

## **Leicester & Leicestershire Authorities - Statement of Common Ground relating to Strategic Warehousing & Logistics Need (September 2021)**

### **1.0 The Leicester and Leicestershire HMA and FEMA**

1.1 The Leicester and Leicestershire Housing Market Area (HMA) and Functional Economic Area (FEMA) covers the administrative areas of eight local planning authorities and two transport authorities. The eight local planning authorities responsible for plan making are:

- Blaby District Council
- Charnwood Borough Council
- Harborough District Council
- Hinckley & Bosworth Borough Council
- Leicester City Council (Unitary)
- Melton Borough Council
- North West Leicestershire District Council
- Oadby & Wigston Borough Council

1.2 The two upper tier authorities in Leicester and Leicestershire (L&L), with statutory responsibilities for transportation, education, social care, flooding, minerals & waste planning and public health are:

- Leicester City Council (Unitary)
- Leicestershire County Council

1.3 This Statement has been prepared jointly by the eight plan making authorities and Leicestershire County Council as an additional signatory given their statutory responsibilities, hereafter referred to as “the authorities”. The Map in Appendix A shows the location and administrative areas covered by this statement. The [Housing & Economic Development Needs Assessment 2017](#) (HEDNA) identifies this area as the Leicester & Leicestershire HMA and FEMA.

### **2.0 Purpose**

2.1 The key strategic matters addressed in this statement relate to the need for Large Warehousing and Logistics floorspace to 2041, including the next steps to ensure the needs of the sector are appropriately planned for across L&L. This statement will be reconfirmed and updated as necessary.

2.2 Large Warehousing and Logistics facilities are defined as those units with greater than 9,000 square metres in total.

2.3 Matters relating to small warehousing (units less than 9,000 sqm) and other employment uses are dealt with in the Leicester & Leicestershire Authorities - Statement of Common Ground relating to Housing and Employment Land Needs (June 2021).

2.4 Although this statement relates to the authorities in the L&L HMA and FEMA, the large warehousing market extends across and beyond traditional authority boundaries. The latest evidence suggests the most interrelated distribution market for L&L includes 21

authorities (Appendix B). The market for this sector operates at beyond the regional scale which makes it extremely challenging for the current local plan-led system to plan for the sector. Proposals are also often considered through the Nationally Significant Infrastructure Projects (NSIP) process which is separate to the Local Plan process.

### 3.0 **Key Strategic Matters on which Authorities Agree**

#### L&L Warehousing & Logistics Need to 2041

- 3.1 The authorities agree the '[Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change \(April 2021\)](#)' ('the study') is the most up-to-date evidence on the needs of the sector across L&L. The authorities agree the need for Large Warehousing and Logistics (2020 - 2041), as found by the study, is as follows:

*Table 1: Rail served sites – Forecast Demand 2020 – 2041*

Rail-served Sites – for Planning	2026	2031	2036	2041
<b>Rail-served (43% of all new build req.) (sq.m 000's)</b>	237	434	632	829
<b>Margin for flexibility (43% of 5-year completions) (sq.m 000's)</b>	79	145	211	277
<b>Total requirement (sq.m 000's)</b>	316	579	842	1,106

*Table 2: Non-Rail (Road) – Forecast Demand 2020 - 2041*

Non rail-served Sites for Planning	2026	2031	2036	2041
<b>Non rail-served (57% of all new build req.) (sq.m. '000s)</b>	314	576	837	1,099
<b>Margin for flexibility (57% of 5-year completion) (sq.m. '000s)</b>	1045	192	279	367
<b>Total requirement (sq.m. '000s)</b>	419	768	1,117	1,466

- 3.2 The study recommends that L&L need to provide for 2,570,000 sqm of additional floorspace between 2020 and 2041. Based on 43% of future need at rail served sites, 1,106,000 sqm is needed on rail served sites and 1,466,000 sqm at non-rail served sites.
- 3.3 The study has a base date of 1<sup>st</sup> April 2020. Taking into account the supply at that time (land with planning permission, allocations and vacant units) there was a shortfall of 768,000 sqm (307 ha<sup>1</sup>) at rail served sites and 392,000 sqm (112 ha<sup>1</sup>) at non-rail served sites which should be planned for to 2041.
- 3.4 Appendix C updates the supply position as at 1<sup>st</sup> April 2021. At this date there is a supply of 387,125 sqm at rail served sites and 1,131,014 sqm at non-rail served sites. This leaves a shortfall of 718,875 sqm (288 ha<sup>1</sup>) at rail served sites and 334,986 sqm (96 ha<sup>1</sup>) at non-rail served sites which should be planned for to 2041. Since 1<sup>st</sup> April 2021 North West Leicestershire District Council has resolved to approve (subject to Section 106) an outline application for 78,967sqm of storage and distribution (Use Class B8) on land at Netherfields Lane, Sawley. The Illustrative masterplan shows 33,675 sqm of strategic warehouses (and 32,051 sqm non-strategic units). Taking this into account, would leave a shortfall of 301,293 sqm at non-rail served sites to 2041.

<sup>1</sup> Hectares figures are indicative

- 3.5 The Authorities agree that the current supply of large warehousing and logistics is strong. For rail served sites a supply shortfall starts to emerge around the mid 2020s. For non-rail served sites a supply shortfall starts to emerge in the mid 2030s.

#### Rail Served Supply to 2041

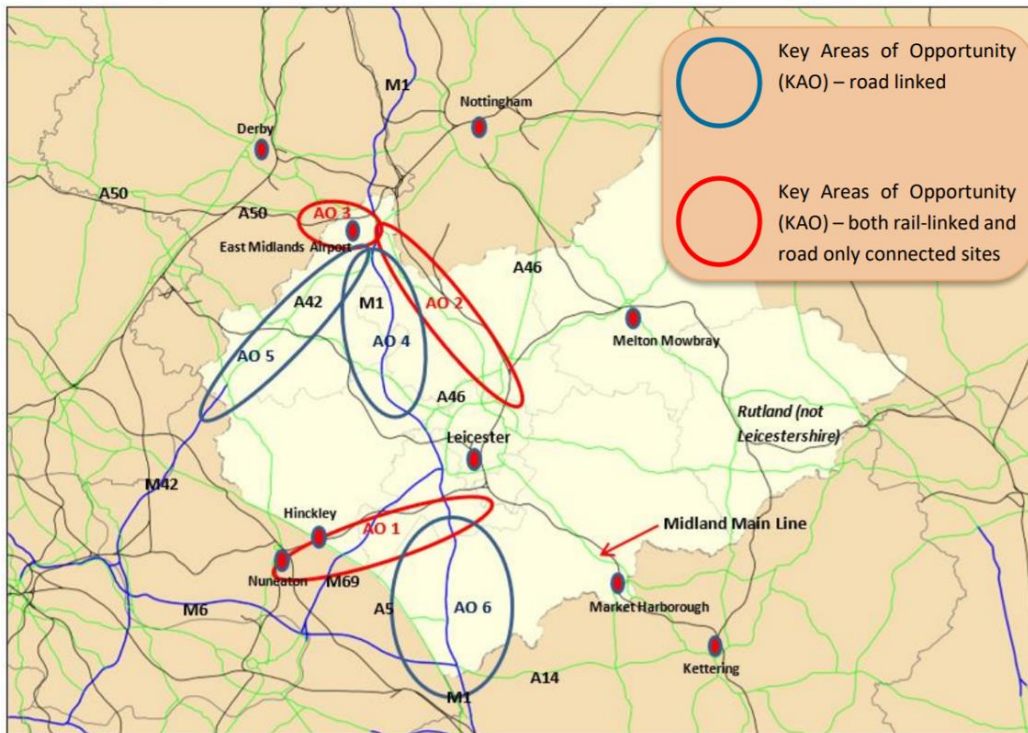
- 3.6 Proposals have been put forward for a Hinckley National Rail Freight Interchange (NRFI). The site falls mainly within Blaby District however a proposed link road to the A46 would fall within Hinckley and Bosworth Borough. The NRFI is a large Strategic Rail Freight Interchange promoted by Tritax Symmetry adjacent to Junction 2 of the M69 and alongside the Leicester to Nuneaton main line. Covering around 226ha<sup>1</sup>, an integral intermodal terminal is proposed for the site serving around 650,000 to 850,000 square metres of large warehousing floor space.
- 3.7 The proposal is a Nationally Significant Infrastructure Project (NSIP) which means the Secretary of State is responsible for decision making, not the Local Planning Authority. The National Infrastructure Planning website indicates the proposal is at the pre-application stage of the process, with an application expected to be submitted to the Planning Inspectorate Q4 2021.
- 3.8 The authorities agree the outcome of the NSIP process cannot be pre-empted. It is therefore extremely challenging to plan for the rail served need until the outcome of the NSIP process is known. The authorities agree that if the Hinckley NRFI is approved by Government, it will effectively meet the remaining need for rail served sites in L&L (2020 – 2041) in terms of the square metres of floorspace required, provided that as a minimum it meets the definition of a rail freight interchange set out in current legislation. Some authorities have concerns about the ability of the current definition to ensure proposals deliver genuine rail-based operations on the ground.
- 3.9 This Statement does not infer support from any authority for the Hinckley NRFI proposal. Each authority will respond to the proposal, through the NSIP process as appropriate. The authorities will regularly review the progress of the Hinckley NRFI through the NSIP process and respond appropriately to ensure the rail served need is planned for.

#### Non-rail (Road) Supply to 2041

- 3.10 The authorities agree the supply in L&L is strong and an overall shortfall in non-rail (road) large warehousing and logistics floorspace is not forecast to emerge until the mid 2030s. Floorspace is distributed across several Areas of Opportunity. The authorities will collaborate to ensure the remaining 301,293 sqm is appropriately planned for.

#### Areas of Opportunity

- 3.11 The authorities agree the Areas of Opportunity (AoO) below represent the most likely general broad areas for new Large Warehousing and Logistics up to 2041. The authorities agree that the identification of the AoO was a high-level exercise where general broad areas are identified; the analysis does not consider, assess or recommend specific sites or consider other planning constraints (e.g. flooding, highway capacity) that would inform the allocation of sites in Local Plans or wider policy aspirations such as decarbonisation.



NB: Boundaries of key areas are not definitive and are shown for indicative purposes only

#### Next Steps - Planning for Future Needs to 2041

3.12 The authorities remain committed to cooperating on strategic cross boundary matters, including agreeing the distribution of large warehousing need. To do this the authorities will need to do the following (in no specific order):

- Develop an appropriate system to monitor progress in site allocation, consents and delivery at the L&L level;
- Develop a collective understanding of the geographical distribution and phasing of the current supply;
- Develop a collective understanding of deliverable and developable sites for large warehousing, including through the commissioned Strategic Growth Options & Constraints Study (and other work as appropriate);
- This will help inform an approach to meeting the L&L need which maintains an appropriate supply across the AoO, in terms of geography and trajectory, as recommended by the study.

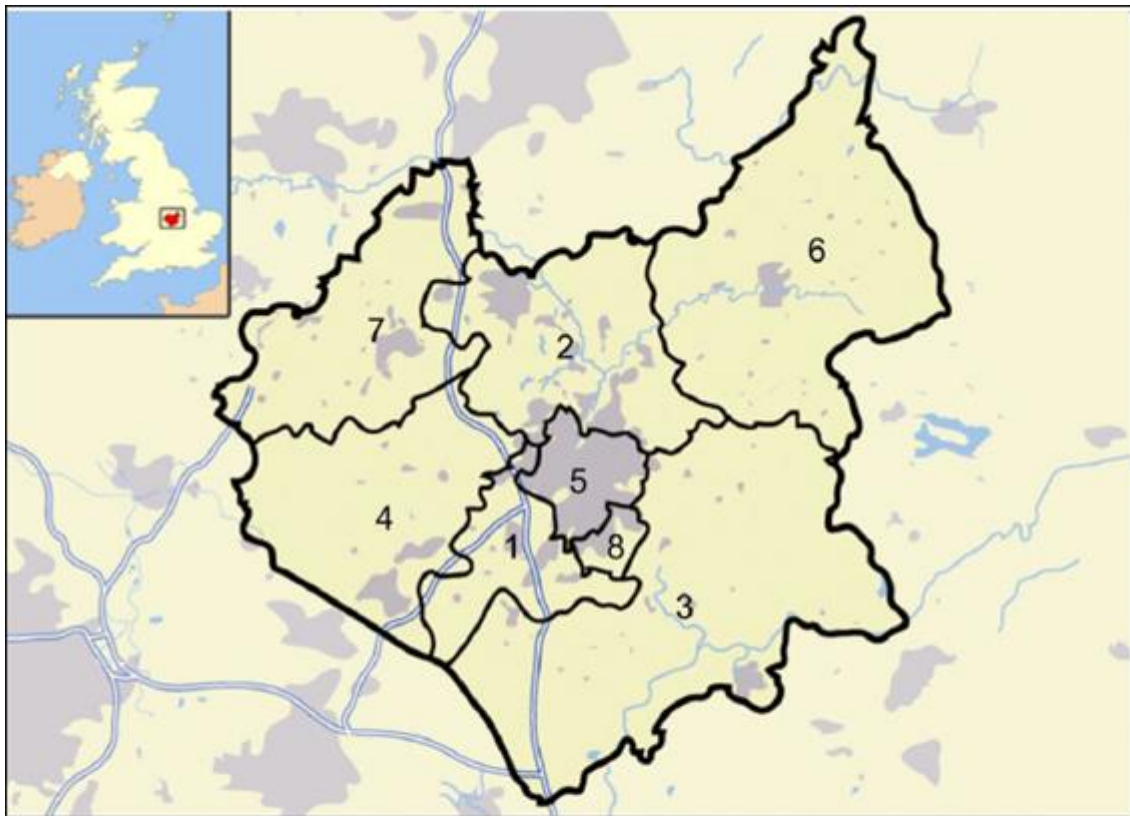
#### Need from Neighbouring Areas

3.13 The authorities intend the need for 2,570,000 sqm of Large Warehousing and Logistics floorspace 2020 – 2041 will be met in L&L. The authorities are not aware of any unmet need from neighbouring areas for large warehousing and logistics floorspace that should be accommodated in L&L.

#### **4.0 Maintaining and Updating this Statement**

4.1 The authorities agree the Duty to Cooperate is an ongoing process. The process for updating and maintaining this statement will be managed through ongoing joint work between the authorities.

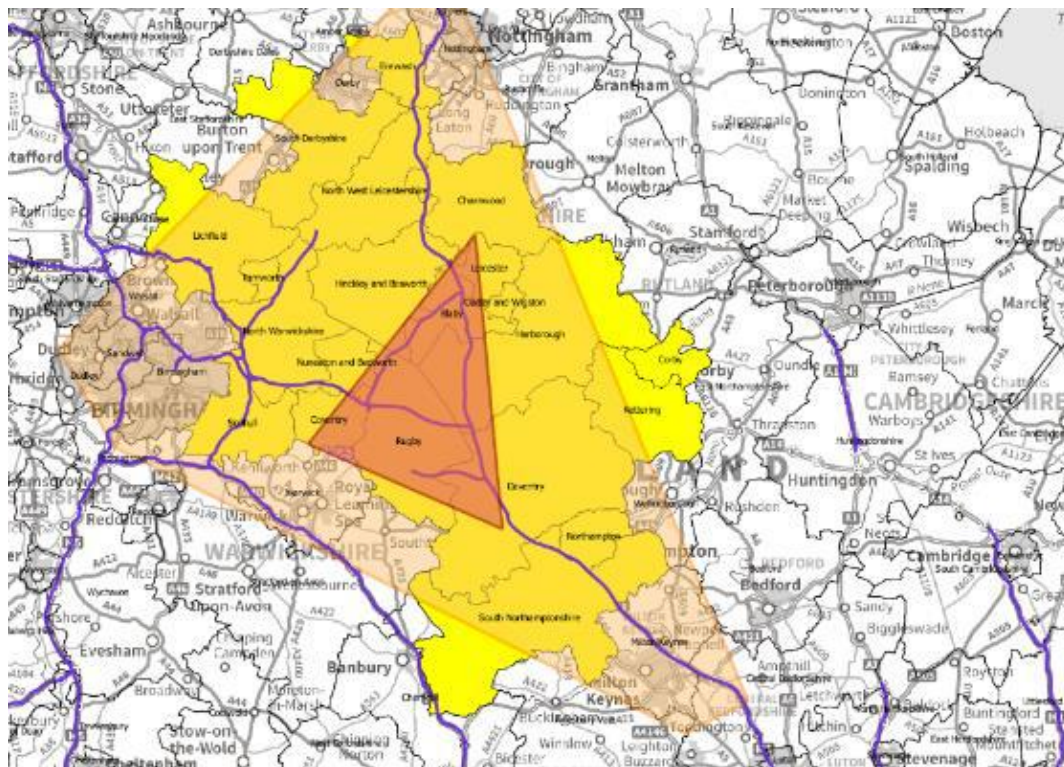
## Appendix A – Location and Administrative Areas



### Key to Map Two

- |  |   |
|--|---|
| 1. Blaby District Council                | 5. Leicester City Council                     |
| 2. Charnwood Borough Council             | 6. Melton Borough Council                     |
| 3. Harborough District Council           | 7. North West Leicestershire District Council |
| 4. Hinckley and Bosworth Borough Council | 8. Oadby and Wigston Borough Council          |

## Appendix B - Wider 'Golden Triangle' Study Area



**Appendix C – Updated Monitoring Data (completions and supply at 1<sup>st</sup> April 2021)**

Rail-served Sites	Position at 1/4/20	Position at 1/4/21
<b>Total Requirement (sqm) to 2041</b>	<b>1,106,000</b>	<b>1,106,000</b>
<i>Supply</i>		
Completions in Monitoring Year		22,761
Commitments at 1/4/21	338,000	315,738
Built, Available Units (vacant)		48,626
<b>Total Rail Served Supply (sqm)</b>	<b>338,000</b>	<b>387,125</b>
<b>Balance (sqm)</b>	<b>-768,000</b>	<b>-718,875</b>
<b>Indicative Additional Land Required (Ha@ 25% plot ratio)</b>	<b>-307</b>	<b>-288</b>

Non rail-served Sites	Position at 1/4/20	Position at 1/4/21
<b>Total Requirement (sqm) to 2041</b>	<b>1,466,000</b>	<b>1,466,000</b>
<i>Supply</i>		
Completions in Monitoring Year (excl. pre lets at 31/3/20)	n/a	119,956
Commitments at 1/4/21 (Excl. pre-lets at 31/3/20)	892,000	830,058
Built, Available Units (vacant)	181,000	181,000
<b>Total Non-rail Served Supply (sqm)</b>	<b>1,073,000</b>	<b>1,131,014</b>
<b>Balance (sqm)</b>	<b>-392,000</b>	<b>-334,986</b>
<b>Indicative Additional Land Required (Ha@ 35% plot ratio)</b>	<b>-112</b>	<b>-96</b>