

Harborough District Council

Harborough Local Plan Modifications Consultation

Lutterworth, db symmetry

- 1 These representations relate to Policy BE2 Strategic Distribution and proposed Main Modification 15 (MM15). The recognition of Magna Park and its adjoining committed or allocated sites is supported, in accordance with the NPPF 2018 for the reasons set out in paragraph 6.3.1 of the supporting text.
- 2 The proposed main modifications MM15 to BE2: Strategic Distribution states: *"1. Magna Park and adjoining committed or allocated sites, as identified on the Policies Map, ~~is~~are safeguarded for strategic storage and distribution (Class B8). Proposals for redevelopment at the existing, committed or allocated sites will be permitted where:*
 - a. *each unit has at least 9,000 sq.m. gross floorspace; and*
 - b. *any new building or the change of use of an existing building(s) is for Class B8 and ancillary use only; or*
 - c. *the proposal for any non-strategic storage and distribution use is small-scale, proportionate in scale to the strategic storage and distribution use and ancillary to the use of individual plots **or beneficial to the functioning of the area as a strategic storage and distribution park.**"*
- 3 Policy BE2.2 identifies an additional quantum of floorspace of up to 700,000 sq.m, and subparagraph a. identifies a figure of 380,000 sq.m on two committed sites, one of which is Symmetry Park, Lutterworth (Ref: 15/00865/OUT), which is for up to 278,709 sq.m of floorspace. Further detail on this is set out in paragraph 6.3.9 of the supporting text.
- 4 In general, it is supported that Symmetry Park (identified in grey in the Policies Map under MM15) is identified as a committed site and the Strategic Distribution Allocation is supported (identified as a brown dotted line in the Policies Map under MM15). However, a small area of land around Glebe Farm Cottage, fronting onto the A4303, has been excluded from the Policy designation.
- 5 As set out in the committee report (paragraph 6.6.9) for Symmetry Park, the applicant has entered into a Put and Call Option with the landowner of Glebe Farm Cottage, whereby should planning permission be granted, the landowner can require the applicant to purchase the property.
- 6 As such, it would be proper and logical planning to 'round off' the site, and include the Glebe Farm Cottage site within the Symmetry Park Strategic Distribution Allocation.
- 7 The inclusion of this small area in the allocated site would meet the criteria and intentions of policy BE2, as it would allow for the better master planning of the committed site to the south, which seeks to minimise and mitigate the environmental, community and landscape impacts of

strategic distribution development and improve local economic benefits. There would be no increase to the 278,709 sq.m of floorspace consented under the Symmetry Park permission.

- 8 If the site is not included in the allocation it would remain an isolated site surrounded by B8 employment floorspace (it is surrounded on all sides by the committed and allocated sites identified on the Policies Map).
- 9 It is requested that the Policies map is amended to include the Glebe Farm Cottage site. Such an amendment would not alter the underlying purpose of the policy, but would provide clarity to assist developers and the public in the operation of the policy when relevant planning applications are submitted for determination.
- 10 If the Policies map is not amended, it is requested that the policy wording of BE2.1 is amended so it is sufficiently flexible to accommodate the inclusion of the Glebe Farm Cottage site as envisaged by the committee report for Symmetry Park. It is therefore suggested that the main modification wording for BE2.1 is amended as follows, in square brackets:

"1. Magna Park and adjoining committed or allocated sites [including the site at Glebe Farm Cottage], as identified on the Policies Map, ~~is~~are safeguarded for strategic storage and distribution (Class B8). Proposals for redevelopment at the existing, committed or allocated sites [including the site at Glebe Farm Cottage], will be permitted where:

- a. each unit has at least 9,000 sq.m. gross floorspace; and*
- b. any new building or the change of use of an existing building(s) is for Class B8 and ancillary use only; or*
- c. the proposal for any non-strategic storage and distribution use is small-scale, proportionate in scale to the strategic storage and distribution use and ancillary to the use of individual plots or beneficial to the functioning of the area as a strategic storage and distribution park."*

- 11 I trust that these comments are considered helpful.

Strategic and Local Planning Team
Harborough District Council
Adam and Eve Street
Market Harborough
LE16 7AG

25th February 2019
071 MR 250219 HDC

Dear Sir / Madam

HARBOROUGH LOCAL PLAN 2011 to 2031: MAIN MODIFICATIONS CONSULTATION

I write on behalf of my clients, Bloor Homes Ltd, in relation to the above consultation and specifically Main Modification MM3 that proposes a substantive change to Policy GD2: Settlement Development.

Policy GD2 has an important role in enabling the timely development of unallocated sites in sustainable locations that accord with both the Local Plan's spatial strategy and the criteria set out in the policy itself. It is, therefore, essential in providing the Local Plan with the flexibility required by the NPPF (para 14) and ensuring that it will be effective in addressing the identified housing needs in the District.

The proposed modification divides the policy into two parts. The first part addresses development proposals within the built up areas of settlements, and the second part addresses development proposals adjoining the existing or committed built up areas of the settlements. The need for that change to the policy is recognised. In making this change, however, it is crucial that the flexibility the policy provides in the spatial strategy in terms of enabling housing provision at the higher echelons of the settlement hierarchy is retained, and that an artificial limit on development at these "*most sustainable locations*" is not imposed.

My clients do not object to the majority of the proposed policy criteria set out in each part of the policy. However, the policy now identifies circumstances where development would be permitted where it is needed, either to meet the settlement's housing requirement (part 2a), or the District's wider housing need, a local housing need or a neighbourhood plan requirement (part 2b). Consequently the policy does not explicitly recognise that the District's housing requirement is a minimum level of provision in the plan period, or circumstances where a 5 year housing land supply shortage may arise.

Moreover, part 2a as currently worded can not be effectively applied to the PUA, and is therefore, unsound. Paragraph 4.3.4 of the Local Plan highlights that housing provision is a "*vital element*" of the Local Plan and Policy H1 sets out "*target figures for the most sustainable settlements*". Part 2a of the Policy GD2, therefore, cross refers to the level of development in each settlement as set out in Policy H1. However, in the case of the Leicester PUA, Policy H1, and indeed Policy SS1, specifically refers to the Scraftoft SDA, rather than a settlement or the wider Leicester PUA. Therefore, if as expected, the Scraftoft SDA fails to deliver the quantum of new housing that the Local Plan currently assumes to address the identified needs in the plan period, then the policy provides no remedy, because it would (illogically) only allow development within the Scraftoft SDA to address the issue.

Indeed, as proposed to be worded Part 2a would only support “*minor additional residential development*” elsewhere at the Leicester PUA, even though it sits at the top of the Local Plan’s settlement hierarchy as the most sustainable location for future development, and despite there being other criteria within the policy (notably part 2d) that effectively address potential concerns in relation to the scale or cumulative impact of development in these locations. Whilst the scale of development in the lower tiers of the settlement hierarchy should be limited to ensure that the Local Plan’s spatial strategy is not fundamentally undermined, it is entirely inappropriate to limit the wider socio-economic benefits of facilitating sustainable development in the most sustainable locations within the District, particularly if there is a recognised shortfall arising from the failure of the SDA to deliver as and when required.

It is suggested, therefore, that parts 2a and 2b are revised as follows:

“a): the development appropriately reflects the scale of housing proposed within each tier of the settlement hierarchy as set out in Appendix F that underpins the spatial strategy in Policy SS1 and H1 (taking into account existing completions and commitments), recognising the focus on directing future development to the most sustainable locations in the District;

b): the development would contribute to ensuring that the minimum housing requirement for the District is met within the plan period and/or the maintenance of a continual deliverable five year land supply, or it is necessary to meet an identified Local Housing Need as evidenced through a housing needs survey or a neighbourhood plan;”

I trust that you will take the above comments into account in finalising the Local Plan for adoption, and specifically in refining Policy GD2. If however, you do have any queries in relation to the matters raised above, then do not hesitate to contact me.

Yours sincerely

Director

22 February 2019

Delivered by email to: localplan@harborough.gov.uk

Strategic and Local Planning Team
Harborough District Council
Adam and Eve Street
Market Harborough
LE16 7AG

HARBOROUGH DISTRICT COUNCIL LOCAL PLAN EXAMINATION – REPRESENTATIONS TO THE MAIN MODIFICATIONS CONSULTATION

This letter of representation has been prepared on behalf of Catesby Estates plc (Catesby) in response to the proposed main modifications to the Harborough Local Plan 2011 – 2031.

Catesby is promoting seven hectares of land to the south of Kilby Road, Fleckney, which represents a sustainable and deliverable residential opportunity for approximately 150 market and affordable dwellings and public open space. Representations promoting the site were submitted to the Submission Draft Local Plan in November 2017. Turley appeared on behalf of Catesby at the Examination in Public in October 2018.

Our representation to the schedule of main modifications responds to MM3, MM8 and MM28 only.

MM3 – GD2: Settlement Development

In our Matter 6 hearing statement, we set out our support for the principle of emerging policy GD2 and its intention to provide flexibility in the Council's housing supply, ensuring the plan is able to respond to rapid change. This is particularly important given the District has been unable to maintain a five year housing land supply in recent years.

At that time, we reserved the right to comment on any modifications to the policy on the basis of the Council's response to the Inspector's initial questions.

In the Inspector's initial questions and comments (IC1), he identified that Policy GD2 could have the effect of preventing windfall development on appropriate sites inside settlements that would otherwise

9 Colmore Row
Birmingham
B3 2BJ

T 0121 233 0902 turley.co.uk

be acceptable. In its response (IC3), the Council conceded that the wording was restrictive and proposed to amend the policy to split the criteria for development within and adjoining settlements. MM3 is this amendment.

We support this amendment in principle. However, we have concerns with the supporting text relating to part 2 of the policy (development adjoining settlements).

The explanatory text states that only minor development can come forward. This is contrary to the wording in the policy, which states that development can come forward so long as it is not “disproportionate”. The supporting text should therefore be amended as follows:

“Once the minimum housing requirement in Policy H1 has been met (by completions and / or commitments including allocated sites) ~~only minor~~ additional residential development will be supported as set out in GD2.2a above”.

MM8 – H1: Provision of New Housing

Part 4 of Policy H1 relates to Fleckney. In the Proposed Submission version, the policy referred to the minimum requirement for Fleckney over the plan period being 295 dwellings. The main modifications propose an amendment to the text to remove the word “minimum” and instead refer to an allocation (F1) of “about 130 dwellings”.

By referring to the allocation, rather than the minimum requirement for Fleckney, the main modifications have introduced ambiguity to the application of Policy GD2 Part 2a. This policy (as referred to above) allows for development outside of settlement boundaries provided it is not “disproportionate” in relation to the settlement’s minimum housing requirement in Policy H1. However, Policy H1 no longer refers to a minimum requirement for Fleckney, only an allocation to meet the village’s residual housing need.

We acknowledge that the supporting text in chapter 16 (Fleckney) identifies a “minimum target of 295 dwellings” for Fleckney. However, this has to be reflected in Policy H1 also to assist with the application of Policy GD2.

Therefore, the wording relating to Fleckney in Policy H1 (Part 4) should refer to the settlement’s minimum housing requirement.

MM28 – IMR1: Implementation, Monitoring and Review

The main modifications propose the amendment of Policy IMR1 to include reference to the expected housing shortfall from Leicester City as well as timescales for undertaking a review of the Plan.

Part 2b proposes that the trigger for the housing shortfall of Leicester City is at the Regulation 19 stage of preparing its Local Plan. We are of the view that the City Council will have a defined position on its shortfall at Regulation 18 stage. This is when the trigger at 2b should come into effect.

At Part 3, the Council is looking to secure 30 months to submit its Local Plan Review for Examination. We are of the view that this can be undertaken in 24 months. Moreover, this part of the policy should explicitly state the consequences of the Council not submitting the Plan for review within this time period.

We propose the following amendments to the text:

1. The Council will monitor and manage, through the preparation of its Annual Monitoring Report, the delivery and effectiveness of policies of this Local Plan against specific performance indicators and targets set out Appendix K: Monitoring Framework.

2. A full or partial update of the Local Plan will be commenced (defined as the publication of an invitation to make representations in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) within 6 months of the following:

a. the adoption by the Council of a Memorandum of Understanding (MOU) or Statement of Common Ground (SoCG) which proposes a quantity of housing or employment development to 2031 that is significantly greater than that allowed for in this Local Plan; or

b. in the absence of an adopted MOU or SoCG, 12 months from the date when Leicester City confirms the extent of its unmet need (expected to be when it publishes its draft Plan for Regulation 18 consultation) of publication of a Local Plan for Leicester City (defined as publication of an invitation to make representations in accordance with Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012) that includes satisfactory evidence of an unmet local housing need; or

c. conclusion of a review in response to specific trigger points as set out in the monitoring framework, including identification of significant and persistent shortfalls in the delivery or supply of housing against the housing requirement.

3. Any full or partial update of the Local Plan triggered by 2.-above will be submitted for examination within 30-24 months from the date it commenced. In the event that the Council does not submit the Local Plan Review within two years of the date of commencement of the review, the parts of the Plan that are under review will be deemed out of date, if not already deemed out of date by virtue of national policy.

We trust our comments will be of assistance. Please do not hesitate to contact me should there be any queries.

Yours sincerely

Director



BIDWELLS

Your ref: Main modifications
Our ref: 24263
DD:
E: jk
Date: 15/02/2019

Head of Planning and Regeneration
Strategic and Local Planning Team
Harborough District Council
Adam and Eve Street
Market Harborough
LE16 7AG

Dear

HARBOROUGH LOCAL PLAN MAIN MODIFICATIONS CONSULTATION

Thank you for the opportunity to comment on the Main Modifications to the Harborough Local Plan. Bidwells are writing on behalf of our client, Davidsons Developments Ltd, who have land interests in the District. Bidwells participated in the examination hearing sessions promoting Davidsons Developments Ltd land interest in Broughton Astley.

Specifically, Bidwells participated in the hearing sessions which covered the housing requirement, housing land supply and the spatial strategy. As such, we have comments on the following Main Modifications, which relate to these matters:

- MM3 – Policy GD2 – Settlement Development
- MM28 – Implementation, Monitoring and Review

MM3 – Policy GD2 Settlement Development

The need for policy GD2 to be revised was discussed at the examination hearing sessions. The Inspector invited comments on Harborough District Council's (the Council) proposed amendments to the policy which focused on providing clarity on its role and purpose and to ensure it could be effectively implemented.

The proposed modifications in our view do not resolve the issues with the policy which were identified at the hearing sessions. We continue to have several concerns with the policy and consider that it will be ineffective in its current form.

Firstly, the modifications propose the removal of the word 'contiguous' from bullet 1 of the policy. This change effectively means the policy will only allow additional development within the defined boundaries of existing settlements.

John Ormond House, 899 Silbury Boulevard, Central Milton Keynes MK9 3XJ
T: 01908 202190 E: info@bidwells.co.uk W: bidwells.co.uk

From discussion at the hearings, it is our understanding that this was not the intention of the policy, which was to allow some additional development to come forward within or on the edge of settlements, providing an element of flexibility to planned supply.

The change is also at odds with the remainder of the policy, which refers to constraints to development such as maintaining natural buffers, considering green gaps and landscape character – all factors which affect land outside defined settlement boundaries.

We therefore consider that the change to the policy isn't justified and would lead to the policy being ineffective. The word contiguous (or a similar word such as adjoining) should be reinstated to the policy.

The amendments continue to mean that there is a lack of clarity as to the extent of development that will be allowed under the policy. The original policy contained a 'guide' which indicated that settlements could grow by around 10% as a result of development to come forward under the policy. Despite the discussion at the hearing sessions indicating that this 10% 'guide' needed clarification, it is proposed to be removed to be replaced with the wording 'disproportionately exceeding' which provides even less certainty than before.

The discussion at the hearing session centred on the need for the level of development allowed under the policy to be more explicitly stated. Our understanding was that there was an expectation that the 10% growth guide may remain, but that clarification would be provided as to how this would be measured. It was suggested, as we supported in our comments on the proposed amended text provided during the hearing sessions, that the 10% be linked to the existing size (either population or housing stock) of each settlement. This would provide a clear, unambiguous measure of growth against which proposals could be judged. Importantly, this would also provide clarity for developers considering proposals.

The proposed modifications miss the opportunity to address this weakness in the policy and result in wording that will be ineffective in managing development.

In addition, the modifications now propose to measure the increase in homes against the level of allocations proposed in policy H1. For settlements such as Broughton Astley where no additional growth is planned, this makes the policy even more ambiguous as there is no certainty as to the level of development that the policy would allow. As set out in our previous comments on the proposed wording, measuring growth against the existing size of the settlement is a more appropriate measure of control.

This would allow the level of additional development to be measured against the general sustainability of each settlement (assuming the larger settlements are more sustainable) rather than against the level of allocations made in the plan, which don't necessarily reflect the sustainability of each settlement – i.e. the development allowed under the policy as modified would exacerbate the fact that less sustainable settlements have a greater level of growth directed to them than higher order settlements such as Broughton Astley.

Finally, we have concerns that the relationship between the criteria in part 2 of the modified policy is not clear. Whilst we support a two-part policy, it is not clear from the revised wording whether a development would need to satisfy all of the criteria in part 2 of the policy or not.

Bullets a to c are followed by the word 'or' suggesting that a proposal only needs to satisfy one of these criteria. However, the list continues with bullets d to g which are not followed by 'or' or 'and'. This makes it unclear how these criteria will be considered in relation to development proposals.

It is suggested that part 2 of the policy may require a separate sub-list that makes it clear that criteria d to g each apply to proposals put forward under the policy, if this is the intention of the Council.

To be effective the policy needs to be revised to:

- Reinststate the word 'contiguous' (or replace with 'adjoining') to clarify that sites could be on the edge of settlements and do not have to be within settlement boundaries.
- Include a specific percentage growth (10% or otherwise), replacing the wording 'disproportionately exceeding'.
- Link the level of development allowed under to policy to existing settlement size (either population or housing stock) rather than the level of allocations made in policy H1
- Clarify the relationship between the various criteria set out under part 2 of the policy. It is suggested that this may necessitate a subjection to part 2 of the policy to clarify that bullets d to g apply in all cases. by inclusion of the word 'or' after bullets

MM28 – IMR1: Implementation, monitoring and review

Changes to the review policy to provide explicit triggers for the commencement of a review, along with the timing of commencement are welcomed. However, we continue to have concerns that the detail of the policy isn't justified and will be ineffective in ensuring unmet housing need from other areas, particularly Leicester City, is met in a timely manner.

This modified policy requires a review either on adoption of a Memorandum of Understanding (MOU) addressing the apportionment of unmet need from Leicester City or the publication of a Local Plan by Leicester City Council. The opening of the policy suggests commencement of a review (Regulation 18 consultation) will commence within 6 months of either event but criteria b (the Publication of plan by Leicester City) is inconsistent and refers to 12 months. This inconsistency needs to be addressed.

It is our view that there is no reason why there is an extra 6 months allowance for a review to commence after publication of Leicester City's Plan, as opposed to the agreement of an MOU. When Leicester City Council publish a draft plan, it would be expected that they would do so knowing what their unmet need will be and how this could be addressed. Talks would therefore have been ongoing and ideally (from Leicester City's perspective) they would have an MOU agreed prior to finalising their draft plan.

Whilst we can understand that there may be ongoing discussions regarding the apportionment of the unmet need on submission of the plan, requiring a further 12 months to commence a review cannot be justified. This would cause an unacceptable delay in meeting the housing need of Leicester City.

We would therefore suggest that the words '*12 months*' are removed from the proposed modification to criteria 2 of the policy.

In addition, the modification sets out submission of the plan will be 30 months (or 2 ½ years) from commencement. This is far too long, particularly as the plan may only be partially reviewed. We would suggest the allowance for submission should be an absolute maximum of 24 months, ideally 18 months, else from a review being triggered, allowing for the time prior to a Regulation 18 consultation and a period of examination, it could be over four years from knowing what Leicester's unmet need is to adoption of a plan to address it. This period is too long and needs to be reduced else there will be an unacceptable delay in meeting Leicester's unmet need.

In summary whilst the general changes to policy IMR1 are supported, the policy as proposed to be modified should be further amended to:

- Remove the words '12 months' from criteria 1)b
- Change '30 months' to '18 months' in criteria 3.

Summary and conclusions

Once again, thank you for the opportunity to comment on the proposed modifications to the Harborough Local Plan. Whilst the change to policy IMR1 are supported, subject to amendments to the detail as set out above, we continue to have concerns as to the effectiveness of policy GD2 and the justification for the modifications proposed, which appear to be at odds with the points made by all parties at the hearing sessions.

It is considered that prior to the plan being finalised, more thought needs to be given to the wording of policy GD2 to ensure it is capable of effective implementation and encourages sustainable patterns of development.

Yours sincerely,

Associate

Copy

Davidsons Developments Ltd

Our Ref: 113263



25th February 2019

Strategic and Local Planning Team
Harborough District Council
Adam and Eve Street
Market Harborough
LE16 7AG

FISHER GERMAN LLP
THE ESTATES OFFICE
NORMAN COURT
ASHBY DE LA ZOUCH
LEICESTERSHIRE
LE65 2UZ

Tel: 01530 412 821
Fax: 01530 413 896
Email: ashby@fishergerman.co.uk
www.fishergerman.co.uk

Dear Sir/Madam

HARBOROUGH LOCAL PLAN EXAMINATION MAIN MODIFICATIONS - LAND AT BURNMILL FARM, MARKET HARBOROUGH

We write on behalf of our clients, David Wilson Homes, in respect of their land interests at Burnmill Farm, Market Harborough and in support of the proposed Main Modifications.

The Inspectors recommendations, detailed in Main Modification 33, in respect of Policy MH32: Burnmill Farm are **supported**. It is considered that the proposed modifications are sound; particularly in relation to the increase in dwelling numbers reflecting the detailed evidence submitted in support of a recently approved full planning application for the development of 128 dwellings (17/02020/FUL).

As the Council and the Inspector are aware, David Wilson Homes Ltd have been promoting land at Burnmill Farm, Market Harborough through the emerging Local Plan process in parallel to bringing forward a full planning application. A resolution to grant full planning permission for the development of 128 dwellings with associated access, landscaping, open space and drainage infrastructure was approved by Harborough District Council's Full Council on the 8th January 2018, following a resolution to grant planning permission at Planning Committee on the 4th December 2018. Planning permission was issued on 21st February 2019 following the signing of the Section 106 agreement.

Whilst it is considered that the site capacity should be set out as 'around' rather than as a maximum to reflect other allocations in the emerging Plan, the uplift in housing from 90 dwellings to 128 dwellings is sound. The grant of full planning permission, which assesses the proposed development in far more detail than through the Plan making processes, confirms conclusively, having regard to detailed highways evidence, that the site can deliver 128 dwellings.

The uplift in dwelling numbers also serves to better reflect the National Planning Policy Framework (NPPF) 2018, wherein the Government is clear that developments should be making 'efficient use of land'. Whilst we are fully aware this Plan is being examined against the NPPF 2012, the guidance in paragraphs 117 to 123 of the NPPF 2018 provides a clear direction of travel which is certainly not incompatible with the policies contained within the NPPF 2012.

With regards to the requirement to complete a Construction Traffic Management Plan, this has already been undertaken by David Wilson Homes and was submitted to the Council to inform the determination of the planning application.



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We trust that the modifications proposed by the Inspector, to Policy MH32: Burnmill Farm, will be adopted by the Council to fully reflect the planning permission recently issued for the land at Burnmill Farm, Market Harborough.

Yours sincerely
For and behalf of Fisher German LLP

E-Mail:
Direct Dial:



This matter is being dealt with by

Waterfront House, Waterfront Plaza,
35 Station Street, Nottingham, NG2 3DQ
DX10004 Nottingham 1

Strategic and Local Planning Team
Harborough District Council

Our ref: 900118.391
Your ref:

By email only
localplan@harborough.gov.uk

26 February 2019

Dear Strategic and Local Planning Team,

Harborough Local Plan 2011-2031 – Modifications Consultation January 2019

I write in response to the above on behalf of my clients, David Wilson Homes East Midlands, in respect of their land interests at Smeeton Road, Kibworth. My clients have engaged throughout the Local Plan process, and matter statements were submitted in respect of the Smeeton Road in September 2018.

Comments in respect of the main modifications are set out below.

MM2 / Policy SS1

The housing provision figures in part 2a of Policy SS1 have been amended to reflect changes in committed dwellings and a change in delivery totals/rates at the allocated sites, including Lutterworth East. Policy SS1 continues to state that the Local Plan will provide for a **minimum of 12,800 dwellings** over the plan period. However, the figures at parts 2a i) to v) total 12,750 dwellings. Whilst these figures are stated as 'about', it is recommended that they should total 12,800 as this is a minimum figure to be achieved (the figures previously totalled 12,800 in the Pre-submission plan). Assuming that the figures for completions/commitments, the Lutterworth and Scraftoft SDAs and site allocations are correct and informed by the promoters of these sites, then the additional dwelling numbers should be added to the non-allocated sites figure at 2a v) (i.e. increasing from about 300 to about 350).

MM3 / Policy GD2

Part 2 includes a new set of requirements for non-allocated sites. Whilst this policy retains a degree of flexibility, further clarity should be provided on the following issues:

- What does the Council mean by 'minor development'? Does this mean 9 dwellings or less or does the Council have another definition in mind?
- Is it the Council's intention that parts a, b, or c need to be satisfied in addition to parts d – g?

Supporting text has been added at 4.3.4 which reinforces that only minor additional residential development will be supported when residual housing requirements have been met. Supporting text has also been added at paragraph 5.1.17 (MM8) to state that Policy GD2 allows for an additional small amount of flexibility in the provision of housing, but prevents a level of growth which could risk overwhelming local character and facilities or distorting the spatial strategy.

These additions within the supporting text, when read alongside part 2b of Policy GD2, could result in a degree of ambiguity as to what would be permitted and in what circumstances. If, at a later point in the plan period allocated housing sites are not being delivered at the anticipated rates, housing should be able to come forward in settlements identified in the hierarchy. Depending on the level of need, this should not be restricted to minor developments and should be allowed to come forward in settlements with a current residual requirement of zero (which are sustainable settlements and are capable of delivering sustainable development).

It is suggested that the modified supporting text at 4.3.4 which reads "*Once the minimum housing requirement in Policy H1 has been met (by completions and/or commitments including allocated sites) only minor additional residential development will be supported as set out in GD2.2a above.*" is deleted. In addition, the text at 5.1.17 reading "*Policy GD2 allows for an additional small amount of flexibility in the provision of housing, but prevents a level of growth which could risk overwhelming local character and facilities or distorting the spatial strategy*" should also be deleted to prevent ambiguity with part 2b of Policy GD2.

I trust that these comments will be taken into account by the Local Plan team. I look forward to receiving confirmation of receipt.

Yours faithfully

Senior Planner

**Policy BE2 - the Quantitative and Qualitative Need
Representation of behalf of Gazeley**

Part 1

**Main Modifications to HDC's Local Plan 2015-2031
21 February 2019**

1. This representation is submitted on behalf of Gazeley and is in two parts:
 - 1.1 Part 1, set out here, addresses the principle of the Policy BE2 allowance for 700,000 sq m of additional strategic storage and distribution warehousing ("warehousing" for the purposes of this representation). The representation covers the evidential basis for the 700,000 sq m, drawing principally on the Council's evidence base – the Leicester and Leicestershire Strategic Distribution Sector Study (LLSDSS - EMP6 and EMP7) with references to:
 - the market report by Gerald Eve that formed part of the evidence base Gazeley's planning application that is the subject of an ongoing appeal (APP/F2415/W/18/3206289);
 - the update of part of the Gerald Eve report by Savills that was commissioned by Gazeley and provided to the Council in mid-October.
 - 1.2 Part 2, provided separately, suggests minor changes to the drafting of Policy BE2 with the aim of improving the policy's precision and clarity, and points out the minor but important correction required to the boundary of the permitted area of Magna Park as shown in the Policies Map (as proposed for amendment).
 - 1.3 Gazeley is already on record in its representations on the Local Plan in respect of the need for Policy BE2 to allocate specific sites for the BE2 allowance. The need, briefly is: to give local people certainty as to where the development that is not yet permitted can be expected to be built over the Local Plan period; and to satisfy the provisions of NPPF (2018, now 2019) paragraph 80 in respect of creating the conditions in which businesses can expand, invest and adapt, recognising the need for planning policies to support economic growth and productivity.

The Background to the Representation

2. Gazeley fully supports the Council's proposed main modification to Policy BE2. Gazeley considers that, with the modifications, Policy BE2 is capable of meeting the soundness tests set both by NPPF 2012 and NPPF 2018 (now 2019). Without the modifications proposed, however, as we are record for stating, we feel the policy would not be positively prepared, justified or consistent with national policy.
3. Gazeley and the Council, in accordance with national planning policy guidance, worked closely with the Council's development management and policy officer teams in the long period that led up to the submission, first, of Application 15/00919/FUL for a 100,844 sq m building on the 54.97 ha part of the site "north and west of Mere Lane" in June 2015 (now permitted) and, then, of Application 15/01531/OUT for a further 318,956 sq m on the remaining 175.67 ha part of the site in October 2015. The permitted development lies within and accounts for 24% of the 230.64 ha Zone 1 part of the 15/01531/OUT application site. The Zone 2, 6.74 ha, part of the 15/01531/OUT site occupies a permitted site for an HGV park (12/00851/FUL). The Zone 1 site

is proposed for mix of other uses that includes the Logistics Institute of Technology, an Innovation Centre and a country park and meadow (accounting for c 70 ha of the application's 103 ha of publicly accessible "green and blue infrastructure"); and the Zone 2 site is proposed for a Driver Training Centre, HGV park and Railfreight Shuttle and Terminal.

4. The Council refused Gazeley's 15/01531/OUT application in January 2018, contrary to its officers' recommendation and to the November 2018 resolution of its planning committee. The Council's reason for refusal was "The landscape impact is severe and outweighs the economic benefits and is also in conflict with [Core Strategy 2011] Policy CS17."
5. The two existing planning permissions total 380,000 sq m of additional warehousing; and the proposed modification proposes to allocate the 175.67 ha remainder of the appeal site for 320,000 sq m and such ancillary uses that, in the words of the proposed modification to Policy BE2, "beneficial to the functioning of the site as a strategic storage and distribution park".

The BE2 Policy Allowance for 700,000 sq m

6. The Council is on record for stating that the 700,000 sq m allowance is broadly the sum of the three planning applications for strategic warehousing that it received from Gazeley (two) and db symmetry (one) between June and October 2015. The Council's reasoning was sound. The Council had commissioned the Leicester and Leicestershire Strategic Distribution Study (LLSDSS) in 2013 (that reported in 2014) and a refresh of its main findings in 2016; and the LLSDSS found there to be a *minimum* need for 602,000 sq m of additional strategic distribution warehousing floorspace in units \geq 9,000 sq m on sites that were not rail-served by 2031, rising to 792,000 sq m by 2036.
7. The LLSDSS could not (as no sensible methodology for doing so exists) allocate shares of this minimum need to the individual local authority areas that make up Leicestershire. Instead, the LLSDSS set a range of criteria to be met by candidate sites (and therefore by deduction candidate sites in individual local authority areas).
8. The Council judged that all three of the planning applications that totalled 700,000 sq m satisfied these criteria; and the evidence before the Council showed that this quantum could be accommodated without unacceptable environmental impacts:
 - 8.1 All three are the first preference in the LLSDSS sequential criteria – an extension to an existing *dedicated* distribution park. All three are also in a "Key Area of Opportunity"; are located near to strategic road infrastructure with the capacity (existing or possible) to accommodate the additional traffic; and offer sites that are capable of providing for the unit sizes and operating efficiencies the logistics sector requires (EMP6a, paras 3.25 and 3.28; EMP6b, paras 5.1-5.12; and EMP7a pages 18-21).
 - 8.2 Other sites are permitted or allocated that would provide the "geographical spread" within Leicestershire – although little of the supply listed in EMP7 as available "now" across this geographical spread meets any other of the criteria set by the LLSDSS, whereas all of the sites that account for the 700,000 sq m allowance do (EMP7c pages X-X).
 - 8.3 Each of the three planning applications had been informed by a full Environmental Impact Assessment, the findings of which showed that with mitigation the environmental effects of all three would be acceptable. No professional officer of any consultee objected to the

submitted Environmental Statements, and no objector presented counter evidence to show that the ESs were flawed.

9. Additionally, as the emerging Local Plan acknowledges, the evidence shows that the district needs more jobs to reduce the district's heavy levels of out-commuting for work (62% once those who "work mainly from home" are stripped out). The evidence also showed that close to half of the c 9,000 jobs that would be created by development for 700,000 sq m of additional strategic distribution warehousing would be in middle and upper level occupations and in this and other ways would be a good match for the district's occupational profile.
10. Finally, the submitted ESs provided evidence to show that the logistics sector is increasingly technologically advanced and knowledge-intensive at it must be to contain its costs, improve its productivity and deliver the clean growth that Government policy requires (e.g., the UK Industrial Strategy). That evidence also showed that the concentration of logistics operations in the Golden Triangle has stimulated the growth of a specialist base of small and medium businesses that supply the industry and which also play an important role in the districts economy. The evidence explained that those businesses also stood to grow, but if they were to rise to rise to the logistics sector's competitive challenges, they too would have to innovate and become more knowledge-based.
11. The Council – recognising both that Magna Park was evidence of the optimality of the location for modern logistics and that its Core Strategy policy on Magna Park was wholly inconsistent with the NPPF and thus out of date – determined to plan positively for a quantum of additional strategic distribution floorspace that could be sustainably accommodated. The Council settled on the 700,000 sq m quantum– the sum of the three planning applications.
12. We also note:
 - 12.1 The 700,000 sq m quantum has been the subject of considerable scrutiny by objectors and debate within the Council. The Council concluded in March 2018 that it was a reasonable quantum could be accommodated without unacceptable impacts of any kind (including on the district's housing requirement). No evidence has been put to the Council to persuade the Council to amend the quantum. The Council made its judgment on the evidence before it: the LLSOSS's minimum forecast of the need and the absence of any means available to the Council, other than the three applications, for determining what share of that minimum need the district should plan for local share of that. The evidence showed that the location was optimal and aligned with the LLSOSS criteria; Magna Park is indisputably a market leader and is well-recognised (including in the Core Strategy) for its environmental credentials of Magna Park; the district's economy would benefit from the jobs and supply purchases; the Duty to Cooperate consultations were almost wholly supportive; and the evidence submitted with the three applications had been thoroughly tested.
 - 12.2 The planning system (i.e., statute, policy) makes no distinction between "demand" and "need" where the interests at issue do not benefit from the system's protection – e.g., town centres, designated landscape, heritage assets. The arbiters of need (outwith these protected interests) in the planning system, just as it is in commercial world that generates the need, are the businesses that are prepared to invest at risk to supply what they perceive as the market's needs (i.e., to respond to the demand in the market). The planning system obliges the Council to understand the needs of business in its area and to

plan positively to meet those needs – so as to promote economic growth and productivity – subject to the constraints of contributing to achieving sustainable development (NPPF 2018 Footnote 10).

- 12.3 Competition between developers to supply sites and buildings to logistics businesses forces them to innovate in order to attract occupiers. Competition leads to better located (subject to the supply of suitable sites) developments that are better laid out, better designed and more environmentally sustainable schemes – and therefore schemes that support the sector to become more productive. The best property schemes attract the best businesses (capable of signing longer leases, paying higher rents, offering better conditions of work and operating more sustainably) and the best businesses become more competitive. Competition from the best businesses for customers forces the rest of the businesses also to innovate, reduce their costs and environmental effects and offer better jobs and conditions of work so they too have to become more productive to remain competitive.
- 12.4 It is for all these reasons that the planning system does not protect the interests of any individual property supplier.
13. The planning system's purpose instead is to plan and make decisions that will achieve the legal obligation to contribute to achieving sustainable development. The evidence before the Council is that the 700,000 sq m of additional strategic distribution floorspace that BE2 provides for will comply with that obligation.
14. The Council's decision to refuse Gazeley's planning application is not evidence to the contrary. The Council made a planning judgment. The Council, in deciding to refuse the application, did not challenge the need for the development, the suitability of the application site or the sufficiency or accuracy of the Environmental Statement as a basis for making its determination. The refusal of Gazeley's planning application does preclude, subject to compliance with the BE2 criteria, the grant by the Council of granting planning permission for a different planning application for the same quantum.
15. The "up to" qualification for the 700,000 sq m maximum is not meaningful in policy terms: it is not positive in soundness terms, it does not reflect the SEA/SA process as it should, and it is not in accord with NPPF paragraph 80. For the policy to be sound, the full 700,000 sq m allowance must be acceptable as a matter of principle on the three sites to which the shares of that allowance are allocated.

The LLSOSS Forecasts – why the 602,000 sq m is a minimum requirement

16. The LLSOSS forecasts, notwithstanding their limitations, have the merit of "looking ahead" – which is what the Local Plan is also obliged to do: to anticipate future needs and plan positively to meet them. Market reports – i.e., the current state of take up and supply – do not, and cannot do that. Their merit is that they "take the pulse" of the market as it currently stands and would in future if the future behaves as the past did.
17. The value of the forecasting approach explains why the Council commissioned, to inform the preparation of its Local Plan, the reports on the needs of the logistics sector that are provided by the LLSOSS reports (the EMP6 and EMP7 documents which are listed at the end of this note). We draw principally on this evidence base to make the points we do below.

18. We also refer to the October 2018 report provided by Savills (in October 2018) on recent trends in the take up of warehouse units of $\geq 23,250$ sq m in the market within which Magna Park competes (defined for that purpose as the area within a 50 mile radius of Magna Park). Savills' report updates Sections 3 and 5.2 of the property market report by Gerald Eve that was submitted by Gazeley in October 2015 as part of the evidence to support application 15/01531/OUT. An appendix to this note provides the excerpts that Savills update from the Gerald Eve 2015 report. The Gerald Eve report can be found at <https://pa2.harborough.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=NV8OLIHWO8W00>
19. The following headlines from EMP6 and EMP7 provide helpful context for the points we make:
 - i. EMP6 and EMP7 explain the logistics sector's needs (EMP6a Section 2) and set out the reasons for the existence of the sector's Golden Triangle and evidence why the Golden Triangle plays a national role (EMP6b paras 2.15, 4.3 and 9.5).
 - ii. EMP7c Figure 3.1 illustrates what the report's authors call the Small Golden Triangle and Wider Golden Triangle. The Small Golden Triangle (also illustrated in EMP7c Figure 2.1) is the part of the wider Golden Triangle that is circumscribed by the M1, M6 and M69 and is most optimal part of the whole of the Golden Triangle for the location of strategic distribution operations. The Magna Park area is located at the heart of the Small Golden Triangle.
 - iii. The fact that the Golden Triangle serves a national market (and an East and West Midlands market) explains why it is not possible to isolate a share of this market for each (or any) local authority that is located within it (EMP7c pages 7-12)
 - iv. That fact in turn also explains why it is not possible reliably to estimate, at a local authority level, what each local authority within any given part of the Golden Triangle should expect to plan for in supplying the logistics sector's future needs for additional strategic distribution floorspace (NDCs, RDCs). Unlike, for example, the retail, local employment and housing sectors, there is no such thing as a 'local' strategic distribution market.
20. Magna Park, like other developments that compete for occupiers of strategic distribution floorspace, operates in a competitive market. It is indisputable both that other strategic distribution schemes are also thriving within the logistics property market, and that there are still other private sector suppliers of strategic distribution floorspace that are willing to enter, and are entering, the market. In other words, neither the scale of Magna Park, nor the scale of the permitted extensions (380,000 sq m) nor the scale of the proposed BE2 allocation (320,000 sq m) is having any deterrent effect on developers' willingness to take the risk of supplying further floorspace. The sole check is the availability of well-located land that can, through the planning system, be sustainably developed.
21. The reason is that demand (i.e., need), most particularly for Grade A space in optimal locations (like Magna Park and its extensions), continues to grow and continues to outstrip supply and is likely to for the foreseeable future. Nor does the supply of additional road-only sites deter developers from taking investment risks by promoting further rail-linked schemes (strategic railfreight interchanges - SRFI). In East Midlands alone, there are already seven SRFIs that will deliver, when fully developed, a total of c 2.9m sq m of additional strategic warehousing floorspace (EM6c para 5.8). The seven include DIRFT III and, in Leicestershire, the East

Midlands Gateway and Birch Coppice SRFIs. Again in the East Midlands alone, there are also three further proposals for SRFIs that are being promoted through the DCO process now: Rail Central (by Gazeley); Northampton Gateway (by Roxhill); and Hinckley National RFI (by db symmetry).

The EMP6c and EMP7b Forecasts

22. EMP6c provides a forecast of the prospective demand over the Local Plan period; and EMP7b reviewed the forecasts but found them to remain valid and did not amend them.
23. EMP6c (Table 5.5) forecasts a need in the East Midlands as a whole (road-only and rail-served) for 5,570,000 sq m of additional strategic distribution floorspace by 2031, rising (by 30.8%) to 7,286,000 sq m by 2036. The forecasts are of the floorspace need – not the land need. The land need is calculated on a standard assumption that 40% of distribution sites will be taken by the footprint of buildings, and the 60% will be required for warehouse yards, HGV circulation, HGV parking, employee parking and access roads. Because sites vary enormously in what share of the land is capable of being developed, references to land alone are rarely an accurate reflection of the quantum of land needed in any one instance to accommodate a specific quantum of floorspace.
24. The share of the overall East Midlands forecast that the LLSDSS allocates to road-only distribution sites in Leicestershire is *derived* by the LLSDSS authors. That is, the need for road-only distribution sites in Leicester is not forecast, but is instead carved out of the regional total. The LLSDSS authors conceived two constructs to do so: first, they held Leicestershire's share of the forecast need in the East Midlands over the whole of the 2036 period to the share of the region's stock that Leicestershire accounted for in 2014 (25.9%); and then they allocated 58% of the share to rail-served sites, leaving 42% for road-only sites.
25. Both constructs are open to question:
 - i. 58% is the share of the East Midlands' warehouse floorspace that was, in 2014, in units that were 25,000 sq m or larger. Because the unit size at existing SRFIs tends to be 25,000 sq m or larger, because the economics in favour of railfreight are improving (start being economic at distances of 250 miles) and because the National Networks National Policy Statement (NN NPS) aims to encourage the development of SRFIs for sustainability reasons, the LLSDSS authors conclude that 58% of the regional forecast should be allocated to a need for rail-served sites.
 - ii. Leicestershire's share of the East Midland's stock of warehouses that were $\geq 9,000$ sq m was 25.9% - so that was the share the LLSDSS gave Leicestershire of the East Midlands' forecast floorspace need in 2021, 2016, 2031 and 2036.
26. In respect of the first construct, it is a fact that the rail-borne freight sector accounts for about 11-12% of the total storage and distribution market. The NN NPS is aimed at encouraging an increase in the delivery of strategic rail freight interchanges, but it does not in any way seek to constrain the supply of road-served only sites. Instead, it does the opposite, recognising that road-based distribution will remain the dominant share of the market for a very long time to come.
27. The second construct is problematic because of the relatively narrow geography for the forecasts (the East Midlands) – meaning that any significant increase in floorspace supply in the county or

elsewhere in the region will alter the relative shares. 2014 was not meaningful in any way. It is a snapshot date.

28. Both constructs serve a useful purpose in providing a *broad indication of the minimum* need for additional strategic distribution floorspace in Leicestershire. As the authors state repeatedly and as the Council understands, the forecasts for Leicestershire can only be minima. It is therefore not reasonable in any way to refer to the 700,000 sq m allowance as more than, or a multiple of, the LLSOSS “carve out” of 602,700 sq m for road-only sites from the East Midlands floorspace requirement.
29. There is also a still further reason to treat the LLSOSS forecasts as a minimum requirement. The LLSOSS forecasts are for the East Midlands only. Yet the boundary between the East and West Midlands is the A5 which also forms the district boundary (and Magna Park’s western boundary). A significant part of the West Midlands also lies within the logistics sector’s golden triangle, and the West Midlands accounts for a very significant share of the national strategic storage and distribution market (EMP7c Figure 3.1). Markets, of course, do not observe administrative boundaries. The LLSOSS forecasts take no account of need arising in the West Midlands – and therefore underestimate the need in locations like Magna Park. Magna Park’s strength is that it can both serve the needs of operators who can serve the whole of the whole of the UK from a single warehouse and also allow for operators serving the whole of the Midlands, East and West, market from a single warehouse. Occupiers keep their costs down, are more efficient and productive, their customers benefit and less resource is consumed too.
30. In summary, LLSOSS forecasts (EMP6c) work as follows:
 - i. The Leicestershire share of the East Midlands forecast (1,445,000 sq m by 2031 out of the 5,570,000 sq m need in the East Midlands) is carved out by fixing its share at 25.9% – the same share the county had of the region’s stock of large scale floorspace in January 2014 (EMP6c Table 5.5).
 - ii. The county’s share so calculated is then divided into a share for rail-connected sites only (58% of the 1,445,000 sq m = 838,000 sq m) with the remaining share for road-connected sites (42% of 1,445,000 sq m = 607,000 sq m).
 - iii. The consequence is to provide road-only sites in Leicestershire with a 10.9% share of the East Midlands regional market – despite the fact that road-based distribution remains, and will over the whole of the Local Plan period and beyond, the dominant mode (as both EMP6b para 5.3 and the NN NPS acknowledges).
31. To put this in perspective, we calculate that the BE2 700,000 sq m allowance equates to a small fraction – in the order of c 6% – of the best estimate of the likely requirement within the whole of the Golden Triangle (measured, for the lack of a precise geography, as the combination of the East and West Midlands together) for optimally located strategic distribution floorspace by 2031. That c 7% estimate is based on:
 - i. The East Midlands’ share of the combined East and West Midlands freight market is about 57% of the goods in and out of the two regions that are destined for a distribution centre (EMP6b paras 3.21, 5.3 and Tables 3.3 and 3.4).

- ii. If that 57% share is used to derive an estimate of the combined East and West Midlands future strategic distribution floorspace requirement, the resulting sum would equate to a need in the order of some 9,771,930 sq m by 2031 (5,570,000 divided by 57%).
 - iii. On that basis, the BE2 700,000 sq m allowance for Magna Park would equate to about 7% of the combined Midlands market.
 - iv. Yet, the Magna Park area lies at the heart of the logistics sector's optimal location and is just nine miles from DIRFT (and accounts already for 16% of all trips to and from DIRFT – there is a satellite relationship between Magna Park benefits, with each benefiting from the proximity to each other).
32. While Government promotes the delivery of SRFIs, the assumption is that they will be private sector risk-taking investments in the normal way. If Government felt that the supply of SRFIs would be suppressed because of the costs to property developers of providing the rail infrastructure, Government would be able on HM Treasury rules to subsidise the rail costs to level the playing field. There is no suggestion that such subsidy is necessary. The supply of SRFIs is expected only to increase.
33. More recent property industry data on the take-up of large scale distribution floorspace in the market area that Magna Park competes within (the 50 mile radius of Magna Park) puts the BE2 700,000 sq m allowance into further perspective (see Savills Report 2018):
- The most recent five year annual average take-up in the market within a 50 mile radius of Magna Park of warehouse space in units \geq 23,225 sq m was 801,322 sq m per annum – i.e., a single year's take-up has averaged a total take-up that is greater than the whole of the BE2 700,000 sq m allowance that is planned to cover the full c 12 year period of HDC's Local Plan (noting too that 100,844 sq m of that allowance is being built and is already let – leaving 600,000 sq m for next c 12 years).
 - The permitted sites within this 50 mile radius market add up to 4.75 years' supply on recent average take-up rates. If the permitted sites within this 50 mile radius of Magna Park are confined to those that are in direct competition with Magna Park (i.e., sites which are located along key arterial routes), the current provision amounts to just 2.9 years' supply.
 - The average size of warehouse in the East Midlands has increased by 37% in the last nine years – from an average of 18,312 sq m in 2009 to 25,157 sq m in 2018 – which will result in the limited supply that is available or allocated in Local Plans being taken up more quickly than has been the case historically.
 - The current vacancy rate in the East Midlands is just 4.45% across all grades of strategic distribution warehouses (i.e., Grades A, B and C) compared to 8.2% in the West Midlands.
 - The current supply of large scale (\geq 9, 250 sq m) units in the East and West Midlands together is 966,904 sq m, of which the East Midlands share is just 39% – although the average annual take-up rate in the East Midlands is more than double that in the West Midlands. The disparity is evidence of the higher level of demand in the East Midlands against a more constrained supply.
34. While the 700,000 sq m allowance for extending or adjoining Magna Park does add to the concentration of supply at the heart of the Small Golden Triangle, it does not concentrate future

supply at the expense of the geographical spread of sites across the county that the LLSOSS criteria also seeks. That geographical spread is provided, for example, by the 103 ha in a range of different sites that EMP7a Table 2.4 lists.

35. Opportunities to locate in optimal locations on suitably specified sites have the benefit of reducing operators' costs, improving their efficiency and increasing the logistics sector's productivity. The consequence is to contribute positively in turn to the productivity of all of the parts of the wider economy which the logistics industry serves. Optimal locations reduce operators' costs, improve operators' efficiency, increase the logistics sector's productivity and, in turn, contribute to the productivity of the industry sectors which the logistics industry serves.
36. Finally, alongside the increasing tendency towards larger warehousing units, is the increasing tendency for the industry to "cluster" because of the significant economic efficiency and environmental advantages that follow from the physical concentration of warehouse provision. Clusters develop both vertical relationships between suppliers and horizontal relationships between companies that compete with each other yet benefit from shared infrastructure and agglomeration gains (the cost savings that arise from the economies of scale and the accumulation of knowledge and human capital as "free" spillovers). One example is the relationship between Magna Park and nearby DIRFT – where 16% of all trips in and out of DIRFT are from or to Magna Park. DIRFT's rail services benefit from the additional demand which helps to make the services more economic, and the largely road-based occupiers of Magna Park are more likely because of the proximity of DIRFT to use rail for a part of their goods journey.
37. There are, however, a limited number of optimal locations with supporting infrastructure from which logistics operators can most efficiently fulfil demand, of which this general location is a key one in the UK. But there are also particular operational advantages for logistics from cluster activity. Moving between large centres of freight activity rather than dispersed centres lowers transportation costs and almost certainly creates greater reliability as well. In any competitive cluster environment these cost savings get passed on to the logistics operator's customers and hence lower costs across the economy as a whole. Other cluster benefits include:
 - job security (a wide choice of jobs for the logistics sector and its suppliers in a concentrated area) and job ladder benefits (the scale and range of opportunities for career progression in the concentrated area);
 - the inducement to value-added activities such as product differentiation or repair and servicing, as the closer and later this can be done to point of delivery to market, the greater the competitive edge;
 - the scope for sharing resources are facilitated by logistics parks where operators are moving goods from the same origin to the same destination (e.g., sharing HGV so that they are fuller on both legs of the journey, saving HGVs trip numbers, miles and emissions and reducing costs to the logistics businesses and their customers;
 - the scope for sharing infrastructure because logistics hubs centralise the flows of goods and enable the supporting infrastructure to be provided more efficiently (at Magna Park, operators also share a common foul water and sprinkler system); and

- opportunities for small and medium enterprises are generated – to the benefit both of the industry in its ready access to specialist suppliers and to the wider economy and labour market; and
- competition is beneficially increased – driving competing firms (including supplier businesses) in order to remain competitive to enhance their performance, reduce costs to customers and innovate to do so (as sought by NPPF paragraph 80). Competition is one of the main drivers to innovation, and promoting innovation as a means of improving national productivity is one of the core tenets of the UK Industrial Strategy.

Conclusion: Support for the Principle of the BE2 700,000 sq m Allowance and the Allocation

38. Given all these considerations, it is reasonable to conclude that the 700,000 sq m allowance will operate, as national planning policy intends, in a competitive market for the provision and take up of strategic distribution floorspace, both within the Golden Triangle and beyond it and without risk to the deliverability of any one scheme capable of also competing effectively in the market DIRFT III.
39. There are benefits both in competition between suppliers of floorspace and in concentrating (clustering) provision in a few optimal locations over a dispersed model:
- competition is beneficial to the industry because it drives up the quality of property provision, increases choice for occupiers making it more likely that businesses will be able to operate from optimal locations, leading to increases in the efficiency with which logistics businesses can operate and improvements in working conditions for employees. All of these contribute to the sector's costs, competitiveness and productivity; and
 - concentrating provision in optimal locations increases the benefits of clustering (EMP7c page 66) to the logistics industry and thus is advantageous to the industry, its contribution to the productivity of the UK economy, its value to employees and to the growth and development of the small firm sector that supplies the logistics industry.
40. Achieving the benefits of both competition and concentration, however, is dependent on the availability, both in physical and in planning terms, of a sufficient supply of suitable land in the logistics industry's optimal locations.

HDC's Local Plan Evidence Base for the Strategic Distribution Sector (with links to HDC's website):

- EMP6a Leicester and Leicestershire Strategic Distribution Study 2014 - Final Report
- EMP6b Leicester and Leicestershire Strategic Distribution Study 2014 - Part A
- EMP6c Leicester and Leicestershire Strategic Distribution Study 2014 - Part B
- EMP6d Leicester and Leicestershire Strategic Distribution Study 2014 - Executive Summary
- EMP7a Leicester and Leicestershire Strategic Distribution Sector Study Update and Refresh - September 2016
- EMP7b Strategic Distribution Sector Study Update Report - September 2016
- EMP7c Wider Market Developments - Final Report January 2017

Logistics Market report Magna Park Lutterworth



Contents

1.	Introduction	3
1.1.	Research Overview	3
1.2.	Scope and structure of the report	3
2.	Logistics Property Market Conditions	5
2.1.	National overview	5
2.2.	East Midlands Supply	12
2.3.	East Midlands Take-up	14
2.4.	East Midlands committed speculative pipeline	16
2.5.	West Midlands Supply	18
2.6.	West Midlands take-up	19
2.7.	West Midlands development Pipeline	22
3.	Competing development Sites	24
3.1.	Overview	24
3.2.	Competing sites	24
4.	The availability of sites and the impact on occupier requirements	28
5.	Conclusions	29

1. Introduction

1.1. Research Overview

Savills Research was commissioned in September 2018 to undertake a logistics property market report to provide up to date market information with a view to informing representations at the Harborough Local Plan Examination hearings scheduled to take place in October 2018.

Each chart or table, unless otherwise stated, draws on data from a proprietary database of information held by Savills Research for existing units over 9,290 sq m (100,000 sq ft) or development sites capable of accommodating units to be constructed over 9,290 sq m (100,000 sq ft).

1.2. Scope and structure of the report

Gazeley commissioned Gerald Eve in February 2015 to produce a report determining the relative strength of offering at Magna Park Lutterworth by comparing it to other logistics property schemes in an appropriate area of competition for occupiers based on property market and other criteria important to occupiers when making locational choices for logistics operations.

This report by Savills Research updates section three (Logistics Market Conditions) and section 5.2 (The availability of sites) of the 2015 Gerald Eve report with the most up to date information, correct at the end of the second quarter of 2018.

This report does not provide an up to date version of the scoring criteria Gerald Eve applied to the individual sites.

Section two of this report provides our analysis of the current logistics market conditions and examines the market and both a Nationwide and regional level. The report examines the East and West Midlands market areas in detail in order to ensure that our analysis captures the markets where occupiers who will be considering locating at Magna Park will be conducting their searches.

Section three of this report provides our update of competing sites. As occupier requirements increase in size they generally become more geographically footloose and focus on the deliverability of any future units. We have therefore focussed our analysis in this regard on sites that are capable of delivering a unit of at least 23,225 sq m (250,000 sq ft) or more.

The site will be drawn from our aforementioned database based upon a 50 miles search radius from Magna Park Lutterworth, therefore maintaining consistency with the 2015 Gerald Eve report.

The report uses various industry terminology which is defined as the following:

Golden Triangle:

Broadly the area between Leicester, Coventry and Northampton – is considered the optimal position for national distribution as a result of its geographic location in roughly the centre of Great Britain.

Logistics Market Report – Magna Park Lutterworth



Grade of supply:

BTS: Newly constructed warehouse specifically for an occupier

Spec grade A: Newly constructed warehouse with no occupier in place

Grade A: 2nd hand in prime location, modern unit or extensively refurbished, no issues with yard, height or doors

Grade B: 2nd hand but as above but with one factor compromising unit

Grade C: 2nd hand and either poor logistics location or many compromising factors

Direct and indirect competition:

Direct competition refers to sites within 35-40 miles along the M1/A14/M6 corridors within less than an hour travel time from Magna Park Lutterworth. Indirect completion would include all other sites within the 50 mile catchment used for the study.



2. Logistics Property Market Conditions

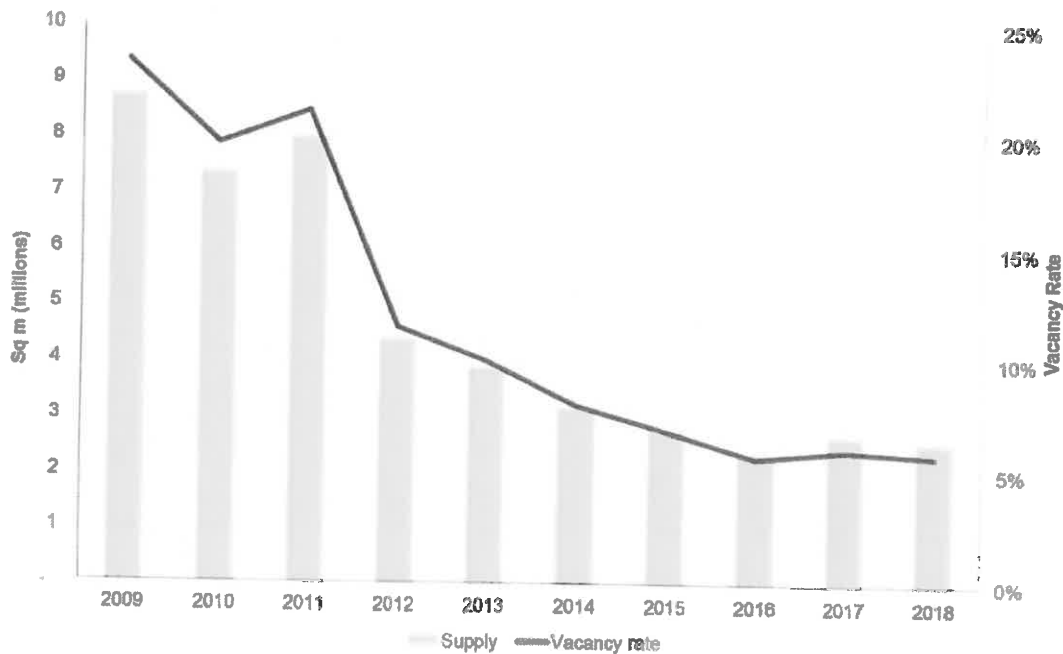
2.1. National overview

2.1.1. Supply

Across the United Kingdom, the supply of vacant existing warehouse units over 9,290 sq m (100,000 sq ft) is currently 2,530,820sq m (27,241,541 sq ft) across 143 separate units. Savills, in conjunction with the UK Warehousing Association, has undertaken an audit of the current UK logistics stock. This study estimates a current supply total stock figure of approximately 44.4M sq m (478M sq ft) and considering the current supply, the nationwide vacancy rate rests at 5.70%.

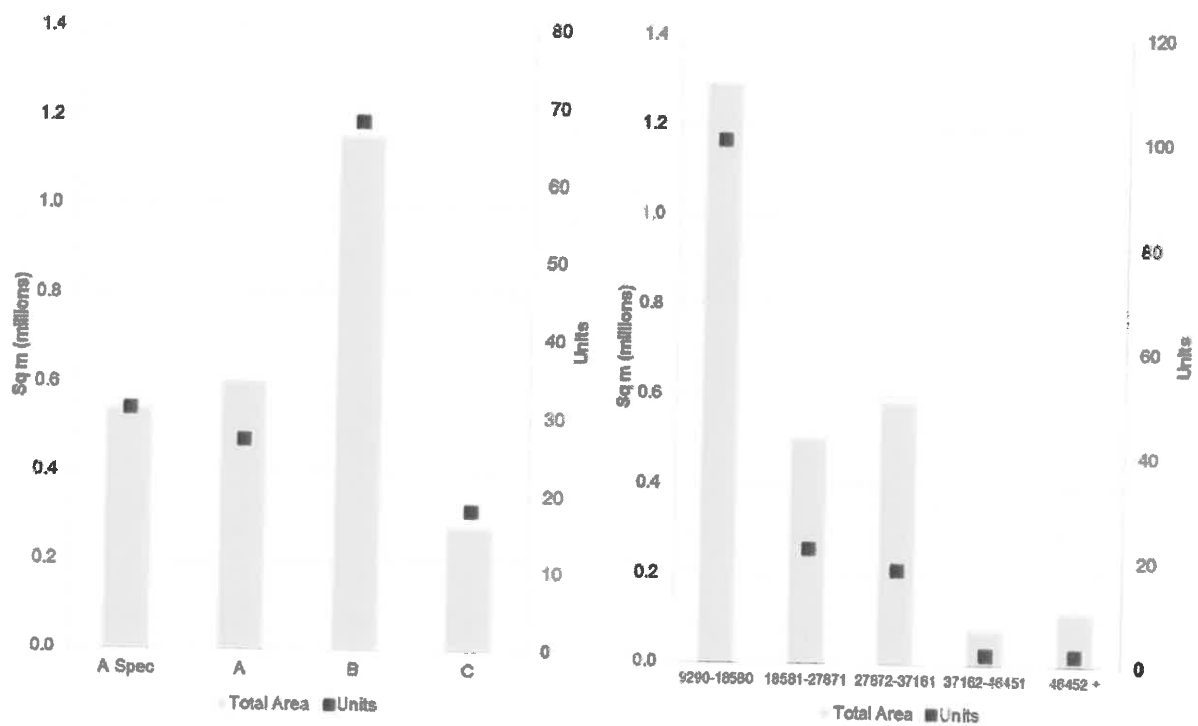
There has been a continued decrease in available supply which is apparent in graph one. Strong occupier demand and high levels of take-up has stimulated this supply shortage in many regions, the chart highlights that supply has decreased 4% since the end of 2017 and has fallen by 71% from the peak of 8.73M sq m (94M sq ft) in 2009.

Graph 1: UK Logistics Supply & Vacancy



As demonstrated by graph two the majority of the existing available units are of secondary quality, 55% of the units available are classified as either grade B or C. Moreover, through observations of the current stock levels it is evident that there exists a shortage of units in the larger size bands, with just 31% of total supply by for units over 18,581 sq m (200,000 sq ft) by unit count, which could lead demand being potentially unsatisfied.

Graph 2: UK supply by grade and size band

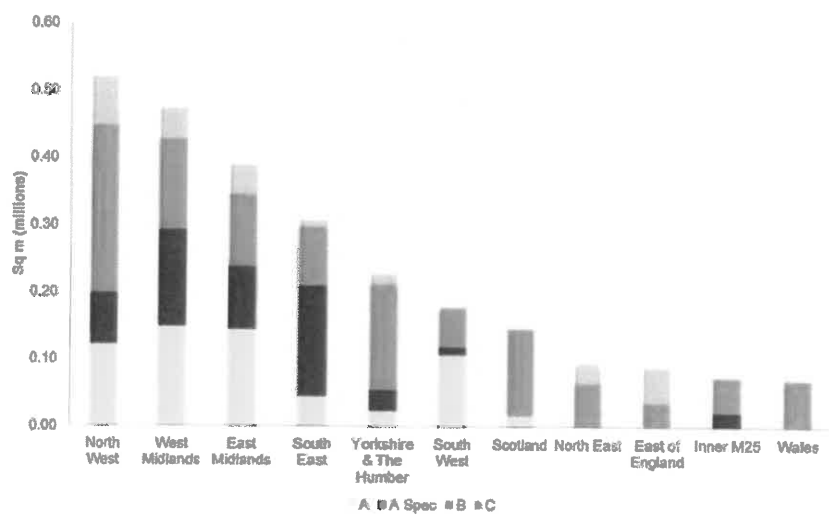


Current supply levels show just 22 buildings on the UK market in excess of 27,871 sq m (300,000 sq ft). Notably, only two of which are between 37,162–46,451 sq m and just two over 46,451 sq m (500,000 sq ft). Moreover, there are only four new grade A units over 27,872 sq m (300,000 sq ft) the largest being Altitude at Milton Keynes comprising of 53,349.9 sq m (574,254 sq ft) and M6DC in Cannock comprising of 34,559.92 sq m (372,000 sq ft).

At a regional level, and as demonstrated in graph four, the North West has the highest amount of supply totalling 521,312 sq m (5,611,360 sq ft). However, it should be noted that the North West also has the highest amount of grade C stock which is arguably not fit for the purpose of the Omni-channel retail supply chain now required in modern society.

The South East has the highest amount of speculatively developed space available across the regions, with 164,793 sq m (1,773,827 sq ft) currently under construction across eight units, notable developers active in the area include Prologis and Gazeley. The largest speculatively developed unit available in the UK is Altitude located at Milton Keynes providing 53,349 sq m (574,000 sq ft) of grade A quality space.

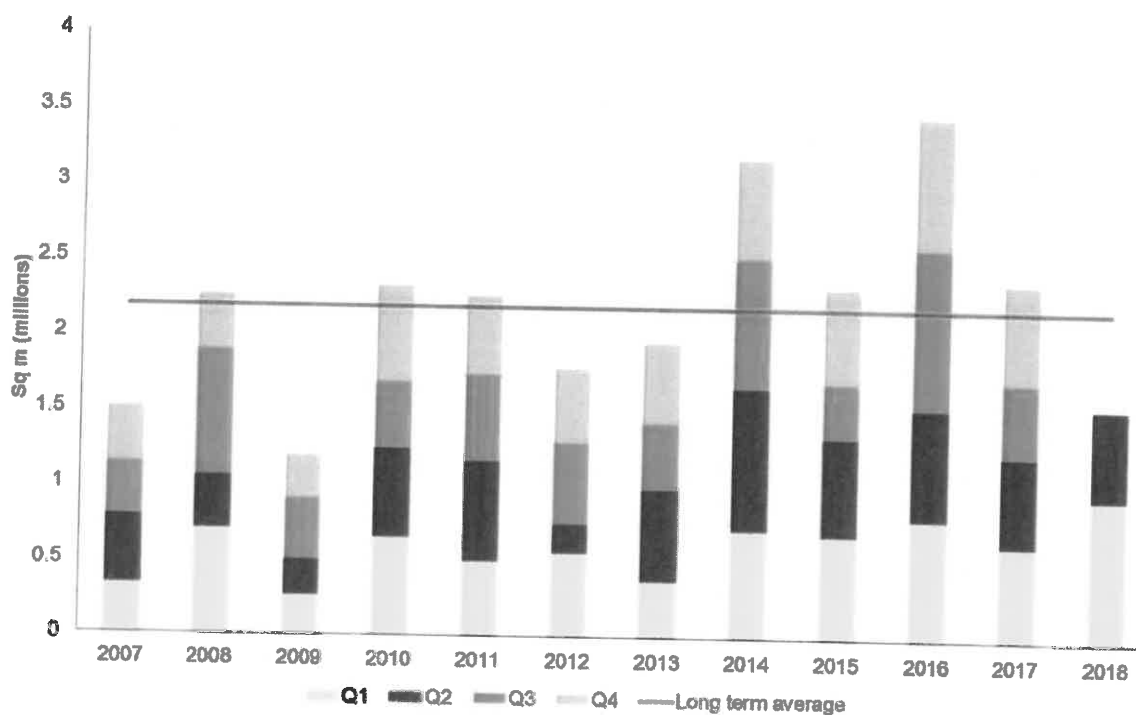
Graph 3: Supply by region



2.1.2. Take – up

Take-up for H1 2018 reached 1,546,567 sq m (16,647,126 sq ft) which is 35% higher than the long-term average for H1 which currently rests at 1,145,665 sq m (12,331,841 sq ft). There were 55 lettings recorded in H1 2018 which is only a single unit less than H1 2017 but is however 3.8% ahead of the long term average of 53 lettings at the half year point. These take-up figures continue to reflect the strong occupier demand that currently exists within the market.

Graph 4: UK Logistics take-up

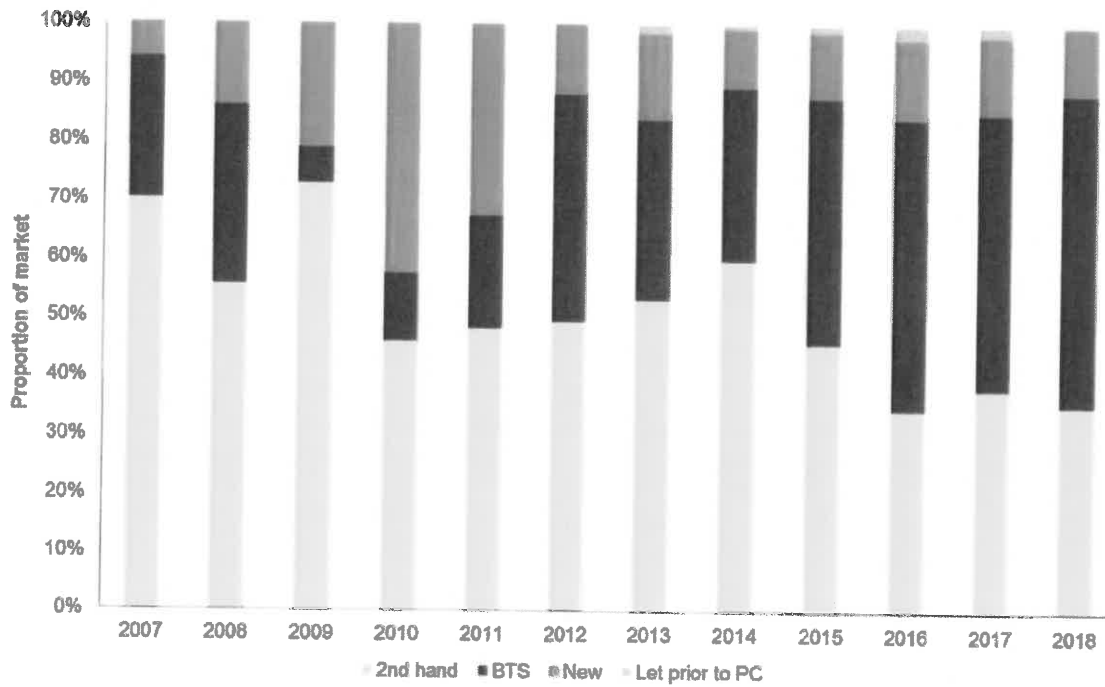


For the first half of 2018 the 46,452 + sq m (500,000 + sq ft) unit size band witnessed the highest amount of transactional activity with 685,007.91 sq m (7,373,367 sq ft) traded, accounting for 43.8% of total space leased. Build-to-suit lettings have counted for all bar one of the deals within the 46,452+ sq m (500,000 sq ft+) size band, the largest deal being Link 66 Darlington where Amazon acquired 140,131 sq m (1,508,367 sq ft) of space.

As supply levels have generally remained stable at a Nationwide level for the last four years occupiers with larger requirements have been driven to take build to suit deals to satisfy said requirements.

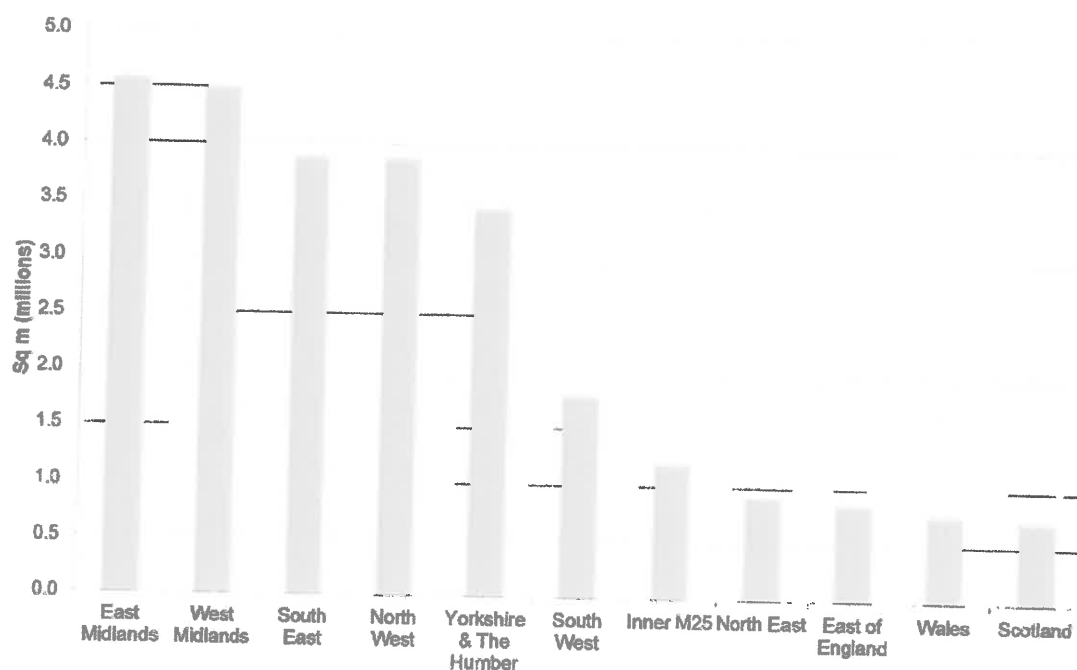
As graph five demonstrates 2018 has seen 53% of all of the floor space transacted accounted for by BTS units, against a long term, average of just 32%.

Graph 5: Take-up by grade



Sevills have been recording information on the UK logistics market since 2007 for units over 9,290 sq m and in that period we have recorded 26,513,561 sq m of occupational deals. As demonstrated in graph six, overleaf, the East Midlands market area has seen the most space transacted and making up 17.2% of the market equating to 4,567,743 sq m, compared with its nearest rival the West Midlands at 16.9% of the market.

Graph 6: 2007 – 2018 take-up by region



2.1.3. Committed development pipeline

Responding to the current lack of supply and continued strong occupier demand developers and investors have responded accordingly and speculative announcements have increased in 2018.

Savills are currently tracking 45 units accounting for 857,494 sq m (9.23m sq ft) of space due for delivery in the remainder of 2018 and into 2019. Of this committed speculative development 64% of units are under 18,581 sq m. Regionally 29% of these units are in London and The South East as Table one, overleaf highlights.

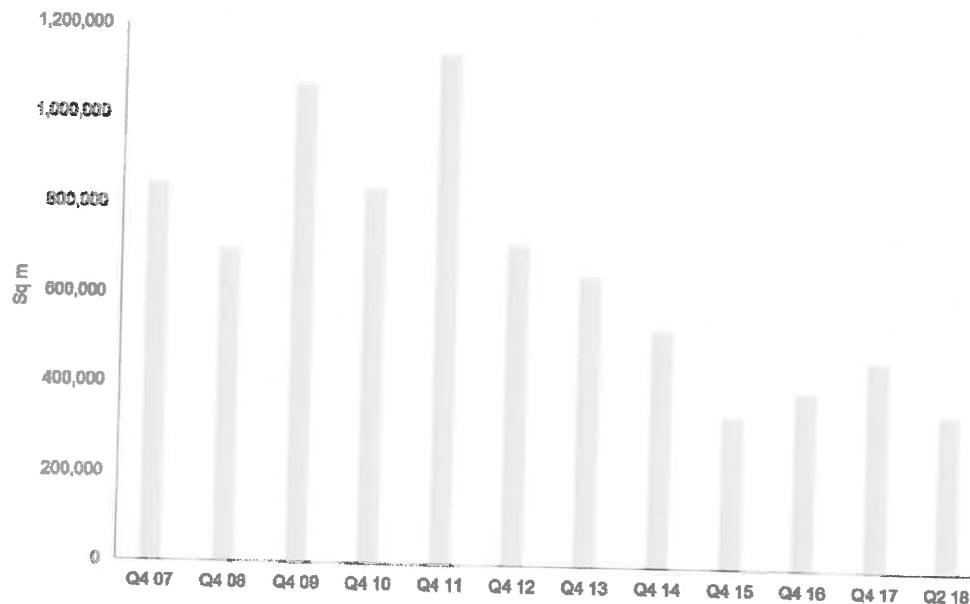
Table 1: UK warehouse development pipeline by region and size

Region	Size Range(sq m)					Total
	9,290-18,580	18,581-27,871	27,872-37,161	37,162-46,451	46,452 +	
South East	8	1	1	1		11
East Midlands	3	2	1		2	8
North West	6	1	1			8
West Midlands	4	2		1		7
Yorkshire & The Humber	3	2				5
East of England	1	1				2
Inner M25	2					2
South West	2					2

2.2. East Midlands Supply

The supply of available warehouse units in the East Midlands has plummeted in recent years falling 66% from a 2011 peak of 1,141,487 sq m to 350,887.72 sq m at the half way point of 2018, as demonstrated in graph seven.

Graph 7: East Midlands warehouse supply

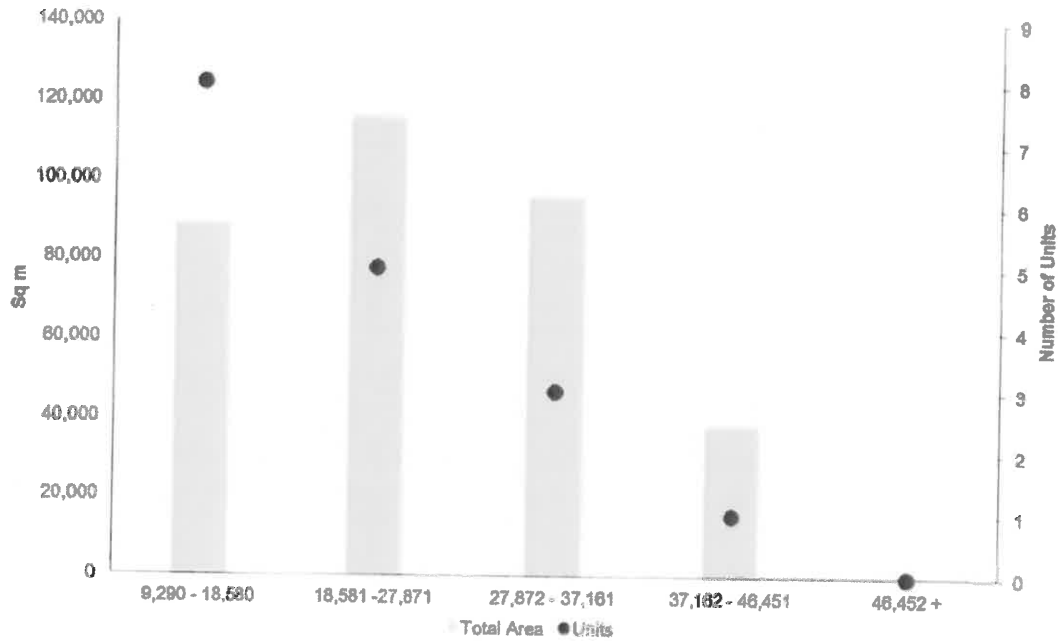


In the East Midlands region, the total supply of existing vacant units over 9,290 sq m (100,000 sq ft) is currently 338,720 sq m (3,645,951.74sq ft) across seventeen separate units which includes four new grade A speculative built units totalling 89,750.47 sq m (966,066.02sq ft). Considering the current supply and with stock levels reaching 8,440,893 sq m (91,279,951 m sq ft) the vacancy rate in the East Midlands rests at 4.01%. Furthermore, out of the current supply, the largest grade A building available is the second hand unit Quantum at Magna Park Lutterworth developed by Segro totalling 38,240 sq m (411,613 sq ft). The second largest unit being X Dock 377 at Magna Park totalling 35,030 sq m (377,070 sq ft), which is being refurbished by Standard Life.

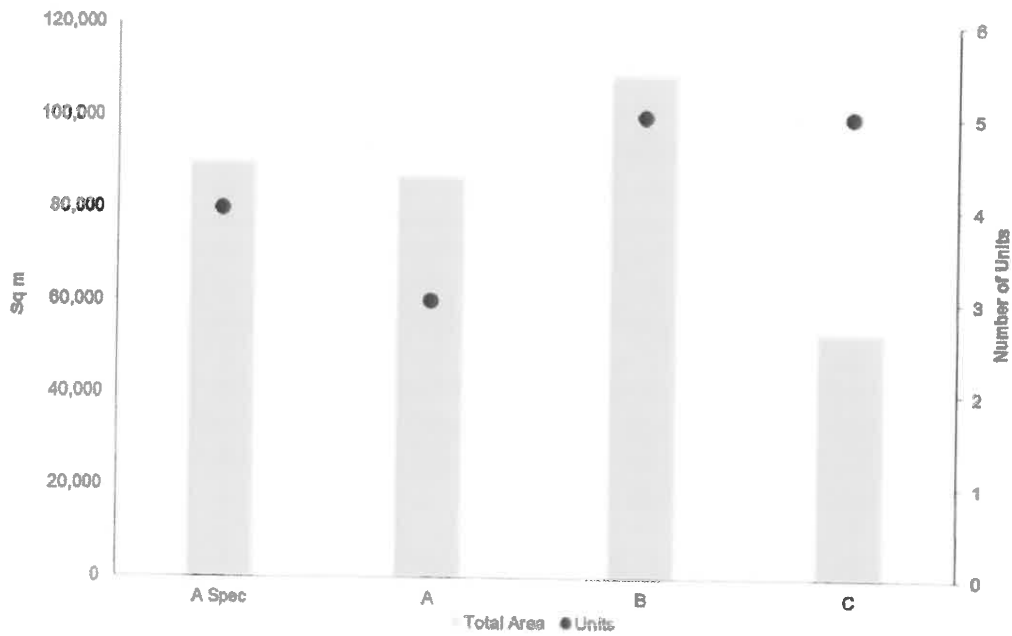
Moreover, as demonstrated in graph eight, the East Midlands supply is skewed towards smaller sized units. The East Midlands area is currently experiencing a supply shortage of larger units, 47.05% of units in the area are within the 9,290-18,580 sq m size range, furthermore there is only a singular unit (5.26% of stock) above 37,162 sq m (400,000 sq ft), which is the aforementioned Quantum at Magna Park totalling 38,240.08 sq m (411,613 sq ft).

Furthermore, as shown in graph nine, the current stock primarily consists of good quality units with only 15.72% of the total space vacant on the market classified as grade C second hand units. The graph notes that 52.11% of the available units are of grade A quality or above, with two out of the seven units located at Lutterworth Magna Park along with numerous other units dispersed across the region.

Graph 8: East Midlands warehouse supply by size



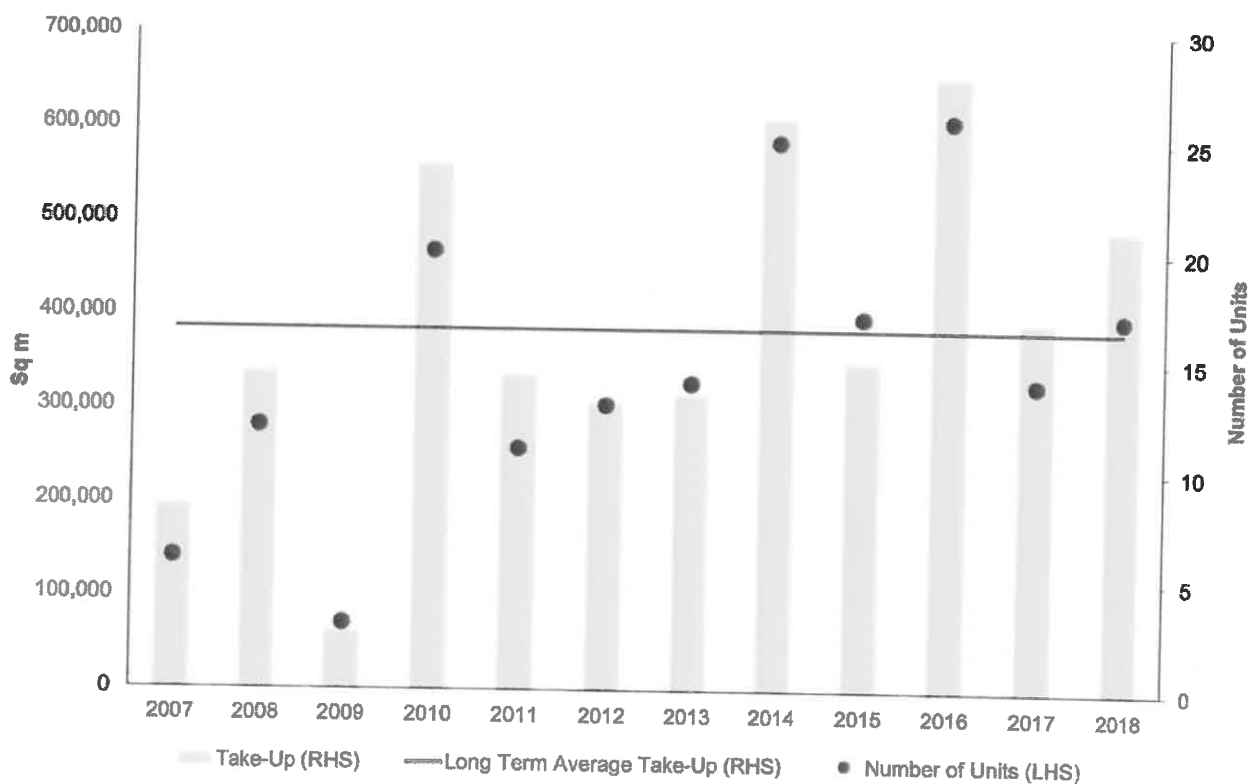
Graph 9: East Midlands warehouse supply by grade



2.3. East Midlands Take-up

Take-up in East Midlands reached 372,103 sq m (4,005,292 sq ft) at the end of H1 2018 which was nearly double that of H1 2015, these levels are just below the long term yearly average at H1 2018 of 375,420.28 sq m (4,040,992 sq ft). Nationwide, the East Midlands accounted for 24% of the nationwide total H1 2018 take-up underlining the strong occupier demand currently present in the East Midlands market. Moreover, by comparing these figures to levels in H1 2009, which saw only a singular transaction, it is evident that there has been an increased strength in occupier demand within the market.

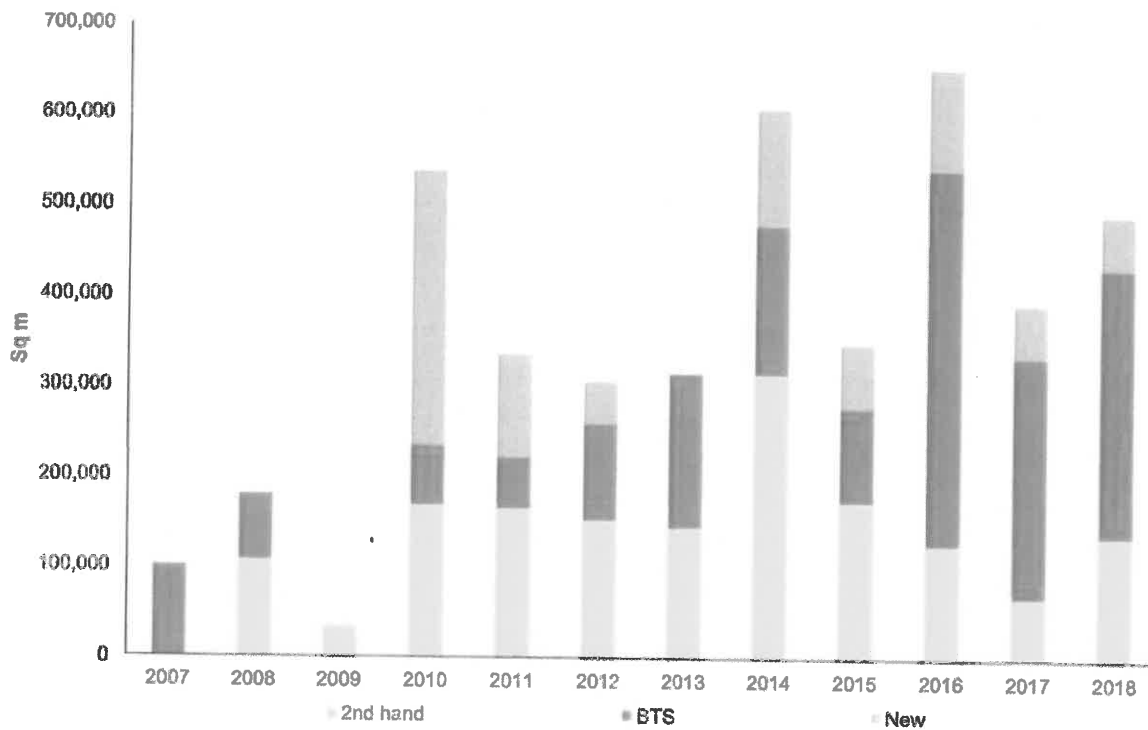
Graph 10: East Midlands warehouse take-up



Traditionally, the Midlands has been the home of larger units as operators have sought to use and gain advantage from the central location and fast access to the national motorway network by locating their national distribution centres within the East Midlands area.

As demonstrated in graph 11, the East Midlands market has historically been relatively balanced in the proportions and levels of Second Hand, BTS, New and Let prior to PC deals. However recently, the build to suit sector has been the most dominant in the East Midlands accounting for 68% of take-up so far in 2018. Analysing trends in the percentage take up suggests that the lack of supply of larger units has resulted in occupiers using the Built-to-Suit option as the only viable alternative when satisfying large requirements. The largest Built-to-Suit letting this year was Amazon acquiring 120,773 sq m (1.3M sq ft) at East Midlands Gateway.

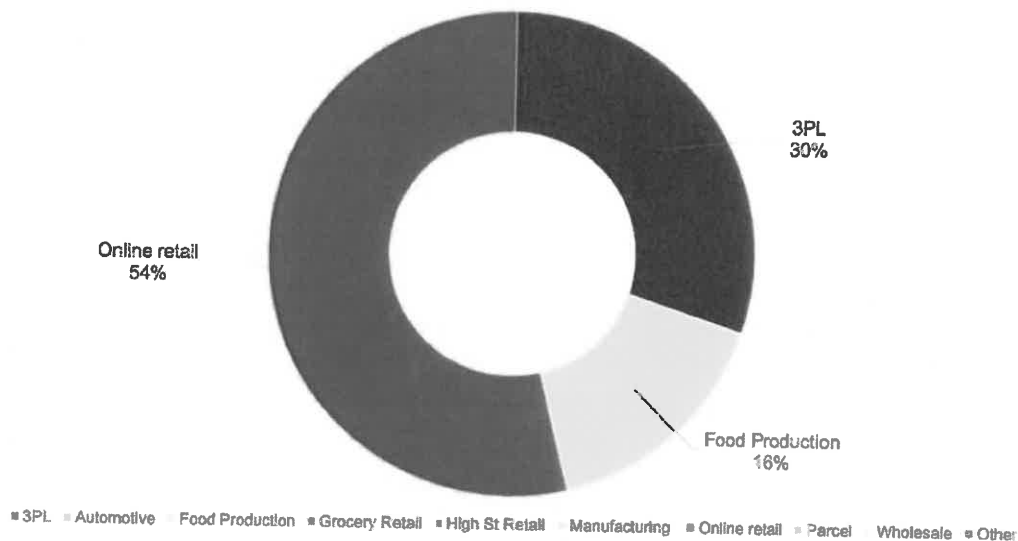
Graph 11: East Midlands take-up by grade



Historically, the market has been relatively balanced with no trend of a particular size band dominating the market however in H1 2018 the 46,452+ sq m (500,000+ sq ft) size bracket has accounted for the highest proportion of space leased accounting for 61% of all space transacted through three separate deals. The largest unit transacted being the aforementioned Amazon letting at the East Midlands Gateway. The 9,290-18,580 sq m (100,000-200,000 sq ft) size bracket also traded well, accounting for 21% of total transactions through five separate deals.

Furthermore, the chart below highlights the volatile nature of the dominant occupier type; with the historically prominent grocery retail and manufacturing taking no extra space in H1 2018. Interestingly, trends which have emerged within the East Midlands market have followed UK wide predictions with 3PL take-up remaining strong (29%) primarily due to the East Midlands geographical location and fast access to the national motorway network. In addition, notable shifts in consumer habits have impacted take-up levels in the region through the evident increase of take-up by online retailers (54%). In H1 2018, the online retail sector accounted for 32% of take-up which was the highest amongst any sectors, this is in part due to the Amazon letting of the East Midlands Gateway. Moreover, Shop Direct is another notable online retailer to acquire space in the midlands in H1 2018.

Graph 12: East Midlands occupier type 2018

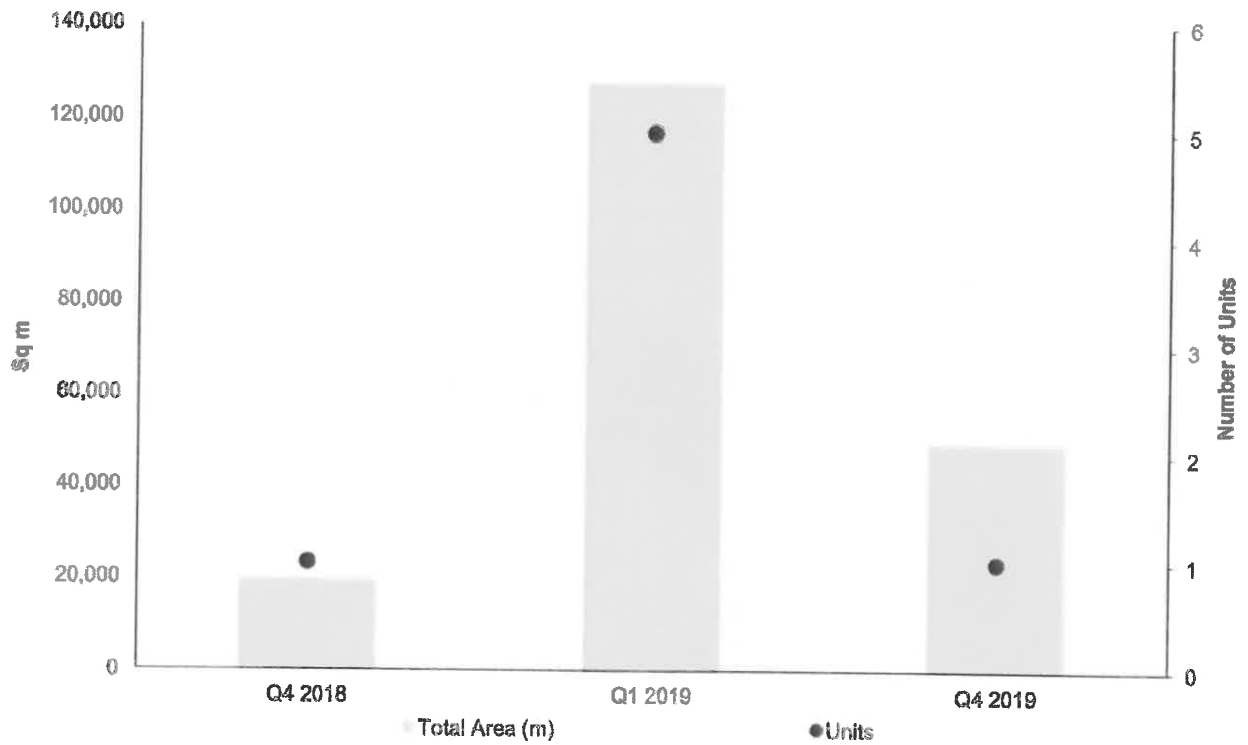


2.4. East Midlands committed speculative pipeline

Savills research track all speculative development announcements through the development pipeline. East midlands is continuing to experience a surge in speculative development with a current 196,585 sq m (2,116,031 sq ft) under construction. Presently, there are three units under construction in the East Midlands area above 37,162 sq m (300,000 sq ft), the largest of which is Nottingham 550 where First Panattoni are speculatively developing 51,096 sq m (550,000 sq ft) due for delivery in March 2019.

Historically there was a dearth of new grade A supply in the region. However, after strong levels of speculative development, the region is witnessing an expansion of the range of units available of varying grades demonstrating an active market and a strong developer confidence in the East Midlands area.

Graph 13: East Midlands speculative development pipeline

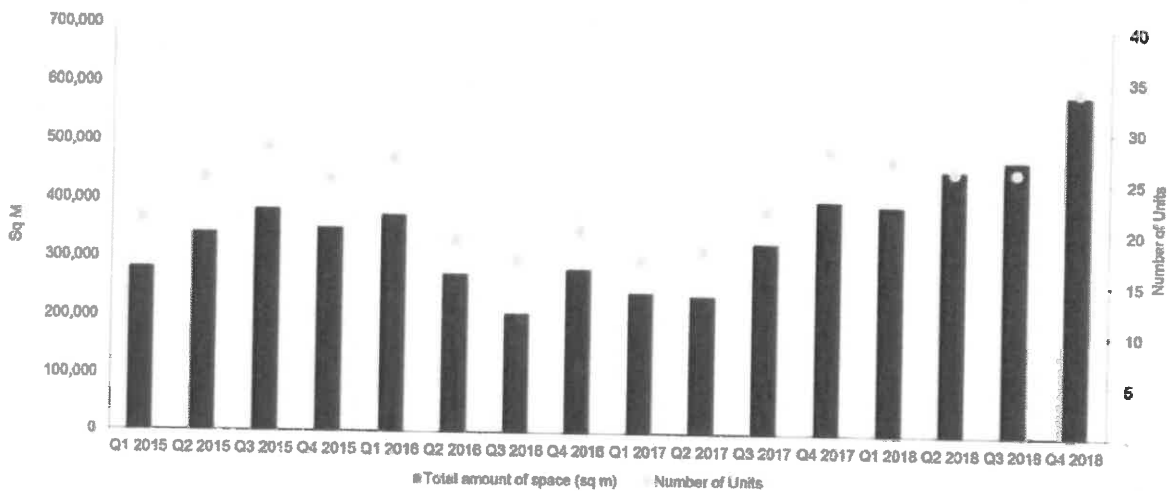


2.5. West Midlands Supply

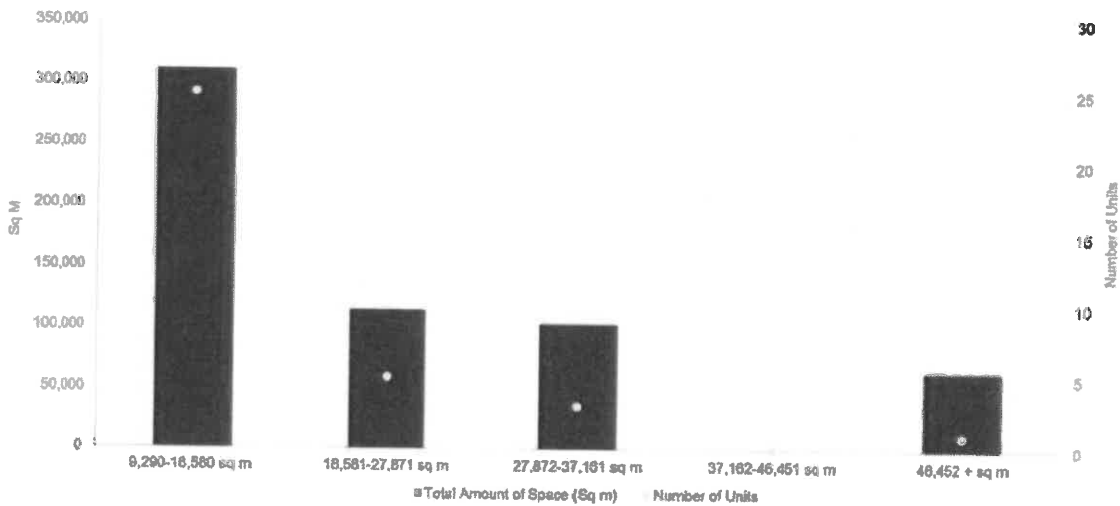
In the West Midlands, the total supply of existing vacant units over 9,290 sq m (100,000 sq ft) is currently 588,892.58 sq m (6,338,787 sq ft) across thirty-four separate units which include nine grade A speculatively built units totalling 155,308.98 sq m (1,671,732 sq ft). Furthermore, based on the current stock levels of 7,162,824.38 sq m, the vacancy rate in the West Midlands is 8.2%, the highest it has been for multiple years. This has been driven by strong development stimulated by developer confidence which is reflected in the current supply of 155,146.07 sq m available of vacant grade a speculatively developed space.

The largest new unit available is M6DC Cannock which comprises 34,559 sq m, this unit was speculatively developed by Graftongate and achieved practical completion in July 2017. The current supply in the West Midlands is dispersed across the region, Birmingham and Coventry have the highest concentration of units available in the market area with seven units available each.

Graph 14: West Midlands warehouse supply



Graph 15: West Midlands warehouse supply by size range



The chart above highlights how the current supply in the West Midlands market is heavily weighted towards the 9,290-18,580 sq m (100,000-200,000 sq ft) size band. There is currently 309,480.19 sq m (3,331,217 sq ft) available in this size band which equates to 52.5% of total available supply. There are four units above 27,871 sq m of which two are of second hand quality. A singular unit exists in supply above 46,452 sq m at Cross Point Business Park in Coventry which provides 64,103 sq m of second hand space.

Across the the West Midlands using the long term average for take-up there is currently only 1.49 years of supply which highlights the current supply shortage.

2.6. West Midlands take-up

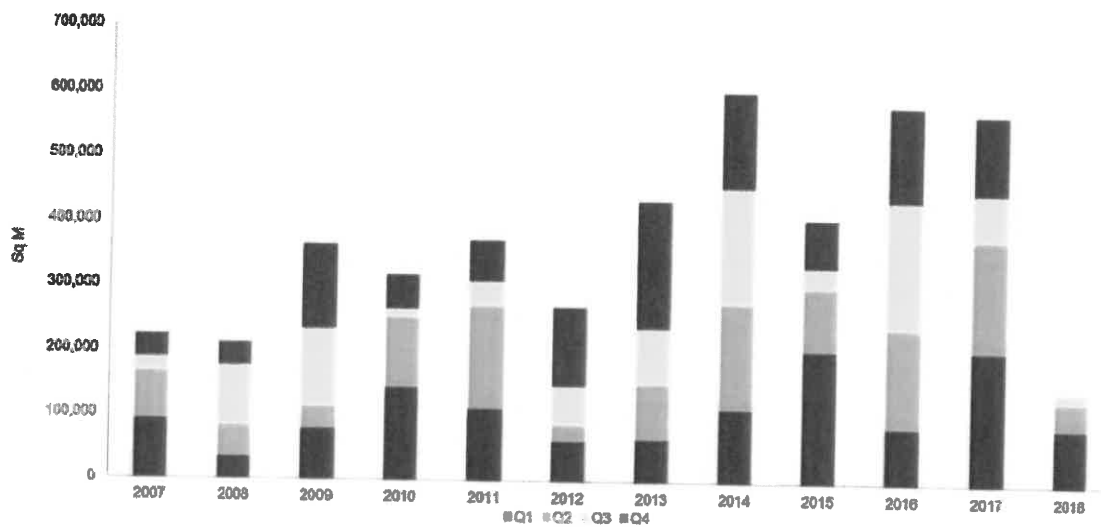
The West Midlands is a key occupational market for the United Kingdom industrial demand, take-up has regularly exceed 371,612.16 sq m (4M sq ft) in recent years, highlighting the strong occupier demand. The fast access to the national motorway network that the region can provide has proven popular amongst occupiers and many have located their national distribution centres in within the region.

Take-up in the West Midlands reached 580,644 sq m (6.25 million sq ft) in 2016 which represented a buoyant year for take-up being the second highest year of take-up in the last ten years.

In 2016 take-up was a 43% increase from 2015 and 54% above the long term average of 376,257.31 sq m (4.05 million sq ft) underlining the strong transactional activity. 2017 mimicked this remaining positive with take up of 568,566.6 sq m (6.12m sq ft) being recorded.

However recently, there has been a lull in take-up with the area seeing take the lowest H1 take-up record since 2012 amounting to 128,970 sq m (1,388,225 sq ft). This may be due to the lack of supply of large units within the region. Furthermore, it is important to understand which size bands are the most liquid and more attractive to occupiers. The graph below illustrates the recent take up by size band as a proportion of the deals signed.

Graph 16: West Midlands warehouse take-up

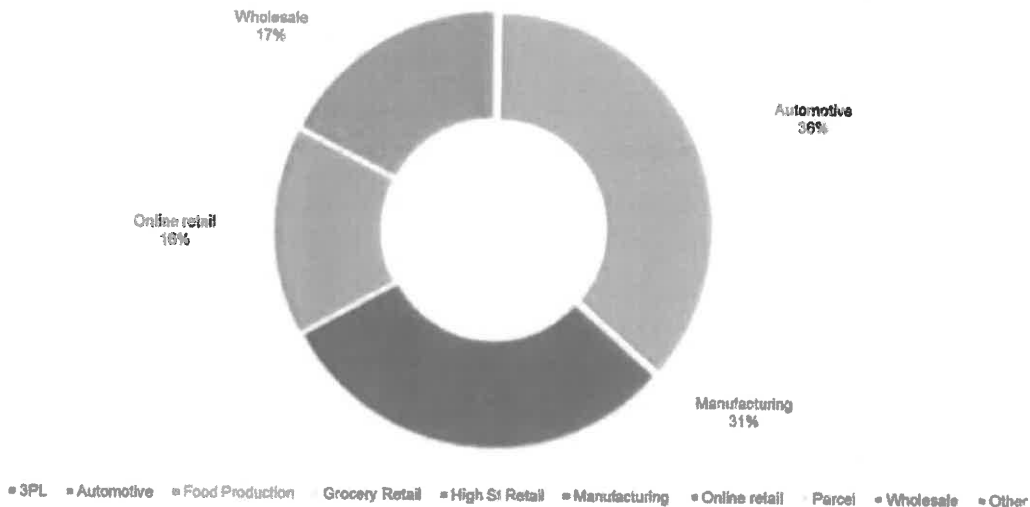


The 9,290 sq m – 18,580 sq m (100,000-200,000 sq ft) size band has historically been the most liquid when compared to the other size bands accounting for an average of 59% of deals recorded. Whilst this is to be expected, the graph above shows that the proportion of deals signed above 37,161 sq m is relatively low, in most years under 20% of deals recorded have been above 27,872 sq m and whilst this can be attributed to a lack of occupier demand in the higher size bands, there has also been a lack of larger units available in the region which has resulted in fewer transactions involving larger units. In 2018, the occupier demand was clearly for smaller warehouses with 6 deals being recorded under 18,580 sq m, which accounted for 67% of total deals highlighting the current strong occupier demand within the smaller size bands.

Whilst the occupier demand is weighted towards the smaller size band, there has still been occupier activity in the larger size bands. There have been ten deals signed over 46,452 sq m since 2008 with the retail and manufacturing sectors being the most active business sectors to acquire large units in the region. Recent examples of occupiers signing for units over 46,452 sq m include Gestamp Talent, Screwfix, XPO Logistics and Jaguar Land Rover. It could be argued that the lack of availability of large units has impeded take-up in these size bands increasing, two recent deals above 46,452 sq m were both agreed off-market.

The occupier type has changed drastically since 2010, historically the retail sector was the most active occupier type this was evident in 2010. The grocery retail and high street retail sector accounted for 69% of take-up in 2010 whilst this reduced to only 9% in 2016. The online retail sector has become more active in the market, in 2016 it accounted for 10% of take-up and the sector has continued to lease space in 2017. Amazon have leased two units in 2017 totalling 730,000 sq ft.

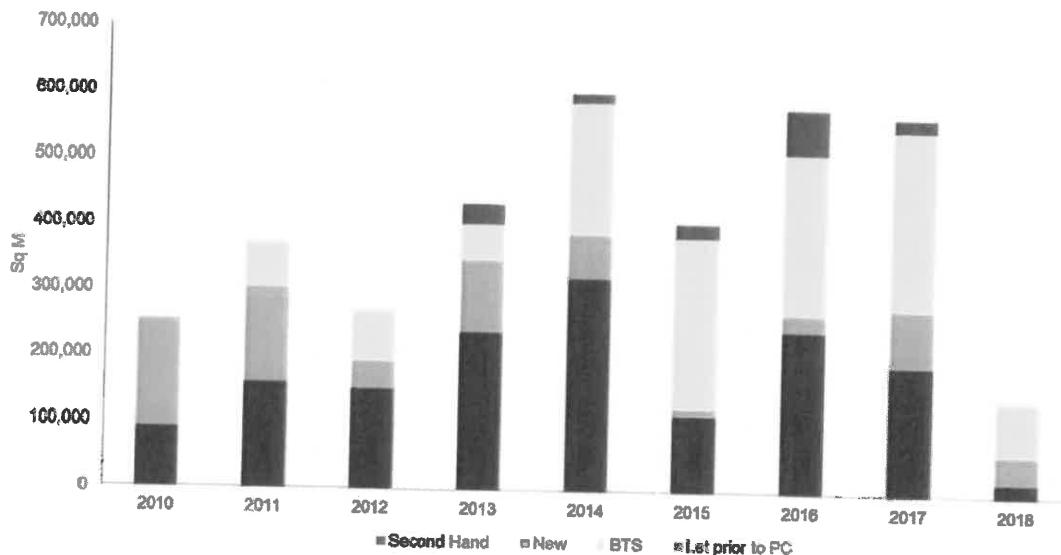
Graph 17: West Midlands warehouse take-up by occupier type (2018)



Jaguar Land Rover have been notably active within the market since 2016, they have leased three units totalling 157,006 sq m, the continued investment into the automotive sector by occupiers and the government has resulted in strong demand from the sector aside from Jaguar Land Rover, Aston Martin and Michelin have both acquired units since 2016 totalling 24,990.9 sq m. However, take-up in the Automotive sectors has recently decreased which may be due to the lack of supply of larger units or additionally uncertainties surrounding Brexit.

In 2018, we see this trend continuing where Automotive and Manufacturing have together accounted for 67% total take-up.

Graph 18: West Midlands warehouse take-up by grade



Accumulatively, Second hand and Build-to-Suit deals accounted for 71% of the total sq ft being transacted so far in 2018 which totalled 102,271 sq m of take-up. The build to suit sector is the most dominant within the West midlands, the current lack of supply of larger units has resulted in occupiers using the build-to-suit option as the only viable alternative when satisfying large requirements.

The lack of speculative development of larger units in the region has resulted in a small amount of new units being acquired, however there is clear demand for new units which is highlighted by the 68,185 sq m of space which was let prior to practical completion in 2016. This was across four separate units which underlines the strong occupier demand for new units.

2.7. West Midlands development Pipeline

The current supply shortage of larger units in both the West Midlands and Staffordshire market would suggest that the market area would be suitable for speculative development. Developers are responding to the current supply shortage as there is 113,341.7 sq m under construction in the West Midlands market across 6 units.

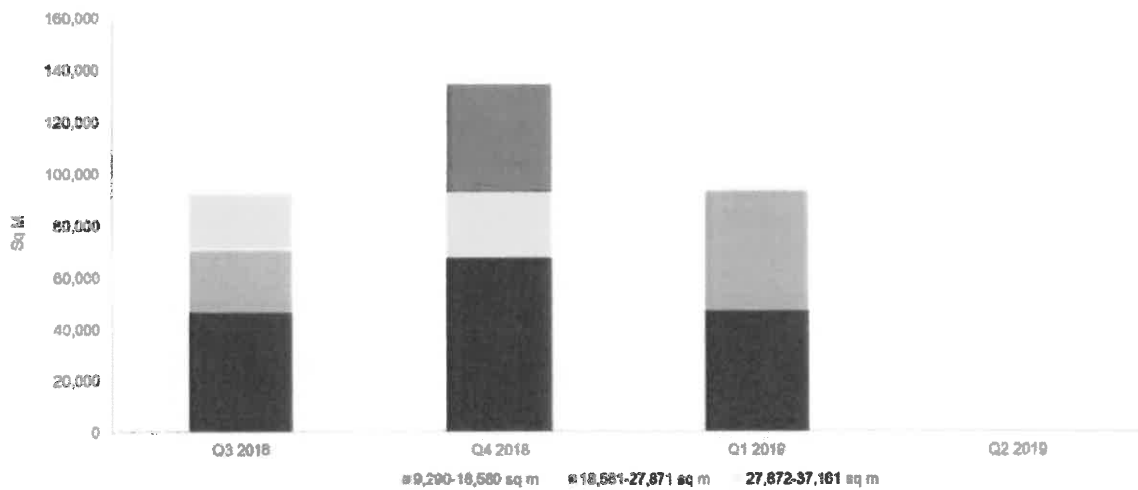
The chart overleaf illustrates the timescale of new development and which size bands are being catered for in the West Midlands market.



The largest unit set to achieve practical completion in the market area is at Wolverhampton 450, where First Panattoni are speculatively developing 41620.5 sq m.

The smaller size bands have experienced the highest volume of speculative development in the West Midlands, four units under construction are in the 9,290-18,580 sq m size band which accounts for 66.6% of all units under construction.

Graph 19: West Midlands warehouse take-up by grade



The development activity is not particularly dispersed across the wider market, there are two units being speculatively developed in Wolverhampton. The only other markets experiencing speculative development are Stoke, Tamworth, Cannock and Birmingham all experiencing the construction of a singular unit.

3. Competing development Sites

3.1. Overview

Primarily through desk based research and using Savills strong connections in the industrial and logistics market we have built a Nationwide database of development sites for future logistics development.

Our criteria for inclusion in this database is that the sites is being actively promoted, with agents appointed and marketing the scheme and that some form of planning permission or allocation has been achieved. In other words a tenant could expect to sign a deal on the scheme and start construction in a reasonable timeframe after deal completion.

3.2. Competing sites

Using the 50 miles radius from Magna Park Lutterworth and maintaining consistency with the 2015 Gerald Eve report we have identified 45 sites within the boundary that can accommodate at least one single unit over 23,225 sq m (250,000 sq ft).

These sites range in size from 5 to 228 hectares and combined total 1148 hectares which are capable of delivering 3,813,860 sq m (41,052,065 sq ft) of warehouse space.

Working with Savills Industrial agency colleagues we have examined current market occupier trends and flagged which sites we consider to be direct and indirect completion to Magna Park Lutterworth.

This identifies that there are 21 sites considered to be direct competition which total 745 hectares which can accommodate 2,351,054 sq m (25,306,534 sq ft) of warehouse space.

Using the five year average of take-up of 801,322 sq m (8,625,365 sq ft) for units over 23,225 sq m (250,000 sq ft) for 50 mile radius this would provide 2.9 years' worth of supply within the direct competition sites.

Should the indirect sites also be included in the analysis the years of supply figure rises to 4.75 years.

It should however be noted that this analysis assumes that no speculative development takes place on the identified sites.

Moreover it should also be noted that logistics buildings are generally getting larger and therefore sites will be built out at quicker rates than historical analysis would identify.

Indeed, at a Nationwide level the average size deal in 2018 for units over 9,290 sq m (100,000 sq ft) stands at 25,157 sq m (270,790 sq ft), the largest level ever recorded, up from 18,312 sq m (197,117 sq ft) in 2009.

Therefore it would be sensible to assume that the available land within the search radius will decrease as speculative development comes forward and larger buildings deliver less units on sites.

Table 2: Directly competing development sites within 50 miles radius of Magna Park Lutterworth

Site/scheme	Location	Developer	HA available	Acres Available	Potential sq m	Potential sq ft
East Midlands Gateway	Castle Donnington	SEGRO/Roxhill	228	564	300,000	3,229,175
DIRFT III	Daventry	Prologis	163	402	622,430	6,699,784
Midlands Logistics Park - Phase 2	Corby	Mulberry/Frogmore	57	140	135,889	1,462,700
Prologis Park Wellingborough	Wellingborough	Prologis	45	110	200,000	2,152,779
Kettering Gateway	Kettering	SEGRO/Roxhill	36	90	111,484	1,200,000
EMDC	Castle Donnington	Clowes	30	74	128,477	1,382,916
Mountpark Bardon II	Bardon	Mountpark	29	73	120,000	1,291,670
Midas 22	Nailstone	Curtis Hall	20	50	93,000	1,001,044
Leicester Distribution Park	Leicester	Graftongate/Blackrock	18	45	69,677	750,000
Centrix	Corby	Clowes	16	39	24,155	260,000
Panattoni Park Northampton	Northampton	First Panattoni	14	36	96,619	1,040,000
Prologis Hams Hall	Coleshill	Prologis	14	44	82,400	886,947
Prologis Park Ryton	Coventry	Prologis	14	34	47,769	514,180
Manton Park	Corby	Frenbury	9	23	23,226	250,000
Nucleus Fradley	Lichfield	Evans	9	22	46,452	500,000
Liberty Park	Lichfield	Stoford	9	22	40,877	440,000
Prologis Park Fradley	Lichfield	Prologis	8	20	32,888	354,000
Core 42	Tamworth	Hodgetts Estates	8	19	32,090	345,414
Hinckley Park	Hinckley	IM Properties	7	18	41,806	450,000
Prologis Park Kettering	Kettering	Prologis	6	16	36,817	396,292
Tamworth Logistics Park	Tamworth	St Modwen	5	13	65,000	699,654
Totals			745	1,854	2,351,056	25,906,555

Table 3: Indirectly competing development sites within 50 miles radius of Magna Park Lutterworth

Site/scheme	Location	Developer	HA available	Acres Available	Potential sq m	Potential sq ft
Future Point Newark	Newark	Urban & Civic	45	110	190,017	2,045,322
Castlewood Business Park	Alfreton	Clowes	40	100	77,295	832,000
Meaford Business Park	Stone	St Modwen	34	85	111,484	1,200,000
Stonbridge Cross Phase 2	Droitwich	Stoford	31	77	41,806	450,000
Redditch Gateway	Redditch	Stoford	30	75	85,006	915,000
Ashby Distribution Centre	Ashby-de-la-Zouch	Gazeley	24	59	78,701	847,127
Gateway Peterborough	Peterborough	Roxhill	24	58	79,246	853,000
Symmetry Park	Biggleswade	DB Symmetry	20	50	47,845	515,000
Symmetry Park	Aston Clinton	DB Symmetry	19	46	40,877	440,000
Summit Park	Mansfield	Sladen	18	45	92,903	1,000,000
Infinity Park	Derby	Wilson Bowden	15	38	102,193	1,100,000
Worcester 6	Worcester	Stoford	15	36	46,452	500,000
Burton Gateway	Burton	St Modwen	10	25	65,032	700,000
Kingston Park	Peterborough	Sladen (u/o)	9	22	41,806	450,000
Magna Park Magnitude	Milton Keynes	Gazeley	9	22	28,986	312,000
Signal Point	Tyseley	Mucklow	8	20	23,226	250,000
Velocity 42	Redditch	St Francis	8	20	37,161	400,000
Derby 515	Derby	First Panattoni	7	18	47,845	515,000
Pantheon Park	Wolverhampton	Stoford	7	18	38,090	410,000
G Park Biggleswade	Biggleswade	Gazeley	6	16	32,150	346,062
Bedford Link	Bedford	London Metric	6	15	39,484	425,000
Panattoni Park Luton	Luton	First Panattoni	6	15	38,090	410,000
Symmetry Park	Bicester	DB Symmetry	5	12	30,658	330,000
Dove Valley Park - Phase 2	Foston	Clowes	5	11	46,452	500,000
Totals			401	993	1,462,805	15,745,511

Map 1: UK development sites with 50 mile radius from Magna Park Lutterworth and Golden Triangle identified



4. The availability of sites and the impact on occupier requirements

This section of the report provides commentary based upon discussions with Savills Industrial and Logistics agency and occupier services teams.

The Golden Triangle emerged in the late 1980's and early 1990's when the evolution of the retail sector, and in particular the supermarket sector, ensured that locations in the geographical centre of the country would be most suitable for store based replenishment.

Whilst it would be fair to say that the retail sector has evolved to the challenges faced by online retailers who deliver direct to consumer it is clear that traditional core markets still very much have a place in the modern supply chain, indeed The Midlands as a whole has accounted for almost a third of all occupier demand in recent times, and within the Midlands 31% of take-up over the last 10 years has been related to Grocery and High St retail.

Occupier requirements have also, over the last 10 years, generally increased in size as supply chains become more efficient and the economies of scale make larger units more attractive.

Whilst it is perceived that requirements over 46,451 sq m (500,000 sq ft) are generally less "locationally sticky" and therefore more geographically footloose it is important to consider what is being undertaken by occupiers of units between 23,225 sq m (250,000 sq ft) and 46,451 sq m (500,000 sq ft).

Typically units of this size within the Golden Triangle and occupied by retailers or 3PL companies will be acting as a Regional or indeed National distribution centre. In this scenario the occupier will be considering where product is coming from and indeed where it is going to, which in many cases will still be the store based replenishment cycle of the past.

In this case it is important to consider the centres of population and where many retail store portfolios are located, it is also key to consider how far can be driven under drivers hours legislation.

In most of these scenarios sites within the Golden Triangle remain key and therefore the availability of sites within the East Midlands and indeed wider regional market are of paramount importance to logistics occupiers.

Should sites in Golden Triangle become drastically undersupplied occupiers will be forced to consider sites which are sub-optimal from a supply chain perspective. These may be in other geographical areas or further away from the desired supply chain location. In most cases these sites would incur additional cost to the occupier, either through higher rents or higher transportation costs. These costs would, in time, be passed on to the consumer.

From an occupiers perspective, therefore, it is of paramount importance that sites continue to be allocated within the Golden Triangle and surrounds in order to satisfy occupier requirements as retail supply chains continue to evolve in the modern retail environment.

5. Conclusions

It is clear from the evidence presented in this report that the supply of available warehouse units in the East Midlands has plummeted in recent years. Evidently, nationwide there is shortage of units in the larger size bands with just 31% of total supply being units over 18,581 sq m (200,000 sq ft) by unit count. The analysis demonstrates that the East Midlands region is also experiencing a supply shortage of larger units with 47.37% of vacant warehouses being within the 9,290-18,580 sq m size range.

Moreover, with take-up at a national level for H1 2018 reaching 1,546,567 sq m (16,647,126 sq ft) which is 35% higher than the long-term average for H1, occupier demand evidently remains strong. In fact, the East Midlands region accounted for 24% of the nationwide total H1 2018 take-up further underlining the strong occupier demand currently present within the region.

Analysing the East and West Midlands together emphasises the importance of the Golden Triangle to the UK logistics sector. Indeed, since 2007 26,513,573 sq m (285,289,729 m sq ft) of warehouse space has been transacted in these two markets, accounting for 34.1% of all of the warehouse space transacted in the country. Indeed this combined importance is getting ever stronger as in 2017 the combined East and West Midlands accounted for 40.7% of the total market, the highest market proportion ever recorded and up from 24.3% in 2008.

Furthermore, the analysis demonstrates that the East Midlands market has historically been balanced with no trend of a particular size band dominating the market. However, in H1 2018 the 46,452+ sq m (500,000+ sq ft) size bracket has accounted for 61% of all space transacted through three separate deals within the East Midlands, demonstrating the shifting occupier demands towards larger units within the area.

This report concludes that there are 21 sites considered to be direct competition totalling 745 hectares which can accommodate 2,351,054 sq m (25,306,534 sq ft) of warehouse space. As aforementioned, using the five year average of take-up up of 801,322 sq m (8,625,365 sq ft) for units over 23,225 sq m (250,000 sq ft) within a 50 mile radius this would provide 2.9 years' worth of supply within the direct competition sites. Furthermore, if the indirect sites should also be incorporated in the analysis the years of supply figure rises to 4.75 years.

It should be stressed that this analysis assumes that no speculative development takes place on the identified sites, however in reality the East Midlands is continuing to experience a surge in speculative development with a current 196,585 sq m (2,116,031 sq ft) under construction.

Additionally, it should be emphasised that logistics buildings are becoming larger and therefore sites will be built out at quicker rates than historical analysis would identify. This can be observed at a nationwide level with the average deal size in 2018 for units over 9,290 sq m (100,000 sq ft) standing at 25,157 sq m (270,790 sq ft), the largest level ever recorded, up from 18,312 sq m (197,117 sq ft) in 2009.

Thus, it is sensible to assume that the available land within the search radius will decrease as speculative development comes forward and larger buildings deliver less units on sites.

**Representation of behalf of Gazeley Part 2
Policy BE2 – Policy Wording and the Policies Map**

**Main Modifications to HDC's Local Plan 2015-2031
26 February 2019**

1. This representation is submitted on behalf of Gazeley and is in two parts:
 - 1.1 Part 1, provided separately, addresses the principle of the Policy BE2 with reference to the evidential basis for the 700,000 sq m allowance.
 - 1.2 Part 2, set out here, suggests minor changes to the drafting of Policy BE2 with the aim of improving the policy's precision and clarity, and points out a minor but important correction required to the boundary of the permitted area of Magna Park as shown in the Policies Map (as proposed for amendment).

The Background to the Representation

2. As set out in the Part 1 representation, Gazeley fully supports the Council's proposed main modification to Policy BE2. Gazeley considers that, with the modifications, Policy BE2 is capable of meeting the soundness tests set both by NPPF 2012 and NPPF 2018 (now 2019). Without the modifications proposed, however, as we are on record for stating, we feel the policy would not be positively prepared, justified or consistent with national policy.

BE2 Policy Wording

3. We suggest the following amendments to improve the clarity of the policy to assist applicants, the industry, the local community and the planning authority in its development management and decision-making roles:

- 3.1 **BE2.2:** we suggest deleting the "up to" qualifier to the 700,000 sq m. There are two reasons:
 - 3.1.1 As we explain in our BE2 Part 1 Representation, the "up to" qualification for the 700,000 sq m maximum is not meaningful in policy terms; it is not positive in soundness terms; it does not reflect the SEA/SA process as it should; and it is not in accordance with NPPF paragraph 80. For the policy to be sound, the full 700,000 sq m allowance must be acceptable as a matter of principle on the three sites to which the shares of that allowance are allocated.
 - 3.1.2 The BE2.2a and BE2.2b sum to 700,000 sq m, and thus the BE2.2a and BE2.2b quanta are inconsistent with the qualifier of "up to". For the same reasons that "up to" should be deleted in respect of the 700,000 sq m, it would not be correct to resolve the inconsistency by adding "up to" to the BE2.2b allocation.

With the amendment, BE2.2 would read:

2. **Additional development of up to 700,000 sq. m. for non rail-served strategic storage and distribution (Class B8) use will be provided in the District.**
- 3.2 **BE2.3:** As the scale of development would fall within Schedule 2 of the EIA Regulations, an Environmental Statement (ES) would need to be prepared, as the Written Statement at paragraph 6.3.12 (as modified) recognises. For clarity and as the WS does not form part of the policy, the requirement for an ES should be brought into the policy. It is also the case

that the scope of the ES would be determined by the Council and would include, given the scale of the development, socio-economic effects.

BE2.3 with the amendment proposed would read as follows:

- 3. Land to the North and West of Magna Park, as identified on the Policies Map, is allocated for 320,000 sq.m of strategic storage and distribution (Class B8) floorspace. This development will be guided by a master plan and form an extension to Magna Park that enhances the high quality commercial environment as far as possible. The development will be guided by an Environmental Statement under the relevant EIA Regulations, and mitigate adverse impacts as necessary to make them acceptable, and deliver net environmental, social and economic gains where possible.**

WS paragraph 6.3.12 (as modified) would need the consequential changes suggested below.

- 3.3 BE2.3a would be clearer if "warehouse" were inserted as shown:
 - a. each warehouse unit has at least 9,000 sq.m gross floorspace;
- 3.4 BE2.3c requires clarification to acknowledge that the DMV extends to some 8.5 ha, of which 2.3 ha is the Scheduled Monument.
 - c. **heritage assets and their settings are protected and where possible enhanced, including the Bittesby Deserted Medieval Village (DMV) ~~which is a Scheduled Monument~~ and non-designated heritage assets including Bittesby House which forms part of the setting of the DMV Scheduled Monument. Any planning application will be informed by a heritage impact assessment, which forms the basis for approaches to design, scale and layout of development. Green space, such as a community park is to be provided to protect the setting of the DMV Scheduled Monument;**
- 3.5 BE2.3n: We suggest deleting BE2.3n for two reasons:
 - 3.5.1 all strategic distribution developments operate 24 hours a day, every day of the week; and
 - 3.5.2 if, as we suggest, the requirement for an ES is added at BE2.3, its scope would extend to 24/7 operations as an ES must consider all potentially significant impacts across the geographical area where such impacts might occur or may be experienced. In any case, the scope of the ES would have to be agreed with the Council to comply with the EIA Regulations.
- 3.6 Again because the WS does not form part of the policy and for clarity, the requirement specified at WS at paragraph 6.3.12 (as modified) for an "Employment and Training Strategy" should be brought into the policy. It is not appropriate, as the WS does not form part of the policy, for such a requirement to be stipulated by the WS. If, as we suggest, BE2.3n is deleted, that requirement could become BE2.3n instead.
- 3.7 Finally, we suggest either that a "sustainable transport" criterion be added to the list of criteria. As BE2.3 is clearly specific to the known constraints and anticipated impacts of the

allocated site and already contains, for example, site-specific landscape and transport impact criteria, it would assist clarity to specify these. The less desirable alternative would be to list at BE2.3 exactly which other of the emerging Local Plan's policies are relevant.

Written Statement

4. We suggest the minor but important changes shown below to the WS. Some of the changes follow from the suggestions to amend the policy because the WS does not have the force of policy (e.g., the requirements for an ES and Employment and Training Strategy) and others are needed for clarity as indicated above.
5. The LLSOSS forecasts the minimum need for a quanta of floorspace, not hectares of land. Better and more consistent with the BE2.2. and BE2.3 allocations would be to refer to that study's floorspace forecasts. The relevant figures are: a minimum need for 607,000 sq m by 2031, rising to a minimum need for 792,000 sq m by 2036 (EMP6b, Table 5.5).
6. The suggested amendments to the WS are as follows:
 - 6.3.4 The sector and industry is global in its nature and economic drivers and cross-boundary in its effects. The study identified minimum gross land requirements for additional strategic distribution floorspace ~~B8~~ development across the HMA, including a minimum provision for non rail-served sites of 607,000 sq m 452-hectares by 2031, rising to 792,000 sq m by 2036.
 - 6.3.11 In combination with other plan policies, including but not limited to the General Development, Infrastructure, and Climate Change policies, BE2 seeks to minimise and mitigate the unacceptable environmental, community and landscape impacts of strategic distribution development and improve local economic benefits - by achieving the highest possible standards of design, environmental sustainability and performance in operation.
 - 6.3.12 An Environmental and Economic Impact Assessment for additional development ~~schemes~~ will be required to address the potential for significant adverse environmental effects, ~~impact for the immediate locality and wider surrounding area~~, the scope of which is to be agreed with the Council at the outset. Development proposals are likely to have significant job creation potential and ~~the will be expected prepare an~~ Employment and Training Strategy will be required to demonstrate how the employment and training requirements will be addressed and supported. (continue as drafted).

Policies Map

7. The Policies Map colouration of the extent of Magna Park does not, but should, include the area covered by the 12/00851/FUL planning permission for an HGV park. That permission too forms part of the consent footprint of Magna Park. The permission is extant and a meaningful start to the implementation of the development was begun but halted pending the outcome of the planning process for Gazeley's Hybrid Application (now at appeal). The correct site area is attached.
8. We request, please, that this correction be made.

**Harborough Local Plan
Main Modifications**



February 2019

1. INTRODUCTION

- 1.1.1. This representation has been prepared by Gladman Developments Ltd (Gladman) in response to the current consultation on proposed Main Modifications to the Harborough Local Plan 2011-2031 (the Local Plan). Gladman specialise in the promotion of strategic land for residential development with associated community infrastructure and has land interests throughout Harborough District (the District).
- 1.1.2. Gladman welcome the opportunity to submit comments in response to proposed main modifications to the Local Plan. The comments made in this representation build on those already made through our submitted Hearing Statements and comments made during the hearings themselves. The comments provided relate only to the proposed changes to the wording of policies and supporting text as set out within the Schedule of Modifications published by the Council and are aimed to assist the Inspector in reaching his conclusions on the soundness of the Local Plan.
- 1.1.3. To clarify, Gladman wish to make comments in relation to the following proposed Main Modifications:
- MM3 – Policy GD2: Settlement Development;
 - MM28 – Policy IMR1: Implementation, monitoring, and review; and
 - MM38 – Policy F1: Land off Arnesby Road.
- 1.1.4. Gladman’s response to each of these proposed Main Modifications are set out in Section 2 of this representation (see overleaf). A summary of these responses is provided within Section 3 (see pages 8-9).

2. MAIN MODIFICATIONS

2.1 MM3 – Policy GD2: Settlement Development

- 2.1.1. Gladman supports the scope provided in Policy GD2 to allow suitable and sustainable sites to come forward for development within and adjoined to defined settlements within the District. The Policy provides much needed flexibility within the Local Plan by providing scope for additional development at non-allocated sites where it is consistent with the policies of the Local Plan, without relying on triggers set within national planning policy (which are reactionary and only applied in certain conditions - often subject to debate and disagreement).
- 2.1.2. A policy led approach provides a better degree of certainty and control for Harborough District Council (the Council). Policy GD2 improves the prospect that the annual housing requirement will be achieved persistently and consistently over the plan period, and better retains local decision making.
- 2.1.3. A policy led approach to development beyond settlement boundaries is becoming increasingly common within Local Plans. The approach has recently endorsed by the Inspector at the Ashford Local Plan examination (see Policy HOU5 and Inspector's Report dated 2nd January 2019) and is proposed at other local planning authorities including Amber Valley (see Policy H1 of the emerging Local Plan) and Harrogate (see Policy GS3 of the emerging Local Plan).
- 2.1.4. As set out in Gladman's submitted Hearing Statements, there is a strong case for flexibility in the Local Plan. As submitted, the Local Plan will provide for 15% flexibility in supply over and above that required to meet the current identified minimum housing requirement. Whilst this oversupply is beneficial, Gladman maintain significant concerns with the deliverability of the Council's identified supply over the plan period and considers that there is a high degree of risk that some of this identified growth will not come forward as envisaged by the Council. Additional flexibility is therefore likely to be required. The inclusion of policies within the Local Plan which permit greater scope for windfall development (such as Policy GD2) helps to alleviate Gladman's concerns regarding deliverability of the Local Plan, enhancing its overall effectiveness.
- 2.1.5. A further factor in Harborough, is the unmet housing needs of Leicester. It has long been known that Leicester City Council (the City Council) will be incapable of meeting its housing needs in full as identified within the HEDNA. The HEDNA defines housing need from 2014, and as a result there has now been almost 5-years of under delivery recorded within the City of Leicester to date which should have already been delivered. Any housing secured in excess of the minimum housing requirements of Harborough, through the Local Plan will therefore be beneficial in going some way to addressing this already accumulated backlog in housing need.

- 2.1.6. Whilst largely supportive of the approach defined by the Council through Main Modifications to Policy GD2, Gladman do hold some concern with Part 2a of the Policy as drafted. Part 2a sets out that development would be permitted under the policy where it does not disproportionately exceed the settlement's minimum housing requirement in Policy H1, taking into account existing completions and commitments. Part 2a then moves on to set out that where there is no residual housing requirement to be met, only minor additional development will be approved under this policy.
- 2.1.7. Gladman accept that the Policy also identifies several other scenarios under which development might be approved in accordance with the policy and acknowledges the need to ensure that the policies of the Local Plan do not result in inappropriate development and/or overdevelopment. Gladman however do not consider that the wording on the policy achieves this in a way which is consistent with national planning policy and contradicts other policies of the Local Plan.
- 2.1.8. Setting aside Gladman's concerns with the arbitrary settlement targets set by Policy H1, the approach of Policy GD2 would appear to treat targets set within Policy H1 as a ceiling to development, rather than treating these as minimum or approximate requirements, and as such contradicts the wording of Policy H1.
- 2.1.9. More fundamentally, Gladman consider the approach of Part 2a of Policy GD2 to be inconsistent with the approach and language of the NPPF which seeks to promote sustainable development and to boost significantly the supply of housing land. The approach of the policy to curtail sustainable development in response to targets defined in the Local Plan is not therefore consistent with national planning policy.
- 2.1.10. Gladman consider that inappropriate and over-development could be avoided by the Council without reference to Part 2a of the Policy. Part 2d and 2e of the Policy seek to ensure that the scale of development reflects the size of the settlement and level of services within that settlement, and to ensure that development respects the form and character of the existing settlement and landscape. Parts 2d and 2e of the Policy would therefore prevent inappropriate development and would ensure that the nature of development secured is consistent with the overall spatial strategy. Part 2a of the Policy is not therefore not considered to be necessary.
- 2.1.11. For this reason, and taking into account the evidential conflict with local and national planning policy, Gladman consider that Part 2a of Policy GD2 should be deleted from the Local Plan.

2.2 MM28 – Policy IMR1: Implementation, Monitoring and Review

- 2.2.1 As set out in our submitted Hearing Statements, Gladman consider that it is a fundamental requirement of the Local Plan to provide an effective means of addressing the as yet unquantified housing needs of Leicester. As such, Gladman welcome, and is largely supportive of the proposed amendments to Policy IMR1.
- 2.2.2 Part 2a of the Policy will ensure that the Council will act on any formal agreement to respond to the unmet housing need of Leicester following dialog within the wider HMA consistent with the requirements of the NPPF 2018 (under which any Local Plan review is likely to be examined). Gladman consider Part 2b of the Policy as modified to be a critical component in responding to this unmet housing need, because it ensures that a resolution to this issue can be found within a reasonable timeframe of being identified by the City Council where no agreement has been reached amongst the authorities of the wider HMA.
- 2.2.3 Whilst supportive of the mechanism of review now proposed through Policy IMR1, Gladman object to the inclusion of wording within Part 2b policy which infers that the Council will only review the Local Plan where it accepts the findings of evidence assessing capacity for housing within Leicester. This is reflected by the wording “satisfactory evidence of an unmet local housing need” within Part 2b of the revised policy, and wording in the supporting text which sets out the need for “robust evidence of housing need” from the City Council.
- 2.2.4 Gladman is concerned that the wording of the policy provides scope for an unjustified level of scrutiny to be applied to the City Council’s evidence at the Council’s discretion before it is required to act on any request made to assist in addressing unmet needs. Gladman consider that the policy opens up the opportunity for the Council to delay or avoid any review of the Local Plan in response to the City Council’s request. The inclusion of this wording therefore reduces both the prospect and effectiveness of the Local Plan in providing a meaningful mechanism to address this issue. As a result, Gladman submit that this wording should be removed from the policy.
- 2.2.5 Gladman do not accept the view that the City Council would willingly seek to minimise the level of housing which is met within its administrative boundaries. Maximising the delivery of housing within the City will give rise to significant benefits for regeneration and economic growth for Leicester, which would not otherwise be experienced if delivered in a different authority. Leicester experiences a more limited quality of existing housing stock than neighbouring authorities, with the delivery of new homes within the city providing the opportunity for this to be addressed, attracting higher skilled and higher earners to the City. As such, Gladman expects that the City Council will try to maximise opportunities for new housing to be accommodated within the City boundary. If anything, the City Council is more likely to over-estimate its urban capacity than under estimate this capacity.

- 2.2.6 Gladman consider that the examination process of both the Plan Review (when required) and Local Plan of the City Council provides the appropriate vehicle for the robustness of the evidence supporting the City Council's approach to be tested. The examination process provides a fair, thorough, accountable and transparent arena for the plan to be tested and is subject to the correct level of statutory power.
- 2.2.7 Through the preparation of its Local Plan, the City Council will need to demonstrate how it has engaged with the Duty to Cooperate which is now more deeply engrained into the tests of soundness as introduced by the NPPF 2018. For reference, the tests of soundness now applicable to the Leicester Local Plan (and any review of this Local Plan), as set through Paragraph 35 of NPPF 2018, are as follows:
- Positively Prepared – Providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need for neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
 - Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
 - Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
 - Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this Framework.
- 2.2.8 Reflecting on these revised tests, the City Council will therefore need to closely involve and work with the Council and other partners in arriving at the spatial strategy, ultimately concluding with a signed Statement of Common Ground/Memorandum of Understanding. The strengthening of the role of and requirement for cross boundary planning in plan making therefore significantly increases the prospect of the Council holding a key role within the preparation process of the Leicester Local Plan and should counter any concerns that the Council may have regarding the robustness or appropriateness of the City Council's approach to meeting its housing need.
- 2.2.9 Reflecting on the above, Gladman therefore consider that the highlighted wording within Policy IMR1 is not necessary and would be counter productive in achieving a deliverable and agreeable outcome in addressing the unmet housing needs of Leicester. The wording is not therefore justified or effective and as such cannot be considered sound and should be deleted.
- 2.2.10 Instead, Gladman suggest the revised wording below, which focusses on the need for effective and continuous engagement between the authorities in arriving at a solution to the unmet housing

needs of Leicester which is reflect and consistent of the approach now reflective of most recent national planning policy.

*"b. In the absence of an adopted MOU or SoCG, 12 months from the date of publication of a Local Plan for Leicester City (defined as publication of an invitation to make representations in accordance with Regulation 19 of the Town and Country (Local Planning) (England) Regulations 12) ~~that includes satisfactory evidence of an unmet local housing need~~ **produced in dialog with the Council under the Duty to Cooperate consistent with the definition of latest national planning policy.**"*

- 2.2.11 Gladman welcome the provision made under Part 3 of the Policy which sets a timescale for the conclusion of any review of the Local Plan triggered to 30 months. Gladman consider that 30 months provides a reasonable timescale within which the preparation of a review of the Local Plan could be completed and submitted to the Secretary of State, given the likely limited scope of the Review to consider only additional housing sites.
- 2.2.12 Gladman however consider that this timescale outlined in Policy IMR1 provides only half of the story and on its own does not provide for an effective means for the unmet housing needs of Leicester to be addressed. As drafted the Policy does not contain any consequence for the Council if it fails to adhere to its timetable requirements for the conclusion of the review. Without this, the policy is meaningless, as it is not binding on the Council and could be ignored with no consequence.
- 2.2.13 To address this concern, Gladman would point the Inspector to the wording proposed at the Examination of the Oadby and Wigston Local Plan, as set out recently through Main Modification Ma1 to the Plan as an effective policy mechanism. The wording of this policy is similar to that implemented through the adopted North West Leicestershire Local Plan (see Policy S1 of the adopted Local Plan). The wording proposed by Oadby and Wigston Council is set out below:

*"Should a full or partial review be triggered by any of the above, the Council will commence the review (defined as being publication of an invitation to make representations in accordance with Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012 within x months. Once the review has been commenced the Council will submit the Local Plan Review to the Planning Inspectorate for Examination within a further x months of the date of commencement of the review. **In the event that the Council does not submit the Plan Review within x months of the date of commencement of the review, the parts of the Plan that are under review will be deemed out of date, if not already deemed out of date by virtue of national policy.**"*

2.3 MM38 – Allocation Reference F1: Land off Arnesby Road

- 2.3.1 Gladman welcome and support the proposed modifications made to the Policy F1 for Land off Arnesby Road. The amendments made provide for a more flexible approach and allow for detailed issues to be addressed through the context of the planning application without automatically being concluded as inconsistent with planning policy.

3.0 CONCLUSION

- 3.1.1 Gladman welcome the opportunity afforded by this consultation to make comment on proposed modifications to the Harborough Local Plan 2011-2031.
- 3.1.2 Gladman is supportive of the retention of Policy GD2. The Policy is considered important in securing necessary flexibility within the supply, heightening the prospect that the plan requirement will be delivered over the plan period.
- 3.1.3 Gladman however object to wording outlined within Part 2a of Policy GD2 which applies a cap to sustainable development at settlements where the requirements of the settlements have been (or are close to being) met. The approach is inconsistent with national planning policy and contradicts the language of the policies within the Local Plan which do not indicate a cap to development.
- 3.1.4 Gladman consider that Part 2d and Part 2e of Policy GD2 could be sufficiently relied upon by the Council to prevent inappropriate and unsustainable overdevelopment at its settlements. As such Part 2a of Policy GD2 is not necessary and should be deleted from the Local Plan.
- 3.1.5 Gladman welcome the changes proposed to Policy IMR1 of the Local Plan, particularly where it is outlined that the Council would act in the event that agreement is not reached on an HMA wide basis in response to the publication of unmet needs by the City Council.
- 3.1.6. Gladman is however concerned that wording outlined within Policy IMR1 that the Council needs to be satisfied of evidence of unmet need in Leicester, increases the scope of delay or avoidance, and reduces the prospect that this unmet need will be addressed.
- 3.1.7 Gladman consider that the examination process forms the appropriate means to test the basis of the urban capacity of Leicester. Gladman do not believe that the City Council is likely to underestimate its urban capacity on purpose noting both the need for and benefit of accommodating this growth with its boundaries. Changes in national planning policy in relation to Duty to Cooperate means there is now a stronger need for authorities to work jointly and cooperatively during the preparation of a Local Plan in order to be found sound. The Council therefore has a role to play in the preparation process of the City Council's Local Plan which should provide opportunity for disagreements over methodology to be overcome.
- 3.1.8 Taking this into account, Gladman consider that wording with Policy IMR1 referring to the robustness of the City Council's evidence should be removed, with the wording of the policy refocussed to relate to the Duty to Cooperate process.
- 3.1.9 Gladman welcome the inclusion, within Part 3 of Policy IMR1, timescales for the completion of the review once commenced. To strengthen the Policy and bind the Council to its requirements, there is a need for the Policy to set out the implications if the timescale outlined is not achieved. Gladman

suggest wording applied in the Oadby and Wigston Local Plan as a mechanism which is sufficient and effective in addressing this concern.

- 3.1.10 Gladman support the proposed amendments set out by the Council to Policy F1 regarding Highways Design Guidance and the balancing pond. Gladman consider that both issues could be adequately and effectively addressed through the planning application process.
- 3.1.11 Gladman hope that the comments made within this representation in relation to proposed modifications are helpful and will assist the Inspector in concluding on the soundness of the Local Plan. Should the Council or the Inspector wish to discuss the content of this representation, please do not hesitate to get in touch.

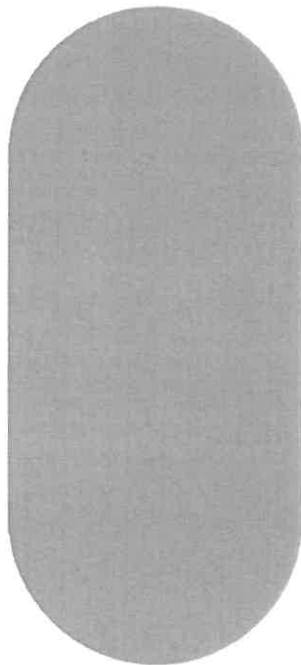
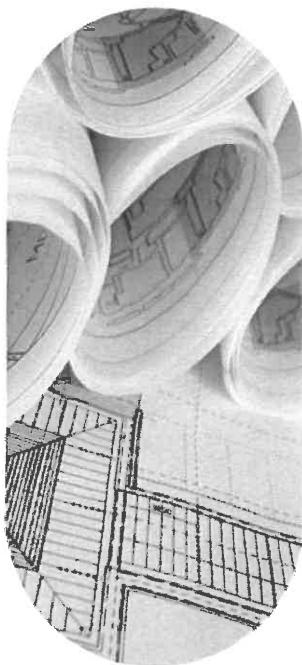
Harborough Local Plan Examination

Main and Additional Modifications

Consultation Response

Landowner Consortium for East of Lutterworth SDA

Respondent Reference: 6054





This response to the Harborough Local Plan Main Modifications consultation is submitted on behalf of the Landowner Consortium for East of Lutterworth SDA (ref: 6054) in respect of their interest in the East of Lutterworth Strategic Development Area. Representations submitted to the Proposed Submission Local Plan and Hearing Statements and supplementary Examination documents sets out their case in full.

The promoters welcome the proposed modifications that result in the requirements for East of Lutterworth East SDA to be a sustainable, high quality development which is well connected to the existing town. The hybrid planning application for the SDA currently being prepared reflects this and will be submitted at the end of February 2019.

MM36 – L1 Lutterworth East SDA

Criterion 3n

1. It is unclear on what basis the existing text of criterion 3n is proposed to be deleted from policy L1. The Strategic Transport Assessment¹, which forms part of the Local Plan evidence base, is clear that the closure of the Gilmorton Road motorway crossing to private motor vehicles is necessary to avoid severe highway impacts with the full development of the SDA in place. Without such measures the junction of Gilmorton Road and Leicester Road would not operate safely and there would be significant queuing along Gilmorton Road. Recent modelling data to support the planning application for the SDA confirms this position.

Criterion 3u

2. The proposed modification states with certainty that the non-designated feature to the north of St Leonards is a 'double moat which forms part of the deserted medieval village'. However it does not acknowledge that it could equally be a post medieval garden feature, as per the later re-interpretation recorded by the Historic Environment Record. As it stands at the moment, on this point the wording of the policy could be found to be factually incorrect, and should therefore contain a degree of ambiguity.

15.2.17

3. It is recommended that a modification is made to paragraph 15.2.17 as a consequence of the proposed modification to L1, Criterion 3k. which refers to land safeguarded for a potential new leisure centre at the SDA. The age of the current leisure centre as expressed in the explanation is irrelevant to the plan requirement. The following is suggested:

The existing leisure centre in Lutterworth ~~will reach the end of its life during the plan period and would in any event be~~ is unlikely to be adequate to serve the expanded population. A contribution will therefore be sought towards a new leisure centre,

¹ Appendix B " Responses to HDC Comments, July 2016": in its appendix A there is a Technical note for the "Updated Traffic Forecasts and Operational Junction Capacity Assessment" & Appendix C " Responses to HDC Comments, January 2017" in its appendix A " Early Phases Traffic Assessment".



which could be, in full or in part, in the form of land within the community park or elsewhere.

15.2.20

4. Mitigation options for the A4303/A426 Rugby Road ('Frank Whittle'), which may either result in a signalised crossroads or and upgraded roundabout. Whilst it is recognised that the explanation is not the policy itself it would be helpful to provide flexibility in the wording to reflect current uncertainty.

Policy BE1

5. It is recommended that a modification is made to policy BE1 as a consequence of the proposed modification to L1, Criterion 3f. which now refers to 'about' 10ha of employment land. This change would also align with the existing wording of SS1 Criterion 2.b.ii.

22 February 2019

Delivered by email to: localplan@harborough.gov.uk

Strategic and Local Planning Team
Harborough District Council
Adam and Eve Street
Market Harborough
LE16 7AG

Dear

HARBOROUGH DISTRICT COUNCIL LOCAL PLAN EXAMINATION – REPRESENTATIONS TO THE MAIN MODIFICATIONS CONSULTATION

This letter of representation has been prepared on behalf of Parker Strategic Land in response to the proposed main modifications to the Harborough Local Plan 2011 – 2031.

Parker Strategic Land is promoting land to the east of Hamilton Lane and west of Beeby Road (known as the Scraftoft North Strategic Development Area). The site is proposed for allocation in the emerging Local Plan for 1,200 dwellings and supporting infrastructure and community facilities. Parker Strategic Land is currently preparing an outline planning application for the site, with the intent to submit in April 2019.

We were pleased with how well the site was received at the Local Plan examination and that no material objections were raised by either the Inspector or other attendees at the hearing sessions.

Our representation to the schedule of main modifications responds to MM7, MM18 and MM29.

MM7 – GD7: Green Wedges

The clarity provided by modification MM7 is welcomed and reflects NPPF1 (2012) paragraph 184 which states that Neighbourhood Plans should not undermine the Local Plan's strategic policies.

MM18 – HC1: Built Heritage

Proposed modification MM18 ensures that policy HC1 is consistent with NPPF1. It is correct that a balancing act is required between harm to a heritage asset and the benefits of the proposed

9 Colmore Row
Birmingham
B3 2BJ

T 0121 233 0902 turley.co.uk

development. It would be contrary to NPPF1 to refuse any development which resulting in harm to a heritage asset without weighing this against the proposals' benefits.

MM29 – SC1: Scraptoft North Strategic Development Area (SDA)

We welcome the flexibility that the main modifications have introduced to parts (e), (g) and (p). These amendments will assist the deliverability of the proposals at Scraptoft North in accordance with NPPF1 paragraph 173, which requires that Local Plan policies and obligations do not compromise the viability of development. As part of any future planning application a phasing plan will be submitted to demonstrate when the local centre will be delivered.

The proposed modifications reflect the pre-application discussions that have been held between Parker Strategic Land and the District Council in preparing the outline planning application for the SDA.

The proposals for Scraptoft North will deliver significant net gains in biodiversity, including:

- the creation of new permanent waterbodies;
- the creation of new wildflower grassland planting;
- planting of new native tree species / new native woodland and scrub and new hedgerows;
- the provision of new bat roost boxes and bird boxes on retained trees; and
- the implementation of a regime of biodiversity-led habitat management, to include enhanced management of the retained parts of the Local Wildlife.

In addition, we have carefully considered the creation of an area of publicly accessible open space to the north of Scraptoft Brook set out in part (y). Our client's proposals have evolved during the pre-application discussions and the area of open space forms a fundamental part of the proposed development.

Accordingly, we have no objections to the modifications to part (x) and (y) of the policy.

We trust our comments will be of assistance. Please do not hesitate to contact me should there be any queries.

Yours sincerely

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- r *

Senior Planner

From: [REDACTED]
Sent: 26 February 2019 09:51
To: localplan@harborough.gov.uk
Cc: [REDACTED]
Subject: [EXTERNAL] Harborough Local Plan - Main Modifications Consultation

Follow Up Flag: Follow up
Flag Status: Completed

This Message originated outside your organization.

Dear Sir / Madam,

Please find below brief representations submitted in relation to current main modifications consultation

Main Modification Re: MM22

We support the modification of the boundary of the proposed River Swift Flood Plain Local Green Space (ref: LGS/LUTT/05). This principle is consistent with representations previously submitted by Turley as part of the Local Plan Examination in September and October 2018.

It is, however, noted that the amended boundary differs to that proposed in the previous statement submitted by Turley (Ref: EXAM9 – Matter 9 – Turley – LGS Position Statement). It was proposed that approximately 1.65 ha of land be removed from the LGS designation, as indicated by the plan enclosed at Appendix 1 of those representations.

This would remove all land south of the River Swift (to the west of Rugby Road) from the proposed LGS designation. This represents a logical and appropriate boundary for the LGS. The amended boundary currently shown on the Proposals Map is arbitrary, as it does not reflect any natural or man-made feature on the ground, leading to potential confusion as to whether any future development on the de-designated area encroaches into the LGS. As stated in our previous representations, the removal of the land to the south of the River Swift (in its entirety) would not compromise the allocation of the remainder of the LGS (LGS/LUTT/05).

It is therefore recommended that the proposed LGS boundary on the Policies Map be redrawn to remove the land shown in Appendix 1 of EXAM9 – Matter 9 – Turley – LGS Position Statement.

Regards,

Associate Director

Turley
18 Windsor Place
Cardiff CF10 3BY
T 02920 344 445
M 07920 862 594
D 0292 037 5077

turley.co.uk
[Twitter](#)

Harborough Local Plan Modifications Representations

ID Ref: 7274

Prologis UK Limited and Rugby Radio Station Limited

26 February 2019

LICHFIELDS

Contents

1.0	Introduction	1
	Purpose	1
	Executive Summary	2
2.0	Main Modification MM15: Policy BE2: Strategic Distribution	4
	Sustainability Appraisal (SA) Addendum	4
	Habitats Regulations Assessment (HRA)	5
	Additional BE2 Evidence	5

1.0 Introduction

1.1 Lichfields is instructed by Prologis UK Limited with Rugby Radio Station Limited Partnership (RRSLP) (herein after Prologis) to respond to the Harborough Main Modifications published for consultation by Harborough District Council [HDC] in January 2019.

1.2 This response is submitted pursuant to previous submissions to the Harborough Local Plan and appearance at the Local Plan Examination sessions held between 18 September and 27 September 2018 relating to Policy BE2. These representations refer specifically to MM15: Policy BE2 and the recently revised/additional evidence provided by the Council to support that Modification. It responds to the Inspectors request for further comments in this regard.

1.3 Prologis has sought to limit their response to those amended documents submitted by HDC. Previous submissions by Prologis are cross-referred to in these representations and are not repeated.

1.4 It is a statutory requirement that every development plan document must be submitted for independent examination to assess whether it is “sound”, as well as whether other statutory requirements have been satisfied (s.20(5) of the 2004 Act). In addition, s.19 of the 2004 Act requires a local planning authority, when preparing a development, plan document to have regard to a number of matters including national policies and advice contained in guidance issued by the Secretary of State. Such guidance currently exists in the form of the National Planning Policy Framework [the Framework] and the National Planning Practice Guidance [Practice Guidance].

1.5 The Framework [§182] states that to be sound a Local Plan should be:

- 1 Positively Prepared: The plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- 2 Justified: The plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- 3 Effective: The plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and,
- 4 Consistent with National Policy: The plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

Purpose

1.6 This statement by Prologis focuses on Main Modification MM15: Policy BE2: Strategic Distribution and the robustness of the following evidence base used to justify the modifications to Policy BE2:

- 1 Sustainability Appraisal (SA) of Main Modifications
- 2 Habitats Regulations Assessment (HRA)
- 3 BE2 SUM: Summary of Evidence for Policy BE2
- 4 BE2 PCR: Planning Committee Report, 23 November 2017
- 5 BE2 EV1: Evaluation of Need, Demand and Impact, December 2018 (Prepared by Iceni)
- 6 BE2 EV2: Proposed Allocation – Site Identification and Selection, December 2018
- 7 Environmental Statement:

- a BE2 ES - Environmental Statement
- b BE2 ESa - Non-Technical Summary
- c BE2 ESb - Socio-Economics
- d BE2 ESd - Highways and Transport Assessments
- e BE2 ESD - Noise & Vibration
- f BE2 ESe - Hydrology and Flood Risk
- g BE2 ESf - Landscape and Visual Impact
- h BE2 ESg - Air Quality
- i BE2 ESh - Heritage and Archaeology
- j BE2 ESi - Ecology and Nature
- k Other supporting evidence:
- l BE2 AGR: Agriculture and soils
- m BE2 CL: Contaminated Land

- 1.7 The evidence listed above is reviewed in the context of the soundness tests. Recommended changes are set out that could make the Harborough Local Plan sound.

Executive Summary

- 1.8 Prologis's position is that the Main Modification (MM) MM15 Policy BE2: Strategic Distribution is **unsound**. The MM is unsound because it is not supported by robust evidence. In fact, the evidence to support this scale of supply does not stand up to any degree of objective scrutiny. The additional supporting evidence used to justify the proposed location of land north and west of Magna Park to deliver 700,000 sq m of strategic storage and distribution land (including the allocation of 320,000 sq m of strategic storage and distribution land) is not justified for the following reasons:

- 1 **It is not Positively Prepared:** The Council's additional evidence still fails to justify why allocating 700,000 sq m is acceptable in the context of delivering very substantially more than the County's requirement. There is no evidence to justify the proposed quantum of strategic distribution floorspace at Magna Park without it harming the economic aspirations of neighbouring local authorities. The new evidence submitted by HDC to support the Modification, the BE2 EV1 Report prepared by Icenl contains a significant number of omissions and errors (described in detail in Section 2.0 below) which undermines its credibility in justifying this scale of development.
- 2 **It is not justified:** The plan should be the most appropriate strategy, when considered against the reasonable alternatives based on proportionate evidence. As we describe in Section 2.0, the evidence used to justify the Modifications to Policy BE2 has significant errors and omissions within it. The Council is still trying to retrospectively justify the allocation of 700,000 sq m of strategic B8 development in Harborough District. There is no robust assessment of appropriate alternative locations. The Leicester and Leicestershire Strategic Distribution Study [SDS] (November 2014) states that *'In order to maintain and enhance the competitive position currently enjoyed by the region/sub-region, it is vitally important that the market in future is offered a geographical spread of commercially attractive sites available to satisfy individual operator locational requirements'* (para 3.19). The Council is also using the IDI Gazeley Environmental Statement submitted by the site promoter as part of its planning application [Evidence ref: BE2 ES] to justify the allocation of 320,000 sq m of strategic B8 floorspace additional to the quantum of B8

floorspace that has already been granted planning permission in this location. This evidence is not objective or independent and should not be relied up by the Council for use in strategic plan making. Furthermore, the Sustainability Appraisal of the Main Modifications relevant to Policy BE2 is not robust or justified as it fails to address the landscape impact of the additional 320,000 sq m allocation.

- 3 **It is not effective:** The Council has failed to provide an up to date duty co-operate statement to confirm that all the neighbouring authorities have been properly consulted in respect of the impact of the allocation as modified on their local employment strategies; and to confirm whether they accept the assessment of the impact in the EV1 Report as robust. Daventry District does not consider the assessment of the impact of the allocation as modified on their local economic strategy to be robust or justified and maintains the objection to Policy BE2.
- 4 **It is not consistent with National Policy:** The provision of 700,000 sq m of strategic B8 development would not result in the delivery of sustainable development. The Government is taking active steps in supporting the growth of the freight sector. The NIC Report: Future of Freight Interim Report states that a lack of freight aware decisions risk compromising the UK's freight system. Planning policy and decision making must provide effective long-term safeguarding of those developments that are consistent with Government policy promoting the movement of freight by rail. The fact that the NIC has identified "*the forgotten element of spatial planning*" as one of three critical issues which need to be addressed to enable the UK's freight system to continue to provide services that contribute to sustainability improvements is a significant indication of the importance of this matter. The Magna Park expansion is not freight aware and perpetuates unsustainable transport movements and unsustainable commuter patterns which are contrary to National Policy.

- 1.9 **In accordance with the Procedural Practice in the Examination of Local Plan (June 2016 4th Edition v1) there are exceptional circumstances which justify that the main modifications and evidence relating to Policy BE2 are debated at further hearing sessions to be scheduled in due course. The plan relating to Policy BE2 and the evidence base justifying the modifications is not robust or justified. It would be wholly inappropriate to deal with the modifications as written representations only.**

2.0 **Main Modification MM15: Policy BE2: Strategic Distribution**

- 2.1 Prologis **strongly objects** to the Main Modification that allocates up to 700,000 sq m for non-rail served strategic storage and distribution (Class B8) use at Magna Park. Prologis acknowledges that 380,000 sq m of this quantum is already committed on two sites that have planning permission.
- 2.2 Prologis maintains its **objection** that the Council has still failed to robustly justify why 700,000 sq m is acceptable and why allocating more than double the requirement for non-rail served sites required in Leicestershire as well as delivering in excess of the gross land requirement for strategic B8 development by 2031 in one single location at the extreme south of the market area is justified.
- 2.3 Prologis **strongly objects** to the wording of MM15 BE2. In the submission Plan - Policy BE2 required an applicant to demonstrate that a proposal does not prejudice the viability and deliverability of an SRFI in adjoining areas. This demonstrated the clear acknowledgement by the Council that this is a genuine concern. This policy wording has been removed by the Main Modification and as we set out below, the Council has failed to justify that the extension to Magna Park would not have an adverse effect on neighbouring Authorities economic development plans and programmes.
- 2.4 Prologis considers that the MM15 BE2 modifications BE2.3 (e) are not effective in the context of the ability to recruit locally. The BE2.3 (e) policy states:
“employment opportunities for local residents are increased, including training and apprenticeships, and opportunities for local businesses are improved through a Construction Job and Business Employment Strategy, to be submitted to and approved by the Local Planning Authority”.
- 2.5 The ability to attract and retain staff is challenging in the Golden Triangle. It is highly likely that the ability to recruit locally will be limited and employees at Magna Park will be commuting to Magna Park from significant distances outside of Harborough. Indeed, the Council’s own evidence acknowledges that employees of Magna Park will be drawn from Leicester, Coventry and Daventry, and will impact on committed schemes, including Coventry and Warwickshire Gateway, and DIRFT.

Recommended change

- 2.6 For the MM15 BE2 Policy to be sound it is recommended that the Council deletes BE2 (b) and BE2.3 (a-n) entirely which identifies the allocation of 320,000 sq m of land to the north and west of Magna Park because it is not justified, effective or in accordance with national policy.

Sustainability Appraisal (SA) Addendum

- 2.7 Prologis considers that the Sustainability Appraisal (addendum) to the Main Modification is not robust. MM15 now specifically allocates the land adjoining Magna Park but it fails to address the impacts the 320,000 sq m proposals would have on the landscape. Given the scale of the allocation and the fact the Inspector raised this as an issue at the Hearing Sessions, it is unclear why this has not been addressed under both the original topic headings or as a new heading in the SA Addendum. The BE2 EV2 Site Identification and Selection Report (2018) with regards to the proposed allocation of the site states that *“there is uncertainty about the landscape effects”* (p.7). Clearly this needs to be considered given the effect it is likely to have.

2.8 It was understood at the Hearing Sessions that the Council needed to consider the impact on the local road network, the local community, landscape and countryside and this would inform whether the Magna Park extension was the most suitable site against reasonable alternatives. It is not clear how the SA Addendum deals with these issues specific to the allocation.

2.9 Prologis considers that until the uncertainty relating to the impact of the allocation on the above matters, including landscape impacts which were material to the refusal of ID Gazeley's recent planning application at Magna Park is considered. The SA addendum relating to MM15 is unsound because the modification is not justified by robust evidence.

Recommended change

2.10 For the MM15 BE2 Policy to be sound it is recommended that the Council provides evidence to justify that the SA that underpins the modifications has robustly dealt with the landscape effects of the allocation.

Habitats Regulations Assessment (HRA)

2.11 Prologis UK Limited and the RRSLP have no comment to make on the HRA Assessment.

Additional BE2 Evidence

BE2 SUM: Summary of Evidence for Policy BE2

2.12 Prologis **strongly objects** to the summary of evidence for Policy BE2. BE2 SUM does not meet the tests of soundness as it is not positively prepared, justified, effective, or consistent with national policy and is not supported by evidence. Prologis highlights the following inaccuracies in the Summary:

- 1 The statement "*the evidence demonstrates that there is sufficient headroom in demand to allocate up to the 700,000sq.m limit in Policy BE2, without undermining existing public plans and programmes. 380,000sq.m is already committed through planning permissions, leaving 320,000sq.m to be allocated*" (p.3). As we describe below the Council has failed to justify why 700,000 sq. m. should be delivered in Harborough and the BE2 EV1 Report does not robustly assess the impact on other existing competing programmes.
- 2 The statement that "*the site, whilst road based with no rail head, has some operational ties to DIRFT, with 16% of all HGV traffic using Magna Park having an origin or destination at DIRFT, to take advantage of this link, a rail freight shuttle is proposed south of the A4303 with capacity at the shuttle terminal for 88 containers to be available for site occupiers only as temporary storage...*" (ref: P.6) should be given limited weight. Prologis notes that while DIRFT is an open access terminal and access to it would not be restricted, should businesses from Magna Park use the terminal at DIRFT, they will be taking advantage of nationally significant infrastructure that they have not contributed towards the funding of. This, similarly to effects relating to the overprovision of non-rail logistics floorspace close to SRFI facilities, plays contrary to Government policy promoting the movement of freight by rail.
- 3 The statement "*it should be noted that the Council refused application 15/01531/OUT on the basis that the landscape impact is severe and outweighs the economic benefits.....The reasons for refusal were related to landscape impact of the particular proposal before the Council at the time*" (p. 18). This statement cannot be justified on the basis of the evidence. It conflicts with the fact that the Council is using the assessment submitted with that rejected application to support the allocation of the site, as well as the SA addendum not providing any conclusions on the landscape impact of the 320,000 sq m allocation.

BE2 EV1: Evaluation of Need, Demand and Impact, December 2018 (Prepared by Iceni)

- 2.13 Prologis considers that the BE2 EV1 Report, which is used by the Council to justify the expansion of Magna Park through the proposed Modification does not provide the evidence to support that allocation. The evidence is not justified, effective or consistent with national policy; and because of the errors, omissions and unsupported conclusions in the report, it does not provide a sound basis to justify a strategic allocation of this scale.
- 2.14 The BE2 EV1 Report draws on advice from Savills to support the allocation. Savills acts for both Prologis and RRLSP and through that long-term instruction, was asked to review the Iceni Report. In undertaking this review, it became apparent to Savills that their Market Report, prepared solely for IDI Gazeley's internal use, had been sourced by Iceni and used for a purpose for which it was not intended. Savills has written to HDC (Appendix 1) to secure the withdrawal of the Savills market report in this regard. Clearly Savills, acting for Prologis, would not have contributed this advice to Iceni as it would have represented a potential conflict of client interest. Any references to the Savills evidence cannot therefore be used to justify market demand and take-up. It will be necessary for the Council to commission its own evidence to demonstrate demand and supply in the market place.
- 2.15 We identify the following errors, omissions and unsupported conclusions which inhabit the EV1 Report below:
- 1 The provision of 700,000 sq m of strategic distribution floorspace in one location clearly conflicts with the Leicester and Leicestershire Strategic Distribution Sector Study (SDSS) evidence. The SDSS should look to ensure that there are multiple strategic sites with vacant development-ready plots available at different geographical locations at all times (para 1.4). Much of the report states that "*demand could be higher than the SDSS because...*" but most of the factors cited (e.g. market share) apply to the East Midlands and Leicestershire area more widely. The evidence does not provide specific evidence for over-provision of this scale in Harborough. Even if demand were potentially higher than the SDSS, it is not clear how this amount of provision in one location would be justified or would necessarily meet market need. Furthermore, concentrating extra supply at Magna Park runs counter to the SDSS argument that a choice of sites is needed.
 - 2 The EV1 report states that Government policy requires local planning authorities to plan proactively to support sustainable economic growth. It seeks to facilitate modal shift towards sustainable modes of travel, including growth in the movement of freight by rail (EV1, para 1.5). Prologis notes that the Government is taking steps to being more active in supporting the growth of the freight sector. The Government's approach is currently fragmented and a lack of freight aware decisions risk compromising the UK's freight system¹. Prologis considers that by promoting road based strategic distribution in close proximity to SRFIs, the Government's support for Nationally Significant Infrastructure Projects (NSIPs) SRFIs is undermined. Whilst each SRFI scheme will be different (because of the varying constraints to which each responds) it is the case that there are common, significant components. All SRFIs are different to road-based schemes in delivering the additional facility (and modal choice) of a rail freight terminal. However, with this comes significant additional costs. These can be considered a part of the UK's national strategic infrastructure (by definition) but, unfortunately, do not command any rental or land price premium from occupiers. Accordingly SRFIs bear additional significant fixed costs which not only add to total costs but require the delivery of substantial elements of road and rail infrastructure either upfront or at an early stage in the scheme. The provision of SRFIs,

¹ NIC Future of Freight Interim Report on Spatial Planning (p.4)

which is a critical part of the UK's infrastructure strategy, will be undermined by allowing sites which directly compete in the same market segments, of a similar scale, but without the same level of infrastructure cost.

- 3 The EV1 report by IcenI refers to consented SRFI schemes being brought forward in the surrounding area. The Report states (para 1.8) "*Whilst there will be a degree of competition with these sites for national Distribution Centres, these schemes however cater for a different market segment particularly for occupiers seeking rail connectivity*". The facts relating to the operation of the logistics market simply do not support this statement. Further, the IcenI Report is contradictory on this point within itself.

On the first point, occupiers will locate at an SRFI without an immediate rail connectivity requirement as its locational advantages may suit the distribution network aspirations of that operator. Occupiers are under no obligation to use rail if they locate at a SRFI. The location has to be inherently strong and support the locational (and other) logistics requirements of the occupiers. However, in locating at a SRFI there is a greater opportunity for an occupier to use rail freight. Further, Prologis' experience is that occupiers can be encouraged to locate at an SRFI on the basis that it represents a degree of 'future proofing' of a businesses' resilience to allow the opportunity to use rail at a future point in time. The presence of substantial local alternative non-rail based sites will act as a competitor to the SRFI and will be able to offer lower cost land acquisition/leases due to the absence of the need to invest in rail intermodal infrastructure (Ref: Prologis' previous representations/Hearing Statements). A specific example of such an occupier choosing to locate at Magna Park when previously considering locating at DIRFT has been put to the Examination.

With regards to the inherent contradiction in the IcenI Report, paragraph 1.8 states that: "*There is a degree to which additional space at Magna Park will support the functioning of the rail head at DIRFT, with 16% of current HGV trips from Magna Park to its rail terminal*". Such a claim in respect of SRFI support cannot be substantiated when the expansion of Magna Park will divert investment away from the SRFI by virtue of an unfair level of real estate competition, where the non-SRFI distribution sites do not contribute to rail infrastructure capital costs. This claim also belies the assertion that Magna Park and DIRFT appeal to different market segments.

References within the IcenI Report (e.g. p2 & p47) which claim support to SRFI and particularly DIRFT, should therefore be discounted as supporting the allocation proposed by the Modification at Magna Park.

- 4 There are various claims within the report stating that there is around 330,000 sq m of strategic floorspace which has been brought forward and completed on sites identified in the SSDS (para 4.9). Prologis is unclear of the geographical spread of these sites and this information needs to be provided. It then goes on to state that there is total capacity on site for development yet to be completed of 1.3 million sq m. However, within this figure Watermead Business Park and Midas 22 have been removed because, it is suggested, they are not attractive locations for large strategic distribution requirements then they are referred to again later in the evidence. Furthermore, table 4.3 only considers schemes with planning consent and does not consider pipeline supply, which would be wholly appropriate because of the length of the plan period. When IcenI brings the analysis together at para 4.11 of the consented supply it is confused, hard to interpret and appears to be incorrect. It is not clear how the calculated supply is totalled to be 1 million sq m. IcenI has not transparently defined the take-up levels, and it is not clear how IcenI derive take-up levels.

Their conclusion suggests take-up in Leicestershire (which would need to be new-build for the purpose of analysing land absorption) is 200,000 sq m per annum. The long-term

average for the whole of the East Midlands is a little below 400,000 sq m per annum (see Figure 5.5), and this includes existing buildings which, on a year to year basis, comprises 30-50% of take-up. Icenis estimation of average take-up levels is, accordingly, grossly over-estimated. It is therefore questionable that the quantitative shortfall claimed by Icenis is justified.

- 5 Table 4.4 which identifies the planning applications for further strategic distribution floorspace is not an accurate reflection of the most up to date position on potential supply. A robust review of all sites included within the study area needs to be mapped by Icenis and the relevant tables throughout the report need to be updated to reflect the following schemes in Leicestershire which exist and which have been omitted from the analysis:

- a Crosslink 646 (Rotherhill Developments)
- b EMDC (Clowes Developments)
- c Interlink South (Curtis RE)

And the following schemes in the wider Golden Triangle:

- d Prologis Park Kettering (Prologis)
- e Kettering Gateway (Segro)
- f Tournament Fields (Clowes Developments)
- g Spa Park, Leamington
- h Centrix, Corby
- i Mustang Park, Daventry (Canmoor)

It is unclear in the report why some schemes have been included and excluded such as Prologis Park Pineham, Segro Kettering Gateway, Prologis Park Kettering and Peddimore (IM Properties) There is an argument that Mustang Park (Canmoor) and Prologis Park Daventry should also be included.

- 6 There are various references within the body of the report to emerging SRFI developments within the study area and proposals in emerging and current plans. The status of each and progress made in the NSIP regime should be provided in a table so it is clear what weight is being given to emerging SRFI schemes in the pipeline. It is likely that that available supply would increase significantly if the assessment is revised to include the above schemes. For example, it is not clear how Gazeley's SRFI proposal at M1, Junction 15a (Rail Central), and SRFIs at Northampton Gateway, Etwell and Hinkley have been included within the supply. The four SRFI proposals which should be considered include;

- a Rail Central;
- b Northampton Gateway;
- c Hinckley; and,
- d Etwell.

There is likely to be certainty on at least three of these schemes within 12-18 months and as such, they constitute a significant level of supply.

- 7 Icenis claims at para 4.16 that if all schemes come forward it would exceed the SDSS minimum requirement by 2031 by around 40%. It is not transparent how this figure has been arrived at given that our understanding is that the extension to Magna Park delivers more than double the requirement for Leicestershire. Prologis also notes that whilst need is defined as a minimum delivering 40% over the requirement is significantly above the quantitative defined need in the SDSS. This means that uncapped levels of growth can be

delivered in the County which is unlikely to be the intent of the evidence. There is no quantitative case based on the current and pipeline supply for the proposed scale of over-provision.

- 8 There are errors within the supply trajectory for example at para 5.4 our understanding is that the East Midlands Gateway is double the floorspace claimed in the Iceni Report (closer to 600,000 sq m).
- 9 Figure 5.7 identifies the estimated build-out of consented schemes in Leicestershire to 2031. The indicative trajectory for all schemes is an estimate and is wholly unrealistic. It is unclear where these build out rates have come from and they do not reflect the current market rate of delivery. For example, this suggests that by 2021 East Midlands Gateway, Mountpark Bardon, Midas 22, Leicestershire Distribution Park and Hinckley Park will all be built out. This would comprise 674,920 sq m in three years or an average of 224,973 sq m on these five schemes alone. These asserted build out rates are entirely unrealistic.
- 10 Figure 5.8 estimates the build-out rates in the narrow Golden Triangle. Again, estimated build-out has been over-exaggerated on all the schemes with the exception of DIRFT III which reflects market reality. Because of the overexaggerated build-out rates it is likely that supply is not as limited as claimed with many of the projects likely to meet longer term development needs to 2030. The Iceni claims at para 5.28 - that sites will be built out within 5 years is not realistic and is not supported by evidence. Again, there is no account taken of pipeline sites within this analysis.
- 11 At para 4.13, Iceni point to rental growth as, “*a direct market signal which indicates an imbalance between supply and demand*”. However, it is important to recognise that there are a range of factors that can determine rental levels and how they change over time which are not limited to the demand-supply balance. How does Iceni know rental growth will continue at the same rate with levels of identified supply coming forward? Other factors include the quality and specification of the product being brought to the market, the commercial terms being offered by developers, and the choice of sites and competition (or lack of) within the market place. It is therefore not correct to suggest that, taken at face value, this is a “direct” signal of market imbalance.
- 12 The impact analysis of other plans is obtuse. Iceni has failed to justify what low/moderate/high actually mean. Given that a number of the plans (Blaby/Charnwood/Leicester) are dated from 2013/14, by definition they will not be based on the SDSS 2014 (or 2016 update). It is therefore difficult to conclude that the sub-regional evidence of need has been sufficiently integrated into plan-making (i.e. in line with PPG). This would mean that the Iceni analysis cannot be conclusive given that it is not a robust comparison. There needs to be an acceptance from the neighbouring authorities - in a duty to cooperate statement - that they agree with the statements made on impact on their employment strategies given that Harborough is delivering in excess of the need identified.
- 13 Daventry District Council (DDC) has expressed concerns with the EV1 Report (DDC Strategy Group Meeting on the 7th February 2019). The Inspector identified this as an area where further clarification was needed and this was DDC’s main concern (i.e. the potential impact on delivery of DIRFT). DDC contends that the report does not satisfactorily grapple with this and there is a lack of explanation of what constitutes a “moderate” impact. There are also concerns about the approach to requiring a ‘pipeline’ of employment land and how this relates to needs previously identified. There are concerns about the absence of any safeguard that required an assessment of the impact on Strategic Rail Freight Interchanges. Whilst concerns were raised about how the approach to this in the submission version would be implemented in practice it was still considered to have a sound purpose. We are aware that DDC is objecting to the Main Modifications (Appendix 2).

- 2.16 We have identified a significant number of issues with the Icen report and it does not provide a credible and robust source of evidence to justify the allocation of an additional 320,000 sq m of strategic distribution floorspace in Harborough to that which has already been granted planning permission.

Recommended change

- 2.17 Revised evidence is required in order to justify the soundness of the allocation proposed by the Modifications and to define the effects on the plans and programmes of other Leicestershire and adjacent Authorities. It is unclear what low/moderate/high impacts actually mean in the Icen analysis. It is likely that the supply pipeline of sites is much greater than Icen have set out the report and given that the delivery rates have been over exaggerated it is likely that the supply will be both greater than estimated and last longer into the plan period than envisaged.

BE2 EV2: Proposed Allocation – Site Identification and Selection, December 2018

- 2.18 Prologis objects to the evidence prepared in the BE2 EV2 Report. It is clear that the evidence is still retrospectively trying to justify the allocation of the IDI Gazeley site. The Council was asked to explain how 700,000 sq m of additional strategic distribution floorspace at Magna Park was justified. As we set out above, there is no case to allocate the remaining 320,000 sq m of strategic distribution floorspace.
- 2.19 The Council has assessed seven sites as part of the process which coincidentally concluded that the IDI Gazeley Site was the optimum location to accommodate the additional 320,000 sq m set in Policy BE2. The Council's assessment of the site is not conclusive enough to justify such a strategic allocation as it notes the following issues on Site 3 (p.7):
- 1 Not the best site for access to the strategic road network.
 - 2 Unlikely to deliver transport improvements or accessibility to labour.
 - 3 Will lead to significant increases in vehicular journeys
 - 4 Significant areas of Flood Zone 2 and 3.
- 2.20 Most concerning in the SA are the effects of the site, which appear to have not been robustly assessed. The effects are summarised (p.7) as:
- 1 Very poor access to public transport.
 - 2 Due to its larger scale it presents the potential for more significant effects upon heritage assets.
 - 3 There is uncertainty about the landscape effects.
- 2.21 The Council's assessment of the effects even with mitigation do not appear to be supportive of the allocation.
- 2.22 Prologis **strongly objects** to the claimed ability of the IDI Gazeley Site as performing satellite role to the SRFI more than 1km away (such as tax and operational benefits, including use of Tugs, less qualified drivers and red diesel), which we assume is DIRFT.
- 2.23 The Council claims that the IDI Gazeley Site will need 6,000-8,000 staff. The closest areas of employment need are Leicester and Coventry. Clearly this will lead to unsustainable commuting patterns which are contrary to guidance contained in the NPPF (2018) para 104. Furthermore, it is well known that it is challenging to recruit and retain staff to work in the distribution centres across the Golden Triangle and locating all of the sites in close proximity to each other is

perpetuating the demand issues for employees and increasing displacement of staff amongst the operators.

- 2.24 Finally, the summarised predicted effects of the SA (p18) have not assessed the predicted landscape effects and indicate “?” in the assessment. What does “?” conclude? Clearly the Council needs to prepare the evidence to justify whether this site is acceptable in terms of harm on the landscape.

Recommended Change

- 2.25 Prologis considers that the evidence contained in the EV2 Report does not justify the allocation of the IDI Gazeley Site for 320,000 sq m of strategic B8 development. There are inconclusive statements which do not justify the allocation and the Proposed Modification is unsound.

IDI Gazeley Environmental Statement

- 2.26 Prologis **objects** to the Council using Gazeley’s ES to justify the allocation in Policy BE2. The evidence is not objective. At the Hearing Sessions, the Council was asked to provide evidence to justify the area of land that should be allocated in relation to Policy BE2. It is considered that the Council is continuing to retrospectively prepare evidence to justify the IDI Gazeley application. The Practise Guidance [paragraph:031 Ref ID 61-031-20180913] states:

*“Policies need to be justified. Evidence to underpin policies can be taken from a wide variety of sources..... Strategic policy-making authorities will need to consider carefully **the need to commission evidence** that will add delay and cost to plan production. Wherever possible, authorities may wish to prepare evidence in-house or jointly to speed up the process, and obtain best value for the taxpayer. Strategic policy-making authorities may wish to seek advice on this, for example, from the Planning Advisory Service as part of their ongoing plan-making support.*

***The evidence needs to inform what is in the plan and shape its development rather than being collected retrospectively.** Strategic policy-making authorities may wish to consider ensuring that their assessment of and strategies for housing, employment and other uses are integrated, and that they take account of relevant market signals.*

*Wherever possible, assessments can share the same evidence base and be conducted over similar timescales, but **strategic policy-making authorities need to take care to ensure that the purposes and statutory requirements of different assessment processes are respected.***

- 2.27 The Practice Guidance is clear that when gathering evidence to justify policies it needs to be commissioned. It is wholly inappropriate to use IDI Gazeley’s ES to justify this strategic allocation when the purpose of the ES is to justify a developers’ planning application.
- 2.28 The IDI Gazeley’s planning application evidence is not objective, it is not the Council’s own assessment and does not assist in dealing with concerns raised by the Inspector at the Examination in relation to the impact on the local road network, the local community, landscape and countryside. We consider that the use of IDI Gazeley’s evidence would not meet the soundness tests (not justified or effective) nor would it comprise a legally compliant plan.
- 2.29 The Harborough Executive Meeting Report refers to the consequences of failing to make a “positive allocation for evidence based additional Strategic Distribution provision in the locality of Magna Park could be that the District is more susceptible to speculative planning applications or the Local Plan is found not to be sound. This would apply to the whole Plan as

the Inspector is unable to find most of the Plan sound: he must find the whole plan sound and the Inspector has indicated in the Examination Hearings that he considered there to be an 'element of unsoundness' in the current criteria based approach to managing growth at Magna Park in Policy BE2 of the submitted Local Plan". Prologis is concerned that the Council is trying to expedite the plan-making process to ensure that they have an adopted Plan. It is considered that the Council should ensure that it has a robust evidence base for justifying the need in Policy BE2. This is particularly important given that the Council stated in the Examination Hearings that they had no specific evidence to justify the need for Policy BE2. It was clear at the Examination that the Council needed to go back and justify the need for the 700,000 sq m of strategic distribution floorspace.

2.30 The Magna Park IDI Gazeley application will be the subject of a Public Inquiry in March 2019 [Appeal Ref: APP/F2415/W/18/3206289]. Harborough District Council refused planning permission on the 17th January 2018 because *"the landscape impact is severe and outweighs the economic benefits. Also it is contrary to Policy CS17"*. Given that the Council has refused the IDI Gazeley application on landscape grounds, we consider that it would be wholly inappropriate for the Council to use the planning application evidence to justify any BE2 allocation. The Council should prepare its own independent landscape evidence to justify an appropriate allocation. Indeed, The Landscape Partnership (TLP) (the Council's landscape advisor) provided comments on the IDI Gazeley Site which concluded: *"Overall there would be a number of significant adverse effects arising from the proposals on both landscape character and visual receptor within an area extending up to approximately 1 km from the site boundary. The adverse effects on landscape character and visual receptors will need to be balanced against all the benefits of the proposal"*. Prologis, in its representations have previously raised concerns with the fact that the economic benefits of the development do not outweigh the significant adverse landscape and visual impact. In the context of the titled balance of the revised National Planning Policy Framework (NPPF) (para. 11), if the development were to be granted, its impact would be so adverse that it would significantly and demonstrably outweigh any benefits outlined by IDI Gazeley.

2.31 With regards to the Highways Evidence contained within the ES – we note that the ES was prepared in in September 2015 and Updated in March 2016. We would therefore question whether the evidence is robust given that it was prepared almost three years ago. It is imperative that the Council prepares its own evidence assessing the highways impacts of this strategic allocation on the surrounding highways network. Prologis is not confident that Harborough has robustly assessed the effects of 700,000 sq. m of strategic distribution floorspace on the local road network and needs to provide this information. We consider that the plan is not justified by robust evidence. It is likely that the effects on the roads in terms of logistics traffic and commuter journeys to work have not been examined, are worse than envisaged and are contrary to the NPPF.

Recommended change

2.32 For the Plan to be sound it is recommended that the Council prepares its own evidence to justify the impact the modifications to Policy BE2 have on the local road network, the local community, landscape and countryside.

Appendix 1: Savills Letter

22 February 2019



FAO
Harborough Planning Policy
Harborough District Council
The Symington Building
Adam and Eve Street
Market Harborough
Leicestershire
LE16 7AG

33 Margaret Street
London W1G 0JD
T: +44 (0) 20 7499 8644
F: +44 (0) 20 7495 3773
savills.com

By post and email to: r.thornhill@harborough.gov.uk

Dear Sir

**Policy BE2: Evaluation of Need, Demand and Impact Final Report – Prepared by IcenI Projects Limited
obo Harborough District Council December 2018**

We write with reference to the above.

It has been brought to our attention that the above report references a report prepared by Savills (entitled Logistics Market Report Magna Park Lutterworth dated October 2018) and a fully copy of the Savills report has been attached by way of an Appendix.

Our report was commissioned by Gazeley as an update to a report previously compiled by Gerald Eve in 2015. It was provided for their exclusive use and we would like to make clear that we were unaware it had been used by IcenI in relation to the above. IcenI had not made us aware of its inclusion nor sought our permission.

Under these circumstances we feel it necessary to bring this to your attention. It is our preference that our report be removed from the IcenI report appendix and from the Harborough website but in any event state that it should not be used or relied upon by third parties.

Yours faithfully

cc

Appendix 2: DDC Strategy Meeting Agenda

Report reference: SG.070219/5

Wards affected:
General

Strategy Group – 7th February 2019

Harborough Local Plan 2011-2031 Main Modifications

Strategic Planning Issues

1. Purpose of Report

To propose a response to the proposed main modifications to the submission Harborough District Local Plan.

2. Advice

That it be RESOLVED:	That a formal objection to the proposed modifications to the submission Harborough District Local Plan is made as outlined in section 4.6.
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3. Introduction

Harborough District's development plan currently comprises a Core Strategy covering the period 2006 to 2028 and the 2001 Local Plan. Harborough District Council (HDC) has declared that its Core Strategy is out of date in terms of policies relating to housing and economic development following the publication of the National Planning Policy Framework. Work has progressed on producing a comprehensive Local Plan covering the period to 2031 which, on adoption would replace the Core Strategy and 2001 Local Plan.

A proposed submission plan, covering the whole of Harborough District was consulted on and submitted for examination to the secretary of state. Daventry District Council objected to a policy within that plan, policy BE2 relating to Strategic Distribution (Strategy Group 12.10.17) and followed up the objection by appearing at the hearing session. Following a series of hearing sessions a schedule of minor modifications has been published for consultation between 15 January 2019 and Tuesday 26 February 2019. The schedule of modifications and supporting documents can be accessed at:

[https://www.harborough.gov.uk/downloads/file/4978/final schedule of proposed modifications v15 - as published 140119](https://www.harborough.gov.uk/downloads/file/4978/final%20schedule%20of%20proposed%20modifications%20v15%20-%20as%20published%20140119)

At this stage comments can only be made to the proposed modifications.

Report reference: SG.070219/5

4. Information

4.1 Policy BE2 Background

As Policy BE2 (Strategic Distribution) was the only policy that the Council raised objections to previously it is the only policy of relevance in this report. In the Proposed Submission plan, policy BE2, that relates to Magna Park, sought to safeguard Magna Park for strategic storage and distribution and support additional strategic distribution up to 700,000m² where it meets certain criteria. These included that the site adjoins or extends Magna Park, supports or at least has no adverse impact on the viability and deliverability of existing or further Strategic Rail Freight Interchanges within or serving neighbouring authorities and Leicestershire and not lead to severe traffic congestion anywhere on the nearby strategic and local road network, particularly on the A5.

During the period when the Proposed Submission plan was being published and consulted on permission was granted by HDC for 380,000m² of strategic distribution at Magna Park (the modifications propose that this will be shown in the plan as a commitment).

4.2 Initial response

As resolved at Strategy Group on 12th October 2017 the Council objected to the policy as it did not consider the policy to be justified. The need identified in the evidence base was for 152 ha of strategic storage and distribution across the whole of Leicestershire. The quantum of 700,000m² in the policy (based on planning applications) equated to a site area of 327 ha i.e. more than double the amount for the whole county. Furthermore it was not considered that approach in the policy was sound in that the capacity established in the policy should be one that would not have an adverse impact against the policy criteria. It was also identified that in order to establish the scale of development at Magna Park that would be acceptable further cross-boundary work with stakeholders was required to fully take into account the potential impact of different growth scenarios.

4.3 Hearing

Hearing sessions were undertaken in October 2018 with officers from the Council attending the hearing session on employment which included a discussion on the approach set out in policy BE2. The Inspector identified concerns with the policy, stating that the level of growth in the policy should normally be identified as an allocation, not delivered through a criteria based policy, and justified by evidence. The Inspector also was not satisfied that a proper assessment had been made of the potential impact of the scale of development on other projects and public programmes, and therefore sought further evidence on this.

4.4 Study to assess impacts

Officers were invited by officers from HDC to provide input into the brief for the work which was carried out by a consultancy, Icen. Icen subsequently carried out a piece of work entitled 'Policy BE2: Evaluation of Need, Demand and Impact'. This study

Report reference: SG.070219/5

sought to assess the impact of allocating the full quantum (700,000m²) of floorspace at Magna Park on a range of local plans across Leicestershire, Northamptonshire and Coventry and Warwickshire. In respect of the plans of relevance in Daventry District it concluded there would be an impact on the West Northamptonshire Joint Core Strategy because DIRFT falls within the same market area as Magna Park but concluded this would be moderate. It identified a low impact on the emerging Part 2 Settlements and Countryside Local Plan.

4.5 Main Modifications

The schedule of main modifications identifies the changes to the policy in tracked change format. Policy BE2 is subject to significant proposed changes set out in full in Appendix 1. In summary the policy still supports up to 700,000m² however the committed sites are now identified as such and the remaining quantum (320,000m²) is proposed as an allocation on land North and West of Magna Park. The allocation policy includes a series of criteria which include a requirement for units to be greater than 9,000sqm (to ensure they are strategic), the protection of heritage assets, landscape and visual impact assessment, and the mitigation of impacts on a range of matters which include, amongst others, the highway network, air quality and nature conservation. The criterion which previously allowed for consideration of the impacts on the delivery of strategic rail freight interchanges is proposed to be deleted.

4.6 Consideration and suggested response

It is not considered that the changes made to the policy and the additional evidence undertaken have satisfactorily addressed the concerns previously raised. The policy, including the quantum proposed, is still not justified based on the additional evidence undertaken and consequently the proposed modifications to policy BE2 should be objected to.

Furthermore there are concerns with the report undertaken that sought to assess the impact of the policy. The Inspector identified this as an area where further clarification was needed, and this was the root of this Council's concerns (i.e. the potential impact on delivery of DIRFT). However the report does not satisfactorily grapple with this, and there is a lack of explanation of what constitutes a "moderate" impact. There are also concerns about the approach to requiring a 'pipeline' of employment land and how this relates to needs previously identified.

In addition there are concerns about the absence of any safeguard that required an assessment of the impact on Strategic Rail freight interchanges. Whilst concerns were raised about how the approach to this in the submission version would be implemented in practice it was still considered to have a sound purpose.

It is therefore proposed that the Council's concerns should be reflected in an objection to the Main Modifications.

5. Implications

5.1 Financial – Responding to the consultation would not of itself have any financial implications.

Report reference: SG.070219/5

5.2 Personnel – Responding to consultations of this nature, and working co-operatively with nearby local authorities, is planned for as part of normal workloads.

5.3 Legal/Constitutional – The Council has a duty (the “Duty to Cooperate”) under Section 33A of the Planning and Compulsory Purchase Act 2004 to “engage constructively, actively and on an ongoing basis” on various matters, including strategic matters in the preparation of local plans. For plan making this duty ceases at submission. However officers from HDC have continued to liaise with DDC officers. Ongoing dialogue will also continue at Member level through the A5 working group.

5.4 Environmental – In accordance with the NPPF local plans must be prepared with the objective of contributing to the achievement of sustainable development. The plan is also subject to strategic environmental assessment as part of the sustainability appraisal required by European Union and UK law, respectively. Other than those issues raised above no issues have been identified which would materially adversely affect Daventry District.

5.5 Policy – Dealt with in the main body of the report.

5.6 ICT – None as a direct result of this report.

5.7 Crime and Disorder – Nothing has been identified in the HDC consultation document which suggests it would cause, or indeed improve, crime or disorder in Daventry District.

5.8 Human Rights – Nothing has been identified in the HDC consultation document which suggests it would adversely affect any of the Convention rights.

5.9 Equalities – Nothing has been identified in the HDC consultation document which seems likely to unlawfully discriminate against people with any of the protected characteristics.

6. Conclusions

Harborough District Council have published a schedule of main modifications. These feature extensive modifications to policy BE2, Strategic Distribution, including allocating a further site to deliver the quantum of 700,00m². It is suggested that the concerns regarding the approach to the modified policy, as set out in section 4.6 form the basis of the comments of this council to the consultation.

S P Bowers
Executive Director (Business)

Background papers: Harborough Local Plan 2011-2031 Proposed Submission.
Report to Strategy Group, October 2017
Previous minutes:SG.56/17/04

Contact Officer:

File reference: L1U1

Response to Main Modifications Harborough District Council Local Plan Examination



Contents

1.	Introduction	1
2.	The Spatial Strategy	2
3.	Local Plan Review	5

1. Introduction

- 1.1. Savills (UK) Ltd is instructed by Taylor Wimpey Strategic Land to respond to the current Harborough Council Local Plan 'Main Modifications Consultation' which comprises of the following documents:
- Schedule of Main Modifications (January 2019)
 - Sustainability Appraisal Addendum Report, Harborough Local Plan 2011-2031 with Modifications (January 2019)
 - Habitats Regulations Assessment (HRA) (January 2019)
- 1.2. This submission follows the earlier submission of representations in response to the Regulation 19 Local Plan Consultation and participation in relevant Local Plan Examination Hearing Sessions in October 2018.
- 1.3. The context of these representations reflect Taylor Wimpey Strategic Land interests at 'Land East of Frolesworth Road, Broughton Astley'. The site comprises of 15.66Ha of agricultural land and is well related to existing residential development to the south west of Broughton Astley.
- 1.4. The site was assessed in the SHLAA Update 2015 and given the reference: 'Land off Frolesworth Road (north), Broughton Astley A/BA/HSG/10'. The Council found that the site was suitable, available, achievable and deliverable within 5 years. However, within the emerging Local Plan the Council has not sought to specifically direct any new development to the Key Centre of Broughton Astley.
- 1.5. These representations respond to the following specific elements of the Main Modifications Consultation:
- Main Modification 2 - Policy SS1 – The Spatial Strategy
 - Main Modification 3 - Policy GD2 – Settlement Development
 - Main Modification 8 - Policy H1 – Provision of New Housing
 - Main Modification 28 - Policy IMR1 – Implementation, monitoring and review; and
 - The supporting Sustainability Appraisal Addendum.

2. The Spatial Strategy and Provision of New Housing

Main Modification Ref: MM2

- 2.1. Policy SS1 establishes 'The Spatial Strategy' for Harborough District during the plan period 2011 to 2031. The Council has planned for the supply of a minimum of 12,800 new dwellings.
- 2.2. Main Modification 2 seeks to amend Policy SS1 'The Spatial Strategy' to reflect updated figures about the completed and committed number of dwellings across the District. Support is given to the Local Plan being based on up to date evidence.
- 2.3. As a consequence of the amended completed and committed dwelling figures, the amount of new housing expected to come forward in the remainder of the plan period is reduced.
- 2.4. Main Modification 2 suggests the complete removal of the reference to a specific housing provision figure for windfall sites. Support is given to this approach to allow sufficient flexibility for additional windfall housing to be delivered throughout the plan period in accordance with Policy GD2 (as discussed below).
- 2.5. Whilst no suggested modification has been made to refer to an amount of housing to be directed to Broughton Astley, support is given to the continued classification of Broughton Astley as a 'Key Centre', a third tier settlement within the settlement hierarchy.

Main Modification Ref: MM8

- 2.6. Main Modification 8 relates to the housing requirement for the Harborough Local Plan 2001 to 2031. The suggested modified text at paragraph 5.1.3 explains the Council's housing requirement for the plan period is 11,140 dwellings (557 dpa). Whilst our representations have previously argued that there should be an additional uplift to this figure, support is given to the reiteration within the suggested text at paragraph 5.1.3 that this is a '*minimum figure*'. This statement is consistent with other policies relating to the supply of housing within the Local Plan.
- 2.7. The suggested text at paragraph 5.1.3 is considered necessary as it explains the approach to calculating housing land supply (i.e. using 557 dpa) and the Council's approach to plan for 12,800 dwellings therefore incorporating an additional contingency supply of sites. It is acknowledged that the Local Plan contains a Monitoring Framework at Appendix K which facilitates the monitoring of housing delivery across the District and is linked to Policy IMR1 'Monitoring and review of the Local Plan'. In the event of the scenario where there has been '*significant and persistent shortfalls in the delivery or supply of housing against the housing requirement*' within the District this would trigger a review of the Local Plan.
- 2.8. Policy H1 'Provision of new housing' allocates land for 4,000 new homes to be delivered in the period to 2031. It is understood that this figure has been reduced to take account of updated figures about the completed and committed dwellings within the District since the beginning of the plan period.

- 2.9. Within Policy H1, there are some suggested changes to the amount of housing expected to be delivered at site specific allocations at 'Lutterworth East Strategic Development Area' and 'Burnmill Farm, Market Harborough'. This is based on up to date evidence about the capacity and anticipated delivery rates at these sites.
- 2.10. There is also a suggested reduction in the amount of housing to be directed to Rural Centres within Policy H1. Support is given to this approach as it allows greater flexibility for windfall sites to be delivered at more sustainable locations across the District. The suggested text at paragraph 5.1.11 specifically refers to the supply of further 225 dwellings anticipated to be delivered at windfall sites. This 225 figure is consistent with the figures contained within the Housing Trajectory at Local Plan Appendix G for the period 2022/23 to 2030/31.
- 2.11. It is considered that the suggested additional text at paragraph 5.1.17 should be amended as follows:
"...Some settlements have not been set a minimum housing requirement under Policy H1 because of the ~~substantial~~ number of completions and/or commitments that had already taken place by 31 March 2018." in proportion to the size of the settlement and the level of service provision"
- 2.12. It is suggested that the final sentence of paragraph 5.1.17 should be amended as follows:
"Policy GD2 allows for an additional ~~small amount of~~ flexibility in the provision of housing, but prevents a level of growth which could risk overwhelming local character and facilities or distorting the spatial strategy."
- 2.13. The above amendments would better reflect the approach towards the provision of housing across the District, particularly in respect of Broughton Astley as discussed within the Hearings Session held on 4th October 2018.
- Main Modification Ref: MM3
- 2.14. Policy GD2 'Settlement Development' is intended to provide sufficient flexibility for windfall development to be delivered within the District. Main Modification 3 suggests wording to refine the policy criteria to be more flexible in its approach whilst not seeking to undermine the overarching spatial strategy as identified at Policy SS1.
- 2.15. Part 2 of Policy GD2 relates to sites adjoining the existing committed built up area. Specific support is given to the flexibility of criteria 2a, b and c to reflect the various scenarios in which windfall sites will be pursued.
- 2.16. Policy SS1 identifies Broughton Astley as a 'Key Centre', a third tier settlement within the settlement hierarchy and as such is a suitable location to support additional development. The revised wording of MM3 would enable windfall sites to come forward at this settlement in the event the event that there is a shortfall in housing land supply or if there is a need identified through a housing needs survey.
- 2.17. It is suggested that the additional suggested text at paragraph 4.3.4 should be amended as it does not accord with the wording of the main Policy GD2 in respect of the scenario where windfall development could be pursued under criteria 2b.

Response to Main Modification

Harborough District Council



2.18. Suggested amended paragraph 4.3.4 as follows:

Policy GD2 allows for a small amount of flexibility where proposals comply with the criteria and other relevant policies but ensures the spatial strategy and the plan-led system is not undermined. ~~Once the minimum housing requirement in Policy H1 has been met (by completions and/or commitments including allocated sites) only minor additional residential development will be supported as set out in GD2.2a above.~~

3. Local Plan Review

Main Modification Ref: MM28

- 3.1. Regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations, (as amended in 2017) establishes the requirement for Local Planning Authorities to review Local Plans every five years starting from the date of adoption.
- 3.2. Harborough District Council acknowledges the need to review the 'Local Plan 2011 to 2031' to ensure that it is based on up to date evidence and responds positively to changing circumstances. Support is therefore given to the principle of Policy IMR1 'Monitoring and Review of the Local Plan'.
- 3.3. Harborough District Council is within the Leicester and Leicestershire Housing Market Area. As previously highlighted within representation submissions there is uncertainty about Leicester's ability to accommodate additional growth as required. Main Modification 28 incorporates specific wording at Policy IMR1 2b to respond to the potential scenario where there is satisfactory evidence of an unmet local housing need.
 - Triggers
- 3.4. Main Modification 28 suggests three scenarios which could trigger review of the Local Plan. Additional explanation about each of the triggers is provided at paragraph 12.1.7. Support is given to each of the suggested triggers, particularly 2b and 2c.
 - Timescales
- 3.5. Main Modification 28 suggests revising the realistic timescales for both: the commencement of the Local Plan Review within 6 months from the trigger events; and Submission of the Local Plan Review within 30 months. Specific support is given to the suggested timescales for the Local Plan Review to enable the Council to be responsive to the key triggers.
- 3.6. As a result of Main Modification 28, the wording of Policy IMR2 is largely consistent with the wording of the Blaby District Local Plan Delivery DPD (Policy LPR1)¹ and Policy SS6 of the Melton Borough Council Local Plan (2018).
- 3.7. Within the Sustainability Appraisal Addendum (January 2019) the suggested changes are described as having *"modest implications for the achievement of 'housing and economy' objectives. In respect of housing, the clarification of plan review triggers is a positive step...."* (para 3.6.6).

¹ Following receipt of the Inspector's Report dated 21st December 2018, Blaby Members resolved to adopt the Blaby District Local Plan Delivery DPD on 4th February 2019.

SUBMISSION TO THE PROPOSED MAIN MODIFICATIONS TO THE HARBOROUGH LOCAL PLAN

ON BEHALF OF WILLIAM DAVIS LTD

**TOWN & COUNTRY PLANNING ACT 1990 (AS AMENDED)
PLANNING AND COMPULSORY PURCHASE ACT 2004**

Prepared by:

Pegasus Group

4 The Courtyard | Church Street | Lockington | Derbyshire | DE74 2SL

T 01509 670806 | **F** 01509 672247 | **W** www.pegasuspg.co.uk

Birmingham | Bracknell | Bristol | Cambridge | Cirencester | East Midlands | Leeds | Liverpool | London | Manchester

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1. MM21 – GI3: CEMETERIES

- 1.1 This proposed modification is supported as it responds positively to objections we made to this Policy as part of the Regulation 19 consultation. It is contended that with the modification in place, the Plan will be sound and our objections to Policy G13 should then be treated as withdrawn.

2. MM28 – IMR1: IMPLEMENTATION, MONITORING AND REVIEW

- 2.1 The aim of MM28 is supported in seeking to provide clarity and certainty over the circumstances in which an early review of the Plan will be undertaken. However, objections are raised to this proposed modification in failing the 'Effective' test of soundness, for the reasons set out below.
- 2.2 It is worth reflecting briefly on the primary reason for needing a clear and unambiguous trigger for an early review of the Local Plan - unmet housing need. This is housing need that exists now and is not being provided for in the Housing Market Area (HMA), namely the housing needs of Leicester City. It is necessary for Leicester City's unmet housing need not only to be met, but to be appropriately identified and apportioned as a housing requirement figure in all relevant local plans¹ as soon as possible.
- 2.3 Harborough Borough Council (HBC) is well placed to accommodate a good proportion of Leicester City's unmet housing need, due to both geography and the Strategic Growth Plan's (SGP) growth area locations. It is extremely unfortunate that this position could not be established as part of this Local Plan. It is incumbent upon IMR1 to ensure that this unsatisfactory position is resolved as swiftly as possible - to ensure the Plan is positively prepared and therefore sound. The present proposed modifications to IMR1 do not achieve this and require further modifications as proposed below.
- 2.4 The first defined event (a) refers to a quantum of housing that is '*significantly greater than that allowed for in this Local Plan*'. This is not an effective test as any unmet housing need that is to be provided for within HBC should be accounted for in the HBC housing requirement figure. This is the only way the delivery of housing to meet the need can be appropriately tested and incentivised as necessary. Accordingly, the 'significantly greater than' test should relate to

¹ Of those LPAs who are identified to meet an agreed amount of this unmet need

the housing or employment land requirement figures in the Plan, not what is 'allowed for' in the Plan.

- 2.5 Event (b) proposes a further 12 months delay in undertaking a Local Plan Review in addition to the 6 months lead-in time already provided for. There is no reasonable case to delay the Reg 18 consultation by further 12 months and this part of MM28 therefore fails the positively prepared test of soundness and should be deleted. In reality, this scenario is highly unlikely to occur due to the Duty to Cooperate requirements that Leicester City would need to accord with if it is submitting a Local Plan and is not accounting for its unmet housing need. In any event, the additional 12 months is not necessary or justified.
- 2.6 Event (c) refers to the identification of significant and persistent shortfalls in the delivery/supply of housing; this is unclear. To remedy this and provide clarity, persistent under-delivery either needs to be explicitly defined, or the criterion redefined to refer to failing the Housing Delivery Test.
- 2.7 Further, Table D.32 in Appendix K of the Local Plan will require consequential amendment, in particular the 'Possible Actions to Remedy Target Not Being Met' in respect of Housing. Once greater clarity is provided in respect the housing under-delivery trigger, the 'Possible Actions' column for Housing will need to be modified to simply state 'undertake a full or partial Local Plan Review within 6 months'.
- 2.8 Finally, IMR1 paragraph 3 allows 30 months to submit the Local Plan Review for examination from Regulation 18 consultation; this is far too long a time period in light of the unmet housing need existing now, and also in light of the work needed to be undertaken. Following Reg 18 consultation, only one further Reg 19 consultation is expected prior to submission -allowing 2½ years for this means the Plan will not be positively prepared, particularly in light of the NPPF expectation that Local Plans will be reviewed every 5 years. It would not be unreasonable to reduce this time period to 12 months – that would still be 18 months from the trigger occurring to submitting a plan for examination, with a further 9-12 months to adoption.
- 2.9 To be found sound, MM28 requires further modification for the reasons set out above. Summary of Proposed Changes to MM28:
- Criterion a: replace 'that allowed for' with 'the housing requirement figure';

- Criterion b: delete '12 months from';
- Criterion c: to define 'significant and persistent shortfalls', or to replace with 'failing the Housing Delivery Test', together with consequential modifications to Table D.32 at Appendix K; and
- Paragraph 3: replace '30 months' with '12 months'.