

## Appendix B: Applicants Statement of Conformity with draft Policy BE2

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**Magna Park -Hybrid Planning Application 15/01531/OUT**  
**Compliance Statement: Policy BE2.2, HDC Submission Local Plan 2011-2031, September 2017**  
24 October 2017

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### **The Purpose of the Note**

1. This note responds on behalf of Gazeley to the request by the case officer for the Hybrid planning application to provide an assessment of the extent to which the proposals comply with the criteria set by draft policy BE2.2 Strategic Distribution that is included in HDC's Submission Local Plan. BE2.1 safeguards Magna Park, restricts redevelopment on the existing site to distribution units of 9,000 sq m or greater and precludes other uses save for where they are ancillary to Magna Park's strategic distribution purposes.
2. The response to the BE2.2 criteria is set out below, following a brief review of the key considerations that provide the context for Gazeley's response. The context has two parts: a consideration for the weight that can be accorded to policy BE2.2 itself compared to the weight that can be given to the evidence base on which the policy relies; and the relevant parts of the Hybrid application proposals, including the grant of planning permission in October 2016 for, in effect, the first phase together with the highways improvements that planning permission will deliver and which are also needed to accommodate the traffic generated by the remainder of the Hybrid proposals.

#### ***The 'weight' to be accorded to Policy BE2.2 compared to that of its evidence base***

3. Because the Submission Local Plan has yet to be submitted or examined, the weight that HDC can apply to the plan's policies is limited. That is particularly the case where a policy has attracted objections and may therefore change. Policy BE2 is one such.
4. Policy BE2, however, is supported by an objectively prepared evidence base which HDC consider to be up-to-date and sound. HDC is able to give that evidence base substantial weight.
5. The main parts of the evidence base for Policy BE2 are: the final report of the Submission Draft Local Plan's Sustainability Appraisal; the 2016 Leicester and Leicestershire Strategic Distribution Sector Study (SDSS) report which updated and refreshed the 2014 SDSS and its recommendations; and the Magna Park Employment Sensitivity Study 2017 which draws on both the 2016 SDSS and the Housing Needs and Economic Development Needs Assessment prepared for HDC.
6. The principal conclusions of each which bear directly on Gazeley's response to the Policy BE2.2 criteria are set out briefly below.
  - The Sustainability Appraisal Final Report (SA) finds:
    - There is a strong case for Harborough to continue to make a substantial long term contribution to non rail-served strategic warehouse, logistics and distribution development in the county.
    - There is a need to meet the logistics sector's requirements by supporting further development at Magna Park to help maintain and expand the county's competitive advantage in the sector.
    - The preferred approach to meeting the sector's quantitative needs and sustaining its competitive advantage is the 'high growth' strategic option for the district, capped at 700,000 sq m over the plan period. The cap is to ensure that local housing supply can accommodate the job growth while contributing to the Local Plan's objective of reducing out-commuting.
    - The SA's appraisal of reasonable alternatives (site specific and strategic growth options) for meeting the sector's needs takes no account of the environmental mitigation proposed or possible, other than 'routine' mitigation. The SA's assessments accordingly have no regard to the mitigation proposed by the options represented by the planning applications before HDC, nor of any other elements of the application

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other than the distribution floorspace quantum and, in general terms, the land quantum affected).

- The SA's assessment of Local Plan Policy BE2 acknowledges that BE2 does not specify specific locations, but takes the view that some 'broad assumptions' can be made about the possible effects the development would have. The SA finds that there are 'some areas in the vicinity of Magna Park that are valuable for landscape character, open space, agricultural land and biodiversity', but that these areas could 'possibly be avoided, with mitigation and enhancement measures also possible'. The SA concludes that the 700,000 sq m could be accommodated by the proposed level of housing, and endorses the cap on grounds ensuring that cumulative effects on traffic and congestion are avoided.
- SDSS 2016 concludes:
  - There is a need by 2031 in the county for a minimum of an additional 152 ha of land for strategic distribution floorspace on non rail-served sites (strategic distribution is confined to units of 9,000 sq m or more). 152 ha equates to a need for a minimum additional 608,000 sq m of floorspace (using SDSS's 40% plot ratio).
  - The supply needs to be on sites that can offer a variety of plot sizes that are well connected to the strategic highway network, including plots capable of accommodating very large scale units of circa 100,000 sq m.
  - Although the SDSS lists existing land supply in the county with capacity for circa 402,000 sq m, it explains that the vast share of the supply does not meet the SDSS criteria for plot and unit size.
  - The Hybrid application site lies within an 'Area of Opportunity' for non rail-served sites. Such sites, to meet the SDSS criteria, would need to provide access to the A5, A426 and A4303 strategic routes (each of which has good connections to the motorway network in locations where there is sufficient network capacity).
  - Other criteria that the SDSS advised HDC to reflect in their new Local Plan strategy for meeting the needs of the strategic distribution sector were the following:
    - provision of sites that are sufficiently large and flexible in their configuration to accommodate the size of warehouse units now required by the market,
    - sites that are accessible to labour, including the ability to be served by sustainable transport, and located close to areas of employment need; and
    - sites that are located away from incompatible land-uses.
  - There is also a need by 2031 for a minimum of an additional 50 ha of land for strategic railfreight interchanges (SRFIs) in or serving the county, rising to 115 ha by 2036, after accounting for the existing and planned supply of SRFIs.
- The Magna Park Employment Growth Sensitivity Study advises:
  - A reasonable target for the share of strategic distribution jobs under the 700,000 sq m capped high growth scenario to be taken by Harborough residents would be 25%, all matters considered (including the effects on planned housing supply in the district and Housing Market Area over the Local Plan period). The present share (2011 Census) is 19%.
  - An increase to 25% would assist the objective of reducing out-commuting for Harborough but without having a significant effect on planned housing supply in the district or in the areas beyond the Harborough's Strategic Housing Market Area.

### ***The Relevance of the Hybrid Application's Ancillary Proposals to Policy BE2.2b and B2.2c***

7. The Hybrid application will deliver, in addition to the 419,800 sq m of strategic distribution floorspace proposed (of which, 100,844 sq m already benefits from planning permission) two further uses, both ancillary, but which relate directly to two of the BE2.2 criteria:
  - BE2.2b (impact on proposed and planned strategic rail freight interchanges):

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- o the Railfreight Shuttle and Terminal which is proposed so as to encourage, by providing an on-demand service and temporary container storage, the take-up of railfreight by the largely road-based distribution firms who choose to locate at Magna Park and pay a premium over other location options for doing so (the premium is for the on-site management of Magna Park). Magna Park's occupiers together already account for 16% of all trips to and from DIRFT; and
- BE2.2c (increase employment opportunities for local residents, including training and apprenticeships):
  - o the proposed Logistics Institute of Technology (LIT) will deliver the district's first further and higher education institute – a partnership between industry, Aston University and North Warwickshire – which is aimed at providing the education, skills, professional and technical qualifications (as well as the applied research) needed to meet the rising needs of the dynamic, growing and increasingly high value-added logistics sector.

### ***The relevance of the DHL Supply Chain planning permission to BE2 and BE2.2e***

8. The grant of planning permission (25 October 2016) for a 100,844 sq m warehouse building on a 56.41 ha site within the Hybrid site accounts for:
  - 14.4% of the capped total of 700,000 sq m promoted by Policy BE2.2 (leaving 599,156 sq m remaining of the capped quantum); and
  - 24% of the Hybrid application's distribution floorspace (leaving 318,956 sq m still to be determined) and 27% of the Hybrid's 82.84 ha that is allocated for this floorspace (the Hybrid application seeks planning permission for the siting, extent and use of each part of the Zone 1, outline application site, and for the parcels with buildings also the maximum floorspace quantum and building height and the permissible siting of yards and HGV circulation).
9. The same planning permission (15/00919/FUL) also delivers the major share of the highways improvements needed to accommodate the traffic generated by the Hybrid scheme: the extension of Argosy Way across Mere Lane to connect the existing and extension sites; a new roundabout junction of the A5 with Mere Lane to provide a direct access into Magna Park from the A5; further dualling of the A5; and an improvement scheme for the Whittle roundabout to improve its capacity and function.
10. Critically, the Hybrid's already permitted highways improvements will make conditions better at the Whittle junction than they would be without the Hybrid development, even when the scheme is occupied and fully operational; and will have the same effect on the capacity and function of the Cross-in-Hand junction because of the new access into Magna Park directly from the A5 (which will divert traffic destined for, or originating from, the north on the A5 away from the Cross-in-Hand junction).

### **Compliance with the Criteria set by Policy BE2.2 Strategic Distribution**

#### ***BE2.2a: form an extension of Magna Park or on a site adjoining Magna Park***

11. The Hybrid application would form an extension to Magna Park, and thus complies with the BE2.2a criterion.
12. Moreover, the extension will remain in the same ownership and under the same proactive management regime (for which occupiers pay a premium) with the same objectives for occupier efficiency, environmental sustainability, community liaison and capturing the cluster advantages of a large scale, blue chip, strategic distribution site.
13. The evidence base that underpins the BE2.2 criterion (SDSS update 2016 Part A) explains what is meant by an 'extension site' in the SDSS's recommendation of a sequential approach to site selection, with extensions to existing sites the first preference in the sequence.
14. The SDSS 2016 advises that an 'extension' site means the following (in italics), each aspect of which is satisfied by the Hybrid proposals in the ways explained:

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- *At least one of the plots extends an existing site.* Plot G in the Hybrid application contains the permitted scheme 15/00919/FUL, and the extension to Argosy Way across Mere Lane (also permitted) links the Hybrid directly to Magna Park, and the rest of the Hybrid application site forms a contiguous boundary with Plot G/the permitted site of the 100,844 sq m building;
  - *The new plots can be accessed via the existing site's connections to the public road network and internal estate roads.* The Hybrid application site is accessed via an extension of Magna Park's Argosy Way across Mere Lane, and from Mere Lane via a new roundabout with the A5. Both also already have planning permission.
  - *Where reasonable and practicable, some or all of the utilities currently connected to and serving the existing site can be extended.* The Hybrid application will make use of the foul and surface water facilities that form part of the existing site (as well as add to both).
  - *There is adequate road capacity with the improvements proposed which is the case for the Hybrid application.*
  - *All existing suitable plots have been taken up which is the case for Magna Park now.*
15. The SDSS 2016 also stresses that the sites to which an extension relates to should be: *appropriately located relative to the markets to be served; offer plots which are sufficiently large and flexible in configuration to respond to the market's requirements; be accessible to labour and capable of being served by sustainable transport; and located away from incompatible uses.* The Hybrid proposals satisfy all of these criteria too.
16. Policy BE2.1 acknowledges Magna Park's commercial success, and the written justification for the policy notes the significant part Magna Park has played in giving the district the competitive advantages it enjoys in the strategic distribution sector and which the SDSS's recommendations are focused on protecting.

### **BE2.2b: support or at least have no adverse impact on the viability and deliverability of a SRFI**

17. The Hybrid application proactively supports DIRFT (and would other nearby SRFIs) through the provision of the proposed Railfreight Shuttle and Terminal.
18. The purpose of the Railfreight Shuttle and Terminal is to make it more cost-efficient for the largely road-based firms who elect to operate from Magna Park (and pay a premium in management charges to do so) to use railfreight, and thus to increase the take-up by Magna Park's firms of rail services.
19. The Shuttle and Terminal would provide an on-demand container pick-up and delivery service to DIRFT (and other SRFIs), timed with the departure and arrival of trains, and a temporary container storage facility (pending departure and, on arrival, pick-up) that would:
- make it more economic for Magna Park's largely road-based occupiers to take up rail alternatives for at least parts of their supply chain; and
  - overcome the obstacle to railfreight take-up by occupiers of Magna Park's plots which lack the space to allow containers to be held before they are taken to a SRFI or to wait to be unloaded once they have been delivered.
20. The Shuttle service will be provided by low or no carbon traction units – using either LPG or CNG fuel or electric traction to the SRFI – putting the road leg of the journey to the SRFI on a par with railfreight in emission terms.
21. For these reasons, and taking into account the evidence which shows that the predominant need over the Local Plan period is for road-only strategic distribution sites, we conclude that the Hybrid proposals will support, rather than have an adverse impact on, the viability and deliverability of SRFIs within or serving Leicestershire and neighbouring authorities.

### **BE2.2c. Increase employment opportunities for local residents, including training and apprenticeships**

22. The Hybrid application includes two key measures for meeting this criterion:

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- The legally binding undertaking proposed in the draft S106 (an undertaking that is in the sealed Section 106 that covers Plot G) to provide an Employment Coordinator whose task will be to maximise the employment, training and business opportunities for local people and local businesses.
  - The Logistics Institute of Technology (LIT – see paragraph 8, bullet 3 above). The 3,700 sq m LIT facility (with its 1.05 ha playing field) is based on a full-time student equivalent of 400 per annum – with training, education and work placements/experience for c 1,000 annually (when fully operational). The obligation to deliver LIT will also form part of the S106 agreement, and its phasing (as will that of all the non-warehousing uses) will be covered by a condition to the planning permission should consent be granted.
23. The Hybrid scheme will create (gross) almost 5,800 jobs – across the full spectrum of occupations. Just under 40% of the jobs will be in upper and mid-level professional, managerial, technical and skilled occupations, with a further 25% in administrative, secretarial, personal service, sales and customer services occupation. The jobs to be created are a good match with the district's occupational profile.
24. As the district's first (only) further and higher education institution, LIT will have a particular appeal for district residents and will offer education and qualifications from Levels 1-7. Furthermore (and thus the purpose of being located on the extension site for Magna Park), a high proportion of the education, training, professional and other qualifications offered by LIT will be work-based, and many of the industry participants will be based at Magna Park.
25. Employment at Magna Park therefore will offer a route into LIT, and LIT will offer a route into employment at Magna Park.

### **BE2.2d. Include measures to enable an increase in the proportion of employees commuting from within the district**

26. A target of 25% of the additional jobs to be taken by district residents – as set out in the evidence base (Magna Park Employment Sensitivity Study) – should be achievable.
27. The measures to ensure that it is are:
- i. the provision of the Employment Coordinator referred to above (para 22, bullet 1 above);
  - ii. LIT, which works hand-in-glove with the objective of increasing Magna Park's value to the district's residents (para 22 bullet 2 above);
  - iii. on-site bus stops that place all employees within 400 metres of a bus stop together with the provision LIT's dedicated bus services (LIT has its own Travel Plan);
  - iv. cycle and footpath links across the site that link to Magna Park's existing network (which links to Lutterworth and Bitteswell);
  - v. very substantial financial contributions to induce sustainable travel choices by employees:
    - o £718,750 to LCC to secure a bus service to the extended site (paid for through the S106 obligation that is sealed for 15/00919/FUL – Plot G of the Hybrid) that will operate to match the shift pattern seven days a week throughout the year as well as to match the office hours of office-based workers Monday-Friday;
    - o during the six months following the occupation of each phase of the Hybrid scheme, the provision of bus passes (worth up to £350 each) for 30% of confirmed employees; and
  - vi. the establishment of the Magna Park Delivery Body to oversee the delivery of the Hybrid's non-warehousing uses and to continue to identify and capture, including for local residents, the benefits of the logistics cluster that the extension to Magna Park will create.

### **BE2.2e: not lead to severe traffic congestion anywhere on the nearby SRN, particularly the A5, whether in the district or outside**

28. The transport evidence, all of which has been assessed for technical robustness and acknowledged as sound by Highways England and the two county highway authorities (Leicester

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and Warwickshire), shows that the Hybrid proposals will not lead to severe congestion anywhere on the strategic road network, including the A5.

29. Instead, the principal improvement schemes will make conditions better at key junctions than they would be without the development: A426/A4303 (Whittle junction); A5/A4303 (Cross-in-Hand) and A426/A5 (Gibbet Hill).
30. The Whittle and Cross-in-hand junction schemes are already permitted, and the design details are being worked up with the expectation that the S278 agreements for their delivery will be sealed before the end of 2017.
31. The scheme for Gibbet Hill is required to accommodate the traffic generated by the rest of the Hybrid scheme, but that scheme too would improve conditions at the A5/A426 junction over 'without development conditions' (including the completion of DIRFT phase III).

### **BE2.2f: ensure 24 hour operations do not have an unacceptable environmental, community or landscape impact on the immediate and wider surrounding area**

32. The Hybrid application proposals incorporate all of the measures necessary to ensure there are no unacceptable environmental impacts, including no unacceptable landscape impacts or community impacts, either on the immediate or the surrounding area.
33. Instead, the Hybrid application would lead to the delivery of a wide range of environmental, landscape and community benefits over and above the gain in jobs and the benefits associated with LIT (responses to BE2.2c and BE2.2d above), the inducements to sustainable transport use (response to BE2.2d above) and the improved function of the Whittle, Cross-in-Hand and Gibbet Hill junctions over conditions without the development (response to BE2.2e above).
34. These further benefits include:<sup>1</sup>
  - a substantial reduction in the greenhouse gases generated by 103 ha of the Zone 1 site compared to its agricultural use – the net effect of the change of use and the carbon sequestration value of the tree plantations, hedges, meadow and wetland on this land;
  - an undertaking through the S106 agreement to continue to innovate, at each phase, in adopting measures that will reduce the scheme's greenhouse gas emissions and contribute to HDC's and KCC's undertakings to respond to the challenges of climate change;
  - the dual use with the community of LIT's 1.05 ha playing fields;
  - a Local Heritage Centre which will exhibit and interpret the history of the site's habitation in response to the landscape and the economy that has shaped it – from the Roman period to the present day – in part targeting Key Stages 1 and 2 of the national curriculum;
  - the 70 ha Country Park and Meadow, with a supporting car park, toilet facilities and café (shared with MPIC);
  - the protection in perpetuity of the currently permissive only bridleways and footpaths across the site as well as the management responsibility in perpetuity for the public rights of way;
  - the 2,325 sq m Magna Park Innovation Centre which will provide easy-in, easy-out office space for new and growing small businesses, particularly those who provide and innovate services and products for the logistics sector;
  - the 7,000 sq m HQ for Holovis, a rapidly growing global 'immersive experience' high tech company and one of the partners of LIT;
  - the conservation and re-use of Bittesby House and the preservation of its relationship to the scheduled monument; and
  - the conservation and preservation in perpetuity of the scheduled monument at the centre of the Country Park, including the removal from agricultural use of the Meadow so as to protect from ploughing the below ground archaeology.

<sup>1</sup> The evidence for these statements is provided in the further information submitted to HDC in July 2017, in particular the Implementation Plan and the Update on the Reduction in Greenhouse Gases

**Conclusion:**

35. The Hybrid application complies fully with the criteria set by Policy BE2.2 of HDC's Submission Local Plan and the evidence base on which the policy relies. The Hybrid proposals contribute sustainably and beneficially, in the ways sought by policy and evidence, to meeting the area's needs for additional strategic distribution floorspace over the period to 2031.

