, protection from pressures for change of use and, or, take up exclusively for large scale warehouses
- *Warehousing:* The recommendation is to not to provide land to meet the forecast requirement for 28 ha for warehousing in Leicester as the existing development pipeline in the rest of the FEMA is sufficient to address the identified local requirements for Leicester, the rest of the FEMA as well as supplying the regional and national markets.

7.45 Separate to this, HEDNA indicates needs to 2031, of:

- B1(a,b) – 2-6 ha
- B1(c)/B2 – 36 ha
- Smaller B8 – 15 ha.

7.46 In terms of City Centre offices, Leicester's 2014 Core Strategy identifies the following proposals:

- *"At least 50,000 sqm of new grade 'A' office development will be provided in* *the City Centre. The Office Market Review (2012) identified the need to upgrade the office stock, by either redevelopment, or refurbishment of offices capable of meeting occupier requirements for flexible and energy efficient working environments"*

- The Council will promote small offices between 100 and 1,000 sqm in the City Centre at Waterside and St. George's and within the existing professional office area between New Walk and the Cathedral
- Small offices will be allowed between 100 and 1,000 sqm outside the City Centre in local and District Centres, or where they extend existing offices or where they are part of a mixed use scheme, including a Business Centre (B1(a)) at Ashton Green, as part of the village Centre.
- Land will be retained within the Abbey Meadows Science and Innovation Park for research, development and technology based business, an Innovation Centre Building (of which Phase One is now complete) and Associated Research Institutes.

7.47 In terms of industrial and warehouse uses, the City's main employment site remains the Aston Green SUE at Beaumont Leys. Delivery of housing has now commenced here and provision has been made for 10 ha of employment land. However, some 5 ha of this was developed as a 6,000 sqm bakery for Samworth Brothers in 2014. Further land here was leased to Samworth Brothers in 2016, with the expectation that the bakery will expand further within the site.

7.48 It has been established that the bulk of the other industrial and warehouse need of Leicester will be met elsewhere in the Leicester Primary Urban Area. The Wigston Direction for Growth is expected to have a role in meeting this need although the much larger growth proposals of Blaby and Charnwood will take the bulk of the requirement.

7.49 Prior to the recent city and HEDNA Employment Land Studies, Leicester's land supply shortfall had been defined in the 2013 Leicester and Leicestershire Housing Market Area Employment Land Study. This report forecasts demand to 2031 for 52,500 sqm of offices; 51.50 ha of industrial land and 19.20 ha of strategic warehousing land. It comments that set against the supply there is a small shortfall in the planned provision for offices (some 7,600 sqm), but substantial shortfalls in the provision of industrial use land (32.16 ha) and strategic warehousing land (19.20 ha).

7.50 It should also be noted that the Leicester Waterside now falls within the Loughborough and Leicester Science and Innovation Enterprise Zone, discussed above in relation to Charnwood. The Waterside is 66.5 ha in size and comprises two main sections:

- Pioneer Park: A Development opportunity for science, technology and innovative businesses
- The University of Leicester Space Park development and the National Space Centre.

7.51 Again specialist facilities here, particularly space related, have few equivalents in the Borough of Oadby and Wigston so competition is unlikely to be significant.

Borough of Melton

7.52 The latest employment land review for Melton Borough was completed by BE Group in summer 2015. This study identified a local land resource of 32.39 ha in 18 sites. However, almost two thirds of this is found in just two locations at Asfordby Hill, west of Melton Mowbray, with most of the rest of the supply focused around Melton Mowbray and nearby Old Dalby. That supply could be reduced to 19.46 ha if sites unlikely to be brought forward are excluded.

7.53 Against this supply a need of 42.25 ha (inclusive of a five year buffer) was identified to 2031. Against the 2015 realistic supply, a further 14.34 ha is therefore required. Further employment land provision, to meet this need, will be focused to the west of Melton Mowbray along Leicester Road and at Asfordby Hill Business Park. Although locations here are expected to attract some inward investment a high proportion of the land is likely to be taken up by existing large local businesses looking to grow.

7.54 Like the Borough of Oadby and Wigston, Melton has a strong manufacturing sector which accounts for almost a quarter of employment locally. However, Melton's local manufacturing industry is strongly focused towards food production which, if animal feeds are included, employed 2,521 people locally in 2013 – 13.2 percent of the workforce. Stakeholder consultations with major food producers such as Samworth Brothers indicate that they import large amounts of labour from outside of Melton Borough to meet their needs. The bulk of this tends to comprise skilled/semi-skilled production workers from surrounding urban centres such as Leicester, Nottingham and Corby. Evidence from commuting data suggests that little of this labour comes from the Borough of Oadby and Wigston. Only 70 residents commuted from the

Borough of Oadby and Wigston to Melton, to work, in 2011.

7.55 Linkages between Melton and the Borough of Oadby and Wigston are likely to be found in a shared rural economy, extending from the eastern and southern edges of Oadby, Wigston and South Wigston, across Harborough to Melton and Rutland. The Melton Employment Land Review identified a healthy market for employment schemes, in both the industrial and office sectors, in the rural parts of the Borough, which adjoin Rutland and Harborough. Burrough Court, Burrough-On-The-Hill is identified as a particular success – attracting a range of micro, small and mid-sized businesses from across a broad, cross boundary, catchment area.

7.56 Industrial schemes in this shared rural area tend to be of a budget nature, but are well occupied and generally accommodate a good mix of larger established businesses and micro firms. There appears to be a reasonable appetite for further rural development although a concern raised by stakeholders in the Melton study was that recent developments or conversions have been for very high quality (primarily) office schemes. More affordable options for office and industrial businesses are not being brought forward, which may provide market opportunities in adjoining suburban locations, such as the Borough of Oadby and Wigston.

District of North West Leicestershire

7.57 North West Leicestershire Local Plan is currently at Publication Stage. It identifies a total land requirement of 96 ha over 2011-2031, plus 45 ha to allow for land losses. Against this, North West Leicestershire has starts/commitments of 134.79 ha, leaving only a modest supply shortfall of 6.21 ha. This shortfall will be met by a further land allocation in Land north of Ashby de la Zouch (Money Hill).

7.58 HEDNA indicates needs to 2031, of:

- B1(a,b) – 45-46 ha
- B1(c)/B2 – 3 ha
- Smaller B8 – 17 ha.

7.59 Major local office schemes include Pegasus Business Park, Ashby Business Park and Boundary Court. All three schemes are in the north of the District and focus on the Derby/Nottingham property market. Industrial and warehouse provision is also focused in the north, at Castle Donington and Ashby-de-la-Zouch. This includes a 40 ha regional strategic distribution site at the former Castle Donington Power Station

(East Midlands Distribution Centre).

7.60 However, by far the most significant development proposal in North West Leicestershire at present is the proposed Strategic Rail Freight Interchange (East Midlands Gateway) on a site north of East Midlands Airport, close to junction 24, M1. Construction has now commenced with a three-year timeframe for full delivery. Proposals include:

- 557,414 sqm of new distribution and storage buildings, employing some 7,000 people
- A new rail line connecting the freight terminal to the Nottingham to Birmingham freight only line
- New road works and improvements to the existing road infrastructure, including to M1 junction 24, and a new bypass south of Kegworth from the A6 trunk road.

7.61 As the largest new build logistics scheme in Leicester and Leicestershire, the scheme will inevitably impact on demand for storage and distribution premises across the county, particularly when considered alongside other proposed and existing schemes in Blaby, Hinckley, Harborough and Daventry. Overall, the East Midlands Gateway is expected to generate £267 million in additional GVA for relevant parts of Leicestershire, Derbyshire and Nottinghamshire. However, the benefits for, and impacts on, the more distant Borough of Oadby and Wigston (which lacks a competing logistics offer) are likely to be modest.

Summary

7.62 Based on a mix of market evidence and commuting data, the functional economic market area for the Borough of Oadby and Wigston includes the other authorities of Leicester and Leicestershire. The other areas of Lincolnshire, Nottinghamshire, Derbyshire, Northamptonshire and Cambridgeshire, along with Rutland have more limited relationships with the Borough.

7.63 Within that functional economic market area most of the local authorities feel they can meet their employment land needs on land within their own local authority area boundaries. The exception is Leicester, which has a significant, and long established, shortage of employment land and will be looking for support from its neighbours within the Leicester PUA to fill the gaps. In practice, however, the bulk of the need will be met in the SUEs and other Growth Areas of Blaby and Charnwood. The small land supply of the Borough of Oadby and Wigston will make only a modest contribution to external needs although, as is noted elsewhere, the Borough will derive some benefit from companies unable to find accommodation in inner Leicester and seeking affordable options in peripheral locations.

7.64 In terms of competition, the Borough sits in the shadow of Leicester City Centre but moving forward the major development proposals of Blaby and Charnwood are likely to have a growing impact, both in terms of the proportion of labour they draw from the Borough of Oadby and Wigston and their prospects for drawing strategic level property requirements away from the Borough. A stronger property offer in adjacent Blaby, in particular, may draw away some local businesses that cannot find expansion/upgrade premises within Oadby or Wigston/South Wigston.

7.65 Growth areas in Hinckley and Bosworth may offer a secondary source of competition, but the two SUE proposals here are less advanced and of a smaller scale. The MIRA Enterprise Zone is a specialist facility for the auto industry so is unlikely to impact on the Borough of Oadby and Wigston. Similarly specialist facilities in bio-science, space and other innovative sectors associated with the Loughborough and Leicester Science and Innovation Enterprise Zone, in Charnwood and Leicester City, have few overlaps with the Borough of Oadby and Wigston.

7.66 Major logistics facilities are under development, or expansion, in North West Leicestershire and Lutterworth, Harborough. However, as the Borough of Oadby and Wigston has little large scale warehousing it does not compete in the regional/national storage and distribution market with these locations.

7.67 The Borough of Oadby and Wigston backs onto a large and prosperous rural hinterland, centred in Harborough and extending east/north east to Melton and Rutland. The small towns of this area provide the Borough of Oadby and Wigston with a share of its labour force. The Borough of Oadby and Wigston is, in turn, a net exporter of labour to Leicester City and other areas of the City Conurbation.

8.0 OBJECTIVELY ASSESSED NEEDS

Introduction

8.1 Planning Practice Guidance states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods, and highlights that these should include historic land take-up and future employment and population change. The methodology employed in this study uses two models. None provide a definitive answer, but they provide influences to be understood. Trends and forecasts must also reflect market signals and therefore they are considered in the context of the market overview undertaken as part of this study.

8.2 The two models are:

- Historic land take-up forecast

  This reviews the actual take-up of employment land in the Borough over a period of time. The method is not wholly reliable as there will be peaks and troughs and different time periods taken can also result in different outcomes. For example, a period of sustained growth may show a high average take-up, whereas looking over a recessionary period could well reflect low or even nil take-up.
- Employment based forecast

  This relies on the econometric forecasts which use a model that projects the likely jobs growth in different industry sectors. The jobs from figures are then translated to land using a formula based on jobs to floorspace density, which in turn can be translated into the projected land need. This scenario uses as its base Oxford Economics forecasts for 2016, which account for the most recent national and regional socio-economic and political changes (pre-the latest General Election at least). The dataset is the same one used for the Borough of Oadby and Wigston in the HEDNA study, thus providing consistency with the current Leicester and Leicestershire evidence base.

  These forecasts have several limitations. They are based on national and regional trends with some local adjustments for some industry sectors, which means, at a local level economic activity is not always accurately represented. Also, merely translating jobs to land needs will not always reflect local property trends. Therefore, sensitivity testing against actual land take-up is undertaken to assess how the two trends in the Borough of Oadby and Wigston are related.

The econometric forecasts are useful in that they analyse each industry sector and, in conjunction with other market data, the forecasts can identify where sectors may be growing, or shrinking which in turn can inform land and property needs.

8.3 It should be noted that these are ‘policy-off’ scenarios in that they do not account for any strategic policy initiatives in Leicester and Leicestershire which seek to boost jobs growth and may impact on the Borough. These include the Sustainable Urban Extensions currently being brought forward in other parts of the Leicester Conurbation.

8.4 In some forecast methodologies, a third, Resident Workforce forecast model is used. This uses the same method of forecasting as the employment based method but takes forecast changes in the working population i.e. labour supply, rather than jobs – labour demand.

8.5 However, in completing previous Employment Land Studies BE Group has found that labour supply figures do not accurately predict future land needs. Amongst other flaws there is no allowance for the impact of in-commuting or company aspirations for growth. The relevance of the figures is more related to evaluating the relationship between economic and housing needs. Therefore, the method is not utilised in this study.

8.6 The method adopted in this Study brings together all the forecasts, and compares them with historic trends through the sensitivity testing. To do this, actual land take-up and building completions over a period from 1996 to 2017 are compared with land needs that would have been generated from jobs change during the same period. The resultant land figures show that actual take-up is many times the assumed need compared with the jobs calculation for that period.

Aligning Supply and Need Dates

8.7 This study measures need back, from 2017, to 2011. This allows consideration of the whole Local Plan period 2011-2031, but does mean that the base date for measuring need (2011) is out of alignment with the base date for measuring supply (the present, i.e. 2017). The normal approach to addressing this issue would be to add back into the supply total completions that have occurred since 2011, indicating the Borough's land potential at that time. However, as can be seen in Table 25 below, the Borough has not recorded any B-Class development over 2011-2017. Thus, there is nothing to add back in and the supply picture remains unchanged from that discussed in Section 6.0.

Model One: Historic Land Take-up

8.8 Employment land take-up annually is recorded by the Borough Council. It should be noted that take up is recorded from developments on defined Employment Areas only. However, given the nature of the Borough, significant development outside of the Borough of Oadby and Wigston's defined industrial estates and business parks is unlikely.

8.9 Table 25 shows the schedule of completions between 1996 and 2017 based on this data. In total, over that period 7 ha of land has been developed and that equates to an average of 0.33 ha per year.

Table 25 – Borough of Oadby and Wigston's Employment Land Take-Up 1996-2017

Year	Area, ha
1996/97	0.10
1997/98	0.11
1998/99	3.99
1999/00	0.00
2000/01	0.00
2001/02	0.00
2002/03	0.00
2003/04	0.00
2004/05	1.84
2005/06	0.00
2006/07	0.00
2007/08	0.16
2008/09	0.80
2009/10	0.00
2010/11	0.00
2011/12	0.00
2012/13	0.00
2013/14	0.00
2014/15	0.00
2015/16	0.00

Year	Area, ha
2016/17	0.00
Total	**7.00**
Average Annual Take-up (1996-2017)	***0.33***
Total Less Cromwell Tools, 1998/99	***3.01***
Average Annual Take-up Less Cromwell Tools (1996-2017)	***0.14***

Source: O&WBC, 2017

8.10 The clear trend from the above data is that the Borough has seen very little development in recent years, with zero take-up shown in 15 of the 21 years recorded, including the last eight years. Indeed, since 1996 only three large developments have taken place in the Borough:

- 1998/99 – Completion of a large warehouse for Cromwell Tools on Chartwell Drive, Wigston, taking up 3.99 ha. By far the biggest development recorded
- 2004/05 – Completion of a 7,400 sqm building, for mixed B-Use Classes, at 1 Chartwell Point, Chartwell Drive, Wigston, taking up 1.84 ha. The property is presently occupied by Sedc
- 2007/08 and 2008/09 – Mixed B1(a)/B1(c) development around Tigers Road, South Wigston. 2,112 sqm was developed overall on 0.96 ha.

8.11 Thus, the evidence is that while development is rare and multiple years can pass between completions, it does occur and long-term planning (i.e. to 2031) needs to allow for it.

8.12 One note of caution is that monitoring does not include very small developments, taking up less than 0.1 ha of land. However, this is consistent with broader policy guidance and a review of past planning completions for the last decade suggests that little of any significance is excluded by this measure.

8.13 The very large Cromwell Tools development in 1998/99 (3.99 ha) is exceptional in terms of its size, being more than double the next largest completion in 2004/05, which is itself above average. It is 57 percent of take up recorded. While it does represent the growth of an indigenous firm there is the question of how representative it is of the Borough's wider trend for small scale development, equating to 0.33 ha/year. Given this question, two scenarios are used to forecast growth under Model One:

- A Moderate Growth Model, which assumes the Cromwell development is exceptional and will not be repeated over the plan period – A take up rate less Cromwell is applied of 0.14 ha/year

- A High Growth Model, which assumes that the Cromwell development is not necessarily exceptional and other large companies in the Borough may seek equivalent growth to 2031/36, and/or the Borough attracts an element of inward investment (although this has not been in evident in recent years) – The full take up rate of 0.33 ha/year is applied.

8.14 Using these take-up rates and applying it to the period 2011-2031 (20 years), the Borough of Oadby and Wigston requires 2.80-6.60 ha of land, i.e.

Moderate Growth Model: 0.14 ha/year x 20 (years) = **2.80 ha**
High Growth Model: 0.33 ha/year x 20 (years) = **6.60 ha**

Allowing for Losses

8.15 Losses of B-Class land to other uses over the last decade are discussed further in Section 9.0 and equate to a reduction of 2.9 ha of land over the last decade, or 0.29/year. If the that trend is projected forward over 2011-2031 then the land loss projection is 5.80 ha. However, as discussed in Section 9.0, real losses going forward are unlikely to be as extensive as the main buildings which can be easily converted to other uses, particularly in Oadby Centre, have been so altered. Other conversions are likely to be of a much smaller scale while many individual properties which have been converted to non B-Class use such as religious intuitions or gyms have not been fundamentally altered and could be converted back.

8.16 A more modest allowance for land losses is thus made, also to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the 2031 period. This comprises a buffer of five years further land take up to the 2011-2031 period. Based on the historic take-up trend this would generate the following further land need:

Moderate Growth Model: 0.14 ha/year x 5 (years) = **0.70 ha**
High Growth Model: 0.33 ha/year x 5 (years) = **1.65 ha**

8.17 Added to the 2011-2031 need figure, this increases the requirement as follows:

Moderate Growth Model: 2.80 ha + 0.70 ha = **3.50 ha**

High Growth Model: 6.60 ha + 1.65 ha = **8.25 ha**

8.18 Overall need of additional land can then be assessed through a comparison of current supply set against these figures.

8.19 In Section 6.0 we identify an existing employment land supply of 3.35 ha. Two further future sources of employment land have also been identified, totalling 5.17 ha:

- The Borough of Oadby and Wigston Water Treatment Plant, Oadby (2.67 ha)
- Further land at the Wigston Direction for Growth (2.50 ha as part of Phase Two).

8.20 If the existing and likely future supply is combined, the maximum total is 8.52 ha, sufficient supply to support the Moderate and High Growth Model demand, to 2031.

Split by Use Class

8.21 Whilst overall need is important, further analysis can evaluate what the potential needs will be in the different use classes. Table 26 splits the 1996-2009 take up by the main employment use classes (B1 (a, b, c), B2, B8). Again, results with or without the Cromwell completion are included. As Table 36 shows that over the period 3.9 percent of take up was for B1(a) offices, 11.4 percent was for B1(c) light industry, 26.3 percent was for B2 general industry and the bulk (58.4 percent), reflecting the Cromwell completion, was for B8 storage or distribution. If Cromwell is excluded, then the B8 percentage becomes negligible and the focus is on B1(c)/B2 development.

Table 26 – Employment Land Take-Up 1996-2017, by Use Class

Completion Year	Use Class						Total (ha)
	B1(a)	B1(b)	B1(c)	B2	B8	Mixed	
1996/97	-	-	-	-	0.10	-	0.10
1997/98	0.11	-	-	-	-	-	0.11
1998/99	-	-	-	-	3.99	-	3.99
2004/05	-	-	-	1.84	-	-	1.84
2007/08	0.16	-	-	-	-	-	0.16
2008/09	-	-	0.80	-	-	-	0.80
Total (percent) – Inclusive of Cromwell 1997/98	**0.27 (3.9)**	**-**	**0.80 (11.4)**	**1.84 (26.3)**	**4.09 (58.4)**	**-**	**7.00 (100.0)**
Total (percent) – Exclusive of Cromwell 1997/98	**0.27 (8.9)**	**-**	**0.80 (26.6)**	**1.84 (61.1)**	**0.10 (3.4)**	**-**	**3.01 (100.0)**

Source: O&WBC/BE Group, 2017

8.22 Therefore, projecting the historic split of land need forward for the period to 2031, Tables 27 and 28 show the anticipated need for the different use classes, comparing like for like with regards to the inclusion/exclusion of the Cromwell development. In the High Growth Model (including Cromwell development), there is a clear focus on industrial and warehousing land (B2 and B8) over offices. Again, if the Cromwell completion is excluded (Moderate Growth Model) then the overwhelming need is for industrial land (B1(c) / B2).

Table 27 – Moderate Growth Model Need, Split by Use Class

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (8.9)	B1(b) (0.0)	B1(c) (26.6)	B2 (61.1)	B8 (3.4)	Mixed (0.0)	
2011-2031	0.25	-	0.74	1.71	0.10	-	2.80

Source: BE Group, 2017

Table 28 – High Growth Model Need, Split by Use Class

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (3.9)	B1(b) (0.0)	B1(c) (11.4)	B2 (26.3)	B8 (58.4)	Mixed (0.0)	
2011-2031	0.26	-	0.75	1.74	3.85	-	6.60

Source: BE Group, 2017

Model Two: Employment Based Forecast

8.23 This scenario uses as its base the Oxford Economics forecast modelling, referred to previously. The forecasts project employment change over 2011-2031 and include annual employment figures for the Borough from 1991. Therefore, the forecasts can be used to calculate the future need, and the past jobs change can be used to calculate the assumed land need over that period for comparison with the historic take-up over the same period.

8.24 This section deals with calculation of future needs.

8.25 The forecasts break down employment to the level of 19 industry sectors (Table 29) although not all are relevant to this Employment Land and Premises Study and no employment is recorded for rural sectors such as agriculture, forestry and fishing or utilities such as water supply.

8.26 The Oxford Economics modelling shows growth in a select number of primarily service sectors, although this growth does not outweigh forecast losses in manufacturing and, to a lesser degree, public administration.

Table 29 – Employment Change by Employee Numbers 2011-2031

Sector	Jobs 2011	Jobs 2031	Jobs Total Change	Jobs Change (percent)
Agriculture, forestry and fishing	0	0	-	-
Mining and quarrying	0	0	-	-
Manufacturing	4,300	2,200	(2100)	(48.8)
Electricity, gas, steam and air	0	0	-	-
Water supply	0	0	-	-
Construction	1,400	1,300	(100)	7.1
Wholesale and retail trade	4,100	4,200	100	2.4
Transportation and storage	600	600	0	-
Accommodation and food service	1,000	1,000	0	-
Information and communication	200	300	100	50.0
Financial and insurance	300	300	0	-
Real estate activities	200	200	0	-
Professional, scientific and technology	700	1,200	500	71.4
Administrative and support	1,300	2,300	1,000	76.9
Public administration and defence	700	600	(100)	(14.3)
Education	2,400	2,700	300	12.5
Human health and social work	2,500	2,500	0	-
Arts, entertainment and recreation	1,000	1,100	100	10.0
Other service activities	500	500	0	-
Net growth/decline	**21,500**	**21,000**	**(500)**	**(2.3)**

Source: Oxford Economics, 2016

8.27 Total employment is forecast to decline, culminating in a reduction of 500 jobs over 2011-2031. During the period 7 of the 19 sectors are predicted to grow, producing 2,000 jobs to 2031. Conversely manufacturing, construction and public administration are forecast to see a reduction of 2,300 jobs over 2011-2031.

8.28 The highest growth sector is administrative and support. The Borough of Oadby and Wigston is forecast to gain 1,000 professional services jobs by 2031, 43.5 percent of the net jobs growth forecast over 2011-2031.

8.29 In percentage terms, administrative and support is also showing the greatest growth with a predicted increase of over three quarters to 2031. This is closely followed by professional, scientific and technology, which is predicted to grow by 71.4 percent and information and communication which is predicted to double.

8.30 Not all employment growth would result in an increase in demand for B-class employment land or premises. Only certain industry sectors are typically located on B-class land, such as manufacturing, transport and storage and professional services. The next stage of this analysis projects the likely proportions of sectoral employment growth to be located on B-class employment sites.

8.31 Using the Oxford Economics forecasts, the BE Group has forecast employment floorspace and employment land requirements for the Borough of Oadby and Wigston. The methodology of calculating this requirement is as follows:

- Identify which industry sectors are likely to take up employment land, including the proportion of that sector's employment on B-class employment land
- Adopt the Homes and Communities Agency's (HCA) employment densities as outlined in the Employment Density Guide Third Edition (2015) to convert employment numbers to floorspace demand (see Table 30)
- Adopt a plot ratio of 39 percent to convert floorspace to employment land demand.

Table 30 – Model Assumptions

Sectors	Employment		
	Percentage Occupying B-Class, space	Floorspace per person, sqm	Comments
Agriculture	5	12	Managerial, admin
Manufacturing	100	36	HCA gives a range from 36-47 sqm/job. Higher density reflects largely B2; a lower density can be applied to B1 light industry. Given the manufacturing mix in the Borough of Oadby and Wigston, the general industrial density has been adopted (36 sqm/job)
Utilities	26	12	Managerial, admin components of sector taking office locations
Construction	26	12	Managerial, admin components of sector taking office locations
Distribution	48	70	Warehouses, offices-non large scale/high bay facilities. HCA

Sectors	Employment		
	Percentage Occupying B-Class, space	**Floorspace per person, sqm**	**Comments**
			provides a range of 70-95 sqm/job. Range reflects final mile distribution centres (70 sqm/job), regional distribution centres (77 sqm/job) and national distribution centres (95 sqm/job). Assume 70 sqm/job for this analysis.
Transport	48	70	Warehouses, offices-non large scale/high bay facilities. Same range as Distribution and same assumed level adopted.
Financial and Business	100	10-12	HCA guide reports higher job densities in finance and insurance sector (10 sqm/job) than other office based sectors (12 sqm/job)
Government and Other Services	22	12	Local Government, Public Administration

Source: HCA, 2015, BE Group 2017

8.32 Using the above assumptions, applied to the Oxford Economics forecasts, the B-class floorspace and land requirements have been calculated by sector, summarised in Table 31 for the Borough of Oadby and Wigston. The large projected decline in employment in the manufacturing sector is heavily influencing the calculations of floorspace and land demand.

Table 31 – Forecast Employment Land and Floorspace Demand based on Oxford Economics Forecasts 2011-2031

SIC Group	Workforce Growth 2011-31	Percentage Occupying B1/2/8 Space	Growth Number of Jobs on B1/2/8 Space	Floorspace Per Job, sqm	Floorspace Required, sqm
Agriculture, Forestry and Fishing	-	5	-	12	-
Mining and Quarrying	-	5	-	12	-
Manufacturing	(2,100)	100	(2,100)	36	(75,600)
Electricity, Gas, Steam and Air Conditioning Supply	-	26	-	12	-
Water supply; Sewerage, Waste Management and Remediation Activities	-	26	-	12	-
Construction	(100)	26	(26)	12	(312)
Wholesale and Retail Trade	100	5	5	70	350
Transportation and Storage	0	48	-	70	-
Accommodation and Food Service Activities	0	0	-		-
Information and Communication	100	100	100	11	1100
Finance and Insurance	0	100	-	10	-
Real Estate	0	100	-	12	-
Professional, Scientific and Technical	500	100	500	12	6,000
Administrative and Support Service	1,000	100	1,000	12	12,000
Public Administration and Defence	(100)	22	(22)	12	(264)
Education	300	0	-	-	-
Human Health and Social Work	0	5	-	12	-
Arts, Entertainment and Recreation	100	0	-	-	-
Other Service Activities	0	22	-	12	-
Total	**(500)**	-	**(543)**	**-**	-
Increase in Floorspace – Growth Sectors (sqm)					**19,450**
Decline in Floorspace – Declining Sectors (sqm)					**(76,176)**
Net Change in Floorspace Demand (sqm)					**(56,726)**
Assumed Developable Floorspace per Hectare (sqm/ha)					**3,900**
Equivalent Employment Land Needed – Growth Sectors (ha)					**5.0**
Equivalent Employment Land Needed – Declining Sectors (ha)					**(19.5)**
Equivalent Employment Land Needed – Net (ha)					**(14.5)**

Source: BE Group, 2017

8.33 When the land needs from both jobs growth and jobs reduction are brought together the net land requirement based on change can be calculated:

- From sectors predicted to grow: 19,450 sqm of extra floorspace ÷ development floorspace per ha (3,900 sqm/ha) = 5.0 ha
- Less those sectors predicted to decline: 76,176 sqm less space ÷ development floorspace per ha (3,900 sqm/ha) = -19.5 ha
- Gives a net need of **-14.5 ha.**

8.34 The above model suggests that the Borough of Oadby and Wigston requires little employment land to 2031 and, indeed, based on the net requirements could reuse some land for other uses. If we look at the requirement from sectors predicted to grow only, then the need is around 5 ha which equates to the Wigston Direction for Growth, or a lower rate plus some allowance for Centre office development. As noted, forecast growth is all in office based sectors.

8.35 These figures fall significantly below the forecast based on historic take-up (shown above).

Comparing Models One and Two

8.36 In reality, the change in employment numbers shown in Model Two does not translate exactly to land provision in the way shown. There are several factors that will influence the land requirement and it is necessary to understand the market signals to predict a more accurate employment land requirement. These factors include:

- To what extent the growth in office employment takes place in town centre locations, at higher densities, rather than in low-density business parks. It is more likely to be the latter in view of the Borough's characteristics, see most office space found in suburban industrial estates. The planned growth in Oadby and Wigston Centres would be delivered at higher site densities, closer to 100 percent site coverage
- Will the decline in jobs actually lead to the release of land? Experience suggests that even where businesses are contracting, they will continue to hold onto sites in anticipation of future improvements. Also, where jobs are being lost to automation, those new automated processes will still require land on which to operate

- Land take-up/property needs can be for different reasons such as modernisation or geographic relocation, or land banking for future needs
- Expansion may also be within existing premises or on expansion land not accounted for in land allocations.

8.37 Therefore, to test how closely jobs change translates to land take-up, historic trends have been compared. Using the same methodology, the land needs based on employment change has been calculated for the period 1996-2017, and compared to the actual land take-up during that period (see Table 32).

Table 32 – Employment Land Take-Up/Employment Change Comparison

Employment Change	Total Jobs	Land (ha)
Growth	3,300	4.0
Decline	(6,700)	-45.3
Net growth	**(3,400)**	**-41.3**
Historic land take-up	**-**	**7.00**

Source: Oxford Economics, O&WBC, BE Group, 2017

8.38 The trend shows that net jobs growth is not an accurate method of calculating land. Forecasting suggests that over 1996-2017 the Borough of Oadby and Wigston should have lost some 41 ha of land, a massive reduction in the context of the Borough. In reality, modest growth of 7 ha was recorded. **Even when land is calculated on the sectors that generate a positive jobs figure over 1996-2017, there is still a shortfall between the anticipated take-up from a jobs calculation and the actual market take up, although this is closer if the Cromwell Tools completion is excluded. Overall, however, this calculation reinforces the view that historic take-up is the most appropriate method.**

Summary

8.39 The three alternative forecast options have been produced and considered for the period of 2011-2031. The calculations for each are summarised in Table 33 and show varied outcomes.

8.40 The figures allow for a five-year buffer to allow for choice and potential change in needs during the two periods as well as providing some accounting for further possible losses in the supply.

8.41 The scenarios outlined in Table 33 are based on the maximum land availability in the Borough, 8.52 ha, as defined in Section 6.0.

Table 33 – Land Forecast Models – Summary

Model	Land Stock 2017, ha*	Land Need 2011-2031, ha	Buffer (five years take-up rate) ha	Land Need Incl. Five year buffer	Surplus (Shortfall), ha	Assumptions
Long Term Land Take-up – Moderate Growth Model	8.52	2.80	0.70	3.50	5.02	Based on historic (20 years) take-up of 0.14 ha/pa. Exclusive of exceptional take-up at Cromwell Tools
Long Term Land Take-up – High Growth Model	8.52	6.60	1.65	8.25	0.27	Based on historic (20 years) take-up of 0.33 ha/pa. Inclusive of take-up at Cromwell Tools
Employment based on adjusted stock	8.52	1) +5.00 Growth 2) -14.50 Change	1) +1.25 2) N/A	1) +6.25 Growth 2) -14.50 Change	1) 2.27 2) 23.02	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group, 2017

**Maximum realistic land supply.*

8.42 Two take up models have been completed, representing consideration of past take up tends and particularly the 3.99 ha take-up of land associated with Cromwell Tools at Chartwell Drive, Wigston in 1998/99, which is exceptional in the local context. The Moderate Growth Model assumes that such development was a 'one off' which will not be repeated, with future development primarily being to meet small scale local needs. The High Growth Model assumes that Cromwell was not unique and that the Borough of Oadby and Wigston, through the Wigston Direction for Growth, and other sites has the capacity and attractiveness to bring in other large inward investment and support its biggest businesses in their large-scale growth plans.

8.43 As can be seen from Table 33, the Borough does have sufficient land to meet projected growth under these scenarios although supporting the High Growth Model would require the maximum use of the Borough's land supply and leave little scope for further losses.

8.44 If employment based forecasts are taken then there are oversupplies of land in the Borough, of 2-23 ha to 2031. The large latter figures reflecting the model view that where employment declines there is a corresponding reduction in land needs. From the market assessment and reviewing the historic trends in employment change and land take up, this approach suggests that employment land needs are underestimated. When a comparison of past employment changeover the period 1996-2017 is made, it is noted that the Borough has gained 7 ha when projections indicate that it should have lost some 41 ha.

8.45 In conclusion, it is considered that the most appropriate forecast is based on a forward projection of long term take-up. In terms of the two take up models, market evidence does suggest strong market demand for space, including interest from inward investors and a strong desire for growth amongst the Borough's indigenous large businesses. **Thus, evidence favours the High Growth Model which generates demand of 8.25 ha to 2031, inclusive of a five-year buffer.**

8.46 The Borough's previous take up can be split by the main employment use classes – B1(a, b, c), B2, B8. Table 34 applies the same proportionate split to the Borough's projected need under the High Growth Model.

Table 34 – High Growth Model Need, Split by Use Class

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (3.9)	B1(b) (0.0)	B1(c) (11.4)	B2 (26.3)	B8 (58.4)	Mixed (0.0)	
2011-2031	0.26	-	0.75	1.74	3.85	-	6.60

Source: BE Group, 2017

8.47 However, that assumes that most development will be for B8 uses, reflecting the fact that Cromwell Tools was a B8 completion. However, the market evidence from Sections 4.0 and 5.0, is that most current demand, particularly larger requirements, is for B1(c)/B2 uses plus an element of B1(a) offices. To reflect this, Table 35 looks at the High Growth Model needs but splits them by the past take up proportions without Cromwell, i.e. proportions which favour B1(c) and B2 (as per the Moderate Growth Model percentage splits).

Table 35 – High Growth Model Need, Split by Use Class – Revised Split*

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (8.9)	B1(b) (0.0)	B1(c) (26.6)	B2 (61.1)	B8** (3.4)	Mixed (0.0)	
2011-2031	0.59	-	1.76	4.03	0.22	-	6.60

Source: BE Group, 2017
**This model uses a Use Class split based on the Moderate Growth Model take up rate (excluding the Cromwell Tools completion), but applies that split to the High Growth Model Need. This is to avoid the over emphasis on B8 uses that results when Cromwell Tools, an exceptionally large local warehouse development, atypical for the Borough, is included in calculations.*
***Small scale B8 uses only, with individual developments likely significantly below 1,000 sqm each.*

9.0 LAND NEEDS OF NON-B CLASS USES

Introduction

9.1 Reflecting a wider definition of economic development this section considers, as far as is possible, future requirements for land from non-B class sectors that are also employment generators. Whilst retailing falls into these sectors it is noted that in 2016 the Council separately commissioned a 'Retail Capacity Study', updating a 2008 study, that examines future need.

9.2 For this study, the following broad sectors have been identified:

- Retail
- Accommodation and food service activities
- Education
- Human health and social work activities
- Arts, entertainment and recreation
- Residential (in terms of employment land losses only).

9.3 While this section does discuss the Centre growth envisaged in the Local Plan and Town Centres AAP, it is important to note that growth prospects for Centre offices are considered separately in Section 6.0.

9.4 It must be recognised that the job and space requirements associated with these sectors are estimated and planned for in a different way to B-Class uses. For example, health facilities will have quite specific land needs that are not linked directly to job numbers; education facilities are planned based on forecasts for pupil roll numbers and capacity in existing schools/colleges. Retail or leisure operators will often locate in Centres, within mixed-use schemes or in locations of their choice, rather than on specifically allocated sites.

9.5 A key factor relating to many of these sectors is the likely level of population and housing growth in the Borough. The Oxford Economics forecasting model, which informs this study, estimates that the overall population will grow from 56,600 in 2017 (55,900 in 2011) to around 61,600 by 2031. These figures are based on Oxford's forward projections of the latest Census data. The HEDNA report (2015) identifies a need for some 148 new dwellings/year over 2011-2031.

Retail

9.6 As stated above, future retailing requirements are separately considered in the Borough of Oadby and Wigston Retail Capacity Study. The Report suggests that there is need for an additional 554 sqm (net) of convenience goods floorspace and 3,785 sqm net of additional comparison goods floorspace, to 2031. The convenience floorspace equates to a modest growth in the local offer, i.e. does not support a new full-sized foodstore in the Borough. The comparison floorspace does provide scope for a reasonable level of premises expansion, however.

9.7 Oxford Economics forecasts that growth in retail sectors will generate some 100 further jobs to 2031.

9.8 The Town Centre's AAPs put forward the following growth prospects:

- Wigston – 11,800 sqm of new retail floorspace, focused at Burgess Street/Burgess Junction and Frederick Street/Bell Street
- Oadby – 5,070 sqm of new retail floorspace focused at Baxter's Place, Chestnut Avenue and a remodelled Oadby Centre.

9.9 Most of this development is proposed on existing surface car parks or through the remodelling/redevelopment of existing primarily A1-A5 retail buildings. It does not envisage the loss of any existing land in B-Class use. As noted, the potential gain in office space from the AAP policies is discussed separately in Section 6.0.

9.10 In terms of losses of employment land to A1 (and A3 food) uses, the following is noted over the last decade:

- Former Premier Drums, Blaby Road, South Wigston – 2.42 ha of land primarily comprising an 8,900 sqm B8 storage unit consented to be redeveloped for 4,987 sqm of non B-Class floorspace including a Lidl foodstore and Wickes DIY store
- Units 1-2 at 9 - 13 Saffron Road, Wigston – Change of use from offices to 137 sqm of A1 retail on 0.04 ha of land and B8 offices
- 211 Gloucester Crescent, Wigston – Conversion of a 330 sqm B8 property, on 0.08 ha of land to A3 café
- 31 Saffron Road Wigston – Conversion of part of building for a 75 sqm A3 café. Negligible land loss.

9.11 Taken together, the Borough of Oadby and Wigston has lost 2.54 ha of employment land to A-Class retail and hot food uses over the last decade or 0.25 ha/year. However, it is also clear that the Premier Drums redevelopment is exceptional in the Borough's recent history, in terms of its size and its circumstances. Premier Drums is a large site which has been largely vacant for a decade and sits separate from the main Employment Areas and adjacent to a large foodstore. It is thus not representative of broader trends in the Borough which, as is evident, show very modest land losses to retail over 2007-2017.

Accommodation and Food Service Activities

9.12 The sector covers employment generated by hotel, bed and breakfast self-catering accommodation, as well as bars and restaurants. This sector currently employs 1,000 and this rate is not expected to change to 2031.

9.13 Demand for this sector is generated from both domestic, and to a lesser extent overseas tourism (hotels and restaurants), as well as spend by the Borough's residents (most likely to be restaurants and other catering). Future growth depends on visitor numbers and business activity. In the case of the latter, many business parks now include three or four star hotels as part of their offer of support services for occupiers, although this is not a feature of the Borough's Identified Employment Areas. Accessibility and prominence are locational factors that will determine where hotels locate.

9.14 Future leisure accommodation and food growth will be focused in the main Centres and specifically in the growth areas identified in the Town Centre AAP's, as noted above. Consideration of past planning consents suggests that losses of B-Class space, to hot food uses are negligible bar the single example noted above.

Education

9.15 This sector incorporates primary and secondary schools, further education colleges as well as commercial nurseries. The sector saw growth over 2011-2017, increasing from 2,400 to 2,700 jobs. Further growth is not forecast to 2031, in the Oxford Economics forecasting at least.

9.16 The main education institution in the Borough is South Leicestershire College, which recently combined with North Warwickshire College. Following campus growth in 2009, no further large-scale premises development is envisaged, which could impact on B-Class land.

9.17 The University of Leicester also has several facilities in the Borough including:

- The University Botanic Gardens – Off the A6, Oadby
- University of Leicester Sports and Recreation Ground/Roger Bettles Sports Centre and Observatories – Manor Road, Oadby
- Oadby Student Village: Accommodation for 1,800 students in a variety of halls, plus 'The Village Hub' comprising food court, shop and pub – Manor Road/ Stoughton Drive South, Oadby
- Oadby Conference Centres – Five conference and meeting facilities within the Student Village – Manor Road/ Stoughton Drive South, Oadby

9.18 These are in Oadby, north of the A6, in a mostly residential area some distance from any of the Borough's Identified Employment Areas.

9.19 In terms of schools, the main new provision is expected to be in in the Wigston Direction for Growth. Policy 20 of the Emerging Local Plan identifies the need for a new primary school here. Negotiations are underway between the scheme developers and Leicestershire County Council on exact nature of this new school but it is expected to be a facility for between 210 and 420 pupils on 1-2 ha of land. Development here would be separate from the employment land element of the Wigston Direction for Growth.

9.20 In 2011/12, office premises at Old Barracks, Tigers Road, South Wigston was converted for a commercial nursery. However, this represents a negligible land loss which is not necessarily permanent, i.e. a building in this land use could be converted back to offices, if needed.

Human Health and Social Work Activities

9.21 Included within this sector are hospitals, medical centres, GP and dental surgeries, private or specialist healthcare (e.g. physiotherapy), veterinary practices and residential care homes. Oxford Economics forecasts no growth to 2031 from the 2011 total of 2,500.

9.22 Although there will inevitably be changes to local clinics, surgeries, dentists, etc. over the Plan period, no major healthcare facilities are proposed in the Borough of Oadby and Wigston which would impact on Employment Areas.

9.23 Despite a slowdown in Government spending on health, the increasing numbers and longevity of the elderly population and possible growth in demand for private health care may lead to further provision of residential care homes. Nevertheless, in general employment sites are inappropriate locations for care homes, due to amenity considerations.

9.24 There is evidence elsewhere of veterinary practices, GP and private or specialist healthcare operations being accommodated on employment sites, or through a change of use of existing office buildings. The informal health sector, with its many micro-business practitioners, tends to operate from dwellings, converted retail premises or community buildings. Whilst they can contribute to local job growth, they do not require significant amounts of floorspace.

9.25 Consequently, it is considered the growth in employment from this sector will be limited in terms of requirements for new space (more probably existing buildings will be occupied through changes of use) and there will be very little requirement for additional land.

Arts Entertainment and Leisure

9.26 This sector includes, amongst other activities, forms of commercial leisure such as cinemas, theatres, bowling alleys, bingo halls and nightclubs. Generally local needs for larger leisure facilities, that require a large catchment, are met in Leicester City Centre and at Meridian Leisure Park. Local growth is likely to be limited to hot food uses and indoor play facilities.

9.27 The growth in health awareness has seen an increase in demand for private health clubs and gyms and these are uses that will look to locate on business parks, either through new build or conversion of existing industrial space. Three premises conversions from B-Class use to gyms and other fitness clubs are recorded over the last decade:

- 51 Kenilworth Drive, Oadby
- 15 Mandervell Road, Oadby
- 17 Mandervell Road, Oadby
- Part 1st Floor, 223 Gloucester Crescent, Wigston.

9.28 Collectively these represent the loss of 1,289 sqm of B-Class floorspace and 0.33 ha of land. The jobs forecast is modest for the recreational sector with Oxford Economics predicting an additional 100 jobs to 2031.

Residential Losses

9.29 The Borough of Oadby and Wigston has lost three employment sites to housing in recent years:

- 80 The Parade, Oadby – Former housing association offices of 1,500 sqm, converted to 18 dwellings and equating to the loss of some 0.09 ha of land
- 183 Kirkdale Road, South Wigston – The 10,595 sqm Former Shoefayre factory which is now being redeveloped for 56 dwellings with the loss of 1.20 ha of employment land
- 10 Long Street, Wigston – Change of use of a 1,480 sqm B8 property to prove 27 flats, with the loss of 0.09 ha of employment land.

9.30 In addition, the First, Second and Third Floors of Lyn House, 37 - 41 The Parade, Oadby now have permitted development consent for change of use from B1(a) offices to 18 flats. The loss of employment land is around 0.03 ha.

9.31 Future changes of use, are likely to include the Arriva bus depot on Station Road, South Wigston (0.7 ha), which is proposed for housing in masterplanning.

9.32 Overall, the Borough has lost 1.41 ha to housing over the last decade or 0.14 ha/year. Although this is quite a high amount in the context of the Borough's overall supply, stakeholders argue that this, particularly the loss of Centre offices in Oadby, represents the natural recycling of the Borough's obsolete value stock. It does not reflect a lack of demand for accommodation more generally.

Summary

9.33 The non B-Class uses could provide some 200 more jobs in the Borough of Oadby and Wigston over 2011-2031. Modest losses of employment land are evident to retail/hot food and D1 gym and exercise uses, of which the loss of the 2.42 ha Premier Drums site is most significant, but also the most exceptional.

9.34 Most significant is the loss of land to residential uses which equates to 1.41 ha to housing over the last decade or 0.14 ha/year, including the loss of the two multi-storey office buildings in Oadby Centre. However, this is felt to reflect the natural recycling of the Borough's obsolete vacant stock. It does not reflect a lack of demand for accommodation more generally.

9.35 Overall losses of employment land to other uses equate to 0.29 ha/year if Premier Drums is excluded. If the that trend is projected forward over the study period's 2011-2031 then the land loss projection is 5.80 ha.

9.36 In practice, however, future losses are unlikely to be anything like as large as this as many of the buildings which could realistically be converted to other uses have been converted. In Oadby Centre, the two largest office properties have now been lost to housing and other remaining Centre offices are far smaller, mostly too small for conversion for multiple flat units. Offices in Wigston/South Wigston Centres are similarly small and mostly ill-suited for conversion.

9.37 Other employment premises mostly comprise older industrial premises in active Employment Areas which cannot be easily converted to housing. Clearance of some peripheral B-Class premises for residential redevelopment, as with the South Wigston Bus Depot, is a prospect but, premises affected by this will be no longer viable and desirable by B-Class occupiers.

9.38 Units in the Employment Areas have been used for gyms, cafes and other leisure options, discussed further in Section 6.0, but there is a limit to how many such uses will be needed to serve the Borough's market. Also, buildings brought into these uses are not being significantly altered physically, they can be put back into B-Class use when the occupier vacates.

10.0 CONCLUSIONS

Introduction

10.1 This study has included a wide-ranging look at the factors affecting the Borough of Oadby and Wigston's economy, with particular reference to those that are likely to affect the future need for land and property within the Borough. This section draws together the main issues that will need to be addressed as a preliminary to the more detailed recommendations set out in Section 11.0.

10.2 The study has been undertaken in line with both the National Planning Policy Framework and relevant Planning Practice Guidance. It updates the current evidence base, most notably the 2006 Oadby and Wigston Employment Land Study and relevant elements of the Employment Sites and Brownfield Land Study (2010).

The Functional Economic Market Area

10.3 In the view of this study, the functional economic market area for the Borough of Oadby and Wigston includes the other local authority areas of Leicester and Leicestershire. Surrounding counties such as Rutland, Nottinghamshire, Derbyshire Lincolnshire, Cambridgeshire or Northamptonshire have more limited relationships with the Borough of Oadby and Wigston. All the local authorities within this functional economic market area have been consulted.

10.4 Most of the local authority areas that neighbour the Borough of Oadby and Wigston have additional employment land needs, but indicate they can meet these needs through a mixture of existing and proposed additional land allocations. Consequently, they do not expect to have to look to the Borough of Oadby and Wigston to meet any shortfalls in employment land or premises supply.

10.5 The exception is Leicester City, which has a significant, and long established, shortage of employment land and will be looking for support from its neighbours. This was recently redefined in Leicester City's latest Employment Land Study (2017) as a need of some 10 ha (out of a total need of 65 ha) of light and general industrial land and 28 ha of B8 warehousing land, from a FEMA including Blaby, Charnwood and the Borough of Oadby and Wigston.

10.6 However, it is likely that most cross-boundary requirements will be met on the large strategic allocations currently proposed within the Leicester PUA, which mostly fall within Charnwood and Blaby. The small land supply of the Borough of Oadby and Wigston will make only a modest contribution to external needs although, as is noted elsewhere, the Borough will derive some benefit from companies unable to find accommodation in inner Leicester and seeking affordable options in peripheral locations.

10.7 In terms of competition, the Borough sits in the shadow of Leicester City Centre but moving forward the major development proposals of Blaby and Charnwood are likely to have a growing impact, both in terms of the proportion of labour they draw from the Borough of Oadby and Wigston and their prospects for drawing strategic level property requirements away from the Borough. A stronger property offer in adjacent Blaby, in particular, may draw away some local businesses that cannot find expansion/upgrade premises within the Borough.

10.8 Major logistics facilities are under development, or expansion, in North West Leicestershire and Harborough. However, as the Borough has little large scale warehousing it does not compete in the regional/national storage and distribution market with these locations.

10.9 The Borough backs onto a large and prosperous rural hinterland, centred in Harborough and extending to Melton and Rutland. The small towns of this area provide the Borough of Oadby and Wigston with a share of its labour force. The Borough is, in turn, a net exporter of labour to Leicester City and other areas of the City Conurbation.

Economic Profile

10.10 The socio-economic profile of the Borough of Oadby and Wigston reveals 77.6 percent of the working age population to be in employment, well above the East Midlands (73.4 percent) and national (72.7 percent) averages. Unemployment, at 4.9 percent in winter 2016, was quite high when compared to many of the Borough's neighbours, but close to average in the regional and national context.

10.11 In contrast to the national picture of a structural decline in manufacturing, the manufacturing sector continues to employ a large proportion (17.6 percent) of people in the Borough of Oadby and Wigston. This proportion is well above the East

Midlands averages and particularly the national average of 8.2 percent This reflects the presence of some proportionally large manufacturing and production businesses in Wigston/South Wigston, including UB Jacobs.

10.12 The Borough's dependence on public sector employment is slightly above average with 30 percent of the Borough's workforce employed in public administration, education and health, in 2016. This will reflect employment at South Leicestershire College as well as schools. Public administration employment will include locals who work at HMP Glen Parva and the government offices on Tigers Road, as well as Borough Council employees.

10.13 In terms of service sectors, business administration and support services, along with public administration and defence have the strongest roles. The proportions of the former however, are below wider averages. The professional, scientific and technical sector has a comparatively weak role in Borough employment, employing only 3.1 percent of workers in 2016, compared to 6.1 percent across the region and 8.3 percent nationally. However, 12 percent of businesses fall within that sector locally.

10.14 Sectors with a weak role include the motor trade and, unsurprisingly, agriculture. Transport and storage (logistics) employed only modest numbers locally, 2.6 percent, compared to an East Midlands average of 5.1 percent.

10.15 The number of VAT and PAYE registered businesses was 2215 in 2016. 84.8 percent of companies are micro-businesses (less than 10 employees). 97.6 percent employ up to 49 people (small businesses). Average weekly pay in the Borough is currently amongst the lowest in the county, whether measured by place of work and place of residence.

10.16 In 2012, the Borough had 490 industrial/warehouse units (361,000 sqm of space) and 130 offices (31,000 sqm).

Property Market Assessment

10.17 Nationally and regionally the prospect is for increased demand in all the main commercial sectors as the UK economy enters a period of growth. Increased demand following a period of limited development is generating stock shortfalls which are in turn encouraging development activity. For the first time since 2007 speculative development is a realistic prospect outside of prime city economies and demand for freehold options is growing both from occupiers and investors.

10.18 The local market view is that the Borough is in need of both office and industrial development to monopolise on the growing demand from local occupiers for freehold space. A short-term delivery of 200-450 sqm industrial units on the former R F Brookes site on Magna Road, South Wigston is likely but this will provide only modest respite from wider needs.

10.19 This view is supported by discussions with local firms and one inward investor, who are broadly seeking growth either by investing in expansion premises in their immediate areas or by seeking Design and Build options for new bespoke premises. As further evidence of this, it was noted that between April and July 2017 the Borough Council has received and is assessing four planning applications for local business expansion space, mixed B1(c), B2, B8, totalling 1379 sqm on around a third of a hectare of land. Further development enquiries have been recorded since that time.

Industrial Market

10.20 Nationally and regionally, market demand has grown steadily since 2013. Despite uncertainties in the national economic and political picture there are no short prospects of it slowing. Against rising demand, the supply of stock continues to decrease. In the East Midlands, as across much of the rest of the country, there is a dearth of good quality existing buildings in prime locations across all size parameters.

10.21 Owner occupiers are becoming more prevalent with the increase in business confidence encouraging firms to expand and review their occupational requirements. This is leading to greatly strengthened freehold demand, but local markets frequently lack the freehold stock to meet needs.

10.22 Across the Leicester Conurbation generally there is a shortage of smaller industrial units of up to 200 sqm. However, larger units, of more than 500 sqm let or sell quickly locally when they come to the market. Demand is mainly leasehold, but freehold interests are noted and more companies might look to buy, for owner occupation or investment, if the stock was available.

10.23 The market is characterised by local interest, however some occupiers from Leicester City, will often look to the Borough of Oadby and Wigston for its lower occupational costs. Conversely, higher costs in Leicester mean that existing local firms have little incentive to move to the City. However, one impact of these trends is that rents are not particularly high locally, no more than £60/sqm for the best space, and scope for rental growth is modest as occupiers are specifically attracted to the Borough for its affordability.

10.24 Around 4,829 sqm of industrial space is currently vacant – 1.3 percent of the total floorspace and only 1.4 percent by premises numbers. This is considered low in average supply terms and points to a lack of availability and choice. There are no sub-100 sqm units on the market and only one of more than 1,000 sqm available.

Warehouse Market

10.25 Nationally, improving market conditions and online retail growth will see increased demand for prime logistics space. Demand will remain strong for prime logistics space, with the biggest online retailers continuing to fuel the demand. Across Leicester and Leicestershire, the 2017 HEDNA study, forecast a need for 361 ha of new land to 2031.

10.26 The M1 Corridor will remain the focus for major logistics developments, and major warehouse schemes are being pursued in all the West Leicestershire local authority areas. The Borough of Oadby and Wigston falls outside of this main Corridor area, falling on transport routes such as the A6, which are secondary in freight terms. It lacks an existing offer of larger warehouse space, with most local properties or more than 1000 sqm being in industrial use. There are no local employment sites large enough for major logistics units while demand is for industrial and office space.

Office Market

10.27 In the East Midlands, Leicester is the dominant office market, followed by Nottingham and Derby. Leicester has strengths in high tech and financial services sectors, with recent incomers including IBM and Hastings Direct. However, there is a severe lack of available stock, in particular Grade A stock, in the City. Leicester's Grade A supply is currently constricted to one 1,500 sqm building at Colton Square, the remaining building from the 10,500 sqm regeneration scheme completed in 2008. The Waterside scheme, which is expected to complete in 2018, will add another 5,500 sqm to the high-grade supply, but this will not meet all needs.

10.28 As a result, businesses are increasingly having to look to strong secondary and suburban locations. Businesses are also becoming increasingly open-minded about the refurbishment of existing, lower-quality stock.

10.29 The local office market is characterised by reasonable local demand, mainly for suites of up to 150 sqm. However, shortages of space across the Leicester Conurbation are encouraging some larger occupiers to look away from the City Centre and motorway accessed sites to more peripheral locations such as the Borough of Oadby and Wigston. Again however, the Borough is viewed in terms of affordability which limits what occupiers will pay. Rents of up to £140/sqm are achievable for good quality stock and possible future new builds, but most the Borough's existing low-quality stock achieves no more than £80/sqm and sometimes less. Older local stock, particularly in Oadby, is increasingly surplus to modern requirements, which explains why owners are seeking to re-use it for housing.

10.30 There is quite a large supply of available offices, relative to the total stock – 1,500 sqm in 25 suites, which equates to vacancy rates of 4.8 percent by floorspace and 19.2 percent by number of premises. 11 available properties are located at Lyn House, Oadby Centre which has permitted development consent for a conversion to flats. Thus, this stock will likely be removed from the market and the focus of local office supply will move to Wigston Centre, where 13 units comprising 657 sqm of floorspace are currently available.

Stakeholder Engagement

10.31 Consultation with various stakeholders was conducted as part of the market research, which comprised key employers and landowners/developers and public-sector organisations including relevant neighbouring local authorities.

10.32 Amongst the local businesses consulted there is a strong desire for growth. Many local businesses have taken steps to secure the land and property they need, with many highlighting nearby expansion opportunities. In addition to this, there is a long term, but real appetite for Design and Build opportunities which again could be linked to the Wigston Direction for Growth Site.

10.33 Property requirements, sourced through the LLEP are for primarily industrial space of 3,250-5,000 sqm, to be delivered as Design and Build opportunities and with the occupiers showing specific interest in the Wigston Direction for Growth Site.

10.34 More generally, the Borough was seen as a logistically sound location, with motorway links at the M1 and M69 providing good access to local, regional and national markets. Access to Leicester also provides businesses with a strong level of captive demand. The wider Conurbation provides a strong and well-trained labour force and companies report no problems recruiting staff ranging from construction workers to high tech and laboratory technicians.

10.35 The LLEP identifies the following key sectors in Borough of Oadby and Wigston:

- Advanced manufacturing and engineering
- Food and drink manufacturing
- Low Carbon
- Textiles manufacturing.

10.36 Growth sectors for the Borough of Oadby and Wigston are:

- Creatives industries
- Professional and financial services.

Employment Areas

10.37 The Borough's existing 12 Identified Employment Areas and Other Employment Sites have been appraised and graded A-E, as defined in Table 36 Collectively they provide some 354,310 sqm of premises in 352 properties comprising 323,756 sqm, in 317 properties, in the Borough's eight Identified Employment Areas and another 30,554 sqm, in 35 properties, is found in the three Other Employment Sites reviewed. By far the largest is Chartwell Drive, Wigston which provides 129,006 sqm of floorspace in 126 properties.

Table 36 – Grades A to E Definitions

Grade	Definition	Action
A	High quality, prestigious, flagship business areas due to their scale, location and setting. Capable of competing for investment in the regional market place. These are prime sites for marketing to a cross section of users including new inward investors. They can also meet the needs of image-conscious, aspirational companies already in the local authority area.	Equates to '*Core Employment Areas'* Protect strongly in the Local Plan Support and expand
B	Good employment sites due to their scale, location and setting. Capable of competing for investment	

Grade	Definition	Action
	in the sub-regional market place. These are prime sites for marketing to a cross section of users, B1, B2 and B8, including some new inward investors.	
C	Key employment sites with an influence over the whole local authority area, but primarily geared towards local businesses and B1 light industrial, B2 and B8 uses.	Equates to '*Base Employment Areas'* Protect in the Local Plan Support
D	Lower quality locations in residential areas suffering from poor accessibility and massing.	Equates to '*Base Employment Areas'* but may reduce to '*Release Site'* if quality declines further Continue to protect/review through the Local Plan
E	Very poor-quality areas. Widespread vacancy and dereliction in poor environments. Or areas which have been, or are in the process of being, lost to other uses.	Equates to '*Release Site'* Promote alternative uses if possible

Source: BE Group 2017

10.38 Table 37 summarises the Employment Areas by each of the above grades. It is assumed that future growth will be focused around the five Core Employment Areas (Grade A or B). Areas graded C and D generally represent the Borough's supply of B1/B2/B8 premises for meeting local needs. They should be protected for that use. The Railway Triangle was not reviewed in this study and no other Employment Areas were felt to fall into category E, i.e. to be Release Sites.

Table 37 – Employment Areas' Appraisal by Category

Category	Number of Sites	Comments
A and B *Core Employment Areas*	6	• Magna Road, South Wigston • Tigers Close, South Wigston • Chartwell Drive, Wigston • Gloucester Crescent, South Wigston • Highfield Drive, Wigston • Canal Street, South Wigston The Borough's current 'flagship' locations, the focus for growth proposals and inward investment enquiries.
C and D *Base Employment Areas*	6	• St Thomas Road, South Wigston • North Street, Wigston • Cross Street/Regent Street, Oadby • Kenilworth Drive, Oadby • Park Road/Canal Street, South Wigston • Park Road, South Wigston. Active and established industrial estates/business parks in the area, primarily catering to local business needs.
E *Release Site*	-	No areas suffer from widespread vacancy and/or dereliction.
TOTAL	**12**	

Source: BE Group, 2017

10.39 The above graded list does vary from that set out in Policy 'SEP1 – Identified Employment Sites Hierarchy' in terms of the split between Core and Base Employment Areas. This reflects the BE Group view that the Core Area designation should be more focused on several prime Employment Areas in the Borough which, are of the highest economic value locally, and need to be a focus for Local Plan protection. Relevant Other Employment Sites are also included in the grading to illustrate their role in the local economy.

10.40 Most of the areas are well occupied and, as such, offer few immediate opportunities for brownfield redevelopment, except for proposals on Magna Road (discussed below). However, this study has identified several small scale and long term 'regeneration opportunities' which have the potential to provide additional/alternative employment land, meet the growth needs of existing local firms or other requirements, specifically:

- Magna Road, South Wigston – Land on Harrison Close comprises a range of scrap yard/recycling and warehouse facilities, totalling 3.0 ha, which could provide a further infill site without encroaching on the recreation and housing land to the south
- Tigers Close, South Wigston – There is a very small area of landscaping in in the Animal/Plant Health Agency curtilage, 0.05 ha, which could provide some infill
- St Thomas Road, South – Wigston – There are three large open storage areas in the east and south which could provide a future infill site of some 1.1 ha. However, they are in use at present
- Chartwell Drive, Wigston – There is one infill site, comprising 0.88 ha of land to the east of Cromwell Tools, fronting Clarkes Road, and to the north of Hansen Court. The bulk of the land is in use as additional parking for Cromwell, and is assumed to be under its ownership, but the site could be developed for a separate occupier, with access of Clarkes Road.
- Gloucester Crescent, South Wigston – There are three vehicle yards in the area which may provide modest infill options, totalling 0.78 ha, although they are in use at present
- Highfield Drive, Wigston – Land fronting Highfield Drive could provide a degree of infill although this would mean the loss of landscaping and some car parking, and bring the offices closer to adjacent housing,

Employment Land and Premises Supply

10.41 This Study has reviewed the full range of realistically available employment land in the Borough, including the main Wigston Direction for Growth Site. The land resource comprises some 3.35 ha from a mix of currently allocated sites and the long-term potential of Centre regeneration plans. A further 5.17 ha is available from other sources, including Phase Two of the Wigston Direction for Growth. The total land stock is thus 8.52 ha.

Wigston Direction for Growth

10.42 Core Strategy Policy 1 first allocated Phase One of this location, 2.5 ha of B1/B2/B8 land, as part of a wider growth area including 450 homes. This wider scheme is now being taken forward by developers David Wilson Homes, who have secured consent for the scheme. However, while housing delivery is expected to commence in 2017, the employment site is viewed a secondary consideration and the development team does not have a plan for taking this forward. Speculative development is particularly unlikely but design and build options remain possible, although there is no set delivery plan or timetable at present. The market attractiveness of this location, due to its distance from the M1 Corridor and out of town position has been questioned by the developer, as have the costs of site servicing and landscaping, against likely returns.

10.43 While uncertainties over delivery remain, emerging policy continues to support this allocation and proposes further employment land, as part of 'Phase Two' of the development, equating to another 2.5 ha of land, or 5.0 overall, to 2031.

10.44 In the market research completed in Sections 4.0 and 5.0 of this study shows an active and buoyant local market for the types of premises likely to be accommodated on the Wigston Direction for Growth (i.e. industrial and smaller warehouses). From this data it is possible to make the following justifications for the ongoing need and usefulness of the Wigston Direction for Growth in meeting B-Class needs to 2031:

- *Justification One: The Overall Strength of Industrial Demand* – Nationally, demand for mid-sized industrial premises, of sub-1,000 sqm up to 10,000 sqm, is high and rising against supply. The Leicester Conurbation is no exception and has seen good growth in demand and uplift in rents over the last few years, a trend which is expected to continue into 2018 at least. Demand specifically in the Borough of Oadby and Wigston is strong for industrial and smaller warehouse uses. The Borough is attracting some 123 requirements per year from industrial/warehouse businesses, as measured by the LLEP. Individual requirements are for units of up to 2,324 sqm or more and sites of more than 2 ha each. Property market stakeholders, active in the Borough of Oadby and Wigston, agree with the view that the Borough lacks industrial and warehouse supply against both local and external needs, and that requirements are becoming increasingly urgent in a growing economy

- *Justification Two: The Need for Larger Business Space/Freehold Options* – Although the Borough requires new light industrial space, which could be accommodated in the urban areas, there is also a clear need for larger units which cannot be easily developed on smaller sites in the three towns. Stakeholders report that units of more than 500 sqm each, which need at least 0.13 ha of land each to accommodate, are strongly required and let/sell quickly when delivered or become available. Noted large business requirements extend up to 5,000 sqm which would require 1.28 ha of land each to accommodate. In addition, stakeholders reported a growing trend for freehold requirements, both locally and nationally as businesses seek to invest in their own premises and benefit from available commercial finance. This trend is benefiting schemes which can offer both new premises for sale and Design and Build delivery opportunities
- *Justification Three: Local Supply Shortages* – Against this demand current supply is limited to seven currently available buildings, ranging from 282 sqm to 1,413 sqm, of which five of which are greater than 500 sqm in size. Space is generally of moderate quality with little freehold availability. Certainly, there is no new industrial space which could meet needs for modern units for key sectors such as advanced manufacturing/food production (SEP priorities) or provide high value freehold investment/operational options.
- *Justification Four: The Need for Unconstrained, Large, Available Sites* – In terms of land options, with individual requirements extending up to 5,000 sqm/1.28 ha, the Borough of Oadby and Wigston Water Treatment Plant, Oadby (2.67 ha) is the only other identified (potential) employment site large enough to meet major business needs. While owned by parties who support B-Class development, this land still sits in the backlands and currently houses a contaminating use (water treatment). Thus, it will take time to remediate and agree improved access options, suited for HGV access. The Wigston Direction for Growth is open, relatively unconstrained, is under developer control and has consent for B-Class development on half the likely

development area. Thus, it is the only large site in the Borough which can be delivered rapidly enough to meet short and mid-term business requirements.

- *Justification Five: Specific Interest in the Wigston Direction for Growth* – Research has identified two specific inward investment enquiries with interest in the Direction for Growth site and an in-principle willingness to look at Design and Build options. By themselves, they could take up 1.78 ha or 71 percent of the 2.5 ha currently consented. More indicative interest has been established from two other local businesses, with a collective requirement for some 2 ha. More generally, this study has identified a strong desire for growth amongst local industrial firms, prospects appear good that a more detailed local business survey could identify further demand which would equate to another 3 ha of land to 2031.
- *Justification Six: Location Not Seen as a Barrier to Development* – None of the stakeholders consulted felt the location of the Wigston Direction for Growth was a significant barrier to its market attractiveness or developability. The location is some distance from the M1 Corridor and would therefore not suit major logistics or other uses which require immediate motorway access. However, that same point can be made about all locations in the Borough of Oadby and Wigston, a Borough which maintains an active and growing local economy. The Direction for Growth dies sit on the A5199 Welford Road, one of the Borough's main strategic routes, which runs through Wigston, north to Leicester or south to link with the A14 and ultimately Northampton. In addition, the Wigston Direction for Growth's position away from existing and proposed housing will be an advantage for occupiers with noise generating or similarly difficult uses.

10.45 **Thus, it is possible to say that an allocation of some 5 ha at the Wigston Direction for Growth is supported by market demand, particularly the need to meet the requirements of larger businesses within a short to medium term timeframe. As is discussed further below, forming 59 percent of the Borough's realistic supply, the Wigston Direction for Growth is a key element of the Borough of Oadby and Wigston's employment land supply, a supply which is required, in its entirety, to meet projected needs to 2031.**

10.46 The status and issues associated with the Borough's other employment sites are summarised in Table 38.

Table 38 – Borough of Oadby and Wigston Employment Land Supply (In addition to the Wigston Direction for Growth)

Site	Area, Ha	Status	Demand	Issues
Main Employment Sites				
Site EM6: Land West of Magna Road Industrial Estate, South Wigston	0.55	Historic local allocation. The land is owned by the industrial owner-occupier to the north and held as expansion space. The site has independent access to Magna Road however.	• Backland site which has been controlled by an individual local business and not marketed • However, the redevelopment of adjacent R F Brookes will greatly intensify occupancy and economic activity in this area of Magna Road and Site EM6 could provide a strong opportunity for a further phase of development, subject to the success of the first. •	• Backland • In the ownership of an adjacent business and held for expansion.
Centre Regeneration	0.30	Regeneration plans for Oadby and Wigston Centres are outlined in the Core Strategy. The Adopted AAP (2013) for Oadby and Wigston Centres puts forward an office development level of up to 11,275 sqm, with 10,475 sqm in Wigston and 800 sqm in Oadby. These are masterplanned into three main project areas which will provide approx. 0.3 ha of new B-Class land. All plans are adopted but there is at present no identified development partners, and defined delivery programmes for completing the projects.	• The local office market is characterised by reasonable local demand for suites of up to 150 sqm. • Shortages of space across the Leicester Conurbation are encouraging some larger occupiers to look away from the City Centre and motorway accessed sites to more peripheral locations such as the Borough of Oadby and Wigston. • Oxford Economics forecasting predicts that the Borough will gain some 1600 jobs in office based sectors such as professional services, business administration and ICT to 2031. • While office space is being lost to residential uses in Oadby Centre this is felt to reflect the unsuitability of this older stock to meet modern requirements rather than a lack of demand.	• Development partners still to be secured and a defined 'way forward' for delivery is needed • A key barrier to development is likely to be achievable rents. Stakeholders estimate that rents of no more than £140/sqm are possible for new build space, which may give viability issues although cross funding with other uses is possible.
Further Employment Land Sources				
The Borough of Oadby and Wigston Water	2.67	Severn Trent Water identify this water treatment plant, which sits adjacent to the	• Kenilworth Drive is a successful and well occupied Employment Area, serving a diverse range of uses and representing the main source	• Decommissioning will need to include site decontamination and the removal of water

Site	Area, Ha	Status	Demand	Issues
Treatment Plant, Oadby		Kenilworth Drive Employment Area as surplus to requirements and suitable for redevelopment for industrial uses.	of B-Class premises in Oadby • As noted above there are strong shortages of smaller industrial space in the Leicester Conurbation, while demand for larger space is also high, from both local firms and inward investors. •	treatment infrastructure • Site would also require a new access through to Kenilworth Drive which may require acquisition of some third party land.

Source: BE Group, 2017

Aligning Supply and Need Dates

10.47 This study measures need back, from 2017, to 2011. This allows consideration of the whole Local Plan period 2011-2031 but does mean that the base date for measuring need (2011) is out of alignment with the base date for measuring supply (2017). To ensure the two align it is standard to add back into the supply total completions that have occurred since 2011, indicating the Borough's land potential at that time. However, the Borough has not recorded any B-Class development over 2011-2017. Thus, there is nothing to add back in and the supply picture remains unchanged from that discussed above.

Future Land Requirements

10.48 There is no definitive model for forecasting future employment land needs. Two 'policy off' based models have been used to assess future employment land provision. These are the projection forward of historic land take and a forecast based on employment sector change.

10.49 In terms of take-up, data was obtained for the 1996-2017 period. This was examined for inconsistences, with the key one being the very large Cromwell Tools development in 1998/99 (3.99 ha). This completion is exceptional in terms of its size, being more than double the next largest completion in 2004/05, which is itself above average. It is 57 percent of take up recorded. While it does represent the growth of an indigenous firm there is the question of how representative it is of the Borough's wider trend for small scale development. Given this question, take up two scenarios are used to forecast growth:

- A Moderate Growth Model, which assumes the Cromwell development is exceptional and will not be repeated over the plan period – A take up rate, less Cromwell, is applied of 0.14 ha/year
- A High Growth Model, which assumes that the Cromwell development is not necessarily exceptional and other large companies in the Borough may seek equivalent growth to 2031, and/or the Borough attracts an element of inward investment – The full take up rate, inclusive of Cromwell, of 0.33 ha/year is applied.

10.50 Under the two scenarios, projected forward over 20 years over 2011-2031, the following need is identified:

Moderate Growth Model: 0.14 ha/year x 20 (years) = **2.80 ha**
High Growth Model: 0.33 ha/year x 20 (years) = **6.60 ha**

10.51 Incorporating a five-year take-up buffer to provide a choice and range of sites a continuum of supply beyond 2031 period and, most importantly, to allow for possible B-Class employment land losses, increases the need to:

Moderate Growth Model: 2.80 ha + 0.70 ha = **3.50 ha**
High Growth Model: 6.60 ha + 1.65 ha = **8.25 ha**

10.52 In Section 6.0 we identified an existing employment land supply of 3.35 ha. Two further future sources of employment land have also been identified, totalling 5.17 ha. The maximum total supply is 8.52 ha, sufficient supply to support the Moderate and High Growth Model demand, to 2031.

10.53 In terms of the two take up models, market evidence does suggest strong market demand for space, including interest from inward investors and a strong desire for growth amongst the Borough's indigenous large businesses, with requirements for up to 5,000 sqm of premises each and sites of up to 1.28 ha each. **Thus, evidence favours the High Growth Model which generates demand of 8.25 ha to 2031.**

10.54 The employment based forecast suggests the following in terms of future employment land provision to 2031:

- From sectors predicted to grow: 19,450 sqm of extra floorspace ÷ development floorspace per ha (3,900 sqm/ha) = 5.00 ha
- Less those sectors predicted to decline: 76,176 sqm less space ÷ development floorspace per ha (3,900 sqm/ha) = -19.5 ha
- Gives a net need of **-14.5 ha.**

10.55 Against both forecasts, the Borough of Oadby and Wigston has a surplus of land supply.

10.56 The highest growth sector, of direct relevance to this study, is administrative and support. The Borough is forecast to gain 1,000 professional services jobs by 2031, 43.5 percent of the net jobs growth forecast over 2011-2031.

10.57 However, the employment methods of forecasting make no allowance for issues such as the extent that growth in office employment takes place in town centre locations (key in the Borough of Oadby and Wigston), at higher densities, rather than in low-density business parks. Also, that land take-up/property needs can be for different reasons such as modernisation or geographic relocation or that expansion may also be within existing premises or on expansion land not accounted for in land allocations. Experience also suggests that even where businesses are contracting, they will continue to hold onto sites in anticipation of future improvements. Also, where jobs are being lost to automation, those new automated processes will still require land on which to operate, and improved productivity could lead to additional need.

10.58 It is therefore considered that the land requirements' calculations can represent a false position. To test how closely jobs change translates to land take-up, historic trends have been compared. Using the same methodology, the land needs based on employment change has been calculated for the period 1996 -2017, and compared to the actual land take-up during that period (see Table 39).

Table 39 – Employment Land Take-Up/Employment Change Comparison

Employment Change	Total Jobs	Land (Ha)
Growth	3300	4.0
Decline	(6700)	-45.3
Net growth	**(3400)**	**-41.3**
Historic land take-up	**-**	**7.00**

Source: Oxford Economics, O&WBC, BE Group, 2017

10.59 The trend shows that net jobs growth is not an accurate method of calculating land. Forecasting suggests that over 1996-2017 the Borough should have lost some 41 ha of land, a massive reduction in the context of the Borough. In reality, modest growth of 7 ha was recorded.

10.60 A summary of the various forecast scenarios is set out in Table 40. They relate to the period 2011-2031.

Table 40 – Land Forecast Models – Summary

Model	Land Stock 2017, ha*	Land Need 2011-2031, ha	Buffer (five years take-up rate) ha	Land Need Incl. Five year buffer	Surplus (Shortfall), ha	Assumptions
Long Term Land Take-up – Moderate Growth Model	8.52	2.80	0.70	3.50	5.02	Based on historic (20 years) take-up of 0.14 ha/pa. Exclusive of exceptional take-up at Cromwell Tools
Long Term Land Take-up – High Growth Model	8.52	6.60	1.65	8.25	0.27	Based on historic (20 years) take-up of 0.33 ha/pa. Inclusive of take-up at Cromwell Tools
Employment based on adjusted stock	8.52	1) +5.00 Growth 2) -14.50 Change	1) +1.25 2) N/A	1) +6.25 Growth 2) -14.50 Change	1) 2.27 2) 23.02	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group, 2017

**Maximum realistic land supply.*

10.61 The variation in the outcome figures demonstrates the uncertainty of forecasting. The outputs range from an oversupply of 23.02 ha to only 0.27 ha. However, from the market assessment and reviewing the historic trends in employment change and land take up, the conclusion is that the employment based forecasts underestimate land needs significantly.

10.62 In conclusion, it is considered that the most appropriate forecast is the High Growth Model historic take up rate, which suggests a need of 8.25 ha to 2031, inclusive of a five-year buffer.

10.63 The Borough's previous take up can be split by the main employment use classes – B1(a, b, c), B2, B8. Table 41 applies the same proportionate split to the Boroughs needs under the High Growth Model, to 2031. However, the Borough's take up is heavily skewed towards B8 uses because of the dominance of Cromwell Tools, a B8 completion, while market evidence suggests that future demand will be primarily for B1(c)/B2 industrial uses, plus some office employment. Thus, for the below exercise only, a proportionate split by Use Class is provided which excludes the Cromwell completion and focuses on the Use Classes of other past developments in the Borough.

10.64 Thus, if new land provision is tailored to fit past development, less Cromwell, around 9 percent of the allocation should be for B1(a) offices, around 88 percent should be B1(c)/B2 industrial space and only 3.4 percent B8 storage and distribution (Table 41).

Table 41 – High Growth Model Need, Split by Use Class – Revised Split*

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (8.9)	B1(b) (0.0)	B1(c) (26.6)	B2 (61.1)	B8** (3.4)	Mixed (0.0)	
2011-2031	0.59	-	1.76	4.03	0.22	-	6.60
+5 Years Buffer	0.15	-	0.44	1.01	0.05	-	1.65
Total	**0.74**	**-**	**2.20**	**5.04**	**0.27**	**-**	**8.25**

Source: BE Group, 2017
**This model uses a Use Class split based on the Moderate Growth Model take up rate (excluding the Cromwell Tools completion), but applies that split to the High Growth Model Need. This is to avoid the over emphasis on B8 uses that results when Cromwell Tools, an exceptionally large local warehouse development, atypical for the Borough, is included in calculations.*
***Small scale B8 uses only, with individual developments likely significantly below 1,000 sqm each*

Comparison to HEDNA

10.65 This study is recommending a high growth approach to needs which results in land requirements around a third larger than in HEDNA, i.e. 8 ha of need to 2031 against 5 ha over the same period in HEDNA.

10.66 The difference reflects the fact that while the HEDNA study uses a mixture of forecasting and past take up methods to predict needs, this study selected a 100 percent take-up methodology, for the reasons outlined above. HEDNA also utilises variable plot ratio's, partly to reflect differences between densities in Leicester City Centre and other locations. This study uses a single ratio of 0.39 to reflect the more uniform nature of the Borough's suburban property offer.

10.67 Other aspects of the HEDNA methodology are comparable to this study, notably the application of a margin based to provide flexibility of supply based on 5 years' past take-up, however, the differences mean that the outputs of the study are not directly comparable.

10.68 HEDNA recommends an allocation of 4 ha in the Borough of Oadby and Wigston for sub-9,000 sqm warehouses. While it is accepted that there is a significant need for B8 logistics space across Leicester and Leicestershire generally, the market evidence gathered in this study does not support a large allocation of land in the Borough specifically, for the following reasons:

- The Borough sits outside of the main M1 logistics Corridor, and strategic roads which do pass through the Borough, such as the A6, are not major freight routes
- For larger B8 requirements, the Borough is in the shadow of Magna Park, Harborough to the south west and Glenfield Park, Blaby to the north west which have further land available to meet logistics needs
- Demand in the Borough is for B1(c)/B2 space, from both expanding local businesses and inward investors. No equivalent demand for B8 logistics has been identified
- All the existing large buildings in the Borough, which might suit warehousing uses are in use for primarily B2 manufacturing/production uses. The large vacant buildings on Magna Road are proposed for redevelopment for smaller industrial space
- The current land supply of the Borough mostly comprises backland industrial land, or Centre regeneration options, which could not support uses which generate extensive HGV traffic. Even the Wigston Direction for Growth would struggle to accommodate a B8 unit of up to 9,000 sqm, which would require some 2.3 ha of land in a single, coherent plot
- The Borough's current B-Class land supply is mostly well used and there is little prospect of creating a site larger than the 2.18 ha re-use option currently proposed at Magna Road, South Wigston, on brownfield land. Creating a large logistics site would require a sizable further greenfield land release which is difficult to justify given current market evidence.

The Needs of Non-B Class Uses

10.69 Forecasting suggests that relevant non B-Class uses (retail; accommodation and food service activities; education; human health and social work activities; arts, entertainment and recreation) could provide some 200 more jobs in the Borough by 2031.

10.70 Modest losses of employment land are evident to retail/hot food and D1 gym and exercise uses, in several of the Borough's Employment Areas, notably Kenilworth Drive, Oadby. These also include the loss of the 2.42 ha Premier Drums site which is most significant, but also the most exceptional and unlikely to be repeated.

10.71 Generally, such uses are locating on Employment Areas because of the lack of alternative options, i.e. there are no separate trade parks for trade uses or leisure parks for gyms, etc. Centre shop units are mostly too small, inappropriately configured, lack dedicated parking and are too expensive to support them. Thus a more positive interpretation of events is that the Borough’s Employment Areas are successfully supporting a range of other employment generating uses which may otherwise struggle to find space locally.

10.72 More significant is the loss of land to residential uses which equates to 1.41 ha lost to housing over the last decade or 0.14 ha/year, including the loss of the two multi-storey office buildings in Oadby Centre. However, this is felt to reflect the natural recycling of the Borough’s obsolete vacant stock. It does not reflect a lack of demand for accommodation more generally

10.73 Overall losses of employment land to other uses equate to 0.29 ha/year if Premier Drums is excluded. If the trend is projected forward over the study period of 2011-2031, then the land loss projection is 5.80 ha.

10.74 In practice, however, future losses are unlikely to be anything like as large as this as many of the buildings which could realistically be converted to other uses have been converted. In Oadby Centre, the two largest office properties have now been lost to housing and other remaining Centre offices are far smaller, mostly too small for conversion for multiple flat units. Offices in Wigston/South Wigston Centres are similarly small and mostly ill-suited for conversion.

10.75 Other employment premises mostly comprise older industrial premises in active Employment Areas which cannot be easily converted to housing. Clearance of some peripheral B-Class premises for residential redevelopment, as with the South Wigston Bus Depot, is a prospect but, premises affected by this will be no longer viable and desirable by B-Class occupiers.

10.76 Units in the Employment Areas have been used for gyms, cafes and other leisure options, but there is a limit to how many such uses will be needed to serve the Borough’s market. Also, buildings brought into these uses are not being significantly altered physically, they can be put back into B-Class use when the occupier vacates.

10.77 It is thus difficult to determine exactly what level of land loss the Borough will see to 2031. However, an indicative accounting for losses is contained in the **five-year buffer of additional take up applied to needs calculations to 2031, as described above.**

11.0 RECOMMENDATIONS

Introduction

11.1 This section sets out the consultants' recommendations arising from the Employment Land and Premises Study. The recommendations in this report have had full regard to the requirements of the NPPF to encourage and deliver growth through the planning system.

Employment Land Supply

Recommendation 1 – Employment Land Provision Definition

11.2 The NPPF does not define employment land provision within the main document. However Annex 2 defines economic development as *"development, including those uses within the B use classes, public and community uses and main town centre uses (but excluding housing development)".*

11.3 For the purpose of this study the current available land supply in the Borough of Oadby and Wigston is defined as:

- The Wigston Direction for Growth Phase One (2.5 ha) – As defined in Core Strategy Policy 1 and now consented
- Site EM6: Land West of Magna Road Industrial Estate, South Wigston (0.55 ha) – Former Local Plan site
- Core Strategy Policy 2 – Development in the Centres of Oadby, Wigston and South Wigston' – Identifies that Centre regeneration will provide approximately 6,000 sqm of gross office floorspace will be provided and split between the centres of Wigston (5,000 sqm) and Oadby (1,000 sqm), this increases to 11,275 sqm in the Adopted (2013) AAP. If delivered in full this could provide a further 0.3 ha of employment land.

11.4 Two further future sources of employment land have also been identified:

- The Wigston Direction for Growth Phase Two (2.5 ha) – As now proposed in the emerging Local Plan
- The Borough of Oadby and Wigston Water Treatment Plant, Oadby (2.67 ha) – Severn Trent Water Treatment Works, judged surplus to requirements and proposed for redevelopment to B-Class use.

11.5 These total 8.52 ha and are discussed in Section 6.0.

Recommendation 2 – Employment Areas to be Retained

11.6 In existing planning policy, the Council defines its ‘Core’ and ‘Base’ Employment Areas that are considered to significantly contribute to the Borough’s land supply for B-Class uses. It enables these to be safeguarded for B-Class uses and other employment uses which achieve economic enhancement without detrimental impact to either the site or the wider area. This Study has independently reviewed the main Identified Employment Areas, along with three Other Employment Sites which have a role in the local economy. Based on that review are recommendation for a revised and updated local Employment Areas hierarchy is:

Core Employment Areas

- Magna Road, South Wigston
- Tigers Close, South Wigston
- Chartwell Drive, Wigston
- Gloucester Crescent, South Wigston
- Highfield Drive, Wigston
- Canal Street, South Wigston.

Base Employment Areas

- St Thomas Road, South Wigston
- North Street, Wigston
- Cross Street/Regent Street, Oadby
- Kenilworth Drive, Oadby – The current Borough of Oadby and Wigston Water Treatment Plant, Oadby could be included in the broader Kenilworth Drive ‘Base Area’ designation, if it was brought forward for redevelopment for B1, B2, B8 uses
- Park Road/Canal Street, South Wigston
- Park Road, South Wigston.

Release Sites

- None, assuming Railway Triangle, South Wigston is no longer considered.

11.7 When developed, The Wigston Direction for Growth will provide high value new build B2 and B8 premises and thus could be designated as a Core Employment Area for the Borough.

Recommendation 3 – Addressing Non B-Class Uses on Employment Land

11.8 As was noted, the loss of B-Class land to other uses has been significant locally although most changes of use, to trade uses, leisure uses, cafes and houses of worship, are small scale and not necessarily irreversible, i.e. the building could be changed back if market demand dictated it.

11.9 Some larger scale losses have occurred recently, including the Premier Drums Site, South Wigston and large Centre offices in Oadby, particularly for residential conversions. However, except for the South Wigston Bus Depot site, it is unlikely that future losses will be of the same scale as most of the large, solus vacant/underused buildings in the Borough which could be realistically converted to other uses, have now been so converted. Large scale proposals for redevelopment of an employment area for housing remain a possibility but unless the area has high levels of vacancy and is seen to be surplus to market requirements, remain unlikely. As noted, most local Employment Areas are nearly fully occupied and economically active.

11.10 The Oadby and Wigston Employment Sites: SPD (2011) sets out local policy regarding the protection of B-Class land, namely proposals for the re-use or redevelopment of sites or premises within Identified Employment Areas for non-B Class uses will be resisted within Core Employment Areas. Whilst, for Base Identified Employment Areas, although there will be a presumption for the retention of B Class Uses, proposals for non-B Class uses may be acceptable where it can be demonstrated that "*the level of employment density generated is broadly similar to that which could be expected from the existing use*."

11.11 Policy 25 of the emerging Local Plan further adds that proposals outside of B1, B2, B8 uses within Base Identified Employment Areas will only be considered acceptable if they clearly demonstrate that the alternative use(s):

- *"will not have an adverse impact on any other employment use(s) in the identified employment area in which it is located;*
- *will not significantly reduce the overall supply and quality of employment land and premises within the locality;*

- *will deliver economic regeneration benefits to the site and/or area or there will be a significant community benefit which outweighs the impact;*
- *Will involve a vacant building for which there is clear and robust evidence of proactive marketing (a minimum of twelve months), with registered commercial agents at a reasonable price, to demonstrate that there is no realistic prospect for continued employment use; and,*
- *The site/premises are no longer suitable or reasonably capable of being redeveloped for employment purposes".*

Core Employment Areas

11.12 These policies broadly reflect the advice which BE Group gives on this policy matter, namely that protections be focused on the Core Employment Areas defined above, including both Identified Employment Areas and Other Employment Sites, which are seen to deliver high economic value. Non - B Class uses should not be allowed in Core Areas, but may be more acceptable in Base Areas if an applicant can demonstrate exceptional circumstances. Retail uses should not generally be supported on any Employment Areas, but should be particularly avoided in Core Areas, where conflicts with industrial and logistics operations might result and trade could be drawn away from the Borough's existing retail centres.

11.13 Generally, this policy approach should be maintained for both upper and ground floors of premises. However, although there may be some pressure to allow under used upper floors to be used for non- B Class uses, where visual and other impacts may be reduced, such changes of use would generate precedents for conversions on lower floors as well. Thus, such changes of use should also be avoided without exceptional circumstances being demonstrated.

11.14 Personal planning permissions for changes of use should also be avoided in Core Employment Areas. Although the consent links to the occupier rather than the building, it still represents a precedent for change of use which others may use to seek more permanent changes. Also, while temporary in principle, an occupier may still be in situ for years and indeed decades, during which the non-B Class use will be impacting on the nature and operation of the area.

Base Employment Areas

11.15 For the six Base Areas, a more flexible approach could be taken to help facilitate a broad range of economic development, which is vital for the future sustainability and development of the local area's economy. In some cases, the size, location and characteristics of a site may mean that a development for non-B Class uses could provide greater benefit to the local community, in terms of addressing local needs, than if the site was retained solely in B1/B2/B8 employment use. Non-B Class uses such as gyms, training centres and nurseries/children's play facilities may particularly occupy underused upper floor space, while lower floors remain in B1/B2/B8 operation. Such applications within the Borough should thus be treated on their individual merits, including employment outputs, but should be restricted to the Base Employment Areas only.

11.16 Where non-B Class uses are proposed for, or within, Base Employment Areas then Oadby and Wigston Borough Council should require the applicants to demonstrate that:

- The site/premises are no longer suitable or reasonably capable of being redeveloped for employment purposes, and
- The site/premises have been proactively marketed for employment purposes for a reasonable period of time (a minimum of twelve months) at a reasonable market rate (i.e. rent or capital value) as supported through a documented formal marketing strategy and campaign, or
- There will be a significant community benefit which outweighs the impact of losing the employment site/premises.

11.17 Appendix 5: Developer Marketing Standards, sets out a template for assessing the evidence that premises or sites have been appropriately marketed without success. Whilst these are primarily directed at B Use Class situations, they are equally applicable to other property types e.g. public houses, community facilities, etc.

Other Employment Locations

11.18 It is suggested that in terms of protecting employment properties that do not sit within Employment Areas, the redevelopment of employment land and premises for non B-Class employment uses be allowed in the following circumstances:

- The present (or previous, if vacant or derelict) use causes significant harm to the character or amenities of the surrounding area, and it is demonstrated that no other appropriate viable alternative B1/B2/B8 employment uses could be attracted to the site, or

- Mixed-use redevelopment would provide important community and/or regeneration benefits with no significant loss of jobs, potential jobs, and the proposed mix of uses accords with other planning policies.

11.19 This advice is offered without consideration of other planning, traffic/highways issues, etc. which might render some uses or mixed-use developments inappropriate on particular employment areas. It is clearly for Oadby and Wigston Borough Council to judge proposals on their merits taking account of these factors.

Recommendation 4 – Protect the Wigston Direction Growth Phase One and Allocate the Phase Two Site

11.20 To meet projected needs to 2031 the Borough of Oadby and Wigston will require its full employment land supply, including a full 5 ha at the Wigston Direction for Growth. Evidence from this study suggests there is market demand for the Direction for Growth land, primarily from local industrial companies and similar inward investors who show a willingness to consider Design and Build options on appropriately available and serviced land. This demand appears sufficient to take up the Phase One land in the short-medium term and Phase Two over a longer period to 2031.

11.21 The main barrier to delivery at present appears to come from developer willingness to invest in and open up this land for development, an issue that will need to be considered in more detail moving forward.

Recommendation 5 – Pursue Delivery Strategies for Key Sites

11.22 Evidence from this study is that businesses demand for further premises is strong but there remain other barriers to delivery to development on most sites, namely:

- Low achievable rents/values, reflecting the business perception that the Borough of Oadby and Wigston is a location for affordable premises
- High infrastructure and servicing costs and requirements for up-front investment
- Developers and owners with limited interest in pursuing development in the short or medium term, combined with perceptions that demand does not exist to support change

- The need for more active marketing and development planning on sites that do not yet have development partners.

11.23 NPPF requires that sites should be fit for purpose and this means that they need to be deliverable. To achieve this, it is recommended that the Borough Council, LLEP and other relevant partners proactively explore delivery strategies by which sites can be brought forward, in discussions with owners and developers, looking at ways to overcome barriers.

11.24 This study has not been asked to pursue such delivery strategies directly, although BE Group has in the past provided delivery advice on Centre Regeneration in the Borough, which is not repeated here. However, some common delivery mechanisms, which have been successfully used by other public bodies in the past, and which involve varying levels of public intervention are set out in Table 42.

Table 42 – Delivery Mechanisms

Mechanism	Description
Private Sector Led/Private Sector Funded	Assumes a development is financially viable and has a willing developer. Public sector input will be limited to positive engagement by planning and economic development officers, to ensure a smooth delivery of the relevant property mix.
Revised Development Mix	Assumes a development viability gap, but no direct public sector intervention. Rather council officers and the developer negotiate a revised development mix which includes a stronger element of higher value uses to offset the gap. This does not automatically mean housing but could include retail or leisure uses, appropriate to the location, which can also improve values. Pubs/restaurants, a gym or hotel are examples of uses that both generate reasonable returns for developers and can improve the offer and attractiveness of a business park scheme.
Low Level Public Support	Public sector support does not always mean large scale investment. Sometimes a landowner may simply be unaware of the full potential of his site, level of market demand or how site constraints can be overcome. An increasingly common approach therefore is for local authorities to assume some of the initial research costs, producing for example a planning brief or masterplan to show the owner/developer what is possible and prompt development. Support on site/area marketing may also be welcome.
Acquisition	Council buys the land to undertake direct development or in partnership.
Joint Venture Agreement	A defined agreement between public sector agencies and private developer partners. It is most commonly used where land is, at least in part, owned by the public sector. The public sector can then support development by inputting the land at low or nil value or by seeking out infrastructure funding. Such a Joint Venture partnership can take a number of forms: • Contractual Partnership – Normally a short term arrangement where the parties enter into a contractual arrangement where one party, usually the developer, will deliver. It would relate to the most

Mechanism	Description
	straightforward developments. • Joint Venture through formation of a limited company formed through share issue - A common arrangement where each party will put in an element of cost and risk, and the return reflects the share. The council may put in land and/or capital, the developer will often meet development costs. The arrangement may see proceeds distributed in different ways. This could be a revenue share, or a share on sale of the investment. The party taking the greater level of risk will normally have first call on the profit. • Company limited by guarantee – Tends to be more for non-profit making arrangements, and can introduce a number of partners to the company. This arrangement is more likely to be suitable for marketing and promotion of regeneration schemes rather than a Joint Venture to deliver development.
Direct Public Support	This may be in the form of direct development funding or funding infrastructure. It may also be through rental guarantees or other forms of security.
Annuity Rent	This is also increasingly used to support investments by pension funds and other major financial institutions into developments. The institution will fund the development in exchange for a lease of circa 35 years and an annuity rent payed by a secure covenant such as the council acting as developer. This would be a low but secured rent over the time period with agreed uplifts. The developer can then sub-let at market value to obtain a profitable rent. At the end of the 35 years the property will revert to the developer for £1 and the developer retains the long term asset value.
Revolving Infrastructure Fund	A method for paying for supporting infrastructure development on sites with otherwise good development potential. The public sector may use a range of funding such as prudential borrowing to provide funds in exchange for a long term payback of Business Rates, land receipts or associated income uplift. Where development is BREEAM Excellent, 100% of business rate levied can now be retained by the borrowing agency.

Source: BE Group, 2017

Recommendation 6 – Future Employment Land Provision

11.25 The identified land supply of 8.52 ha, will meet needs to 2031 under all the scenarios put forward in this study. This includes the Long-Term Land Take-up – Moderate Growth Model which uses take up rates of 0.14 ha/year, exclusive of Cromwell, and identifies needs of 3.50 ha over 2011-2031, inclusive of a five-year buffer. Using the High Growth Model, which uses take up rates of 0.33 ha/year, including Cromwell, increases the need to 8.25 ha over 2011-2031, again inclusive of a five-year buffer. Given prospects for market growth, local businesses demand and an element of inward investment **it is the recommendation of this study that the High Growth Model be used as the preferred of the two.**

11.26 The forecasts of industry sector activity (jobs), suggest land needs of -14.50 ha to +5 ha to 2031. However, BE Group does not recommend that the economic forecasts be the basis for defining employment land need. This is because the forecasts represent the absolute minimum amount of land required to accommodate the activities of different industry sectors. Other issues include:

- That within sectors expected to decline (particularly manufacturing) there will still be businesses that will grow and expand
- That there will be local market churn
- That there will be a need to maintain a choice of supply by size, type, location and quality of sites and premises for businesses at differing levels of their maturity
- That there should be a continuing forward supply to accommodate site development beyond 2031
- The level and nature of the existing employment land supply.

11.27 The Oxford Economics forecasting also appears pessimistic in that it suggests that overall jobs growth in the Borough over the next 20 years will be far lower than the growth that has been achieved since 1996. Certainly, both stakeholder consultations and forecast data indicates strong growth aspirations in the local manufacturing sector and in many service sectors as well. The Borough should therefore aspire to match (and exceed) the economic growth it has achieved in the recent past.

11.28 **It is therefore recommended that Oadby and Wigston Borough Council use the roll forward of historic take-up as the main measure of the Borough of Oadby and Wigston's future land needs for the period up to 2031 (see Table 43). Specifically, the Council should use the High Growth Model, which is based on the Borough's full land take up since 1996. This allows for the fact that large completions have occurred in the Borough in the past, albeit infrequently and makes some allowance for the market evidence that they are likely to occur again in the future even if no one development is of the scale achieved by Cromwell Tools (3.99 ha) in 1998/99.**

11.29 **This indicates a need of 8.25 ha over 2011-2031. The figure is inclusive of a five-year supply buffer of 1.65 ha. The Borough has sufficient land to meet these requirements, but only if sites are used to their full potential.**

Table 43 – Land Forecast Models – Summary

Model	Land Stock 2017, ha*	Land Need 2011-2031, ha	Buffer (five years take-up rate) ha	Land Need Incl. Five Year Buffer	Surplus (Shortfall), ha	Assumptions
Long Term Land Take-up – Moderate Growth Model	8.52	2.80	0.70	3.50	5.02	Based on historic (20 years) take-up of 0.14 ha/pa. Exclusive of exceptional take-up at Cromwell Tools
Long Term Land Take-up – High Growth Model	8.52	6.60	1.65	8.25	0.27	Based on historic (20 years) take-up of 0.33 ha/pa. Inclusive of take-up at Cromwell Tools
Employment based on adjusted stock	8.52	1) +5.00 Growth 2) -14.50 Change	1) +1.25 2) N/A	1) +6.25 Growth 2) -14.50 Change	1) 2.27 2) 23.02	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group, 2017

11.30 The Borough's take up can be split by the main employment use classes – B1(a, b, c), B2, B8, less the Cromwell Tools completion, for reasons discussed previously. Table 44 applies the same proportionate split to the Borough's projected needs to 2031

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Table 44 – High Growth Model Need, Split by Use Class – Revised Split*

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (8.9)	B1(b) (0.0)	B1(c) (26.6)	B2 (61.1)	B8** (3.4)	Mixed (0.0)	
2011-2031	0.59	-	1.76	4.03	0.22	-	6.60
+5 Years Buffer	0.15	-	0.44	1.01	0.05	-	1.65
Total	**0.74**	**-**	**2.20**	**5.04**	**0.27**	**-**	**8.25**

Source: BE Group, 2017
**This model uses a Use Class split based on the Moderate Growth Model take up rate (excluding the Cromwell Tools completion), but applies that split to the High Growth Model Need. This is to avoid the over emphasis on B8 uses that results when Cromwell Tools, an exceptionally large local warehouse development, atypical for the Borough, is included in calculations.*
***Small scale B8 uses only, with individual developments likely significantly below 1,000 sqm each.*

11.31 However, modern companies frequently require a mix of office, industrial and storage space, tailored to their individual needs. The full range of needs which may emerge cannot be predicted in advance and indeed the requirements of companies change as they grow. Demand from different sectors will also fluctuate over the lifetime of the Local Plan. Thus, policy should avoid proscriptions on what B-Class uses can or cannot locate on employment sites, unless there are specific environmental reasons for excluding some uses, such as the proximity of land to housing.

11.32 As was noted in Section 10.0, market evidence does not support a large allocation of land specifically for B8 uses, as was suggested in the HEDNA report.

Recommendation 7 – Protecting Employment Sites

11.33 The needs calculations above assume a realistic employment land supply of 8.52 ha against as need of up to 8.25 ha.

11.34 **Protection of the remaining undeveloped employment land for B1/B2/B8 development thus needs to be considered a policy priority. Further losses in the land supply, to alternative uses, should be resisted.**

Recommendation 8 – Future Reviews

11.35 This report has shown how market conditions in the Borough of Oadby and Wigston are evolving, with a business base seeking growth and increased prospects of inward investment, linked to a lack of premises supply in Leicester City. In addition, while demand is strong there are issues to be overcome in the delivery of key local employment sites. In view of these factors, the Borough should review its employment land portfolio at intervals of around five years. This is also in accordance with the NPPF which recommends regular monitoring and review of the local land supply to ensure a robust evidence base.

Recommendation 9 – Maintain Awareness of External Influences

11.36 As a first point, Oadby and Wigston Borough Council must recognise its role, together with the other Leicestershire authorities, in developing the county's economy. In this respect they are interconnected, to varying degrees, on a number of levels.

11.37 Discussions with the adjoining local authorities of Leicester and Leicestershire, indicate that they all have sufficient land allocations (both existing and proposed) to meet their projected needs. The exception is Leicester City, where shortages of land and premises are a well understood issue in the Leicester PUA. The need will primarily be met in the strategic employment proposals of Charnwood and Blaby. However, evidence is that shortages in the City are encouraging companies to look to the Borough of Oadby and Wigston as affordable alternatives, generating inward investment demand for the Borough.

11.38 In South Wigston, the Tigers Close and St Thomas Road Employment Areas directly adjoin the Blaby settlement of Glen Parva and will inevitably draw labour from Blaby District. HMP Glen Parva sits directly on the boundary between Blaby District and the Borough of Oadby and Wigston, and will inevitably draw an element of its labour from the Borough of Oadby and Wigston. At the time of writing, HMP was seeking to redevelop and extend the facility, converting it from a Young Offenders Institution to a prison for adult offenders (Class C). This may generate further labour requirements which need to be sourced locally.

APPENDIX 1

LIST OF CONSULTEES

Appendix 1 – List of Consultees

Andrew and Ashwell
Andrew Granger and Co.
APB Property Consultants
Blaby District Council
CGP Engineering
Charnwood Borough Council
David Wilson Homes/Barratt
Early Days Shoes
GL Hearn
Harborough Borough Council
Hinckley and Bosworth Borough Council
Innes England
Lambert Smith Hampton
Leicester and Leicestershire Enterprise Partnership
Leicester City Council
Leicestershire County Council
Melton Borough Council
North West Leicestershire District Council
Nova Laboratories
Oadby and Wigston Borough Council
SV Timber
Wilson Bowden

APPENDIX 2

PROPERTY SCHEDULE FOR INDUSTRIAL AND OFFICES

Appendix 2 – Oadby and Wigston Vacant Property Schedules

Table A2.1 – Vacant Industrial Properties

Address	Area	Employment Area	Size (sqm)	Leasehold/ Freehold	Quality
22 Mandervell Road	Oadby	Kenilworth Drive	1,413	LH/FH	Medium
29 Chartwell Drive	Wigston	Chartwell Drive	840	LH	Medium
56 Pullman Road	Wigston	Chartwell Drive	767	LH/FH	Medium
5 Cornwall Road	South Wigston	Gloucester Crescent	629	LH/FH	Medium
9-13 Saffron Road	South Wigston	St Thomas Road	593	LH	Medium
55 Chartwell Drive	Wigston	Chartwell Drive	305	LH	Medium
57 Chartwell Drive	Wigston	Chartwell Drive	282	LH	Medium

Source: BE Group, 2017

Table A2.2 – Vacant Office Properties

Address	Settlement	Employment Area	Size (sqm)	Leasehold/ Freehold	Quality
1st, 33 - 35 Long Street	Wigston	Wigston Town Centre	305	LH	Medium
Suite 3.2, Lyn House	Oadby	Oadby Town Centre	234	LH	Medium
2nd, Servicemaster House	South Wigston	St Thomas Road	162	LH	Medium
31 Long Street	Wigston	Wigston Town Centre	86	LH	Medium
120 Bull Head Street	Wigston	Wigston Town Centre	80	LH	Medium
33a Central Avenue	Wigston	Wigston Town Centre	51	LH	Medium
Suite 3.3 E, Lyn House	Oadby	Oadby Town Centre	43	LH	Medium
Suite 2.2 B, Lyn House	Oadby	Oadby Town Centre	43	LH	Medium
Suite 7, 4 Frederick Street	Wigston	Wigston Town Centre	43	LH	Medium
Suite 2.2 E, Lyn House	Oadby	Oadby Town Centre	38	LH	Medium
Suite 2.3 A, Lyn House	Oadby	Oadby Town Centre	38	LH	Medium
Suite 2.3 C, Lyn House	Oadby	Oadby Town Centre	38	LH	Medium
Suite 3.3 A, Lyn House	Oadby	Oadby Town Centre	38	LH	Medium
Suite 3.1 D, Lyn House	Oadby	Oadby Town Centre	37	LH	Medium
Suite 2.3 D, Lyn House	Oadby	Oadby Town Centre	37	LH	Medium
Suite 2.2 C, Lyn House	Oadby	Oadby Town Centre	35	LH	Medium

Address	Settlement	Employment Area	Size (sqm)	Leasehold/ Freehold	Quality
Suite 2.2 D, Lyn House	Oadby	Oadby Town Centre	32	LH	Medium
Suite 6, 4 Frederick Street	Wigston	Wigston Town Centre	28	LH	Medium
Suite 3.3 B, Lyn House	Oadby	Oadby Town Centre	25	LH	Medium
Suite 5, 4 Frederick Street	Wigston	Wigston Town Centre	23	LH	Medium
Suite 4, 4 Frederick Street	Wigston	Wigston Town Centre	22	LH	Medium
Suite 3.3 C, Lyn House	Oadby	Oadby Town Centre	19	LH	Medium
Suite 3, 4 Frederick Street	Wigston	Wigston Town Centre	16	LH	Medium
Suite 2, 4 Frederick Street	Wigston	Wigston Town Centre	14	LH	Medium
Suite 1, 4 Frederick Street	Wigston	Wigston Town Centre	13	LH	Medium

Source: BE Group, 2017

APPENDIX 3

EMPLOYMENT AREAS SCORING SYSTEM

Appendix 3 – Employment Area Scoring System*

Criteria	Scoring Method
Strategic Fit	Area likely to contribute to strategic policy by delivering high skilled jobs in key specialisms. • Likely to deliver high value service jobs – score 5 • Likely deliver high tech, cluster and local jobs – score 3 • Vacant site – scores zero.
Vacancy	• Fully occupied – score 5 • Less than 10 percent vacancy – score 3 • Greater than 50 percent vacancy – score minus 5
Transport Accessibility	• Excellent access to key strategic roads in Borough – score 5 • Average access – score 0 • Constrained access, access likely to impact on local resident amenity – score minus 5
Building Quality	• High quality space – score 5 • Average quality, fit for purpose – score zero • Poor quality – score minus 5
Market Renewal	Evidence of recent investment and improvement. • Evidence of considerable modernisation – score 5 • Some signs of modernisation – score 3 • No signs of renewal – score zero
Non B-Class Uses	• No non B-Class Uses – score zero • Some non B-Class Uses – score minus 3 • Extensive non B-Class Uses – score minus 5
Environmental Impact	Local issues of flooding, land of ecological value, etc. • Not affected– score zero • Severely affected – score minus 5
Risk	High dependency on a single occupier, or other risk factor. • Not affected– score zero • Severely affected – score minus 5

Source: BE Group,2017
**Adapted from scoring in Oadby and Wigston Employment Sites and Brownfield Land Study, 2010 – Roger Tym and Partners completing.*

APPENDIX 4

EMPLOYMENT AREAS SCORING RESULTS

Appendix 4 – Employment Areas Scoring Results

Employment Area	Strategic Fit	Vacancy	Transport Accessibility	Building Quality	Market Renewal	Non B-Class Uses	Environmental Impact	Risk	Total
Highfield Drive, Wigston	5	5	5	5	3	0	0	-5	18
Tigers Close, South Wigston	5	3	0	5	5	-3	0	-3	12
North Street, Wigston	3	5	5	0	0	-3	0	0	10
Chartwell Drive, Wigston	3	3	0	0	5	0	0	-1	10
Magna Road, South Wigston	3	2	0	-2	5	0	0	-1	7
Canal Street, South Wigston	3	5	0	0	3	0	0	-5	6
Gloucester Crescent, South Wigston	3	3	0	0	3	-3	0	0	6
St Thomas Road, South Wigston	3	3	0	0	3	-3	0	0	6
Park Road/Canal Street, South Wigston	3	5	0	-5	0	0	0	0	3
Kenilworth Drive, Oadby	5	3	-5	0	3	-3	0	0	3
Park Road, South Wigston	3	5	0	0	0	0	-3	-3	2
Cross Street, Oadby	3	5	-5	-5	3	0	0	0	1

Source: BE Group, 2017

APPENDIX 5

DEVELOPER MARKETING STANDARDS

Appendix 5 – Developer Marketing Standards

A5.1 Where a sites' or premises' owner is applying to a Local Authority for change of use from employment to an alternative use, they have to prove there is a lack of demand for that site or premises.

A5.2 This table itemises the various marketing tools that should typically be used to market the interest.

A5.3 Should these tools fail to identify potential purchasers or occupiers then it may be considered that there is a lack of employment demand for the site or premises in question.

Marketing Tool	Premises	Site, 0-2 ha	Site, 2+ ha
On-site Marketing Board in prominent position	✓	✓	✓
Local Property Agent	✓	✓	✓
Regional Property Agent (joint or sole)	✓		✓
Liaise with Oadby and Wigston Borough Council/LLEP	✓	✓	✓
Produce Marketing Particulars (in hard copy/PDF)	✓	✓	✓
Targeted mailing to Local/County/Regional Property Agents (Internet)	✓	✓	✓
Targeted mailing to Local/County/Regional Property Developers/Investors (Internet)	✓	✓	✓
Targeted mailing to UK Property Agents/Developer/Investors (Internet/postal)			✓

Marketing Tool	Premises	Site, 0-2 ha	Site, 2+ ha
Targeted mailing to selected potential occupiers (large local companies) (Postal)	✓	✓	✓
Advertise in Local/County/Regional Business Press		✓	✓
Advertise in UK Property Press			✓
Website	✓	✓	✓
Internet Mailing to Targeted Business Sectors (e-shot type mailing)	✓	✓	✓
Marketing Period, months	6-12	6-12	9-18

Source: BE Group, 2017