HARBOROUGH EMPLOYMENT LAND STUDY
Main Report

January 2006

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RURAL SOUTH LEICESTERSHIRE

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HARBOROUGH EMPLOYMENT LAND STUDY: EXECUTIVE SUMMARY

1. This employment land study, prepared by Nathaniel Lichfield & Partners, has been commissioned by Harborough District Council to provide evidence on the future employment land requirements of Harborough District and how these could potentially be met in terms of quantity, quality, Use Class and geographical spread. The primary aim of the report is to provide a technical assessment that will inform the preparation of employment policies for the Residential and Employment Land Allocations Development Plan Document (R&ELADPD) that is to form part of the Council's forthcoming Local Development Framework (LDF) for the district. As such the report is evidence that will be used by the Council in preparing new planning policy. The report does not form Council policy itself.

2. The study looks at the potential of the district to provide for future employment. By assessing the existing stock of employment space, calculating future requirements and by assessing the contribution that existing allocated sites may make, the likely scale of new provision to meet identified requirements has been derived. The study identifies sites that may come forward for further consideration (either for allocation, re-allocation or de-allocation) for employment purposes, as part of the statutory LDF process. However, their inclusion in this study does not indicate that they will feature as a proposed site within either the Preferred Options, Submission, Consultation or any Adopted version of the R&ELADPD published subsequently. Nor does it indicate that planning permission for employment purposes is in any way inevitable for identified sites.

3. The study addresses the time period 2005-2016, to coincide with the scheduled end date of the LDF and the Structure Plan. However, the timetable for its production required it to be commenced in advance of the adoption of the Leicestershire & Rutland Structure Plan (Adopted March 2005) and the Regional Spatial Strategy for the East Midlands (adopted March 2005).

Approach

4. The study focuses on employment land needs for the following uses - B1 (business), B2 (industry) and B8 (warehousing/distribution). It involved extensive consultation with various organisations with an interest in the supply of employment land in the district including employers, economic development and inward investment agencies, business groups, property agents, landowners and developers. The main tasks involved in this study were:

- an assessment of the current stock of employment space in the district, both sites and premises, in terms of uses, location, type and quality of provision;
- estimating future employment space requirements in both quantitative and qualitative terms,
- a review of existing employment sites and allocations in the district in terms of their quality and adequacy to meet future needs
- an assessment of whether additional employment sites need to be allocated, and if so, identification of potential new sites as well as existing employment sites which could be re-allocated for other uses;
- formulating policies to protect and encourage appropriate take-up of employment land in future;
- to identify effective approaches for monitoring employment space in future.

Economic Context

5. Harborough is a predominantly rural district with two larger market towns – Market Harborough and Lutterworth. However, it lies on the edge of the sub-regional centre of Leicester, adjoins Junction 20 of the M1 motorway and contains the very large national distribution centre of Magna Park.

6. Based on various economic indicators, Harborough is a relatively prosperous area with low unemployment, strong recent job growth and a relatively tight labour market. The main strengths of the Harborough local economy, which influence its ability to support new employment space, include: being seen as an attractive area to live, close to services in Leicester; its good accessibility to the strategic road network and rail links; its base of small to medium sized firms strong in the manufacturing and distribution sectors; its relatively highly-skilled workforce; and its significant employment growth during the past 12 years.

7. However, some potential weaknesses and threats were identified. These include: low unemployment and a high economic activity rate which limit available labour supply; over-representation in sectors with limited prospects for future growth; and under-representation in private sector knowledge-based industries, which could form an important source of future growth. There are few large service sector firms, possibly related to a lack of larger scale office sites, but this must be seen in the context of this being a mainly rural district. Also, there has been a limited amount of inward investment in growth sectors in recent years, except in Magna Park. The district has strong representation in distribution despite a workforce with relatively few lower skilled workers, while there is a high and increasing level of out-commuting, particularly of higher skilled workers. The district faces competition for economic growth from large business/distribution parks beside the M1, from areas such as Kettering and Corby with greater supply of labour and land and from the major housing and employment growth planned in South Northamptonshire.

Current Supply of Employment Space

8. In 2004, Harborough district contained some 1.3 million m^2 of employment floorspace, predominantly industrial (22%) and distribution uses (74%), with relatively little office space (4%). The Magna Park distribution park (0.65 M m^2) takes up almost half of all employment space and two thirds of all warehousing space. Almost two thirds of all other employment space is located in the two main towns, Market Harborough and Lutterworth.

Current stock of Employment Space in Harborough District

Offices (m^2)	Factories (m^2)	Warehouses (m^2)	Total (m^2)
53,000	292,000	955,000	1,300,000

Source: VOA, Business Rates, 2005

9. The district has a range of types of space, from urban industrial estates to secondary space at former airfield sites, small office parks and small converted units in rural locations. Excluding Bruntingthorpe Airfield, the 37 main existing employment locations contain almost 300 ha of the district's employment land; the majority of these main employment areas are predominantly in industrial and distribution/ warehousing uses. Excluding Magna Park, few of these employment areas are particularly large.

10. About 70% of industrial space is in relatively older premises, built before 1970, with relatively little modern space developed in recent years. The overall condition of the main employment sites is fairly good, with few sites in poor condition. Even secondary areas, such as the Riverside Estate, with poorer environments and access, still meet local needs for specific types of lower cost space, and are fully occupied. Apart from two recently built, small office parks, and a few individual developments in Market Harborough, there is relatively little modern purpose-built office space and very few office buildings of any size.

11. Property vacancy levels are generally very low (under 5%) and there is very little industrial space available to let, or development space on any existing industrial area. Many firms occupy unsuitable premises and are constrained from expanding and turnover of premises is low. This largely reflects the very short supply of employment space, particularly industrial space. The main gap identified in the property portfolio is for industrial space of different sizes, followed by starter units, for which strong demand exists. While market views were that some additional office space may also be needed, it was also felt several current proposals may meet some of this requirement. Overall, employment space in the district is in very short supply generally, with a need for significant amounts of additional space - particularly industrial premises, starter/incubation units for small firms, and some additional general office space - if existing firms and jobs are to be retained.

Changes in Employment Space

12. Over the last 3 years, significant amounts of employment space (42,600 m^2) have been lost to other uses, including retail and housing, but most of this is was on one large site, the 6.8 ha. former Tungsten Batteries site in Market Harborough. This site alone is equivalent to an average loss of 1.8.ha. of employment land annually but this rate may not continue over the next 10 years.

13. Although a sizable amount of new employment space has been permitted recently, averaging 68,000 m^2 annually in Magna Park and 23,000 m^2 elsewhere, much of the latter (10-15%) involves conversion of rural buildings and a few large office schemes, with little new industrial space in the main towns.

Economic Potential of Harborough

14. The most realistic future economic role of Harborough is seen as one which builds on its current strengths, particularly its base of small to medium manufacturing firms, particularly at the higher quality end, and in expanding its small IT and business services firms. With competing areas nearby perceived as more attractive, the district was not seen as a location able to attract many large office or manufacturing activities. Failure to provide adequate employment land appears likely to result in loss of firms. The general view was that the most realistic approach would be for the district to facilitate higher skilled job growth through expansion of local firms rather than seek to attract large businesses from outside. At the same time, its service sector, comprising small IT, business and design firms, should be encouraged to expand. A recent separate study identified demand for incubation space in the district focusing on knowledge-based activities.

Future Employment Land Needs

15. To assess the quantitative need for employment land, two scenarios of economic growth in the district were considered. The first was based on a broad continuation of current economic trends but taking account of the effects of past land supply constraints and other factors. A higher growth situation was also considered, based either on better economic performance in the main sectors or aspirations to create more jobs that would reduce current high levels of out-commuting to work.

16. While employment forecasts indicated decline in manufacturing and warehousing jobs, combined with strong growth on office based jobs, the consultation exercise indicated strong need for more industrial land to meet the growth needs of local firms and others from adjoining districts. A number of other economic and property market indicators were therefore examined, such as past take-up rates, labour supply growth, new firm formation rates, rental levels and vacancy rates. These indicators were broadly consistent with consultation views that significantly more industrial land is needed.

17. This analysis resulted in the estimates of gross employment land requirements over the next 11 years shown in the Table below. These figures include allowances made to enable choice and flexibility, replacement of space lost to other uses and to improve property availability levels to more normal levels. The lower growth figures are recommended as the basis for allocating employment land up to 2016. However, the higher growth figures would allow some leeway for the LDF to carry forward to 2021 in line with the RSS time period and could inform any identification of reserve sites for potential release subject to monitoring of take-up over the first 5 years, under a `plan, monitor and manage' approach.

Gross Employment Land Requirements by Economic Scenario

	Lower Growth Scenario (ha.)	Higher Growth Scenario (ha.)
Industrial Space	40	49.0
Office space	7.5	10.0
Total B Space	47.5	59.0

Source: NLP

18. Provision for these land needs should be concentrated in the two larger towns with, subject to suitable sites being found, smaller amounts in the larger villages, such as Fleckney, Broughton Astley and possibly Kibworth. Qualitatively, the indicated level of provision for industrial space could be accommodated through two new industrial areas/estates in Market Harborough and one or two in Lutterworth, along with modest extension of the existing industrial estates in larger villages, such as Fleckney and Broughton Astley.

Current Allocations

19. A significant amount of the estimated future employment land requirements could be met by current allocations and commitment sites not yet taken up. Assessment of these sites found that most of are suitable for some type of employment development. The lowest performers on this measure are the Railway Goods Yard, and Bruntingthorpe Airfield, but even these could meet some needs. There is not a strong argument for re-allocating any of the current sites purely on suitability grounds.

20. However, not all of these sites are realistically available for development. The amount of allocated/committed employment land with a high probability of coming forward in the next 11 years is estimated at 8.2 ha., although there is good potential for a further 19.8 ha. to be developed and some space in the development pipeline. Compared with the estimated amount of future employment land

required, this would equate to a shortfall in the order of 38 ha under the lower growth scenario, or 18 ha. if less certain sites are included. If all allocated sites come forward, this would meet the entire office space requirement, but still require additional industrial land.

21. The main factors found to have delayed or prevented take up of these sites include: some sites being held back by owners due to long term residential hope value; delays in developing some larger sites due to high infrastructure costs combined with uncertain market demand; and the restriction to B1 uses on some sites when demand is for a mix of B1, B2 and B8 uses.

Re-Allocation of Sites

22. There is a case for de-allocating some sites that appear unlikely to come forward in the plan period, mainly because of owners' aspirations and pressures for higher value uses, and several candidate sites have been identified for this. However, before doing so, it is important to ensure that other suitable replacement employment sites can be found that are more likely to be developed, and to consider whether other approaches could help bring forward some of the current allocations. Options would include:

- a more flexible approach to mixed use development such as including a small element of housing where the major part of the site is developed for employment purposes;
- use by the Council of CPO powers to acquire allocated sites, which are being held back for higher residential hope value, and make them available for employment development through a joint venture or sale to developers;
- allocation of public funds to support infrastructure and servicing costs of allocated employment sites and make them more attractive to developers.
- de-allocating any allocated employment site that is unlikely to come forward for this use even using one or more of the above approaches and is considered by the Council not to be needed for residential purposes.

Potential New Allocations

23. Further sites were identified with potential to provide new employment land allocations. Appraisal of these sites against the same criteria as existing allocations identified nine sites which offer high potential for employment development, all at the two main towns. All but one is greenfield land outside existing settlement limits and together they comprise some 50 ha. In suitability terms, these nine potential new sites compare favourably against some of the current allocations and could help replace any current allocations unlikely to come forward quickly. Further investigation of these sites is needed before allocation, given that ownership and the sites' availability for employment development could not be fully investigated at this stage.

24. Overall, the estimated future land requirements for the preferred scenario could be met by a combination of allocated/committed sites and new allocations as follows, drawing on the assessment of the most suitable sites.

Meeting Future Employment Land Requirements (Lower Growth Scenario)

	Industry (B1(c)/B2/B8)	**Offices (B1(a)/B1(b))**
Future Employment Land Requirement	**40 ha.**	**7.5**
Allocated/Committed sites (high probability)	2.2 ha.	6.0 ha.
Allocated/Committed sites (medium probability)	17.8 ha.	2.0 ha.
Allocated/Committed sites (low probability) *	7.2 ha.	Not needed (7.6 ha.)
Issues Paper Sites (comparable to allocated)	9.3 ha.	Not needed
Other Identified Sites (comparable to allocated)	37.0 ha.	Not needed

Source: NLP

Strategic Employment Sites

25. No clear need was found for allocating a 25 ha. high quality Strategic Employment Site in Harborough close to the Oadby & Wigston border, as sought in the district by the Structure Plan. This would not meet demand from the district's indigenous firms and residents, and in any event no suitable sites which meet the criteria for such an allocation were identified.

26. There is an argument for allowing significant expansion of Magna Park on the basis that national/regional economic considerations outweigh potential local adverse impacts, particularly if these can be mitigated by appropriate infrastructure and other measures. This study has only been able to examine limited available evidence on future demand and need for strategic distribution in the region. A final decision on expansion would need to be informed by further independent investigation at the regional/national level, including demand and supply for such space, potential alternative locations, additional infrastructure requirements and costs and availability of suitable labour supply. This needs to be fully considered in the context of regional economic strategies, the Regional Spatial Strategy and a wider sustainability appraisal. If such expansion was considered acceptable in policy terms, the 35 ha. site proposed to the south of Coventry Road appears the most suitable of the three sites within the district considered by this study.

Policies for Employment Land

27. Appropriate forms of policies should be provided in the emerging Local Development Framework (LDF) in order to:

- protect key existing employment areas from development pressures for other uses by giving protected sites a specific designation and policy resisting loss of B class uses;
- for other employment sites, a criteria based policy would apply to allowing loss of employment space including where employment sites can be modernised through allowing some higher value uses, where sites are not capable of being re-used or redeveloped for other employment uses and where shortages of employment land would not arise.
- clarify the acceptable forms of employment development on employment allocation sites, with consideration given in some cases to more flexibility on the range of B uses acceptable on a site.
- encourage renewal of older industrial stock through a general supporting policy and consideration of public sector intervention where appropriate.
- encourage development of starter units, including as part of larger employment developments or mixed use developments and secured through S106 legal agreements where appropriate.

Monitoring of Employment Land

28. Careful monitoring of employment land needs and change will be particularly important in future in order to check whether allocations are being taken up and to facilitate a plan, monitor and manage approach to release of employment land. It will also be important for ensuring LDF policies on employment land remain relevant and up-to-date, that reliable information is available to support review of policies where needed, and in providing a robust and up–to-date basis for decisions on proposals for non-employment uses on employment land.

29. Upgrading of the current monitoring system is recommended. For quantitative data, this would require monitoring: floorspace for new employment developments by type of employment use including permissions, completions; floorspace lost to other uses by existing/proposed uses and location; and more detailed categories of employment uses. In addition, consideration should be given to updating the VOA premises database every few years.

30. Factors affecting or reflecting changes in employment land need should also be monitored, such as rents of employment space in Harborough and competing locations; vacancies/property availability; and levels and types of property enquiries. Other changes to provide more qualitative information would include holding an annual forum of employment land stakeholders to exchange views on market conditions and issues.

31. All this information could feed into an expanded Annual Employment Land Monitoring Report which summarises the above indicators and draws fuller conclusions on employment space issues in the district and actions needed to address them.

Nathaniel Lichfield and Partners

Planning Design Economics

HARBOROUGH EMPLOYMENT LAND STUDY

FINAL REPORT

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1.0 INTRODUCTION

1.1 This employment land study has been commissioned by Harborough District Council in order to inform preparation of the Local Development Framework for the district, and specifically:

a) to assess whether the existing quantity, quality, Use Class and geographical spread of employment provision within Harborough District meet the District's current and future employment requirements in the period to 2016; and

b) to help in developing a marketing strategy to bring forward employment sites to meet the District's future requirements.

1.2 The study involves the following main tasks:

- a review of current economic conditions and recent trends in the district, and adjoining areas, that affect the need for employment space (Chapter 2);
- an assessment of the current stock of employment space in the district, both sites and premises, in terms of uses, location, type and quality of provision (Chapter 3);
- consultation with various organisations with an interest in the supply of employment land including employers, economic development and inward investment agencies, business groups, property agents, landowners and developers (Chapter 4); a list of those consulted is given in Appendix 1;
- consideration of forecasts of employment growth by economic sectors in the district under different growth assumptions (Chapter 5);
- estimating future employment space requirements in both quantitative and qualitative terms, drawing on past take-up of land, forecast economic growth and property market views (Chapter 5);
- a review of existing employment sites and allocations in the district in terms of their quality and adequacy to meet future needs (Chapter 6);
- an assessment of whether additional employment sites need to be allocated, and if so, identification of potential new sites as well as existing employment sites which could be re-allocated for other uses (Chapter 7);
- consideration of requirements for strategic employment land, including expansion of Magna Park, and assessment of possible sites to accommodate such needs (Chapter 8);

- formulating LDF policies and criteria for use in assessing future development proposals involving employment sites or space (Chapter 9);

- consideration of effective mechanisms for monitoring changes in employment land provision and needs in future (Chapter 10).

Chapter 11 provides overall conclusions and recommendations for the study.

1.3 This study focuses on employment land needs for the group of B Use Classes i.e. B1 (business), B2 (industry) and B8 (warehousing/distribution). Requirements for both employment land and floorspace are considered in the study, and references to “employment space” are intended to mean both these elements. The overall process by which employment needs have been assessed is illustrated by Figure 1.1

1.4 This employment land study draws on various previous studies and documents including planning policy guidance, assessments of employment land in the region, property market information, local and regional economic strategy documents, relevant planning policy documents, and published economic statistics. Documents which the study has drawn upon are listed in the Document References section of the Appendices.

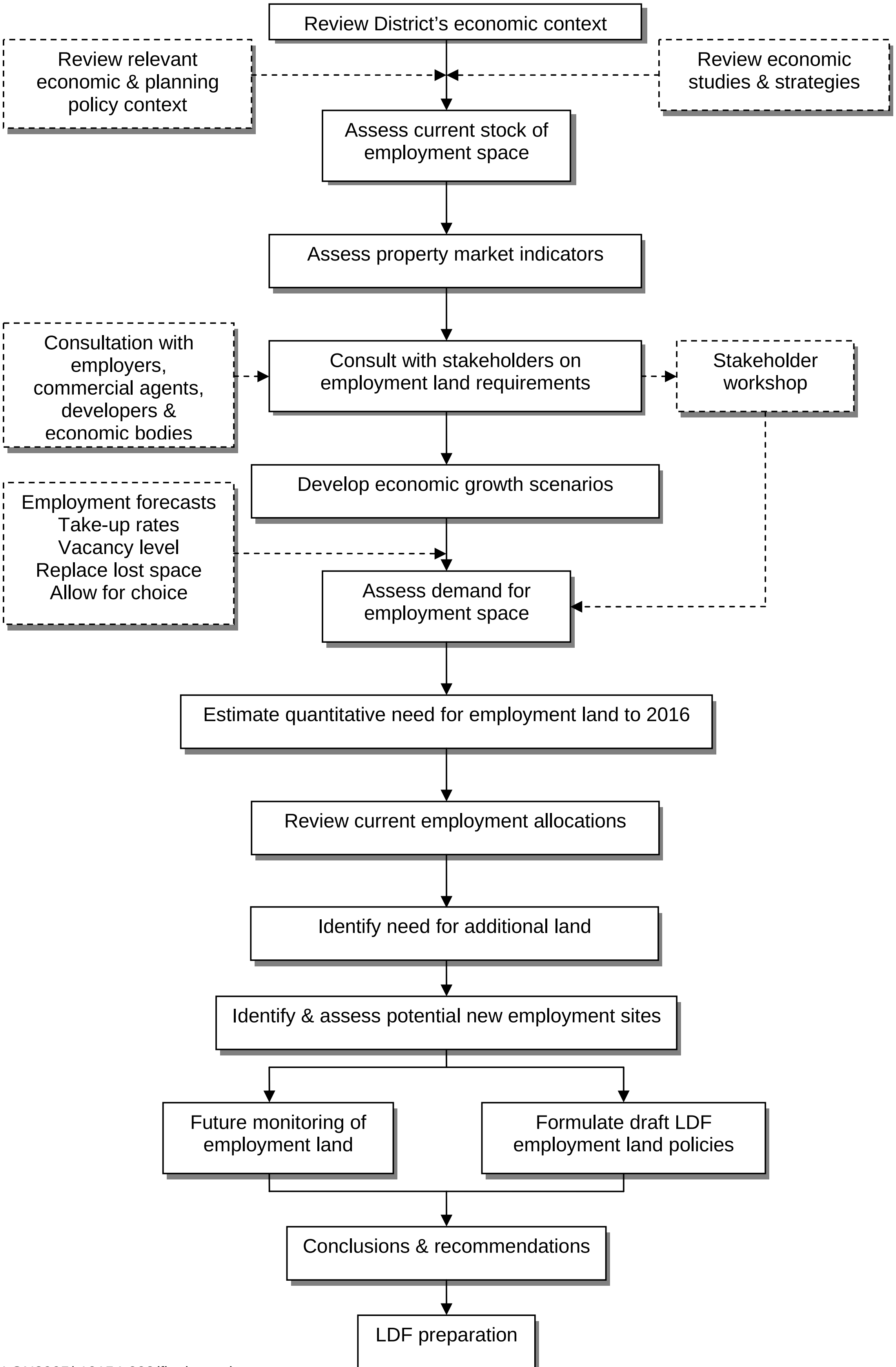


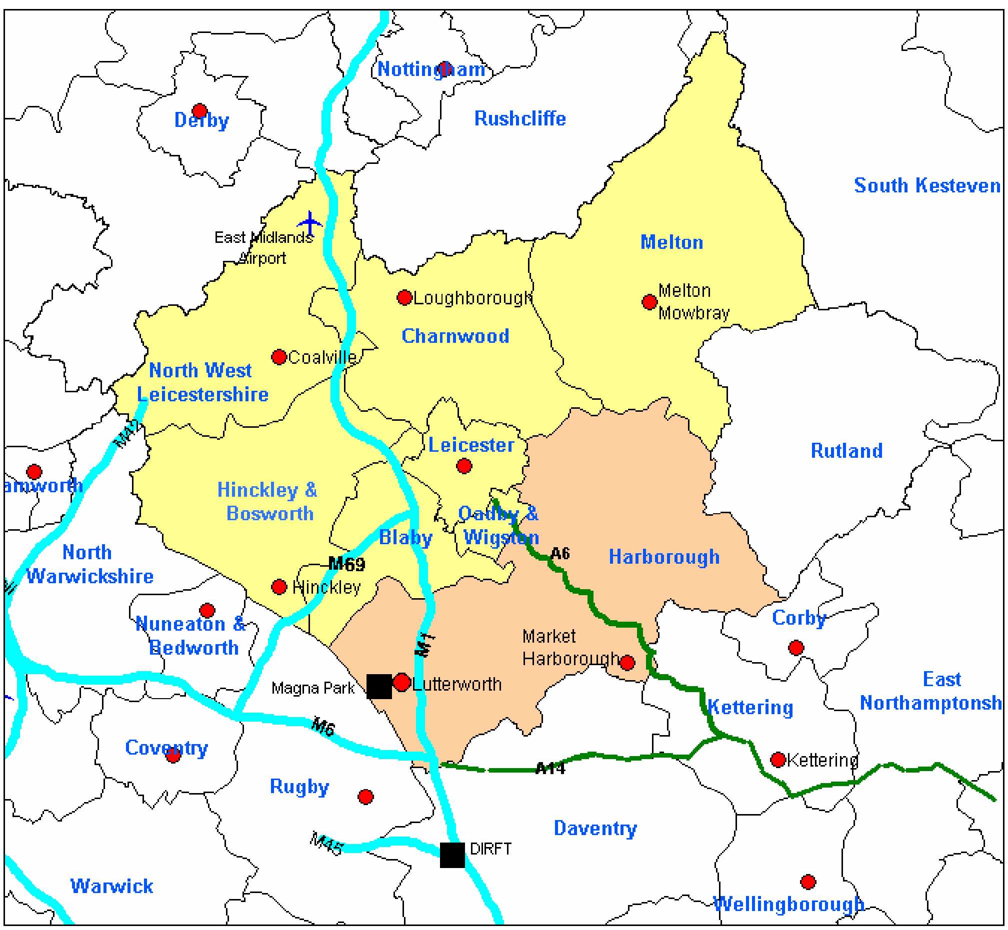
Figure 1.1: Harborough Employment Land Study Methodology

2.0 ECONOMIC CONTEXT

2.1 This Chapter establishes the economic context for the study by reviewing both past and present economic conditions within Harborough District in the context of the East Midlands economy. This is important in identifying factors likely to influence the nature and level of future demand for employment land within the District.

The District

2.2 Harborough is a largely rural district covering an area of approximately 230 square miles making it the largest district in Leicestershire. It borders the City of Leicester to the north, the Northamptonshire districts of Daventry, Kettering and Corby to the south east, the Warwickshire district of Rugby to the south west, and Rutland to the east (Plan 2.1).



Plan 2.1: Context of Harborough District

2.3 In terms of accessibility, the district is served to the west by Junctions 19 (M1/M6 interchange) and 20 of the M1, by the A6 to Leicester and the A14 to Kettering. The principal railway link is the Midland Mainline through Market Harborough, and Leicester. The nearest international airports with scheduled services are Nottingham East Midlands (50 km) and Birmingham International (55 km).

2.4 The main urban centres within the District are the market towns of Market Harborough (population 18,600), Lutterworth (population 8,700) and Broughton Astley (population 8,300), with other significant settlements including Fleckney, Great Glen, Kibworth, Scraptoft and Thurnby. The resident population of the district at 2001 was 76,560, representing 15% growth since 1991.[1]

2.5 Harborough has experienced a high rate of housing growth in recent years, with the 4,100 new dwellings built between 1996-2004 giving the district the highest increase (15%) in housing stock of all Leicestershire Districts.[2] In addition, the district has the highest housing allocation relative to its existing dwelling stock for the period 1996-2006.

Economic Centres

2.6 There are a number of existing and planned major employment centres and developments of economic significance within the district and adjoining areas:

- the Daventry International Rail Freight terminal (DIRFT), a major rail-related distribution centre near the M1/M6 junction, with some 570,000 m^2 of B8 floorspace;
- the Magna Park distribution park at Lutterworth beside Junction 20 of the M1, just within the south west border of Harborough District, occupying some 200 ha. and with some 650,000 m^2 of B8 floorspace;
- East Midlands Airport, on the North West border of Leicestershire, which has extensive freight and growing passenger operations;
- various large business or distribution parks at Meridian Park (83 ha), Pegasus Park (25 ha.) and Grove Park (40 ha.) close to M1 junctions;
- a planned new science park alongside the National Space Centre in Leicester, with office, laboratory and business incubator units (40,500 m^2);

[1] Populations of towns from Leicestershire County Council Population Estimates for Small Areas, based on 2001 Census

[2] Increase based on 1991 housing stock from 1991 Census

- the urban centre of Leicester on the north west edge of the district is a major employment centre, with over 50,000 m^2 of new office space planned in the city centre;
- a cluster of research and development activities, including pharmaceutical firms, around Loughborough;
- proposals for substantial employment (3-6,000 jobs) and housing growth (10,000 dwellings) in Daventry, just to the south of Harborough, over the next 15 years.[3]

2.7 In addition, the district lies close to the Milton Keynes/South Midlands area which is one of the Government's planned areas of major housing and employment growth, and from which some effects may be felt in Harborough. A summary of this and other economic policy aims relevant to the area is provided in Appendix 2.

2.8 Most economic activity in the district is concentrated in Magna Park and the two market towns of Market Harborough and Lutterworth, with smaller amounts of employment space in the larger villages. Of the latter, only Fleckney, Broughton Astley and Bruntingthorpe have significant industrial estates. The large amount of employment floorspace, much of it due to Magna Park, is not typical of a largely rural district but reflects the area's central location near the junction of major strategic roads.

2.9 The district has relatively few large employers (over 250 jobs) and 88% of firms based there are small with under 10 employees, a higher proportion than the region as a whole (Table 1). The largest firms are in the distribution sector based at Magna Park, such as Asda and Toyota. There are also some larger manufacturing based firms, such as Harborough Rubber, King Engineering and Semelab, but few large office based firms, the largest being holiday company Travelsphere. Small to medium sized firms include agricultural products processing, higher value manufacturing, activities linked to the automotive industry and textiles, small IT businesses and a few business services. A few large manufacturing firms, such as Tungsten Batteries and Cleco, have recently closed or are planning to move out of the area.

Economic Trends

2.10 Recent economic trends in the district are summarised below, with detailed statistics contained in the tables presented in Appendix 3.

[3] West Northamptonshire Core Strategy, Daventry Council, 2005

2.11 Employment in Harborough District grew by 53% between 1991-2003, a growth rate substantially higher than in both the East Midlands (15.7%) and Great Britain (19.2%), although this rate may partly reflect the relatively low employment base (Table 2). This growth mainly reflects increases in service sector jobs as well as expansion in the distribution sector.

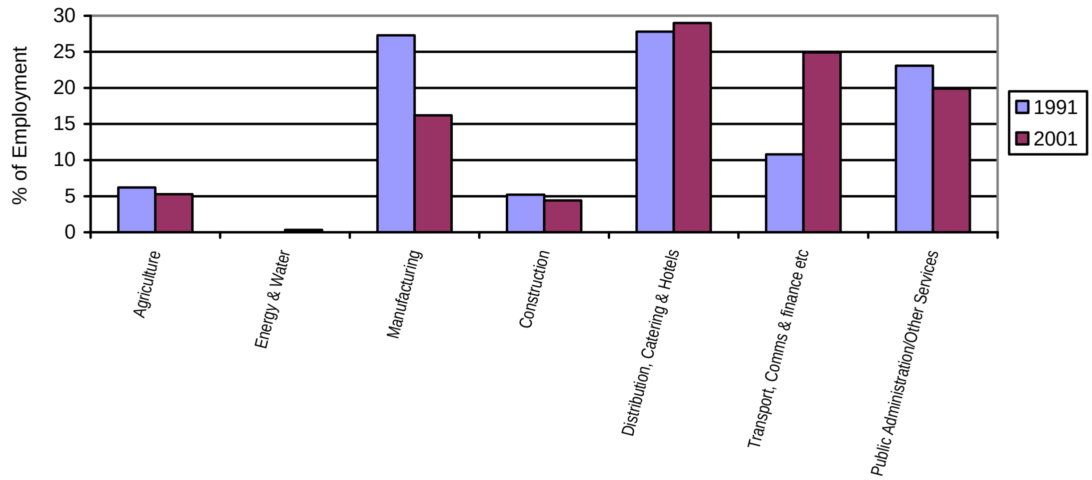
2.12 The industrial structure of Harborough reflects its largely rural character, with the representation of agricultural jobs (5.3%) considerably higher than both the regional average (1.3%), and national average (0.95%). This is despite agricultural jobs in Harborough falling by over twice the national level between 1991-2002 (Table 3).

2.13 The dominance of the service sector has increased from 62% of the workforce in 1991 to 74% in 2002. Of particular importance is the distribution, catering and hotels sector (29%), partly reflecting the major distribution development of Magna Park. The increase in service sector representation is largely due to the growth of the transport, communications, banking and finance sector, which accounted for almost 25% of the workforce in 2002, more than double its share in 1991. The district's representation in these sectors is comparable with the regional and national averages (Table 3).

2.14 Harborough's manufacturing employment fell from 27.3% of all jobs in 1991 to 16.2% in 2002, and the current proportion is now lower than in the region (19.6%), but still above the national average (13.4%) (Table 3). However, the district's manufacturing base has held up relatively well, with its loss of manufacturing jobs (9.4%) much lower than the national decline (25.3%) (Table 4). The strong growth in the distribution, hotels and catering sector, an increase of almost 60% and well above national growth rates, is likely to reflect expansion of Magna Park in this period.

2.15 Perhaps reflecting Leicester's role as a regional service centre, the only sector significantly under-represented in Harborough is public administration and other services, which in 2002 accounted for 19.9% of all jobs, much lower than the region (29%) and Great Britain (30.2%). However, the district's rate of job growth in this sector over the period (31%) was still over twice that experienced nationally (Table 5).

Figure 2.1: Principal Sectors of Employment



Source: 1991 Census of Employment; Annual Business Inquiry 2002

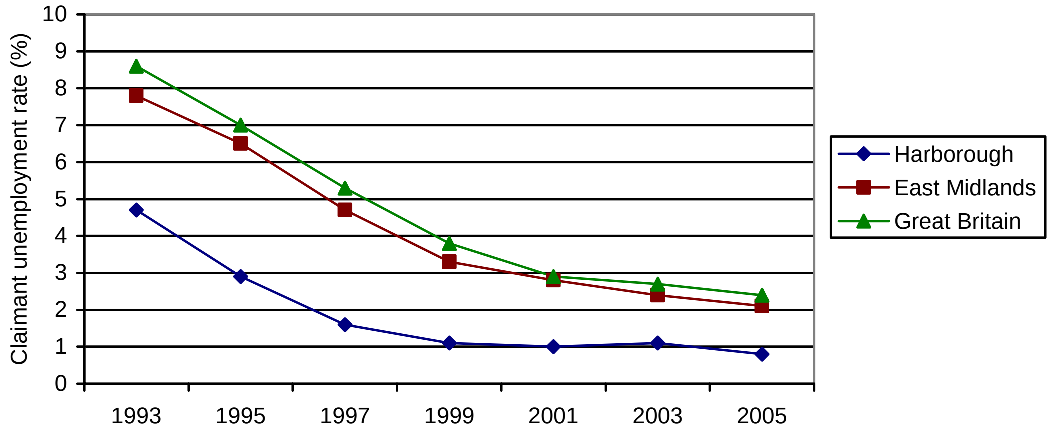
2.16 Between 1994-2004, the number of VAT registered firms in Harborough grew by 6.4%, lower than the regional (10.5%) and national (11.1%) growth rates (Table 5). VAT registrations per 10,000 population[4] in Harborough (54.6) exceed that of Leicestershire (41.7), the East Midlands (37.3) and GB (40) (Table 7). New business formation rates in the district exceed County and regional levels while the survival rate beyond 3 years of Harborough businesses is similar to the County and the Region.

2.17 The current unemployment rate in Harborough (0.8%) is very low, less than half that of the East Midlands (2.1%) and nationally (2.4%) (Table 8) and this pattern has prevailed historically, although the margin has narrowed in recent years (see Figure 2.2). The long-term unemployment rate[5] in Harborough (11.7%) is also lower than the regional (13.9%) and national (13.4%) rates.

2.18 In March 2005[6], there were 1.5 claimant unemployed workers for every notified job centre vacancy in Harborough. This ratio was much lower than the averages for both the East Midlands (3.1) and GB (3.4), indicating a tight local labour market (Table 10).

[4] Over 16 years of age
[5] % of claimant unemployed who are out of work for over 12 months
[6] latest data available from ONS

Figure 2.2: Claimant Unemployment 1993-2005



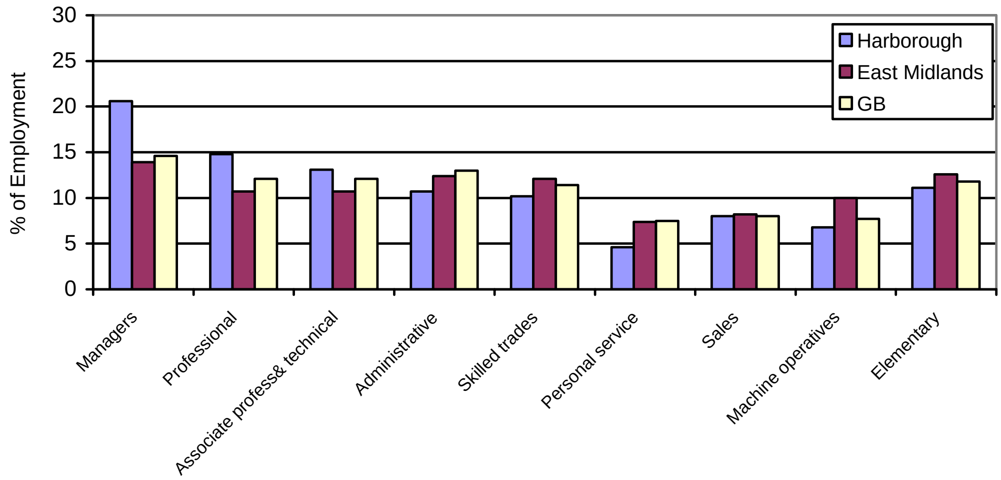
Source: Labour Market Trends, NOMIS

2.19 The economic activity rate for Harborough, the proportion of the economically active workforce in employment, at 85.3% is comparable to Leicestershire (85.6%), but higher than for the region and the UK. This indicates only modest scope to expand the indigenous local labour supply should employment demand grow further (Table 11).

2.20 Compared with the region, the Harborough labour force is relatively highly skilled with a higher concentration of workers in management (20.6%) and professional occupations (14.8%), and smaller proportions in lower skilled groups such as plant/machine operatives (6.8%) and elementary occupations (11.1%). Clerical/administrative (10.7%) and personal service occupational groups (4.6%) also have a comparatively low representation (Table 8 and Figure 2.3).

2.21 This reflects a high proportion of residents with a degree of higher qualification in Harborough (23.1%) compared with the national rate (19.8%), while the proportion with no qualifications in Harborough (22.7%) is much lower than nationally (29.1%) (Table 14).

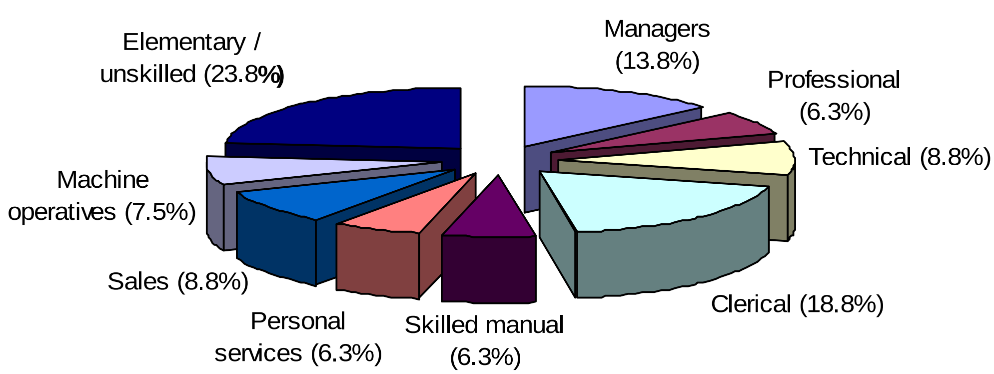
Figure 2.3: Occupational Profile of Labour Force



Source: Census 2001

2.22 As shown in Figure 2.4 overleaf, among the claimant unemployed in Harborough, the most sought occupations are for unskilled work (23.8%), clerical / secretarial (18.8%) and management and administrative jobs (13.8%). Demand in the latter group is over three times the proportion for the region (4.3%) and nationally (4.3%), again pointing to a higher skilled local workforce. By comparison, demand for jobs in craft and related occupations (6.3%) and plant and machine operatives (7.5%) is considerably lower than both regional and national averages (Table 13).

Figure 2.4: Sought Occupation of Claimant Unemployed in Harborough



Source: NOMIS, October 2000

2.23 Reflecting its workforce profile, average wage levels in Harborough are 10% higher than the national average, and 19% above the East Midlands average (Table 10). The proportion of households receiving income support in Harborough (4%) is significantly lower than the average for the East Midlands (9%) and the UK (10%) but only slightly below the Leicestershire average of 5% (Table 11).

2.24 According to English Indices of Deprivation 2004, Harborough is the least deprived district of Leicestershire, with a very low national ranking also [7] (Table 15).

2.25 In respect of future economic prospects, Leicestershire is forecast to grow in employment terms by 0.1% annually between 2002-2015, compared to the national rate of 0.4%. This is lower than the County's past annual growth rate of 0.4% over the period 1981-2002. Gross Value Added (GVA)[8] growth in Leicestershire is forecast at 2.0% p.a., lower than the forecast national rate of 2.4%, and the 1981-2002 annual GVA growth rate for Leicestershire of 2.8%.[9] The Regional Economic Strategy for the East Midlands sets a target 10% increase in GDP per capita by 2010.

Inward Investment

2.26 Over the last 4 years, Leicestershire as a whole has attracted some 45 firms from outside, creating or safeguarding over 5,000 jobs. However, only two such companies located in Harborough District in that period, which is understood to largely reflect the district's limited supply of available and suitable sites and premises.[10]

Knowledge-based Industries

2.27 Knowledge-based industries are in sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered by the increasing use of technology. In broad terms, knowledge-based industries include:

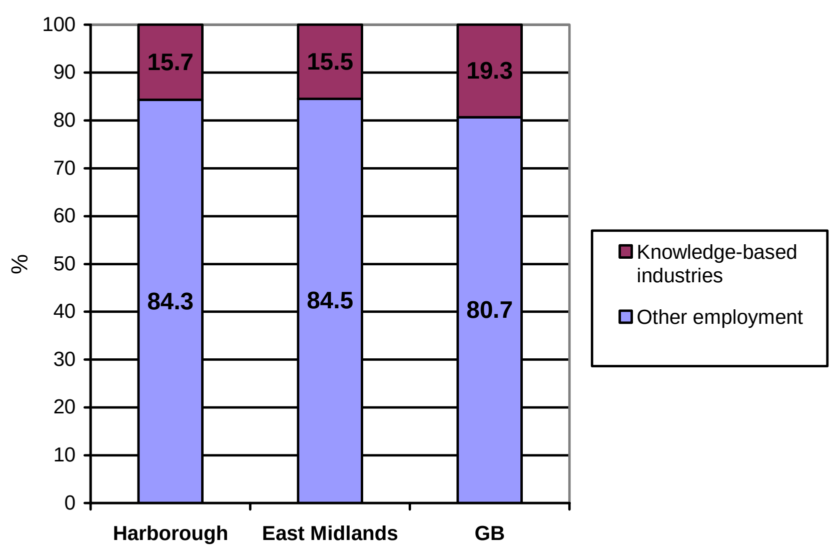
- High-technology manufacturing (e.g. aerospace, manufacture of electrical equipment, research and development);
- Communications and media (e.g. computing, software); and
- Business and financial services (e.g. insurance, financial intermediation) [11]

2.28 Firms within this sector tend to be faster growing and have greater future potential than many other sectors. The relative proportion of these knowledge-based activities

[7] The English Indices of Deprivation 2004 provides a measure of multiple deprivation at the small-area level, based on indicators such as income, employment, health, education and crime.
[8] GVA is the sum of incomes earned from production of goods and services in an area, equivalent to GDP less taxes and subsidies.
[9] Regional Economic Prospects, Cambridge Econometrics, February 2004.
[10] Invest Leicestershire, March 2005

is considered an important indicator of an economy's competitiveness and skill-base, and an indicator of prospects for future growth. Figure 2.5 shows that both Harborough and the East Midlands are under-represented in private sector, knowledge-based industries when compared to the national average.[12] Different definitions of the knowledge-based economy and knowledge-intensive industries exist, and other estimates suggest that, including public sector health and education sector jobs, some 46% of Harborough workers fall within knowledge-intensive industries, which would be well above the national average.[13] Although the district contains a number of small IT firms and higher-end engineering firms, based on the consultation exercise and surveys of employment premises in the district, it is considered that the former definition reflects the current situation in Harborough better and is more relevant to consideration of employment land needs.

Figure 2.5: Proportion of Employment in Knowledge-based Industries, 2003



Source: Annual Business Inquiry, 2003

Commuting

2.29 A high number (20,230) of Harborough residents commuted out of the District to work in 2001 - to Leicester, Blaby, Oadby and Wigston and Rugby, although some also went to Northampton, Corby and Daventry. This was equivalent to 51% of all

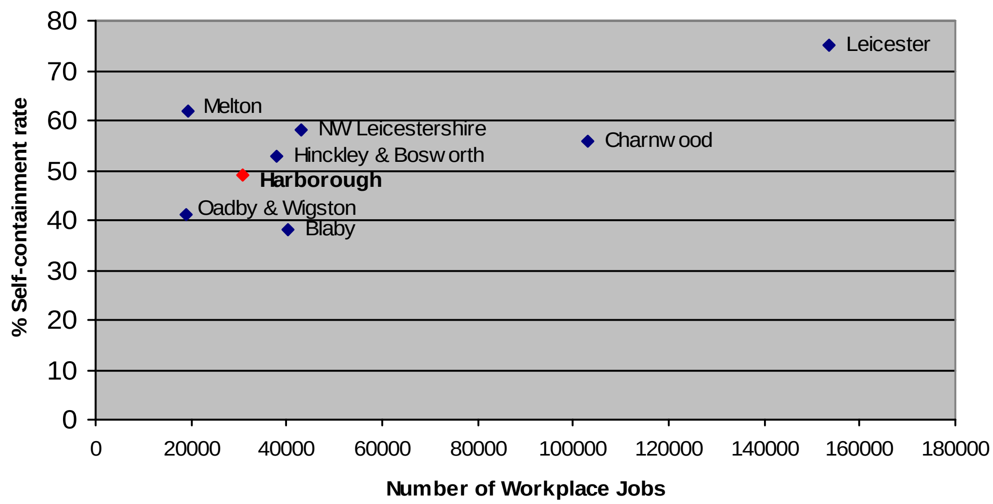
[11] These categories were used by the Huggins Report (2001), research for the South East England Development Agency (SEEDA) to establish benchmarks for knowledge economies.
[12] These figures exclude employment in public-sector activities which are also classified as knowledge-intensive, such as health and education.
[13] Economic Development Strategy, Harborough District Council, March 2005.

employed residents and out-commuting has increased by 25% since 1991, when 48% of all employed residents worked outside of the district (Table 15). Over half these out-commuters were in higher skilled occupations although significant numbers were clerical/secretarial and manual skilled workers; public administration, manufacturing, and financial services were the sectors that attracted most of these workers (Table 18).

2.30 However, some 11,180 residents of other districts also travelled into Harborough to work, most coming from Leicester, Blaby and Kettering, and to a smaller extent Hinckley and Bosworth (Table 15). This resulted in net out-commuting of some 9,050 Harborough residents, equivalent to approximately 23% of the resident workforce.

2.31 An area's self-containment rate reflects the proportion of all residents in work who both live and work in it. In Harborough, the self-containment rate in 2001 was 49%, a fall from 52% in 1991 (Table 16). As Figure 2.6 shows, this is lower than the average for districts in Leicestershire of 54%, where in general terms, the higher the number of workforce jobs in a district, the higher the self-containment rate.

Figure 2.6: Self-Containment Rates against Number of Workforce Jobs, 2001



Source: 2001 Census; NLP

2.32 For comparison, some districts in rural parts of Hertfordshire with similarly sized settlements to Harborough and good rail connections with London have achieved self-containment rates of just over 50%. However, such comparisons are not necessarily useful as self-containment rates are affected by other economic and demographic characteristics of districts.

Conclusions

2.33 Based on the above indicators, Harborough appears a relatively prosperous area with low unemployment, strong job growth and a tight labour market. The main strengths of the Harborough local economy, which influence its ability to support new employment space, include:

- an attractive area to live, close to services in Leicester;
- good accessibility to the strategic road network and rail links;
- a base of small to medium sized firms strong in the manufacturing and distribution sectors;
- a stable base of long established firms that have grown up locally and have strong local linkages;
- a relatively highly-skilled workforce;
- significant employment growth during the past 12 years.

2.34 However, some potential weaknesses and issues are apparent:

- low unemployment and a high economic activity rate limiting available labour supply;
- over-representation in sectors with limited prospects for future growth;
- under-representation in knowledge-based industries, which could form an important source of future growth;
- few large service sector firms, possibly related to a lack of major business parks and larger scale office sites, although this must be seen in the context of Harborough being a mainly rural area;
- other than in Magna Park, a limited amount of inward investment in growth sectors in recent years;
- a strong representation in distribution despite a workforce with relatively few lower skilled workers;
- a high and increasing level of out-commuting.

3.0 THE CURRENT STOCK OF EMPLOYMENT SPACE

3.1 This Chapter assesses the current stock of employment space in the district, as well as the amount of such development which is committed or being developed in the short term. This analysis looked at both the amount of employment land and the quantity of built employment floorspace, broken down by broad types of employment uses – offices (use class B1), warehousing/distribution (B8) and industry (B1/B2).

3.2 The current stock of employment space was estimated from the following sources:

a) floorspace in individual premises from the Valuation Office Agency (VOA) 2005 business valuation records;

b) commercial floorspace data in local authority districts provided by the ODPM;

c) land areas of allocated employment sites provided by Harborough District Council;

d) information provided on some sites by local property agents;

e) information on floorspace and site areas derived from planning applications for employment proposals;

f) measurement of main employment area sites from Ordnance Survey mapping;

g) visual inspection of the mix of land uses in the main employment areas.

Stock of Employment Floorspace

3.3 The ODPM provides data on total floorspace of employment uses by local authority, the latest data relating to 2004, and derived from the Valuation Office Agency (VOA). The total floorspace by main uses in Harborough and other Leicestershire districts is shown below:

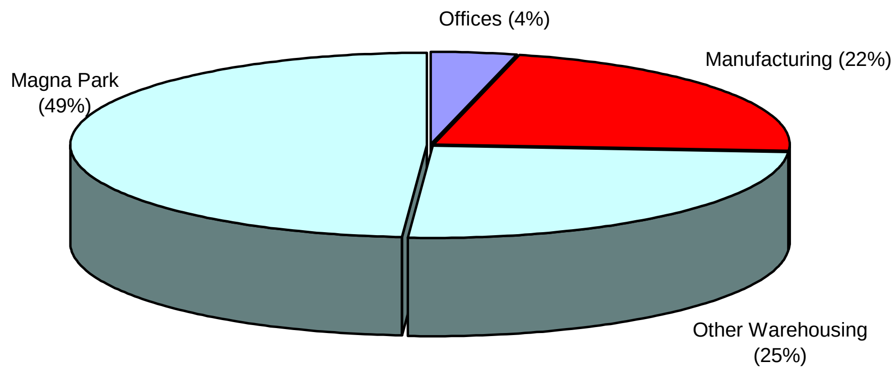
Table 3.1: Total Employment Floorspace in Leicestershire by District, 2004

	Commercial Offices (m^2)	**Factories (m^2)**	**Warehouses (m^2)**	**Total (m^2)**
Harborough	53,000	292,000	955,000	1,300,000
Leicester	433,000	2,184,000	1,043,000	3,660,000
Blaby	124,000	348,000	372,000	844,000
Charnwood	92,000	1,035,000	434,000	1,561,000
Hinckley & Bosworth	54,000	947,000	300,000	1,301,000
Melton	45,000	289,000	201,000	535,000
North West Leicestershire	113,000	530,000	752,000	1,395,000
Oadby & Wigston	29,000	282,000	170,000	481,000
Total Leicestershire County	943,000	5,909,000	4,227,000	11,079,000

Source: ODPM / VOA, 2004
Note: includes purpose built and converted offices including central Government but not local government offices

3.4 It is clear from this table that Harborough has a relatively low proportion of the office stock in the County. The great majority of employment space in the district is also made up of industrial and warehouse space, with offices accounting for under 5% of the total, a lower proportion than all other districts except Hinckley & Bosworth. A significant factor is that warehousing accounts for 75% of all employment space in the district, and Magna Park itself about half of all employment space in Harborough.

Figure 3.1: Harborough Employment Space by Type, 2004



Source: VOA business rates data, 2005

3.5 More detailed information from VOA 2005 valuation records allows the distribution of floorspace by size of premises and location within the district to be identified. The table below provides a broad indication of the breakdown by size, although it underestimates the supply of smaller units. Appendix 4 contains a detailed list from the same source of all employment premises in the district above a specified size.[14]

Table 3.2: Breakdown of Harborough Employment Units by size group

	Offices * (% of Units)	**Industry (% of Units)**	**Warehouses (% of Units)**
Under 100 m^2	23.7%	16.5%	5.7%
100- 500 m^2	68.3%	55.8%	44.0%
500-1,000 m^2	8.1%	13.1%	14.9%
1,000 – 5,000 m^2	3.1%	12.5%	15.4%
Over 5,000 m^2	0%	2.1%	19.4%
Total Units	185	328	175

Source: VOA, 2005

Note 1: figures exclude office premises under 100m^2 in size, and industrial and warehouse premises below 50m^2
*Note 2: includes purpose built and converted offices including central Government but not local government offices

[14] Over 100m^2 in size for office premises and over 50m^2 for industrial and warehouse premises

3.6 As this shows, the district has no large office units but much space in small units. A high proportion of warehousing space is contained in very large units at Magna Park although there is also supply across all size groups, particularly small units below 500 m^2. There is a range of industrial units across all size groups although relatively few, very small units and units over 5,000 m^2.

3.7 In terms of location, as Table 3.3 illustrates, the district's employment space is concentrated at the two main settlements – Market Harborough and Lutterworth, which account for 71% of all employment space other than Magna Park. Other areas with significant concentrations of employment space include Fleckney, Broughton Astley, Skeffington and Bruntingthorpe. Many other villages have small amounts of industrial space, but relatively little office space, reflecting their respective sizes. Some settlements have a level of employment space that does not reflect their population size, Kibworth (population 5,500) for example appearing to have low current provision. This distribution often reflects historical factors, the nature of the settlement and its relationship with other employment centres.

Table 3.3: Breakdown of Harborough Employment Floorspace by Main Settlements

	Offices (m^2)	Industry (m^2)	Warehouses (m^2)	Total (m^2)
Ashby Magna	215	930	0	1,145
Bitteswell	0	1,752	0	1,752
Broughton Astley	415	8,310	8,665	17,390
Bruntingthorpe	0	3,563	15,115	18,678
Dunton Bassett	203	217	0	420
Fleckney	0	18,867	16,158	35,025
Frolesworth	600	392	850	1,842
Great Glen	107	2,257	0	2,364
Gilmorton	324	396	0	720
Husbands Bosworth	373	396	114	883
Kibworth	891	2,607	1,111	4,609
Lubbenham	116	421	0	537
Lutterworth	11,851	42,402	51,248	105,501
Magna Park	2,876	0	650,389	653,265
Market Harborough	27,447	108,520	56,600	192,567
North Kilworth	0	2,160	595	2,755
Scraptoft	326	349	200	875
Skeffington	159	4,516	2,697	7,372
Other Settlements	1,932	21,172	60	23,164
Total	47,835	219,227	803,802	1,070,864

Source: VOA, 2005; Harborough District Council Annual Monitoring report 2005
Note: this table does not include all employment space in the district; it excludes office premises under $100m^2$ in size, and industrial and warehouse premises below $50m^2$

3.8 Based on discussions with property agents, in the order of 75% of existing employment space in the district is leasehold, including some larger estates such as Welland Park, the remainder freehold. In relation to office space, some 60% of town centre premises are leasehold but the great majority of recent developments such as the Point and St. John's Business Park, are freehold.

Main Employment Areas

3.9 The total amount of employment land in the district consists of sites which have been allocated for employment uses in the adopted Harborough District Local Plan, most of which have not been developed, and other existing employment areas and premises.

3.10 The total area of the 9 employment allocations and 3 major commitment sites in the Local Plan amounts to some 57 ha. Only two of these sites (East of Rockingham Road, Market Harborough and Rugby Road, Lutterworth), accounting for some 5.3 ha., have been wholly or partly developed to date.

3.11 For the purposes of examining the characteristics of the current stock of employment space, the study has focused on the 37 largest areas which make up the great majority of the district's stock and provide a good overall representation of total supply. The main areas are located on Plans 3.1 - 3.3, while Appendix 5A summarises their characteristics; size, mix of uses, vacancy levels and age/condition of stock. These main employment areas form a number of distinct categories, described below.

Industrial Estates

3.12 The district contains a number of industrial estates of varying size, primarily constructed between the 1960s and 1980s (e.g. Riverside, Market Harborough; Bilton Way, Lutterworth; Churchill Road, Fleckney). These estates provide a significant proportion of the total employment land stock and provide space for some of the district's larger employers, for example King Trailers and Toyoda Gosei. The estates offer units in a variety of sizes, but mainly ranging from 500 m^2 to 2,000 m^2. All of these estates appear to have very low vacancy of under 5%, and most are in a good to fair condition, with several having undergone refurbishment in recent years[15]. Space for further expansion at these sites is very limited and very little new stock of this type has been developed in recent years.

[15] A "typical" 10% vacancy rate allows for normal movement in the property market and is based on discussions with property agents in Harborough and elsewhere.

Office Parks

3.13 There are relatively few modern office or business park developments, and these contain primarily smaller units. The main sites are The Point and Midland Court in Market Harborough; and Kimcote Court in Kimcote. Most of these existing office developments within Harborough have been developed very recently, largely on a speculative basis. The units are generally freehold units, and typically small in size (under 500 m^2), but one larger office unit has been developed at Welland Business Park. A number of recently developed units are still to be occupied but high freehold sales have stimulated commencement of a further phase of the Point and the construction of St. John’s Business Park, Lutterworth.

Small Town Centre Offices

3.14 Until recently, most of the office stock in both Market Harborough and Lutterworth comprised small, town centre units, largely in converted residential and other buildings. This stock is in reasonable condition with very little vacancy but strong demand in the new office schemes suggests it was not meeting the need for modern office space.

Magna Park

3.15 This large distribution centre, west of Lutterworth, is one of the largest such centres in the UK and Europe, serving a national and regional market and providing over 6,000 jobs[16]. It has been developed since the early 1990s and contains 26 very large high-bay units. Units vary in size from 10,000 to 100,000 m^2 and a total of 650,000 m^2 out of the 800,000 m^2 permitted floorspace has been built. [17] Occupiers include Argos, BT, Asda Walmart, Costco and Nissan / Renault. There are four vacant plots and one vacant, recently completed, unit remaining, and it is anticipated that the current site will be fully take up within the next few years.

Rural Employment Sites

3.16 These mainly comprise small industrial or storage units associated with farms or the conversion of rural buildings (e.g. Pebble Hall Farm, Sibbertoft Road), although a number are occupied by IT or other business uses. These rural employment sites

[16] Figure supplied by Gazeley, but broadly consistent with the results of NLP telephone survey of employers and average employment densities for a B8 development of this type.
[17] Harborough District Council Annual Monitoring Report, 2005

vary considerably in terms of size, age and condition, and by their nature are hardest to assess as to suitability. Given the limited space available in the district's industrial estates, this type of units offer additional capacity and at a lower cost but many are in rather isolated locations with restricted road access, which can limit their suitability for some types of activities.

Starter Units

3.17 There is a very small amount of small, starter industrial units in the district. The main locations are the Courtyard Workshops development of 14 units of 230 m^2 (2,500 sq. ft.) each on Bath Street, which is not considered to be of particularly good quality; three new studio units on Welland Park and six units at Fernie Road, all in Market Harborough.

Individual Industrial Firms

3.18 A relatively small number of individual industrial firms occupy significant sites (over 1 ha.) of their own, outside established employment areas and often within residential areas of the main settlements. These appear to be long established premises, usually in reasonable condition, but some with constrained vehicle access. Examples are the Harborough Rubber Company site in Market Harborough and the Inca Works in Lutterworth. There was no indication that occupiers suffered from major problems in operating from these sites or that significant adverse effects occurred in the adjoining area.

Characteristics of the Stock of Employment Space

3.19 Some general points can be made about the current supply of space in these main employment centres.

a) the 37 main existing employment locations contain some 290 ha of the district's employment land; this excludes Bruntingthorpe Airfield, which comprises a very large area, only part of which is occupied by employment uses.

b) these areas contain a range of types of employment space including urban industrial estates, modern office parks, conversions of rural buildings, large secondary units and storage space at Bruntingthorpe, and large distribution units;

c) nearly 70% of the total employment land and over 70% of the floorspace in these main areas is concentrated at Magna Park;[18]

[18] Excluding Bruntingthorpe Airfield where only a small part of the very large site area is occupied by employment uses.

d) excluding Magna Park, over two thirds of all employment space in these main centres is contained within the two main towns of Market Harborough and Lutterworth,

e) a significant amount of employment space exists outside these 37 main centres, including in Market Harborough and Lutterworth town centres, other individual premises within settlements and on rural sites; the extent of this is difficult to estimate accurately but as broad estimate is likely to exceed 40,000 m^2;

f) the majority of the main employment areas are predominantly in industrial and distribution/ warehousing uses;

g) excluding Magna Park, few of the employment areas are particularly large, with only Welland Business Park exceeding 40 units;

h) there is very little vacancy in any of the main employment areas, other than in the recently built, The Point office park;

i) much of the industrial stock is older space, with about 70% by site area built before 1970, and the proportion of modern industrial premises is relatively low;

j) the overall condition of most of the main employment sites is fairly good, with few sites in poor condition; secondary areas, such as the Riverside Estate, with poorer environments and access, still meet local needs for specific types of lower cost space, and are fully occupied.

Loss of Employment Space

3.20 An indication of the scale of change in employment space over recent years is provided by the VOA business rates data in Table 3.4 below. This suggests the district has lost modest amounts of both office and manufacturing industry floorspace, at a greater rate than the County, but had large gains in warehousing space, probably due to growth of Magna Park.

Table 3.4: Change in Employment Floorspace 2000- 2004

	Offices (m^2)	Factories (m^2)	Warehouses (m^2)	Net change (m^2)
Harborough	-7,000 (-12%)	-17,000 (-6%)	+356,000 (+59%)	+332,000 (+34%)
Leicestershire	-253,00 (-21%)	-63,000 (-1%)	+858,000 (+25%)	+542,000 (+5%)

Source: ODPM, Commercial & Industrial Floorspace Statistics, 2000 and 2004

3.21 No long term data on losses of employment space to other uses was available but analysis has been carried out of planning permissions affecting existing employment premises in the three years 2002 - 2004. This indicates a loss of a sizeable 42,600 m^2 of employment space in that period. However, most of this is accounted for by the redevelopment of one large site, the 6.8 ha. former Tungsten Batteries site in Market Harborough where 38,500 m^2 of mainly industrial space was lost, to provide housing and 5,300 m^2 of new offices. Over three years this loss alone would average some 1.8.ha. of employment land annually.

3.22 However, this may not be typical since, excluding that site, losses comprised almost 2,000 m^2 of office space, 500 m^2 of industrial and nearly 1,560 m^2 of warehousing space, and in total averaged a loss of some 1,340 m^2 of employment space annually. Most of this involved conversion of small units to dental surgeries, retail, day nurseries or residential uses. This level could increase significantly in future if a single large employment site were lost, although there are few obvious candidates at present.[19]

Employment Space in the Pipeline

3.23 Employment allocations and other developments in the pipeline in the district as at March 2004 amounted to some 102 ha. in total, but reducing to 65 ha. when sites in Magna Park and recently developed sites are excluded. However, not all of this amount may come forward for employment use and not all of this allocated area is necessarily developable.

Table 3.5: Planning Permissions for Employment Floorspace 2002- 04

	Offices (m^2)	Industry (m^2)	Warehouses (m^2)	Total (m^2)
Total permitted	49,700	9,200	86,200	145,100
Total permitted without Magna Park	49,700	9,200	9,500	68,400
Annual average without Magna Park	16,600	3,100	3,200	22,900

Source: Harborough District Council planning decisions register, 2005

3.24 Another indication of the amount of additional employment space in the pipeline, some of which should come forward in the short term, has been obtained from analysis of planning permissions for employment uses over the last 3 years (Table 3.5). This shows that during years 2002 to 2004, the gross amount of new employment space permitted was approximately 145,000 m^2. The majority of this, however, comprised three distribution units at Magna Park totalling nearly 76,700 m^2.

3.25 The remainder consisted of almost 50,100 m^2 of office space, 9,500 m^2 of warehousing space, and 9,200 m^2 of industrial accommodation. This permitted office floorspace includes the redevelopment of former Tungsten Batteries site (Market Harborough), the St. John's Business Park (Lutterworth) and a further phase of

[19] Although permission was recently granted for redevelopment of the 2 ha. Harborough Rubber site (with 5,580 m^2 of industrial floorspace), on the edge of Market Harborough town centre, for a mixed use scheme including only 465m^2 of new B1 space, this site had been allocated for such uses for some time.

development at The Point (Market Harborough). Permissions for this relatively large amount of office space within such a short period appear atypical and probably partly reflect pent-up demand where little new space has been built for many years.

3.26 The majority of the industrial permissions related to conversion of agricultural buildings for small-scale industrial uses, rather than for new space in existing industrial estates. Conversions of rural buildings currently account for almost 20% of all new employment space permitted excluding Magna Park, but this is unlikely to continue at this level in future as the stock of redundant rural buildings gradually diminishes.

3.27 Most of the permissions granted for employment space were on non-allocated sites. Permission for some 13,900 m^2 of B1 employment space also exists at Airfield Farm, Market Harborough, although a planning application for a larger amount (28,000 m m^2) amount of industrial/warehouse and office development has recently been made to replace this.

Conclusions

3.28 Based on the above analysis, the district's stock of employment space is predominantly oriented towards industrial and distribution uses, although the very large Magna Park development distorts this picture. The district contains a range of different types of space, from urban industrial estates to secondary space at former airfield sites, and small converted units in rural locations. Compared with nearby areas such as Daventry and Kettering, there appears relatively little modern industrial space in Harborough and much of the stock is dated.

3.29 Office units form a relatively low proportion of total space, and there are very few of any size. Generally, there has been relatively little modern space developed in recent years, apart from two small office parks. There is also very little industrial space available to let. Significant amounts of employment space are being lost to other uses in recent years, although this has involved only a few large sites. Although the amount of new employment space being permitted recently appears sizeable, much involves conversion of rural buildings and a few large office schemes, with little new industrial space in the main towns.

4.0 CONSULTATION ON EMPLOYMENT LAND REQUIREMENTS

4.1 This section summarises the findings of a consultation exercise with all key organisations with an interest in the provision of employment space in the district. It provides a summary of the opinions of the property market and occupiers, and gives a view of requirements that can be tested against various statistical indicators of demand, such as take-up rates and rents, set out in the following chapter.

4.2 Full scale public consultation on employment land at this stage is outside the remit of the study. However, the results of this study will be taken forward in the development of a Residential and Employment Allocations Development Plan Document (DPD) that will form part of the LDF. Any new policies and proposals for employment land allocations, resulting from this study, will be fully consulted upon as part of the preparations for the above DPD.

4.3 The aim of the consultation exercise undertaken by this study was to provide as wide a view as possible of current employment land issues and future requirements from those most affected, and with a close and practical understanding of needs, so that any assessment of employment land needs is realistic and robust. A total of 47 bodies were consulted, through a series of face-to-face and telephone interviews, the main groups being:

- commercial property agents active in the area;
- economic development, partnership and inward investment agencies;
- property developers/landowners with interests in the area;
- employers based in the area, including small to large firms across different sectors and including those seeking to expand and recently relocating firms;
- business organisations including local Chambers of Commerce and Business Link.

4.4 The types of information sought from these interviews included the strength of demand for different employment types, the adequacy of existing space, the nature of demand and likely future land requirements of existing firms in the area. A list of points raised is provided in Appendix 6. The views of these bodies on such issues are summarised below.

Industrial Property

4.5 Harborough is seen as an attractive location for smaller scale industrial and warehousing uses, given its central location and motorway links. However, the common view was that there is a severe shortage of industrial/warehouse land and premises in the district and very strong demand for both. This reflects very little new stock having been provided over the last 10 years, while many of the industrial estates are outdated and with no expansion space for firms. Property agents reported relatively little turnover of premises because of a general shortage of space.

4.6 Most of this demand comes from locally based firms, expanding, centralising operations from several sites or seeking better premises. There is also some demand from firms currently based in other Leicestershire districts, particularly Leicester, which is considered to have little available industrial land. The great majority of enquiries are for freehold space, and the majority for 3,500 to 6,000 sq. ft., although a few are for up to 50,000 sq. ft. (4,650 m^2). Many firms are looking for sheds (for a mix of B1, B2 and B8 uses) with some office element, while employment land allocations have largely focused on B1 uses.

4.7 Relatively few firms have left the district so far as many have strong local links and workforces they wish to retain. However, one larger manufacturer (Cleco) was moving to Kettering and a common view was that the district will lose firms and jobs to nearby areas (e.g. Corby, Kettering, Desborough) unless good quality industrial space becomes available soon. There was a consensus that more good sites for industrial/warehouse uses were needed, particularly more, small industrial estates with freehold units of 1,500 sq. ft. (1,400 m^2) upwards. Views on overall amounts of industrial land needed ranged from an average of 2 ha (5 acres) of industrial land per year to others suggesting pent up demand would mean a 4 ha (10 acre) site would be full in a few months. Some 75% of the 16 ha. Airfield Farm site is reportedly spoken for by firms seeking space and it was suggested this could be full in 4 years.

Large Warehouse / Distribution Units

4.8 Harborough district is seen an attractive location generally for large scale distribution uses due to its location beside the M1 and in the ‘Golden triangle’ formed by the M1, M6 and M69 Motorways and in the centre of England. Magna Park serves a national/regional distribution market and is not perceived to be tied to local demand factors. Demand for large distribution units of this type is reportedly still strong, with annual take up of B8 space nationally running at 10 million sq. ft. (930,000 m^2)[20], and both road freight and demand for B8 space growing at 2-3% per year.[21]

4.9 There are only a few plots left on the Magna Park site and, with average take-up of 1 plot annually, it is anticipated that the Park will be full in a few years. If Magna Park were extended by 35 ha as sought by its developers, it is expected this would meet demands for a further 5-7 years beyond the current phase. The 2001 Panel Report on the Structure Plan acknowledged this issue but considered it should be addressed in terms of the Strategic Freight Distribution Network study and strategic employment policies. The draft 2005 Regional Freight Strategy promotes a more sustainable distribution industry with some modal shift to rail.

Office Space

4.10 There had been frustrated demand for new office space in the district, with very little new space developed in the last 10 years, both in Market Harborough and Lutterworth. Most of the demand is for freehold units, with little for leasehold, and most for under 5,000 sq. ft (465 m^2). Much demand has been from local firms relocating from older, rented, converted space. No significant demand was seen for large office or headquarters users, although a few may be attracted, and the few larger units made available recently attracted little interest until subdivided. Part of the recent demand has stemmed from current financial advantages of buying commercial property to include in personal pension funds and occupy or rent out; these incentives will reduce greatly from April 2006.

4.11 Some very recent developments – The Point in Market Harborough and St. John's Business Park in Lutterworth – had attracted very strong take up and further phases were planned. However, with this new space, demand had slowed, and it was felt that further phases of these developments, along with the business park planned at Lathkill Street (the former Tungsten Batteries site) in Market Harborough, would meet a large part of local office demand over the next few years. Some units at The Point had been bought as investments to be let, but a number are still vacant, thought to be because of high rents. In addition, one owner of an allocated site in Market Harborough indicated no interest for office development on it in recent years.

[20] Figures provided by Gazeley Ltd.;
[21] Road Freight forecast from State of Freight in The East Midlands, DfT, 2002

4.12 As with industrial space, property agents reported relatively little turnover of premises because of a general shortage of space.

4.13 It was felt competing developments in Leicester and business parks at M1 junctions will limit future demand for office space in the district, which is comparatively expensive. The main demand in future would be for industrial space, rather than offices.

Gaps in the Market

4.14 By far the main deficiency in the Harborough property market was seen as the severe shortage of B1/B2 industrial and small warehousing space for expansion of local, medium sized firms with a need for a new industrial park with a range of units of between 3,000 and 50,000 sq. ft. (2,800-46,500 m^2)

4.15 After this, the largest gap was space for start-up firms, as well as slightly larger units to allow expansion of these. Demand was generally seen as strong with one source suggesting a potential need to accommodate up to 100 such firms annually, although 10-20 units p.a. was accepted as a more realistic level of provision. [22] Industrial units of 500 to 2,500 sq. ft were needed with short, flexible leases or simple letting mechanisms. Such space was in very short supply with very few units on the market at any time; a waiting list for starter office units of 200 sq. ft was reported at Welland Park; ten 2,500 sq. ft units on Bath Street were always full even though of relatively poor quality. Other provision comprised six units at Midland Court, six at Fernie Road and three at Welland Business Park.

4.16 Development of starter units by the market was seen as problematic since infrastructure and site servicing costs were as high for small developments as for large schemes, which were more profitable. There was also greater developer risk for starter units with short leases and poorer tenant covenants. One suggestion made was that such units could be required by planning permissions and S106 Legal Agreements as an element of larger employment developments. A current initiative by Harborough District Enterprise seeks to provide a model development in Market Harborough, with both public and private funding, of about 10-12 units of 200-500 sq. ft. for starter firms.

[22] Based on discussions with Business Link and Harborough District Enterprise

4.17 No realistic scope for a science or technology park was seen in the district given such provision in Leicester and Loughborough, the lack of academic links locally, and limited interest reported by higher technology firms seeking such space to date. However, a recent study identified demand for an incubation centre in the district with some 24 units of 14-45 m^2 (totalling 530 m^2) aimed at knowledge-based and creative industries. [23] An allocated employment site on Northampton Road was identified as a suitable location.

Strategic Employment Site

4.18 The Structure Plan allocates a 25 ha. high quality employment site for B1 or B2 uses on the Harborough/Oadby & Wigston boundary. This appears to reflect an aim for a better balance of employment and housing development on that side of Leicester, to diversify the economy and potentially to cater for inward investment.

4.19 However, there was a general view from the market that there was no strong need for a large, strategic employment site in this location. The demand for large firms looking for such sites in the district was questioned and road access in that general location was seen as requiring major improvement to serve such a development. The location was seen as unattractive for large distribution development because of inadequate road access.

4.20 There were some views that with Meridian Business Park now full, a major office location on the southern side of Leicester could be useful. However, the major office schemes planned in central Leicester would compete strongly for any large users, and larger business service and financial firms would normally look to the M1 business parks while the low labour supply available in Harborough would be a deterrent. Despite this, there could be some need for space to allow industrial firms relocating out of Leicester but wishing to stay nearby. No obvious sites were identified to fulfil such a strategic role and the general view on the need for it was not positive.

Inward Investment

4.21 Inward investment is seen as a key priority for the Leicestershire sub-region and an aid to improving economic diversity at the local level, potentially in growth sectors

[23] Harborough Incubation Centre Feasibility Study, Competitive Advantage for Welland Strategic Partnership, September 2005.

which are a current weakness. The range and availability of land supply is a key factor in raising inquiry levels and deal conversion rates.

4.22 Most investment enquiries to Leicestershire are for industrial space and largely for manufacturing, which remains strong and has expanding firms in the County. Relatively few enquiries are directed to Harborough because of its known lack of sites and premises. If the district had a sizeable business park available, it could receive many of the enquiries from small/medium sized firms currently going to other districts such as Blaby. However, the district was seen as less likely to attract major manufacturing or large office firms, partly because of its traditional role but also the strong competition for such investment from surrounding locations (e.g. Northampton, Corby) with more available land and better strategic road access. There is, however, a need for some new employment sites for inward investment that have certainty of being brought forward.

4.23 In terms of attracting relocations from other Leicestershire firms, some potential was indicated by the 2004 Leicestershire Business Survey. This found that 11% of Leicestershire companies were planning to relocate in the next few years, ranging from 15% of manufacturers to 10% of service companies. Of all those planning to relocate, 56% planned to move within the County and 33% of Leicester based firms planned to move to another County district.

Rural Employment Space

4.24 There were mixed views and no clear picture on the market for rural employment premises. The scale of demand was not seen as great but conversions of agricultural buildings to offices or industrial units were generally easy to let, mainly to locally based firms and including warehousing, storage, and recording studios. Small IT and design firms, for example, found such locations and environment attractive where broadband links are available but there was a view that all types of employment uses, including industrial, should be catered for. Available rural units were generally full, with those within 2 miles of Market Harborough and its services easier to let than those in more remote locations. It was felt that more conversions of farm buildings could be encouraged and would largely meet this need, whereas employment land allocations in villages were not necessary and would not necessarily have community support where affordable housing was seen as higher priority.

Locations for Employment Land

4.25 There was no indication that the broad distribution of employment space across the district was unbalanced. The general view was that most new employment space provision should be focused on Market Harborough and Lutterworth to a lesser extent, where access and services were better and demand strongest. Market views on more remote locations such as Bruntingthorpe were that they met a need for a different type of lower cost space, and for bad neighbour activities, albeit with poorer access. While there was no support for any significant increase in space there, it was considered that larger villages such as Fleckney could take a little more employment land if needed.

Future Economic Role of the District

4.26 Harborough was seen as having a strong industrial base of small to medium sized companies, most of which had strong local links, and some linked to the automotive industry. All the larger firms had started up in the district and grown over time. No major new firms had come into the area in recent years. There was a perception of many small IT firms being based there and a number of holiday companies. The district has a growing range of further education and skill training facilities and there was one view that this could help foster a cluster of knowledge based industries and engineering oriented firms.

4.27 The district was seen as a generally attractive area for smaller firms seeking an attractive environment, a central location and good transport links. It was not seen as a likely destination for large office based firms, partly due to its historical role but particularly its lack of labour supply and competing locations nearby. Large manufacturing firms were also seen as unlikely incomers, particularly with cheaper land at Corby and Northampton, and sites better located to major roads. Little interest was identified from incoming higher technology firms and no need seen for a technology park.

4.28 The most common view was that the district's future lay in building on its strengths, and facilitating growth of its small to medium industrial firms, particularly at the higher quality/higher value added end. Failure to provide adequate land for this would result in loss of firms. The district should also facilitate higher skilled job growth through expansion of local firms rather than attract large businesses from outside. At the same time, its service sector comprising small, indigenous IT, business and design firms, should be encouraged to expand.

Property Availability/Vacancy

4.29 In March 2005, availability of employment space was reported as very tight across the district, with very low vacancy rates across all types of space - under 5% - compared with a more typical 10%.[24] Although some newly built office units were available at the Point, some of these had been bought as investments and were likely to be let leasehold, although demand for this is less strong, possibly due to high rents. No employment sites were currently available and any land coming available has been quickly bought at high values.

Take-up of Allocated Employment Sites

4.30 It was recognised that a number of the employment land allocations made in the 2001 Local Plan, but identified earlier than this, have not been developed for employment uses. In most cases, it was felt that this was not necessarily because the sites were unsuitable for such use or that demand was low, but often reflected other factors including owners' aspirations.

4.31 Development of some sites had been held back by high infrastructure costs, which were as high for large schemes as for small ones, and in some cases did not justify the amount of development being allowed. Some sites allocated only for B1 development had not been developed because demand was primarily for industrial space, and few developers had been willing to risk large, speculative office schemes in this area without clear demand. In other cases, allocated sites were being held back by owners with little interest or need to develop them for employment uses, and were seeking residential use in the long term. Only a few sites were not seen as attractive development locations because of environment, adjoining uses or access constraints, while the Railway Goods Yard in Market Harborough was not yet available for development due to rail related operational needs.

[24] A "typical" 10% vacancy rate allows for normal movement in the property market and is based on discussions with property agents in Harborough and elsewhere as well as published 2005 VOA data on Commercial Property Vacancy in UK.

Views of Occupiers/Employers

4.32 Over 20 responses were obtained from a range of firms of different size in the district, covering manufacturing, distribution, business services, IT and other activities and locations in Lutterworth, Market Harborough and some villages. The range of points raised with these firms is provided in Appendix 6. Key points emerging from responses included:

- many of the firms had been founded and grew up in the district, had been there for many years and had strong local links;
- over 60% of interviewed businesses anticipated an expansion of their operations within the next 5 years; none expected contraction but a few would need less space;
- the nature of some larger firms was changing, with the local manufacturing element declining and greater emphasis on assembly, servicing and distribution, and this would affect future space requirements;
- about a third of responding firms felt that their current premises did not fully meet the needs of their business;
- about one quarter of firms expected to move to new premises, mainly to obtain more space for expansion, but some sought better quality, more prestigious sites;
- in terms of additional space requirements, premises sought ranged from 5,000 to 50,000 sq. ft industrial units, some seeking sites of 3-5 acres; some firms needed lower cost land for low density uses but were unable to find sites;
- about a quarter of potential expanding/relocating firms had experienced problems in finding suitable sites or premises, to allow expansion, improved premises or to meet changing needs;
- a shortage of small, start-up industrial units was reported by a number, as well as of slightly larger units for starter-firms to move up to;
- the great majority of firms planning expansion/relocation strongly wished to remain in the district, largely because of their skilled workforce, but some would move elsewhere if no suitable local premises could be found to allow growth;
- of firms which had recently relocated to new premises, the great majority involved locally based firms moving to new premises in Harborough. One firm had moved in from East Sussex and one Oadby based firm was seeking to move into the district;
- the majority of firms had chosen their current site because the size/composition of the premises met their business needs but other important factors were good location and transport links, and a site close to their workers;
- about one third of companies felt that the provision of employment land in Harborough generally does not meet the needs of businesses;
- despite low unemployment, relatively few firms had experienced local labour recruitment problems, but some were drawing labour from Leicester and Kettering.

Conclusions

4.33 Overall, the message which emerges is that employment space particularly in the district is in very short supply and significant amounts of additional space are required, primarily industrial land, if existing firms and jobs are to be retained. Some additional office space may also be needed but current proposals were expected to meet much of this. Apart from industrial/warehouse space, the main gap in the property portfolio is for starter units, for which strong demand exists. The optimum future economic role of Harborough was seen as building on its base of small to medium manufacturing firms, particularly at the higher quality end, and in expanding its small IT and business services firms. With more attractive competing areas nearby, the district was not seen as a location able to attract many large office or manufacturing activities.

5.0 ANALYSIS OF DEMAND FOR EMPLOYMENT SPACE

5.1 This section examines the market for employment space in the district, both currently and the likely picture over the next 11 years. It also considers the type of space likely to be required, and the main locations where space will be needed. The main factors affecting future space needs will be local firms expanding or relocating, as well as requirements of some new firms coming into the district.

5.2 In carrying out this analysis, a number of factors have been considered:

- factors underlying the current level of employment land allocations;
- past take-up rates of employment land in the district;
- permissions for new employment floorspace and losses to other uses;
- levels of enquiries for employment space in the district;
- indicators of demand such as rent levels and vacancy rates;
- competing sources of employment space in the County and region;
- future labour supply in the district;
- forecasts of employment growth by sector in the district up to 2016;
- the experience of previous allocations of employment land in the district;
- the characteristics and factors applying to the current stock of employment premises.

Structure Plan Requirements

5.3 The 2005 Leicestershire Structure Plan allocates 170 ha. of employment land to the district for the period 1996-2016, an average of 8.5 ha. annually. In addition, there is a requirement for a single strategic employment site of 25 ha. close to Leicester and Oadby/Wigston[25], although no provision is made for this in the Harborough Local Plan. The 170 ha. allocation appears to largely reflect existing commitments rather than past take-up rates or economic demand forecasts. Completions since 1996 account for 116 ha. (most of this in Magna Park) and, including sites with planning permission, over 180 ha. of employment land is recorded as currently committed.

[25] Such a site is to be designated for B1,B2 or B8 uses but not B1 offices

While this suggests that local employment needs to meet the Structure Plan target (excluding a strategic site) are already provided for, in reality significant amounts of the committed land are not necessarily available for development.

Past Take-up Rates

5.4 Long term take-up rates of employment land often provide a good basis for assessing future land needs, where land supply has not been unduly constrained in the past. The pattern of take-up of employment land in Harborough has been monitored by the District Council and is illustrated in Table 5.1 below. (It should be noted that take-up at Magna Park is a strategic land issue dealt with separately in Chapter 8.) The analysis shows that although an average of 14.5 ha. has been taken up annually over the last 8 years, most of this involves large plots within Magna Park for distribution uses, which have accounted for 105.6 ha. out of a total of 116.3 ha. Excluding this distorting factor, take-up of employment land in the district has been very low compared with other Leicestershire districts, averaging only 1.3 ha annually for all types of employment space (Appendix 7).

Table 5.1: Take-up of Employment Land in Harborough 1996-2004

	1996-1997	1997-1998	1998-1999	1999-2000	2000-01	2001-02	2002-03	2003-04	1996-2004	Ave p.a.
Harborough	0.0	<------	58.61	----->	23.58	27.18	3.5	3.43	116.3	14.5
Excluding Magna Park	<------	--------	3.65	------>	0.15	0.0	3.5	3.43	10.7	1.3

Source: Harborough District Council, Leicestershire County Council

5.5 When comparison is made with other Leicestershire Districts in Table 5.2, it can be seen that average take-up in most districts has generally been much higher than this, even when account is taken of levels of employment and employment change in each district. While other Leicestershire districts have sizable employment sites e.g. Meridian Park, none of these are of the scale of Magna Park.

Table 5.2: Hectares Started for Employment Land1996-2004

District	Employment (,000s)**	Total Take-up 1996-04	Average Take-up p.a.	Ratio of Take-up/ Employment
Blaby	35.2	53.61	6.0	0.17
Charnwood*	55.9	40.26	4.5	0.08
Harborough*	30.5	10.70	1.3	0.04
Hinckley & Bosworth	38.2	66.97	7.4	0.19
Leicester	156.2	41.98	4.7	0.03
Melton	17.6	48.08	5.3	0.30
NW Leics.	43.1	142.2	15.8	0.37
Oadby & Wigston	16.4	6.04	0.7	0.04

* Note totals for Charnwood and Harborough for the years 97-00 figures are averaged over the 3years ** 2003 data

5.6 The very low take-up rate in Harborough is likely to reflect the severe lack of land supply and allocated sites not coming forward, as identified in the previous chapter. If a longer period is looked at, average take-up between 1991-2004 was 10.7 ha., but no data is available that excludes Magna Park. The higher take-up rates of around 3.5 ha. per annum between 2002-04, as some sites have come forward, provide a different picture of underlying demand although it partly reflects one large office scheme and probably some release of pent-up demand. While a common approach is to examine how many remaining years supply of land exists assuming past take-up rates continue, this is not considered appropriate here given that take-up itself has been constrained by other factors.

5.7 From these various factors, a judgement has been made that a more normal take-up rate, in the absence of land supply constraints and excluding Magna Park, would be higher than the historic average of 1.3 ha, but less than some of the Leicestershire districts with comparable sizes of economies [26] and closer to the rate achieved recently. The nature of the district, its economic and infrastructure attractions, the nature of its existing firms and its past attraction to new investment are other factors taken into account. Striking a balance between the various factors, it is suggested a reasonable level would be in the order of 2-3 ha. annually.

Change in Employment Floorspace

5.8 Changes in the total amounts of employment floorspace in the district can be estimated from ODPM commercial and industrial floorspace data, based on business rating records. Table 5.3 shows changes in the main employment uses between years 2000 and 2004. This suggests that Harborough has suffered losses of both office and industrial space in that period, more than offset by major gains in distribution space. This resulted in a large net increase in total employment space but this is likely to have been from development at Magna Park. The apparent decline in the office stock, although small, is difficult to explain given that office based employment in the district has grown strongly and suggests the link between job growth and employment space is not clear cut.

[26] Using 2003 Annual Business Inquiry employment levels as a proxy for sizes of local economies

Table 5.3: Change in Employment Floorspace 2000-2004

	Offices (m^2)	Factories (m^2)	Warehouses (m^2)	Net change (m^2)
Harborough	-7,000 (-12%)	-17,000 (-6%)	+356,000 (+59%)	+332,000 (+34%)
Leicestershire	-253,00 (-21%)	-63,000 (-1%)	+858,000 (+25%)	+542,000 (+5%)

Source: ODPM, Commercial & Industrial Floorspace Statistics, 2000 and 2004

Inquiries for Premises

5.9 The amount and type of inquiries for employment space in Harborough by firms provides an indicator of the scale of demand. Information provided by Invest Leicester Shire, which covers some 80% of the property market in the County, is set out in Table 5.4. This indicates that Harborough has consistently received fewer inquiries for employment space than all Leicestershire Districts except Melton, although the number is still significant given the lack of land/sites reported as available for sale (compared to other Leicestershire districts) that Invest Leicestershire has been able to promote in recent years.

Table 5.4: Inquiries for Employment Space by Leicestershire District 2002-05

	No. of Enquiries (2002-03)	No. of Enquiries (2003-04)	No. of Enquiries (2004-05)	Total Enquiries (2002-05)
Leicester	258	231	174	663
Blaby	196	169	140	505
Charnwood	166	151	125	442
North West Leicestershire	152	136	91	379
Oadby & Wigston	111	108	84	303
Hinckley & Bosworth	113	95	87	295
Harborough	**65**	**70**	**56**	**191**
Melton	32	29	18	79

Source: Invest Leicester Shire, March 2005

5.10 The pattern of inquiries for employment space in Harborough in Table 5.5 shows that by far the strongest demand, for both office and industrial space, is for small premises and sites, with most seeking under 460 m^2 (5,000 sq. ft), and very few over 4,650 m^2 (50,000 sq. ft). Some 72% of office inquiries were for under 460 m^2 and 81% of those for industrial/warehouse space were for under 1,860 m^2. Where land rather premises was sought, this was overwhelmingly for sites of under 2 ha.

Table 5.5: Inquiries for Employment Space in Harborough District

Size	Office	Industrial	Land	Size of Sites
Under 460 m^2	36	53	25	Under 2 ha
460- 930 m^2	5	10	1	2 - 4.1 ha
930-1,860 m^2	5	18	1	4.1-8.3 ha.
1,860- 4,650 m^2	2	14	1	8.3-20.8 ha.
Over 4,650 m^2	2	5	0	Over 20.8 ha.
All sizes	50	100	28	

Source: Invest Leicester Shire, March 2005

5.11 Further information on inquiries for new sites in the district through property agents or made directly to Harborough District Council also point to demand mainly from local based firms wishing to expand or relocate, as well as some from Leicester, Oadby and other parts of the region. These include manufacturing, distribution and office activities typically looking for premises of 10,000 to 60,000 sq. ft. (930 – 5,580 m^2).

New Firm Formation

5.12 Business start-ups in the district, which may create additional demand for employment space, typically amount to 300-350 annually. The district's 55 start-ups per 10,000 population in 2003, is a higher rate than in both the region and County. This figure should be seen against a reported lack of suitable space for such firms in the district.

Table 5.6: Start-up Rates of VAT Registered firms

	No. Per 10,000 population
Harborough	55.0
East Midlands	37.3
GB	40.0

Source: SBS, 2003

Replacing Lost Employment Space

5.13 In some situations, additional employment space may be required to replace land or premises lost to other uses. In Harborough, residential land prices are high and there is pressure to utilise allocated employment land for housing. However, analysis of planning decisions in the district in recent years suggests the amount of employment space lost in this way has been relatively low. Most of this has involved changes of use of relatively small buildings to other uses, including residential.

5.14 As noted earlier, between 2003-04 there was some 42,600 m^2 of employment floorspace lost but 38,500 m^2 of this was industrial space (5.4 ha.) on the Tungsten

Batteries site being redeveloped for B1 units and residential development. Excluding this exceptional item, losses comprised 500 m^2 of industrial space, 2,000 m^2 of offices and 1,560 m^2 of warehousing. However, the 2 ha. Harborough Rubber site will also shortly be lost to other uses. While no main employment areas were assessed in Chapter 3 as meriting re-allocation, there is some potential for one or two individual factory sites in residential areas to be redeveloped for other uses.[27] Permitted new employment floorspace over the last two years exceeds losses to other uses, but most of this new space is for offices and may not be of the right type or location to meet demand.

Rental Levels

5.15 The level of rents for employment space provides an indicator of the balance of demand and supply of space, as well as the relative attractiveness of different areas. As Table 5.7 below indicates, rents for both industrial and office space in Harborough district are comparable with, if not slightly higher than in Leicester, and higher than some competing locations nearby.

Table 5.7: Rents for Office & Industrial Space in Main Competing Locations

	Offices (£/sq. ft)	**Industrial/Warehousing (£/sq. ft)**
Market Harborough	£7 -14	£3.0 - 5.5
Lutterworth	£10	£4.0
Leicester	£3 - 9.5	£2.0 - 4.0
Kettering	£4 - 10	£2.75 -4.5
Corby	£3 - 5.0	£2.0 – 3.5
Northampton	£5 -12.5	£2.5 - 5.0
M1 Business Park	£12-15.0	£4.5 – 6.0
Magna Park	-	£5.0 – 5.50

Source: NLP Survey of Commercial Property Agents, March 2005

5.16 In addition, agents report that the few employment sites that do become available in Market Harborough tend to be acquired very quickly, at higher than asking prices. This suggests that the Harborough area is relatively attractive for firms, that demand for employment space is relatively high and that supply is low. However, it also shows that other areas, including sites near motorway junctions with modern premises, would be able to compete strongly with Harborough on cost terms to attract new or relocating firms.

[27] Various Existing Employment Sites identified for residential potential in Harborough Urban Capacity Study

Vacant / Available Floorspace

5.17 The broad relationship between the current supply of employment land in the district and demands for space of different types can be assessed through indicators such as levels of vacancy and property availability. As noted in Chapter 3, vacancy levels in the district are reported to be very low for all types of employment space, at below 5% of the stock. A typical vacancy level in a normal market would be around 10% to allow movement of firms and a choice of locations.

5.18 The Leicestershire Property Register for early 2005 indicates just over 80,000 m^2 of industrial/distribution space and 4,500 m^2 of office space available, when office space under construction is excluded[28]. This probably overestimates availability since, excluding developments under construction and several very large, recently completed, distribution units at Magna Park, the general vacancy level is low, broadly consistent with the level reported by agents. Availability of office space appears higher, at more like 7-8%, reflecting some new units available for letting at The Point in Market Harborough, where demand has been more for freehold premises. Current availability of industrial space is similar to levels in 2002 (79,400 m^2) but much lower for office space (7,840 m^2 in 2002).[29]

5.19 Figures provided by Invest Leicester Shire on total space available reported by commercial agents at March 2005 amounted to 95,120 m^2 of industrial space, and 9,300 m^2 of office space. This would amount to approximately 12% of the stock of office space and 7% of industrial space recorded in 2004, but again includes a significant amount of office units still under construction and large units at Magna Park. No employment land was reported as available for sale in the district.

5.20 If a higher, more typical vacancy rate of 10% were to be achieved, to provide choice and allow movement and expansion of firms, this would imply just under 0.5 ha. more land for office space is needed but some 2.5 ha more industrial land in the district just to provide some flexibility, on top of estimated requirements to meet future needs.

Take-up of Allocated Employment Sites

5.21 The extent to which previously allocated employment sites have been developed or not may provide a further indication of the levels and nature of demand.

[28] Availability is defined here as property being marketed for letting or purchase.
[29] Invest Leicester Shire Property Database, 2002

5.22 In Harborough, only two of the 12 employment land allocations and major commitments in the Local Plan adopted in 2001 have been, or are currently being, developed for employment uses. These two sites are being developed for office parks and account for 5.3 ha. out of the total of 57 ha. allocated. Of those sites which have not been brought forward in this way, investigations as to the causes found that various factors were responsible. These are described in more detail in Chapter 6 but include viability issues from high infrastructure costs relative to achievable amounts of floorspace, the type of employment use for which the site has been allocated, land ownership issues and pressures to develop sites for residential use. In very few cases were the sites themselves seen as unattractive or unavailable for employment development. This suggests that lack of take-up of such land has largely not been a result of low demand in the district.

Labour Supply Growth

5.23 A growing population in the district, and hence increased labour force, would increase demand for local jobs if growth in out-commuting is to be avoided. ONS population forecasts for the district indicate an increase of some 11,000 residents between 2004 and 2016, a 14% increase. Assuming current economic activity rates remain broadly similar, the number of additional working age residents requiring work would increase by some 3,400 in that period (Appendix 3, Table 17). Based on current trends, some 35% or about 1,200 of these residents could be expected to require B class jobs. The amount of additional space needed to meet these needs will depend on the future level of residents out-commuting to work, but points to some additional requirement for employment land. More jobs than this could be needed if out-commuting could be reduced, or indeed to encourage such a reduction.

Employment Growth

5.24 Economic growth in the district will give rise to changes in employment and the demand for employment space. To assess future land needs, employment forecasts for different economic sectors in the district were obtained from an independent source, Business Strategies. This baseline scenario broadly assumes a continuation of current economic growth trends in the district but taking account of national economic trends, as well as labour supply based on the latest ODPM population forecasts; this is considered by Business Strategies as the most likely scenario for the district. The forecasts are set out in Appendix 8.

Table 5.8: Employment Change in Harborough 2005-2016 (Lower Growth)

	No. of Jobs
Manufacturing (B1/B2)	-570
Distribution (B8)	-524
Business/financial services (B1)	+1,056
Total B Class Jobs	-38

Source: Business Strategies, March 2005

5.25 The employment change resulting from these forecasts is illustrated in Table 5.8 above for the B use classes. This shows little change in total job numbers with significant loss of manufacturing and distribution jobs broadly balanced by growth in office based employment, in line with national and regional trends. It has to be recognised that such forecasts tend to be more reliable for larger regional or national areas than for small ones, where data is less accurate and more affected by individual firms. In addition, employment categories do not always reflect the activity carried out; for example the Magna Park jobs may be classified by the primary sector they relate to, e.g. retail or communications, rather than under distribution.

5.26 These job figures can be converted to gross additional employment space requirements by assuming that, on average, 1 office job requires 18 m^2 of floorspace, a manufacturing job some 31 m^2 and a warehousing job 40 m^2.[30] For this purpose, industrial and warehousing jobs are considered as having broadly similar land requirements while business and financial services jobs are taken to be the main requirements for B1 office space.

5.27 In addition, an average plot ratio of 40% is assumed, so that a 1 ha. site would accommodate 4,000 m^2 of employment floorspace. Higher density office space in a town centre could have a higher ratio than this but there appear few opportunities for this in Harborough; to allow for some higher density offices in mixed use schemes, a plot ratio of 80% is applied to 20% of the office floorspace estimate.

Table 5.9: Gross Employment Floorspace/Land Requirements in Harborough 2005-2016

	Additional Floorspace Needs (m^2)	Additional Land Needs (ha)
Industrial Space (B1/B2/B8)	-38,600	- 9.7
Office space (B1)	+19,000	+ 4.3
Total B Space	-19,600	- 5.4

Source: NLP

[30] ODPM Guidance on Employment Land Reviews, 2004

5.28 These figures suggest that, in gross terms, the district needs some 4.3 ha. of land for office development between 2005-16 but has a current surplus of industrial land; the combined effect implied would be a small surplus (5.4 ha.) of employment land. These figures are at odds with market views from the consultation process, which indicate a need for significantly more industrial land. While employment forecasts and employment land needs do not necessarily move in step, the extent of conflict in Harborough, where market views point to need for a large increase in industrial land supply, is somewhat unusual.

5.29 However, this apparent conflict can arise from various factors. It is important to recognise that there is not always a strong relationship between employment change and employment land needs; additional land can be needed even if employment is falling, for example if a manufacturing firm, requires more space to enable greater automation and job reductions through productivity gains. Additional land can also be needed if a firm wants more space to expand even if the sector generally is declining, to provide greater choice of sites, or to allow the current stock to be renewed. It is also clear that industrial land was still being taken–up in the district while manufacturing and warehousing jobs have been declining in recent years.

5.30 Finally, it may be that the forecasts of future employment growth have themselves been constrained by a lack of land supply and therefore constrained job growth in the past, and do not fully reflect future needs. In this situation, the usefulness of the job forecasts is therefore more limited as a reliable indicator of land needs, particularly given that they imply a quite different picture of employment needs from the views of the local property market. All this emphasises the need to consider such job forecasts in conjunction with other indicators of demand, particularly the stated needs of local firms and the property market.

Economic Growth Scenarios

5.31 To assess the quantitative need for employment land from all these indicators, two scenarios of economic growth in the district were considered. The first is based on a continuation of current economic trends but taking account of the effects of past land supply constraints and other factors.

5.32 It is also important to consider the possibility of a higher rate of economic activity occurring in future that would demand more employment land. This could reflect a situation where demand from industrial sector and business services is stronger than expected, and if more relocations of firms from Leicester and elsewhere are catered for. Alternatively, it could reflect an aspiration to create more locally based jobs to help reduce out-commuting from the district; from analysis of Census data, many out-commuters are in manufacturing, distribution and business service jobs. Since this would largely be an aspirational scenario, and not necessarily reflect specific economic assumptions, no employment forecasts were made to inform this scenario.

5.33 Future land needs in the district have been considered in relation to these two broad scenarios.

Lower Growth Scenario

5.34 The land requirements indicated by the above statistical factors have been considered along with property market and occupier views from the previous section, looking at any inconsistencies between them.

5.35 Based only on employment forecasts, without taking account of losses and current commitments, the district would need a little under 5 ha. of land for office development over the next 11 years. In terms of industrial land, there would appear to be no requirement for more land and in fact, the requirement would be for some 10 ha. less than current supply.

5.36 However, other indicators paint a different picture. Existing main employment areas are largely full and firms have very little scope for expansion. Very low vacancy levels and relatively high rent levels in Harborough both point to a lack of adequate supply, and demand for more space, although recent office developments may meet much of that sector's needs. Although past employment land take-up rates indicate only a low level of demand, about 1 ha. annually outside of Magna Park, other sources suggest this may underestimate demand as land supply has been severely constrained by no new sites coming forward for other reasons.

5.37 In addition, even if current employment land supply was just adequate or slightly in surplus, there would still be a need to ensure that the land supply is sufficient to provide firms with some choice of locations and flexibility, and to meet needs for different types and sizes of sites that cannot be met with the current stock. There also needs to be more land to enable some renewal of older stock. All this would indicate a requirement for more than the current available supply despite a decline in industrial jobs.

5.38 The consultation process indicated a significant number of inquiries for employment space from relocating firms from outside the district as well as expansion space needs of indigenous firms. This process also indicated a severe shortage of industrial space at present and strong demand for such space, with some bodies suggesting a need for in the order of 3-5 acres, or up to 2 ha. of industrial land each year. For office space, strong demand for additional space was identified but there was also a view that current proposals may satisfy this for the next few years.

5.39 Drawing this together, there are some conflicts between the market view of future land needs and that indicated by employment forecasts. While assessing future employment land needs is not a precise science and some difference is to be expected, the extent of conflict in this case is unusual. As noted above, it is dangerous to rely only on statistical indicators that may not fully take account of local circumstances while employment change does not always accurately reflect land needs. It is also likely that some of the statistical indicators have been distorted by land supply constraints arising from factors other than demand.

5.40 Given the wide ranging consultation carried out across a variety of bodies with different interests, it is considered that significant weight needs to be given to the views of future needs from the market and occupiers. The employment forecasts may reflect that some industrial jobs and land will be lost, as has been the case with Tungsten Batteries, but this does not mean that no additional industrial land is needed for other reasons. A further consideration is the likelihood that some currently allocated employment land may not come forward in future due to competing uses or ownership factors. Given the problems identified from constrained supply in the district in the past, and the need to retain locally based firms as far as possible, it appears sensible to err on the side of caution and avoid providing too little employment land.

5.41 All this points to a need for some additional industrial land under the current trends scenario. The quantity has been assessed from various sources:

a) our judgement based on factors affecting past take-up in the district, and experience in adjoining districts, is that an annual average of at least 2 ha. of industrial land may be appropriate, and between 2-3 ha. of employment land in total; this would imply some 22 -30 ha. of land over the next 11 years.

b) views from the market that to meet future needs in the order of 2 ha. per annum of new industrial land is needed; this should allow for at least one new industrial park, or substantial expansion of an existing one, in Market Harborough and probably another in Lutterworth; this would mean 20-25 ha. in total up to 2016.

c) a need for around 3 hectares of industrial land just to bring availability/vacancy levels of employment space up to a more normal 10% of the stock.

5.42 For office space, both the employment forecasts and market views indicate a requirement for more space, although the scale of need differs. Based only on employment forecasts, some 5 ha. of land would be needed over the next 11 years (see Table 5.9). Some land is already in the pipeline to meet at least part of this need, and market views suggest a cautious approach is needed to significant additional provision.

5.43 Significant need for more starter industrial units, including small, flexible units for start-up information technology businesses, was identified but such units, typically 50 - 100 m^2, have relatively low land requirements. Only in the order of 0.3 ha. of land would be needed to provide 20 such units, which may be able to be combined with larger developments. Some of this demand could also be met in converted buildings or on other non-allocated sites.

5.44 It is also common practice in assessing employment land needs to make generous additional allowances on top of expected take-up to provide a margin for safety as well as to give some choice of sites and flexibility. Otherwise, supply can be restricted if some allocated sites do not come forward or if a limited choice of available land does not meet a particular firm's needs. Where additional land is needed, a widely used approach to deal with this factor in assessing employment land needs is to add a 50% increase to the initial figure estimated. Otherwise, there is some risk of demand outstripping provision of suitable sites, constraining supply and forcing out firms.

5.45 There is also a need, so that industrial firms are not forced out by lack of space and competition from higher value uses, to make some allowance for replacing some loss of employment land to other uses. It is suggested this loss might average some 1 ha annually over the long term, although it has been higher than this recently, and the additional allowance for choice includes an allowance for this also. It also needs to be recognised that some future employment needs will be accommodated through conversions of buildings and developments on small sites, and will not rely on allocated employment sites. The allowance made was 7 ha over the plan period.

5.46 Overall, taking account of all these factors, it is suggested that gross employment needs in the district over the period 2005- 2016 are in the order of 40 ha. for industrial uses and 7.5 ha. for office development, or about 48 ha. in total. Details of this calculation are provided in Appendix 9.

5.47 No specific additional allowance has been made in this figure for a high quality strategic site in the order of 25 ha. to meet strategic policy aims, or to cater for major new inward investment, as the need for this has not been confirmed by the consultation process or the quantitative analysis. Nor has any allowance been made in these figures for expansion of Magna Park as a regional/national economic resource. If it is determined that such expansion is acceptable and desirable in the district, employment land requirements would need to be adjusted to reflect this. Both these issues are considered in detail in Chapter 8.

Higher Growth Scenario

5.48 This scenario assumes that future demand for employment land in the district will be significantly higher than anticipated by analysis of current trends and market views. It reflects a possible situation where both manufacturing and business activity perform better in the district than in the past, perhaps because firms are able to expand as land supply constraints are reduced or because industrial activity relocates to the area from Leicester and elsewhere. It could also reflect Regional Economic Strategy targets to increase GDP by about 10% over the period. To ensure realism, the extent of such growth would have to take account of national and regional economic trends, and it would be surprising if the district's economy was able to run strongly counter to these over the long term.

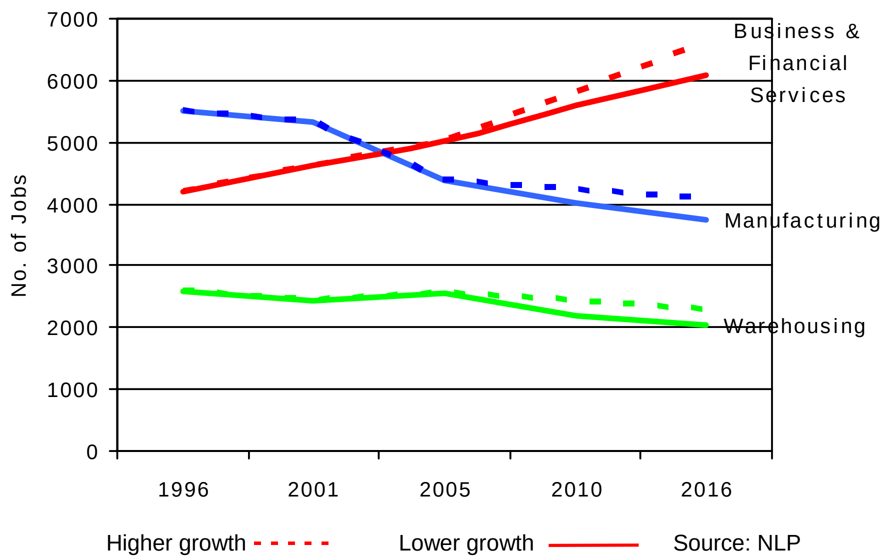
5.49 Another way of looking at this scenario is that it reflects a possible future situation where provision of additional land supply generates increased employment growth in sectors that help reduce the current high level of out-commuting to work by the district's residents. This would be an aspiration with no certainty that economic growth would necessarily take up this additional land and create a higher level of local jobs. Nevertheless, it provides some basis to consider the need for employment land provision over and above what current trends would imply, to allow for higher than expected growth or other aims to be achieved.

5.50 No specific employment forecasts have been prepared for this scenario since it was felt that results based on predictions of future levels of economic activity would not necessarily be helpful at this level. While such forecasts can be generated, they would only reflect whatever higher growth assumptions were input to the model. Given the conflict identified between employment growth predictions and demand for employment space in this area, it was considered that detailed forecasts of jobs based on economic growth targets, for example, would not add greatly to the needs assessment process, and a simpler, more transparent approach would be as useful in this case.

5.51 Therefore, to assess a best case future that would reflect the highest level of employment land needs that is realistically likely to occur, the following assumptions could be made:

- Business and financial services employment in the district could be 50% higher than the current trends forecast;
- Manufacturing/warehousing employment could decline by only 50% of that forecast under the current trends scenario i.e. still a decline but less quickly.

Figure 5.1: Future Employment Growth in Harborough District



5.52 The employment implications of this scenario are set out in Table 5.10 below, and shown in comparison with the lower growth scenario in Figure 5.1. They suggest a net increase of just over 1,000 jobs, with all the gains in office based occupations. Industrial employment still declines, but by less. When these increases are compared with past employment trends in the district, they suggest this scenario is optimistic with regard to industrial employment decline but not totally unrealistic for office jobs (Appendix 8).

Table 5.10: Employment Change in Harborough 2005-2016 – Higher Growth

	No. of Jobs
Manufacturing (B1(c)/B2)	-285
Distribution (B8)	-260
Business/financial services (B1(a)/B1(b))	+1,580
Total B Class Jobs	+1,030

Source: NLP

5.53 If all of these 1,000 or so additional jobs (in comparison to the current trends scenario) were filled by residents currently commuting to work outside the district, this would reduce the proportion of out-commuting by approximately 5%, to a level comparable with the broad average of other districts in the County, about 54%.

5.54 The employment land needs implied by these employment changes, using the same assumptions as before, are shown on Table 5.11.

Table 5.11: Gross Employment Floorspace/Land Needs 2005-2016 Higher Growth

	Additional Floorspace Needs (m^2)	Additional Land Needs (ha)
Industrial Space (B1(c), B2, B8)	-19,230	- 4.8
Office space (B1(a)/B1(b))	+28,500	+ 6.4
Total B Space	+9,270	- 1.6

Source: NLP

5.55 As before, these employment forecasts should not be used by themselves to assess future employment land needs. Taking the various other factors noted above into account, a similar process suggests that gross employment lands would need to be higher than in the current trends scenario. However, the additional amounts of land are unlikely to be large for the scale of employment and economic activity change envisaged.

Table 5.12: Gross Employment Land Requirements by Economic Scenario

	Lower Growth Scenario (ha.)	Higher Growth Scenario (ha.)
Industrial Space (B1(c), B2, B8)	40	49
Office space (B1(a)/B1(b))	7.5	10
Total B Space	47.5	59

Source: NLP

5.56 Our judgement based on such factors is that, compared with the current trends scenario, industrial land needs should be about 9 ha. higher, and office space needs approximately 3 ha. more over the period. As Table 5.12 above shows, this implies a total requirement of 49 ha of industrial land and 10 ha. of office space, or 59 ha. of employment land in total, excluding any element for Magna Park. Avoiding being too prescriptive on the specific type of employment uses permitted on sites, would also give greater flexibility if this estimated balance between office and industrial land needs changing in future.

Conclusions on Quantitative Requirement for Employment Land

5.57 While the lower growth scenario, with the allowances for past underperformance built in, may be closer to the future situation more likely to occur, there may be merit in planning for a higher demand situation, to err on the side of safety so that local firms are not forced out by land restrictions and to allow for some allocated land not coming forward. However, it may be that over-provision of employment land will encourage more relocations of firms from areas like Leicester, rather than just cater for growth of local firms. A view also needs to be taken on whether providing more employment land will succeed in creating more of the types of jobs that will help reduce out-commuting.

5.58 To test these scenarios, the employment generation of the amounts of land proposed were estimated, based on the same job/floorspace and plot ratio assumptions used above. This calculation excludes the `flexibility/choice' and stock replacement allowances and also assumes 10% vacancy of premises. On this basis, the lower growth employment land estimates would generate some 3,200 jobs and the higher growth estimate some 4,200 jobs. This compares with forecast total labour supply growth of 3,400 Harborough residents, and both figures are well below past employment growth rates in the district. However, estimating jobs from employment land in this way must be treated cautiously, and there may well be future productivity gains or changes in job density that reduce these figures. There is also some scope to draw on residents who currently out-commute to work and restructuring or productivity changes in other sectors may release some labour.

5.59 It is noted that the estimated land requirements for the lower growth scenario are somewhat lower than the outstanding Structure Plan requirement of 54 ha., while the higher growth estimate would slightly exceed that target. Since it has not been possible to ascertain the basis on which the Structure Plan land requirements were calculated, and what growth assumptions they included, it is difficult to use that figure to inform a choice between the scenarios.

5.60 The land needs of the lower growth scenario already build in a fairly generous 50% margin to give some flexibility and would cater to some extent for higher than expected growth, while the higher growth picture with its own safety margin may risk oversupply. In addition, although there is potential to claw back some current out-commuters, low unemployment may constrain the future level of growth. On balance, the lower growth forecast appears preferable as a basis for allocation of employment land up to 2016. However, the higher growth figures would allow some leeway for the LDF to carry forward to 2021 in line with the RSS time period. A way forward on this would be to be plan for a higher growth situation, but allocate sites to reflect lower growth and hold some sites as reserve land for potential release, subject to monitoring of take-up over the first 5 years, under a `plan, monitor and manage' approach.

Qualitative & Locational Requirements for Employment Space

5.61 The distribution of these amounts of employment space by type of space and by location within the district has also been considered based on the consultation responses, the above forecasts and the assessment of the current stock in Chapter 3.

5.62 In terms of location, the current distribution of employment space appears reasonable. Reported needs for additional employment space are predominantly in the two main towns – Market Harborough and Lutterworth – with scope for modest provision to meet local expansion needs in some larger villages with significant employment areas, such as Fleckney and Broughton Astley.

5.63 As Table 5.5 and Table 5.12 (page 52) illustrate, the type of employment space required is largely for industrial sites (for both industry and distribution sheds) with a range of units sizes between 300 and 4,650 m^2. In broad terms, this could be provided through two new industrial areas/estates in Market Harborough and one or two in Lutterworth with a modest extension of the existing industrial estates in larger villages, such as Fleckney and Broughton Astley. Based on the existing distribution of space in these settlements, an indicative distribution subject to site availability would be: Market Harborough (20-22 ha.) Lutterworth (12-15 ha.); larger villages (3-5 ha).

5.64 For office space, provision should again mainly be in the two main towns and could be provided as approximately 4-5 ha. in Market Harborough and a further 2-2.5 .ha. in Lutterworth. While most of this provision is anticipated to be in 2-3 new office parks, some of the office requirements could be provided as road frontage elements of larger employment developments where higher quality schemes are sought due to the prominence or surroundings of the site. There may also be scope to provide some space in higher density, mixed use developments on near town centre sites.

5.65 No specific land requirement for higher technology or knowledge based activities is seen as necessary, since these appear likely to be mainly smaller scale firms. Such uses should be accommodated in an increased provision of starter/incubator units (as to be encouraged by new LDF policies proposed in Chapter 9), or on industrial or office allocations.

5.66 There is a requirement for additional small business units in the form of lower cost, small office or industrial units of 50-100 m^2 with flexible leases for starter firms and those moving up to slightly larger units. Given that some new firms start-up in homes, and others use existing premises and converted units, it is suggested that provision of 10-20 such units p.a. would go some way to meeting such needs. The overall land needs of such provision would not be large (e.g. 20 units would require 0.3 ha) and could be distributed between employment areas and would not justify a separate allocation or land allowance. It is anticipated that some of these units could be provided, with suitable LDF policies, as part of larger employment space development schemes, conversion of older industrial buildings or within mixed use developments.

5.67 There is also some requirement for lower quality industrial space but the amount should not be high, probably one or two medium sized sites of 1-2 ha. spread over the two main towns if such sites can be identified. Such sites may emerge on lower quality industrial estates as new land provided encourages some relocations.

5.68 An on-going need for rural employment space to meet local needs and different types of activities was identified. No specific amount of land should be allocated for this given that conversions of redundant rural buildings and new developments in villages/rural locations appear to be meeting this need at present.

5.69 These estimated amounts and types of employment land needs next need to be considered against current land supply and commitments, and how much of this is realistically likely to come forward over the next 11 years, to determine the amount of net additional land required in the district, beyond current allocations. However, it should be recognised that not all estimated employment needs have to be met through Local Development Plan land allocations, with some likely to be met through conversions and unallocated sites. These factors are considered in the following chapter.

6.0 REVIEW OF EXISTING EMPLOYMENT ALLOCATIONS

6.1 This chapter reviews the 12 sites currently allocated or committed for employment use in the adopted Harborough District Local Plan (Plan 7.1). This is based on an assessment of each site's suitability for employment use in terms of the criteria outlined in Appendix 10, and a view of its likely take-up for employment use in the short to medium term. The criteria used reflect only a site's suitability for employment use, reflect those in ODPM Guidance on Employment Land Reviews and also take account of the approach in the QUELS study.[31] Broader issues of overall sustainability and detailed assessments of infrastructure/access will be considered further as part of the LDF process that this study will inform.

6.2 Two of the current allocations have been, or are in the process of being, developed; these are:

- 3.9 ha. on the northern part of land east of Rockingham Road, Market Harborough – to form The Point office park of small freehold office units;
- 1.4 ha. of land east of Rugby Road, Lutterworth – to provide the St. John's Business Park of small freehold office units and a hotel.

6.3 As they are being developed for employment uses and of proven market attractiveness, these two sites are not assessed further here. A brief description of the characteristics, constraints and suitability of each of the other allocated or committed sites is provided below. This is followed by a separate review of availability and site ownership issues to form a view on the likelihood of each site coming forward for employment use.

6.4 As Appendix 11 shows, each site was scored on a scale of 1 (worst) to 5 (best) against assessment criteria factor to provide some indication of the overall ranking of sites on suitability and availability for employment uses. The scores of the assessed sites ranged from 34 to 41, a generally high level, The site suitability assessment criteria used were:

- general site characteristics;

[31] Employment Land Reviews: Guidance Note, ODPM, 2004; Quality of Employment Land Study, EMRLGA, 2002

- strategic road access;
- local road access;
- public transport accessibility;
- incompatible adjoining uses;
- development constraints
- attractiveness to the market;
- Local Plan designations and other planning factors; and
- sustainability factors including the sequential location of the site.

Land West of Northampton Road, Market Harborough (MH/4)

6.5 This 1.8 ha. site, allocated for B1 and B8 use, is currently occupied by allotment gardens and has a prominent location on a main road at the southern edge of Market Harborough. It also adjoins an existing employment area and is both level and of regular shape.

6.6 The site benefits from good local road access and fair public transport accessibility, and is reasonably close to Market Harborough town centre for both services and labour. Market views on the site were that it is reasonably attractive for employment development. There are no known development constraints; although replacement land to relocate the allotments would be required, the owners indicate this should be possible. This relatively small site appears suitable for smaller scale industrial and office development, particularly B1 uses, although perhaps less so for B8.

Land East of Northampton Road, Market Harborough (MH/5)

6.7 This large greenfield site of 14.4 ha also sits on the southern approach to Market Harborough, in a prominent, attractive setting. The site is allocated for low density B1 use in a landscaped setting. It is mainly adjoined by open land with a leisure centre and cemetery opposite, but still in reasonable proximity to other employment areas across Northampton Road. Local and strategic road access is good although public transport is only fair, and there are few services in the immediate vicinity. Somewhat remote from the town, it is viewed as reasonably attractive for employment development by the property market. There are no known significant development constraints and, overall, the site appears suitable for B1 uses, both offices and industrial.

Land East of Rockingham Road, Market Harborough (MH/6)

6.8 Only 5.8 ha. of this original 11.2 ha. allocation remains undeveloped. The site lies on the north eastern edge of Market Harborough in close proximity to the A304 and A6 and is allocated for B1, B2 and B8 uses. The northern part of the site has been partly developed by Westleigh Developments for 'The Point' B1 office park, and subsequent phases of this, but the remaining undeveloped southern part is in two different ownerships.

6.9 The undeveloped part of the site has a prominent location, and The Point development has raised the profile of this location as a high-quality office area. Local accessibility is good with road access off a roundabout and public transport reasonable, being fairly close to Market Harborough station. The site also lies near the town's main industrial estates, but the undeveloped southern part adjoins a residential area and primary school. There are no known significant development constraints and the land is considered a reasonably attractive employment site by the market although industrial development is less preferable given adjoining office and residential uses. In general terms, this site appears suitable for employment development, particularly B1 office uses.

Railway Goods Yard, Market Harborough (MH/7)

6.10 This 2.8 ha. site is located near the centre of Market Harborough close to the railway station, and includes a railway siding. It is allocated for B1, B2 and B8 uses. The site is largely vacant, with a general market perception of being unattractive to most types of employment use, given its single poor, narrow access off St. Mary's Road, and proximity to rail lines and a Council tip. Although other adjoining uses are industrial or railway related, it also has a long, narrow, irregular shape and few services nearby. It does, however, have reasonable proximity to strategic routes and public transport. It is not clear if contamination exists but development costs appear likely to be significant. It may have some potential for lower end B2, for bad neighbour uses or for some firms requiring low cost land without high quality premises.

Land at Kettering Road / Rockingham Road, Market Harborough (MH/8)

6.11 This is a prominent site just to the west of Market Harborough town centre, allocated for B1, B2 and B8 uses or residential or retail development. It covers a total area of 4 ha, about 2 ha. of which is currently occupied by industrial buildings of Harborough

Rubber Company, some very old. Local road access and public transport accessibility are reasonably good, with strategic road access only fair via the town centre. The site adjoins residential areas and other town centre uses, but is close to other employment areas. There are no known development constraints other than a listed building on the site. The industrial part of the allocated site appears suitable for employment purposes.

Land South of Harborough Road, Kibworth (KB/2)

6.12 This 1.2 ha site is currently occupied by a disused nursery / garden centre on the edge of Kibworth. It is a prominent site, allocated for B1, B2 and B8 uses in a high quality scheme, but currently unattractive and derelict in appearance. Adjoining the A6, local access is reasonably good although motorway access is only possible via Leicester or Market Harborough, and there are few other main routes nearby. The site adjoins an existing employment area, with sewage works to the rear of the site. There are no known development constraints but it was difficult to obtain any market views on this small, rather remote site. Reserved matters planning approval has recently been granted for four industrial units and one distribution unit. Overall, the site appears reasonably suitable for some employment purposes, subject to satisfactory access being obtained to the busy A6.

Land South of Coventry Road (Leader's Farm), Lutterworth (LW/5)

6.13 This 4.4 ha. greenfield site adjoins a roundabout on the Lutterworth southern by-pass on the main road linking Lutterworth with Magna Park. Currently agricultural land, the site is vacant but immediately adjoins residential areas on Coventry Road and open farmland, with no surrounding employment uses, or services in the immediate vicinity. It is allocated for B1 business uses, subject to satisfactory access to Coventry Road, while adjoining land is allocated for a cemetery. Although generally level, its location and elevated position above the main road suggest achieving adequate access away from residential premises could constrain development to some extent. Otherwise, within 2 km. of Junction 20 of the M1, strategic road access is good. There are no other obvious development constraints.

6.14 The views of local property agents were the site was too small for distribution uses that the market is unlikely to support B1 office development of the entire site, although perhaps 0.4 – 0.8 ha. of offices on the frontage of a scheme with industrial sheds could work in demand terms. However, the latter would be contentious if adjoining residential uses. Access was also seen as difficult for an industrial scheme. In 2001, outline planning permission was refused for a 14,400 m^2 distribution scheme of large units, largely on the grounds of impacts on residential uses – visual, noise and disturbance. These factors cast doubts on the site's suitability for B2/B8 industrial development, and for an entirely B1 development.

Land North of Leicester Road, Tilton (TL/1)

6.15 This small 0.2 ha. site on the western edge of Tilton village adjoins a residential area with few services in the immediate vicinity, although the village centre is within reasonable distance. The site lies close to the A47, but few other strategic routes are directly accessible. Although there are no obvious development constraints on the site, surrounding open land is designated as an Area of Particularly Attractive Countryside. For employment purposes, considering the adjoining uses and accessibility factors, the site appears reasonably suitable for small-scale and more localised B1 needs, where strategic road access is less vital.

Airfield Farm, Lubbenham / Market Harborough (EM/11)

6.16 This former airfield site now in agricultural use covers some 16.6 ha at a prominent gateway location on the north west edge of Market Harborough. It is identified as a commitment rather than a specific allocation but Policy EM1 and a 2003 Council Development Brief indicate acceptability for up to 13,935 m^2 of B1 business uses, an agricultural showground and leisure uses; high quality development is also sought on this prestigious site. The allowed amount of employment development appears low for a site of this size, but reflects a Council aim to provide extensive open space and protect open views across the site to the south and west.

6.17 The site adjoins the B6047 Leicester Road, which leads to the A6, but significant highway access improvement is needed. Access to the M1 would be via Market Harborough town centre. The site is surrounded by open land with few residential premises nearby. Development constraints include a high pressure gas pipeline across the site, a canal conservation area across a small part and Areas of Particularly Attractive Countryside adjoining it. Public transport accessibility is fair but there are no services within the immediate area. The site is viewed as relatively attractive by the market for B1, B2 and B8 industrial uses, particularly for the relocation/expansion of existing firms within Market Harborough. Overall, this site appears very suitable for a range of employment uses, including B1 offices on the road frontage and industrial units to the rear.

Bruntingthorpe Proving Ground and Airfield, Bruntingthorpe (EM/16-EM/21)

6.18 Identified as a commitment rather than an allocation, only a small proportion of this 265 ha. airfield site is currently used for employment purposes. This amounts to just over 1700 m^2, mainly workshops, storage facilities and hardstanding, but with planning consent for a further 0.5 ha of employment space.[32] The Airfield has been used as a vehicle proving and testing ground for over 30 years, and Policy EM/16 provides criteria for allowing any extension of this use. Although user rights for airfield operation have been removed, Policy EM/18 sets out criteria for permitting some limited flying activities. Other permitted uses on the site include use of hangars and hard standings for an aircraft museum, and storage of motor vehicles and vintage aircraft.

6.19 Strategic road access is poor, with the M1 reached via Lutterworth and local unclassified roads, although there a designated heavy goods vehicle route to the site along Bruntingthorpe Lane / Bath Road. Although largely adjoined by open land, the Bruntingthorpe Industrial Area is on the site's southern boundary, and it also lies near various local settlements and the residential area of Upper Bruntingthorpe. Public transport accessibility is poor, and very limited community services are available in the immediate area.

6.20 The site is viewed by the property market as isolated with poor accessibility, and not a location for significant additional employment development. Existing employment uses on the site are limited, many related to the site's aviation history and principal use as a vehicle proving ground. The site provides relatively inexpensive space for local and bad neighbour uses, and upgrading it would require significant investment in infrastructure, and lead to impacts on the surrounding area. These factors suggest that this site is not suitable for significant additional employment development to meet the types of demand in the district, and it is hard to see it contributing greatly to employment land requirements.

[32] VOA Business Rates, 2005; Employment Land Monitoring information, Harborough District Council

Bruntingthorpe Industrial Area, Bruntingthorpe (EM/22-EM/24)

6.21 This area, also a commitment rather than an allocation, is divided between two locations along Mere Road, separated by the Upper Bruntingthorpe residential area. The western section contains small workshops in poor condition, with a number of modern industrial/warehouse units at the eastern edge. Policy EM/22 allows for modernisation, extension and redevelopment of existing buildings on this western section. The eastern area is more limited, consisting predominantly of industrial and storage uses, in close proximity to the Upper Bruntingthorpe residential area. Policy EM/24 allows replacement or limited extension of existing buildings for B1 and B8 uses, but subject to impacts on residential amenity.

6.22 Strategic road access is poor, with the M1 reached via Lutterworth and mostly unclassified local roads. Local access is unsuitable for large amounts of vehicular traffic. Public transport accessibility is poor, and there are very limited services nearby. This site is perceived as too isolated with poor access for offices and many industrial uses, although this has not prevented a variety of localised employment uses from operating there. Most of the existing premises require substantial upgrading, while proximity to the Upper Bruntingthorpe residential area limits the scope for significant development at the eastern area. These factors limit the suitability of this site to accommodate significant employment development to meet future needs in the district.

Conclusions on Site Suitability

6.23 Overall, it can be seen that the majority of the allocated sites and the Airfield Farm commitment site are suitable for some type of employment development. An exception is the Leaders Farm site in Lutterworth, where access, location and adjoining uses as well as demand factors make this is a difficult site. The two Bruntingthorpe sites are not allocations and while suitable for some small scale, locally based employment uses, have sufficient drawbacks for them to be unlikely to contribute significantly to the district's land needs.

6.24 From the above site analysis, a number of the larger sites are suitable for some type of employment development. The lowest performers on this assessment are the Railway Goods Yard, and Bruntingthorpe Airfield, but even these could meet some needs. There is no strong case for de-allocating (i.e. completing removing any development plan allocation for development) any of the current sites purely on suitability grounds. While infrastructure and servicing costs are factors undermining development taking place on certain sites, these are not insurmountable and may also apply to any replacement sites allocated.

Availability of Allocated/Committed Sites

6.25 Following the assessment of suitability of each site, consideration was given to whether the undeveloped sites which are suitable for meeting the district's needs are likely to come forward for employment use. Availability and ownership information for these was largely derived from site owners and/or property agents, with the consultants forming a view based on this and the history of the site. This analysis is intended primarily to provide a view on the likelihood of a site coming forward for employment development within the next 11 years. It also gives the consultants' view on whether a site appears more likely to come forward earlier or later in this period. However, this will ultimately depend on the site owners' intentions, which are not always available, and this analysis does not provide a basis for phasing the development of specific sites.

6.26 For the **West of Northampton Road, Market Harborough (MH/4)** site, the site's owners, a trust, reportedly feel other uses on this high profile gateway site may be more beneficial to the town than development for industrial units. This would not necessarily be residential and could include some kind of community uses or a hotel. No specific time scale for such development has been identified and no planning applications have been made for employment development. Overall, the likelihood of take-up for employment use on this site in the short term appears relatively low, and only moderate over the plan period.

6.27 The delay in development of the **East of Northampton Road, Market Harborough (MH/5)** site appears to reflect high infrastructure costs and the level of demand for B1 uses, which has only improved in the last few years. Outline planning permission for B1 offices and industrial units and a hotel was first granted in 1999, and later extended for several more years. In early 2005, indications were that a developer planned a B1 office scheme involving only a small part of the site, reflecting the maximum level of demand currently supported there; there were no specific aims for the remaining area at that point but greater flexibility in the range of B uses allowed was to be sought. However, reserved matters were submitted for approval in December 2005, relating to B1 space (largely incubation units) on about 6 ha. On this basis, the likelihood of take-up of the entire site for employment use is assessed as low in the short term, but with good prospects of about 6 ha. being developed quickly, and much of the remainder within the plan period, particularly if a wider range of B uses were allowed.

6.28 On land **East of Rockingham Road**, **Market Harborough (MH/6),** the 4.9 ha. southern part has not come forward for development. This area is shared between two landowners, who have both made representations to the Council about the lack of interest in the site for employment development over many years despite outline planning permission for such uses, and instead suggest residential or some form of mixed-use development. Discussions with agents indicate the owners have no financial pressure to achieve early development, and are likely to see the site as a long-term investment where residential or retail use may eventually be achieved, rather than undertaking any speculative B use development. This suggests the remaining part of this site is very unlikely to be taken-up for employment use in the short term, and the medium term prospects are also low.

6.29 Discussions with agents for the **Railway Goods Yard site, (MH/7) Market Harborough** indicated this site is not in the current phase of disposals by BRB (Residuary) Ltd, a subsidiary of the Strategic Rail Authority, and consequently is not available for sale or permanent development in the short term. In the interim, the site has been subject to a number of short-term leases for storage and parking. There have been a number of planning permissions for warehouse/storage uses in the past but none recently. These factors suggest that the site's likelihood of take-up for employment use is low in the short term, and moderate over the plan period.

6.30 With regard to the **Harborough Rubber site in Market Harborough (MH/8)**, in April 2005, outline planning permission was granted for the redevelopment of the existing factory for a mixed use development of apartments, and A3/A1/B1 space, of which only 465 m^2 is to be for B1 units. This reflected Council aims to enhance the town centre as well as the Rubber Company's aim of obtaining more modern floorspace, albeit reduced in quantity, funded by development of a valuable town centre site. The company plans to relocate to a site becoming available on the Riverside Industrial Estate. On this basis, only a very small part of the allocated site will be coming forward for employment development.

6.31 Although no development has taken place so far on land **South of Harborough Road, Kibworth (KB/2)**, outline planning permission for a business park was granted in September 2003. Reserved matters approval has been recently granted for 1,400 m^2 of industrial space and 2,700 m^2 of office space. This suggests that the site's likelihood of take-up for employment use in the short term is high.

6.32 For the **Leaders Farm site, Coventry Road, Lutterworth (LW/5)**, discussions with land owners Leicestershire County Council indicated that, following the refusal for B8 development and earlier market advice that insufficient demand existed in this location for the quantum of office development the site would accommodate, residential development is now being sought. This, combined with market views on suitability and levels of demand for this site, indicate its likelihood of take-up for purely employment use in the short term is low. There may, however, be some potential for a mixed office/residential scheme.

6.33 On **Leicester Road, Tilton (TL/1),** planning permission was given in 1998 for four B1 light industrial units but this was never implemented, possibly suggesting lack of demand in this location. However, in June 2004, outline planning permission was granted for four dwellings and garages. A reserved matters application for one of these dwellings was submitted in March 2005, and is awaiting a decision. This suggests the owners are advanced in seeking residential use of the site and that the likelihood of any of the site being taken-up for employment purposes is now very low.

6.34 **The Airfield Farm site in Market Harborough (EM/11)** has not been developed although outline planning consent was granted in August 2003, for a Business Park of 13,935 m^2, an agricultural showground and associated buildings, and a 60-bedroom hotel. It is understood that development has been deterred by high infrastructure costs in relation to the amount of development permitted, making the scheme unviable, while demand has also mainly been for industrial units rather than B1 business uses. However, an application for a revised scheme for 28,000 m^2 of employment uses on 11.4 ha. of the site was submitted in mid 2005. This is largely for industrial/distribution uses with 8,400 of B offices on the main road frontage, and an agricultural showground. These factors suggest that a significant part of the site will be developed for employment uses over the short to medium term, but this is likely to be less than the whole allocated area of 16 ha.

6.35 The availability of the two Bruntingthorpe sites has not been considered further as these were not assessed as having potential to contribute significantly to the future employment land supply.

6.36 Table 6.1 below provides a broad indication of the suitability of these sites for different forms of employment use. This suggests some flexibility in relation to the current allocations for some sites (MH4, MH6, MH7, KB2 and EM11) but detailed consideration of design aims, impacts on adjoining uses and other constraints will be needed prior to any changes to relevant policies.

Table 6.1: Suitability of Allocated/Committed Employment Sites for Different Uses

Area (ha)	Site	Suitable Uses	Most Suitable form of Employment Development
1.8	West of Northampton Rd, Market Harborough [MH/4]	B1, B2, B8	Mixed employment uses with office park on road frontage
14.4	East of Northampton Road, Market Harborough [MH/5]	B1	Small office park/HQ development/start-up units
5.8	East of Rockingham Road, Market Harborough (part) [MH/6] undeveloped area	B1	Offices/B1(a)/starter units
2.8	Railway Goods Yard, Market Harborough [MH/7]	B1(c), B2	Lower value industrial uses/starter units
4.0	Kettering Road / Northampton Road, Market Harborough **[**MH/8]	B1/mixed uses	Mixed uses with small B1 element already permitted
1.2	South of Harborough Road, Kibworth [KB/2]	B1(c),B2, B8	Small industrial units
4.4	Leaders Farm, South of Coventry Road, Lutterworth [LW/5]	B1	Limited amount of small B1 units/mixed use scheme
1.4	East of Rugby Road, Lutterworth [LW/6]	B1, B2, B8	Offices or part of larger Industrial estate
0.2	North of Leicester Road, Tilton [TL/1]	B1	Small B1 units but permission granted for residential use
11.4	Airfield Farm, Lubbenham / Market Harborough [EM/11]	B1, B2, B8	Industrial uses with office park on road frontage
1.0*	Bruntingthorpe Proving Ground and Airfield, Bruntingthorpe [EM/16-EM/21] *	B1(c), B2, B8	Local/low cost base Industrial uses
0.5*	Bruntingthorpe Industrial Area, Bruntingthorpe [EM/22-EM/24] *	B1(c), B2, B8	Local/low cost base Industrial uses

Source: NLP * estimates of area in employment use

Likely Available Land Supply

6.37 Based on this assessment of likely availability of the current allocated employment sites and others identified by Local Plan policies, as Table 6.2 below illustrates, out of the original total allocation of 56.9 ha, only 5.3 ha. are presently under development.

6.38 The remaining 51.6 ha, has not been taken up so far. Of this amount, for the reasons given above, 24.6 ha are considered unlikely to become available for development in the short term, and most of this possibly not within the LDF period, if left to the market (Table 6.1)

6.39 Only the 1.2 ha. Kibworth site appears reasonably certain to come forward, along with Phase 3 of the Point (2.3 ha.), while there are fairly good prospects for 6 ha. of Northampton Road East. Some 11.4 ha. of the Airfield Farm site and the remainder of Northampton Road East have a reasonable prospect of being developed for employment uses in the LDF period to 2016. Together, these sites would effectively provide some 8.2 ha. fairly sure to come forward for employment development, and a further 19.8 ha. with good prospects of doing so over the next 11 years.

Table 6.2: Probability of Take-up of Allocated/Committed Employment Sites between 2005-2016

Site	Likelihood of Development for Employment Use					
	Unlikely	Low	Medium	High	Developed	Total
West of Northampton Rd, Market Harborough [MH/4]		1.8				1.8
East of Northampton Road, Market Harborough [MH/5]			8.4	6.0		14.4
East of Rockingham Road, Market Harborough (part) [MH/6]: The Point Phase 1					0.9	0.9
East of Rockingham Road, Market Harborough (part) [MH/6]: The Point Phases 2/3				1.0	3.0	4.0
East of Rockingham Road, Market Harborough (part) [MH/6] undeveloped area		5.8				5.8
Railway Goods Yard, Market Harborough [MH/7]		2.8				2.8
Kettering Road / Northampton Road, Market Harborough [MH/8]	4.0					4.0
South of Harborough Road, Kibworth [KB/2]				1.2		1.2
Leaders Farm, South of Coventry Road, Lutterworth [LW/5]		4.4				4.4
East of Rugby Road, Lutterworth [LW/6]					1.4	1.4
North of Leicester Road, Tilton [TL/1]	0.2					0.2
Airfield Farm, Lubbenham / Market Harborough [EM/11]	4.6 **		11.4			16
Bruntingthorpe Proving Ground and Airfield, Bruntingthorpe [EM/16-EM/21] *	0					0
Bruntingthorpe Industrial Area, Bruntingthorpe [EM/22-EM/24] *	0					0
TOTAL SITE AREA	**9.8**	**14.8**	**19.8**	**8.2**	**5.3**	**56.9**

Source: NLP * No specific amounts of land allocated and only small scale employment development likely.
** based on discussions with site owners, this area of site not developable for employment uses because of landscape, ecology, infrastructure and other constraints

Other Potential Sources of Employment Land

6.40 Turning to other potential future sources of employment land, as indicated in Chapter 3, the main existing employment areas are largely full with very little undeveloped land. Only a few opportunities to significantly extend existing employment areas were identified; these areas would extend beyond existing settlement boundaries and are considered in Chapter 7.

6.41 While redevelopment of sites in such areas is possible in theory, discussions with agents and developers suggest that existing employment premises tend to be more valuable than the land and that redevelopment to provide new, purely employment uses would rarely be viable. It can also be difficult to implement with constraints such as multiple ownership and inadequate infrastructure, and may require public sector intervention.

6.42 The previous sections have also indicated that existing main employment areas, even those with outdated or poorer quality premises, remain very much in demand and are important to retain, with renewal and upgrading to be encouraged.

6.43 Some land will also come forward from windfall sites, but in this area there is likely to be pressure on these from other higher value uses, particularly residential. There will also be some space provided by conversions of existing buildings, largely rural buildings, and some new development on unallocated sites, but this tends to mainly fairly small in scale. There is one sizable commitment which will provide employment land – 1.5 ha on the former Tungsten Batteries site.

6.44 This analysis therefore indicates that the reasonably certain supply of employment land to meet future needs arising from current allocations and other sources is likely to amount to under 10 ha.[33], although there is potential to obtain another 19.8 ha. When this is compared with the estimated amount of future employment land required, as identified in the previous Chapter, there would be a shortfall under either scenario. Even under the lower growth scenario, there would be a shortfall of at least 38 ha., reducing to some 17.5 ha. if the less certain sites are included. For the higher growth situation, the shortfall would be up to 49 ha, or 29 ha. if some less certain sites are included.

[33] Based on 8.2 ha. with high probability of coming forward and 1.5 ha committed on the former Tungsten Batteries site

6.45 Part of this shortfall could be filled by current allocated or committed sites. For example, quantitatively, the office space need would be more than met by the East of Rockingham Road, West Northampton Road and Tungsten Batteries site. However, industrial needs would require more land even if all developable allocated land came forward. This emphasises that the more that can be done to stimulate development of allocated employment land for this purpose, the smaller the amount of employment land on new sites will need to be found in the district.

Scope for Re-allocation of Employment Sites

6.46 If suitable new employment sites are allocated, this would potentially allow some existing allocated sites to be de-allocated but also increase pressure to re-allocate others to residential or other higher value use. However, doing the latter is likely to send a signal to the market that holding back such allocated sites for a lengthy period can be beneficial, and would make it less likely that any new employment allocations would be taken forward quickly to meet current needs.

6.47 Careful consideration should be given to the relative desirability of retaining an allocated site which is highly suitable for employment use but where ownership or other factors indicate it is unlikely to come forward for that use. In this context, Government Guidance in PPS12 makes clear that identification of site allocations in LDFs should be founded on a robust and credible assessment of the suitability, availability and accessibility of land for particular uses or mix of uses. In relation to allocation of housing sites to meet future needs, PPG3: *Housing* indicates that "*it is essential that the operation of the development process is not prejudiced by unreal expectations of the developability of particular sites*…" Paragraph 42a of PPG3 also allows for employment allocations to be overridden where it can be demonstrated that "*there is no realistic prospect of the allocation being taken up for its stated use in the plan period*".

6.48 There is therefore a case for re-considering the allocation of some sites on the grounds they are unlikely to come forward in the plan period, mainly because of owners' aspirations and pressures for higher value uses.[34] On this factor, the strongest candidates for re-allocation or de-allocation from employment use are:

[34] De-allocation would mean removal of the Local Plan designation which allows development of a site and could result in some sites being excluded from the defined limits to development in settlements, effectively being re-designated as open countryside subject to restraint policies. Re-allocation in this case would mean designating the acceptable use of a site to ones other than purely employment development.

- Leicester Road, Tilton, where a decision has already been taken to allow residential development (0.2 ha);
- Leaders Farm, Lutterworth, where residential development is being sought by its owners (4.4 ha);
- land West of Northampton Road, where the owners have different aspirations for the site (1.8ha);
- the remaining part of land East of Rockingham Road, Market Harborough (5.8 ha).

6.49 However, before doing so, it would be important to ensure that other suitable replacement employment sites can be found that are more likely to be developed, and to consider whether other approaches could help bring forward some of the current allocations.

6.50 It is notable that the greater part of the allocated employment land is designated for B1 use, while demand in the district currently appears to be more for a mix of B1, B2 and B8 industrial developments, but with an emphasis on the industrial element. For some sites, there may be a case for a more flexible approach, allowing a wider range of B uses with higher quality B1 uses on road frontages, although this may not always be acceptable where the restriction reflects adjoining sensitive uses or urban design aims. For guidance, Table 6.1 indicates what are considered suitable uses for these sites.

6.51 Other possible approaches which could be considered to stimulate take-up of the current allocations, before allocation of further employment land, include:

a) a more flexible approach to mixed use development such as including a small element of housing where the major part of the site is developed for employment purposes; this may of course stimulate mixed use proposals on all employment sites, including some existing, occupied employment areas;

b) use by the Council of CPO powers to acquire allocated sites, which are being held back for higher residential hope value, and make them available for employment development through a joint venture or sale to developers; this approach could involve lengthy timescales and costs to the Council;

c) allocation of public funds to support infrastructure and servicing costs of allocated employment sites and make them more attractive to developers; this would not, however, necessarily stimulate action on all sites if owners' aspirations were not for employment development;

d) increasing the developer risk for not bringing sites forward by de-allocating at least one allocated employment site that is unlikely to come forward for this use; this option would only be appropriate if the Council considered the site was clearly not needed for residential purposes and allocating it to a lower value use, such as open space, could be justified and other approaches prove unsuccessful.

6.52 Overall, it is clear that the estimated future employment land requirements will not be fully met by currently allocated/committed sites coming forward even if such sites are generally suitable. Some sites are candidates for re-allocation or de-allocation on the basis that they are unlikely to come forward for this purpose. However, a final view on retaining existing employment allocations needs to take account of the availability of other potential replacement sites that would meet the scale and type of employment land requirements identified earlier, and how such new sites compare with current allocations in suitability terms. This is considered in the following Chapter.

7.0 POTENTIAL NEW EMPLOYMENT LAND ALLOCATIONS

7.1 In the context of the scale of employment land needs identified in preceding sections, this chapter considers sites with potential to provide new employment allocations. Taking account of the probability of allocated sites coming forward, the overall shortfall of employment land to meet the estimated future needs could be up to 41ha. (lower growth) or 52 ha (higher growth), although this could be significantly reduced by some larger allocated sites coming forward. Most of these amounts are required for industrial uses, with only between 1 and 4 ha. more land required for office development. Most of this requirement would arise in the two main towns, particularly the office element, with some smaller amounts in a few larger settlements.

7.2 The potential new sites to meet such needs have been identified in two ways:

- from sites proposed in responses to the Issues Paper for the review of the Harborough Local Plan in September / October 2003; and
- by considering significant areas of land within or on the edge of the main settlements which already have significant employment activity and where reasonable road access to potential sites appeared possible;

7.3 In assessing the suitability of these sites for employment uses, a key factor is their general sustainability, in line within national and regional planning policy and particularly the sequential approach to development in Policy 1 of RSS8.[35] This gives priority to previously developed sites within existing urban areas, which are accessible by a choice of means of transport, as well as being close to both labour and existing services. Greenfield sites remote from settlements, public transport and services are least preferable in this regard.

7.4 Further sites are likely to be identified when the Council takes forward the findings of this study, in preparing the LDF and from sites put forward during the consultation exercises that will form part of the LDF process. Any such sites would need to be evaluated in the same way as those identified by this study.

7.5 These potential new sites have been assessed against the same employment land criteria as those applied to current employment allocations in Chapter 6. Each site

[35] RSS8: Regional Spatial Strategy for the East Midlands, March 2005

was scored on a scale of 1 (worst) to 5 (best) against each factor, to provide an indication as to its suitability and acceptability for employment use (Appendix 12). Plan 7.1 shows the location of these sites and detailed maps of each site are contained in Appendix 12. The scorings for the appraised sites ranged from 22 to 41, indicating some as good as current allocations as well as others with little real potential.

7.6 It needs to be emphasised that these potential sites have not been subject to detailed scrutiny on infrastructure, development constraints or access requirements. While new sites with a high score may appear comparable to existing allocations, the latter have been subject to more in depth assessment. More detailed investigation of such potential alternative sites will be required as part of the LDF process.

Issues Paper Proposal Sites

7.7 A total of 10 sites proposed for employment use in response to the Issues Paper were assessed. All of these sites lie outside of existing settlement development limits. Two of these sites (Sites 9 and 10) have been put forward to enable expansion of Magna Park, and these are considered separately in the following chapter since they relate to strategic rather than local employment land needs.

1. Bowden Inn Farm, Market Harborough (380)

7.8 This greenfield site of almost 1 ha, adjoins the junction of the A6 and B4067 some 2 Km. north of Market Harborough. The site is proposed as suitable for a range of commercial uses, including B1, and has previously had permission for roadside service uses and conversion of agricultural buildings to office uses. Remote from any settlement, it adjoins open farmland, although a children's nursery has recently been constructed immediately to the west and hotel and restaurant uses lie nearby. At a roundabout on the A6, it benefits from reasonable transport accessibility, but proximity to services and labour is poor, while achieving suitable access onto the busy A6 may prove a constraint. Overall, there is some scope for small scale B1 offices or industrial development but the suitability of this site is assessed as relatively low.

2. West of Leicester Road, Market Harborough (21)

7.9 This 1.6 ha greenfield site is put forward for inclusion within the adjoining Airfield Farm employment site policy area. The site is separated from the latter by the Grand Union Canal, and lies close to dwellings, a car showroom, and caravan park on Airfield Farm. The developable area and type of uses will be constrained by proximity to the Grand Union Canal Conservation Area and adjoining housing, and achieving appropriate access from Leicester Road, while it has limited public transport and other services. Overall, as a stand-alone site, its suitability for employment purposes at the present time is only moderate. However, if major employment development takes place at Airfield Farm, leading to upgrading of local road and public transport infrastructure, then this site would rate higher for employment purposes, particularly higher quality B1 uses. This would particularly be the case if the site could form part of a larger Airfield Farm development, in which case B1, B2 or B8 uses would be suitable.

3. East of Leicester Road, Lutterworth (112)

7.10 This 3.7 ha greenfield site just beyond the northern edge of Lutterworth adjoins the Bilton Way Industrial Estate. Allocation of this site would form a natural extension of the existing employment areas on this side of Leicester Road, which are fully occupied, and provide expansion space for local firms. Direct road access is not possible from the adjoining industrial estate but the site is close to both existing services and labour, and road and public transport access is fair. The site's suitability for B1(c), B2 and B8 employment purposes is assessed as high, with its main potential constraint being ability to provide suitable access on to the busy main road.

4. North of Lutterworth Road, Lutterworth (no reference available)

7.11 This 2 ha greenfield site immediately adjoins Junction 20 of the M1 on the southern edge of Lutterworth, and consequently is highly accessible in terms of both strategic and local road access. It also adjoins the new St. John's Business Park and would appear most suited to B1 office development although small scale industrial uses may also have some potential. The site's use as a base for motorway recovery vehicles has been refused in the past. The site is put forward as being large enough to accommodate a range of employment units and, although there are no services within the immediate vicinity, it is within walking distance (0.5 Km) of Lutterworth town centre. Its main development constraint is that about half of the site is Essential

Washland, where development is restricted, and this reduces the developable area, possibly to 1 ha. Overall, the site's suitability for employment purposes is assessed as high.

5. East of North Kilworth, North Kilworth (281)

7.12 This 3.5 ha site is located just outside the limits of North Kilworth about half way between Lutterworth and Market Harborough. It is already partly developed with a number of small industrial and warehouse buildings and has had many permissions for such uses over the last 20 years. This relatively remote rural location has only fair strategic via the A4304, and poor public transport, although close to some residential areas and services in North Kilworth. The narrowness and restricted visibility of the A4304 at this point, opposite a works site, may make adequate access on to the A4304 difficult. While it may have some potential to meet some local employment needs outside of the main settlement areas, for small scale industrial uses, in general terms its overall suitability for an employment allocation to meet the district's needs is medium.

6. East of Churchill Way Industrial Estate, Fleckney (305)

7.13 This 3 ha greenfield site on the edge of Fleckney adjoins the existing Churchill Way Industrial Estate, as well as a residential area. In this relatively isolated village, overall accessibility is only fair although some village services and labour are within reasonable distance. The full occupation of the nearby industrial estate suggests this location is capable of meeting some employment needs, and current proposals by several firms on the estate confirm demand for expansion space here.

7.14 This site would form a natural extension of the existing employment area although the settlement boundary would need to be extended. Planning permission was recently refused (June 2005) for industrial development here due to proximity to residential uses and a location in countryside outside the settlement limits, and there have been previous refusals for employment development in the 1980s and 1990s. However, it appears possible for some issues to be overcome with some form of screening or buffer to the adjoining residential area, as with the existing industrial estate. Overall, the suitability of this site for B1(c), B2 or B8 employment space is assessed as moderate/relatively good, on the basis of allowing for expansion of existing firms in one of the larger settlements, and to provide a balance of new employment space across the district. This scale of expansion appears appropriate to the size of the settlement and its current employment provision.

7. East of Bruntingthorpe Industrial Estate, Bruntingthorpe (358)

7.15 This previously developed site of just under 1 ha contains a number of industrial units of varying size and age, and is proposed for inclusion within the adjoining designated Industrial Area west of Upper Bruntingthorpe. There have been many permissions for industrial/storage uses over the last 20 years. As with the designated Industrial Area, strategic road access to the site is poor, the local road infrastructure is generally unsuited for large vehicles, the location is remote, and public transport is poor. While the site's overall suitability for an employment allocation (for industrial units) is assessed as low, it provides low-cost premises for various lower-quality industrial uses. However, given that it already contains a large amount of employment premises, there may be benefits in incorporating this land into the existing designated Industrial Area, to ensure that any future development proposals that come forward can be considered within the same framework.

8. Stoughton Airfield (Leicester Aerodrome), Stoughton (133/307)

7.16 This 210 ha. site is an airfield used by light aircraft mainly for training and leisure flying. It contains a few small aviation related businesses e.g. aircraft maintenance, avionics and pilot's shop. The site is proposed both as a strategic employment site, and for employment land within a proposed residential urban expansion. Predominantly greenfield, with some developed areas, including runways and aviation buildings, the site is surrounded by open land.

7.17 However, this location is remote from any settlement, has poor road access and public transport and few residential areas or services nearby. Major employment development in this location close to Leicester would not serve the main population centres of Harborough district. The airfield has a relatively short runway (0.94 Km), does not accommodate business or freight flights and road access is poor. Its potential for significant aviation or air freight related uses is therefore low, although some small scale storage or low level industrial uses requiring low cost space, as at Bruntingthorpe, may be attracted. Poor road access and remoteness also limit its scope for general employment uses.

7.18 For these reasons, the site's suitability for an employment allocation is assessed as low. Its suitability as a strategic employment site is considered further in the following chapter.

Potential New Sites

7.19 Other potential sites were identified through considering locations which fulfil the following search criteria, which reflect general requirements for employment sites rather than planning factors:

- any significant areas of land within the main settlements which are not within predominantly residential areas and have reasonable road access;
- land on the edge of the main settlements, which already have significant employment activity and which have good access to main roads which are adequate for industrial traffic;
- by investigating scope for extensions to existing employment areas within larger settlements;
- any opportunities likely to emerge as a result of major new infrastructure schemes.

7.20 While a number of previously developed sites within the main settlements were looked at, including some existing employment sites, only one of these was not in a mainly residential area and was considered of sufficient size and with sufficient road access to warrant detailed consideration. Existing industrial estates were not considered in this process given that most are almost fully occupied and did not indicate obvious opportunities for redevelopment to increase the amount of employment space, although there may be opportunities to redevelop some individual, existing premises over time.

7.21 This process generated 11 more potential sites around Market Harborough, Lutterworth, Fleckney and Broughton Astley, all but two of these sites outside of existing limits to development of each settlement. These sites were then assessed against the same criteria as the Issues Paper sites with the scorings set out in Appendix 10 and the conclusions summarised below. However, few details of ownership, availability for development or market perceptions are available for these sites at this stage.

11. Land South of Leader's Farm, Coventry Road, Lutterworth

7.22 This 3.7 ha greenfield site adjoins an existing roundabout on the A4303 to the south west of Lutterworth. The site has very good strategic and local road access, although public transport links are poor. It is surrounded by open farmland, apart from the Showmen's quarters site immediately to the south. It is regular in shape and elevated above road level, although with undulating levels. There are no services available within the immediate vicinity, and the site is about 1.5km from Lutterworth town centre. There may scope to obtain shared access off the existing roundabout with the road into the Showmen's quarters, and this would need to be explored.

7.23 There is already some development south of Coventry Road (e.g. the Semelab industrial site and the Showmen's quarters) so development of this site would not set a precedent. Indeed, if Magna Park were to be allowed to expand to the south (see Chapter 8), this location would become part of a larger employment area. Overall, the site's existing good strategic and local accessibility means the suitability of this site for employment purposes is assessed as high. The most suitable uses would be B1(c), B2 and B8.

12. East of Leicester Road, Lutterworth

7.24 This 13 ha largely greenfield site lies on the northern edge of Lutterworth, between the M1 and Leicester Road, just north of Issues Paper proposal site 3. Lying near other industrial areas, there are few sensitive uses nearby although the site itself contains a few residential properties. Large and level, with reasonably good road access and public transport accessibility, this site appears highly suitable for employment purposes. Allocation of this site in combination with Site 3 could provide a site of sufficient size to accommodate a new industrial estate or business park for Lutterworth. The most suitable uses here would be B1(c), B2 and B8 but there would also be scope for B1 offices on the road frontage.

13. West of Rockingham Road, Market Harborough

7.25 This 4 ha greenfield site lies adjacent to the northern edge of Market Harborough close to the junction with the A6 and near existing employment areas on Rockingham Road. The site benefits from good strategic and local road access. Although direct public transport accessibility is poor, the site is reasonably close to residential areas of Market Harborough. The River Welland runs along the eastern boundary of the site, and much of the site lies in an area liable to flood; this may require extensive flood prevention measures and add to development costs. A further major problem is that the site lies within the designated Separation Area between Market Harborough and Great Bowden.

7.26 Despite these constraints, this site appears a natural extension of the existing employment uses along Rockingham Road, and with suitable site planning and screening, it may be possible to avoid severely harming views across the rural landscape to Great Bowden and the function of the Separation Area. There were proposals for industrial/warehousing development in the early 1990s but these were withdrawn. Subject to this and further assessment of the potentially extensive flood protection measures required, the site's suitability for a range of potential employment uses is assessed as high; these could include B1, B2 and B8 uses although its gateway location would justify B1 uses on the northern frontage.

14. East of Leicester Road, Market Harborough

7.27 This approximately 18 ha greenfield site to the north of Market Harborough lies opposite Airfield Farm but within a designated Area of Particularly Attractive Countryside. It has undulating topography, is bounded by the Grand Union Canal to the north, and adjoins a residential area to the south. Local road access and public transport linkages are fairly good, although there are few services available within the immediate vicinity. Overall, the suitability of this site for B1, B2 or B8 employment uses is considered to be moderate. However, its development would significantly impact on the landscape, and form a significant extension of Market Harborough to the north.

15. South of Kettering Road (Clack Hill), Market Harborough

7.28 This 6.0 ha site, on the south eastern edge of Market Harborough, lies well below road level, sloping gently into the valley to the south. It has reasonable strategic road access, close to the A6, but public transport accessibility is poor and local road access may be problematic given the slope of the land, and proximity to the junction with the A6. The site mainly adjoins open farmland, although there are residential areas to the west and across Kettering Road, and few services nearby. However, it also located in a highly visible approach to Market Harborough, where development would impact on high-quality landscape. Overall, the site's suitability for employment purposes is assessed as low.

16. North of Kettering Road (Clack Hill), Market Harborough

7.29 This 7.5 ha corner site adjoins the A6 at its junction with Kettering Road, also on the south east edge of Market Harborough. It has reasonable strategic and local road access, although public transport links are poor. The site itself is prominent and elevated above road level but, while large, it slopes steeply, limiting development options. It also immediately adjoins residential areas to the west, and there were several refusals for housing development on the site during the 1990s., although there are few services available nearby. Overall, its suitability for employment purposes is considered low.

17. East of Main Street, Fleckney

7.30 This 3 ha. greenfield site lies near the centre of Fleckney, close to residential areas and a range of services. It adjoins Cedars Farm, which has planning permissions for conversion of existing farm buildings to office and residential uses. A proposal for residential development on the site was refused in 1990. The site has relatively poor strategic and local road access, while public transport links are also limited. The site's proximity to residential areas and position within the centre of Fleckney, means its suitability would at best be restricted to B1, although demand for this type of premises in this location is uncertain. On this basis, its suitability for such employment uses is assessed as medium.

18. East of Saddington Road, Fleckney

7.31 This 3 ha. greenfield site on the southern edge of Fleckney adjoins the existing Churchill Way Industrial Estate from which it is well-screened by trees, and elsewhere adjoins open farmland. Strategic and local road access are reasonable but public transport accessibility is limited. While the site could form an extension to the existing industrial area, for B1(c), B2 and B8 uses, separate access arrangements would likely be required off Saddington Road, which may be problematic. This site extends beyond existing village limits into open countryside, with greater impact, while creating adequate access appears more problematic than for other potential Fleckney sites. Overall, the suitability of this site for employment purposes is considered to be medium.

19. North of Cottage Lane, Broughton Astley

7.32 This 4.3 ha greenfield site to the north of Broughton Astley adjoins an existing industrial estate to the south and open farmland elsewhere. Strategic road accessibility is reasonable, while public transport is fair, and it is close to a range of residential areas and services. Existing road access via Cottage Lane is narrow, and the junction with Saddington Road is poor, and both would require substantial upgrading to support employment development. Creating an adequate access may be costly for the scale of development achievable. Development would also represent expansion outside and not well related to defensible settlement limits while the scale of the entire site appears large in relation to current levels of employment land in this settlement. Overall, therefore, the suitability of this site for employment purposes (B1(c), B2 and B8) is assessed as medium.

20. West of Dunton Road, Broughton Astley

7.33 This 6.5 ha on the southern approach to Broughton Astley, lies close to existing residential areas to the north and west, sloping gently towards Clump Hill. It is predominantly greenfield, although part of the site is occupied by a garden centre and nursery. Proposals for a dwelling on the site were refused in the 1970s. The topography of the site and proximity to residential areas would restrict the nature of potential development, while access from the site onto Dunton Road may also pose a constraint. Overall, the suitability of this site for employment purposes (B1(c), B2 and B8) is considered to be moderate.

21. Sawmill Site, Gores Lane, Market Harborough

7.34 This 1.6 ha. existing employment site lies on the edge *of* Market Harborough town centre and comprises an existing sawmill operation involving a low density of built development. It lies close to existing employment areas in the town, and access to both local and strategic routes is fairly good. Proximity to residential uses on the boundary may limit the potential types of B uses that would be acceptable, while this site was also identified as having housing potential in the urban capacity study for the district and availability may be uncertain given pressures for other uses in this location. Overall, it appears highly suitable for B1 or a mixed use development including offices.

7.35 Consideration was also given to the potential to find other sites in larger settlements such as Kibworth, where current employment space provision is low and there may be a case on sustainability grounds for a better balance of houses and jobs. However, landscape constraints combined with limited road access did not lead to any obvious new sites being identified that would not encroach significantly beyond settlement limits into open countryside. The settlement has some small scale B1 office premises, recently had permission for a reasonable amount of B1/B8 development and the case for provision of significantly more such space in this location is not clear from property market views of demand or the nature of the settlement. If further demand emerges, one approach may be to seek the inclusion of small scale B1 uses within the large residential allocation on the western side of the village.

Availability of Identified New Sites

7.36 It is more difficult to assess the likelihood of these potential new sites coming forward for employment use where owners' aspirations are not always clear. For those sites put forward in response to the Issues Paper, this action in itself indicates willingness for the sites to be developed. Where the landowner is a developer with an interest in employment development, this also suggests reasonable prospects of a site coming forward if allocated. Despite this, there will still be some uncertainty as clearly some developer-owned allocated sites in the current Local Plan are still to come forward. For the other sites identified by the consultants, where less information is available at this stage, availability must be regarded as less certain; exploring owners' aspirations for each site would stretch beyond the timescale of this study but can be investigated further through the LDF process.

7.37 Table 7.4 ranks all sites in terms of likely availability. At this stage, the Issues Paper sites appear more likely candidates for meeting future employment land needs through allocations, largely because more is known about owners' aspirations for them. The LDF site allocation process will take account of the suitability and sustainability of these and other potential sites, and the likelihood of each coming forward once owners aspirations are clearer.

Conclusions

7.38 The suitability of all sites is ranked as low, medium or high based on scores achieved and a judgement on the overall quality of each site. As Table 7.1 illustrates, this process has identified nine sites which offer good potential for employment development.

7.39 However, all but one of these nine sites is greenfield land outside existing settlement limits and together they comprise some 50 ha. One of these sites (4 ha.) would also take up part of a designated separation area between settlements, and would be an option to be taken forward only if no better alternatives were found to meet future employment land needs. Eight of the nine sites are located at the two main towns, the other in Fleckney.

7.40 It is difficult to compare the identified new sites fully against current allocation sites since ownership details, market perceptions and the sites' availability for employment development are not always clear for the potential new sites. However, excluding such factors, as Table 7.2 indicates, the nine better performing, potential new sites compare favourably against current allocations. These would potentially provide some 50 ha. of additional land to replace any current allocations that are very unlikely to come forward quickly and might be considered for de-allocation. In broad quantitative terms, therefore, these sites could provide enough potential land to meet the estimated shortfalls under either growth scenario.

7.41 Only one of these potential new sites is not in the main towns where most demand exists and where the larger allocated sites have not yet come forward. However, there is no certainty at this stage whether all these new sites are likely to come forward for development, given that ownership and other factors have not been fully investigated in many cases. This is less of a problem for the four of these nine sites (amounting to 9.3 ha.) coming through the Issues Paper process which are being specifically proposed for development.

7.42 It is difficult to identify the potential contribution these sites would make in terms of use class since many would be suitable for a range of B class industrial uses, as well as some B1 office element. However a few sites are identified which are most suited to B1 offices only.

7.43 The estimated future land requirements for the preferred lower growth scenario could be met by a combination of allocated/committed sites and new allocations as shown in Table 7.5, drawing on the site rankings in Tables 7.1 -7.3. This indicates that office space needs could largely be met from existing allocations that have good prospects of coming forward, but that meeting industrial land requirements will need more of the allocated sites to come forward as well as a range of new sites. This would support de-allocation of some allocated sites suited to office uses and where availability is questionable, but not any of the allocated sites more suited to industrial uses.

7.44 Overall, subject to the uncertainties on site availability, this indicates some scope to replace the smaller current employment land allocation sites that are unlikely to come forward (e.g. West of Northampton Road, Market Harborough) but probably not the two largest allocations/commitments (East Northampton Road and Airfield Farm, Market Harborough), and again emphasises the importance of measures to stimulate take-up of the latter, as well as bringing forward some new sites where possible.

Table 7.1: Assessment of Suitability of Potential Employment Sites

Area (ha)	Score	Site	Suitability for Employment Land Allocation**		
			Low	Medium	High
1.0	41	4. North of Lutterworth Road, Lutterworth			✓
3.7	39	3. East of Leicester Road, Lutterworth			✓
1.6	38	21. Gores Lane Sawmill, Market Harborough			✓
13.0	38	12. East of Leicester Road, Lutterworth			✓
4.0	35	13. West of Rockingham Road, Market Harborough			✓
3.7	34	11. South of Leaders Farm, Coventry Road, Lutterworth			✓
3.0	34	6. East of Churchill Way Industrial Estate, Fleckney			✓
1.6	33	2. West of Leicester Road, Market Harborough			✓
18.0	33	14. East of Leicester Road, Market Harborough			✓
4.3	31	19. North of Cottage Lane, Broughton Astley		✓	
1.25	31	18. East of Saddington Road, Fleckney		✓	
3.5	31	5. East of North Kilworth, North Kilworth		✓	
6.5	30	20. West of Dunton Road, Broughton Astley		✓	
3.0	30	17. East of Main Street, Fleckney		✓	
7.5	29	16. North of Kettering Road, Market Harborough	✓		
6.0	29	15. South of Kettering Road, Market Harborough	✓		
1.0	27	1. Bowden Inn Farm, Market Harborough	✓		
210	23	8. Stoughton Airfield (Leicester Aerodrome), Stoughton	✓		
1.0	22	7. East of Bruntingthorpe Industrial Estate, Bruntingthorpe	✓		
		Potential Development Area (hectares)	**225.5**	**18.6**	**49.6**

* Note: Scoring excludes scores for Ownership and Availability for all sites

** Note: **High** = Score over 34; **Medium** = Score 30-34; **Low** = Score 29 or below

* ** Allocated/committed sites assessed in Table 6.2 as unlikely to provide any employment land excluded from analysis.

Table 7.2: Suitability Comparison of Potential New Sites, Undeveloped Allocations & Commitments

Site	Area (ha)	Status	Score*
East of Northampton Road, Market Harborough [MH/5]	14.4	Allocated	41
4. North of Lutterworth Road, Lutterworth	1.0	Issues Paper	41
West of Northampton Rd, Market Harborough [MH/4]	1.8	Allocated	40
Airfield Farm, Leicester Road, Market Harborough	10 .0	Allocated	39
East of Rockingham Road, Market Harborough (part) [MH/6]: The Point Phases 2/3	4.0	Allocated	39
East of Rockingham Road, Market Harborough (part) [MH/6] undeveloped area	5.8	Allocated	39
3. East of Leicester Road, northern edge of Lutterworth	3.7	Issues Paper	39
Kettering Road / Northampton Road, Market Harborough [MH/8]	4.0	Allocated	38
21. Gores Lane Sawmill, Market Harborough	1.6	Via Study	38
12. East of Leicester Road, land north of Lutterworth	13.0	Via Study	38
13. West of Rockingham Road, Market Harborough	4.0	Via Study	35
South of Harborough Road, Kibworth [KB/2]	1.2	Allocated	35
11. South of Leaders Farm, Coventry Road, Lutterworth	3.7	Via Study	34
6. East of Churchill Way Industrial Estate, Fleckney	3.0	Issues Paper	34
2. West of Leicester Road, Market Harborough	1.6	Issues Paper	33
14. East of Leicester Road, Market Harborough	18.0	Via Study	33
Railway Goods Yard, Market Harborough [MH/7]	2.8	Allocated	32
Leaders Farm, South of Coventry Road, Lutterworth [LW/5]	4.4	Allocated	32
19. North of Cottage Lane, Broughton Astley	4.3	Via Study	32
18. East of Saddington Road, Fleckney	1.25	Via Study	31
5. East of North Kilworth, North Kilworth	3.5	Issues Paper	31
20. West of Dunton Road, Broughton Astley	6.5	Via Study	30
17. East of Main Street, Fleckney	3.0	Via Study	30
16. North of Kettering Road, Market Harborough	7.5	Via Study	29
15. South of Kettering Road, Market Harborough	6.0	Via Study	29
1. Bowden Inn Farm, Market Harborough	1.0	Issues Paper	27
8. Stoughton Airfield (Leicester Aerodrome), Stoughton	210	Issues Paper	23
7. East of Bruntingthorpe Industrial Estate, Bruntingthorpe	1.0	Issues Paper	22

Note: 1. Scoring excludes Ownership and Availability for all sites

2. Allocated/committed sites assessed in Table 6.2 as unlikely to provide any employment land excluded from analysis.

Table 7.3: Suitability of Potential Employment Sites for Different Uses

Area (ha)	Site	Uses Suited to	Most Suitable type of Employment Development
1.0	4. North of Lutterworth Road, Lutterworth	B1	Office park
3.7	3. East of Leicester Road, Lutterworth	B1(c), B2, B8	Industrial estate
1.6	21. Gores Lane Sawmill, Market Harborough	B1	Offices or mixed use scheme
13.0	12. East of Leicester Road, Lutterworth	B1(c), B2, B8	Industrial estate
4.0	13. West of Rockingham Road, Market Harborough	B1, B2, B8	B1 offices on frontage
3.7	11. South of Leaders Farm, Coventry Road, Lutterworth	B1(c),B2, B8	Industrial estate
3.0	6. East of Churchill Way Industrial Estate, Fleckney	B1(c), B2, B8	Industrial estate
1.6	2. West of Leicester Road, Market Harborough	B1, B2, B8	Offices or part of larger Industrial estate
18.0	14. East of Leicester Road, Market Harborough	B1, B2, B8	Higher quality industrial estate with offices on road frontage
4.3	19. North of Cottage Lane, Broughton Astley	B1(c), B2, B8	Industrial estate
6.0	15. South of Kettering Road, Market Harborough	B1, B2, B8	Industrial estate
1.25	18. East of Saddington Road, Fleckney	B1(c), B2, B8	Industrial estate
3.5	5. East of North Kilworth, North Kilworth	B1(c), B2, B8	Small scale industrial or storage units
6.5	20. West of Dunton Road, Broughton Astley	B1(c), B2, B8	Industrial estate
3.0	17. East of Main Street, Fleckney	B1(c), B2, B8	Industrial estate
7.5	16. North of Kettering Road, Market Harborough	B1, B2, B8	B1 offices or industrial units
1.0	1. Bowden Inn Farm, Market Harborough	B1, B2, B8	Small scale offices or industrial units
210	8. Stoughton Airfield (Leicester Aerodrome), Stoughton	B1, B2, B8	Small scale storage/ and lower end B1, B2, B8
1.0	7. East of Bruntingthorpe Industrial Estate, Bruntingthorpe	B1, B2, B8	Small scale industrial units/estate

Note: Allocated/committed sites assessed in Table 6.2 as unlikely to provide any employment land excluded from analysis.

Table 7.4: Likely Availability of Potential New Sites, Undeveloped Allocations & Commitments

Site	Comment on Availability for Employment Use	Score
East of Rockingham Road, Market Harborough (part) [MH/6]: The Point Phase 3	Held by developer & previous phase successful	****
Airfield Farm, Leicester Road, Market Harborough	Extant permission, strong occupier interest & developers understood to be preparing new proposals	****
East of Northampton Road, Market Harborough [MH/5]	Owners understood to be bringing forward office proposal on 4 ha. of site but position on remainder unclear	****
South of Harborough Road, Kibworth [KB/2]	Recent permission for employment uses	****
4. North of Lutterworth Road, Lutterworth	Proposed as employment site to Issues Paper	***
3. East of Leicester Road, northern edge of Lutterworth	Proposed as employment site to Issues Paper	***
1. Bowden Inn Farm, Market Harborough	Proposed as employment site to Issues Paper	***
2. West of Leicester Road, Market Harborough	Proposed as employment site to Issues Paper	***
6. East of Churchill Way Industrial Estate, Fleckney	Proposed as employment site to Issues Paper	***
Railway Goods Yard, Market Harborough [MH/7]	Operational site not yet released for development but possibly in next few years	***
7. East of Bruntingthorpe Industrial Estate, Bruntingthorpe	Proposed as employment site to Issues Paper	***
West of Northampton Rd, Market Harborough [MH/4]	Owner's aspirations not necessarily for employment uses and no take-up to date	**
8. Stoughton Airfield (Leicester Aerodrome), Stoughton	Proposed as employment site to Issues Paper as well as for residential scheme	**
Leaders Farm, South of Coventry Road, Lutterworth	Owner seeking residential use	**
East of Rockingham Road, Market Harborough (part) [MH/6] undeveloped area	Owner seeking residential/retail use in long term	**
Kettering Road / Northampton Road, Market Harborough [MH/8]	Recent permission for mixed residential scheme with only small employment element	*
21. Gores Lane Sawmill, Market Harborough	No information on owner's aspirations & likely competition from residential uses	*
19. North of Cottage Lane, Broughton Astley	No information on owner's aspirations	*
20. West of Dunton Road, Broughton Astley	No information on owner's aspirations	*
12. East of Leicester Road, land north of Lutterworth	No information on owner's aspirations	*
11. South of Leaders Farm, Coventry Road, Lutterworth	No information on owner's aspirations	*
13. West of Rockingham Road, Market Harborough	No information on owner's aspirations	*
14. East of Leicester Road, Market Harborough	No information on owner's aspirations	*
17. East of Main Street, Fleckney	No information on owner's aspirations	*
18. East of Saddington Road, Fleckney	No information on owner's aspirations	*
15. South of Kettering Road, Market Harborough	No information on owner's aspirations	*
5. East of North Kilworth, North Kilworth	No information on owner's aspirations	*
16. North of Kettering Road, Market Harborough	No information on owner's aspirations	*

Note: Shaded sites are Local Plan allocations or commitment sites.

Allocated/committed sites assessed in Table 6.2 as unlikely to provide any employment land excluded from analysis.

7.5: Meeting Future Employment Land Requirements (Lower Growth Scenario)

	Industry (B1(c)/B2/B8)	**Offices (B1(a)/B1(b))**
Future Employment Land Requirement	**40 ha.**	**7.5**
Allocated/Committed sites (high probability) [1]	2.2 ha.	6.0 ha.
Allocated/Committed sites (medium probability) [2]	17.8 ha.	2.0 ha.
Allocated/Committed sites (low probability) [3]	7.2 ha.	Not needed (7.6 ha. *)
Issues Paper Sites (with comparable scores to allocated sites) [4]	9.3 ha.	Not needed
Other Identified Sites (with comparable scores to allocated sites)	37.0 ha.	Not needed

* assumes only part of site may come forward for employment uses

Note: Areas for each use are based on allocated sites identified in Table 6.1, the probability of that site coming forward and assumptions on the proportion of different uses likely to be developed on each site. Figures for Other sites are derived from areas of higher scoring sites in Table 7.3.

1: parts of sites KB/2 and MH/5
2: parts of sites EM/11 and MH/5 – assumes 1 ha. of office uses on EM/11 and 1 ha. on MH/5
3: sites MH/6, MH/7, MH/4, LW/5
4: Issues Paper sites 2, 3, 4, 6,

8.0 STRATEGIC EMPLOYMENT ALLOCATIONS

8.1 Separate consideration is given to employment land needs for sites of strategic importance i.e. Magna Park and the high quality strategic site sought in the district by the Structure Plan.

Strategic Employment Site

8.2 Consideration was first given to any sites which could potentially meet the requirement in the Leicestershire & Rutland Structure Plan (Policy EM2) for a 25 ha. Strategic Employment Site on the Harborough/Oadby & Wigston border. The reasoning behind requiring such a site was to help diversify the economy, provide for inward investment and provide new employment to balance housing growth on the south eastern side of Leicester.

8.3 Criteria for such Strategic Employment Sites are set out in Structure Plan Employment Policy 2:

a) in locations within or adjoining the urban areas with good access to the road network;

b) in locations which are capable of being made accessible by walking, cycling and public transport; and

c) of a good standard of design, layout and landscaping.

8.4 While a site of this scale could meet a significant part of Harborough district's future employment land needs, the consultation exercise for this study did not identify any significant need for such a site in the district from a property market or business perspective. The general view was that the Oadby/Wigston border area was poorly related to the strategic road network and more likely to meet the needs of Leicester than of Harborough district. In addition, the Inspector at the 1997 Harborough Local Plan Inquiry considered that: *"…the economic arguments in favour of the location of a high quality employment site in Harborough District are not very strong"* …"[paragraph 5.10] and "…*the strategic employment justification for provision of such a site within Harborough District is weak*…" [Summary, paragraph 23].

8.5 In reaching this conclusion, the Inspector noted that a High Quality Employment Site should have better access to the wider road network than exists in this rural part of Harborough District and that, notwithstanding improvements to the A6 at Great Glen, this locality would continue to have inferior access to the motorways and the wider road network for some time. This situation does not appear to have altered significantly since 1997 despite provision of the A6 bypass at Great Glen.

8.6 Apart from this, to identify any potential site, a commercially viable employment site of this scale and character would require close proximity to a strategic road, which in this broad location, would have to be the A6, which is the only main road along this part of the Harborough District boundary. Having excluded areas immediately adjoining smaller settlements, the only potential broad locations of suitable size and consistent with these criteria, lie on either side of the A6, between Great Glen and Oadby. These two locations (Nos. 31 and 32) are shown on Plans 8.1 and 8.2 (Appendix 13). [36]

8.7 As noted earlier, it is questionable whether the A6 in this location would provide adequate or sufficiently attractive strategic access to a potential employment site of this scale and quality, given that its links to the M1 are poor. Such a location also does not appear sufficiently close to large population centres to support a range of public transport and be sustainable, and is remote from Harborough's main settlements and so unlikely to meet employment needs of the district.

8.8 In addition, two sites in a broadly similar location to these were rejected as having "*significant disadvantages*" as locations for a Strategic Employment Site in the Inspector's Report following the Harborough Local Plan Inquiry. This report considered that development to the south of the A6 here would cause serious damage to an attractive piece of countryside, and undermine the gap which currently separates Great Glen and Oadby [paragraph 5.14]. While the site proposed on the northern side of the A6 was considered to be of lower environmental quality, it would be highly visible in the countryside and its proximity to the Stretton Hall housing scheme and Great Glen could potentially lead to settlement coalescence and affect the separate identity of the latter [paragraph 5.15].

8.9 The Inspector also rejected two other potential sites and further noted that he could not identify any site close to Leicester, Oadby & Wigston with good access which could be developed for a high quality employment site without intruding into attractive countryside or the gap between Great Glen and Oadby.

[36] These two areas were not subject to the same detailed scoring as other potential sites since they need to be considered instead against Structure Plan policy criteria rather than general suitability for employment uses.

8.10 In combination, these factors do not make a good case for either of these A6 sites to be allocated as Strategic Employment Sites, whether or not a need for such a development exists.

8.11 The only site proposed through the Issues Paper process as a location for a Strategic Employment Site was Stoughton Airfield (Site 8 - Leicester Aerodrome). Its suitability for employment purposes generally has already been assessed as low in the previous chapter. In relation to the specific criteria for Strategic Employment Sites, this location does not lie within or adjoin an existing settlement, is distant from the A6 and does not have good access to the wider road network, particularly strategic links. On general sustainability grounds, it also ranks low. On this basis, this site is not considered appropriate as a Strategic Employment Site either.

8.12 On this basis, there does not appear to be a strong justification for allocating a Strategic Employment Site in Harborough close to the Oadby & Wigston border, and in any event no suitable sites which meet the criteria for such an allocation have been identified. However, it is important to note that the scope of this study is limited to examining the employment needs of Harborough district, rather than those of the wider sub-region, and further consideration of this issue may be needed at sub-regional or regional level.

Magna Park

8.13 The need for, and potential sites to accommodate, any further expansion of the Magna Park distribution park in Harborough district, were also considered. In terms of need, this study has only been able to examine the limited available research on future demand for strategic distribution in the region. A final decision on further expansion would need to be informed by further independent investigation at the regional/national level, including demand and supply for such space, potential alternative locations, additional infrastructure requirements and costs and availability of suitable labour supply.

8.14 The large Magna Park employment development has been established in the district for some 20 years and its substantial Phase 2 expansion was permitted by the Secretary of State in 1992. It currently occupies some 200 ha. Past phases have funded the Lutterworth southern bypass, and local community facilities. The developers are seeking a further 35 ha. Phase 3 expansion based on continued demand, only 5 undeveloped plots remaining on the site, and the site being expected to be full within a few years.

8.15 The consultation process did not find any general view that further expansion of Magna Park should necessarily be accommodated in Harborough district, and suggested that the Park's linkages with the local economy were low. The site provides over 6,000 jobs, out of some 30,000 in total in Harborough District, although it takes a very large land area to do this. It draws labour from a relatively wide surrounding area, including Coventry, Rugby and Daventry, and relatively few of the jobs appear to be filled by Harborough district residents. Based on information provided by its owners, no significant problems with labour recruitment are experienced, despite low unemployment in Harborough district.[37] This type of distribution development typically produces a low density of employment compared with other B class uses and the sector generally employs a high proportion of lower skilled manual occupations, although this is changing to some extent as more IT and back office functions are being located on-site with distribution activities.

8.16 In general sustainability terms, the site is remote from urban centres and currently served only by road, although this can be seen as strength for its operational needs, and meets criteria for such uses in PPG13: *Transport* (paragraph 45).[38] At the same time, there is already a heavy concentration of B8 development along the M1 corridor between junctions 18 to 24A and the capacity of this stretch of motorway, its junctions and any infrastructure improvements required to accommodate substantial further distribution growth need to be investigated.

Need for Expansion

8.17 In economic terms, Magna Park serves a regional/national, rather than a local, role and its growth could be seen as supporting regional economic growth aims. The East Midlands Regional Spatial Strategy (RSS) recognises this area as *"…a strategic location and transport node of European, national and regional significance…"* offering unique opportunities and with dedicated distribution parks (paragraph 3.5.28). The Regional Freight Transport Study recognised the area around Lutterworth as

[37] Magna Park Labour Market Study, Executive Summary, Gazeley Properties Ltd, 2003

[38] PPG13 (paragraph 45) seeks to locate developments generating substantial freight movements such as distribution and warehousing, away from congested central areas and residential areas, and ensure adequate access to trunk roads and to promote opportunities for freight generating development to be served by rail or waterways.

having the largest concentration of storage and distribution facilities in Western Europe.

8.18 As noted earlier, demand for large distribution units of this type (typically over 10,000 m^2) is reportedly still strong, with annual take-up of B8 space nationally running at 1 million m^2 [39], and both road freight and demand for B8 space growing at 2-3% per year.[40] Overall demand for large warehouses in the UK over the next 3-5 years is expected to remain broadly in line with the average level over the past 8 years.[26] Very high demand is also reported at the recently opened Castle Donnington distribution park further north on the M1. Other studies indicate that the restructuring of the distribution sector into much larger units is continuing, driven by changes in manufacturing and retail operations as well as internet based activities.[41]

8.19 The 2002 Quality of Employment Land Study (QUELS) predicted that, based on its predicted continuation of past trends, there is likely to be an inadequate supply of land in the medium to longer term to meet demand for large scale distribution space in the East Midlands region.[42] Indeed, the available amount of B8 space in units over 10,000 m^2 in the East Midlands decreased by 18.4% between 2004-05.[43] However, there are large amounts of permitted B8 space with large units at Castle Donnington, with 186,000 m^2 of floorspace, 180,800 m^2 at DIRFT Phase 2 and 75 ha. at Prologis Park, Kettering, which are likely to compete with Magna Park to some extent although the first two have a greater focus on rail freight.[44] At the same time, labour shortages are expected to become increasingly important in future in the logistics sector and encourage migration of large warehouses, away from established areas, to locations with good access, available land, and competitive costs and labour. [26]

8.20 The 2003 Regional Employment Land Priorities Study indicated a key priority for B8 uses in the region should be to seek to provide rail freight access to existing developments, including at Lutterworth. A further priority was to identify at least one major new brownfield site of at least 100 ha. for B8 development, with good road and rail access. The proposed Magna Park extension site would only partially meet these criteria, being 7km from the DIRFT rail freight interchange and only partly on

[39] Future Trends in the Demand for Warehouse Property, King Sturge/Cranfield University, April 2003.
[40] Road Freight forecast from State of Freight in The East Midlands, DfT, 2002
[41] Northamptonshire Commercial Property & Employment Land Assessment, Northamptonshire County Council, 2003.
[42] Quality of Employment Land Study, East Midlands Regional Local Government Association, June 2002.
[43] UK Industrial & Distribution Floorspace Today, King Sturge, March 2005
[44] Prologis News, Summer 2005

previously developed land. However, a disused rail line lies within 1 Km west of the site with potential to link with the national rail network at Leicester and Rugby.[45]

8.21 Distribution activity and demand for B8 space of this type is also forecast to grow generally and would need to be accommodated somewhere in the region, if not in Harborough district. It is not possible to estimate future land needs for strategic distribution from employment forecasts for Harborough as these do not separate this sector from other warehousing and current Government statistics underestimate employment in the sector. In any event, the local employment forecasts themselves do not indicate any need for additional distribution space. However, past take-up of land at Magna Park has averaged some 13.2 ha. annually and, if that rate were to continue, the proposed 35 ha. extension, along with current vacant plots, is likely to meet needs over the next 7-10 years.

8.22 The current location has very strong locational advantages close to the M1/M6 and M6/M69 junctions, the A5 and the A14, and is a proven location in terms of attracting investment to the region. The proximity of the site to the DIRFT facility also offers some potential for an increased shift of road freight to rail transport compared with other locations, even if the overall amount appears likely to be limited to freight shipments over several hundred miles.

8.23 While any planning decision is for Harborough District Council to make, there is an argument that national and regional economic considerations can be considered as outweighing potential adverse impacts, particularly if these are able to be mitigated by appropriate measures. However, a final view on the balance between such economic benefits and adverse impacts would need to be informed by a wider sustainability appraisal.

Site Options for Expansion

8.24 Should expansion of Magna Park be acceptable in principle, three potential expansion sites have been considered, two of these proposed through the Issues Paper process. These are considered below and have been assessed against the same criteria used for existing allocations and potential new sites (Appendix 13)

[45] State of Freight in the East Midlands, Report 2, DfT, Aug 2002.

9. Land South of Magna Park, Coventry Road, Lutterworth (187)

8.25 The first site comprises a 35 ha area of land about 2km west of Lutterworth proposed by Magna Park's owners for its expansion to the south (Plan 8.5). Although predominantly greenfield, the site has some previously developed elements associated with a former airfield and adjoins existing employment areas. It benefits from the same high level of strategic and local road access as Magna Park, although public transport is very limited, and there are no services or residential areas nearby. Although the site would form the most obvious extension to Magna Park, it is highly visible in landscape terms even if there is no specific designation of this type. Overall, the site's suitability for employment purposes is assessed as moderate.

10. East of Magna Park / Woodbrig House Farm, Lutterworth (355)

8.26 This approximately 40 ha. predominantly greenfield site to the east of Magna Park on the northern side Coventry Road, has also been proposed as a possible expansion area for the distribution park (Plan 8.4). While the site adjoins the very good strategic and local road access of Magna Park, and an existing employment area, its main constraint is lying within the designated Separation Area[46] between Magna Park and Lutterworth, and development here would adversely impact that function. The site also has undulating levels, is highly visible in the landscape and remote from services, labour, and public transport. Development here would also undermine the screening function provided by the planting of Magna Wood on the eastern side of Magna Park in connection with the Phase 2 expansion. For these reasons, this is not considered an acceptable site allocation for large scale employment development.

33. Land North West of Magna Park, adjoining the A5

8.27 Another possible area of expansion lies immediately north west of Magna Park along the A5. As no specific site has been proposed by other parties, a 35 ha area has been broadly defined in this location for consideration (Plan 8.6). This is predominantly greenfield land, but containing Bittesby House, a large office building. The site potentially benefits from a high level of strategic road access off the A5, but will require substantially upgrading the existing access or creating a new junction on to the busy A5, which may be more problematic. Use of this land would extend major development into open countryside beyond the road that forms a clear north western

[46] Separation area as defined by Government Inspector's report on Harborough Local Plan, 1992

boundary to Magna Park. As an expansion option, this site scores less well than Site 9 but similar to Site 10.

8.28 It should also be noted that other potential expansion sites may exist to the west of Magna Park, off the A5 but outside Harborough District. Although this area is outside the remit of this study, any such sites would also need to be appraised to inform strategic decision making. In making such a decision, national and regional economic factors relating to strategic distribution will be important considerations. However, it will also need to take account of the capacity of the Lutterworth area and the highway network to accommodate further development of this type, as well as local environmental impacts.

8.29 Overall, if a decision were to be made by the Council to permit further expansion of Magna Park based on national/regional economic factors, within the remit of this study and of the three sites appraised within Harborough district, the land south of Coventry Road appears to offer the better option to accommodate growth over the next 7-10 years of the scale indicated at paragraph 8.21.

9.0 POLICIES FOR EMPLOYMENT LAND

9.1 Following on from issues identified in earlier sections, this chapter considers appropriate forms of policies to be included in the emerging Local Development Framework (LDF) in order to:

- protect existing employment areas from development pressures for other uses,
- clarify the acceptable forms of employment development on employment allocation sites, with greater flexibility across the B use classes;
- encourage renewal of older industrial stock and the development of starter units.

Current Local Plan Approach

9.2 The adopted Harborough Local Plan contains a number of employment land related policies, many specific to allocated sites or committed developments, and quite prescriptive on the types of employment development allowed and the requirements and conditions for such development. Examples are the policies for Airfield Farm (EM/11) and the land East of Rockingham Road (MH/6). Some of these policies are lengthy and somewhat complex, with many criteria or conditions (e.g. Policy EM/11 contains 20 criteria) although this, to some extent, reflects the complexity of the site and the range of interests to be safeguarded.

9.3 There are also some more general policies aimed at protecting existing employment areas, such as EM/2 which resists development other than B1, B2 and B8 uses on existing and proposed industrial and commercial estates, and on other such employment sites where immediate loss of employment opportunities would result. Although this Policy takes a clear, strong line to defend employment land, it is understood from Council officers that it has been difficult to defend in some cases and other uses have been allowed as exceptions to policy. These have included leisure uses on industrial estates, where a site has been vacant for some time, where the proposed use creates employment and its owners have indicated no development interest from B class employment uses.

9.4 Both types of policies will need to be flexible enough to deal with changing conditions in future and to respond to the outcomes of this study. For example, there is likely to be a need for greater policy flexibility in the future if some poorer quality or badly located industrial land becomes surplus, and, for example, to allow relocation of firms to better premises through redevelopment of their employment sites.

9.5 Other Local Plan policies dealing with employment land issues include EM/3, EM/6, EM/7 and EM/8 which generally allow for employment development within settlements and in the countryside, subject to certain criteria and including conversions of rural buildings. The Local Plan contains no specific policies on starter units (although explanatory text encourages such provision), or to facilitate upgrade of the stock of employment premises.

Policy Approaches Elsewhere

9.6 A brief review has been made of the approaches used for employment land policies in other local development plans and strategic policy documents. This needs to be seen in the context of recent Government Guidance in PPG3: *Housing*, paragraph 42a, which now requires Councils to be sympathetic towards proposals for residential use on employment land unless the land is likely to be taken up for employment purposes in the plan period and it can justify the need to retain it in employment use, particularly through an up-to-date review of employment land.

9.7 The adopted Leicestershire, Leicester & Rutland Structure Plan (1996-2016) uses a criteria based approach towards re-development or re-use of all employment sites for other uses, allowing this where:

a) it would not result in a shortage of employment land or buildings in the area;

b) the land/buildings are no longer suitable for employment purposes;

c) the site would make an important contribution to improving the environment;

d) the proposed use is ancillary to an existing or proposed employment use.

9.8 In the North West Leicestershire Local Plan, a firm line is taken on protecting existing employment land, allowing change to other uses on employment sites, including those in rural areas, only where:

a) it will not result in a shortage of employment land in the locality; or

b) the existing use is incompatible with or inappropriate to its setting or nearby development; or

c) the site is poorly related to designated heavy lorry routes; or

d) the proposed use is small scale, and complementary and ancillary to the existing employment use.

9.9 An approach used in Oxford, a City with relatively low amounts of employment land and strong pressures on it from other uses, is a `cascade' approach with a graduated series of policies giving different levels of protection to more important employment sites. This designates `key employment generating sites', any loss of which is resisted by a specific Local Plan protection policy. A further Local Plan policy supports modernising of other employment sites not protected by the above policy to create employment opportunities important to the local economy and workforce, and can allow an element of other uses on the site to help fund this. Below this, another policy sets criteria for redeveloping employment sites to other uses.

9.10 A more relaxed, criteria based approach applies in the Mayor of London's draft Supplementary Planning Guidance (SPG) on Industrial Capacity (2003), which was due to be adopted in summer 2005. This reflects a background where a significant amount of industrial land can be released to other uses, but there is still a need to retain a range of employment opportunities. This draft SPG designates larger, higher quality sites or employment areas as Strategic Employment Areas to be strongly protected. However, it also allows for redevelopment of other, lower quality employment sites for alternative uses subject to a number of criteria and to the `employment capacity' of the site (the amount of jobs generated on it) being broadly retained by the proposals. Applicants have to provide an Employment Capacity study to demonstrate this. This approach also aims to provide new employment space to meet changing industrial needs and could, for example, allow residential use on part of a site, while retaining higher density, job generating uses on a smaller remaining area of the site.

9.11 A commonly used criterion in development plan policies to protect employment land is a requirement to demonstrate no likelihood of employment use/development taking place on a site, or its unsuitability for continued employment use, based on evidence of lengthy vacancy, unsuccessful marketing attempts and lack of developer/occupier interest over a lengthy period, often 1 year or more. This approach has some advantages but also potential difficulties in assessing the effectiveness of any marketing undertaken, and can also involve significant delays during which time sites lie vacant.

9.12 Few development plans appear to have policies specifically promoting renewal of the employment stock or provision of starter units, although a number contain general explanatory text encouraging these.

Approach for Harborough

9.13 Having considered any limitations of current policies and other possible approaches, suggested policy approaches for the Harborough situation are considered below, for the main issues identified by the study.

Development of Allocated Employment Sites

9.14 In relation to allocated, undeveloped employment sites, consideration has been given to simplified site specific policies which would be amplified by Action Area Plans or Supplementary Planning Documents (SPD). However, SPDs are non statutory documents, and providing one of these documents for every allocated site may strain resources and cause delays, and it is not clear that this would necessarily be more beneficial than the current approach. While sometimes lengthy, the current Local Plan policies do provide clear guidance on development requirements.

9.15 However, there would appear to be some scope for a general LDF policy setting out general requirements that apply to developing all allocated employment sites (e.g. noise, lighting, parking, pedestrian access etc). This would be in addition to more specific policies where needed for individual allocated sites.

9.16 To encourage take-up of allocated employment land, there appears to be a need for greater flexibility in LDF policies on these sites, while ensuring adequate safeguards and clarity remain. On some sites, this could allow a wider range of Class B uses, subject to safeguards such as proximity to housing and design quality on main road frontages. Where necessary, the individual site allocation policies could require B1 uses with higher quality design on main road frontages, at key viewpoints, or close to residential areas, with other employment uses located behind this B1 buffer zone. While each site needs to be considered individually in detail, employment development appears more likely to come forward on the allocated sites at Northampton Road West and Airfield Farm if such flexibility were accepted. Other sites which could also benefit from such an approach are indicated in Table 6.1.

Provision of Starter Units

9.17 Given that the market does not appear to be meeting current needs for this type of employment space, a specific general policy to encourage provision of starter units should be considered. This would support the Council in negotiating for such provision as part of development proposals and would apply to all employment sites; suggested wording would be along these lines:

Policy EM/X: The Council will encourage the provision of starter units:

a) through conversion or redevelopment of older industrial premises to provide starter units;

b) by seeking a proportion, secured by a planning agreement, of such units where appropriate as part of larger employment or mixed use development sites above 0.4 ha;

c) where appropriate, through inclusion of such units in any employment site above 0.4 ha in size on which residential development is permitted

9.18 Explanatory text to this Policy should define what comprises a starter unit in terms of size, leasing arrangements etc. A minimum site area threshold of 0.4 ha. is indicated as one large enough to enable some provision of starter units as part of a mixed use scheme to be viable and is similar to the minimum threshold typically used for affordable housing. Criterion (c) above would only apply where planning permission is given for part of an employment site to be developed for housing to assist with the development costs of providing employment uses on the remainder of the site. This would need to tie in with a new LDF policy which allows residential development or other higher value uses on a small proportion of certain areas not afforded designation as protected employment areas.

Renewal of Employment Areas

9.19 There is a need to encourage some renewal or upgrading of the district's employment areas in the future. It is not clear that this will be entirely achieved by market forces, although the planned redevelopment of the Harborough Rubber site will fund modern premises for that firm elsewhere in the district, and some modern B1 space will result from the Tungsten Batteries site.

9.20 Consideration has been given to whether anything in the Government's Business Improvement Districts (BID) initiative could help; this generally involves an additional levy on business rates in defined employment or commercial areas to fund more general improvements, such as landscaping and access. This was not felt to be particularly helpful in the Harborough situation where the future need is more for renewal of older industrial premises, although this could be explored with local firms. Alternatively, there may be a case for the Council to fund, or obtain funding for, some general improvements to some employment areas.

9.21 The approach advocated by the London Plan, to permit some higher value enabling development, such as residential uses, on older, less important employment sites to help provide more modern industrial premises, does not appear appropriate generally here but may have benefits if applied selectively in secondary areas. Most of the Harborough main employment areas would be likely to be harmed by intrusion of residential uses, for example. On balance, there may be benefit in a general supporting policy to encourage renewal, rather than one allowing specific action, although provision of some modern employment space should be a criterion for allowing redevelopment of employment land to other uses (see paragraphs 9.22-9.28 below) This supporting policy could be along the lines of:

Policy EM/Y: The Council will support proposals, and where appropriate seek to undertake measures, to renew sites and premises and to upgrade the environment in the main employment areas including:

a) provision of new or converted employment (B1, B2 or B8) premises to meet local needs;

b) improvements to the physical fabric and appearance of existing buildings;

c) improving access, parking and servicing facilities,

d) landscaping and tree planting.

Protection of Existing Employment Areas

9.22 Specific policies are needed to protect loss of non-allocated, existing employment land to other uses – both employment areas identified in a Local Plan or Development Plan Document and other employment sites with no specific identification. At the same time, policies need to have some flexibility to enable renewal of the current stock, for example funded by redevelopment of an existing site to other uses. Consideration could be given to specifically designating the more important employment areas, largely comprising industrial estates and other sizeable areas of modern employment premises, as, for example, "*protected employment areas*". For such areas, a stricter policy would be applied to allowing other uses than on, for example, isolated employment sites in residential areas. In the protected areas, no loss of B1, B2 or B8 floorspace would be permitted. This approach in other areas and would have benefits where some loss of employment sites (e.g. the Harborough Rubber Company site) may be acceptable while the key industrial estates are strongly protected.

9.23 The key areas for such stronger protection should be identified from the assessment of main employment areas in Chapter 3 of this study. This should include the main office parks, industrial estates and larger individual employment sites in the main settlements listed in Appendix 5, particularly the better performing areas in terms of the scorings provided in Appendix 5B. However, in identifying areas for protection in this way, it needs to be recognised that some other poorer quality areas may also be important to the local economy (e.g. sites for *"dirty uses"*, cleaning contractors, skip hire) and require protection as well as higher quality sites. Care would also have to be taken not to identify as protected sites those with potential for regeneration benefits from other uses.

9.24 This would require another, less restrictive policy applying to non-protected employment areas/sites, where non-B class uses would only be acceptable where:

- redevelopment/re-use for B class employment uses, including sub-division for starter units, has been fully explored and found not to be viable;
- the proposed use will not lead to further loss of adjoining employment land;
- based on an up-to-date assessment of employment land needs in the area, the loss of the site to other uses would not prejudice the local employment land supply and there is no local need for it for B class employment uses;
- the proposal is essential to enable the relocation or expansion elsewhere in the district of the current activity on the site, for which the existing premises have become unsuitable.

9.25 An alternative approach to this would be a criteria-based policy applying to all employment sites. This would give greater flexibility and allow for change in the status of employment areas over time, although not necessarily the same clear level of protection to the more important areas as the "protected sites" approach. It would also probably require a greater number of criteria to cover a wider range of situations.

9.26 Under this approach of one policy for all employment sites, Policy EM2 would be amended to provide additional criteria and to place the onus on applicants to demonstrate, not only that the site is unsuitable for continued employment uses of some type, but that loss of this employment land to other uses would be acceptable in terms of local employment and employment land needs, drawing on the Employment

Land Study as periodically reviewed. Acceptability would depend on satisfying the majority of the following types of criteria:

a) the current employment use harms the character or amenity of the adjoining area;

b) providing evidence that clearly demonstrates the premises have been marketed, for at least 2 years without success and at realistic prices, for occupation or redevelopment for business/industrial uses;

c) providing evidence that the scope to re-use or redevelop the site for business/industry has been fully explored and shown not to feasible/viable;

d) providing evidence that it would not be economically viable to convert the premises to provide small starter units;

e) the proposed use will not constrain existing employment activities on adjoining land;

f) the proposal is essential to enable the relocation or expansion elsewhere in the district of the current activity on the site, for which the existing premises have become unsuitable;

g) The proposal makes a significant contribution to the regeneration or upgrading of the employment area or the settlement as a whole.

9.27 In meeting such criteria, a possible requirement could be for the applicant to provide an employment land analysis, drawing on the latest Employment Land Needs Study, but updating it where necessary. This would have to demonstrate to the satisfaction of the Council why the proposals would not harm local employment land provision and needs. A financial appraisal of the viability of redevelopment of the site for employment premises could be a further requirement.

9.28 Each of the alternative policy approaches for protection of employment land has some merits and the preferred choice will depend on which works best in Harborough in practical terms in the Harborough context. Designating key sites for protection would give a strong message against their loss but perhaps put more pressure on other employment sites although carefully worded policies should provide these with suitable protection. It would also require careful choice of sites not to be given the strongest protection and would need different policies for different types of sites, although many of the criteria in each policy would be similar. On balance, separate policies for `protected employment sites' and other employment sites is considered preferable to give reasonable flexibility along with ability to give adequate protection.

Rural Employment Space

9.29 On the basis of the consultation for this study, the current policy approach to conversion or redevelopment to provide employment space in rural areas appears to work reasonably well and no changes are suggested.

Exceptional Large Scale Employment Uses

9.30 The study earlier found no strong case for allocating a site to accommodate strategic employment development, and no obvious locations for this in the north western part of the district. It is also not apparent that major inward investment enquiries are likely come to Harborough, given the nature of the district, the general market perception of it and factors such as labour supply, and competing areas with greater attractions. For these reasons, no need is seen for a general policy to deal with such a specific situation, which could be dealt with on its merits taking account of its benefits to the local economy, sustainability factors and other LDF policies. If such a policy were felt necessary, a criteria based approach incorporating the above factors could apply.

Interim Policy Issues

9.31 Some of the new LDF policies suggested above differ significantly from the approach in the current Local Plan. At some stage before the Residential and Employment Land Allocations Development Plan Document (R&ELADPD) is adopted in 2008, development control decisions will need to be made on some employment sites. If the proposed amended approach above is used, this could mean some decisions having to be treated as a departure from the adopted Local Plan, with consequent delays. To assist in resolving such conflicts, it may be possible to treat this study as a material consideration in such planning decisions, although its weight would be limited unless subject to wider consultation and endorsed by the Council's planning committee. There would be benefits in reflecting any revised approach to employment land in Core LDF policies at an early stage.

Conclusions & Recommendations

9.32 The following policy changes are proposed:

- consider specifically designating the main, more important employment areas/sites as protected employment areas where any loss of employment space will be resisted;

- amend Policy EM/2 to introduce a wider range of criteria to apply to proposals for development of other employment land, as indicated earlier in this chapter;

- introduce a new policy encouraging provision of starter/small business units through conversions of older industrial premises and as part of mixed use schemes where appropriate;

- introduce a policy to support renewal of existing employment sites along the lines suggested in this chapter.

9.33 It will also be important to keep such employment land policies under review, based on the monitoring approach set out in the next Chapter, and to seek to amend individual policies where needed through the more flexible LDF process.

10.0 MONITORING OF EMPLOYMENT SPACE

10.1 Proper monitoring of the future supply and take-up of employment space is important for a number of reasons:

- to ensure LDF policies on employment land remain relevant and up-to-date and reliable information is available to support review of policies where needed;
- to provide a robust and up–to-date basis for decisions on proposals for non-employment uses on employment land;
- to identify at an early stage any shortfalls or surpluses of employment land so that timely action can be taken, including the need for further allocations;
- to help identify any need for joint ventures or public interventions in the market to assist employment land aims;
- to obtain reliable base data for assessing changes in the type of demand and for estimating future employment land needs;
- to gauge progress and performance against Government targets;
- to provide accurate returns of employment land take-up to regional/sub-regional planning bodies.

10.2 From this study, given conflicting indicators on the amount and type of employment space required, careful monitoring of employment land needs and change will be particularly important in Harborough in future in order to check whether allocations are being taken up and to facilitate a plan, monitor and manage approach to release of employment land.

10.3 This section describes current monitoring arrangements by the Council and identifies any additional measures recommended to help achieve the above aims more effectively.

Current Monitoring System

10.4 All planning decisions have been effectively monitored since the year 2000 and are recorded by the Council on an on-line register, which stores the application forms and decision notices. On average, in the order of 40-50 decisions annually involve employment development. From 2002 applications onwards, this system contains data on land uses, site areas and floorspace of developments. However, this system does not appear to permit easy electronic extraction or analysis of data for employment related schemes.

10.5 Council planning officers currently monitor planning permissions and starts/completions of employment developments above a threshold of 0.09 ha. site area. Details of whether sites are greenfield/brownfield are also collected. At the end of each reporting year, this data is captured manually from the Building Control `UNI-form' database print-outs of planning decisions, starts and completions which go back to 2000. From these, details of site area and floorspace for schemes above the site area threshold are input manually to an Excel spreadsheet, one sheet per site. By linking these sheets, site area data is automatically totalled to form a Summary Spreadsheet which indicates total employment land starts and completions for the past year (Appendix 14).

10.6 This information provides inputs to the Council's Annual Employment Land Monitoring Report and is used to assess remaining land availability and progress in relation to Structure Plan targets. It is also provided to the County Council to produce a county-wide Annual Employment Land Monitoring Report.

10.7 At present, the Council's Employment Land Monitoring system does not systematically monitor some potentially useful information, including:

a) the permitted amount of floorspace in new employment developments granted planning permission, started or completed; this data is captured by the system but not currently analysed.

b) the amount of employment land/floorspace taken-up by different categories of employment development e.g. offices, industry, warehousing, rural space, starter units; again, floorspace data is captured by the system but not recorded by all of these categories and not currently analysed.

c) the amounts of employment space lost to other uses each year, and which uses these are;

d) information on employment developments with under 0.09 ha. site area, even if the total floorspace space provided is significant.

10.8 This situation reflects factors such as the absence of any specific requirement to monitor floorspace change, difficulty in extracting key data from the computer system as currently set up, and availability of resources.

Scope for Change

10.9 An effective monitoring system should collect only information for which a clear and necessary purpose has been identified in the monitoring process; there is no point in collecting information for its own sake, or more information than is strictly necessary.

The monitoring approach should be designed or adapted to meet the intended purpose. The amount of effort and resources needed to obtain, update and analyse the information also needs to be balanced against the usefulness of the information. This emphasises the need to make full use of data which is readily available and practical to monitor, particularly data already captured by the Council, and to utilise established systems which can be easily be adapted to add more information.

10.10 In this context, the specific data that could be monitored without extensive additional resources and would provided useful information are described below.

Quantitative Data

Floorspace in new employment developments

10.11 As well as site area, there appear benefits in monitoring floorspace of employment schemes granted planning permission, started and completed. A number of other UK local planning authorities monitor floorspace rather than site area, or cover both.

10.12 It is understood that this floorspace data is already collected from Building Control records and recorded on individual site sheets. It should be possible to analyse this data electronically in the same way as for site areas through relatively simple amendment of the Excel spreadsheet-based system. This could also allow types of employment uses to be recorded and would help indicate better any potential changes to the stock of employment space as well as any changing direction in demand. Floorspace data should be provided by applicants on the planning application form in order to calculate application fees and forms should be checked on submission to ensure this data is provided.

Monitoring of Employment Categories

10.13 At present, employment land for the main employment uses (B1, B2 and B8) is recorded but not any other categories of potential interest, such as rural building conversions, starter units, B1 offices, B1 light industrial etc. To some extent, this information can be implied from planning permission details e.g. the size of the unit or its location. There may be benefits in recording further details for such developments at the same time as other details are being recorded and this would appear to involve little extra effort. This could provide some indication of levels of provision of starter units and the extent to which villages /rural areas are gaining employment space.

Employment Floorspace Lost to Other Uses

10.14 Data on the amounts of employment space lost to other uses each year, and which uses these are, could help indicate the effectiveness of certain LDF policies, pressures on land from other uses and whether the market is responding to its economic trends. It can also help identify whether specific settlements or employment areas are being affected and if their role needs to re-assessed.

10.15 The main source of this data should be the Council's planning applications register, which should contain floorspace and site area data as well as existing and proposed uses. Reference would also need to be made to the Building Control system. Decisions involving existing employment space can be identified from the description of development and this data extracted and recorded in a spreadsheet. Over the last two years, such decisions have averaged 10 per year. This could be simplified if planning applications involving employment space were given a specific code as they are entered on the computer system and the system adjusted if necessary to allow all entries with this code to be extracted/printed. Alternatively, at the same time as decisions are entered on the register, a simple form could be completed for such decisions by the administrative staff recording address, site area, floorspace, and uses involved. However, depending on numbers involved, a manual scan of planning decisions and extracting the relevant data from the on-line system may be adequate.

Sites below 0.09 ha.

10.16 It is understood that the current 0.09 ha. site area threshold for monitoring employment sites is set by Leicestershire County Council, as part of a common monitoring approach for all Leicestershire districts. There may be some benefit in reviewing this figure with the County and others. For example, a three storey office development on a 0.08 ha. site could potentially produce about 1,000 m^2 of floorspace, which would be significant in Harborough, although industrial development would produce much less. A sample of decisions could be examined to see if the amount of floorspace in schemes of this site area are significant, how many of them there are, and whether there would be any benefit in considering lowering the threshold. If not, monitoring floorspace as well as site area as suggested above would deal with this issue.

10.17 All this quantitative data could then be stored in a spreadsheet (or simple database system) in a form that allows analysis by year, type of space, location, and amount of space involved.

VOA Premises Register

10.18 An output of this study is a spreadsheet containing floorspace data, main use and number of floors for most B1-B8 employment premises in the district, coded by settlement. This data was extracted from the Valuation Office Agency's (VOA) on-line 2005 Business Premises Valuation Survey. The spreadsheet provided does not contain small premises (below 100 m^2 for industrial and 50 m^2 for offices and warehouses), but these could be added later by the Council if needed. This spreadsheet provides a detailed snapshot of the stock of employment premises in 2004. It is not apparent that it would justifiable in terms of resources and benefits to update this data (e.g. through planning decisions) but, if useful, this resource could be updated in future as the VOA carry out new surveys every few years. It is understood that the VOA will supply this floorspace data free of charge to public bodies. This would at least allow broad changes in employment floorspace by type and location to be assessed.

Other Indicators

10.19 The most effective approach to monitoring of future employment land changes in the district will probably need to draw upon other data sources also. As well as data on employment land changes, it will be useful to monitor economic and market factors affecting employment land changes. This should include readily available economic data for the district e.g. annual employment change by sector, business start-up rates, unemployment trends, GVA growth at County level (or district level if available).

10.20 Monitoring appropriate property market indicators can also help indicate any shifting balance of employment land supply and demand. These indicators could include the amount of employment space currently available by type, property vacancy rates, land values, rental levels by type of space compared to adjoining districts, and the numbers and types of firms moving in or out of the district.

10.21 It is also important that data obtained from other studies, such as urban capacity studies, economic impact or town centre capacity studies, is fed into the employment land monitoring process where relevant. Reviewing employment land studies by other Leicestershire districts may also provide useful insights into similar issues found in Harborough.

10.22 Other potential information sources might include data available to the economic development section and local commercial property agents, such as property registers, agents' property details on major schemes and enquiries for business space. The EG Propertylink on-line property register for example, provides an up-to-date source of property availability by district. Levels of inquiries for specific types and amounts of employment space in the district, would be particularly useful to monitor, and Invest Leicestershire already collect such information.

10.23 A summary of all the quantitative indicators that could be monitored, and sources of this information, are provided in Appendix 14.

10.24 Information obtained from all the above sources could be summarised in an expanded Annual Employment Land Monitoring Report, which draws more extensive conclusions than at present on employment space issues in the district and identifies actions needed to address them. This report may have a wider circulation than at present including local and Countywide property market stakeholders and employers.

Qualitative Data

10.25 Rather than rely entirely on a monitoring system based on statistical information, it is important that underlying issues affecting the local demand and supply of employment land are understood. A suggested approach to this would be for the Council to convene an annual workshop/seminar to which property providers, occupiers and other property market bodies and other stakeholders (e.g. Business Link, Chambers of Commerce, Invest Leicestershire) would be invited, as well as a representative from the Council's Development Control section. The aim would be to share information and views on key issues such as directions of demand for different types of space, adequacy of current provision, problems affecting new development taking place or the likelihood of key land allocations coming forward or not. In particular, the current status of major land allocations and their timescale for progressing could be updated.

10.26 The range of organisations which were consulted as part of this study could provide an initial basis for selecting workshop attendees. However, for this event to continue on a regular basis for any time, it will need to be seen as useful to all parties. In this context, it could be useful to present the findings of the Council's annual monitoring report and perhaps summarise major planning proposals/decisions over the year that are of relevance to employment land issues.

Electronic Data Capture/Storage

10.27 Consideration was given to whether some of the planning decisions data required could be captured electronically from other databases, rather than entered manually. At present the Planning Decisions system records only a picture of application forms, rather than the data itself. Unless this system is planned to be altered, there appears no obvious, cost effective way of obtaining planning permission data differently or more efficiently.

10.28 There may be some benefits in linking employment space planning decisions to a GIS system which could illustrate patterns of change on base maps to show, for example, locations where most employment space is being lost. However, the number of permissions of this type annually would not appear to justify the effort of geo-coding sites, unless such spatial analysis would provide useful additional information.

Recommendations

10.29 Upgrade the current monitoring system for quantitative data by recording:

- floorspace for new employment developments by type of use including permissions, starts, completions;
- floorspace lost to other uses by existing/proposed uses and location;
- more detailed categories of employment uses; and
- reviewing the minimum site area threshold for monitoring.

10.30 Consider updating the VOA premises database every few years.

10.31 Monitor other employment land indicators including:

- rents of employment space in Harborough and competing locations;
- vacancies/property availability;
- levels and types of property enquiries.

10.32 Consider holding an annual forum of employment land stakeholders to exchange views on market conditions and issues.

10.33 Prepare an expanded Annual Employment Land Monitoring Report, as part of the Annual Monitoring Report required by the LDF process, which summarises the above indicators and draws more extensive conclusions on employment space issues in the district and actions needed to address them.

11.0 CONCLUSIONS & RECOMMENDATONS

11.1 Based on the analysis in the preceding chapters, the main findings and recommendations from the study are set out below.

Current Supply of Employment Space

11.2 In 2004, Harborough district contained some 1.3 million m^2 of employment floorspace, predominantly manufacturing (22%) and distribution uses (74%), with relatively little office space (4%). The Magna Park distribution park (0.65 M m^2) takes up almost half of all employment space and two thirds of all warehousing space. Some 70% of all other employment space is located in the two main towns, Market Harborough and Lutterworth, with smaller amounts in larger villages such as Fleckney and Broughton Astley.

11.3 The district has a range of types of employment space, from urban industrial estates to secondary space at former airfield sites, small office parks and small converted units in rural locations. The 37 main existing employment locations contain some 290 ha of the district's employment land; the majority of these main employment areas are predominantly in industrial and distribution / warehousing uses. Excluding Magna Park, few of these employment areas are particularly large.

11.4 About 70% of industrial space is in relatively older premises, built before 1970, with relatively little modern space developed in recent years. The overall condition of the main employment sites is fairly good, with few sites in poor condition. Even secondary areas, such as the Riverside Estate, with poorer environments and access, still meet local needs for specific types of lower cost space, and are fully occupied. Apart from two recently built, small office parks, and a few individual developments in Market Harborough, there is relatively little modern purpose-built office space and very few office buildings of any size. Overall, although generally of reasonable condition, the stock of employment space in Harborough is dated compared with nearby competing areas such as Daventry and Kettering.

11.5 Property vacancy levels are generally very low (under 5%) and there is very little industrial space available to let, or development space on any existing industrial area. Many firms occupy unsuitable premises and are constrained from expanding but turnover is low. This largely reflects very short supply of employment space, particularly industrial space. The main gap identified in the district's property portfolio is for industrial space of different sizes, followed by small, flexible starter units, for which strong demand exists. While market views were that some additional office space may also be needed, it was also felt several current proposals may meet some of this requirement.

Changes in Employment Space

11.6 Over the last 3 years, significant amounts of employment space (42,600 m^2) have been lost to other uses, including retail and housing, but most of this is was on one large site, the 6.8 ha. former Tungsten Batteries site in Market Harborough. This site alone is equivalent to an average loss of 1.8.ha. of employment land annually but this rate may not continue over the next 10 years. Although a sizable amount of new employment space has been permitted recently, averaging 68,000 m^2 annually in Magna Park and 23,000 m^2 elsewhere, much of the latter (10-15%) involves conversion of rural buildings and a few large office schemes, with little new industrial space in the main towns.

Economic Potential of Harborough

11.7 The most realistic future economic role of Harborough is seen as one which builds on its current strengths, particularly its base of small to medium manufacturing firms, particularly at the higher quality end, and in expanding its small IT and business services firms. With more commercially attractive competing areas nearby, the district is unlikely to attract many large office or manufacturing activities from elsewhere. Facilitating higher skilled job growth is more likely to succeed through providing land to enable expansion of local firms than seeking to attract large businesses from outside. At the same time, its service sector comprising small IT, business and design firms, should be encouraged to expand through provision of suitable premises and scope for an incubation centre has been identified. To compete effectively with nearby areas, the district needs to upgrade its somewhat dated stock of employment space.

Quantitative Employment Land Needs

11.8 The estimated gross employment land requirements for the district over the next 11 years to 2016, for lower and higher growth situations, range between 47.5 – 59 ha, as shown below. These amounts are based on employment forecasts, past take-up rates, consideration of various other indicators, and views of the local property market and occupiers. The amounts include allowances to enable choice and flexibility, replacement of space lost to other uses and to improve property availability levels to more normal levels. While the lower growth figures should provide the main basis for site allocation, the higher growth figures should inform the need to reserve additional land and to provide scope to carry forward the LDF to 2021 in line with the RSS.

Table 11.1: Gross Employment Land Requirements 2005-2016

	Lower Growth Scenario (ha.)	Higher Growth Scenario (ha.)
Industrial Space	40	49.0
Office space	7.5	10.0
Total B Space	47.5	59.0

Source: NLP

Qualitative Employment Land Needs

11.9 Provision for these land needs should be concentrated in the two larger towns with, subject to suitable sites being found, smaller amounts in the larger villages, such as Fleckney, Broughton Astley and possibly Kibworth. Qualitatively, the indicated level of provision for industrial space could be accommodated through two new industrial areas/estates in Market Harborough and one or two in Lutterworth, along with modest extension of the existing industrial estates in larger villages, such as Fleckney and Broughton Astley; an indicative distribution could be: Market Harborough (20-22 ha.) Lutterworth (15 ha.); larger villages (3-5 ha).

11.10 For office space, provision could be provided as approximately 4-5 ha. in Market Harborough and a further 1-2 ha. in Lutterworth. Most of this provision would be in 2-3 new office parks, although some could be road frontage elements of larger mixed employment developments while others could be in higher density, mixed use developments on near town centre sites.

11.11 No specific land requirement for higher technology or knowledge based activities is seen as necessary. Such uses should be accommodated in an expanded supply of starter units, or within the above industrial or office space allocations. No need is identified for specific sites to attract inward investment.

11.12 An aim should be provision of 10-20 small business/incubator units in the form of lower cost, small office or industrial units of 50-100 m^2 with flexible leases for starter firms and those moving up to slightly larger units. These should be distributed between employment areas and would not justify a separate allocation or land allowance. Some could be provided, with suitable LDF policies, as part of larger employment development schemes, conversion of older industrial buildings or within mixed use developments.

11.13 There is a modest requirement for lower quality industrial space, probably one or two medium sized sites of 1-2 ha. spread over the two main towns if such sites can be identified. Such sites may emerge on lower quality industrial estates as new land provided encourages some relocations.

11.14 Other than industrial allocations in several larger villages, no specific amount of land should be allocated for rural employment space given that conversions of redundant rural buildings and new developments in villages/rural locations appear to be meeting this need at present.

Current Allocations

11.15 A significant amount of the estimated future employment land requirements could be met by current allocations and commitment sites not yet taken up. Assessment of these eight sites found that most of the larger ones are suitable for some type of employment development. The lowest performers on this measure are the Railway Goods Yard, and Bruntingthorpe Airfield, but even these could meet some needs. There is not a strong argument for de-allocating any of the current sites purely on suitability grounds.

11.16 However, not all of these sites are necessarily available for development. The main factors found to have delayed or prevented take up of such sites include: some sites being held back by owners due to long term residential hope value; delays in developing some larger sites due to high infrastructure costs combined with uncertain demand; and the restriction to B1 uses on some sites when demand is for a mix of B1, B2 and B8 uses.

11.17 The amount of allocated/committed employment land with a high probability of coming forward in the next 11 years is estimated at 8.2 ha., although there is good potential for a further 19.8 ha. to be developed and some space in the development pipeline. Compared with the estimated amount of future employment land required, this would equate to a shortfall in the order of 38 ha under the lower growth scenario, reducing to 18 ha. if less certain sites are included. If all allocated sites come forward, this would meet the entire office space requirement, but still require additional industrial land.

Re-Allocation of Sites

11.18 There may be a case for de-allocating or re-allocating some sites that appear unlikely to come forward for employment uses in the LDF period. There are four candidate sites: land at Leicester Road, Tilton; Leaders Farm, Lutterworth, East of Rockingham Road and land west of Northampton Road, Market Harborough.

11.19 However, before doing so, it is important to ensure that other suitable replacement employment sites can be found that are more likely to be developed, and to consider whether other approaches could help bring forward some of the current allocations. Such options would range from a more flexible approach towards mixed use development (such as allowing a modest element of housing in a mainly employment scheme) to use by the Council of CPO powers to acquire allocated sites, making them available for employment development through a joint venture or sale to developers.

Potential New Allocations

11.20 Further sites were identified with potential to provide new employment land allocations. Appraisal of these sites against the same criteria as existing allocations identified nine sites which offer good potential for employment development, all at the two main towns. All but one is greenfield land outside existing settlement limits and together they comprise some 50 ha.

11.21 In suitability terms, these nine potential new sites compare favourably with some of the current allocations and could help replace any current allocations unlikely to come forward quickly. However, further investigation of these sites is needed before allocation, given that ownership and the sites' availability for employment development could not be fully investigated at this stage.

11.22 Overall, the estimated future land requirements for the preferred scenario could be met by a combination of allocated/committed sites and new allocations as shown in the Table above, drawing on the site rankings in Tables 7.1 -7.3.

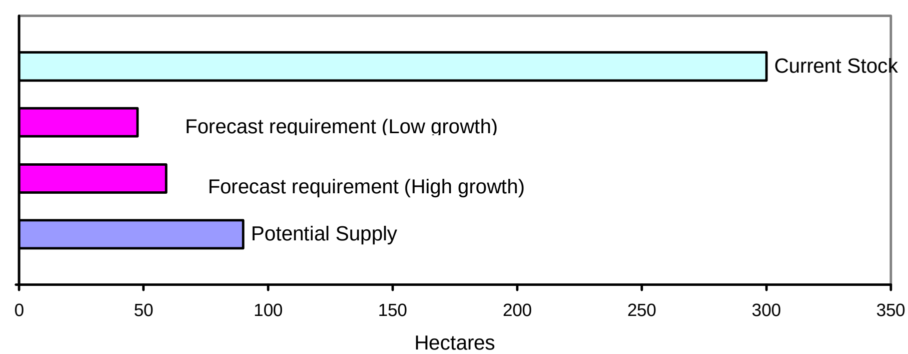
Table 11.3: Meeting Future Employment Land Requirements (Lower Growth Scenario)

	Industry (B1(c)/B2/B8)	Offices (B1(a)/B1(b))
Future Employment Land Requirement	**40 ha.**	**7.5**
Allocated/Committed sites (high probability)	2.2 ha.	6.0 ha.
Allocated/Committed sites (medium probability)	17.8 ha.	2.0 ha
Allocated/Committed sites (low probability) *	7.2 ha.	Not needed (7.6 ha. *)
Issues Paper Sites (comparable to allocated)	9.3 ha.	Not needed
Other Identified Sites (comparable to allocated)	37.0 ha.	Not needed

Source: NLP

11.23 To put the scale of the additional amount of employment land proposed by this study into perspective, Figure 11.1 below compares this figure with the current stock of occupied employment land in the district and with the potential new supply from both allocated sites and other sites comparable to them in terms of suitability for employment use.

Figure 11.1: Scale of Employment Land Requirements v. Current Stock/Potential Supply



Strategic Employment Sites

11.24 No clear need was found for allocating a 25 ha. high quality Strategic Employment Site in Harborough close to the Oadby & Wigston border, as sought by the Structure Plan. This would not meet demand from indigenous firms and residents, and in any event no suitable sites which meet the criteria for such an allocation were identified.

11.25 There may be an argument for allowing significant expansion of Magna Park. If this proposal stands up to further scrutiny on the basis that national/regional economic considerations outweigh potential local adverse impacts, the key issue would be to ensure such local adverse effects can be mitigated by major infrastructure improvements such as completing a western bypass to Lutterworth, improved rail and public transport links and additional woodland screening. This needs to be fully considered in the context of regional economic strategies and the Regional Spatial Strategy. If such expansion was considered acceptable in policy terms, the 35 ha. site proposed to the south of Coventry Road appears the most suitable of those options within the district considered by this study.

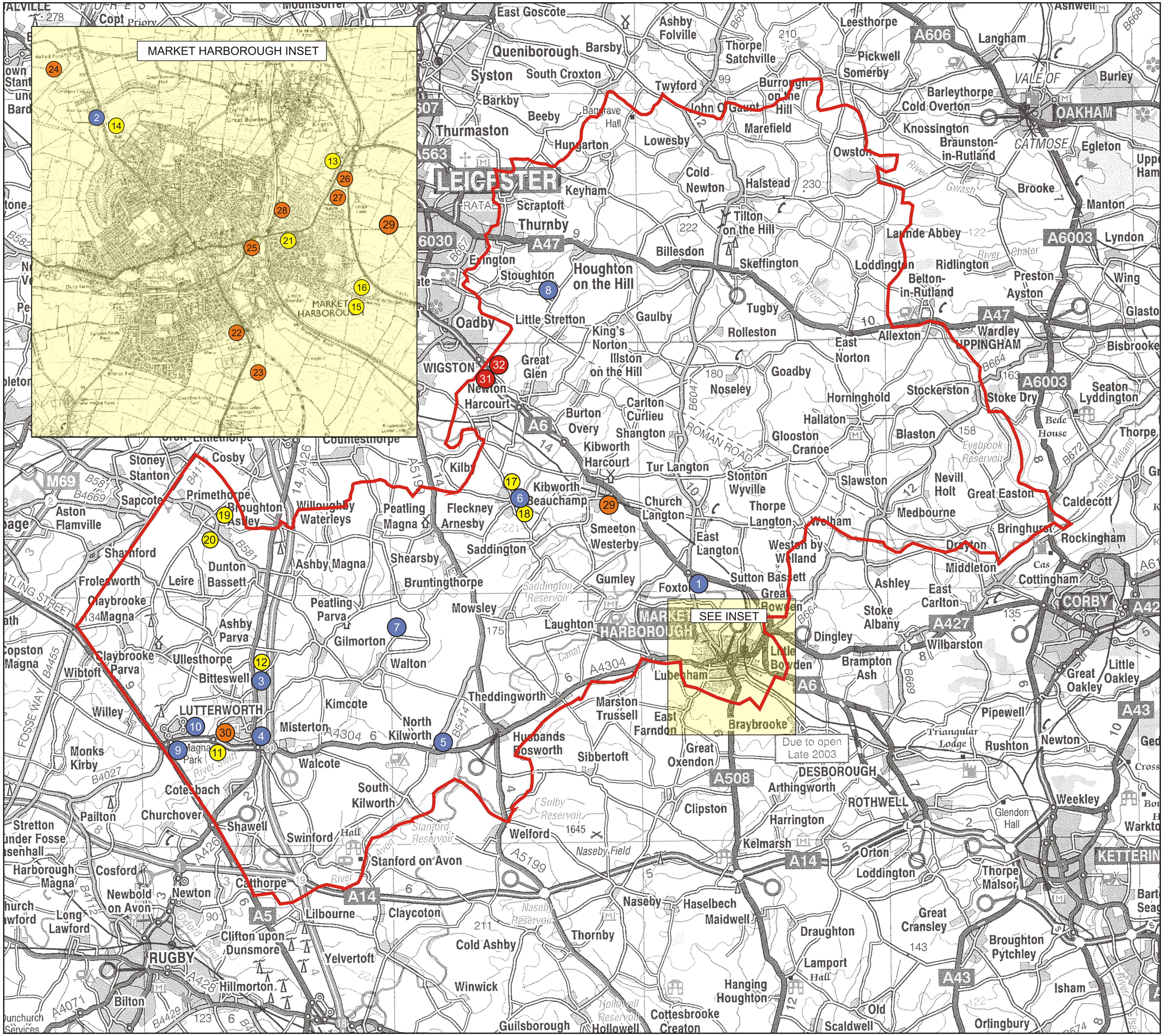
Policies for Employment Land

11.26 Appropriate forms of policies should be provided in the emerging Local Development Framework (LDF) in order to:

- protect key existing employment areas from development pressures for other uses by giving protected sites a specific designation and policy resisting loss of B class uses;
- for other employment sites, a criteria based policy would apply to allowing some loss of employment space, including where employment sites can be modernised through allowing some higher value uses, where sites are not capable of being re-used or redeveloped for other employment uses and where shortages of employment land would not arise.
- clarify the acceptable forms of employment development on employment allocation sites; more flexibility on the range of B uses acceptable on a site could be introduced in some cases.
- encourage renewal of older industrial stock through a general supporting policy and consideration of public sector intervention where appropriate.
- encourage development of starter units, including as part of larger employment developments or mixed use developments and secured through S106 legal agreements where appropriate.

Monitoring Employment Space

11.27 Some upgrading of the current monitoring system is recommended. For quantitative data, this would require monitoring: floorspace for new employment developments by type of employment use including permissions, starts, completions; floorspace lost to other uses by existing/proposed uses and location; and more detailed categories of employment uses. To provide more qualitative information, the Council should consider holding an annual forum of employment land stakeholders to exchange views on market conditions and issues. Factors affecting or reflecting changes in employment land need should also be monitored, such as employment change by sector, new firm formation rates, vacancies/property availability, rents of employment space in Harborough and competing locations; and levels and types of property enquiries.



KEY

Harborough District Boundary

Issue Paper Sites:

1. Bowden Inn Farm, Market Harborough.
2. West of Leicester Road, Market Harborough.
3. East of Leicester Road northern edge of Lutterworth
4. North of Lutterworth Road, Lutterworth
5. East of North Kilworth, North Kilworth
6. East of Churchill Way Industrial Estate, Fleckney
7. East of Bruntingthorpe Industrial Estate, Bruntingthorpe
8. Stoughton Airfield (Leicester Aerodrome), Stoughton
9. South of Magna Park, Coventry Road
10. East of Magna Park/Woodbrig House Farm

Study Sites:

11. South of Leaders Farm, Coventry Road, Lutterworth
12. East of Leicester Road, land north of Lutterworth
13. West of Rockingham Road, Market Harborough
14. East of Leicester Road, Market Harborough
15. South of Kettering Road, Market Harborough
16. North of Kettering Road, Market Harborough
17. East of Main Street, Fleckney
18. East of Saddington Road, Fleckney
19. North of Cottage Road, Broughton Astley
20. West of Dunton Road, Broughton Astley
21. Gores Lanes Sawmill, Market Harborough

Existing Employment Allocations:

22. West of Northampton Road, Market Harborough (MH/4)
23. East of Northampton Road, Market Harborough (MH/5)
24. Airfield Farm, Leicester Road, Market Harborough
25. Kettering Road/Northampton Road, Market Harborough
26. East of Rockingham Road, Market Harborough (part) (MH/6): The Point Phases 2/3
27. East of Rockingham Road, Market Harborough (part) (MH/6) undeveloped area
28. Railway Goods Yard, Market Harborough (MH/7)
29. South of Harborough Road, Kibworth (KB/2)
30. Leaders Farm, South of Coventry Road, Lutterworth (LW/5)

Potential Strategic Employment Sites:

31. Land South of A6, Great Glen
32. Land North of A6, Great Glen

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Project	Harborough Employment Land Study
Title	**Plan 7.1 Potential Employment Land Allocations**
Client	Harborough District Council
Date	May 2005
Scale	NTS (A3)
Drawn by	FP
Drg. No	CL10154/05

N

C10154-005

KEY

Main Existing Employment Sites:

1. The Point Rockingham Road
2. Welland Industrial Estate, Rockingham Road
3. Euro Business Park, Rockingham Road
4. The Shires, Euro Business Park, Rockingham Road
5. Riverside Industrial Estate, Rockingham Road
6. Rockingham Industrial Estate, Rockingham Road
7. Sovereign Park (Tower Publishing)
8. Courtyard Workshops, Bath Street
9. Fernie Road Industrial Area
10. St. Mary's Business Park
11. Fosters Foods, Great Bowden Road
12. Farndon Road Business Centre/ Industrial area

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Project	Harborough Employment Land Study
Title	**Plan 3.1 Main Existing Employment Sites in Market Harborough**
Client	Harborough District Council
Date	May 2005
Scale	1:25,000 @ A4
Drawn by	F.P.
Drg. No	CL10154/04

N

C10154-004

KEY

Main Existing Employment Sites:

13. St. John's Business Park (Phase 1)
14. Bilton Way Industrial Estate, Leicester Road
15. Wycliffe Industrial Estate, Leicester Road
16. Semelab, Coventry Road
17. Midland Court
18. Elizabethan Way
19. Magna Park
20. Oaks Industrial Estate

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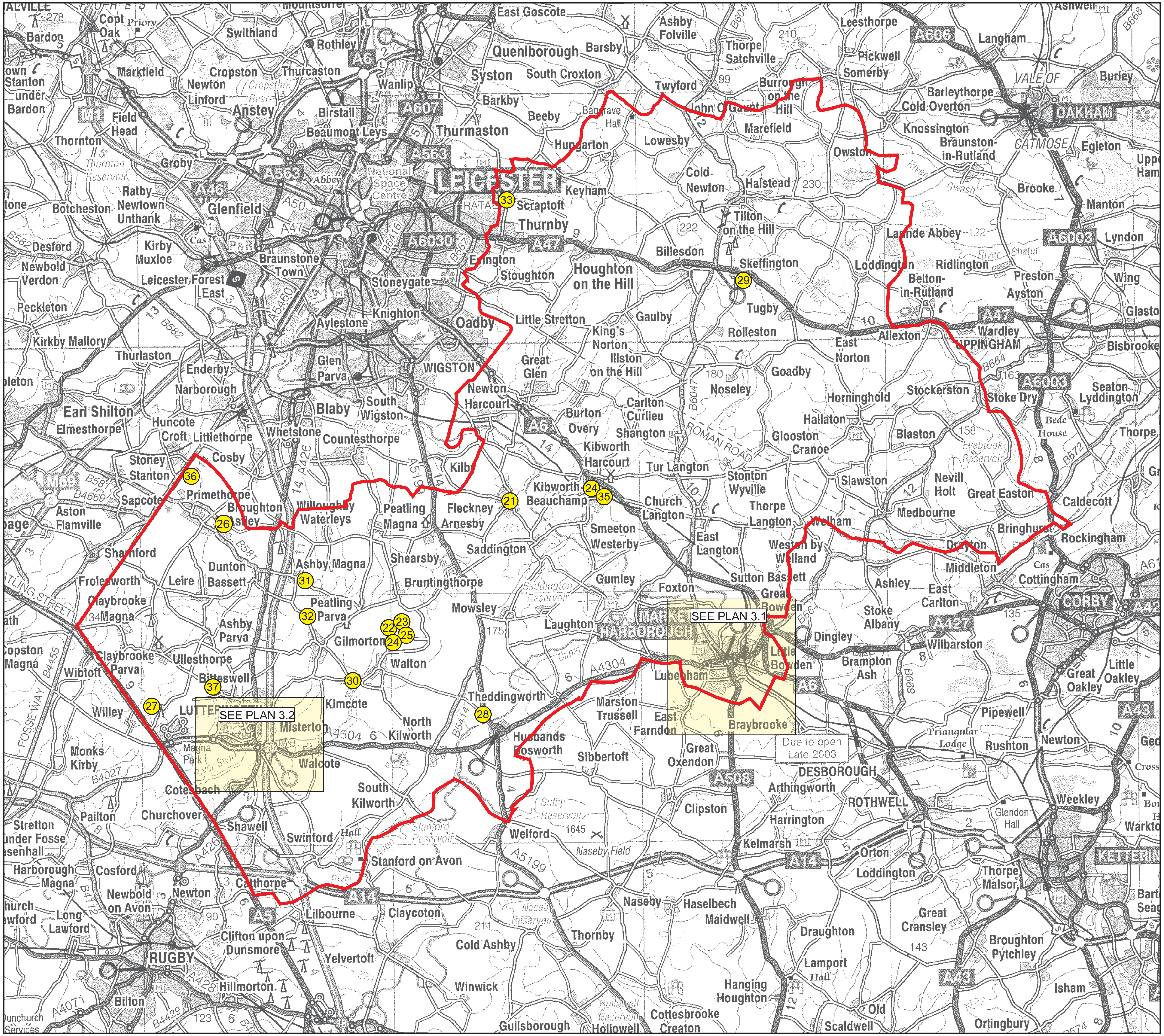
Project	Harborough Employment Land Study
Title	**Plan 3.2 Main Existing Employment Sites in Lutterworth**
Client	Harborough District Council
Date	May 2005
Scale	1:25,000 @ A4
Drawn by	F.P.
Drg. No	CL10154/03

N

C10154-003



KEY

Harborough District Boundary

Sites:

21. Churchill Way, Fleckney
22. Bruntingthorpe Airfield/Proving Ground
23. Bruntingthorpe Industrial Estate
24. Bruntingthorpe Business Park
25. Walton New Road Business Park
26. Swannington Road Industrial Estate, Broughton Astley
27. Bittesby House, Bittesby
28. Gliding Club, Husbands Bosworth
29. Park Farm, Skeffington
30. Kimcote Court, Kimcote
31. Pebble Hall Farm, Ashby Magna
32. Gilmorton Lodge Farm
33. Scraptoft Business Centre
34. Station Yard, Kibworth
35. The Hatchery, Kibworth
36. Three Boundaries Farm
37. Elms Farm, Bitteswell

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Project	Harborough Employment Land Study
Title	**Plan 3.3 Other Main Existing Employment Areas in District**
Client	Harborough District Council
Date	October 2005
Scale	NTS (A3)
Drawn by	FP
Drg. No	CL10154/06

N

C10154-006


HARBOROUGH EMPLOYMENT LAND STUDY
Appendices

January 2006

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HARBOROUGH EMPLOYMENT LAND STUDY

APPENDICES

January 2006

CL/10154/GM/JR

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APPENDICES

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APPENDIX 1

ORGANISATIONS CONSULTED

ORGANISATIONS CONSULTED

Property Market

Andrew Granger & Co

Budworth Brown

David Land Associates

Chadwick McCrae

European & English Land

Fisher German

Gazeley Properties Ltd

Godfrey Payton

Hallam Land Management

Economic/Business Organisations

Invest Leicestershire

Leicestershire Chamber of Commerce

Leicestershire Economic Partnership

Leicestershire County Council Planning Policy Section

Leicestershire Rural Partnership

Lutterworth Chamber of Commerce

Marcus Bates

Strutt & Parker

Welland SS Partnership

Welland Land (Stuart Smith Reynolds)

Westleigh Developments

William Davis Ltd

Employers

Abtec Network Systems

Arkle Computers

AT (UK) Ltd

Bowden Precision Engineering

Caged Fish Web Design

Coba Plastics

Compass Software

Crown House Management

CSW Coldform

First Floor Multi Media

Golden Wonder

Harborough Rubber

ISub

FKI Logistex Ltd

King Trailers

LEI Group

Nippon Express

Nomad Box Company

PAL International

Peter Broughton-Hall

Semelab PLC

Spiralock

Toyoda Gosei

Tyco Engineering

Wright Plastics

XKO Network Systems

APPENDIX 2

ECONOMIC POLICY AIMS

APPENDIX 2: ECONOMIC POLICY AIMS

1 This Appendix summarises key planning and economic policy aims relevant to the future need for, and supply of employment land in Harborough.

Destination 2010: Regional Economic Strategy for the East Midlands 2003-2010

2. This economic strategy aims to elevate the East Midlands region to one of the top 20 performing regions in Europe by 2010, through a combination of economic, social and environmental progress, from a position of 35th in 2003. Some of the key goals in realising this ambition are set out as:

- Increasing GDP per capita by approximately 10%;
- 4,000 additional business start-ups a year;
- Increase employment in new technology industries by 45%;
- Increase business expenditure on research and development by 20%;
- Reduction in the number of deprived wards by up to one third;

3. A key aim is to break the cycle of low-productivity / low-pay / low-skills, so as to create greater wealth and productivity. To do this, it focuses on business sectors with greatest economic potential, and on developing clusters, including high performance engineering, clothing and textiles, food and drink, healthcare, the creative industries and environmental technologies.

4. A key strand seven of the plan relates to the provision of land for employment, housing and other activities. Drawing on the *Quality of Employment Land Supply Study* (QUELS), it indicates (based on employment forecasts) need for 64,000 m^2 less industrial floorspace, and 78,800 m^2 more office floorspace, annually to 2021 than currently allocated in Local Plans. The key aim for employment land is to:

> *"Provide quality employment sites, on previously developed land, where appropriate, in areas of need through restructuring of local plans."*

Regional Spatial Strategy for the East Midlands (RSS8)

5. This March 2005 replacement for the former Regional Planning Guidance RPG8, sets out at Policy 22 a number of regional priorities for employment land to:

- ensure that, by the allocation and de-allocation of employment land through the development plan and spatial planning process and through selective public investment, there is an adequate supply of good quality land for office and industrial uses available for development in sustainable locations;
- bring forward good quality allocated employment sites to meet the specific requirements of potential investors;
- review employment allocations to ensure that they are relevant to current and likely future requirements, and that surplus employment land is considered for beneficial alternative use; and

- monitor gains and losses in the overall supply of good quality office and industrial sites and assess the floorspace capacity of allocated sites.

6. In respect of the region's southern sub-area – of which Harborough is part - the findings of the QUELS and *Regional Employment Land Priority Study* (RELPS) are noted, that outside Northampton, the availability of office and industrial sites in recent years has been adequate due to limited demand. It also notes evidence of pressure for storage and distribution sites beginning to restrict other uses in some locations.

Milton Keynes and South Midlands Sub-Regional Strategy, March 2005

7. Although Harborough District is not within the Milton Keynes and South Midlands (MKSM) Sub-Region, which is one of the Government's main growth areas, the scale of development and economic expansion planned there will have implications for future economic development and employment land in Harborough. Economic characteristics of the MKSM sub-region are identified as:

- high economic growth rates, principally in Milton Keynes and Northampton, with structural decline affecting Bedford, Corby and Luton; and
- a need to diversify the economic base, to attract higher value knowledge-intensive industries, accompanied to raising the skill level of the local workforce.

8. The majority of future development is to be focussed in the Aylesbury, Bedford / Kempston / Northern Marston Vale, Corby, Kettering and Wellingborough, Luton / Dunstable / Houghton Regis, Milton Keynes and Northampton growth areas. This will include:

- nearly 170,000 new homes between 2001-2021;
- provisional uncommitted housing growth of a further 100,000 new homes between 2021-2031;
- employment growth in the sub-region of over 170,000 jobs; and
- significant improvements to the strategic road network and enhancement of the West Coast Main Line and Midland Main railway lines.

9. To enhance economic growth, it is intended that the MKSM sub-region build on its position within both the London-Birmingham corridor and Oxford-Cambridge arc. Sectors recognised as key to sustaining economic growth include high performance automotive, creative industries, knowledge-based industries, and freight and logistics. Other important, but declining sectors, are identified as aviation, manufacturing, and primary industries such as agriculture and forestry.

Leicestershire, Leicester and Rutland Structure Plan 2006-2016 (Adopted 2005)

10. Employment Policies 1 and 2 of the Structure Plan requires provision to be made for 170 ha of employment land in Harborough by 2016, plus a 25 ha. Strategic Employment Site on the Harborough / Oadby & Wigston border.

11. The other key employment policies outlined in the Plan include;

- major office developments to be located in central areas that are well served by public transport;

- provision to be made for a hierarchy of sites for high technology firms and technology transfer, including incubator units and managed units for small to medium sized enterprises;

- review of the quality and quantity of employment land allocations in light of the Structure Plan requirements, which are to be safeguarded from other development proposals;

- storage and distribution proposals to be permitted on sites with good access to the Principal Road Network, and which minimise environmental consequences but maximise potential for rail or water freight; and

- employment proposals in rural settlements will be permitted in the form of new development or conversion of existing buildings, subject to their appropriateness within the settlement and traffic impact.

Leicester & Leicestershire Economic Regeneration Strategy 2003-2012

With regard to employment land, this strategy has the following aims:

- providing incubator space and science park facilities to capitalise on research and spin-out companies;

- supporting the provision of small workspace where it is not being provided commercially and re-use of brownfield land and buildings to support the local economy;

- promoting with partners a range of land and buildings to meet future employment needs;

- establishing an image and raising the profile of Leicester and Leicestershire to promote its qualities to attract investment;

- a more pro-active approach to attracting inward investment as the sub-region does not its share of investment in the UK;

- working with other agencies to attract new job opportunities to the rural areas..

Welland Sub-regional Strategic Partnership Economic Strategy, 2003-2006

12. The Welland SSP is a cross border of coalition of local authorities formed to meet needs of a rural sub-region, with a focus on *"encouraging an entrepreneurial spirit leading to job creation, spending opportunities and regeneration of market towns."* Key aims of the Strategy include:

- Stimulating creation of high value jobs;

- Raising skill levels;

- Addressing rural deprivation through business diversification;

- Addressing rural isolation via innovative use of ICT; and

- Providing support and advice for rural businesses, including the farming community.

Harborough District Council Economic Development Strategy, 2003-2007

13. The Council's Economic Development Strategy is presently under review, but key aims include:

- ensuring sufficient level of jobs in context of population growth and declining industries and agriculture;
- raising the percentage of local residents in employment as a means to resolving labour shortages and raising GDP;
- addressing the skills shortages which are constraining the growth of local employers; and
- addressing the issues raised by local employers.

Harborough District Local Plan 1996-2006 (Adopted 2001)

14. Local Plan objectives relating to employment are to:

- promote and maintain the economic prosperity of the District, in a manner consistent with the sustainable use of its natural resources and the protection of its environment;
- maintain and encourage employment opportunities throughout the District; and
- promote a diverse economic base through the provision of land to meet a range of employment needs.

15. Policy EM/1 allocates new employment development sites totalling 42.2 ha. in Market Harborough, Lutterworth, Kibworth and Tilton, but no Strategic Employment Site. Policy EM/2 protects existing employment land:

"The District Council will refuse planning permission for development other than classes B1, B2 and B8, as appropriate on:-

1. Sites within existing and proposed industrial and commercial estates in the District;

2. Industrial and commercial sites elsewhere in the District that would result in the immediate or potential loss of local employment opportunities."

16. Policies EM/6-8 indicate where planning permission will be granted, based on specified criteria, for new or expansion of employment development in villages and the countryside.

17. Policies EM/9-EM/24 allow for some employment development at some of the District's former wartime airfields, subject to various criteria; these include Stoughton Airfield, Airfield Farm (Foxton Airfield), Magna Park (Bitteswell Airfield) and Bruntingthorpe Airfield.

Conclusions

18. The implications of the above policy aims for employment land in Harborough can be summarised as follows:

- Future economic growth is to be increasingly targeted at those business sectors and clusters delivering higher value-added. This is consistent with the District's aims relating to employment to promote economic diversification, whilst at the same time preserving and encouraging existing employment opportunities;

- Strategic policies seek good quality employment allocations totalling 170 ha in Harborough by 2016, including a Strategic Employment Site on the Oadby & Wigston border. Allocations must be reviewed to ensure that they correspond with current and likely future requirements, including the needs of potential investors;

- The MKSM Sub-region is likely to create a large amount of new housing and generate significant amounts of new employment in close proximity to Harborough. Much of this employment will be derived from business sectors typically footloose in their locational requirements, although many are likely to be attracted to the sub-regions position within two growth corridors. Consequently, this is likely to pose a significant challenge to the course of future economic growth in Harborough.

APPENDIX 3

ECONOMIC STATISTICS

ECONOMIC STATISTICS

Table 1: Firms by Size Group

	0-10 employees	11-49 employees	50-199 employees	Over 200 employees	Total No. Firms
Harborough District	88.5%	9.2%	2.1%	0.1%	3,720
East Midland	82.5%	13.6%	3.2%	0.7%	152,043
GB	83.2%	12.9%	3.1%	0.7%	2,213,793

Source: Annual Business Inquiry, 2003

Table 2: Change in Employment 1991–2003

District	1991	2003	% Change
Harborough	19,400	29,700	+ 53.1
East Midlands	1,527,687	1,767,318	+ 15.7
GB	21,569,000	25,716,220	+ 19.2

Source: 1991 Census of Employment; Annual Business Inquiry 2003

Table 3: Employment by Industrial Sector (%)

Sector	Harborough (%)		East Midlands (%)	Great Britain (%)	
	1991	2002	2002	1991	2002
Agriculture	6.2	5.3	1.3	1.3	0.95
Energy & Water	0	0.34	0.8	2.0	0.74
Manufacturing	27.3	16.2	19.6	21.2	13.4
Construction	5.2	4.4	5.0	4.5	4.5
Distribution, Catering & Hotels	27.8	29.0	24.5	21.5	24.6
Transport, Communications, Banking & Finance	10.8	24.9	19.8	18.2	24.6
Public Administration/ Other Services	23.1	19.9	29.0	31.2	30.2
All Sectors	100%	100%	100%	100%	100%

Source: 1991 Census of Employment; Annual Business Inquiry 2002

Table 4: Change in Employment Structure in Harborough

Sector	Harborough			Great Britain
	1991 (000s)	2002 (000s)	% change	1991 – 2002 (% change)
Agriculture	1.2	1.6	+ 33.3%	- 16.3%
Energy & Water	0	0.1	+ 100%	- 55.5%
Manufacturing	5.3	4.8	- 9.4%	- 25.3%
Construction	1.0	1.3	+ 30%	+ 19.1%
Distribution, Catering & Hotels	5.4	8.6	+ 59.3%	+ 35.8%
Transport, Communications, Banking & Finance	2.1	7.4	+ 252.4%	+ 66%
Public Administration/Other Services	4.5	5.9	+ 31.1%	+ 14.4%
Total	19.4	29.7	+ 53.1%	+ 18.5%

Source: Census of Employment 1991; Annual Business Inquiry 2002

Table 5: Location Quotient by Industrial Sector, 1991 and 2002

1991		2002	
Sector	**LQ**	**Sector**	**LQ**
Agriculture	4.7	Agriculture	5.5
Distribution	1.29	Manufacturing	1.2
Manufacturing	1.28	Distribution	1.18
Construction	1.15	Transport, communications, banking & finance	1.01
Public Administration	0.7	Construction	0.97
Transport, communications, banking & finance	0.59	Public Administration	0.65
Energy and water	0	Energy and water	0.45

Source: 1991 Census of Employment; Annual Business Inquiry, 2002; NLP

Table 6: Change in Number of VAT Registered Firms

Area	1994	2004	1994-2004 (%)
Harborough	3,430	3,665	+ 6.4
East Midlands	112,185	123,955	+ 10.5
United Kingdom	1,629,120	1,810,460	+ 11.1

Source: DTI / Small Business Service: Business Start-ups and Closures: VAT registrations and de-registrations, 1994 / 2004

Table 7: VAT Registrations per 10,000 Population (16+), 2003

	VAT Registrations per 10,000 population
Harborough	54.6
Leicestershire	41.7
East Midlands	37.3
Great Britain	40.0

Source: DTI / Small Business Service: Business Start-ups and Closures: VAT registrations and de-registrations, 1994 / 2004

Table 8: Occupational Breakdown of Labour Force

Occupational Group	Harborough*	East Midlands*	Great Britain
Managers/senior officials	8,000 (20.6%)	280,000 (13.9%)	14.6%
Professional occupations	6,000 (14.8%)	215,000 (10.7%)	12.1%
Associate professional & technical	5,000 (13.1%)	246,000 (12.3%)	13.8%
Administrative & secretarial occupations	4,000 (10.7%)	249,000 (12.4%)	13.0%
Skilled trades	4,000 (10.2%)	243,000 (12.1%)	11.4%
Personal service occupations	2,000 (4.6%)	149,000 (7.4%)	7.5%
Sales & customer service occupations	3,000 (8.0%)	164,000 (8.2%)	8.0%
Process plant & machine operatives	3,000 (6.8%)	201,000 (10.0%)	7.7%
Elementary occupations	5,000 (11.1%)	254,000 (12.6%)	11.8%

Source: NOMIS, ONS 2003
*Note: * totals rounded*

Table 9: Unemployment Rates

Area	No. Unemployed	Unemployment Rate (%)	Long Term Unemployment Rate (%) **
Harborough	383	0.8	11.7
East Midlands	53,946	2.1	13.9
Great Britain	896,828	2.4	13.4

Source: NOMIS, ONS Jan 2005 **over 12 months as % of claimant unemployed, Jan 2005

Table 10: Job Vacancies and Unemployment Indicators

Area	Unfilled Vacancies*	No. of Claimant Unemployed	Unemployed/ Vacancy Ratio
Harborough	270	397	1.5
East Midlands	22,116	55,715	3.1
Great Britain	362,504	853,142	3.4

Source: NOMIS, March 2005

Table 11: Economic Activity & Income Support

Area	Economic Activity rate (%)	Receiving Income Support (%)
	Feb 2002	*May 2003*
Harborough	85.3	4
Leicestershire	85.6	5
East Midlands	79.6	9
United Kingdom	78.4	10

Source: Regional Trends 38, 2004

Table 12: Average Gross Weekly Earnings of Full Time Employees

Area	Average Weekly Earnings	As a % of GB Average
Great Britain	475.8	100
East Midlands	439.4	90.0
Harborough	524.4	110.0

Source: NOMIS (2003)

Table 13: Sought Occupation of Claimant Unemployed Workers in Labour Catchment Area

Sought Occupation	Harborough	East Midlands	GB
Managers / Administrators	55 (13.8%)	2,725 (4.3%)	4.3%
Professional Occupations	25 (6.3%)	1,940 (3.0%)	3.3%
Associate Prof./ Technical	35 (8.8%)	3,325 (5.2%)	6.5%
Clerical / Secretarial	75 (18.8%)	10,445 (16.4%)	15.5%
Craft / Related Occupations	25 (6.3%)	8,475 (13.3%)	13.4%
Personal/Protective Services	25 (6.3%)	4,480 (7.0%)	7.9%
Sales Occupations	35 (8.8%)	5,490 (8.6%)	8.7%
Plant/Machine Operatives	30 (7.5%)	7,615 (12.0%)	10.8%
Elementary Occupations or none previous/unknown	95 (23.8%)	19,215 (30.2%)	29.7%
Total	400 (100%)	63,715 (100%)	100%

Source: Office of National Statistics, NOMIS, October 2000

Table 14: Qualifications by District

District	% of Residents with no Qualifications	% of Residents with Degree or Higher Qualification
Harborough	22.7	23.1
England & Wales	29.1%	19.8%

Source: Census 2001

Table 15: Deprivation Indices for Leicestershire Districts

District	Rank of average score
Blaby	318
Charnwood	257
Harborough	*336*
Hinckley & Bosworth	278
Leicester	31
Melton	294
North West Leicestershire	196
Oadby and Wigston	300

Source: The English Indices of Deprivation, 2004

Table 16: Commuting Patterns in Harborough, 1991 and 2001

1991	Work in Harborough:		
			%
	Total	25,240	100
Live in:	Harborough	17,400	69
	Leicester	1,290	5
	Blaby	940	4
	Kettering	850	3
	Oadby & Wigston	680	2.7

1991	Live in Harborough:		
			%
	Total	33,500	100
Work in:	Harborough	17,400	52
	Leicester	7,000	21
	Blaby	1,610	4.8
	Oadby & Wigston	1,490	4.4
	Rugby	980	2.9

2001	Work in Harborough:		
			%
	Total	30,697	100
Live in:	Harborough	19,520	64
	Blaby	1,920	6.3
	Leicester	1,886	6.2
	Hinckley & Bosworth	1,610	5.2
	Kettering	1,027	3.3

2001	Live in Harborough:		
			%
	Total	39,746	100
Work in:	Harborough	19,520	49
	Leicester	6,985	17.6
	Blaby	2,570	6.5
	Oadby & Wigston	1,481	3.7
	Rugby	1,024	2.6
	Hinckley & Bosworth	813	2
	Northampton	648	1.6
	Corby	617	1.6
	Daventry	614	1.5

Source: 1991 Census; 2001 Census

Table 17: Population & Labour Supply Growth in Harborough District to 2016

	2005	2016	Change
Total Resident Population	81,400	91,400	+ 10,000
Working age Population 16-59/65	51,800	55,900	+ 4,100
Economically active population @85.3% of working age residents	44,185	47,680	+ 3,495
No. of additional jobs required			+ 3,495
B Class Jobs required @ 36% of total jobs			+ 1,260

Source: ONS Population Forecasts 2003;
NLP estimate of labour supply based on constant economic activity rate

Table 18: Out-commuting Harborough Residents by Occupation & Employment Sector

Occupation	% of Residents	% of Residents	Industrial Sector
Managers / Administrators	27.7%	0.5%	Agriculture
Professional Occupations	16.7%	2.4%	Energy & Water
Associate Prof./ Technical	9.6%	2.4%	Minerals
Clerical / Secretarial	15.2%	23.6%	Manufacturing
Craft / Related Occupations	11.7%	4.2%	Construction
Personal/Protective Services	4.5%	17.6%	Distribution, Catering & Hotels
Sales Occupations	6.4%	4.6%	Transport, Communications,
Plant/Machine Operatives	5.1%	19.4%	Banking & Finance
Elementary Occupations or not stated	2.9%	25.3%	Public Administration & Other Services
Total	100%	100%	Total

Source: Census 1991

APPENDIX 4

VOA EMPLOYMENT FLLORSPACE DATA FOR HARBOROUGH

APPENDIX 5

SUMMARY OF MAIN EMPLOYMENT AREAS

APPENDIX 4: CHARACTERISTICS OF EXISTING EMPLOYMENT SITES (April 2005)

	Site name / address	Site area (ha)*	Approximate floorspace (m^2)*	No. of units	% offices	% industry	% distribution / warehousing	% vacancy	Available land (%)	Age / condition	Other comments
MARKET HARBOROUGH											
1	The Point, Rockingham Road	3.0	2,800	15	100	0	0	0-5	50	Post 2000 New	Two-storey, freehold buildings in office park
2	Welland Industrial Estate, Rockingham Road	6.0	26,115	44	5	90	5	0-5	10	1970-1990 Good condition	Managed estate of single storey sheds
3	Euro Business Park, Rockingham Road	1.5	2,762	1	100	0	0	0	50	Post 1990 Good condition	Two-storey office building
4	The Shires, Euro Business Park, Rockingham Road	0.7	2,967	1	0	0	100	0-5	0	Post 1990 Good condition	Distribution / warehousing shed
5	Riverside Industrial Estate, Rockingham Road	12	23,000	18	0	90	10	0-5	20	1900-1970 / 1970-1990 Fair condition	Older industrial area, in unattractive environment
6	Rockingham Industrial Estate, Rockingham Road	2.0	12,000	3	0	80	20	0-5	0	1900-1970 / 1970-1990 Good condition	Small urban industrial estate
7	Sovereign Park (Tower Publishing)	1.0	2,163	12	80	0	20	0	0	1990 – 2000 Good condition	Modern office / warehouse accommodation
8	Courtyard Workshops, Bath Street	0.5	2,200	14	0	100	0	0-5	0	1900-1970 Poor condition	Single-storey starter units, in poor condition
9	Fernie Road Industrial Area	5.0	2,950	8	0	60	40	0	0	1900-1970 / 1970-1990 Fair condition	Range of industrial / warehouse units
10	St. Mary's Business Park	1.0	3,500	10	20	40	40	0	0	1990 – 2000 Good condition	Range of modern industrial units with some offices
11	Fosters Foods, Great Bowden Road	3.0	9,000	1	0	0	100	0	0	1970-1990 Good condition	Large warehousing / distribution shed
12	Farndon Road Business Centre / industrial area	0.85	5,650	3	5	0	95	0-5	20	1900-1970 / 1970-1990 Fair condition	Small-scale office accommodation with adjoining warehousing

LUTTERWORTH											
13	St. John's Business Park (Phase 1)	1.0	2,600	16	100	0	0	n/a	n/a	Post 2000 New	Modern office park with small units on edge of Lutterworth
14	Bilton Way Industrial Estate, Leicester Road	9.5	25,000	14	1	10	89	0	0	Predominantly pre-1970 Fair condition	Single-storey industrial / warehouse units
15	Wycliffe Industrial Estate, Leicester Road	5.0	7,000	10	0	75	25	0	0	1970-1990 Fair condition	Single-storey industrial / warehouse units
16	Semelab, Coventry Road	2.5	10,000	3	0	50	50	0	Extant planning permission for 1,400 m^2	1970-1990 Good condition	Single industrial employer
17	Midland Court	2.5	1,170	14	100	0	0	0-5	0	Post 1990 Good condition	Two-storey office buildings
18	Elizabethan Way	2.5	3,500	5	0	60	40	0	0	1970-1990 Good condition	Managed small industrial / warehousing estate
19	Magna Park	200	650,000**	26	0	0	100	5	10	Post 1990 Good condition	Distribution park with high-bay B8 sheds
20	Oaks Industrial Estate	3.5	7,600	5	0	80	20	0-5	0	1970-1990 Fair condition	Urban industrial estate with single-storey sheds
FLECKNEY											
21	Churchill Way Industrial Estate	9.0	35,000	40	0	70	30	0-5	5	1970-1990 / Post 1990 Good condition	Urban industrial estate with single-storey sheds
BRUNTINGTHORPE											
22	Bruntingthorpe Airfield / Proving Ground	265	15,580	10	0	10	90	n/a	n/a	1900-1970 / 1970-1990 Fair condition	Includes former aircraft hangar / sheds used for storage / distribution
23	Bruntingthorpe Industrial Estate, Mere Road	n/a	1,300	6	0	100	0	n/a	n/a	1970-1990 Poor condition	Number of small industrial / workshop units
24	Bruntingthorpe Business Park, Mere Road	2.6	1,500	6	0	30	70	0-5	10	Post 1990 Good condition	Modern warehousing / industrial units in rural location.
25	Walton New Road Business Park,	1.0	800	3	0	75	25	n/a	n/a	1970-1990 Poor condition	Secondary workshop / storage units in rural location

BROUGHTON ASTLEY											
26	Swannington Road / Stanier Road Industrial Estate	5.0	12,000	30	0	80	20	0-5	0	1970-1990 / Post 1990 Good condition	Urban industrial estate
BITTESBY											
27	Bittesby House, Watling Street	6.5	1,500	1	100	0	1	0	0	1900-1970 Good condition	Offices in converted dwelling
HUSBANDS BOSWORTH											
28	Agricultural Barns, Gliding Club, Sibbertoft Road	0.2	800	4	0	80	20	100	n/a	1900-1970 Fair condition	Converted agricultural barns in rural location
SKEFFINGTON											
29	Park Farm, Uppingham Road	2.0	4,000	17	5	30	65	n/a	n/a		Converted agricultural barns in rural location
KIMCOTE											
30	Kimcote Court	0.2	290	1 / 2	100	0	0	100	0	New	Single-storey office, either as one or two offices
ASHBY MAGNA											
31	Pebble Hall Farm	0.4	90	1	100	0	0	n/a	n/a		Converted agricultural barns in rural location
32	Gilmorton Lodge Farm	0.6	80	1	0	100	0	0	0	Post-1990	Workshop unit in rural location
SCRAPTOFT											
33	Scraptoft Business Centre	0.5	875	4	40	20	40	20	20	1970-1990 Fair condition	Range of units, but accessibility constraints
KIBWORTH											
34	Station Yard	1.0	570	1	0	0	100	100	30	1900-1970 Derelict	Former station and railway buildings
35	The Hatchery, Harborough Road	1.5	1,240	5	0	100	0	n/a	20	1900-1970 Poor condition	Various secondary workshop / storage units
CROFT											
36	Three Boundaries Farm	1.0	1,280	4	5	95	0	n/a	n/a	Post-1990 Good condition	Industrial unit in converted agricultural barn

BITTESWELL											
37	Elms Farm	2.3	1,752	18	5	90	5	0-5	N/A	1970-1990 & upgraded rural buildings Fair condition	Small industrial estate with small units in rural area
TOTAL MAIN SITES											
		562*	880,630*	374							

Source: NLP survey of sites; VOA Rating Data, 2005

Note: ** totals rounded: excluding Bruntingthorpe Airfield, for which only a small part of the site area is in employment uses, total would be 297 ha.*

*** Amount built from Harborough District Council Annual Monitoring Report – approximately 800,000 m^2 permitted*

APPENDIX 6

QUESTIONNAIRES FOR CONSULTATION PROCESS

HARBOROUGH EMPLOYMENT LAND STUDY: INTERVIEW QUESTIONS FOR EMPLOYERS

1. What does your firm do? Is it in a growing or declining sector?
2. Size of firm – employees
3. Size of premises – area/floorspace
4. How long based in Harborough and this site?
5. Why is the firm based here/why did it move here?
6. Could it be based anywhere in the County/region?
7. Is the site adequate for your firm's needs – if not, why not?
8. Does your firm plan to expand/contract over next 5 years?
9. Current levels of vacancy on your site? How long before full-up?
10. Is this likely to by expansion on site or relocation to larger premises? How much space?
11. Has your firm's expansion been constrained by lack of suitable sites in the past?
12. Are some locations in Harborough short of suitable sites? Which ones?
13. Major competing employment land allocations/proposals in adjoining districts – would your firm consider relocating to these?
14. Any labour/recruitment problems?

General Points

15. What are the main property issues affecting employers generally Harborough District at present?
16. Key factors attracting or deterring businesses coming to the district; and its general attractiveness for businesses;
17. What types of employment space are most in demand in Harborough, and in what kind of locations;
18. Views on likely growth sectors in Harborough and its future role as a business/industrial location;
19. Any views on why some available allocated employment sites not been taken up?
20. Any important gaps, by type or location; in the district's portfolio of employment sites e.g. strategic sites/high quality office campus sites,

HARBOROUGH EMPLOYMENT LAND STUDY: INTERVIEW QUESTIONS FOR PROPERTY AGENTS

1. What are the main commercial property issues affecting Harborough District at present?

2. General levels of market demand, rental levels, property vacancy levels, current pressures on employment land and particular market sectors driving demand;

3. Are there any major economic developments planned/underway in the District or nearby e.g. business parks etc. that will affect future supply/demand

4. Key factors attracting or deterring businesses to the district; and its general attractiveness for businesses;

5. What types of employment space are most in demand, and in what kind of locations;

6. Views on likely growth sectors in Harborough and its future role as a business/industrial location;

7. What types of demand are not being currently met or in short supply;

8. For what types of employment space there is least demand or over-supply;

9. Are some locations in Harborough short of suitable sites? Which ones?

10. Why have some allocated employment sites not been taken up?

11. Views on the adequacy of existing employment land provision in the district, and the currently allocated sites (refer to list) e.g. Airfield Farm, Northampton Road. Are any unsuitable / unlikely to be taken up in future?

12. If so, what types of demand are not being met or in short supply? What types of new sites are needed, if any?

13. Is it realistic to provide more employment land in Harborough to create more local jobs in the district?

14. Any important gaps, by type or location; in the district's portfolio of employment sites e.g. strategic sites/high quality office campus sites;

15. Major competing employment land allocations/proposals in adjoining districts.

16. Need for strategic site near Oadby & Wigston? What sectors/needs would it serve?

17. Rental levels for offices, B1 industry, B2, B8 in Harborough – how compare with rest of County?

18. Current levels of vacancy/availability in market by main use (B1 offices, B1/B2, B8)?

19. Are rural employment needs catered for? If not, what types of land/premises are needed? Where should new space of this type be located?

20. Any suggestions for good locations for new employment sites?

21. What factors make an employment site attractive?

HARBOROUGH EMPLOYMENT LAND STUDY:
INTERVIEW QUESTIONS FOR ECONOMIC DEVELOPMENT/BUSINESS BODIES

1. What are the main economic issues affecting Harborough District at present?
2. Are there any major economic developments planned/underway in the District or nearby e.g. business parks etc.
3. What are the key factors attracting or deterring businesses to the district; and its general attractiveness for businesses;
4. Changes in major employers/firms and major infrastructure proposals in Harborough/nearby;
5. Inward investment trends and potential - past trends at regional and district level; what types of firms are attracted and why? What type deterred/moved out and why? Any examples?
6. What are the major competing employment land allocations/proposals in adjoining districts?
7. Views on future employment land trends and likely growth sectors in Harborough and its future role as a business/industrial location;
8. What types of employment space are most in demand in Harborough, and in what kind of locations;
9. What level/types of inquiries received for new employment space?
10. Are there any indications of lack of suitable employment space deterring investors/limiting expansion? Any examples?
11. If so, what types of demand are not being met or in short supply? What types of new sites are needed, if any?
12. For what types of employment space is there least demand or over-supply in Harborough;
13. General views on the adequacy of existing employment land provision in the district, and the allocated sites; is the quality right, good location, remaining space for new firms?
14. Any important gaps, by type or location; in the district's portfolio of employment sites e.g. strategic sites/high quality office campus sites;
15. Are some locations in Harborough short of suitable sites? Which ones?
16. Why have some allocated employment sites not been taken up?
17. Any views on quality, adequacy of certain allocated employment sites (refer to list)? Are any unsuitable / unlikely to be taken up in future?
18. Need for the strategic employment site at Oadby? What type of firms will it cater for? How long will it last for in terms of take up?
19. Are rural employment needs catered for? If not, what types of land/premises are needed? Where should new space of this type be located?
20. How much of Harborough's future work needs should be met in adjoining areas e.g. Leicester?
21. Are labour shortages an issue for firms?
22. Any studies/other relevant information available we can have?

HARBOROUGH EMPLOYMENT LAND STUDY: INTERVIEW QUESTIONS FOR DEVELOPERS

1. What are the main property issues affecting Harborough District at present?

2. General levels of market demand, current pressures on employment land and particular market sectors driving demand;

3. Are there any major economic developments planned/underway in the District or nearby e.g. business parks etc. that will affect future supply/demand

4. Key factors attracting or deterring businesses to the district; and its general attractiveness for businesses;

5. What types of employment space are most in demand, and in what kind of locations;

6. Views on likely growth sectors in Harborough and its future role as a business/industrial location;

7. What types of demand are not being currently met or in short supply;

8. For what types of employment space there is least demand or over-supply;

9. Are some locations in Harborough short of suitable sites? Which ones?

10. Why have some allocated employment sites not been taken up?

11. Views on the adequacy of existing employment land provision in the district, and the allocated sites (refer to list); Are any unsuitable/unlikely to be taken up in future?

12. If so, what types of demand are not being met or in short supply? What types of new sites are needed, if any?

13. Is it realistic to provide more employment land in Harborough to create more local jobs in the district?

14. Any important gaps, by type or location; in the district's portfolio of employment sites e.g. strategic sites/high quality office campus sites;

15. Major competing employment land allocations/proposals in adjoining districts.

16. Is there a need for a new employment strategic site at Oadby? What sectors would it serve?

17. Rental levels being achieved for offices, B1 industry, B2, B8 in Harborough – how compare with rest of County?

18. Current levels of vacancy on your sites? How long before full-up?

19. Any proposals in pipeline for new employment development?

20. Are rural employment needs catered for? If not, what types of land/premises are needed? Where should new space of this type be located?

21. Any suggestions for good locations for new employment sites?

22. What factors make a site attractive for employment uses in Harborough?

APPENDIX 7

EMPLOYMENT LAND TAKE-UP FOR LEIECESTERSHIRE DISTRICTS

Table 7.1: Hectares Started for Employment Land 1996-2004

Area	Employ ment (,000s)**	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	Total 96-04	Average p.a.
Blaby	35.2	11.44	2.84	8.17	4.06	3.01	4.70	7.89	11.50	53.61	6.0
Charnwood	55.9	0.48	7.70	7.65	7.70	4.92	5.21	2.24	4.36	40.26	4.5
Harborough	30.5	0.00	19.60	19.41	19.55	23.58	27.18	3.50	3.43	116.3	14.5
Hinckley & Bosworth	38.2	21.39	1.58	1.16	13.12	1.14	0.73	27.85	0.00	66.97	7.4
Leicester	156.2	3.44	9.96	3.43	3.68	8.11	7.24	5.62	0.50	41.98	4.7
Melton	17.6	13.70	5.97	5.97	5.97	0.00	0.00	16.47	0.00	48.08	5.3
NW Leics.	43.1	10.35	12.92	35.12	20.50	18.10	15.21	18.27	11.74	142.2	15.8
Oadby & Wigston	16.4	0.00	0.00	0.10	0.11	3.18	0.81	1.84	0.00	6.04	0.7
Rutland	11.9	1.61	0.00	5.80	0.96	4.71	0.00	3.45	0.00	16.53	1.8

* Note totals for Charnwood and Harborough for the years 97- 00 figures are averaged over the 3years

Source; Annual Employment Land Monitoring Report, Leicestershire County Council, 2005 ** 2003 data

APPENDIX 8

EMPLOYMENT FORECASTS

Lower Growth Employment Forecast by 30 Industrial Sectors 2005-2016

Total headcount employment in Harborough district; Thousands, workplace based

Sector	1995	2005	2016
Agriculture, Forestry & Fishing	1.344	2.615	2.360
Oil & Gas Extraction	0.003	0.000	0.000
Other Mining	0.042	0.045	0.013
Gas, Electricity & Water	0.023	0.013	0.013
Fuel Refining	0.000	0.000	0.000
Chemicals	0.108	0.044	0.011
Minerals	0.031	0.196	0.209
Metals	0.647	0.436	0.400
Machinery & Equipment	0.588	0.472	0.450
Electrical & Optical Equipment	1.021	0.704	0.752
Transport Equipment	0.146	0.312	0.223
Food, Drink & Tobacco	0.539	0.408	0.098
Textiles & Clothing	0.554	0.302	0.175
Wood & Wood Products	0.388	0.162	0.151
Paper, Printing & Publishing	0.908	0.066	0.061
Rubber & Plastics	1.055	1.026	0.956
Other Manufacturing	0.234	0.247	0.264
Construction	2.584	2.506	2.502
Retailing	3.356	4.563	4.336
Wholesaling	2.864	2.554	2.030
Hotels & Catering	1.772	2.095	2.627
Transport	2.465	3.235	3.251
Communications	0.249	0.411	0.387
Banking & Insurance	0.342	0.362	0.396
Business Services	3.068	4.110	5.197
Other Financial & Business Services	0.480	0.560	0.496
Public Admin. & Defence	0.922	1.458	1.140
Education	1.305	1.661	1.602
Health	2.123	2.378	2.714
Other Services	1.101	1.460	1.202
Total	30.260	34.401	34.014

Source: Experian Business Strategies, March 2005

Past Employment Change in Harborough 1994-2004

	1994	2004	Change
Manufacturing (B1/B2)	5,869	4,517	-1,352
Distribution (B8)	2,633	2,651	18
Business/financial services (B1)	3,998	4,998	1,000
Total B Class Jobs	12,500	12,166	- 334

Source: Experian Business Strategies, March 2005

APPENDIX 9

ESTIMATE OF EMPLOYMENT LAND REQUIREMENTS

ESTIMATE OF EMPLOYMENT LAND REQUIREMENTS

LOWER GROWTH SCENARIO

1. Average annual take-up rate of employment land 1996-2004	= 1.2 ha.
2. Market estimates of annual industrial land need 1996-2004 (1-2 new industrial estates)	= 2+ ha.
3. NLP estimated annual future take-up of industrial land	= 2.0 ha.
4. NLP estimated industrial land requirement for 2005-2016	= 22 ha.
5. NLP estimate of office land requirement for 2005-2016 (based on employment forecasts)	= 5 ha.
6. Add 50%+ allowance for flexibility/vacancy/sites not coming forward	= 33 ha. (industrial) = 7.5 ha. (offices)
7. Allowance to meet pent-up demand and replacement of lost stock	= 7 ha. (industrial)
8. Total Industrial Land Requirements	= 40 ha.
9. Total Office Land Requirements	= 7.5 ha.
10. Total Employment Land Requirements for 2005-2016	= 47.5 ha.

Note: excludes any allowance for large-scale distribution / Magna Park   * Figures rounded

HIGHER GROWTH SCENARIO

1. Average annual take-up rate of employment land 1996-2004	= 1.2 ha.
2. Market estimates of annual industrial land need 1996-2004 (1-2 new industrial estates)	= 2+ ha.
3. NLP estimated annual future take-up of industrial land	= 2.5 ha.
4. NLP estimated industrial land requirement for 2005-2016	= 27.5 ha.
5. NLP estimate of office land requirement for 2005-2016 (based on employment forecasts)	= 6.4 ha.
6. Add ~50% allowance for choice/flexibility/vacancy/sites not coming forward	= 41 ha. * (industrial) = 9.6 ha. (offices)
7. Allowance to meet pent-up demand and replacement of lost stock	= 7 ha. (industrial)
8. Total Industrial Land Requirements	= 49 ha.
9. Total Office Land Requirements	= 10 ha. *
10. Total Employment Land Requirements for 2005-2016	= 59 ha.

***** Note: excludes any allowance for large-scale distribution / Magna Park

APPENDIX 10

SITE ASSESSMENT CRITERIA

HARBOROUGH EMPLOYMENT LAND STUDY: SITE ASSESSMENT CRITERIA

The criteria for assessing the quality of allocated sites (and certain other sites) are set out below. These criteria mainly relate to the inherent value of a site rather than current conditions on it, although such characteristics are also be noted. Each site would be given a score of between 1 and 5 against each criterion (1 = poor, 5 = very good). No individual weightings are attached to different criteria. Not all criteria will apply to each existing or potential employment site. A maximum score of 55 can be achieved.

1. **Access to strategic road network:**

   5 = **very good:** within 2 Km of strategic road junction/ via good unconstrained roads

   1 = **poor:** over 5 Km from junction/access, and/or through constrained/local roads, and/or though town centre or residential areas etc

2. **Local road access including congestion and quality of roads;**

   5= **very good local access**: via free moving good roads avoiding residential areas/difficult junctions;

   1 = **poor:** difficult/narrow road access, via residential roads, difficult site junction, congested roads;

3. **Public transport access;**

   5 = **very good**: near centre of urban area, close to range of frequent public transport linking residential areas and services

   1 = **poor:** remote site, poor infrequent public transport access, 1 bus service per hour or less;

4. **General location in terms of proximity to urban areas, and ease of access to labour and services;**

   5 = **very good**: near (within 0.5 Km) centre of urban area, good access to residential areas and services

   1 = **poor:** remote site, no services or residential areas nearby;

5. **Proximity to incompatible uses**:

   5 = within larger employment area/ no incompatible adjoining land uses

   1 = B2/B8 adjoining residential/other sensitive uses on one or more boundary;

6. **Site characteristics including topography, size, profile, development constraints etc:**

   5= **very good:** generally level site, regular shape, over 5 ha. in size; no significant other constraints on development e.g. flood risk,

   1 = **poor:** sloping/uneven site; under 1 ha. size, irregular/narrow shape, other severe constraints e.g. contamination;

7. **Vacancy levels (for existing employment areas only)**

5 = under 10% of site/premises vacant,

1 = over 25% vacant space/buildings

8. **General attractiveness of the location:**

5= **very good:** high profile/high quality appearance, environment and quality of occupiers

1 = **poor:** low profile; poor/run-down unattractive appearance/location; attracts lower end users;

9. **Ownership Factors (where available):**

5 = all in single ownership/management

1 = many small separate ownerships/no management

10. **Availability for Development (where available(:**

5= constraints on development or owner aspirations for other uses, history of non take-up, unlikely to be available within 5 years or more

1 = land available immediately for development or occupation with recent planning permission

11. **Market Perceptions**

5= viewed as attractive by agents/occupiers; strong demand, units rarely available

1 = low demand, difficult to attract occupiers/needs heavy marketing

12. **Planning Constraints**

5 = brownfield site, within settlement boundary, no restrictive designations

1 = greenfield site, outside settlement boundary, restrictive landscape, policy or environmental designations

OTHER FACTORS TO BE NOTED

Age/ of Premises (Existing Developed Sites)

- Predominantly pre-1970
- 1970-90
- Post 1990

Potential for desirable alternative employment use

- meet rural needs
- good housing site
- remove undesirable use

- good for bad neighbour uses

Sustainability

- Brownfield/meets regeneration benefits
- greenfield/no regeneration/social benefits

Amount of land still available

- Under 10% of site undeveloped
- Over 50% of site undeveloped

APPENDIX 11

ASSESSMENT OF ALLOCATED EMPLOYMENT SITES

APPENDIX 12

ASSESSMENT OF POTENTIAL NEW EMPLOYMENT SITES

APPENDIX 13

ASSESSMENT OF STRATEGIC EMPLOYMENT SITES

APPENDIX 14

MONITORING OF EMPLOYMENT LAND

Data Sources for Employment Land Monitoring

Data Item	Source
Site Area of employment sites granted planning permission	Planning decisions register, Building Control database
Floorspace of employment sites granted planning permission	Planning decisions register, Building Control database
Employment floorspace lost to other uses	Planning decisions register, Building Control database
Property vacancy rates by type	Property agents, County Property Register
Property Rental levels by type in Harborough/adjoining districts	Property agents
Employment change by sector	Annual Business Inquiry, ONS
Business Start-up Rate	Small Business Service on-line
Changes in unemployment rate in district	NOMIS
Requirements for Start-up Units	Business Link/Harborough Enterprise Trust
Inquiries for space in the district	Invest Leicestershire
Progress on allocated sites	Property agents, Annual Employment Land Forum
Employment land issues/problems	Property agents, Annual Employment Land Forum