

**HINCKLEY & BOSWORTH
BOROUGH COUNCIL**

**LOCAL PLAN
EVIDENCE BASE**

**EMPLOYMENT LAND
REVIEW**

EMPLOYMENT LAND AVAILABILITY
ASSESSMENT

AND

EMPLOYMENT NEEDS
ASSESSMENT

JULY 2024

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This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

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1.0 INTRODUCTION

1.1 Overview

1.1.1 LSH is appointed by Hinckley & Bosworth Borough Council to undertake a range of evidence base studies to inform the preparation of the emerging Local Plan. These include:

- An Employment Land Availability Assessment (ELAA) to review existing employment areas, extant permissions, allocations and potential allocations.
- An Employment Land Needs Assessment (ENA) for the borough, including a commercial market review.
- Spatial Options for Housing Strategy, to include reviews of the extant plan's strategy, the capacity for meeting and/or exceeding the borough's Local Housing Need (LHN) and a high-level appraisal of future spatial options.
- Updating residential and employment land use monitoring to ensure that these evidence base documents are robust.

1.1.2 There is a degree of overlap between the ELAA and ENA, notably the former includes a review of past take-up of land for employment purposes, which provides a useful sense check for the estimates of need derived from economic forecasting. The Council has asked that these studies be presented as a single document.

1.1.3 The assessments have regard to the National Planning Policy Framework and government policy guidance, which requires local planning authorities to identify sites and broad locations with the potential for employment development, to assess the development potential of sites, and to assess the suitability, availability, and achievability of sites for employment use.

1.1.4 The Employment Land Availability Assessment (ELAA) covers the following main areas of work:

- A review of the office and industrial property markets,
- A baseline review of existing employment areas,
- An assessment of available employment land within these areas
- An assessment of take-up of land for employment purposes, and
- An assessment of potential employment sites.

1.2 Methodology

- 1.2.1 To ensure the comprehensive coverage of employment areas we have reviewed the recent Employment Land and Premises Study commissioned by the Council and prepared by BE Group. This study, dated February 2020, identifies 114 employment areas, 6 areas with available employment land and 30 potential employment areas. LSH has reviewed the assessment of the employment areas and compared boundaries with the Council's employment land allocations, with recent aerial imagery and with Land Registry title information. Our review has identified some additional employment areas to be included and other areas that are now in alternative use, either through redevelopment or conversion. Inspections of all employment areas carried out by LSH in July 2023, have allowed us to cross check the findings of our desk-based assessment. Our review of existing employment areas is set out in Appendix 2.
- 1.2.2 Through these site inspections we have identified land within employment areas that is available for development. The definition of available employment land and other terms used in this Employment Land Availability Assessment are set out in the Glossary at Appendix 1. Within existing employment areas, parts may be underutilised; this is most prevalent amongst large businesses occupying a complex of buildings and holding land for expansion. An example is the Caterpillar factory at Desford where underused peripheral areas provide some capacity for expansion. As expansion land is not available to the market it is excluded from our assessment of available sites, unless there is evidence to the contrary. In other situations, "underutilised" land may be performing other functions, such as SUDS balancing ponds, landscaping, mitigation of biodiversity loss or acting as a buffer for more sensitive uses; again, we do not regard such land as available for development. An example is Desford Hall which is set in mature landscaped parkland, all of which is included within the 'existing employment site' designation on the Local Plan policies map. Having regard to the Hall's status as a Grade II listed building we consider that development in the grounds is likely to be resisted.
- 1.2.3 The assessment of available employment sites considers quantity (number and size) and quality. Information gathered through the site visits and desktop assessments is summarised in a site assessment matrix (Appendix 4). Site assessment criteria which are detailed in Appendix 5 have regard to the national planning policy framework and guidance which requires an assessment of the suitability, availability and deliverability of each site. Ultimately the assessment process, identifies whether an available site is deliverable, developable or not developable.
- 1.2.4 To assess the capacity of available land to meet future requirements we have also measured past take-up of land for employment purposes. By comparing aerial images of employment areas between January 1999 and July 2023 we have identified where and when new development has taken place. Planning Policy Guidance (Ref: 2a-027-20190220) directs "*strategic policy making authorities ... to develop an idea of future needs based on a range of data which is current and robust.*" An "*analysis based on the past take-up of*

employment land and property” is listed as one of these sources of data and an approach to calculating employment need. Consistent and careful annual monitoring of planning permissions can make it easier to collate take-up data, but it also includes forms of development, such as changes of use and extensions which do not deplete the stock of available land and therefore should be disregarded. Moreover, although monitoring identifies when planning permission is granted, it often does not identify when development has started; it is at this point that a planning consent becomes take-up. The comparison of aerial images has been accepted as robust by Planning Inspectors and is widely accepted by Local Planning Authorities across England. The table at Appendix 6 records the location, size, date and use of land taken-up, allowing detailed analysis and identifying trends over this period. The assessment of take-up complements and provides a reality check for the Employment Land Needs Assessment.

- 1.2.5 Our analysis of availability and take-up distinguishes between different sectors. In particular, we separately consider strategic distribution and also automotive research & testing. This approach enables closer alignment between the economic modelling and past take-up.
- 1.2.6 The Council’s call for sites exercise allows landowners and developers to identify land for future development. From the long-list of sites submitted, the Council has provided a short-list of those that have been put forward for development of employment uses. We assess these potential employment sites using the same criteria as for currently available employment sites (Appendix 7).

2.0 POLICY CONTEXT

2.1 National Planning Policy Framework

2.1.1 The National Planning Policy Framework was published in March 2012 and has been revised, most recently in December 2023.

2.1.2 The Framework sets out the government's planning policies for England and how these are expected to be applied. It states that the purpose of the planning system is to contribute to the achievement of sustainable development of which there are three overarching objectives that are interdependent and need to be pursued in mutually supportive ways [paragraph 8]:

- Economic: *"to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure"*
- Social: *"to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations"*
- Environmental: *"to protect and enhance our natural, built and historic environment; including making effective use of land, improving biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy."*

2.1.3 Public bodies have a duty to cooperate with each other, and with other prescribed bodies, on planning issues that cross administrative boundaries [paragraph 24]. The Framework [paragraph 26] states that this is integral to the production of a positively prepared and justified strategy and places a requirement to document the progress of cross-boundary matters through the preparation and maintenance of one or more statements of common ground [paragraph 27].

2.1.4 Local Planning Authorities are required to ensure that Local Plans are underpinned by relevant and up-to-date evidence which *"should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and taking into account relevant market signals"* [paragraph 31].

2.1.5 *"Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development"* [paragraph 85]. The allocation of appropriate land to enable business investment and expansion is central to the Borough's

economic growth, but this Employment Land Availability Assessment also considers whether older employment areas are constraining businesses and should no longer be safeguarded for employment uses.

2.1.6 To help achieve economic growth, planning policies should [paragraph 86]:

- *“set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- *set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- *seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- *be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.”*

2.1.7 *“Planning policies ... should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations”* [paragraph 87]. The borough has an established automotive research and testing cluster at MIRA Technology Park, which warrants separate analysis. This has Enterprise Zone status with a focus on *“Advanced Manufacturing/ Engineering, Automotive, ICT, Low Carbon Industry, Transport”*¹ The borough is also regarded as being within or near the ‘Golden Triangle’, an area of the Midlands with easy access to the M1, M6 and M42 which is the prime location for national distribution facilities.

2.1.8 The Framework [paragraph 90] confirms that offices are a ‘main town centre use’, and as such, LPAs should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date plan [paragraph 91].

2.1.9 *“Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan, it should ... reallocate the land for a more deliverable use that can help to address identified needs”* [paragraph 126].

¹ <https://enterprisezones.communities.gov.uk/enterprise-zone-finder/mira-technology-park-enterprise-zone/>

2.2 Planning Practice Guidance

2.2.1 The government's Planning Practice Guidance sets out the method for assessing economic land availability. An assessment in itself does not determine if a site should be allocated for development or not. It is for the development plan to determine which sites are most suitable to meet the local authority's requirements [Reference ID: 3-001-20190722].

2.2.2 *"An assessment should:*

- *identify sites and broad locations with potential for development;*
- *assess their development potential; and*
- *assess their suitability for development and the likelihood of development coming forward (the availability and achievability).*

2.2.3 For land to be considered available, it should be suitable, available and achievable for economic development uses over the plan period. [Reference ID: 3-001-20190722].

2.2.4 The guidance sets out what factors should be considered when assessing the suitability of sites [Reference ID: 3-018-20190722]. *"A site or broad location can be considered suitable if it would provide an appropriate location for development when considered against relevant constraints and their potential to be mitigated." "When considering constraints, plan-makers may wish to consider the information collected as part of the initial site survey, as well as other relevant information, such as:*

- *national policy;*
- *appropriateness and likely market attractiveness for the type of development proposed;*
- *contribution to regeneration priority areas;*
- *potential impacts including the effect upon landscapes including landscape features, nature and heritage conservation."*

2.2.5 *"Sites in existing development plans or with planning permission can generally be considered suitable for development although it may be necessary to assess whether circumstances have changed which would alter their suitability. This can be informed by a range of factors including the suitability of the land for different uses and by market signals, which will be useful in identifying the most appropriate use."* [Reference ID: 3-018-20190722]

2.2.6 The following factors should be considered when assessing the availability of sites [Reference ID: 3-019-20190722]. *"A site can be considered available for development, when, on the best information available (confirmed by the call for sites and information from landowners and legal searches where appropriate), there is confidence that there are no legal or ownership impediments to development. For example, land*

controlled by a developer or landowner who has expressed an intention to develop may be considered available.”

- 2.2.7 *“The existence of planning permission can be a good indication of the availability of sites. Sites meeting the definition of deliverable should be considered available unless evidence indicates otherwise. ... Consideration can also be given to the delivery record of the developers or landowners putting forward sites, and whether the planning background of a site shows a history of unimplemented permissions.”*
- 2.2.8 The guidance also identifies what factors should be considered when assessing the achievability of sites [Reference ID: 3-020-20190722]. *“A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the capacity of the developer to complete and let or sell the development over a certain period.”*
- 2.2.9 This Employment Land Availability Assessment uses these PPG criteria as a framework to assess both currently available and potential employment sites. The site assessment matrices are set out in the Appendices.

2.3 Use Classes

- 2.3.1 In undertaking the ELR it is also necessary to take account of the new Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020. These change the use class of offices, research & development and light industrial processes from B1 to the new Use Class E which also encompasses shops, financial & professional services, restaurants & cafes, clinics & health centres, gyms and indoor sports & recreation uses. The effect is that planning consent is no longer required for changes of use within class E, giving businesses greater freedom to adapt to changing circumstances and to respond more quickly to the needs of their communities.
- 2.3.2 In theory, a business requiring office space can now move into a broader range of premises without needing planning consent. How this plays out in local property markets will depend on demand for premises relative to the supply of those premises. In areas of strong growth, businesses requiring offices could be squeezed out by other higher value uses within Class E. More typically, town centres have some vacant units, and the new use class will reduce barriers to using units as offices, research & development, or light industrial purposes.
- 2.3.3 General industry remains within Use Class B2 but can now be located in a residential area if the operations can be carried out without detriment to the amenity of that area. Storage and distribution remain within Use Class B8.

2.4 Local Planning Policy

2.4.1 The current Local Plan for Hinckley & Bosworth outlines the council's policies for development within the borough. The Local Plan 2006 to 2026 is made up of a series of documents, with supporting maps. The four key development plan documents are:

- The Core Strategy DPD adopted in December 2009,
- The Site Allocations & Development Management Policies DPD adopted in July 2016,
- Hinckley Town Centre Area Action Plan DPD adopted in March 2011, and
- Earl Shilton & Barwell Area Action Plan DPD adopted in September 2014.

2.4.2 The Site Allocations & Development Management Policies DPD identifies three categories of employment areas (Policy DM19). Category A are key or flagship employment areas to be retained in their entirety for employment uses. Development of non-employment uses will only be allowed in exceptional circumstances and proposals must demonstrate that they would not have a significant adverse impact on surrounding employment uses.

2.4.3 Category B are fit for purpose employment areas where regeneration policy may mean alternative development is appropriate. The Council's current policy is to give positive consideration to proposals for partial or total loss of Category B sites for non-employment uses where the proposed proportion of non-employment uses is in line with the recommendations in the most up-to-date Employment Land and Premises Review; where the development diverges from these recommendations an applicant must demonstrate that:

- i. The site or premises is no longer suitable or reasonably capable of being redeveloped for employment purposes; and
- ii. The site or premises has been proactively marketed for employment purposes for a reasonable period of time at a reasonable market rate as supported and demonstrated through a documented formal marketing strategy and campaign; or
- iii. There will be a significant community benefit which outweighs the impact of losing the employment site or premises.

2.4.4 Category C are lower quality employment areas where the Council takes a more flexible approach to redevelopment of part or whole for non-employment uses; proposals for the development of employment uses will be supported where they accord with other Local Plan policies.

2.4.5 Policy DM20 states that the Council will support the development of new employment premises outside of allocated employment areas where they are situated within settlement boundaries or on previously

developed land. Proposals for the development of employment premises outside the settlement boundary and on greenfield sites will only be found acceptable where it is demonstrated that there are no suitable alternative sites identified sequentially in the following locations:

- a) Within settlement boundaries;
- b) On previously developed land;
- c) Adjacent to existing employment areas;
- d) Adjacent to settlement boundaries.

2.4.6 Where offices are not ancillary to another use, office development is considered a Main Town Centre use to which Policy DM21 applies. This requires a sequential approach that prioritises Hinckley town centre, district or local centres, then requires consideration of edge of centre sites, before out of centre sites are considered. The sequential approach is not applied to applications for small scale rural offices (defined as offices of no more than 1,000 square metres on a single site with no individual premises exceeding 200 square metres).

3.0 DEFINING THE FUNCTIONAL ECONOMIC MARKET AREA

3.1.1 This section considers the functional economic market areas (FEMAs) covering Hinckley & Bosworth Borough Council and surrounding areas.

3.2 National Planning Policy Framework

3.2.1 FEMAs aim to capture the spatial level at which an economy operates, and the PPG provides the following guidance on how they should be identified:

“Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:

- *extent of any Local Enterprise Partnership within the area;*
- *travel to work areas;*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*
- *administrative area;*
- *catchment areas of facilities providing cultural and social well-being; and*
- *transport network”*

(Paragraph: 019 Reference ID: 61-019-20190315)

3.3 Administrative Geographies and Transport Network

3.3.1 The borough of Hinckley & Bosworth is part of the administrative county of Leicestershire, England. It is a local government district with borough status, and its council is based in Hinckley, the largest town in the borough. Hinckley & Bosworth is located in the East Midlands.

3.3.2 The administrative county of Leicestershire comprises seven districts, including:

- Blaby District Council
- Charnwood Borough Council

- Harborough District Council
- Hinckley and Bosworth Borough Council
- Melton Borough Council
- North West Leicestershire District Council
- Oadby and Wigston Borough Council

3.3.3 Hinckley & Bosworth is located on the western boundary of Leicestershire County and the East Midlands region. The neighbouring districts of Hinckley & Bosworth are:

- Blaby District Council
- Charnwood Borough Council
- North Warwickshire Borough Council
- North West Leicestershire District Council
- Nuneaton and Bedworth Borough Council
- Rugby Borough Council

3.3.4 With regard to the road network, Hinckley & Bosworth is well connected to all major surrounding cities including:

- Leicester via the M69 running along the south east of the Borough;
- Nottingham and Derby via the M1 running through the north east of the Borough;
- Birmingham via the A5 and M42 running along the south west and west boundary of the Borough;
- Coventry via the A444 running through the western side of the Borough; and
- Northampton via both the A5 and M1, from the south and east of the Borough.

3.3.5 Furthermore, the A444, A5, M69, and M1 all run through Hinckley & Bosworth, but are all located on the edges of Borough boundaries.

3.4 Local Enterprise Partnership

3.4.1 The Hinckley and Bosworth Borough was within the Leicester and Leicestershire LEP area, which covers the whole of the County of Leicestershire and the City of Leicester. As of April 2024, Central Government ceased funding LEPs and so the LLEP ceased to function, and its powers have transitioned to Leicestershire County Council and Leicester City Council.

3.5 Travel to Work Areas

3.5.1 The commuting patterns of the working residents of the Borough and the workforce employed in the Borough are important in understanding the housing and employment role of the Borough in the context of the broader region. The following table summarises the in and out commuting patterns for the Borough as at the time of the 2021 Census.

3.5.2 The data also shows that a very large number of people in the Borough were “mainly” working from home at the time of the survey (about 50% of all workers). This figure is to be taken with precautions, as the Census 2021 was undertaken through the Covid-19 crisis and general lockdowns period, therefore influencing the responses collated. Some workers may now have returned to the office on a more regular and permanent basis since.

3.5.3 The data also shows that 71% of workers in Hinckley and Bosworth are also residents of the Borough. Leicester, Nuneaton and Bedworth, Blaby and North West Leicestershire are the main Local Authorities workers in Hinckley and Bosworth come from. These Local Authorities are also important location in terms of provision of employment for residents of Hinckley and Bosworth, with negative net flows (more residents commuting out for work than external workers commuting in to the Borough for work) observed with Leicester and Blaby.

Table 1. In and Out flows of Hinckley and Bosworth Commuters

		Origins of Hinckley and Bosworth Workers	Work Locations of Employed Residents of Hinckley and Bosworth	Net Flow of Workers into Hinckley and Bosworth
Hinckley and Bosworth	Mainly working at or from home, No fixed place	24,370	24,370	0
	Not working at or from home	13,337	13,337	
Leicester		2,929	3,959	-1,030
Nuneaton and Bedworth		2,523	1,771	752
Blaby		2,190	2,400	-210
North West Leicestershire		1,715	1,378	337
Charnwood		917	1,168	-251
Coventry		916	1,265	-349
Harborough		667	1,280	-613
North Warwickshire		563	778	-215
Rugby		356	717	-361
Birmingham		314	306	8

Oadby and Wigston	300	288	12
Elsewhere in UK	1976	2875	-899
Total	53,073	55,892	-2,819

Source: 2021 Census

- 3.5.4 The criteria used for defining Travel To Work Areas is based on “at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area”. However, for areas with a working population in excess of 25,000, self-containment rates of 66.7% are accepted. Therefore, for most areas, whilst the target is 75% the threshold is 66.7%.
- 3.5.5 Hinckley and Bosworth alone has a self-containment rate of 71% for in-commuting, and 67% for out-commuting. The Borough could therefore be considered as its own travel to work area (based on 66.7% threshold).
- 3.5.6 However, due to concerns over travel to work data (and high proportion of people reporting to be working from home at the time, when this may not be the case anymore), it would be prudent to use the 75% target.
- 3.5.7 Using this threshold, the Borough’s in-commuting travel area could be defined as:
- Hinckley and Bosworth
 - Leicester
- 3.5.8 However, Leicester also has strong commuting links with the other Leicestershire authorities, where a similar argument could be made and the data does not support the exclusion of these other areas just because the threshold is surpassed.
- 3.5.9 Similarly, Hinckley and Bosworth has strong commuting links with other Leicestershire authorities – Blaby, North West Leicestershire, Charnwood, Harborough, and Oadby and Wigston.
- 3.5.10 This suggests a commuting-based travel area containing Leicester would include Hinckley and Bosworth along with the other Leicestershire authorities.

3.6 Housing Market Area

- 3.6.1 The 2022 HEDNA study identifies Leicester and Leicestershire as a well-defined Housing Market Area.
- 3.6.2 84% of people moving to the area will move within it and 91% of those moving from a location within the area will stay within it.
- 3.6.3 Around 78% of county commuting flows are contained within the Leicester and Leicestershire authorities.

3.7 Conclusion

3.7.1 Based on a mix of market evidence and commuting data, the functional economic market area for Hinckley and Bosworth Borough includes:

- Leicester City
- Leicestershire County:
 - Blaby District Council
 - Charnwood Borough Council
 - Harborough District Council
 - Hinckley and Bosworth Borough Council
 - Leicester City Council
 - Melton Borough Council
 - North West Leicestershire District Council
 - Oadby and Wigston Borough Council

3.7.2 Within that functional economic market area most of the local authorities feel they can meet their employment land needs on land within their own local authority area boundaries. The exception is Leicester City, which has historically looked to its neighbours to meet its needs for larger industrial and warehousing space.

4.0 ECONOMIC BASELINE AND LITERATURE REVIEW

4.1 National Economic Strategy

i. The Growth Plan 2022

4.1.1 In September 2022 the Government published a growth plan. This sets out the governments central economic mission of setting a target of reaching a 2.5% trend rate. This is in the hope of creating sustainable growth that will lead to higher wages, greater opportunities, and provide sustainable funding for public services.

4.1.2 To achieve this, the Plan sets out the Government's strategy to cut taxes, streamline the public sector, and liberate the private sector in hopes of making Britain the place for:

- investment: creating the right conditions and removing barriers to the flow of private capital – whether taxes or regulation
- skilled employment: helping the unemployed into work and those in jobs secure better paid work
- infrastructure: accelerating the construction of vital infrastructure projects by liberalising the planning system and streamlining consultation and approval requirements
- home ownership: getting the housing market moving
- enterprise: cutting red tape and freeing business to grow and invest.

4.1.3 As part of this there are numerous sectoral specific interventions that will affect the UK economy, such as:

- Making permanent the temporary £1 million level of the Annual Investment Allowance (AIA) to support businesses investing between £200,000 and £1 million in plant and machinery
- Reforms to Research and Development (R&D) tax reliefs to: add pure mathematics research within scope of the reliefs, including data and cloud computing as new qualifying costs and refocussing the reliefs towards innovation in the UK
- Scale up Science and Technology by (a) reforming the pensions regulatory charge cap to enable pension schemes to have the clarity and flexibility to invest in businesses and productive assets, and (b) introducing the Long-Term Investment for Technology & Science (LIFTS) competition, providing up to £500 million to support new funds designed to catalyse investment from pensions schemes and other investors into the UK's pioneering science and technology businesses.

4.1.4 Deregulation of the UK financial services sector including plans to repealing EU law for financial services and replacing it with rules tailor made for the UK, and scrapping EU rules from Solvency II to free up billions of pounds for investment.

ii. Build Back Better: Our plan for growth

4.1.5 In March 2021 the Government published 'Build Back Better: our plan for growth' which sets out the strategy for economic growth in Britain following the Covid-19 pandemic and lockdowns.

4.1.6 This report identified three core pillars of economic growth:

- Infrastructure – investment into roads, rail, and cities with the aims of connecting people with economic opportunities as part of the 'levelling up' agenda and progressing the Green Industrial Revolution,
- Skills – additional investment into Further Education, introduction of the Lifetime Skills Guarantee, and continued focus on apprentice quality
- Innovation – support the development of creative technologies, attracting a creative workforce, and introducing new schemes to encourage small and medium enterprises

4.1.7 The paper recognises that economic growth is not equal and as such the three core pillars of growth aimed to drive growth as follows:

- up the whole of the UK: the Government aim to achieve economic growth that improves the quality of life for communities across the UK and reducing the current geographical disparities.
- Net zero: aim to continue tackling climate change, and deliver a Ten Point Plan for a Green Revolution
- Britain: As UK prosperity is built on the integration with global economics, following the exit from the European Union the UK aims to take advantage of the new opportunities to ensure it remains a leading destination for global investment.

iii. Industrial Strategy: Sector Deals

4.1.8 In November 2017 the UK's Sector Deals were announced; these are partnerships between the Government and industries in specific sectors and they aim to create significant opportunities to boost productivity, employment, innovation, and skills:

- Artificial Intelligence
- Automotive
- Construction

- Creative industries
- Life sciences
- Nuclear
- Offshore wind

4.1.9 Since November 2017, Rail and Aerospace were added (December 2018), and Tourism was added in June 2019.

4.2 Regional Economic Strategy

4.2.1 The LLEP has now ceased to function with its role transferred to Leicestershire County Council and Leicester City Council. Nonetheless, the LLEP strategy documents remain the most recent and up to date published documents setting out economic growth strategies at this strategic level.

i. Leicester and Leicestershire Enterprise Partnership (LLEP) – Economic Growth Strategy 2021-2030

4.2.2 The Leicester and Leicestershire Economic Growth Strategy 2021-2030 seeks to deliver recovery and growth following the Covid-19 pandemic, and the post-EU transition, from a position of strength as the region has transformed into a leading technology and knowledge-based economy over the past 10 years.

4.2.3 Building on the global R&D and entrepreneurial expertise of Leicester and Leicestershire's three universities, and excellence in science and engineering, the region is now home to several UK and world-leading centres of new technology and innovation in space and Earth observation, sports science, life sciences, IT and cyber technologies, and automotive engineering.

4.2.4 Leicester and Leicestershire is also the UK's central logistics hub, having gained significant jobs and investment due to the area's strategic location.

4.2.5 The Economic Growth Strategy is built around 4 main priorities: Productivity, Innovation, Inclusion and Sustainability.

- Productivity: Increase GVA and productivity, continue to develop a leading science and technology-led economy
 - Support entrepreneurial, resilient and high growth businesses, in particular in beacon sectors (space and earth observation, life sciences, automotive, sport science and cyber), growth sectors (information communication and technology (ICT), food and drink, logistics and professional and financial services) and key sectors of interests (agriculture,

textiles, creative and cultural, construction, tourism and the visitor economy and the voluntary and non-profit sectors).

- Attract and grow international businesses, investment and visitors and build on past successes such as IBM Leicester Client Innovation Centre, The Access Group Global HQ, MIRA Technology Institute.
- Improve the match between employment in knowledge intensive sectors and skills
- Continue to develop and provide world-class business locations for science, technology and professional services, building on the success of Loughborough University Science and Enterprise Park, MIRA Technology Park, Charnwood Campus Life Sciences Opportunity Zone, SEGRO Logistics Park, Magna Park, Leicester International Gateway and SpacePark Leicester.
- Innovation: Global innovation leadership, increase innovation activities across the whole business base
 - Supporting the outstanding R&D strengths and innovation achievements through work with the region's three universities – De Montfort, Leicester and Loughborough as well as major R&D and technology campuses such as SpacePark Leicester.
 - Capitalising on the interest amongst the Small and Medium Enterprise (SME) base in innovation and knowledge exchange, improving rates of innovation adoption, collaboration and skills acquisition.
 - Helping businesses become more competitive and resilient through technology and innovation adoption and transformation.
- Inclusion: Create a resilient, adaptive workforce where all residents have access to skills and career progression and are paid the living wage
 - Deliver services to prevent increases in youth unemployment, provide employer-led skills development, progression pathways and increase apprenticeships.
 - Reduce the flow of low skilled, poorly qualified individuals into adulthood, and address low qualifications and skills attainment in adults.
 - Address the foundations of labour market exclusion, working conditions, and health.
 - Ensure good access to education and skills attainment, quality jobs, pay and prosperity, particularly amongst deprived or excluded individuals, households and communities.

- Sustainability: Become a leader in zero carbon solutions, with sustainability principles built into everything we do
 - Homes must be affordable and green, and sites for new employment space and premises must be zero carbon developments.
 - Rail improvements and increased modal shift from private to public and sustainable transport.
 - Road improvements to the A46 and A5.

ii. LLEP Skills Plan 2022-2024

- 4.2.6 The 2022-24 LLEP Skills Plan sets out the local priorities and actions required for Leicester and Leicestershire, based on the Local Economic Growth Plan 2021-30.
- 4.2.7 The Skills Plan make several observations and recommendations for future skills requirements.
- 4.2.8 Growth in the Space sector will provide high productivity, highly skilled, well-paid jobs and the Aerospace and Satellite Technology sector is expected to employ 4,367 people by 2030 in the LLEP area.
- 4.2.9 Manufacturing will show negative job growth over the next nine years due to advances in technology (e.g. automated processes) but 77,102 people are still expected to be employed in Advanced Manufacturing and Engineering in 2030.
- 4.2.10 Despite going in opposite directions, even over 10 years, the relative growth of each sector is not large enough to alter the order of sectors by size.
- 4.2.11 The Sector Profiles also highlight sectors where there are less barriers to entry due to qualifications but are still potentially lucrative careers due to advancement opportunities. The sectors highlighted are:
- Low carbon
 - Health and social care
 - Advanced manufacturing and engineering
 - Logistics and distribution
 - Agri-food and drink
 - Retail and wholesale
 - Construction and development
 - Textiles and fashion
 - Tourism and hospitality
- 4.2.12 The Plan suggests that there are two particular golden threads that feature in any discussion about future work – Digital Skills and Green Jobs.
- 4.2.13 To support the ambitions of the LLEP Economic Growth Strategy of being a high skilled economy, half of the workforce would need to be qualified to level 4 or above (higher than A level but lower than degree level).

However, The latest LLEP figures available show that 40% of residents in the LLEP area are currently qualified to Level 4 or above, lower than the England average of 43.1%.

iii. LLEP Local Industrial Strategy 2020

4.2.14 The strategy identifies, through robust and open evidence base, challenges and opportunities and develops a framework to identify achievable priorities and long-term actions.

Table 2. Key Themes of LLEP Local Industrial Strategy

Theme	Challenges	Actions
Ideas	<p>R&D expenditure is below the government’s target of reaching 2.4 per cent of GDP investment in R&D by 2027 and 3 per cent of GDP in the longer term. This has resulted in a lack of commercialisation of new ideas, technology and processes due to underutilisation of the R&D assets in the LLEP area, particularly the capabilities and expertise in the three universities.</p> <p>There is relative immaturity of local innovation infrastructure and clusters with no effective networks to support the convergence of technologies across sectors and allow knowledge transfer between universities and local businesses, particularly SMEs.</p>	<ul style="list-style-type: none"> • Deliver Space Park Leicester as the centre of excellence for earth observation and satellite technology. • Enhance autonomous and electric vehicle assets through the development and expansion of test facilities at the MIRA Technology Park and Bruntingthorpe Proving Ground. • Support the development of SportPark Loughborough as the global centre of excellence in sport and science technology. • Develop the Charnwood Campus Life Sciences Opportunities Zone to create clusters linked to NHS data centre and sports science. • Embed innovation and agri-tech in food and drink production. • Deliver the Melton Mowbray Food and Drink Manufacturing Zone pilot. • Enhance the Leicester and Leicestershire Growth Hub offer to support SMEs to adopt new technology and processes. • Drive local R&D investment and growth in the areas breakthrough sectors and technologies. • Broker partnerships to connect innovative and ambitious businesses to Enterprise

		<p>Zones, global opportunities and ecosystems.</p>
<p>People</p>	<p>Population growth is slowing. At present the proportion of low qualified, entry level jobs is higher than the national average. High volume, low value-added industries have a requirement for labour, rather than skills and also impacts on underutilisation (34% of LLEP area employers reported having under-utilised staff, that is staff with qualifications and skills beyond those required for the role).</p> <p>Conversely, there is a corresponding shortage of qualified technicians to service the increasing demand from high value-added sectors of advanced engineering, life sciences, space technologies, digital and low carbon and to address the high levels of replacement demand, particularly for qualified engineers.</p> <p>Requirement to harness the significant strengths of the FE and HE provision within the LLEP area to meet the skills needs of high value-added sectors and enable further growth opportunities for our large SME base. Enabling a shift in the dynamic from a low-skilled to a high-skilled base as the working age population of the area reduces and the impact of automation on low-skilled jobs starts to take effect.</p> <p>Leicester is ranked as the 21st most deprived local authority area (out of 327) and those who live in disadvantaged circumstances have</p>	<ul style="list-style-type: none"> • Support the development of an integrated FE and HE employer led skills system to upskill the workforce and provide clear local skills progression pathways in high value industries from school through to HE. • Create new high value employment opportunities at the two Leicester and Leicestershire Enterprise Zones in advanced engineering, life sciences, space technologies, digital and low carbon. • Enhance the Leicester and Leicestershire Enterprise Adviser network and Careers Hub to inspire young people and prepare them for the world of work. • Improve leadership and management skills in entrepreneurs and SMEs. • Develop a strategy to harness the knowledge of skilled retirees within the locality, utilising their strengths to tutor/mentor young people in FE. • Develop a digital skills strategy to ensure that employees have the skills required to adapt to new technology. • Utilise health, sport and natural assets to promote healthy living.

	a wide range of health issues that impact on life expectancy and economic inactivity.	
Infrastructure	<p>Leicester and Leicestershire have a strategic central location, but inadequate connectivity (particularly east-west road and rail connectivity to Birmingham, Coventry and the east coast ports) is impacting on the productivity of the logistics and manufacturing sectors due to inefficient movement of people and goods.</p> <p>As a self-contained economy with over 80% of people living and working in the area, there is poor transport connectivity between the city, towns and major employment areas such as East Midlands Enterprise Gateway, resulting in high car dependency, congestion and pollution.</p> <p>There is a need to future proof and promote digital connectivity particularly for application by SMEs and facilitate remote working, particularly in rural areas.</p> <p>There is a high concentration of growing energy intensive sectors such as logistics and manufacturing and increasing housing needs that is creating an urgent need to generate sustainable, low carbon energy.</p>	<ul style="list-style-type: none"> • Deliver the strategically important road and rail projects included in the Midlands Connect Strategy. • Deliver efficient and affordable public transport provision to improve connectivity between the city, towns and key employment and housing sites. • Deliver a network of transport infrastructure to promote cycling and walking and encourage modal shift in travel options. • Deliver facilities for electric vehicles and hydrogen fuel stations for cars, buses and HGVs, targeting vehicle fleet operators (haulage, bus companies and local authorities). • Implement the recommendations of the Energy Infrastructure Strategy. • Improve and promote digital connectivity across urban and rural areas and establish 5G as an enabler of transformation in the logistics and space technologies sectors.
Business Environment	There are a high proportion of businesses in low value-added sectors with low productivity, particularly in manufacturing sectors such as textiles and food and drink and engineering supply chains. This is a result of a lack of investment in upskilling the	<ul style="list-style-type: none"> • Deliver the enhanced Growth Hub offer to provide support to firms to adopt IT, new technologies to improve their productivity, develop innovative business models and access to management skills, creating a

	<p>workforce and the adoption of new technologies and processes by SMEs, which is impacting on their ability to develop globally competitive products and services and resulting in low exports.</p> <p>There is a lack of high-quality office space, particularly in the city centre, commercial space and employment land across Leicester and Leicestershire. This is impeding business expansion in high value added sectors, the attraction of new inward investment and is resulting in business relocation outside of the LLEP area.</p>	<p>robust ecosystem that supports business from start-up to scale-up.</p> <ul style="list-style-type: none"> • Work with DIT to maximise investment and trade opportunities linked to the two Leicester and Leicestershire Enterprise Zones, key sectors and global locations using our international links. • Work with British Business Bank and the Midlands Engine Investment Fund to help SMEs access finance to grow. • Develop a freeport centred on East Midlands Airport to further maximise on our geographic location and sector strengths in manufacturing and logistics. • Improve the supply of employment land and commercial premises for businesses to meet the needs of our growth sectors. • Create new high value employment space within the two Enterprise Zones to create business clusters in advanced engineering, life sciences, space technologies, digital and low carbon. • Increase targeted foreign direct investment in high value-added sectors, with respect to the two Leicester and Leicestershire Enterprise Zones. • Support businesses to move towards carbon neutrality and deliver business efficiencies and a move to the circular economy.
<p>Places</p>	<p>Balancing economic growth whilst protecting natural capital and addressing the climate change challenge.</p>	<ul style="list-style-type: none"> • Enhance Leicester city centre and create a great place to live, work, study and visit. • Support the regeneration and development of town centres to create

	<p>Declining economic activity in the city centre and town centres.</p> <p>Pockets of tenacious deprivation, particularly within urban areas, and the need to improve economic inclusion.</p> <p>A lack of available housing supply and decreasing affordability.</p> <p>A lack of awareness of Leicester and Leicestershire as desirable destination to live, work and visit.</p> <p>The need to address the current and future challenges facing farming and the agricultural economy.</p>	<p>attractive and productive places that people want to live, work, study and invest in.</p> <ul style="list-style-type: none"> • Deliver key programmes to improve employability to reduce deprivation and economic exclusion. • Deliver planned and sustainable housing growth. • Support the development of the cultural, leisure and tourism offer. • Better understand the farming and agricultural economy and how it can be better supported, and local supply chains strengthened.
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4.3 Local Economic Strategy

i. Hinckley & Bosworth – Economic Regeneration Strategy 2021-2025

4.3.1 Economic regeneration is a key corporate priority at Hinckley and Bosworth Borough Council. Of immediate need is to include policies to help the local economic recovery from the unprecedented situation that the UK overall is facing in terms of the COVID 19 pandemic. A further influence will be the impact of Brexit now the UK has left the EU Single Market and Customs Union, and how the end of the transition period will affect the local economy and businesses.

4.3.2 Priorities of the Strategy are presented around key themes: Places, Prosperity, People, Wellbeing, Climate Change, Work in partnership to fulfil the economic potential of the area.

Table 3. Key Themes of Local Economic Strategy

Theme	Priority
Places	<ul style="list-style-type: none"> • Produce new Town Centres’ Strategy vision documents in order to promote the vitality of our town centres and use the emerging Local Plan to provide the planning policy framework to support the delivery • Work with partners including the Hinckley Business Improvement District to develop our plans and new events programme to attract shoppers and visitors to help increase footfall to pre-COVID levels and above in our town centres while maintaining social distancing • Invest in marketing and communication to promote our town centres i.e. shop local campaigns • Re-imagine Hinckley town centre through the new Public Realm Masterplan to identify new opportunities that will secure the ongoing regeneration of Hinckley • To implement the Hinckley High Streets Heritage Action Zone to improve the appearance of identified historic buildings and public spaces • Promote improved walking and cycling access to our town centres and across the borough including between the different centres • Continue to support our rural town centres to help ensure a vibrant and sustainable economy, engage the Local Plan in safeguarding rural centres and rural employment sites continuing to support the sustainable economic growth of rural enterprises • Promote the Investor Prospectus, a guide to development and relocation opportunities, and regularly update its key sites

	<ul style="list-style-type: none"> • Bring forward employment sites and facilitate quality ‘move on’ space for businesses wishing to expand, supporting the sustainable extension of existing employment sites • To promote the MIRA Technology Park and Enterprise Zone • To promote infrastructure projects in order to open up employment and residential sites • To work with tourism partners in relation to delivery of Tourism Growth Plans and tourism key assets and heritage trails • Continue to deliver the Environmental Improvement Programme
Prosperity	<ul style="list-style-type: none"> • To support local businesses in their bids to Government for funding support to help sustain them through recovery from COVID19 • To support the local economy and minimise business closures and help to maintain supply chains • Consider financial impacts on all types of businesses and provide support to access both grant and support programmes from sources such as government, the Leicestershire Growth Hub, Leicestershire County Council and Hinckley & Bosworth Borough Council • Ensure businesses are provided with advice on COVID requirements and are COVID safe • To provide businesses with advice in respect to Brexit, in particular businesses who are challenged by changes in exports, now the UK has left the EU Single Market and Customs Union • Engage with our Employment & Skills Taskforce to deliver its action plan on intervention and support, including securing local data to inform on trends and inform actions • Establish relationships with and an understanding of the needs of both existing and new businesses especially related to skills in order to establish likely future skill requirements of businesses • Facilitate and promote business events by working in partnership on subjects chosen through collaboration with local businesses and education colleagues • Through relevant digital programmes enable businesses to best use superfast broadband opportunities

	<ul style="list-style-type: none"> • Work with tourism partners and the Leicester and Leicestershire Economic Partnership to secure external support for key tourism destinations in our area • Through the Local Plan identify opportunity sites for redevelopment and investment opportunities for the provision of new small-scale employment such as grow-on space and small affordable units for start-ups • Make use of data collection and intelligence to engage with local commercial agents to understand changing market conditions and build confidence • Undertake a review of our own commercial estate and opportunities for the future • Review the opportunities through master planning for potential re-uses of vacant office/commercial buildings in our centres and enable more people to live in appropriate locations of town centres in order to support local businesses
<p>People</p>	<ul style="list-style-type: none"> • Through the Employment and Skills Taskforce to work with local schools, academies and colleges to enable young people to have confidence in their future, raise aspirations and ensure students have an understanding of local employment and training opportunities Specific Action: the provision of events (locational or remote until the pandemic is over) such as Careers Speed Networking, Primary Engineers programme, Secondary Engineers programme and Teen Tech • To promote future sector specific, including low carbon, job opportunities at schools and colleges in order to improve perceptions and attract young people into employment in these sectors • To work with education providers and businesses to match training courses and apprenticeships to local business needs including any replacement demand requirement • To encourage the upskilling of local people, to retain local skills and encourage the retention of local graduates • To support people to overcome barriers to employment and work with the Voluntary and Community Sector to provide support programmes

	<ul style="list-style-type: none"> • To support people wishing to set up in business and those working from home • To work with construction companies and developers on local sites to encourage them to take on local people for jobs, apprenticeships and work placements • To engage with appropriate local transport providers and enablers to help people access employment and training
Wellbeing	<ul style="list-style-type: none"> • Support the wellbeing and health of the local workforce through working in partnership to help with mental health issues, business diversification possibilities and upskilling • To work with Job Centre Plus and other partners to assist people who have recently been made redundant in their search for new job opportunities • Through the Employment & Skills Taskforce help tackle the increase in youth unemployment by engaging with initiatives such as Kickstart • Promote to local businesses wellbeing initiatives such as the Leicestershire and Rutland Sport Wellbeing at Work Charter to improve the health and wellbeing of their staff, and reap the benefits of a healthier workforce
Climate Change	<ul style="list-style-type: none"> • To support the Councils Climate Change Strategy to encourage businesses to share best practise and foster active environments to include increased cycling and walking • Identify how we can support new working practices for businesses which have a positive impact on carbon emissions such as investment in renewable energy technology • To support implementation of the Councils Green Infrastructure Strategy and assist Leicestershire County Council to deliver active travel interventions that will encourage greater use of walking, cycling and electric vehicles • To signpost access to financial assistance initiatives available to support businesses to install low carbon measures and increase their energy efficiency
Work in partnership to	<ul style="list-style-type: none"> • To ensure a broad range of support packages are available to local businesses across all sectors, particularly micro and small enterprises

fulfil the economic potential of the area	<ul style="list-style-type: none"> • To develop strong partnership relationships, which have the capacity to lever in funding where required to deliver both large and small scale projects • Support and work with town centres groups in respect to initiatives and events • To source appropriate Section 106 Agreement funding to support the regeneration of town centres and other appropriate economic development initiatives such as Local Employment and Skills Training
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i. Hinckley & Bosworth – Corporate Plan 2024-2028

4.3.3 Hinckley and Bosworth Corporate Plan aligns with the Economic Regeneration Strategy and offers a vision in creating great places to live, work and enjoy. The Corporate Plan is articulated through three key themes (also in the Economic Regeneration Strategy): People, Places, Prosperity.

Table 4. Key Themes of Corporate Plan

Theme	Objectives	Actions
People	<ul style="list-style-type: none"> • Help people to stay healthy, happy and active and continue to provide initiatives that support children and young people, older people and our vulnerable residents • Maximise our residents’ potential through employment and skills support • Reduce crime and anti-social behaviour. 	<ul style="list-style-type: none"> • Improve the quality of existing homes and increase the availability of affordable housing • Work to prevent all forms of homelessness • Deliver and monitor our cost-of-living support programme • Work with partners to deliver local skills and employment programmes • Support workplace health initiatives • Promote and deliver a wide range of preventative health interventions • Maximise opportunities to participate in physical activity working with sports and health partners • Deliver housing related health projects • Be proactive in tackling emerging community safety threats

		<ul style="list-style-type: none"> • Launch prevention initiatives, including burglary campaigns • Work with partners to prevent and reduce incidents of violence, including domestic violence • Work with partners to develop the capacity of the local voluntary sector • Make the best use of technology to widen our customers’ access to our services whilst ensuring customers retain choice in their contact methods • Include other partners at the Hub to maximise its use and expand accessibility for our residents
<p>Places (Shaping development of the borough)</p>	<ul style="list-style-type: none"> • Adopt a new and ambitious local plan • Work towards a greener borough • Promote sustainable development and initiatives to reduce the carbon footprint of the borough 	<ul style="list-style-type: none"> • Improve planning performance for customers • Adopt the new open space strategy and improve our green spaces by implementing the actions in the new green space delivery plan • Oppose inappropriate development including the Hinckley National Rail Freight proposal due to adverse environmental and social impacts it would cause in the local area • Deliver campaigns on litter, fly tipping and dog fouling • Ensure effective enforcement to tackle issues including breaches of planning control • Increase recycling including the introduction of a new weekly food waste collection with government funding

		<ul style="list-style-type: none"> • Expand and deliver community tree planting schemes • Increase access to electric vehicle charging points across the borough • Secure Green Flag status for our parks and adopting new open spaces • Promote bio-diversity and produce a refreshed Climate Change and Biodiversity Strategy • Reduce the carbon emissions from our own operations • Develop the Parish and Community Initiative Fund to renew focus on climate change/biodiversity • Launch a new community equipment grant for the rural areas • Deliver the actions in the Rural Strategy
<p>Places (Town centres)</p>	<ul style="list-style-type: none"> • Enhance and promote our town centres • Adopt new plans for our key towns • Deliver our UK Shared Prosperity Fund Programme 	<ul style="list-style-type: none"> • Continue to market and promote our town centres, with campaigns to tackle vacant units • Support and work collaboratively with Hinckley Business Improvement District • Deliver our annual events programme • Target key eyesore sites that require improvement • Commission a new masterplan for Hinckley town centre • Refresh Earl Shilton and Barwell town plans • Renew or refresh street furniture within the town centres • Offer shop front improvement schemes across the borough

		<ul style="list-style-type: none"> • Support delivery of Market Bosworth public realm and transport improvement scheme
<p>Prosperity</p>	<ul style="list-style-type: none"> • Boost a wide range of opportunities for economic growth and regeneration by encouraging investment and green growth to provide new jobs as well as more places to live and work across the borough • Support the regeneration and enhancement of our town centres • Continue to boost tourism by working with partners to promote local attractions and grow the visitor economy 	<ul style="list-style-type: none"> • Deliver levelling up economic projects and programmes through the UK Shared Prosperity Fund • Market and promote the borough to both visitors and shoppers • Refresh our Economic Regeneration Strategy • Promote opportunities for inward investment and green energy infrastructure at MIRA Technology Park • Work with partners to boost opportunities for training, employment and housing • Deliver Twycross National Science and Conservation Centre • Provide advice and support services to local businesses • Secure a new site for employment development at Station Field in Market Bosworth • Launch work on installing new Bosworth 1485 Sculpture Trail • Develop new Tourism Strategy for the borough • Explore all options to deliver a new crematorium • Identify further investment and income generation opportunities linked to the council's Investment Strategy • Refresh the Heritage Strategy • Continue to support our rural parishes

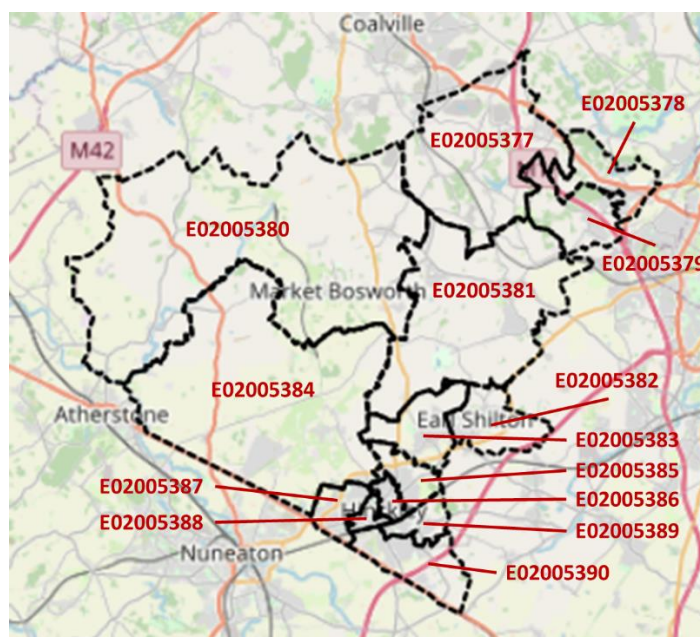
4.4 Socio Economic Profile

4.4.1 This section provides an overview of the key statistics and trends to describe the economy in Hinckley and Bosworth Borough Council.

4.4.2 To analyse the borough, we will attempt to look at the local authority area as a whole, as well as sub-areas within Hinckley and Bosworth, using Middle Super Output Areas where possible:

Table 5. Middle Super Output Areas in Hinckley & Bosworth

E02005377 : Hinckley and Bosworth 001	E02005384 : Hinckley and Bosworth 008
E02005378 : Hinckley and Bosworth 002	E02005385 : Hinckley and Bosworth 009
E02005379 : Hinckley and Bosworth 003	E02005386 : Hinckley and Bosworth 010
E02005380 : Hinckley and Bosworth 004	E02005387 : Hinckley and Bosworth 011
E02005381 : Hinckley and Bosworth 005	E02005388 : Hinckley and Bosworth 012
E02005382 : Hinckley and Bosworth 006	E02005389 : Hinckley and Bosworth 013
E02005383 : Hinckley and Bosworth 007	E02005390 : Hinckley and Bosworth 014



i) Population

4.4.3 Hinckley and Bosworth has a current residential population of 113,660 (ONS Census 2021), which represents 10.5% of the total population within the FEMA and 2.3% of the East Midlands population. Hinckley and Bosworth is the third most populated local authority out of the 8 local authorities forming the FEMA (after Leicester: 368,569 inhabitants; and Charnwood: 183,978 inhabitants).

4.4.4 60% of the population of Hinckley and Bosworth is concentrated in the south east of the Borough, in Hinckley and Earl Shilton (zone identified in red in the following figure). This area enjoys a direct road connection to Leicester via the M69 and the A47.

Figure 1. Areas of Hinckley & Bosworth with Population Density above 10 Persons per Hectare

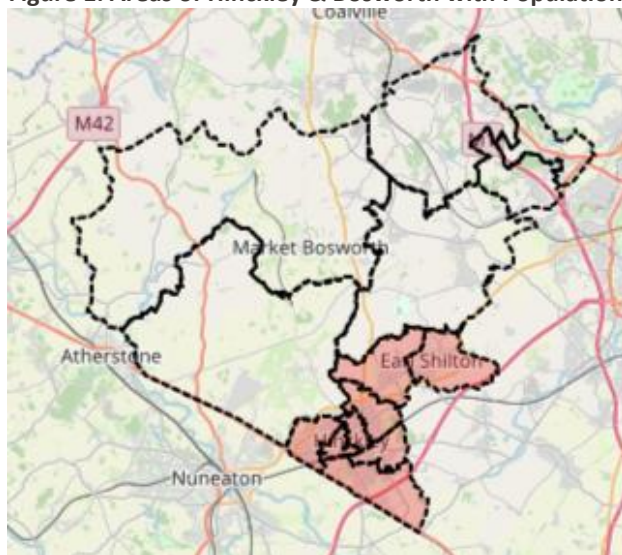


Table 6. Resident Population, Hinckley and Bosworth

	Number of residents	Percentage
Hinckley and Bosworth	113,660	100%
Earl Shilton	10,635	9.4%
South of the Borough	10,464	9.2%
Harrowbrook industrial estate	9,964	8.8%
Barwell	9,155	8.1%
Hinckley town centre	9,116	8.0%
Stanton under Bardon, Bagworth, Thornton, Markfield	9,061	8.0%
Desford and centre east of Borough	8,876	7.8%
Market Bosworth and north west of Borough	8,672	7.6%
South west of Borough	7,409	6.5%
North of Hinckley	6,644	5.8%
East of Hinckley town centre	6,233	5.5%
Ratby	6,063	5.3%
East of Hinckley	6,046	5.3%
Groby	5,322	4.7%

Source: ONS Census 2021

ii) Workplace Employment

- 4.4.5 Hinckley and Bosworth has an economy that supports 44,105 jobs in 2022, which represents 8.6% of the total employment within the FEMA and 2.0% of the East Midlands employment.
- 4.4.6 Between 2015 and 2022, employment has increased by 8.6% in Hinckley and Bosworth. This growth rate is slightly higher than the rate across the FEMA (8.2%) and the East Midlands (7.2%).
- 4.4.7 This compares to 10.5% of the FEMA’s population and 2.3% of the East Midlands’ population, demonstrating that the employment density in Hinckley and Bosworth is lower than across the FEMA or the East Midlands (i.e. fewer jobs per local resident).
- 4.4.8 Employment is not as concentrated in the south east of the Borough as population is, but the eastern half of Hinckley and Bosworth remains the main source of employment, providing close to 75% of all jobs in the Borough.

Table 7. Number of jobs, Hinckley and Bosworth

	Number of Jobs	Percentage
Hinckley and Bosworth	44,105	100%
Harrowbrook industrial estate	6820	15.5%
South of the Borough	5745	13.0%
Desford and centre east of Borough	5525	12.5%
Hinckley town centre	5105	11.6%
Market Bosworth and north west of Borough	3700	8.4%
Stanton under Bardon, Bagworth, Thornton, Markfield	3655	8.3%
South west of Borough	2925	6.6%
North of Hinckley	2435	5.5%
Barwell	1785	4.0%
East of Hinckley town centre	1665	3.8%
Groby	1380	3.1%
Earl Shilton	1320	3.0%
Ratby	1260	2.9%
East of Hinckley	785	1.8%

Source: BRES, 2022

- 4.4.9 To identify the sectoral concentration of employment, analysis of the Business Registration and Employment (BRES) data has been undertaken. The table below shows that the sectors providing the highest number of jobs in Hinckley and Bosworth is manufacturing (14.7%), accommodation and food services (12.8%), health (8.5%), arts, entertainment, recreation & other services (8.1%) and information and communications (7.6%).
- 4.4.10 However, the largest sector in Hinckley and Bosworth (manufacturing) has seen a decline in employment between 2015 and 2022 of -20.2%. This was compensated by a growth of other large sectors such as

accommodation and food services (+112.6%), health (+35.7%), arts, entertainment, recreation & other services (+81.0%) and information and communications (+448.4%).

- 4.4.11 Another way of calculating the concentration of employment in one sector is to do a Location Quotient (LQ) analysis. This method assesses the particular concentration of employment in one sector within a defined area (Hinckley and Bosworth) to the concentration of employment in this sector within a different area (the FEMA). Therefore, an LQ greater than 1 indicates a concentration of employment in this sector within the study area, whilst an LQ below one indicates no concentration of employment in this sector within the study area.
- 4.4.12 The summary table shows that out of the five largest sectors in Hinckley and Bosworth, only manufacturing and accommodation and food services could be considered as clusters of employment in the Borough, showing an LQ above one against the FEMA.
- 4.4.13 The LQ analysis shows that the Borough specialises in other activities, such as transport and storage (which is of reasonable size and grew by 30% between 2015 and 2022), motor trades (smaller size sector but growing, with +56.5% in employment between 2015 and 2022) and construction (medium size sector, with good growth of +38.7% between 2015 and 2022).

Table 8. Location Quotient Analysis of Employment

	Number of jobs (2022)	Change 2015-2022	% of total in area (2022)	LQ FEMA
1 : Agriculture, forestry & fishing (A)	70	-6.7%	0.2%	0.14
2 : Mining, quarrying & utilities (B,D and E)	855	-52.1%	1.9%	1.15
3 : Manufacturing (C)	6,580	-20.2%	14.7%	1.31
4 : Construction (F)	2,650	38.7%	5.9%	1.18
5 : Motor trades (Part G)	1,635	56.5%	3.6%	1.47
6 : Wholesale (Part G)	2,275	21.3%	5.1%	1.15
7 : Retail (Part G)	2,275	-41.5%	5.1%	0.81
8 : Transport & storage (inc postal) (H)	2,775	30.0%	6.2%	1.73
9 : Accommodation & food services (I)	5,740	112.6%	12.8%	1.21
10 : Information & communication (J)	3,400	448.4%	7.6%	0.99
11 : Financial & insurance (K)	1,190	88.9%	2.7%	0.77
12 : Property (L)	680	56.3%	1.5%	0.75
13 : Professional, scientific & technical (M)	590	-81.6%	1.3%	0.84
14 : Business administration & support services (N)	3,200	-17.9%	7.1%	0.69
15 : Public administration & defence (O)	2,895	484.8%	6.5%	0.35
16 : Education (P)	590	-83.1%	1.3%	0.96
17 : Health (Q)	3,800	35.7%	8.5%	0.74
18 : Arts, entertainment, recreation & other services (R,S,T and U)	3,630	81.0%	8.1%	1.01

Source: BRES 2022

4.4.14 An assessment of LQs at the sub-area level (against the FEMA) provides a detailed geographical breakdown and shows where specific sectors are located in the Borough. LQs for a sub-area are relative to the FEMA – an LQ of 1.0 means that the sub-area has a sectoral representation equal to the FEMA average; an LQ greater than 1.0 means the sub-area has a higher than average representation; an LQ lower than 1.0 means a lower than average representation.

4.4.15 In particular, it can be noted that:

- **msoa:E02005377 (Stanton under Bardon, Bagworth, Thornton, Markfield)** has a high concentration of employment in mining, quarrying and utilities (not surprising given the presence of quarries in this MSOA, also small size sector for the Borough), manufacturing, construction, motor trade and wholesale. This demonstrates an industrial character of the area in terms of employment provision.
- **msoa:E02005378 (Groby)** has a high concentration of employment in manufacturing and construction. This demonstrates an industrial character of the area in terms of employment provision.
- **msoa:E02005379 (Ratby)** shows a high concentration in construction and education, and smaller concentration in health. This demonstrates an economy turned towards services.
- **msoa:E02005380 (Market Bosworth and north west of Borough)** shows a high concentration in accommodation and food services, information and communication and arts, entertainment, recreation & other services. This demonstrates an economy turned towards services.
- **msoa:E02005381 (Desford and centre east of Borough)** shows a high concentration in manufacturing and transport and storage. This demonstrates a high specialisation of this sub-area in the manufacturing sector (with supply chain in transport and logistics).
- **msoa:E02005382 (Earl Shilton)** shows a high concentration in education, construction, financial and insurance. This demonstrates a more diverse economy.
- **msoa:E02005383 (Barwell)** shows a high concentration in manufacturing, construction and motor trade, demonstrating a more industrial/service economy.
- **msoa:E02005384 (south west of Borough)** has high concentration of employment in accommodation and food services, information and communication, professional, scientific & technical services, and education. This shows a more diverse economy geared towards higher value sectors (R&D), with a distinctive influence of the MIRA Technology Park (Europe's leading mobility R&D location for developing the latest automotive technology).

- **msoa:E02005385 (north of Hinckley)** has high concentration of employment in construction, information and communication, property, professional, scientific & technical services and education.
- **msoa:E02005386 (Hinckley town centre)** has high concentration of employment in retail, financial and insurance, property, health, arts, entertainment, recreation & other services. The economy is turned towards services, which is typical of town centres.
- **msoa:E02005387 (Harrowbrook industrial estate)** has high concentration of employment in mining, quarrying & utilities, manufacturing, motor trades, wholesale, transport and storage. This aligns with the industrial character of the area.
- **msoa:E02005388 (East of Hinckley town centre)** shows a concentration of employment in retail, accommodation and food services as well as a very strong concentration in public administration. This reflects the central location, on the edge of the town centre.
- **msoa:E02005389 (east of Hinckley)** is specialised in employment in the education sector.
- **msoa:E02005390 (south of the Borough)** is very highly specialised in transport and storage. This is driven by the presence of two major employers in this sub-area (Amazon and DPD).

Table 9. Location Quotient Analysis of Employment by Middle Super Output Area

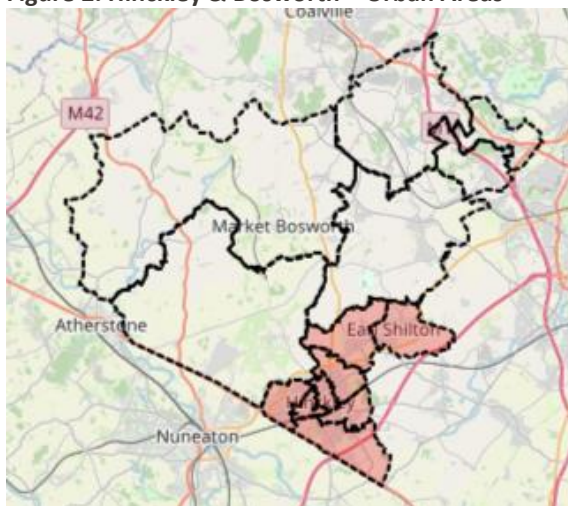
	Stanton under Bardon, Bagworth, Thornton, Markfield	Groby	Ratby	Market Bosworth and north west of Borough	Desford and centre east of Borough	Earl Shilton	Barwell	South west of Borough	North of Hinckley	Hinckley town centre	Harrowbrook industrial estate	East of Hinckley town centre	East of Hinckley	South of the Borough
1 : Agriculture, forestry & fishing (A)	-	-	1.4	0.1	0.2	-	-	0.9	-	0.1	-	-	-	-
2 : Mining, quarrying & utilities (B,D and E)	3.3	-	-	0.1	0.1	-	-	1.0	0.2	-	4.4	1.4	0.8	0.3
3 : Manufacturing (C)	1.7	3.8	0.9	0.8	2.0	0.8	2.0	0.4	0.6	0.4	2.6	0.4	0.3	0.6
4 : Construction (F)	2.1	2.1	2.7	1.6	0.8	1.9	1.6	1.0	1.8	1.0	0.7	0.9	1.3	0.4
5 : Motor trades (Part G)	3.3	0.9	1.1	1.3	0.4	1.5	3.9	1.0	1.2	1.2	2.6	0.4	1.5	0.5
6 : Wholesale (Part G)	3.7	0.4	0.3	0.5	0.8	1.3	1.6	1.0	0.7	0.2	2.3	1.0	0.3	0.5
7 : Retail (Part G)	0.4	0.5	0.8	0.3	0.8	1.2	0.7	1.0	1.1	2.0	0.3	1.7	1.2	0.4
8 : Transport & storage (inc postal) (H)	0.4	1.0	0.1	0.5	3.0	0.5	0.7	0.2	0.1	0.3	1.6	0.2	-	7.0

9 : Accommodation & food services (I)	0.6	0.9	1.2	2.5	0.6	1.2	0.9	2.1	1.1	1.5	0.6	1.6	1.0	1.4
10 : Information & communication (J)	0.4	0.5	1.0	3.5	0.7	0.8	0.4	1.9	1.5	0.7	0.7	1.1	0.9	0.3
11 : Financial & insurance (K)	0.1	0.4	0.6	0.7	0.3	1.7	0.4	0.9	-	3.9	-	0.3	-	0.4
12 : Property (L)	0.4	0.8	0.4	1.1	0.2	-	-	0.7	2.3	1.9	0.2	1.4	1.1	0.4
13 : Professional, scientific & technical (M)	0.5	0.6	0.7	0.6	0.9	0.7	0.3	2.4	2.1	0.6	0.8	0.7	0.7	0.4
14 : Business administration & support services (N)	0.4	0.6	0.3	0.3	0.8	0.4	0.7	0.9	0.5	0.7	1.2	0.1	0.5	0.7
15 : Public administration & defence (O)	0.0	-	-	0.1	0.0	0.1	-	-	-	1.0	-	5.4	0.3	-
16 : Education (P)	0.7	0.8	2.7	1.5	1.0	2.1	0.9	1.9	1.4	0.4	0.3	1.0	3.6	0.4
17 : Health (Q)	1.0	0.3	1.4	0.9	0.6	1.2	1.1	0.1	1.1	1.8	0.1	1.1	1.1	0.4
18 : Arts, entertainment, recreation & other services (R,S,T and U)	0.8	0.2	0.9	2.7	0.5	1.0	0.8	1.0	1.2	2.0	0.2	0.6	1.6	0.9

iii) Rural vs Urban Employment

4.4.16 The figure below provides a breakdown of employment in Hinckley and Bosworth between rural and urban areas, where urban areas are defined as the south east of the Borough, which has the only MSOAs where population density is above 10 persons per hectare.

Figure 2. Hinckley & Bosworth – Urban Areas

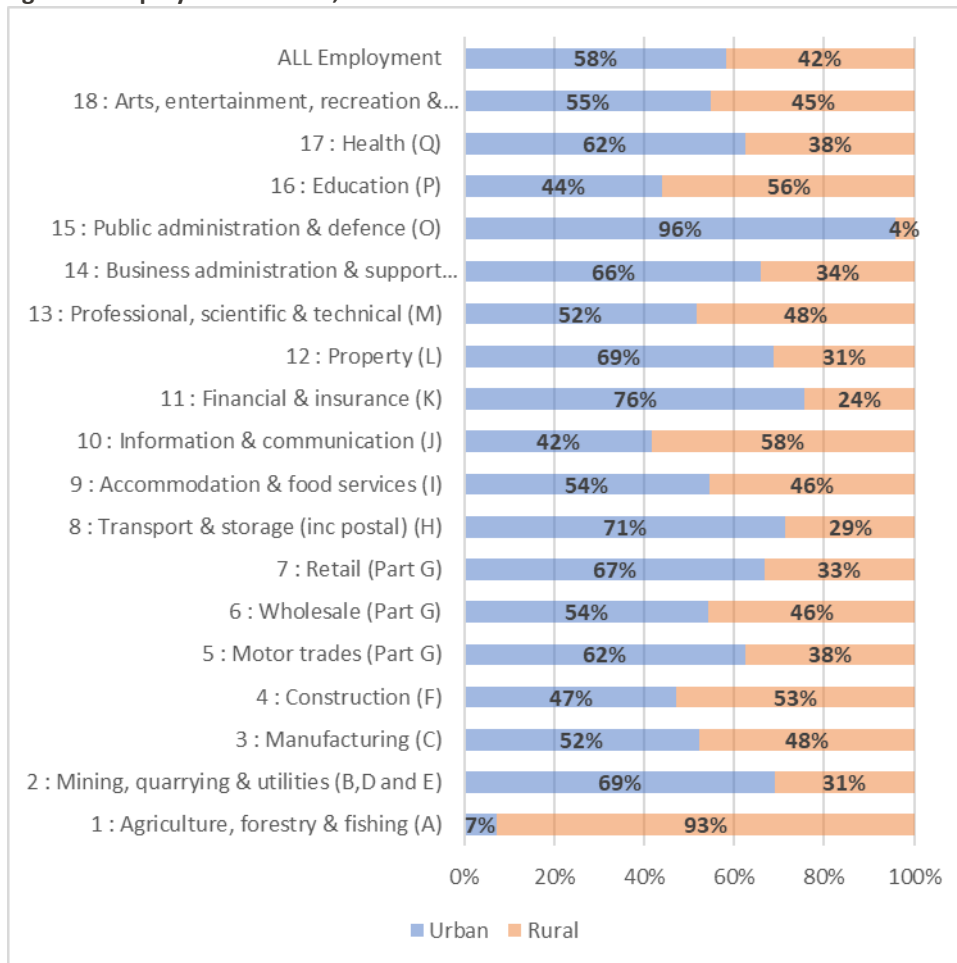


4.4.17 This shows that 58% of total jobs in Hinckley and Bosworth are located within urban areas and 42% in rural areas.

4.4.18 Some expected sectors have much higher prevalence in rural locations such as Agriculture, forestry, and fishing. Some, like Mining and Quarrying would also be expected to be predominantly present in rural areas, but in Hinckley and Bosworth are mainly located in urban areas. Data shows that a large number of jobs in this sector are located in the Harrowbrook Industrial Estate area (where employment could be registered, at head office, whilst workers are actually active in rural areas).

4.4.19 All other sectors tend to have a majority of employment located in urban areas, with a few exceptions where the share of total employment in urban areas is just below 50% (such as in Construction (47%), Information and Communication (42%), and Education (44%)).

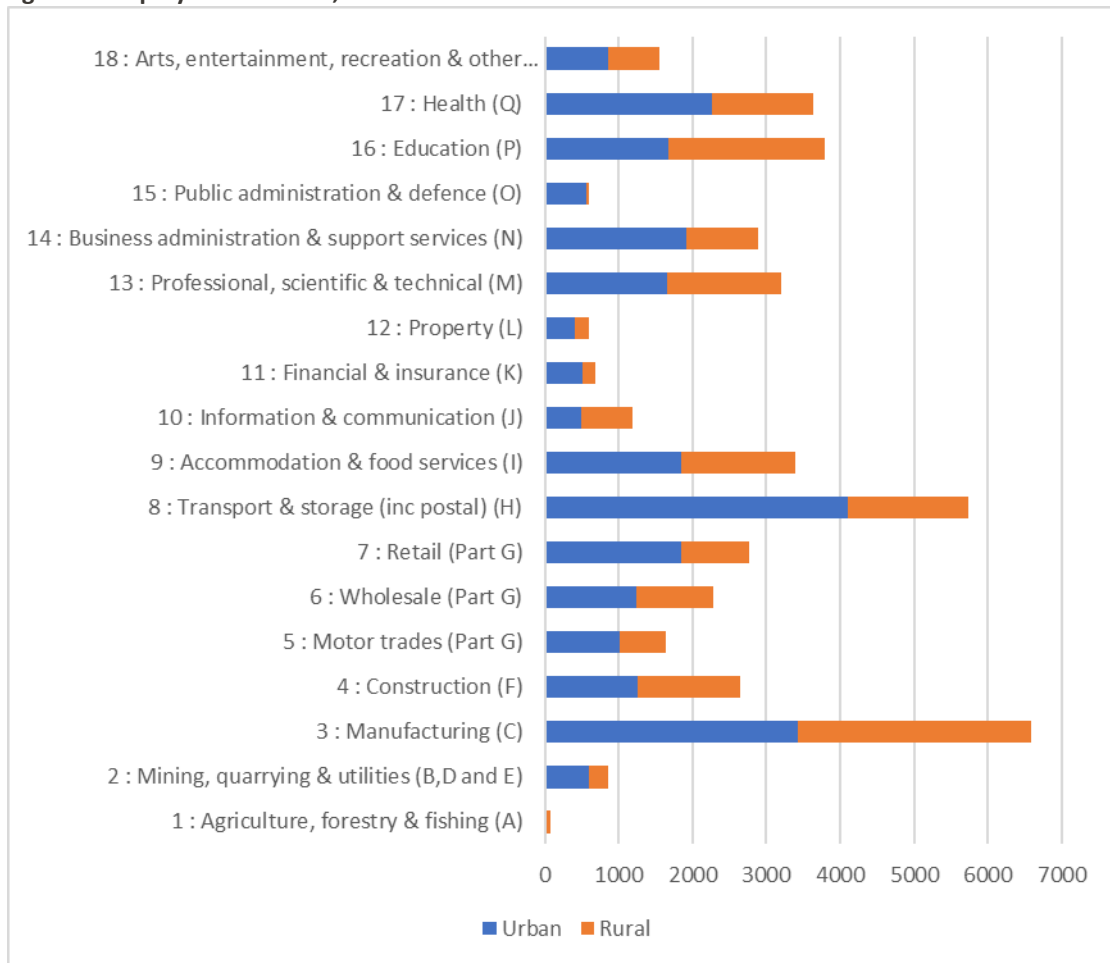
Figure 3. Employment Sectors, Rural vs Urban %



Source: BRES 2022

- 4.4.20 The figure below shows the same underlying data as above but provides a quantification of employment for each sector. This shows the relative sizes of each sector in terms of employment jobs.
- 4.4.21 This highlights that many of the sectors with larger representation in rural locations have small to medium overall levels of employment in the Borough (i.e. agriculture, forestry and fishing, construction, professional, scientific and technical services, education, health). The only exception is manufacturing where employment is distributed almost evenly between urban and rural areas and where the sector is a large provider of employment in the Borough.

Figure 4. Employment Sectors, Rural vs Urban Total

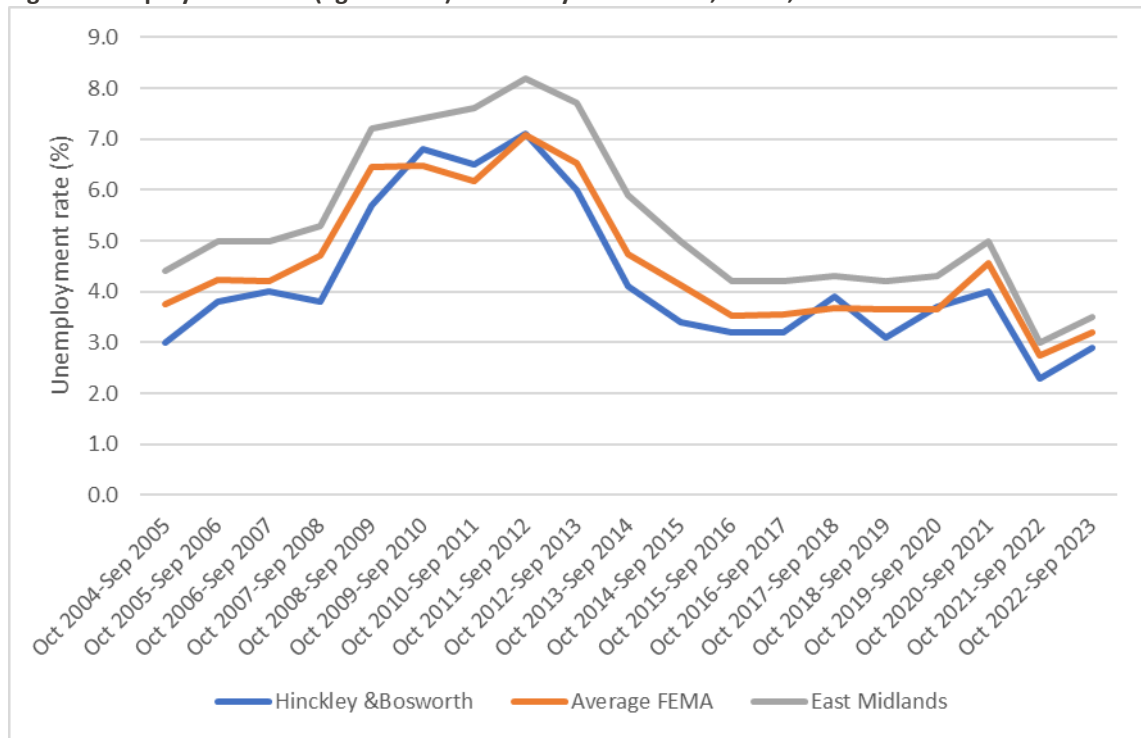


Source: BRES 2021

iv) Unemployment

4.4.22 The graph below shows the trend of employment rates (aged 16-64) in Hinckley and Bosworth, the FEMA, and the East Midlands between 2004 and 2021. This shows that unemployment rate in the Borough was consistently lower compared to the East Midlands and generally lower than the FEMA average (with the exception of the period from October 2008 to September 2012, 2017/18 and 2019/20).

Figure 5. Employment Rate (aged 16-64) – Hinckley & Bosworth, FEMA, and East Midlands



Source: Annual Population Survey, 2023

v) Population and Labour Supply Growth

4.4.23 Hinckley and Bosworth population was estimated at 116,327 in 2023 and projected to reach 139,636 by 2043 (based on ONS figures), an increase of 20,802 inhabitants in the space of 20 years, or 17.5%.

4.4.24 This is above the FEMA and East Midland’s growth rates, which are expected to achieve a 13.5% and 10.2% population growth respectively.

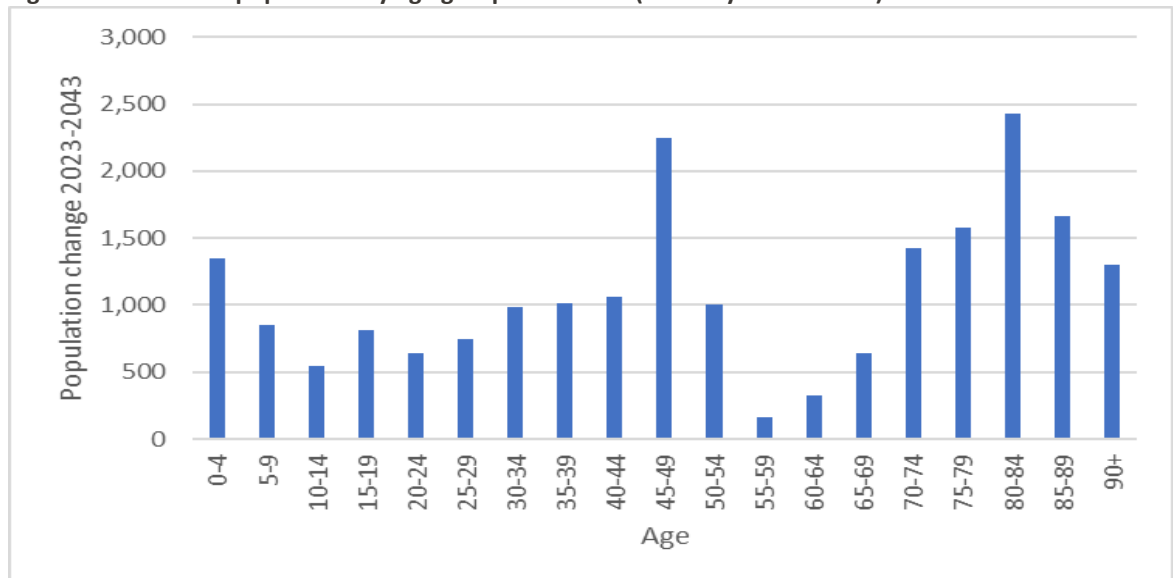
Table 10. Population Projections 2023-2043

	2023	2043	Increase 2023-43	% 2023-43
Hinckley & Bosworth	118,834	139,636	20,802	17.5%
FEMA	1,103,674	1,252,236	148,562	13.5%
East Midlands	4,984,600	5,490,799	506,199	10.2%

Source: ONS Population Projections

4.4.25 The figure below shows that population will increase across all age groups, with however some variations. Close to 25% of the population growth in Hinckley and Bosworth between 2023 and 2043 will be driven by an increase in population aged 45-49 and 80-84.

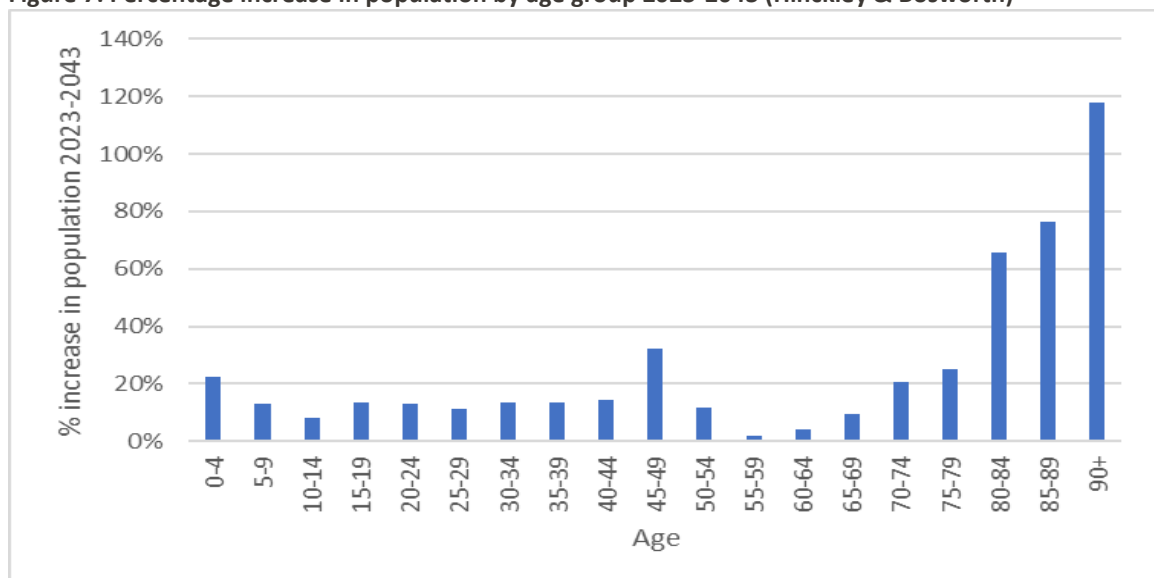
Figure 6. Increase in population by age group 2023-2043 (Hinckley & Bosworth)



Source: ONS Population Projections

4.4.26 When assessed in terms of proportional growth, the figure below clearly shows a trend of an aging population whereby the highest population increase (in percentage) will be in the age groups over 65 years old, with population increase in the over 90's being 118%. In accordance with this, for the ages 0 to 64, the projected population increase ranges between 2% (55-59 years old) to 32% (45-49 years old).

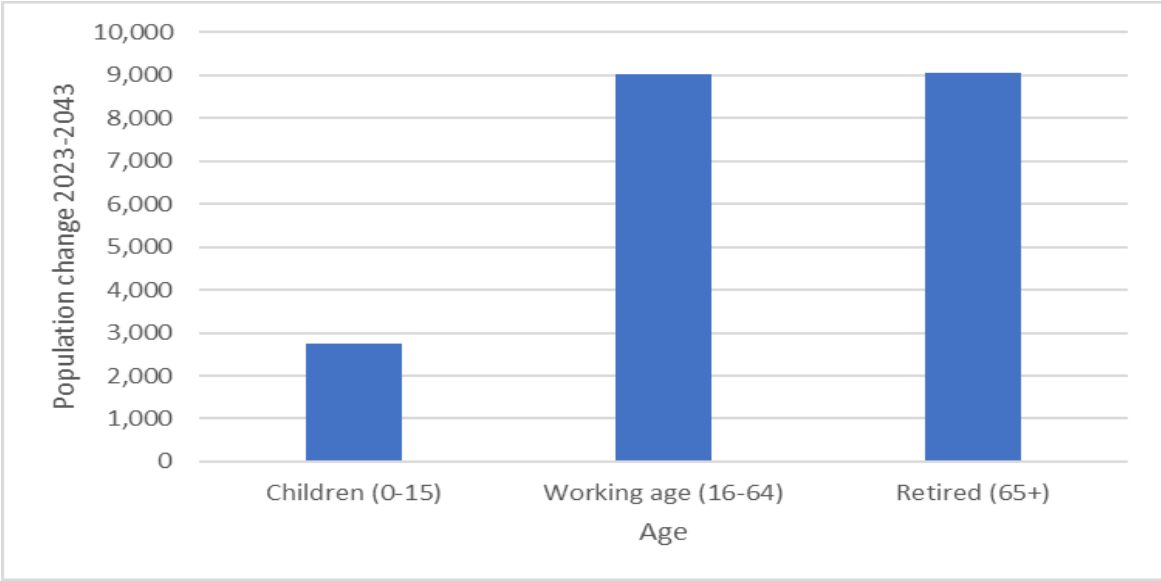
Figure 7. Percentage increase in population by age group 2023-2043 (Hinckley & Bosworth)



Source: ONS Population Projections

Working age population defined as aged 16 to 64, is expected to increase by 9,009 (representing a 12.5% increase in this age group). This means that the majority of population growth will be driven by children (aged 15 and below), with 2,750 additional inhabitants in this age group (+14% in this group) and retired-aged people (aged 65 and over), with 9,042 additional inhabitants in this age group (+33.6% in this group).

Figure 8. Change in population by age group 2023-2043 (Hinckley & Bosworth)



Source: ONS Population Projections

vi) Annual Earnings

4.4.27 The median gross annual, workplace-based earnings are shown in the table below. This indicates that average earnings in Hinckley and Bosworth are above the FEMA and regional averages.

4.4.28 As the resident-based median gross annual earnings is higher than the workplace-based one, we can conclude that residents of Hinckley and Bosworth who work outside the Borough have a higher median gross annual earnings than residents working within the Borough.

Table 11. Median Gross Annual Earnings (2022)

	Median Gross Annual Earnings (£)	
	Workplace Analysis	Resident Analysis
Hinckley & Bosworth	33,077	33,519
FEMA	31,148	32,558
East Midlands	31,634	32,588

Source: ONS, Annual survey of hours and earnings, 2023

4.4.29 To provide additional context, the table below shows the average earnings alongside the median house price, and the resulting affordability ratio. The table shows that despite average annual earnings being

superior in Hinckley and Bosworth than in the East Midlands, the affordability ratio is higher (i.e. housing is more expensive in relation to gross earning).

4.4.30 It can be noted that housing affordability is better in Hinckley & Bosworth than in the FEMA, which would contribute to the faster population growth previously mentioned for the Borough.

Table 12. Median Gross Workplace Annual Earnings (2022), House Price, and Affordability Ratio

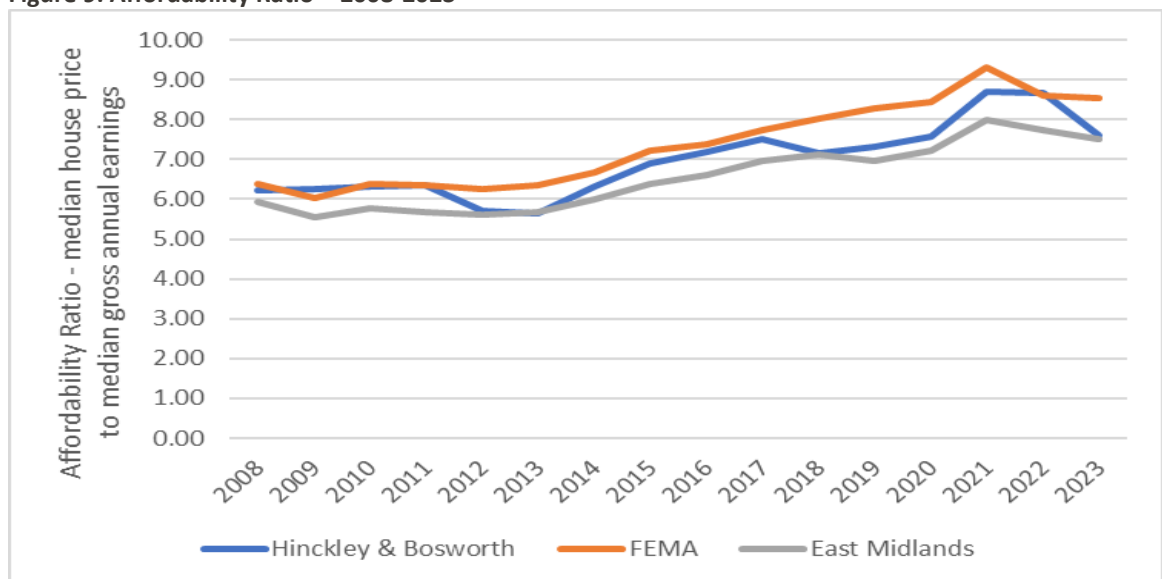
	Median Annual Earnings (£)	Median House Price (£)	Affordability Ratio
Hinckley & Bosworth	33,077	251,750	7.61
FEMA	31,148	266,469	8.55
East Midlands	31,634	238,000	7.52

Source: ONS, 2023

4.4.31 The chart below shows that the housing affordability ratio between 2008 and 2023. This shows that housing in Hinckley and Bosworth has on average been consistently less affordable than in the East Midlands but more affordable than housing in the FEMA.

4.4.32 Housing affordability has slightly worsened in all three comparison areas between 2008 and 2023.

Figure 9. Affordability Ratio – 2008-2023



Source: ONS, 2023

vii) Commuting Patterns

4.4.33 The commuting patterns of the working residents of the Borough and the workforce employed in the Borough are important in understanding the housing and employment role of the Borough in the context

of the broader region. The following table summarises the in and out commuting patterns for the Borough as at the time of the 2021 Census.

- 4.4.34 The data also shows that a very large number of people in the Borough were “mainly” working from home at the time of the survey (about 50% of all workers). This figure is to be taken with precautions, as the Census 2021 was undertaken through the Covid-19 crisis and general lockdowns period, therefore influencing the responses collated. Some workers may now have returned to the office on a more regular and permanent basis since.
- 4.4.35 The data also shows that 71% of workers in Hinckley and Bosworth are also residents of the Borough. Leicester, Nuneaton and Bedworth, Blaby and North West Leicestershire are the main Local Authorities workers in Hinckley and Bosworth come from. These Local Authorities are also important location in terms of provision of employment for residents of Hinckley and Bosworth, with negative net flows (more residents commuting out for work than external workers commuting into the Borough for work) observed with Leicester and Blaby.

Table 13. In and Out flows of Hinckley and Bosworth Commuters

		Origins of Hinckley and Bosworth Workers	Work Locations of Employed Residents of Hinckley and Bosworth	Net Flow of Workers into Hinckley and Bosworth
Hinckley and Bosworth	Mainly working at or from home, No fixed place	24,370	24,370	0
	Not working at or from home	13,337	13,337	
Leicester		2929	3959	-1030
Nuneaton and Bedworth		2523	1771	752
Blaby		2190	2400	-210
North West Leicestershire		1715	1378	337
Charnwood		917	1168	-251
Coventry		916	1265	-349
Harborough		667	1280	-613
North Warwickshire		563	778	-215
Rugby		356	717	-361
Birmingham		314	306	8
Oadby and Wigston		300	288	12
Elsewhere in UK		1976	2875	-899
Total		53,073	55,892	-2819

viii) Qualifications

- 4.4.36 The following table compares the average level of education of the workforce in Hinckley and Bosworth, by industry, with the workplace population in the FEMA and the East Midlands.
- 4.4.37 This analysis shows that the Borough has a workforce qualified above average (compared to FEMA and region) in sectors such as manufacturing, construction, administrative and support service activities, and public services. These industries could therefore be highly competitive and represent a strength for the local economy.
- 4.4.38 On the other hand, the average level of qualifications in other industries, usually industries which would be described as highly qualified industries, tend to be below the FEMA or East Midlands average. This is the case in information and communication, financial and insurance activities, real estate activities, education and human health. This could represent a challenge for the future growth of those sectors in Hinckley and Bosworth, as businesses may wish to develop their activities in an area where they can access qualified workforce.

Table 14. Qualification Index Score by Industry (workplace population)

	Qualification Index Score		
	Hinckley & Bosworth	FEMA	East Midlands
A, B, D, E Agriculture, energy and water	2.80	2.82	2.74
C Manufacturing	2.71	2.49	2.62
F Construction	2.88	2.86	2.84
G Wholesale and retail trade; repair of motor vehicles and motor cycles	2.52	2.57	2.53
H Transport and storage	2.48	2.43	2.41
I Accommodation and food service activities	2.49	2.45	2.45
J Information and communication	3.28	3.35	3.32
K Financial and insurance activities	3.10	3.19	3.13
L Real estate activities	3.00	3.01	3.02
M Professional, scientific and technical activities	3.43	3.44	3.42
N Administrative and support service activities	2.43	2.41	2.41
O Public administration and defence; compulsory social security	3.21	3.20	3.19
P Education	3.39	3.40	3.40
Q Human health and social work activities	3.00	3.16	3.14
R, S, T, U Other	2.95	3.03	3.04

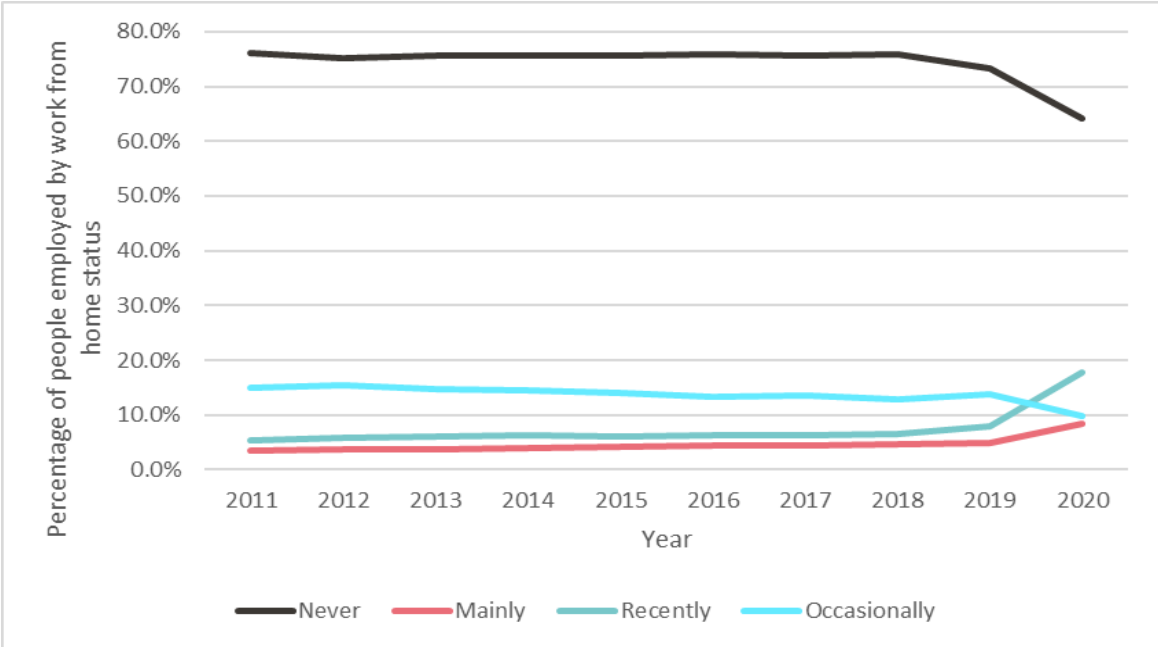
4.5 Changes in Patterns of Home Working

i) Longer Term Trends in Home Working

4.5.1 Homeworking has steadily been rising for the past few decades, although this trend has accelerated and risen to prominence since the Covid-19 pandemic and the consequential lockdowns.

4.5.2 The chart below shows the level of homeworking in the UK between 2011 and 2020. This shows that the percentage of employed people mainly working from home rose from 3.6% in 2011, to 8.3% in 2020 when the Covid-19 pandemic first started. Notably, the percentage of people who never work from home has dropped from 76.1% to 64.1% between 2011 and 2020.

Figure 10. Levels of Homeworking in the UK, 2011 - 2022



Source: ONS, 2020

4.5.3 ONS data from the end of this pre-Pandemic period in 2020 shows Hinckley and Bosworth having a higher level of home working compared to UK levels.

4.5.4 This shows there are comparatively higher amounts of people recently and occasionally working from home in Hinckley & Bosworth (40.6%) compared to the rest of the UK (27.6%).

4.5.5 Here it should be recognised that this data is taken from a 2020 Office for National Statistics dataset, and as such is likely to start showing the impacts of Covid-19 and the change in the prevalence of homeworking.

Table 15. Percentage of work from home status

	Never	Mainly	Recently	Occasionally
UK	64.1%	8.3%	17.8%	9.8%
Hinckley & Bosworth	52.4%	7.0%	19.7%	20.9%

Source: ONS, 2020

- 4.5.6 The table below shows the impact that the Covid Pandemic and related lockdowns had on homeworking. Nationally, across all sectors the level of homeworking jumped from 6% to 51%. The 2020 figures are from during the first national lockdown period where homeworking was strictly enforced unless travelling to a place of work was necessary. As such, this figure represents the highest level of home working, and is probably close to representing a maximum feasible level of homeworking.
- 4.5.7 It clearly shows the differences in homeworking between different sectors, and the extent to which different sectors can feasibly support largescale homeworking and which cannot. The sectors with the highest levels of homeworking include Information and Communications (23.3%), Professionally, Scientific and Technical Activity (17.8%), Extraterritorial organisations (16.6%), and Real Estate Activities (15.3%). It is notable that this are all sectors which predominantly occupy office accommodation.
- 4.5.8 Conversely, the lowest levels of homeworking are projected to be in Accommodation and Food Services (2.4%), Transport and Storage (2.9%), Water Supply, Sewerage and Waste (4.5%), Education (5.8%), and Health and Social Work (5.8%).

Table 16. Homeworking Levels – Pre, Peak, Post Covid – Nationally

	Pre-Covid (2019)	Peak Covid (2020)
Manufacturing	4.4%	29.5%
Electricity, gas, air cond supply	4.9%	36.4%
Water supply, sewerage, waste	1.9%	36.4%
Construction	4.5%	29.9%
Wholesale, retail, repair of vehicles	3.9%	49.2%
Transport and storage	1.9%	41.1%
Accommodation and food services	3.4%	31.7%
Information and communication	15.4%	75.4%
Financial and insurance activities	5.4%	78.9%
Real estate activities	13.6%	64.7%
Prof, scientific, technical	13.5%	78.9%
Admin and support services	6.0%	43.9%
Public admin and defence	2.7%	78.9%
Education	3.0%	86.0%
Health and social work	4.1%	21.7%
Arts, entertainment and recreation	11.2%	71.1%
Other service activities	10.2%	no data
Households as employers	14.1%	no data
Extraterritorial organisations	4.6%	no data
Total	6.0%	51.2%

Source: Annual Population Survey, 2020

ii) Changes in Home Working Since the Pandemic

4.5.9 The latest data from ONS² shows working practices nationally for the period September 2022 to January 2023. This shows that for all workers, just over half (56%) travel to work only (i.e. and didn't work from home) in the previous week; 16% worked from home only; and 28% did some form of hybrid working³. The proportion of home working is double for self-employed workers.

4.5.10 Corresponding ONS data⁴ for pre-Pandemic shows that 6% of workers worked mainly from home in 2019 and that this had been increasing very slowly up from 5% in 2012. This highlights the considerable jump in the prevalence in home working and hybrid working due to the Pandemic and highlight how the prevalence of home working has changed since the Pandemic.

² Characteristics of Homeworkers, Great Britain: September 2022 to January 2023, ONS 2023

³ The ONS definition of a "hybrid worker" as any working adult who has worked at home for at least one day and has also travelled to work for at least one day in the reference week.

⁴ ONS, Annual Population Survey 2020

Table 17. Location of work by employment status, National

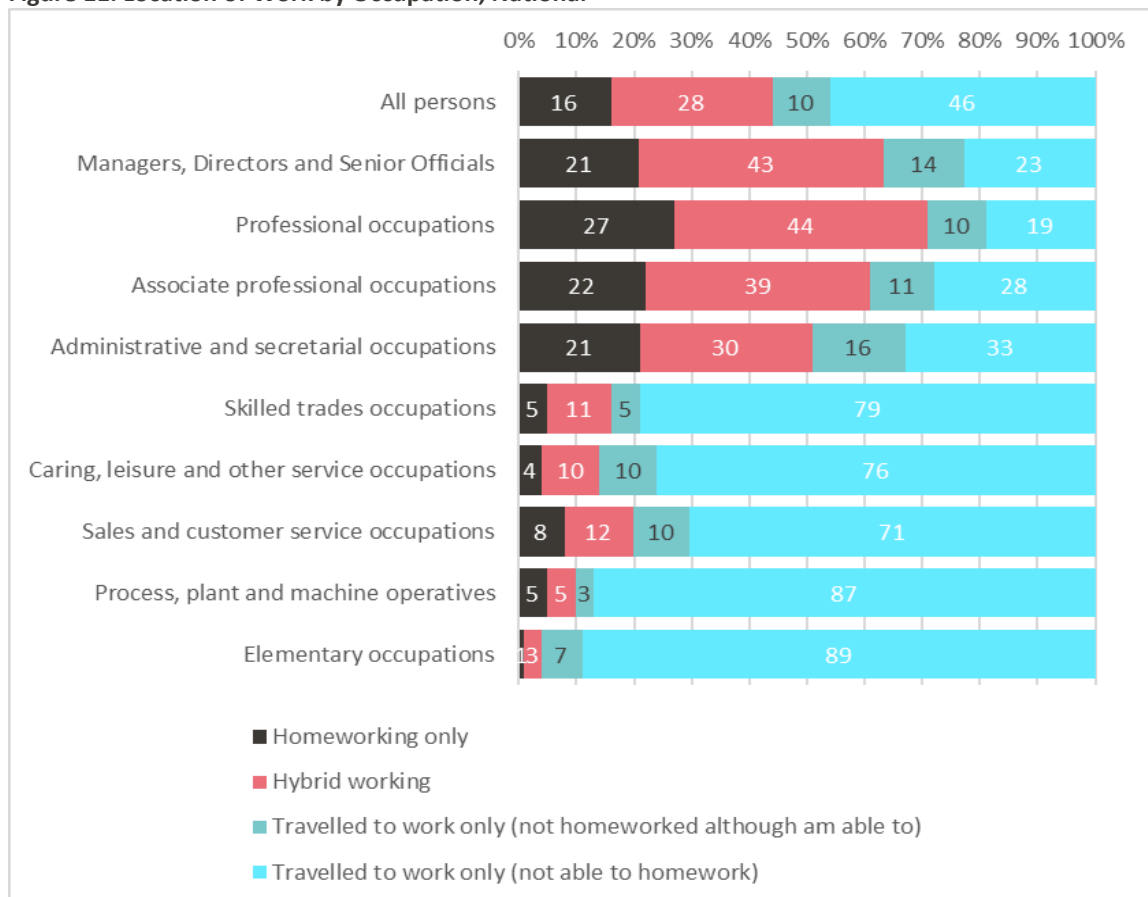
	All persons	Employed	Self-employed	Other
Home working only	16%	14%	32%	20%
Hybrid working	28%	28%	25%	9%
Travelled to work only	56%	57%	43%	71%

Source: *Source: ONS, 2023*

4.5.11 The levels of homeworking differ greatly across sector and occupation. The latest ONS figures don't provide a breakdown by industrial sector but do by occupation, shown in the figure below. This shows a stark contrast between occupation groups 1-4 - where the average rate of home or hybrid working is 62% - and groups 5-9 - where the average rate of home or hybrid working is 13%.

4.5.12 The data also breaks down those who travel to their place of work only (i.e. never work from home) into two categories - those who are not able to work from home, and those who are able to but chose not to. The data clearly shows that the majority of those who do not work from home are unable to. Across all occupations, 82% of those who always travel to a place of work cannot work from home.

Figure 11. Location of Work by Occupation, National



Source: *Source: ONS, 2023*

4.5.13 The ONS data shows that the overall levels of homeworking only have increased slightly on pre-Pandemic levels. However, the biggest increase has been the proportions of hybrid workers. However, this is a nebulous term covering a wider range of working patterns ranging from travelling in to work one day per week, to working from home one day per week.

4.5.14 The balance of hybrid working is still something many businesses are exploring and working practices and corporate responses and policies have been constantly changing since the Pandemic. These factors will have a considerable impact in determining future floorspace requirements. LSH have recently undertaken an occupier survey to assess current business practices across a range of office-based industries.

iii) LSH Occupier Survey

4.5.15 LSH's May 2023 annual office occupier survey provides a snapshot of attendance levels, attitudes to hybrid working and the ongoing impact of shifting work patterns on companies' space requirements. This year's survey builds on a similar exercise performed last year to assess how much has changed, now that more than a year has passed since the final removal of COVID restrictions.

4.5.16 The survey received responses from key occupier clients of LSH representing businesses with a total of more than 100,000 UK staff. Organisations included in the survey range from small companies with fewer than 50 staff to global corporate occupiers with thousands of employees spread across multiple sites nationwide.

4.5.17 A wide range of sectors are represented in the survey, including professional services, TMT, banking & insurance and the public sector. The biggest single occupier group was professional services, which accounted for 37% of the responses.

4.5.18 Results of the occupier survey are summarized below.

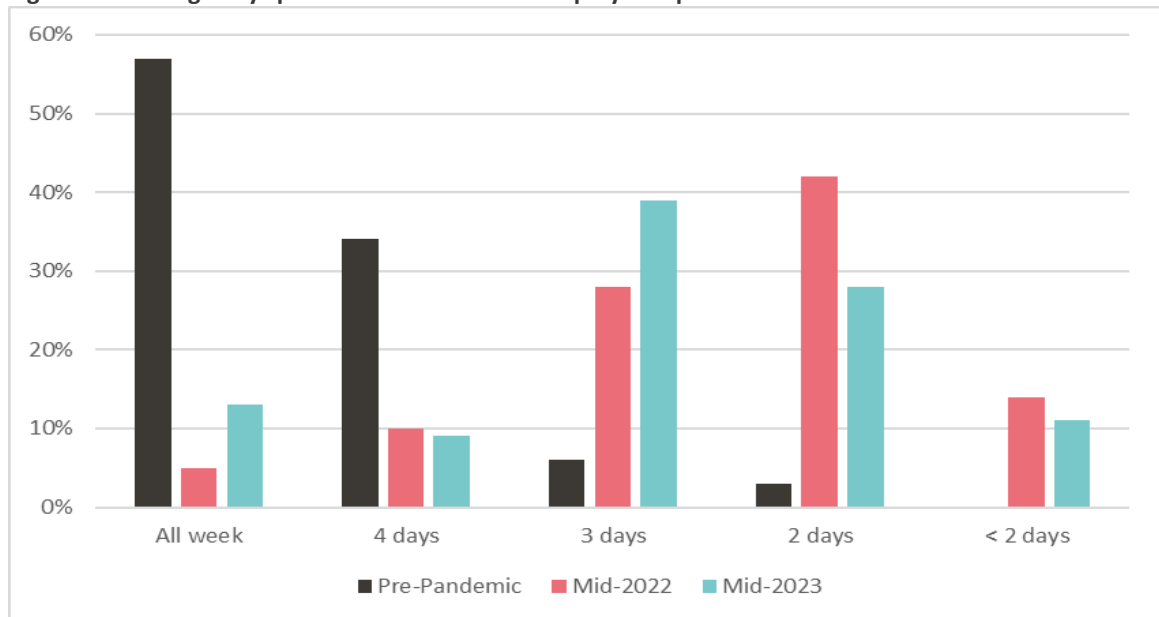
iv) Survey Findings

4.5.19 The survey results show a tangible increase in office attendance over the past year. When asked to estimate the average number of days per week that staff in their organisations spent in the office, the most common response was three days a week (39%), reflecting an improvement on our 2022 survey, when two days a week (42%) was the most popular answer.

4.5.20 Most respondents in this year's survey (73%) also said that current attendance levels were up on 12 months ago, albeit a large majority of these described the improvement as 'slight'. Just 4% of all respondents reported seeing a return to pre-pandemic attendance.

4.5.21 While the general direction of office attendance is upwards, hybrid working patterns appear to be entrenched. Two or three office days a week is the norm for more than two-thirds of survey respondents; and even if attendance does improve further in the future, a full return to pre-pandemic levels appears highly unlikely.

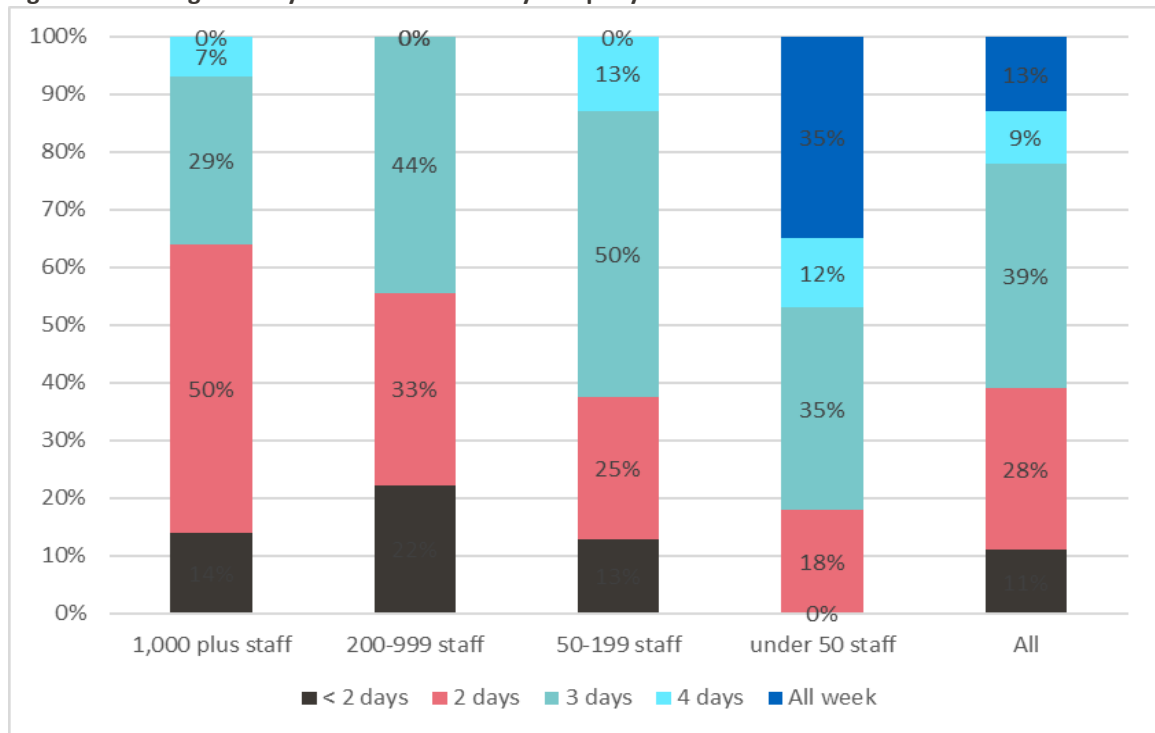
Figure 12. Average days per week that full-time employees spend in the office



Source: *Source: LSH Occupier Survey*

- 4.5.22 One of the clearest trends found by the survey is a divergence between attendance levels in firms of differing size, with smaller companies’ employees spending significantly more time in the office than those working for large organisations. Among companies with fewer than 50 employees, 47% reported office attendance of at least four days a week; and the only firms with full attendance were all in this size category.
- 4.5.23 In contrast, two days a week remains the most common level of office attendance in firms with more than 1,000 staff, with this reported by 50% of respondents working for these businesses. Attendance levels of four days a week or more are still a rarity across all of the larger size bands in the survey. This reflects fundamental differences between the needs of smaller and larger firms, with offices seen as essential to the day-to-day operations of many small businesses. Larger companies are more likely to have office space and infrastructure that supports hybrid working, while also employing staff who live across wider geographic areas and benefit from not having to commute daily.

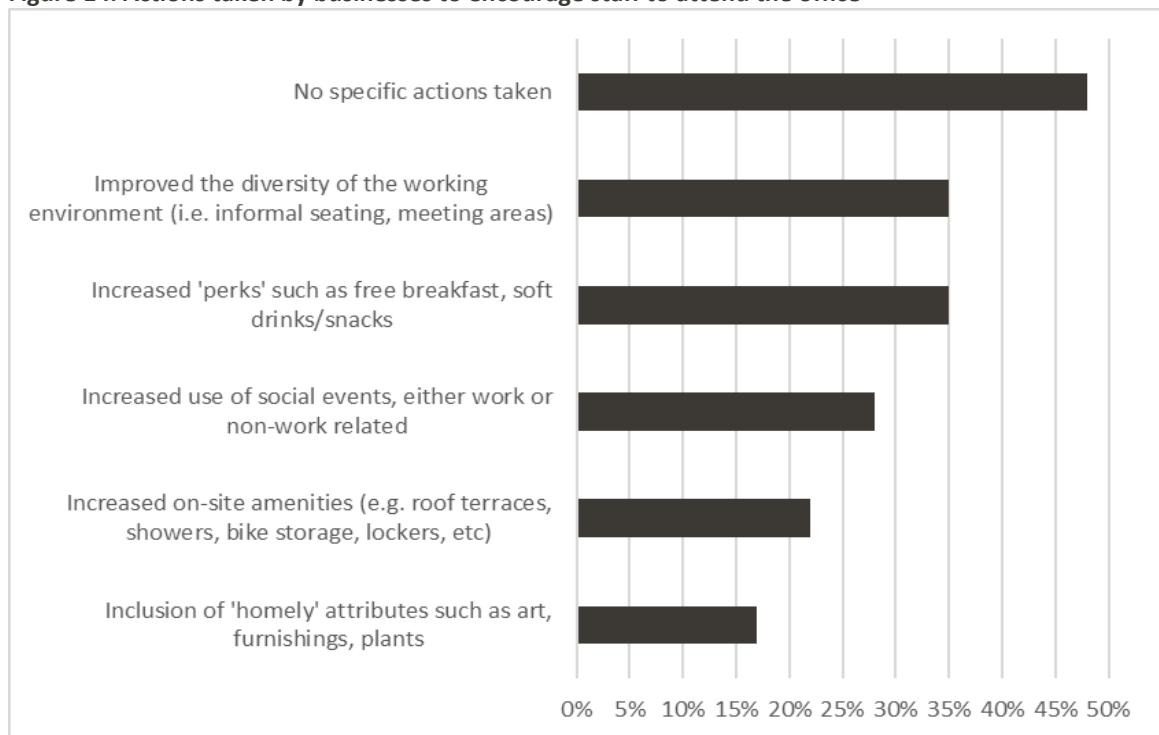
Figure 13. Average weekly attendance levels by company size



Source: *Source: LSH Occupier Survey*

- 4.5.24 A well-publicised feature of current hybrid working patterns is lower levels of office attendance on Mondays and Fridays. Positively, most survey respondents appear relatively relaxed about this, with 65% saying that it is not deemed to be a ‘problem’ that needs to be addressed in their businesses. However, respondents were again split depending on the size of their organisations, with 61% of those working for firms with over 200 staff saying that this is a problem; compared with just 9% of those with fewer than 200 staff. Among those deeming this to be an issue, there was a 50/50 split between those whose companies had initiatives in place to drive attendance on these days and those who remained unsure how to address this.
- 4.5.25 While lower levels of attendance on certain days appear to be accepted by a significant number of businesses, deciding whether and how to tackle this remains a ‘work in progress’ for plenty of others.

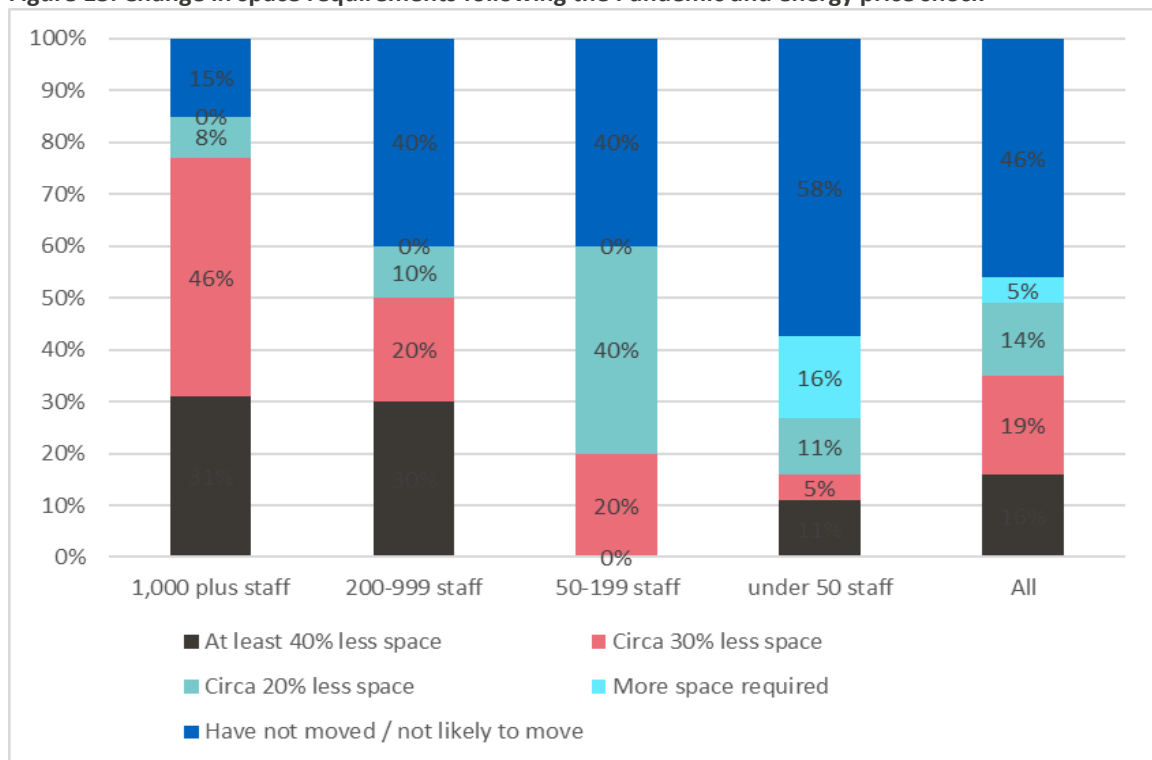
Figure 14. Actions taken by businesses to encourage staff to attend the office



Source: *Source: LSH Occupier Survey*

- 4.5.26 Broader policies stipulating or guiding office attendance levels are becoming more commonplace, with 50% of survey respondents saying that these were in place in their businesses. Another 11% said they had plans to introduce such policies in the next 12 months, which suggests that a further rise in overall attendance levels is likely. In addition, just over half of the respondents (52%) said their businesses had taken positive actions to encourage staff into the office via enhancements to working conditions and amenities. Among businesses where such actions have been taken, the most common initiatives were perks such as free breakfasts, soft drinks and snacks; and the creation of more diverse office environments by adding features such as informal seating areas and meeting areas.
- 4.5.27 Larger firms were significantly more likely to have taken these types of actions; 71% of those working for firms with more than 50 staff said this was the case, but this dropped to just 18% among those with fewer than 50 staff. The ability to offer a greater range of office amenities could be a key advantage that larger firms have when competing for staff. Meanwhile, amenity-rich multi-tenant buildings will be in a strong position to attract occupiers seeking space that meets employees' increased expectations for high quality facilities.

Figure 15. Change in space requirements following the Pandemic and energy price shock



Source: *Source: LSH Occupier Survey*

- 4.5.28 Hybrid working is continuing to impact both the quantity and quality of companies’ space requirements, while sharp rises in energy costs and ESG considerations have also added to some firms’ motivations to move.
- 4.5.29 Among survey respondents, 35% said that they had already relocated or consolidated space since the pandemic, while a further 20% indicated that such a decision was now more likely to be made upon a lease event. Notably, however, close to half (46%) of respondents said that they were no more likely to move premises now than had previously been the case, with this rising to an outright majority among firms with fewer than 200 staff. Evidently, there is a substantial cohort of occupiers, particularly at the smaller end, for whom the pandemic has actually had little impact on their thinking around office space.
- 4.5.30 Among those indicating that they had either moved or were more likely to, a large majority said they required less space than they previously occupied. The most common reduction in space requirements was c. 30%, cited by just under a fifth of all respondents.
- 4.5.31 Taken together, the answers provided imply **an overall reduction in space requirements of 15-20%** among our survey respondents. If this were repeated nationwide, it would necessitate a contraction in the size of

UK office markets, but on a scale that could be achieved relatively organically via the gradual loss of poorer quality buildings from the office stock.

- 4.5.32 While the need to find space suited to hybrid working is a major motivating factor behind occupiers' current space decisions, potential cost savings are not being ignored. A total of 78% of survey respondents said that they expected to benefit from cost efficiencies when relocating, albeit 48% said that cost was a secondary consideration to space and location. Just over half of survey respondents (52%) said that their businesses had also taken specific actions to manage efficiencies and operating costs associated with lower office attendance.
- 4.5.33 Most commonly, this involved collecting occupancy data for per capita metrics; or optimising plant and building management settings for low occupancy days or areas. However, with 48% saying that no specific actions had been taken, there would appear to be significant room for further actions and improvements in many companies.
- 4.5.34 Finding an optimal balance between the cost, quality and size of offices will be an ongoing challenge for occupiers as hybrid working practices continue to evolve. The exchange of quantity for quality is likely to continue, allowing many to upgrade to better space at a lower cost, or at least a cost neutral position, compared with their current workspace.

v) *Forecasting the Changes in Home Working*

- 4.5.35 The long-term homeworking trend can be used to provide an alternative estimation of future homeworking practices. The Pandemic necessitated a rapid transition into homeworking for many workers and employers. It accelerated the underlying trend in homeworking practices which had been slowly increasing for the decade prior. The Pandemic accelerated the rollout of hardware and software which had previously restricted largescale homeworking, and it saw a change in work culture with greater levels of support for home working than previously.
- 4.5.36 However, as shown in the survey results, the employer response to 'return to work' has been mixed, a 'new normal' will likely for the majority incorporate some level of hybrid working, and it is a minority of employers who have embraced home working on a permanent basis.
- 4.5.37 Given the evidence, one approach to estimating future home working levels is to consider that the post-pandemic homeworking will return to an 'accelerated' version of the past trends. This has been estimated by extrapolating the past trends forward to 2040.
- 4.5.38 This is done for each sector and results in a total proportion of home working of 9.0% by 2040. However, it should be noted that for office-based sectors this proportion is generally higher – the highest is IT and

Communications which grows to 23.3% by 2040. Taking an average for predominantly office-based sectors⁵ gives an average of 16.0% at national level. This has been modelled for Hinckley and Bosworth in accordance with the methodology set out in Section 10⁶ and provides an **office homeworking figure for Hinckley and Bosworth of 16.2%-17.6%**.

Table 18. Homeworking Levels – Pre, Peak, Post Covid – Nationally

	Pre-Covid (2019)	Peak Covid (2020)	Post-Covid Projection (2040)
Agriculture, forestry and fishing	38.3%	no data	13.9%
Mining and quarrying	5.7%	no data	17.3%
Manufacturing	4.4%	29.5%	6.9%
Electricity, gas, air cond supply	4.9%	36.4%	14.1%
Water supply, sewerage, waste	1.9%	36.4%	4.5%
Construction	4.5%	29.9%	7.3%
Wholesale, retail, repair of vehicles	3.9%	49.2%	6.1%
Transport and storage	1.9%	41.1%	2.9%
Accommodation and food services	3.4%	31.7%	2.4%
Information and communication	15.4%	75.4%	23.3%
Financial and insurance activities	5.4%	78.9%	13.3%
Real estate activities	13.6%	64.7%	15.3%
Prof, scientific, technical	13.5%	78.9%	17.8%
Admin and support services	6.0%	43.9%	10.4%
Public admin and defence	2.7%	78.9%	6.2%
Education	3.0%	86.0%	5.8%
Health and social work	4.1%	21.7%	5.8%
Arts, entertainment and recreation	11.2%	71.1%	12.6%
Other service activities	10.2%	no data	13.9%
Households as employers	14.1%	no data	19.8%
Extraterritorial organisations	4.6%	no data	16.6%
Total	6.0%	51.2%	9.0%

Source: *Annual Population Survey, 2020*

⁵ Information and communication; Financial and insurance activities; Real estate activities; Professional, scientific, technical activities; and Admin and support services

⁶ Based on the levels of office accommodation for each sector in Hinckley and Bosworth based on SIC5 data.

4.6 Summary

4.6.1 The above section has outlined the socio-economic baseline for Hinckley and Bosworth, some of the key points include:

- Hinckley and Bosworth has a diverse economy with sectoral strengths in manufacturing (although declining), construction, motor trade, wholesale and transport and storage, accommodation and food services.
- Other sectors, not as concentrated, are showing high level of growth and could support the economic development of the Borough. These sectors include information and communication, financial and insurance, public administration.
- The population projections display a growing but aging population with ages over 65 displaying the largest projected growth.
- With regards to annual earnings, Hinckley and Bosworth is slightly out-performing the FEMA and regional average. Whilst housing affordability is worse in Hinckley and Bosworth than in the East Midlands, it is better in the Borough than in the FEMA, which may contribute to the future population growth (as residents of neighbouring local authorities seek more affordable areas to settle in).
- Hinckley & Bosworth has higher commuting outflow than inflow with 2,819 more workers living in the Borough working elsewhere than the number of workers coming to Hinckley and Bosworth from outside the Borough to work. Therefore, Hinckley and Bosworth is partially reliant on surrounding local authorities to provide employment to its population.
- Levels of homeworking are higher in Hinckley and Bosworth compared to the national average.

5.0 STAKEHOLDER ENGAGEMENT

5.1 Introduction

5.1.1 As part of this study, stakeholder engagement has been conducted with businesses, developers and organisations supporting economic growth in Hinckley and Bosworth. The stakeholder engagement was informal interviews that were undertaken via video conferencing. Interviews took place throughout March 2024.

5.1.2 The stakeholder interviews were semi-structured in nature and based around the broad themes relating to:

- Hinckley and Bosworth's economic geography
- Current employment market performance and business requirements and
- Future opportunities and threats to economic growth.

5.2 Findings of Engagement

5.2.1 This section provides a summary of the feedback received as part of these interviews.

5.2.2 The sections below provide a summary of the feedback received as part of these interviews.

i) Office

5.2.3 The office market in Hinckley and Bosworth is highly concentrated in and around Hinckley.

5.2.4 Occupiers are predominantly made of small and local businesses, from a mix of both public and private sector activities. There are a few exceptions to this rule, with some larger businesses which however have an historical tie with the Borough, often connected to the automotive sector such as Triumph Motorcycle Head Office.

5.2.5 Stakeholder engagement confirm that there is limited demand for office space in Hinckley and Bosworth by large occupiers and that the current demand is mainly from small local businesses looking for space to expand into, or better-quality accommodation.

5.2.6 It can be noted that comments made by some stakeholders, particularly from public sector organisations, highlighted a general demand, going beyond Hinckley and Bosworth, for flexible office workspace and particularly space at affordable rates.

5.2.7 Stakeholders raised concerns about new flexible working practices, and the impact of these on the requirements by businesses for permanent physical space. The increase in home working practices could

lead to a durable increase in office floorspace vacancy, making future investments into additional floorspace unviable for developers and investors.

ii) Industrial

- 5.2.8 Hinckley and Bosworth's industrial and warehousing market is mainly concentration around the south east of the Borough, and more specifically along the major road network (M69 and A5).
- 5.2.9 Land owners and developers all confirmed the demand for logistics space in the Borough, with a preference to deliver medium to large-size shed units, the preference for larger properties being dictated by viability considerations.
- 5.2.10 All stakeholders confirmed their preference for locations in the south and east of the Borough, and particularly in areas which provide a direct access to the A5 or M69. As it is increasingly being the norm for large-box logistics, site allowing for 21 metres tall development would be required.
- 5.2.11 New environmental and sustainability requirements, such as the biodiversity net gain (BNG) has had a negative impact on viability of schemes due to the additional need for land to accommodate biodiversity and landscaping (therefore reducing the quantum of developable land).
- 5.2.12 Whilst developers have been highly critical of environmental requirements, such as BNG, they provided a more positive view on climate change and net zero requirements and confirmed that they do embrace those requirements and will, in many cases, actually deliver more than the minimum requirements (covering elements such as construction materials, provision of renewable energy, insulation...) as they value the return on investment generated by these initiatives.
- 5.2.13 Business and public organisations argued that, whilst they recognise the demand and need for larger units, Hinckley and Bosworth should not be summarised by this specific typology. They are also concerned about the impact of large industrial premises and businesses on infrastructure (road network and energy network being the two main concerns), and the inability of Hinckley and Bosworth to cope with the additional demand generated by those businesses.
- 5.2.14 These organisations confirmed the evidence of demand for smaller units from businesses within the wider region (county), but an insufficient provision of such spaces by the market (both at the local and county levels). The lack of provision of smaller industrial space at the county level could be an opportunity for Hinckley and Bosworth to attract new businesses and boost the local economic growth.
- 5.2.15 This is meaning that smaller businesses looking to develop their activities (for example looking to move into a permanent structure) are having to look outside of the Borough for such space. As such, the provision of small-sized industrial spaces would benefit economic growth locally and contribute to the retention of small businesses.

5.2.16 Similarly, businesses that are located in Hinckley and Bosworth and looking to expand or relocate to different premises are having to look outside of the Borough when they require space for expansion. As such, the provision of medium-sized industrial space, which could flexibly adapt to the needs of occupiers (i.e. spaces that can be divided into smaller units) would help to retain expanding businesses within Hinckley and Bosworth.

Stakeholders have also mentioned the demand, particularly by smaller businesses, for Freehold land that could be acquired to accommodate their activities. This would deliver long-term stability for those businesses, but also provide long-term financial certainty. In some instances, landowner/occupier businesses uses freehold land as an asset to fund their pension funds.

6.0 EMPLOYMENT PROPERTY MARKET REVIEW

6.1 Data Sources

- 6.1.1 This section compares the market for employment premises in Hinckley & Bosworth with neighbouring local authority areas and the wider sub-region, through analysis of the stock, availability of, and demand for, office and industrial premises. In setting out a baseline understanding of recent market activity, LSH has drawn upon a range of data sources. LSH collated data in Q3 2023, but some third party data predates this.
- 6.1.2 The Non-Domestic Rating Business Floorspace statistics are used to compare the stock of employment premises within Hinckley & Bosworth with that of other local authority areas. This broad brush data, derived from Valuation Office Agency (VOA) data at March 2023, uses 'bulk' use classes and figures are rounded. Whilst appropriate for comparing the stock at local authority level, it is insufficiently fine grained to allow analysis of the stock of premises within a local authority. LSH has used Analyse software to carry out more detailed analysis of the stock by market area and size band and to bring it up to date. Analyse is proprietary software that disaggregates VOA Rating List information to allow bespoke searches and collation for detailed analysis.
- 6.1.3 It should be noted that VOA data does not capture new development until it is first occupied, when business rates become payable, thus there is a lag before recent development and units that are under construction are included in the data.
- 6.1.4 The availability of employment premises has been sourced from CoStar and cross checked against websites of local agents that are active in the area. Where new units are being marketed but have not yet entered the Rating List, we have adjusted the stock data to include them to ensure our analysis is robust. Lettings and sales of premises have also been sourced from CoStar.

6.2 The Office Market

- 6.2.1 Despite COVID-19 restrictions having ended in early 2022, office based businesses up and down the country continue to grapple with low rates of staff attendance, particularly at the larger corporate end of the market. Analysis by Remit Consulting⁷ identifies that the recovery of office attendance seen during 2022 broadly settled at a rate of circa 30% to 35% over the first half of 2023, around half the 'normal' rate of circa 70% seen prior to the pandemic. The seemingly permanent shift to hybrid working will have a key bearing on future office requirements, with occupiers prioritising quality over quantum.

⁷ <https://return.remitconsulting.com/>

- 6.2.2 Supply levels have been rising in many of the UK’s key office markets in the wake of the pandemic and regional office markets were generally subdued at the start of 2023 with below average take-up reflecting the impact of the economic and financial market turbulence seen in the latter part of 2022 upon occupier sentiment. Despite this, a marked feature of post-pandemic demand in key office markets is the focus on high quality space; with location, amenity, environmental credentials and other factors becoming of increased importance. The consequence is a two tier market, with strong rental growth being seen for a limited pool of best-in-class workspace set against stagnating rents for secondary space.
- 6.2.3 In the table below we compare the office stock in Hinckley & Bosworth with neighbouring local authorities and Leicester. Of the eight local authority areas listed, Hinckley & Bosworth has the third smallest office stock when measured by either number of units or floorspace, with 490 offices providing 85,000 sq m of floorspace. Leicester is the dominant office location with more than twice as much office stock and floorspace than any of the other local authority areas and more than four times as much as Hinckley & Bosworth.

Table 19. Office Units and Floorspace, March 2023

Local Authority	County	Floorspace (sq m)	Units	Average (sq m)
Hinckley & Bosworth	Leicestershire	85,000	490	173
North West Leicestershire	Leicestershire	154,000	830	186
Charnwood	Leicestershire	169,000	800	211
Blaby	Leicestershire	187,000	620	302
Leicester	Leicestershire	402,000	2,100	191
Rugby	Warwickshire	106,000	500	212
Nuneaton & Bedworth	Warwickshire	60,000	350	174
North Warwickshire	Warwickshire	59,000	380	155

- 6.2.4 Office floorspace in the borough and adjoining local authority areas increased over the first decade of the millennium on the back of a prolonged period of economic growth. But the floorspace statistics show that it peaked in 2011 as the recession and subsequent years of austerity led to a contraction in the service sector with some floorspace taken up for alternative uses and some poorer quality premises demolished. Although the number of office units in the borough has increased over the past decade the amount of office floorspace has stayed the same, suggesting that occupier demand for smaller offices has not just been a short term trend driven by the shift to hybrid working, but a longer term change in the business base.
- 6.2.5 The current Rating List provides a comprehensive and up-to-date list of all commercial premises for rating purposes. We have used Analyse software for a more detailed analysis of VOA data to understand the current quantity and size of office premises within the borough. This data, updated monthly, identifies 488

office units in Hinckley & Bosworth totalling 80,259 sq m (863,900 sq ft). The table below uses postcode districts to assess their distribution across the borough.

Table 20. Distribution of Office Units in Borough

Postcode District	Town / Villages	Units	Percentage
CV9	Ratcliffe Culey, Sheepy Magna, Twycross	8	1.6%
CV10	MIRA	13	2.6%
CV13	Market Bosworth, Stoke Golding, Congerton,	73	14.7%
LE6	Groby, Ratby	29	5.8%
LE9	Barwell, Earl Shilton, Desford	85	17.1%
LE10	Hinckley, Burbage	283	57.0%
LE67	Thornton, Bagworth, Markfield	5	1.0%
		496	100%

6.2.6 Within the borough, Hinckley and Burbage is the dominant location with more than half the office stock - 57% of units and 52.4% of floorspace. Here, some buildings are in single occupation, but the majority are suites within multi occupancy buildings.

6.2.7 The largest office hereditament in the Rating List is Horiba MIRA’s complex of buildings at the MIRA Technology Park. Three other offices are greater than 2,000 sq m:

- Croner House at Hinckley Fields Industrial Estate where there is a cluster of large modern offices on the northern part of the estate,
- the Council Hub on Rugby Road, Hinckley and
- Rare Ltd who create gaming software from offices in an extensive parkland setting at Manor Park, Twycross.

Cadent’s offices at Hinckley, which were also within this size band, have now been demolished following the company’s relocation to a new office in Coventry.

6.2.8 The table below identifies the number of office units in each size band. This illustrates that there is a spread of sizes capable of meeting a range of requirements, but smaller units are an important component of supply; more than 90% of units are less than 250 sq m and nearly half of these are less than 50 sq m. In contrast, only 3% of the borough’s office stock is in units of greater than 500 sq m.

Table 21. Size of Office Units in Borough

	Size (sq.m)								Total
	<50	50 - 100	100 - 250	250 - 500	500 - 1,000	1,000 - 2,000	2,000 - 5,000	>5,000	
Stock of office units	215	129	107	30	7	4	3	1	496
Proportion of office units	43.3%	26.0%	21.6%	6.0%	1.4%	0.8%	0.6%	0.2%	100.0%

6.2.9 LSH has sourced data on office transactions from CoStar. Since the start of 2018, there have been 60 lettings of offices in Hinckley & Bosworth and a further two sales for occupation (rather than investment). This corresponds to an average of 11 transactions per annum. To understand whether this low level of transactions is due to constrained supply or limited demand we compare it with the number of properties on the market. Currently there are 28 office suites available in 19 buildings. When measured against transactions, this available accommodation is more than two years supply suggesting that the low level of market activity is not due to a shortage of space, but more likely to be a result of limited demand.

6.2.10 The table below compares office vacancy rates amongst different size bands. In a healthy property market, a vacancy rate of 5% to 10% allows for market churn to accommodate the changing floorspace requirements of businesses but does not leave high volumes of floorspace on the market for prolonged periods. The overall office vacancy rate in the borough is 5.6%, which indicates a healthy market. In the 500-1,000 sq m size band the vacancy rate of 14.3% is due to one vacant office within a small sample size which, given that there are no vacancies within the larger size bands, does not suggest over-supply.

Table 22. Vacancy Rates of Office Units in Borough

	Size (sq.m)								Total
	<50	50 - 100	100 - 250	250 - 500	500 - 1,000	1,000 - 2,000	2,000 - 5,000	>5,000	
Stock of office units	215	129	107	30	7	4	3	1	496
Vacant office units	8	8	8	3	1	0	0	0	28
Vacancy Rate	3.7%	6.2%	7.5%	10.0%	14.3%	0%	0%	0%	5.6%

- 6.2.11 Amongst smaller unit sizes it may be uneconomic to appoint an agent, and together with flexible leases and higher tenant turnover this can lead to underreporting of vacancies, so the 3.7% vacancy rate amongst units of less than 50 sq m may be an underestimate.
- 6.2.12 In summary, although the office market in Hinckley & Bosworth is of modest size, it is relatively healthy. There is currently no evidence of a shortage of supply across the smaller size bands that account for more than 90% of the borough's office stock. Farm diversification (aided by permitted development rights that allows change of use of agricultural buildings to flexible commercial use) and rural workspace schemes have complemented the supply in the past and some of the largest office units are owner occupied buildings which could be extended if required. Against this background there is no immediate requirement to identify land in the borough for office development.
- 6.2.13 The change in planning use classes allows greater flexibility in converting offices to and from other town centre uses. In theory, this should allow the amount of office stock to respond to demand to some degree. But where the stock of town centre premises is of poor specification or in poor condition, these are less likely to meet requirements. Despite this planning focus on town centres, we can expect to see continuing market demand for offices in other locations. These will include industrial estates and rural workspace/farm diversification schemes. At MIRA much of the accommodation is hybrid space providing offices and workshops. This meets the specific requirements of the businesses on the Technology Park and planning policies should enable further provision of hybrid space.

6.3 The Industrial Market

- 6.3.1 While some sectors were subject to restrictions during Covid-19 lockdowns, industrial and logistics remained in operation and benefitted from the effects of the pandemic. Logistics performed a crucial role, keeping the nation supplied amid public fears around Covid-19 and demands of social distancing. At the same time businesses were looking to stockpile goods to manage post-Brexit supply chain disruption, which led to a sharp increase in demand for warehousing generally and cold storage in particular. As a result, 2021 was a year of record-breaking achievements for the UK industrial and logistics market.
- 6.3.2 The pandemic and Brexit served to accelerate structural change which, combined with a more general recovery in the wider UK economy, stimulated appetite from occupiers and investors alike. Take-up of premises across the UK hit a record high of 78 million sq ft in 2021. All segments of the market and most regions of the UK played their part, and, whilst Amazon accounted for an extraordinary 20% of UK activity, 2021 would have been a record year even without this development.
- 6.3.3 This surge of occupier market activity came to an end in the second half of 2022 and demand continued at more conventional levels into 2023. For units over 50,000 sq ft (4,645 sq m), UK-wide take-up was 10.8m

sq ft in Q1 2023, 26% below the five-year quarterly average. While the pandemic boom was largely driven by retailers, occupier demand has since become more diverse with a greater spread among the sectors. Third party logistics operators accounted for a third of take-up in Q1 2023 and included the largest deal of the quarter, namely Maersk’s lease of 685,000 sq ft (63,640 sq m) at SEGRO Logistics Park East Midlands Gateway. A key characteristic of recent take-up has been the focus on quality space; a higher proportion is grade A space that can support occupiers’ ESG (environmental, social and governance) targets.

- 6.3.4 Speculative industrial development reached a record high at the end of 2022 serving to ease the very tight supply in 2021. Rental growth is also slowing after peaking at 11.2% in 2021-22.
- 6.3.5 In the 2021 budget the government announced plans for eight Free Ports to stimulate job creation and post-Brexit trade. Seven of the Free Ports are on the coast, the eighth is at East Midlands Airport in North West Leicestershire. Within the Free Ports customs rules and taxes do not apply until goods leave a specified zone. In theory this should encourage economic activity and increase manufacturing. It is too soon to understand the effect of the East Midlands Free Port on the sub-regional economy; and it may prove difficult to distinguish between the effects of the Free Port and the logistics ‘Golden Triangle’.
- 6.3.6 In the table below we compare the industrial stock in Hinckley & Bosworth with neighbouring local authorities and Leicester. Of the eight local authority areas listed, Hinckley & Bosworth has the third largest industrial stock when measured by number of units and the fifth largest when measured by floorspace, with 1,260 units providing 1,315,000 sq m of floorspace.

Table 23. Industrial Units and Floorspace, March 2023

Local Authority	County	Floorspace (sq m)	Units	Average (sq m)
Hinckley & Bosworth	Leicestershire	1,315,000	1,260	1,044
North West Leicestershire	Leicestershire	2,427,000	1,170	2,074
Charnwood	Leicestershire	1,190,000	1,680	708
Blaby	Leicestershire	854,000	740	1,154
Leicester	Leicestershire	2,459,000	4,450	553
Rugby	Warwickshire	1,406,000	950	1,480
Nuneaton & Bedworth	Warwickshire	901,000	1,200	751
North Warwickshire	Warwickshire	1,825,000	960	1,901

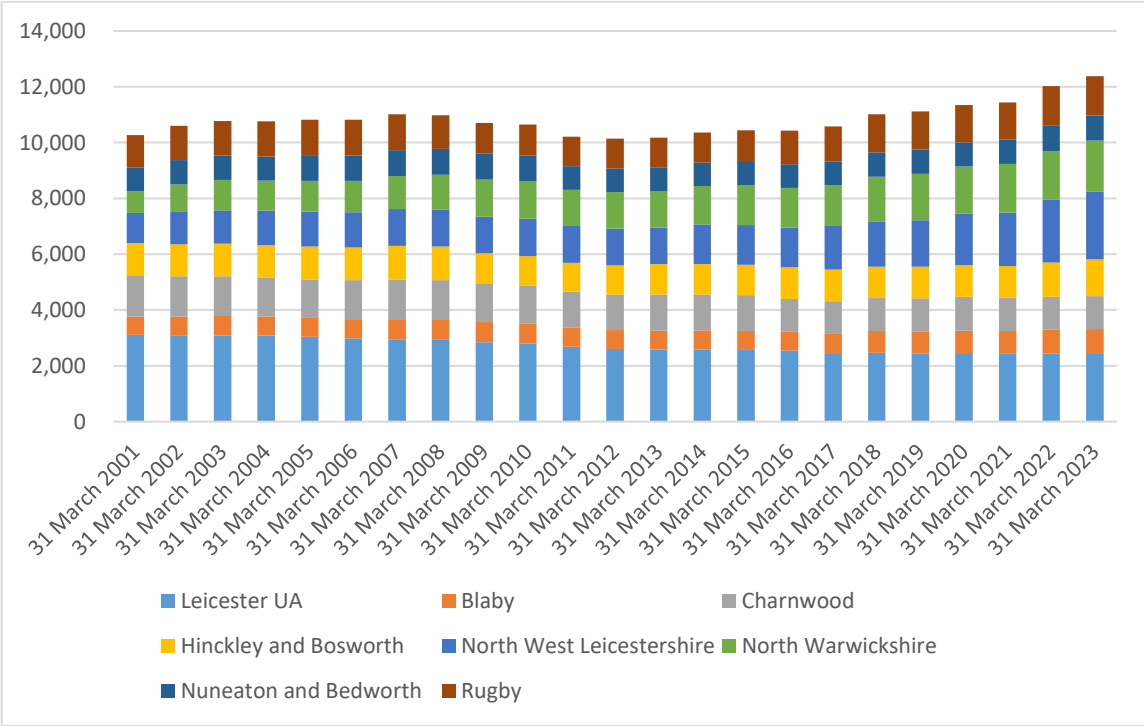
- 6.3.7 Although Leicester is the dominant industrial location with 4,450 units providing 2,459,000 sq m of floorspace, it also has the smallest average unit size, reflecting its limited capacity to accommodate large distribution warehouses. The average unit size helps to identify those districts with a high proportion of distribution warehouses, notably North West Leicestershire and North Warwickshire. Within North West

Leicestershire is a cluster of industrial estates on the boundary of Hinckley & Bosworth at Bardon/ Ellistown, and also clusters of large distribution sheds around East Midlands Airport and Castle Donnington. In North Warwickshire there are distribution warehouses at Tamworth and Hams Hall (beside the M42), and at Coleshill (beside the M6).

6.3.8 When comparing the industrial stock in Hinckley & Bosworth with neighbouring local authority areas, it is evident that despite recent high levels of warehouse development in the borough, large warehouses remain a relatively low proportion of stock compared to some neighbouring authority areas. Some of these neighbouring authority areas which have better connections to the strategic highway network, have large areas of land available for future development. Others have shortages of land, providing opportunities for Hinckley & Bosworth to accommodate more strategic warehousing if large sites can be brought forward.

6.3.9 Longer term trends are illustrated in the chart below, which shows changes in industrial floorspace in the sub-region between 2001 and 2023. Industrial floorspace steadily increased until the credit crunch and recession in 2007-08, then declined until 2012 before steadily recovering. It took until 2018 for floorspace to recover to its 2008 level; since then the rate of growth has increased. This increase has been sharpest in North West Leicestershire and North Warwickshire, and this has helped to offset a steady decrease in industrial floorspace in Leicester.

Figure 16. Industrial Floorspace, 2001 - 2023 ('000 sq m)



- 6.3.10 In Hinckley & Bosworth industrial floorspace peaked at 1,211,000 sq m in 2008 before declining to 1,033,000 sq m in 2011. Over the next ten years the growth was erratic, and it was not until 2022 that the amount of floorspace surpassed its 2008 level as development activity increased; by March 2023 total floorspace had reached around 1,315,000 sq m. Given the lag in data on new developments being added to the Rating List and with large distribution warehouses under construction, further growth in floorspace is expected; this will offset losses of old, poor specification industrial premises in urban areas which tend to have smaller floorplates.
- 6.3.11 VOA data distinguishes between various types of industrial premises. Our analysis includes these descriptions and use codes for reference but, to a large extent, the market does not make such distinctions. Buildings can accommodate a range of uses, and what was originally designed for one use may be subsequently used for another. From VOA data complemented by LSH research, we estimate that there are some 1,256 industrial premises in Hinckley & Bosworth, these are categorised by type in the table below.

Table 24. Type of Industrial Premises in Borough

Description	PSD Code	Number of Units
Vehicle Repair Workshop and Premises	CG1	36
Garage and Premises	CG2	24
Warehouse and Premises	CW	398
Land Used for Storage and Premises	CW1	32
Storage Depot and Premises	CW2	3
Store and Premises	CW3	81
Factory and Premises	IF	154
Workshop and Premises	IF3	523
Other Industrial	IX	5
Total		1256

- 6.3.12 The descriptions and categorisation used by the VOA suggest that more than half (59%) of industrial premises are used for manufacturing and 41% for storage or distribution. This underlines the continuing importance of manufacturing within the local economy despite the high profile growth of the distribution sector.
- 6.3.13 The location of industrial premises within the borough is assessed by postcode districts in the table below. There is a concentration of premises in the southeast of the borough, with half of all units in the LE10 postcode district that covers Hinckley and Burbage and another 30% in LE9 which covers Earl Shilton, Barwell and Desford.

Table 25. Distribution of Industrial Units across Borough

Postcode District	Town / Villages	Units	Percentage
CV9	Ratcliffe Culey, Sheepy Magna, Twycross	24	1.9%
CV10	MIRA	28	2.2%
CV13	Market Bosworth, Stoke Golding, Congerton,	83	6.6%
DE12	Appleby Magna	12	1.0%
LE6	Groby, Ratby	18	1.4%
LE9	Barwell, Earl Shilton, Desford	381	30.3%
LE10	Hinckley, Burbage	633	50.4%
LE67	Thornton, Bagworth, Markfield	77	6.1%
Total		1256	100%

6.3.14 The table below categorises industrial premises by unit size. For this analysis LSH has excluded land used for storage (32 premises totalling 6.8 hectares) to ensure that the analysis is not distorted by the inclusion of large areas of land. There are 1,224 industrial units totalling 1,516,348 sq.m (16.3 million sq.ft).

Table 26. Size and Type of Industrial Units within Borough

	Size (sq.m)								Total
	<50	50 - 100	100 - 250	250 - 500	500 - 1,000	1,000 - 2,000	2,000 - 5,000	>5,000	
Vehicle Repair Workshop	1	2	21	10	2	0	0	0	36
Garage & Premises	3	3	9	5	2	1	1	0	24
Warehouse & Premises	11	50	106	92	62	34	16	27	398
Storage Depot & Premises	0	0	0	0	2	0	1	0	3
Store & Premises	34	24	19	4	0	0	0	0	81
Factory & Premises	1	10	16	25	34	35	24	9	154
Workshop & Premises	41	112	213	95	50	8	4	0	523
Other Industrial	0	0	1	0	2	2	0	0	5
Total	91	201	385	231	154	80	46	36	1224

6.3.15 Small units are an important component of the borough's stock with more than half (55.4%) less than 250 sq m in size, and 87% less than 1,000 sq m. The largest category of premises are workshops which account for some 43% of premises. The next largest is warehouses accounting for 32%. In the largest size band (> 5,000 sq m) warehouses make up 73% of premises, but this is the only size band where they dominate.

6.3.16 The table below compares the stock and availability of industrial units across different size bands using data on currently available industrial premises from CoStar. This reveals that vacancy rates are low amongst units of less than 500sq.m, but generally higher amongst larger premises. Although the availability of very small units can be under-reported, our analysis suggests a shortage of accommodation amongst the four smallest size bands.

Table 27. Vacancy Rates of Industrial Units within Borough

	Size (sq.m)								Total
	<50	50 - 100	100 - 250	250 - 500	500 - 1,000	1,000 - 2,000	2,000 - 5,000	>5,000	
Stock of Units	93	201	389	234	161	87	53	38	1,253
Vacant Units	0	4	5	7	2	2	2	7	29
Vacancy Rate	0.0%	2.0%	1.3%	3.0%	1.2%	2.3%	3.8%	18.4%	2.3%

6.3.17 There are 29 premises on the market equating to 226,800 sq.m; the overall vacancy rate equates to 2.3% of units and 14.3% of floorspace. The large difference between these two vacancy rates is mainly attributable to activity at Desford, where a sale and leaseback of Neovia’s premises has brought large areas of second-hand warehousing to the market, whilst at the same time two speculative warehouse units have been constructed to the north, as the first phase of Griffen Park.

6.3.18 In a healthy property market, a vacancy rate of 5% to 10% allows for market churn to accommodate the changing floorspace requirements of businesses but does not leave high volumes of floorspace on the market for prolonged periods. A vacancy rate of 2.3% indicates a tight market where a shortage of available units could constrain businesses. Low vacancy rates within all but the largest size band, indicates demand for a wide range of industrial premises and a need to allocate more land for general industrial development. The seven available units of over 5,000 sq m are listed below.

Table 28. Available Industrial Units of more than 5,000 sq m

Unit	Address	Type (year built)	Size (sq m)
Part Building C1	Peckleton Lane, Desford	Second-hand warehouse (1990)	62,705.70 m ²
Building C	Peckleton Lane, Desford	Second-hand warehouse (1990)	61,138.10 m ²
Building 42	Peckleton Lane, Desford	Second-hand warehouse (1990)	29,075.59 m ²
Unit 1	Griffen Park, Peckleton Lane	New warehouse (2023)	11,896.00 m ²
Unit 2	Griffen Park, Peckleton Lane	New warehouse (2023)	9,632.10 m ²
Hinckley 340	Hinckley Park, Burbage	New warehouse (2023)	31,587.00 m ²
Unit 2	Logix Park, Burbage	Modern warehouse (2006)	5,554.90 m ²

6.3.19 Just as the stock of industrial premises is clustered in the south east corner of the borough, so too are available units with 18 of the 29 vacant premises (62%) in the LE9 postcode district and a further 8 (28%) in LE10. A geographical assessment of vacancy rates confirms the tight supply throughout the borough, with the exception perhaps of Desford where the subdivision of existing premises and new construction has provided a supply of large warehouses which may take the market a little while to absorb.

Table 29. Vacancy Rates of Industrial Units by Location

Postcode District	Town / Villages	Units	Vacant Units	Vacancy Rate
CV9	Ratcliffe Culey, Atherstone	24	0	0%
CV10	MIRA	28	0	0%
CV13	Market Bosworth, Stoke Golding, Congerton,	83	2	2.4%
DE12	Appleby Magna	12	0	0%
LE6	Groby, Ratby	18	0	0%
LE9	Barwell, Earl Shilton, Desford	381	18	4.7%
LE10	Hinckley, Burbage	633	8	1.2%
LE67	Thornton, Bagworth, Markfield	77	1	1.3%
Total		1256	29	2.3%

6.3.20 LSH has sourced data on industrial transactions from CoStar. Since the start of 2018, there have been 111 lettings of industrial units in Hinckley & Bosworth and a further 11 sales for occupation (rather than investment). This corresponds to an average of 22 transactions per annum. Against this rate of take-up, available premises comprise just over one year's supply, further evidence of a relatively constrained supply.

6.3.21 Strong demand for premises has stimulated development, this has both increased industrial floorspace in the borough and reduced the stock of available employment land. Low vacancy rates throughout the borough and within all but the largest size band would justify further allocations of employment land to meet future needs. However recent development activity has overwhelmingly focussed on large warehouses, speculative development of which is viable. Our research shows that there is also a tight supply of general industrial and smaller units (within all size bands less than 2,000 sq m the vacancy rate is below 3%), but this is not being addressed by speculative development activity.

7.0 EXISTING STOCK OF EMPLOYMENT LAND

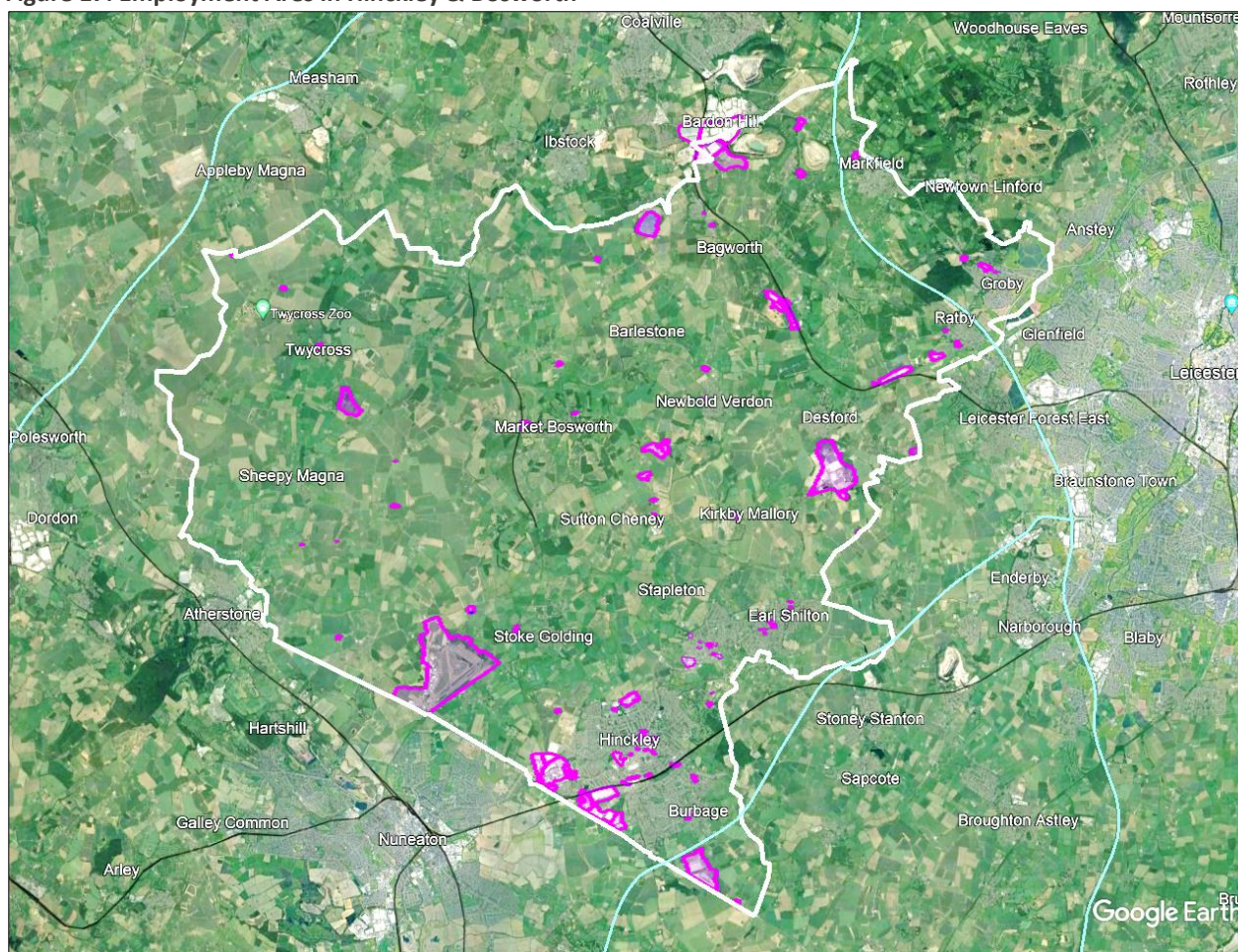
7.1 Overview

- 7.1.1 Definitions of terms used in this Employment Land Availability Assessment (ELAA) are set out in the glossary at Appendix 1. Existing employment areas are those areas allocated for employment purposes, or areas where employment uses are established. Existing employment areas can incorporate undeveloped plots that are available for development. Previous studies for the Council have used a different approach, separately assessing employment areas that include available plots from employment areas that do not.
- 7.1.2 The Council appointed BE Group to prepare an update to their Employment Land and Premises Study (ELPS) in 2019. This study, dated February 2020, identifies 114 employment areas, 6 areas with available employment land and 30 potential employment areas. The Council's latest call for sites, carried out in 2023, has been used to refresh the list of potential employment sites. These are assessed in section 5 below.
- 7.1.3 The principal purpose of this ELAA is to assess the quantity and quality of **available** employment land, we have however undertaken a partial review of the 2020 ELPS assessment of existing employment areas. Our review excludes some sites that are no longer part of the borough's stock of employment land and includes others that are. We have reviewed the boundaries and classification of all employment areas; but we have not verified other assessment criteria included in the 2020 Study. Following discussions with the steering group it was agreed that boundaries and site areas would be amended where they are out of date or wrong, but that introducing a set of measurement conventions to bring some consistency to defining boundaries of employment areas, was beyond the scope of the ELAA. In determining boundaries, we have used the Council's employment land allocations, recent aerial imagery, Land Registry title information and site inspections.
- 7.1.4 In assessing the extent of employment areas, we have given most weight to a) the Council's allocation boundary and b) aerial imagery that shows where premises in employment use are currently situated. However, as NPPF requires planning policies to help create the conditions in which businesses can expand, understanding where businesses own adjacent land that could be used for future expansion should also be a consideration in defining the boundaries of employment areas. Our review identifies that it is typically in the borough's rural areas, where such opportunities to expand an employment area exist or have recently been exploited.
- 7.1.5 Our review has identified some additional employment areas which have been included in the assessment, and other areas that are no longer in employment use following redevelopment or conversion. Inspections

of all employment areas, carried out by LSH in July 2023, have allowed us to cross check the findings of our desk-based assessment.

- 7.1.6 At our inception meeting for the ELAA it was further agreed that LSH would review the category given by the 2020 ELPS to each employment area. These categories, which are also used in the Local Plan are:
- A. Key/flagship employment areas to be retained.
 - B. Fit-for-purpose employment areas; where regeneration policy may mean alternative development is appropriate, but to be resisted if possible.
 - C. Lower quality employment areas where redevelopment of part or whole is appropriate, but where regeneration policy may require all/part of the area to be retained for employment uses.
- 7.1.7 Areas evolve, and alternative uses can become dominant; some employment areas included within the 2020 ELPS no longer include any employment premises. Where this is the case, the area is included in the assessment but not given a grade, and our recommendation is that these areas are allocated for an alternative use or deallocated.
- 7.1.8 Our review of existing employment areas is set out in the summary table at Appendix 2 and in the proformas at Appendix 3. The locations of employment areas are shown in purple on the map below. The larger areas are concentrated within the eastern part of the borough, where there is proximity to motorways. But there is also a scattering of smaller employment areas across the rural central and western parts of the borough.

Figure 17. Employment Ares in Hinckley & Bosworth



- 7.1.9 Access to markets is a key determinant of the location of industrial development. Historically, canals, railways and rivers and canals were the transport networks that formed the focus for industrial development. Though the importance of these networks has declined, there remain industrial estates alongside the borough’s railway lines and canals, some of which have been expanded over the decades. Now with most goods being transported by road, it is drive times and accessibility to motorways and dual carriageways that are key criteria for industrial and distribution businesses. However as CO2 reduction targets become of increasing importance, demand for locations with access to railfreight facilities is increasing. In some cases, the importance of old industrial areas has been sustained through good access to the strategic road network; but those inner area industrial locations with poor road connections have generally declined in importance.
- 7.1.10 Other employment areas are testament to the borough’s mineral reserves with quarries and collieries providing clusters of employment premises and external storage on large sites. Examples include Desford

Brickworks, Cadeby Quarry and the former Nailstone Colliery. Where no longer operational, some have provided opportunities for redevelopment for employment purposes.

7.1.11 From our experience of employment land reviews across England, we have noted a strong correlation between development activity and proximity to the strategic highway network (SHN), defined as motorways and dual carriageways on which the national speed limit applies. In some districts 80% or 90% of take-up of land for employment purposes has been within a two kilometre drive of the SHN. But the strategic highway network lies largely on the peripheries of Hinckley and Bosworth, with the M1 passing through the north-east corner, the M69 clipping the south-east tip, and the A42 just beyond the western edge. Nor are there stretches of fast dual carriageway through the borough.

7.1.12 Three motorway junctions are within Hinckley & Bosworth or within 2km of the borough boundary. These are:

- Junction 22 of the M1 at Markfield, where a spur of dual carriageway extends 700 metres northwest before a 40 mph speed limit applies. Hill Lane Industrial Estate, Horsefield Grange Industrial Estate, Upton Steel and the eastern edge of Interlink Park are within a 2km drive of the SHN.
- Junction 1 of the M69, which links to the A5 at Burbage. The entrances to Hinckley Park, Logix Distribution Park and Sketchley Meadows Industrial Estate are within 2km of the SHN; as is a cluster of employment premises on Coventry Road, Burbage.
- Junction 2 of the M69 which is situated to the northeast of Burbage just outside the borough boundary. None of the borough's employment areas are within 2km of the junction but the proposed Hinckley National Rail Freight Interchange would be, should it be approved. (The proposal is still pending at the time of this report).

Since 1999, 59.57 hectares of land have been taken-up within these industrial areas closest to the motorway network, this equates to just 30% of take-up. This low proportion can be attributed to the limitations of the road network within the borough and the limited opportunities for development close to these motorway junctions.

7.1.13 Without undermining the importance of the strategic highway network, but to enable a finer grained comparison of employment areas, we have also considered proximity to the Major Road Network (MRN) as defined by the Department for Transport. The MRN includes:

- the A5 which runs along the southern boundary of the borough,
- the A47 which links Leicester and Nuneaton, and bypasses Hinckley, Barwell and Earl Shilton as it passes through the borough, and

- the A50 and A511 which link Leicester and Burton upon Trent and connect with junction 22 of the M1.
- 7.1.14 The logistics 'Golden Triangle' is an area of the Midlands with easy access to the M1 and M6 and within a 4-hour drive of 90% of the UK population, which has led to it becoming a prime location for logistics and distribution facilities. A detailed analysis of locations that meet this definition, carried out by the Office for National Statistics, identifies a non-contiguous area of 620km centred on Birmingham which does not include any locations within Hinckley & Bosworth. But the market is more flexible in its use of the term, and those parts of the borough which offer large sites in reasonable proximity to the motorway network are attracting demand for bespoke and speculative distribution warehouses. Examples are Mountpark and Interlink Park at Bardon, 4km to the west of Junction 22 of the M1, Hinckley Park at the junction of the A5 and M69, and Logix Distribution Park beside the A5 at Burbage. As well as these estates there are solus distribution warehouses such as Tesco at Hinckley and Aldi at Nailstone. The strong demand for land for warehouses and a limited range of sites of suitable size has had the effect of broadening businesses areas of search, enabling development on sites further from the SHN.
- 7.1.15 On the edge of the principal urban area of Hinckley and Burbage are industrial estates providing a range of premises of various ages and sizes. Examples include Harrowbrook, Dodwells Bridge, Nutts Lane, Sketchley Meadows and Hinckley Fields industrial estates. These estates accommodate a mix of occupiers, but there is notable representation from within the automotive sector. There is a nationally important cluster of automotive industry in the sub-region, with the borough being home to Triumph Motorcycles at Hinckley and Horiba MIRA, Haldex, Bosch, Polestar, Aston Martin and others at MIRA Technology Park.
- 7.1.16 MIRA Technology Park is Europe's leading research and development facility for automotive technologies. It is situated on a former RAF airfield beside the A5, and comprises test tracks, offices and workshops on a secure 330 hectare site. Test tracks, shelter belts and landscaping dominate the northern part of the Technology Park, and though a strip of workshops with office content has been developed between the two main test tracks, the focus for future development is at the southern end of the site where a Technology Institute was developed in 2018, older buildings are being refurbished, redeveloped or extended, and investment in new roads, drainage, electricity and other infrastructure is underway to provide a campus style technology park. The site has Enterprise Zone status and has received Local Infrastructure Funding.
- 7.1.17 The automotive sector is undergoing major change, with the development of electric, autonomous, hydrogen and military vehicles underpinning demand for test facilities and providing manufacturers of innovative components with opportunities for growth. MIRA is seeking to capitalise on this; it has opened an autonomous vehicle test track, and as part of the development of Zone 4 plans to start construction of two new industrial premises (plots 6 & 9) in October this year (2023). To enable business growth and flexible accommodation MIRA offers a range of unit sizes from incubation space, to terraced workshops with office

content, and detached manufacturing units. The largest bespoke requirements could be accommodated on a 59 hectare site to the south of the A5 which falls outside the borough.

- 7.1.18 As MIRA Technology Park is dedicated to automotive industry research and testing it can be clearly distinguished from other employment areas in the borough. In this report we assess this specialist site separately.
- 7.1.19 Within Hinckley and Barwell town centres are some employment premises of historic interest which are within conservation areas; notably early 20th century north-light boot and shoe factories around Arthur Street, Barwell and early 20th century hosiery factories at Druid Street and Wood Street, Hinckley. There is little demand from businesses for premises of this age, specification and condition and many buildings are underused or vacant. If buildings of historic interest are to be retained, alternative uses should be considered. If the buildings were cleared, there would be little or no demand for the plots for employment use and the viability of redevelopment would be undermined by high abnormal costs and low values.
- 7.1.20 Other employment areas within urban areas and smaller settlements may be a building occupied by a single business. If vacated these could provide affordable premises for other local businesses and a marketing exercise will identify if there is demand for continued employment use once the current occupier has vacated.
- 7.1.21 There is a wide variety of employment areas within rural parts of the borough. These include:
- Offices in the grounds of historic buildings such as Desford Hall and Bosworth Hall, where further development in the grounds may be constrained by the setting of a listed building.
 - Farm diversification schemes where businesses occupy former farm buildings, new employment premises are constructed in farmyards or farmyards are extended to accommodate employment uses. There are examples of these areas being extended to accommodate growth.
 - Quarries that are either operational or have been redeveloped for employment purposes. Examples include Nailstone, Cadeby and Desford Brickworks.
 - Small industrial estates in rural areas alongside active or former railway lines, such as at Market Bosworth, Merrylees, Stoke Golding, Kirby Muxloe and Higham on the Hill. Although these estates may be old and poor specification, they are generally well occupied.

7.2 Findings and Recommendations

- 7.2.1 LSH has reviewed the assessment of employment areas carried out by BE Group in 2020. The 2020 study identifies 114 employment areas and 6 areas with available employment land. Our review has identified

some additional employment areas to be included and other areas that are now in non-employment use, whether through redevelopment, conversion or some other reason. LSH has reviewed BE Group’s assessment of the employment areas and compared boundaries with the Council’s employment land allocations, with recent aerial imagery and with Land Registry title information. All employment areas were then physically inspected, to allow us to cross check the findings of our desk-based assessment.

7.2.2 Through this process LSH has assessed 125 areas. We recommend that eleven of these areas are no longer regarded as employment areas by the Council. These are listed below. The site areas stated are those calculated by BE Group and set out in their 2020 ELPS. We have included these to aid identification, not to endorse them.

Table 30. Recommended Removals from List of Employment Areas

Site Ref	Employment Area	Gross Area (ha)	Comments
BAG18	Workshop Units, Station Terrace, Bagworth	0.13	Former station buildings, now used as a house.
BRW02	Land fronting onto the High Street, Mill Street Industrial Estate, Barwell.	0.61	Adjoins Mill Street Ind Est (BRW01). Premises occupied in conjunction with those on the estate. Combine with BRW01.
BRW08	Arthur Street, Barwell	0.80	Within conservation area. Planning consent for housing has not been implemented.
BRW12	Barton Building, King Street, Barwell	0.13	Within conservation area. Barton Building now used as dance studio and theatre costume hire. Land to north and west used as parking for apartment building to south.
BRW10	Factory, Arthur Street, Barwell	0.17	Within conservation area. Building converted to apartments, adjoining brownfield site to be laid out as parking.
BRW03	Factory off The Barracks, Barwell	0.19	Partly within conservation area and redeveloped for housing.
HIN141 & HIN142	Area of Mixed Uses, South of Upper Bond Street, Hinckley	1.63	Description and area do not match map. LSH has split, renamed and remeasured.
HIN 128	Industrial Unit, Willowbank Road, Hinckley	0.36	Redeveloped for residential.
	Aggregate Industries, Markfield	0.30	Outside Hinckley & Bosworth Borough
	Cliffe Hill Quarry, Stanton Under Bardon	58.00	Operational quarry; not an employment use and not allocated as an employment site.
	Ivy House Farm (North), Tinsel Lane, Wellsborough	0.07	Used for agriculture (bee keeping and honey processing), not employment use.

7.2.3 The majority of these areas are no longer in employment use, with redevelopment or conversion to residential the most common reason, these housing schemes are typically small and within inner urban areas, where demand for employment premises is weaker. The loss of these employment areas will have limited impact on those in the market for employment premises.

7.2.4 Through this ELR, LSH has identified the following employment areas that were not included in Appendix 7a of the 2020 ELPS (though were included in Appendix 4 of that study). The majority are new employment areas including some large distribution parks that have come forward in response to the recent strong market demand.

Table 31. Recommended Additions to List of Employment Areas

Site Ref	Employment Area	Gross Area (ha)	Comment	Class
CAD09	New Farm Rural Industries, Ashby Road, Cadeby	4.71	Missed from 2020 ELPS. External storage area has steadily expanded.	B
BUR60	Hinckley Park, Burbage	53.0	New distribution units	A
CON01	Sinnott Storage, Ivy House Farm, Congerstone	0.23	Self-storage containers beside farm buildings. The site area only includes area of employment premises.	B
EAR55	Avant Homes, Westfield Farm, Earl Shilton	0.62	Available employment site beside new housing estate	B
HIN141	North of New Street, Hinckley	0.25	Rationalisation of mixed use area to south of Upper Bond Street.	C
HIN142	South of New Street, Hinckley	0.48	Rationalisation of mixed use area to south of Upper Bond Street.	C
HIN153	Tungsten Park, Hinckley	4.72	New units constructed between 2011 and 2015.	A
MKBOS 30	Swan House Business Centre, Bosworth Hall, Market Bosworth	0.47	Missed from 2020 ELPS.	A
NAI09	Aldi Distribution Centre, Nailstone	29.4	New distribution centre on site of Nailstone Colliery	A
STA21	Mountpark Bardon I, Ellistown	0.95	Small triangle of land falls within Hinckley & Bosworth local authority area.	A
STA22	Mountpark Bardon II, Ellistown	20.5	Majority of land falls within Hinckley & Bosworth local authority area.	A
STA23	Mountpark Bardon III, Stanton under Bardon	32.3	Consent for employment use granted on appeal. Extensive landscaping reduces net area of site to c. 16.4 ha.	A

7.2.5 Through this review of employment areas, we have identified 115 employment areas, of which four straddle the boundary with North West Leicestershire and one adjoins the boundary of Blaby. The 115 current employment areas are listed at Appendix 2. The cumulative gross site area of employment sites in Hinckley & Bosworth amounts to around 908 hectares. We have reviewed the class given to each area. These are

summarised in the table below. Whereas the number of employment areas within each class is broadly similar, the amount of land is not. Key/flagship employment areas account for 90% of the total gross area and fit for purpose employment areas account for around 8%. Lower quality employment areas account for just 1.7% suggesting that if they were to be lost to alternative uses the impact on overall supply would be modest. This disparity is to some extent exaggerated by flagship areas having relatively high proportions given over to landscaping, screening, SUDS basins and the like, whereas many of the lower quality employment areas are single buildings in densely developed inner urban areas. The key example of the former is the MIRA Technology Park with a gross area of 332 hectares, which constitutes 36% of the Borough's gross employment area, but where much of the park is laid out as test tracks. Mountpark Bardon III, Manor Park Twycross and Desford Hall, are other examples of employment areas where the net developable area is less than half of the gross site area.

Table 32. Summary of Employment Areas by Class

Class	Type	Number of areas	Gross Area (ha)
A	Key/flagship employment areas	36	815
B	Fit for purpose employment areas	45	78
C	Lower quality employment areas	34	15
	Total	115	908

- 7.2.6 It is notable that in the borough large areas of land have come forward for employment purposes, not through Local Plan allocations but by developers identifying sites and submitting planning applications. The strength of market demand for logistics premises in the wider sub-region underpins this market led approach to site selection. Recent examples are Mountpark Bardon III which was granted consent on appeal and Griffen Park, Desford where expansion land has been released to enable speculative development.
- 7.2.7 From our site inspections and desk-based research we note that where employment premises are situated on farms, expansion has, in some cases, been accommodated by incremental extensions onto adjoining farmland. Such extensions are typically small scale and the Council should consider Local Plan policies that enable this.
- 7.2.8 Where there are employment areas in conservation areas, such as in Hinckley and Barwell, the Council should consider whether priority should be given to retaining historic buildings or retaining employment premises; a flexible approach to changes of use is recommended.
- 7.2.9 The borough has a broad range of general industrial estates. Modern industrial estates are well occupied and need little intervention, but older ones, particularly those in rural areas would benefit from investment

and here vacant sites and premises suggest weaker demand. In some areas non-employment uses including residential are present.

8.0 AVAILABLE EMPLOYMENT SITES

8.1 Introduction

- 8.1.1 This section summarises the current availability and past take-up of employment land in Hinckley & Bosworth, to provide a context for the assessments of demand and supply and individual recommendations on sites, where appropriate. An analysis of past take-up rates and currently available land is used to calculate an implied supply and to assess the scale of additional allocations required. Take-up rates should not be interpreted as a comprehensive assessment of future requirements. They should be used in conjunction with the estimates of the need for employment land derived from the economic forecasting prepared as part of the Economic Development Needs Assessment (EDNA). However past take-up rates can be a useful reality check for forecasts derived by other means.
- 8.1.2 Planning Practice Guidance notes that employment land markets overlap local authority areas; and the market for employment land within Hinckley & Bosworth needs to be understood within a broader geographical and policy context. It is well established that markets for employment land and premises function across local authority boundaries, and given the mobility of employees, the role of a local authority area within a wider sub-region is relevant.
- 8.1.3 This is of particular relevance to Hinckley & Bosworth, which forms part of the nationally important Midlands 'golden logistics triangle', the focus of demand from national logistics companies, and part of the Midlands automotive cluster, sharing good connections to the national motorway network and a pool of skilled engineering workers. There are industrial estates that straddle borough boundaries, such as Interlink Park and the Mountpark estates at Bardon which are on the boundary with North West Leicestershire, the proposed southern extension of MIRA Technology Park which would be in North Warwickshire, the proposed Stretton Point mixed use scheme on the boundary with Rugby, and the proposed Hinckley National Rail Freight Interchange, which would be in Blaby district but up against the boundary of Hinckley & Bosworth.
- 8.1.4 An accepted methodology for the quantitative analysis of employment land is to divide the amount of land currently available for economic development by past take-up rates to arrive at a number of years' supply. In determining appropriate levels of allocation, planning inspectors have typically sought to ensure supply is adequate for the plan period. But more recently, recognising that recycled employment sites can play an important role in replenishing supply some local authorities are adopting a 'monitor and manage' approach by ensuring a five year supply of readily available sites and a further five year reservoir of sites that can be made readily available to replenish this supply.

- 8.1.5 NPPF requires Local Plans to “*be drawn up over an appropriate time scale, preferably a 15 year time horizon.*”⁸ The emerging Hinckley & Bosworth Local Plan is to cover the period from 2020 to 2041, a 21 year period of which three years have passed. LSH’s assessment of the availability and take-up of employment land records the position at the time of site inspections (conducted by LSH in July 2023) and considers the appropriate level of allocation for the remaining 18 years to the end of the Plan period.
- 8.1.6 Past take-up of employment land is affected by prevailing economic conditions and policy initiatives. Planning, regeneration, fiscal and financial policies can all impact upon the scale and location of take-up, whether intentionally or unintentionally. By considering past take-up over both short and long periods the effects of economic cycles and policy changes can be evened out and the stock adjusted, whilst shorter term trends can be identified. To identify where take-up has occurred, we have compared Google Earth imagery of the borough’s employment areas over time. Imagery for the whole of the borough is available from 1999 to 2023 and our site inspections allow us to identify development that had started before July 2023, we have therefore assessed take-up over the whole 24½ year period, and over three sub-periods:
- January 1999 to July 2006 = 7.50 years
 - July 2006 to April 2015= 8.75 years
 - April 2015 to July 2023 = 8.25 years
- 8.1.7 Our analysis categorises take-up by date, location and end use. Through this process it is apparent that much of the new floorspace has been delivered on new sites though there has also been some redevelopment of established employment areas.
- 8.1.8 Various factors make any quantitative analysis an inexact science. On the supply side of the equation the total amount of land available at any given point in time is indeterminate. The exact amount available depends upon:
- The size of private reserves (i.e. industrial land held with existing buildings for expansion). These are normally excluded from the analysis as they are not generally available for development. Where a large proportion of businesses hold expansion land this can lessen demand for available land; but from LSH’s assessment of the borough’s employment sites there appear to be few areas of land reserved for expansion. In policy terms expansion land should be considered as part of a business’s occupied site, until such time that it becomes surplus to the requirements of the business.

⁸ Paragraph 157, National Planning Policy Framework, Communities and Local Government, March 2012

- The number of windfall sites arising which are not presently allocated for employment uses but which may become available for such uses.
- The number of further sites becoming available through the recycling of land currently in employment use. Through the site inspection process, LSH noted demolition activity that had or is resulting in sites becoming available. Having regard to the constraints on development across large parts of the borough, the redevelopment of brownfield sites is important for the maintaining of a supply of sites.

8.1.9 On the demand side it is assumed that all existing industrial allocations will remain in such use when in reality some of the land may be taken up for other uses. The extent to which the Council should plan for the replacement of future losses of employment land is addressed in the Economic Needs Assessment.

8.1.10 The conservative estimate of the total supply of land on the one hand, and the under-estimate of total consumption on the other will, to some degree, cancel each other out.

8.1.11 NPPF requires local planning authorities to *“have a clear understanding of business needs within the economic markets operating in and across their area.”* Where there are distinct property market areas PPG proposes analysis by market segment and by sub-area. Within Hinckley and Bosworth there are two sectors with specific needs: MIRA is restricted to businesses carrying out automotive research and we carry out specific analysis of the Technology Park. Purpose built logistics premises are an important market segment within the borough, these can be situated on general industrial estates, distribution parks or solus sites; we compare take-up of land for distribution sheds with development sites being promoted for logistics.

8.1.12 The starting point for LSH’s assessment of employment land within the local authority area has been the 2020 ELPS which identifies established employment areas and available employment land. Guided by this information we have used aerial images and site inspections to identify where land is available for development and where take-up has occurred for development. Our site inspections were carried out over three days in July 2023.

8.2 Quantitative Assessment of Available Land

8.2.1 Our assessment has used an iterative approach. We initially identified 22 sites within employment areas or with planning consent for employment use that appeared to be available for development. Four of these sites are less than 0.25 hectares which Planning Practice Guidance suggests as a size threshold when assessing sites for economic development. However, PPG allows plan makers to consider alternative size thresholds. Our assessment of past take-up identifies that one-third of sites taken-up for employment use since 1999 have been less than 0.25 hectares; this is a substantial proportion of market demand. Less than

a tenth of sites taken-up have been less than 0.10 hectares. We would therefore recommend that the council adopts this lower size threshold. The effect of this is to remove two very small sites from our assessment (Sites BRW14 and BUR57, highlighted at Appendix 3).

8.2.2 LSH has inspected all the sites, identified boundaries and site areas, and assessed each according to a range of market and sustainability criteria. The assessment matrix is attached at Appendix 3 and a guide to the assessment criteria is set out at Appendix 4. To enable a high level comparison of the features of each site, the matrix uses numbers from 1 to 5 to identify various qualities of the sites. For some criteria, the numbers represent a ranking, whilst for others the numbers represent a category that, depending on the end use of the site, may not be better or worse than another. It should be noted that LSH's overall recommendations are not based solely on this numbering; other factors identified in the "Notes" column have also been considered. Nor does the numbering imply that the various criteria should be given equal weight.

8.2.3 Within the borough there are twenty available sites with a combined gross site area of around 102 hectares. These are listed in the matrix at Appendix 3. It should be noted that the larger sites are likely to be subdivided into smaller plots and thus have capacity to accommodate more than one unit. To assess the net developable area, LSH have applied gross:net ratios as appropriate. In some instances, we have used masterplans to identify net areas, in others we have used generic adjustments derived from LSH research as set out in the guide at Appendix 1. These twenty employment sites provide an estimated net developable area of 68.09 hectares.

8.2.4 Through our assessment process we have removed a further two of the twenty sites from the assessment of available sites (Appendix 3). These are:

- Station Road Industrial Estate, Market Bosworth (MKBOS29). A strip of land of 0.51 hectares on the western side of the industrial estate appears vacant. Our research has established that it is used by the Battlefield Line Heritage Railway. Although adjoining employment premises, this is not an employment site.
- South west corner of Interlink Distribution Park, Bardon (STA20). A triangle of woodland and scrub of 1.38 hectares is bounded on two sides by operational railway lines in cuttings; on the third side are terraced industrial units and as access to the site is only possible through the shared yard of the terraced units, the site is effectively landlocked. The site cannot readily or viably be developed and is likely to be retained as landscaping and screening.

8.2.5 Removing these four highlighted sites from the supply of available sites effectively reduces the net developable area to around 66 hectares. The remaining sites range from 0.2 hectares to 16.3 hectares. In the table below the number and size of available sites are categorised by type.

Table 33. Summary of Available Employment Land by Type

Type	Number of sites	Total Net Area (ha)
General Industrial Estates	10	13.08
Distribution Parks	3	28.37
MIRA Technology Park	5	24.53
Total	18	65.98

8.3 Take-Up of Employment Land

8.3.1 Take-up of employment land in the borough over the 24½ year period January 1999 to July 2023 is recorded on a site-by-site basis at Appendix 6. Where a development straddles the Borough boundary only that part of the site within the borough is included (there are four such sites, all at Bardon). Some 187.70 hectares of land have been taken-up for employment use, which averages 7.66 hectares per annum. At this rate of take-up currently available land of 65.98 hectares equates to eight years supply, which is insufficient for the 18 years to the end of the plan period in 2041.

8.3.2 The rate of take-up has not been consistent over this period. The table below compares take-up over three periods. Whilst the choice of these periods has been determined by the availability of aerial images, the average rates of take-up reflect the changing economic and fiscal environment over this period. At the start of the millennium the UK enjoyed an unusually prolonged period of economic growth when there was ready access to development finance and rising rents improved the viability of development. Between 1999 and 2006 take-up in Hinckley & Bosworth averaged 5.75 hectares per annum.

Table 34. Take-up of Land for Employment 1999-2023

Period	1/99-7/06	7/06-4/15	4/15-7/23	Total
Take-up (ha)	43.13	30.74	113.83	187.70
Years	7.50	8.75	8.25	24.50
Hectares p.a.	5.75	3.51	13.80	7.66

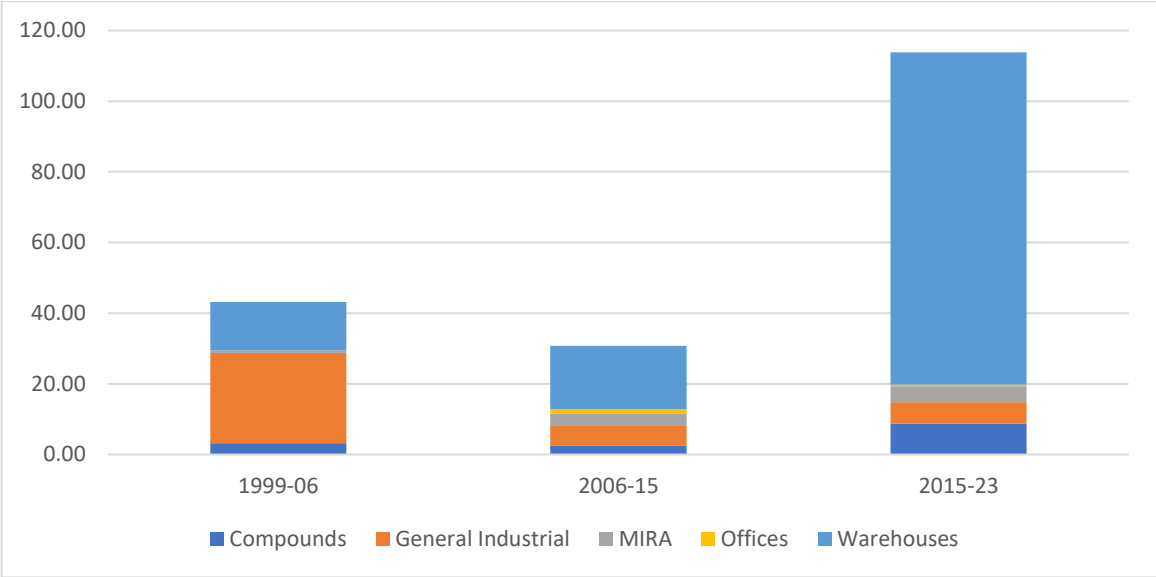
8.3.3 In September 2007, the run on Northern Rock signalled the oncoming credit crunch and the recession of 2008-09. Across the UK, finance for development was withdrawn, development activity ceased, and property values fell. The recession was followed by 'austerity', several years of weak economic growth, when demand for property was weak and values were stagnant. Construction costs continued to increase, and the viability of property development was undermined. Between 2006 and 2015 take-up in Hinckley & Bosworth fell to an average of 3.51 hectares per annum.

8.3.4 Property markets started to recover from 2015. The Brexit vote caused a temporary shock to the market, but then increased demand for warehousing as businesses used stockpiling to mitigate disruptions to import and export. At the same time, the COVID-19 pandemic bolstered demand for logistics premises, as

the shift to online shopping accelerated. With demand for large sites increasing, take-up in the borough increased to 13.80 hectares per annum.

8.3.5 The bar chart below categorises take-up by property type. Take-up of land for distribution and logistics warehouses, increased from 2 hectares per annum in 2006-15 to average 12.36 hectares per annum between 2015 and 2023. Against this average rate of take-up, the 28.37 hectares of land currently available on distribution parks, represents only two years supply.

Figure 18. Take-up of Employment Land by Sector and Period



8.3.6 The rapid growth in take-up of land for logistics and warehouse premises within the borough shows how the strong demand for premises in the ‘golden triangle’ has spread out over a wider area as the supply of sites has become more constrained. Developers and occupiers have expanded their search area to include peripheral locations such as Hinckley & Bosworth, where recent high levels of take-up reflect the opportunities provided by a handful of large sites in reasonable proximity to the strategic highway network.

8.3.7 A more detailed look at aerial imagery to pinpoint the dates of development reveals that it was in 2019 when the step change in take-up of land for distribution warehouses occurred, with Amazon and DPD taking 10.7 ha and 15.8 ha respectively. This evidence of growing demand for sites in the borough before COVID-19 boosted market demand, is an important factor to consider when assessing the scale of future allocations. Since 2019, take-up has totalled 100 hectares and averaged 22.3 hectares per annum (whereas since 1999, take-up of land for warehouses averaged only 5.1 hectares per annum). It is debateable whether this short term rate of take-up will continue or whether the provision of sites in neighbouring boroughs will draw demand away from Hinckley & Bosworth. What is evident is that strong market demand in the Midlands ‘Golden Triangle’ is encouraging developers and landowners to identify and promote sites for large distribution premises rather than wait for local planning authorities to allocate sites through the

local plan process. Given the scale of demand and the regional nature of requirements, there is a case for co-operation with neighbouring authorities to understand demand over a wider area and ensure a supply of sites to address sectoral requirements.

8.3.8 For the purposes of this study it is helpful to distinguish between national and local market demand for warehousing. Recent studies of the national demand for warehousing in the ‘Golden Logistics Triangle have defined Strategic B8 as warehouses of more than 100,000 sq ft (9,290 sq m). Whilst smaller units serving the local market tend to be often accommodated on general industrial estates, strategic B8 tends to be situated on distribution parks and solus sites. Over the long term, since 1999, take-up of strategic B8 has averaged 4.96 ha per annum (121.42 ha ÷ 24.5). Since 2019 this has increased to 19.41 ha per annum (87.36 ha ÷ 4.5). On the basis of this short term take-up rate, the 28.37 ha of available land on distribution parks equates to less than two years supply.

Table 35. Strategic B8 Completions

	Total Employment Completions (ha)	Strategic B8 Completions (ha)	Strategic B8 (%)	Strategic B8 Per Annum (ha)
1999-2023	187.7	121.4	65%	4.96
2019-23	101.1	87.4	86%	19.41

8.3.9 The Horiba MIRA Technology Park at 332 hectares is the largest single employment area in the borough. Part was granted Enterprise Zone status in August 2011 and the area designated was expanded in 2016. The majority of this secure estate comprises test tracks, with woodland screening and landscaping. Through discussions with MIRA’s agents, land totalling 24.53 hectares (Appendix 3) is identified for employment development; this equates to 37% of the borough’s available land supply; but the plots are reserved for the automotive sector rather than available for general employment use. The masterplan for the future development of the Technology Park proposes a low density campus at the southern end and a strip of workshops with office content between the test tracks to the north. So, whilst 24 hectares is currently available for development, more could come forward through redevelopment, through increasing development densities or more efficient land use. MIRA’s proposals also include bringing forward land to the south of the A5 to accommodate larger industrial requirements. This land falls within the neighbouring authority area of North Warwickshire.

8.3.10 The identified supply at MIRA of 24.53 hectares can be measured against take-up of 8.44 hectares since 1999, which equates to 0.34 hectares per annum. Against this long term take-up rate the implied supply of 72 years far exceeds the plan period. However, take-up rates have been increasing; since 2015, 4.56 hectares have been developed, an average of 0.55 hectares per annum; and in October 2023 the construction of two industrial units in the Zone 4 is scheduled to start. Plot 6 is 2.39 hectares and Plot 9 is

1.82 hectares. The effect will be to boost average take-up to one hectare per annum (since 2015) and reduce availability to 20.32 hectares bringing the remaining supply into closer alignment with the requirement for the plan period.

8.3.11 Since 1999 take-up of land for general industrial (including smaller warehouses and compounds) has totalled 56.17 hectares or 2.29 hectares per annum. Measured against 13.08 hectares of land available on general industrial estates there is an implied supply of five years. The take-up rate since 2015 of 2.60 hectares per annum is similar to the long term average. By either measure, there is a case for allocating more general employment land within the borough to meet requirements over the plan period. The largest available site in this category is the former Cadent HQ at Coventry Road, Hinckley, with an estimated net developable area of 5.1 hectares. Offices on the site were demolished following the company’s relocation to Coventry. With the precedent of recent residential development on a former employment site to the west and a planning application for residential development on part of the Cadent site, which was subsequently withdrawn, the prospects of retaining this brownfield site within the employment land supply is uncertain. Without the Cadent site the implied supply of general industrial land would represent just three years’ supply. Moreover, the choice of general employment land becomes limited, with none on modern industrial estates.

8.3.12 Since 1999 take-up of land for office development has totalled 1.67 hectares or 0.07 hectares per annum. In the most recent period since 2015 this annual average was just 0.05 hectares per annum. Against this evidence of limited demand there is little justification for specifically allocating land for office development. During our site inspections we noted office floorspace that has been provided through conversion of buildings in town centres, on farms, and at historic buildings set in their own grounds. Such opportunities are likely to meet all but the Borough’s largest office requirements.

Table 36. Take-up of Land for Employment by Location

Location		
Hinckley & Burbage	92.61	49.3%
Bardon & Nailstone	59.62	31.8%
Rural Centre & West	27.03	14.4%
MIRA	8.44	4.5%
Total	187.70	100%

8.3.13 The table above shows that development activity has not been evenly distributed around the borough. Around half has been in Hinckley & Burbage notably in industrial estates along the southern edge of the urban area with easy access to the A5. Nearly a third has been in the northern corner of the borough where

there has been strong demand for large warehouse premises at Bardon, where there is easy access to the M1.

- 8.3.14 The location of past development contrasts with current availability. There is just one site available in Hinckley & Burbage; this is the former Cadent HQ, where the owner has been proposing residential development. As an inner urban site with high abnormal costs, the viability of redevelopment for employment use will be marginal and the prospect of development for employment uses in the short term is weak. There is a need to identify employment land in the Hinckley and Burbage area that can be brought forward in the short term to meet general industrial purposes. In the north of the borough, planning consents for new employment premises at Mountpark Bardon III and at Shaw Lane, Upton will meet demand in this location. As noted above, there is sufficient land at MIRA Technology Park for the plan period. In the rural areas there is a supply of smaller sites that corresponds with the small size of requirements; and Griffen Park at Desford will accommodate larger requirements.

8.4 Qualitative Assessment of Available Land

- 8.4.1 The 18 available sites are assessed against a wide range of qualitative criteria in the matrix at Appendix 3. These criteria have been grouped to align with the planning policy criteria of availability, suitability and achievability. The criteria used in the assessment are set out at Appendix 4.

Availability

- 8.4.2 All the available sites are in single ownership. None require land assembly. Ten of the 18 sites are owned by, or being promoted by, a developer for either speculative or bespoke development. Eleven of the 18 available sites have either an outline or detailed planning consent. Of the remainder, five are within allocated employment sites and two have neither an allocation nor a planning consent, these are both infill sites on non-allocated rural employment areas, where there has been recent development activity.
- 8.4.3 Sites with a planning consent for employment are likely to be deliverable within the next five years. These eleven sites, listed in the table below, total 51.1 hectares and account for 77% of available land. Given the scale of land being promoted at MIRA, it seems ambitious to expect that all development would be delivered within five years. Notably the land in the southwest corner of MIRA currently lacks infrastructure. We have therefore classed this land as developable, rather than deliverable.

Table 37. Deliverable Employment Sites

Employment Area	Net Area (ha)	Owner / Developer
Griffen Park, Pecklington Lane, Desford	11.76	Gulf Ventures 2
Westfield Avenue, Earl Shilton	0.53	Avant Homes
Shaw Lane, Markfield	2.17	CJ Upton Steel
Interlink Way South, Interlink Distribution Park, Stanton	0.61	Leicestershire County Council
Mountpark Bardon III, Ellistown	16.30	Wood Farm Holdings /Mountpark
Former Flogas Depot, Merrylees Ind Est, Thornton	2.27	Flogas
South-east plot, Merrylees Ind Est, Thornton	0.54	Bece Developments
North of Clearmotion, MIRA, Watling Street, Higham on the Hill	3.53	Horiba MIRA / Swanvale
Zone 4, MIRA, Watling Street, Higham on the Hill	9.07	Horiba MIRA / Swanvale
South-east of MIRA Drive, MIRA, Higham on the Hill	3.24	Horiba MIRA / Swanvale
West of central buildings, MIRA, Higham on the Hill	1.08	Horiba MIRA / Swanvale
Total	51.10	

Suitability

- 8.4.4 In assessing the suitability of sites for employment development we have had regard to planning and market factors. Planning factors include habitat, landscape and heritage designations. There are no planning designations that would constrain the development of employment floorspace on any of the available sites.
- 8.4.5 Market factors that we have considered in assessing the suitability of sites for employment development include access to the strategic highway network, local road access, site characteristics, flood risk and the quality of infrastructure. As noted at paragraph 5.2.4 our assessment has already discounted a wooded triangle of land in the corner of Interlink Distribution Park which provides greenspace on the periphery of the estate and is also landlocked.
- 8.4.6 Although there is little available land that is close to the Strategic Highway Network some of the larger sites are within 2km of the Major Road Network and local road access to these larger sites is typically good. The majority of available land has few or no physical constraints and sites are mainly at low risk of flooding except for small areas with a moderate risk of surface water flooding. The quality of infrastructure varies widely with greenfield sites needing extensive infrastructure provision, through to sites on industrial estates served by high quality infrastructure.

Achievability

8.4.7 In assessing the achievability of employment development on the available sites we have had regard to barriers to development, market attractiveness and the viability of development. In considering viability we have had regard to both costs and values. Sites which can accommodate premises for which there is strong market demand, such as large warehouses in locations with good road access, may be viable even though costs of infrastructure and/or remediation are high. The availability of funding for infrastructure is also relevant; with strategically important developments such as MIRA being favoured, whilst smaller sites serving the local market are less likely to qualify.

Sustainability

8.4.8 In assessing the sustainability of available sites, we have considered their sequential status and proximity to urban areas as well as the compatibility of adjoining uses. The majority of sites are out of centre, or out of town, where there are no incompatible uses within the surrounding areas. The former Cadent site in Hinckley and the employment site beside Avant's housing development at Earl Shilton are exceptions.

8.5 Summary

8.5.1 When assessed against past take-up there is a shortfall of available employment land in the borough for the plan period. There is currently around 66.28 hectares of available land which against the long term take-up rate of 8.04 hectares per annum equates to eight years supply. But take-up rates have increased as demand for distribution warehouses has accelerated and take-up since 2015 has averaged 14.88 hectares per annum, against which available land represents just four years supply.

8.5.2 Although developers have been identifying and promoting large sites to meet requirements there remains a shortfall. This shortfall is at both borough and county level. A recent report by GL Hearn on warehousing and logistics for Leicester and the Leicestershire Authorities⁹ identifies shortfalls at rail-served sites and non-rail served sites. Whilst the shortfall of rail served sites would largely be met by the proposed Hinckley NRFI, a further 112 hectares of road served sites was required to accommodate floorspace requirements to 2041. Our own analysis at borough level identifies that since 2015, take-up of land for distribution and logistics warehouses has averaged 12.36 hectares per annum, against which the 28.67 hectares of land available on distribution parks represents only two years supply. If take-up were to continue at 12.36 hectares per annum for the 18 years to 2041 then an additional 194 hectares of land would need to be

⁹ Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change, GL Hearn, April 2021 (amended March 2022).

allocated for this sector. This is far higher than the amount proposed by GL Hearn for Leicestershire as a whole.

- 8.5.3 Our analysis of past take-up at MIRA suggests that there is enough land within the Technology Park to meet requirements for the plan period. Growth in automotive research is being bolstered by the industry disruption of electric vehicles, autonomous vehicles, hydrogen fuel etc; and although Brexit caused uncertainty for the industry, MIRA continues to attract R&D operations of European businesses. As a facility of strategic importance to the growth of the UK's motor industry, MIRA has received grant funding for infrastructure provision to enable a supply of readily available development plots. There is an ambition that specialist automotive suppliers already at MIRA will scale-up from R&D to manufacturing, leading to larger premises requirements at MIRA, either on the existing campus or on the southern expansion site on the opposite side of the A5 (in North Warwickshire). Having regard to its focus on the automotive sector, there is a strong case for MIRA to be considered separately from general employment sites. Moreover, given its scale and international role the Council should consider identifying this as a strategic site in the Local Plan.
- 8.5.4 There is little available land on general industrial estates, particularly in Hinckley and Burbage which has seen the highest levels of development activity in the Borough. Allocations to support this should be taken to address this shortfall and though the clearance of the Cadent site has released a large area of employment land for redevelopment, this is within the urban area and adjoins housing so consideration will need to be given to the compatibility of employment uses in this location.
- 8.5.5 In rural areas small scale development has to some extent been accommodated through expansion of employment areas. And though there are some available spots within existing employment areas, these brownfield sites with poor quality infrastructure may not meet general market demand and are more likely to be used for external storage. Quarries, brickworks and collieries that are no longer operational can provide large areas of previously developed land, and those with good road access may be of interest to developers of employment premises. The Council should consider if any such facilities are expected to become non-operational over the plan period.
- 8.5.6 The location of the borough on the edge of the Midlands Golden Triangle and a topography that facilitates the provision of large level sites, has led to strong demand for warehousing, even though the road network is relatively poor.
- 8.5.7 A majority (75%) of available land is deliverable, and can meet requirements in the short term, but this supply is focussed on specific sectors: automotive industry research and warehousing. There is an urgent need to identify more land for general industrial use.

9.0 POTENTIAL EMPLOYMENT AREAS

9.1 Introduction

9.1.1 Having identified that there is a shortage of employment land to meet the demand from some specific sectors, the aim of this assessment of potential employment areas is to identify sites, that from a market perspective, would be best suited to meet the needs of these sectors. It should be noted that it is beyond the scope of this study to categorically determine whether a site should be allocated for employment use or not. That is for the Council to decide having regard to a broader set of criteria including the relative need for different land uses. The consideration of other land uses is beyond the scope of this employment land review.

9.1.2 As we note below, the overall amount of land put forward for potential employment use is more than could be reasonably required for a single plan period. Therefore, our assessment looks at various key attributes to establish whether an area should be allocated for employment. These are:

- Planning status. Where an area has recently been granted planning consent or there is a live planning application, we have considered whether this is a good indicator of its future use. Similarly, sites that form part of a proposed urban extension, the principles of which are supported by the Council, indicate an intention to allocate for employment use.
- Location. Some sectors have specific location requirements, our assessment has regard to whether an area's location is likely to meet demand from specific sectors.

9.2 Sources

9.2.1 As part of the Local Plan review the Council issued a call for sites. This gave landowners and interested parties an opportunity to identify sites that may have potential for housing and/or economic development. Where sites were submitted before 31 May 2023, the Council has committed to assess them in the Strategic Housing and Economic Land Availability Assessment (SHELAA) and consider them within the Local Plan Review process.

9.2.2 The call for sites exercise resulted in a high number of sites being identified. Through a sifting process the Council has identified those where employment development is proposed, and the Council has provided plans that identify the boundaries of those submitted sites that LSH is to assess. It should be noted that some of the sites are being promoted for mixed-use with employment forming only a small part. As the

purpose of this report is to assess the availability of employment land, we have used masterplan documents to identify and measure the employment elements of the schemes; and we assess these smaller areas.

- 9.2.3 For the purposes of this assessment, potential employment sites are defined as land that is neither allocated for employment, nor within an established employment area, but which is being promoted for the development of use classes E(g), B2 or B8, either as an employment site or as part of a mixed-use scheme.
- 9.2.4 The 47 potential employment sites that the Council has identified are listed at Appendix 7, where they are assessed against a range of qualitative criteria. One of these (LPR 22 B) forms part of another site (LPR 22 A); to avoid double counting the smaller of these sites has not been assessed. There are effectively 46 potential employment sites with a cumulative gross site area of around 860 hectares. However, six of these sites straddle the local planning authority boundary. Excluding land in the other authority areas, the cumulative gross area of potential employment sites within Hinckley & Bosworth reduces to around 780 hectares. To put this in the context of existing employment areas, this is around 86% of the overall size of the borough's existing employment areas (908 hectares). Only in exceptional circumstances would demand for employment land require such a large increase in the overall extent of employment areas within a single plan period. It is therefore very unlikely that all the land put forward through the call for sites will be required to meet needs over the plan period.

9.3 Planning Factors

- 9.3.1 As at February 2024, two sites now have planning consent for housing. These are Wood Lane, Higham-on-the-Hill (LPR90) and Breach Lane, Earl Shilton (LPR2). With consent for a higher value use it would be very unlikely for these to come forward for employment.
- 9.3.2 A planning application (23/01023/HYB) for motorway services at junction 1 of the M69 (AS 113) is awaiting determination; given the location and other attributes of this site, the proposed use is appropriate, and the development of employment premises now seems unlikely.
- 9.3.3 The land at Wood Lane, Stanton under-Bardon (LPR117) now has planning consent for a B8 scheme – also known as Mountpark Bardon III, the land is included in our list of available employment land (STA23).
- 9.3.4 Changing planning circumstances effectively mean that these four sites, summarised in the table below, no longer fit the definition of potential employment areas. By excluding these, the stock of potential employment areas is effectively reduced to around 743 hectares (780 - 37).

Table 38. Potential Employment Areas where Status Changed by Planning Circumstances

Ref			
AS 113	Stretton Point, Burbage	1.0	Planning application for motorway services pending
LPR 2	Breach Lane, Earl Shilton	1.1	Planning consent for residential
LPR 90	Wood Lane, Higham-on-the-Hill	2.6	Planning consent for residential
LPR 117	Wood Farm, West La, Stanton under Bardon	32.2	Planning consent for warehouses
Total		36.9	

9.3.5 Planning factors should be given weight in considering potential employment areas within Earl Shilton and Barwell. Here old employment areas within the urban area have very little available land and although inner urban areas are a priority for regeneration, redeveloping these premises for employment is unlikely to be viable. The proposed urban extensions to both settlements therefore offer the opportunity to replenish the stock of local employment land. Potential employment areas within Earl Shilton and Barwell are listed in the table below.

Table 39. Potential Employment Areas in Earl Shilton and Barwell

Ref	Potential Employment Area	Gross Area (ha)	Comments
AS 58	Employment element of Barwell urban extension	6.4	Decision pending on outline planning application. Ref: 12/00295/OUT
AS 235	North of Ash House, Earl Shilton	1.7	Within urban extension, masterplan proposes housing on three sides. Housing allocation could be considered.
AS 237	Employment element of Earl Shilton urban extension	5.3	Masterplan shows direct access from A47.
AS 612	Ashby Road, Barwell	1.3	Outside settlement boundary but adjoins urban extension.
LPR 12	Leicester Road, Earl Shilton	1.1	Adjoins LPR 55 & 56. Outside settlement. Planning application for employment units. Ref: 22/00727/OUT
LPR 54	East of Leicester Road, Earl Shilton	0.8	Paddock beside builder's yard. Do not allocate but treat any application on its merits.
LPR 55	Fronting A547 and Leicester Road, Earl Shilton	1.0	Adjoins LPR 12 & 56. Outside settlement. Planning application for employment units. Ref: 22/00727/OUT
LPR 56	Dalebrook Farm, Earl Shilton	7.9	Adjoins LPR 55 & 12. Outside settlement. Planning application for employment units. Ref: 22/00727/OUT
Total		25.5	

9.3.6 The employment elements of the two urban extensions, will only come forward in the medium to long term once infrastructure has been provided. The planning application at Leicester Road, Earl Shilton, which

encompasses three of the above sites, would provide small units to meet local requirements in the short term. It is well beyond the settlement boundary, but it is prominently situated beside the A47.

9.4 Spatial Options

9.4.1 LSH is separately commissioned by the Council to assess spatial options for development in the borough. Although this is primarily to guide the delivery of new homes it should also inform the allocation of land for employment to facilitate residents' access to employment. Six broad spatial options have been considered:

- Option 1: Neighborhood Development Plan (NDP) led spatial distribution
- Option 2: Core Strategy approach
- Option 3: Key Transport and Accessibility Corridors
- Option 4: Garden Village/New Town
- Option 5: Proportionate Growth of Key Rural Centres
- Option 6: A mix of the above options

9.4.2 To assess these six options, four geographical areas have been identified in conjunction with the Council, these are:

- The Urban South which includes Hinckley, Burbage, Earl Shilton and Barwell.
- North East and Leicester Suburbs, which has close connections to Leicester City.
- Central, smaller settlements within the countryside.
- West, a predominantly rural area with the MIRA enterprise zone at the southern end.

9.4.3 The Spatial Options analysis identifies that in the 2021 Census the Urban South had the largest proportion of residents of working age (16-64), and it also recorded the highest growth in the number of households since 2011; this supports a case for more employment provision in this location. But the analysis also noted that the four geographical areas had distinct age profiles and housing types. The spatial options strategy therefore recommended that to deliver the scale of housing development required throughout the borough and to ensure all needs are met, a hybrid of the five spatial options would be the best approach to future residential growth and housing provision in the borough. It follows that the provision of employment land should not be wholly concentrated in one sub-area but distributed across the borough.

9.4.4 Three sectors have distinct locational requirements: automotive research & testing, logistics and rural workspace. These are considered below.

- 9.4.5 **Automotive research & testing.** As noted above, the Borough's largest employment area is MIRA, which is dedicated to motor industry research and testing. There has been take-up of 8.44 hectares since 1999. Against this the 24.53 hectares currently available is ample for the plan period and the proposed extension site on the opposite side of the A5 (in North Warwickshire) could accommodate any larger requirements. Over the plan period, none of the potential employment areas are needed to accommodate requirements from this sector.
- 9.4.6 **Logistics.** Currently there are two sites available that are suited to large scale logistics. These are Griffen Park (DES27) 11.76 ha and Mountpark Bardon III (STA23)¹⁰ 16.08 hectares. Both have planning consent for B2/B8. A corner of a site at Interlink Distribution Park at Bardon also falls within Hinckley & Bosworth and with adjoining land in North West Leicestershire could also accommodate strategic B8. These three sites aggregate to 28.37 hectares.
- 9.4.7 The Council advise that the Leicestershire authorities have commissioned a B8 study to inform the amount of land required for strategic logistics and to apportion this between the local authorities. Due to the timings of the studies the B8 study was not available to us as we prepared this Employment Land Review. In assessing the appropriate amount of land to allocate for strategic B8, we recommend that the Council primarily refers to the findings of the B8 study; and in assessing allocations to meet the needs of other employment sectors it uses the findings of this Employment Land Review.
- 9.4.8 That said, our analysis shows that take-up of employment land for warehousing has been increasing. Since 2019, the demand for large scale warehouses premises in the Midlands 'Golden Triangle' has been boosted by the effects of Brexit and Covid 19 and a tight supply of sites has encouraged developers and landowners to identify and promote sites on the periphery of the established 'triangle' and in locations not just close to the motorway network but near to other major roads as well. Between January 2019 and July 2023 (4½ years) take-up of land for strategic B8 in Hinckley & Bosworth has totalled 87.36 hectares and averaged 19.4 hectares per annum. This compares to an average of 4.95 hectares per annum since 1999 (24½ years). Against the short-term take-up rate the three currently available sites represent one to two years supply.
- 9.4.9 Given the much lower rates of take-up of land for warehousing prior to 2019 it is debateable as to whether this rate can be sustained. But it does provide a useful upper limit to understand the extent to which potential employment areas can meet this need within Hinckley & Bosworth.

¹⁰ Mountpark Bardon III is alternatively known as Wood Farm, West Lane, Stanton under Bardon (LPR117) and is included within the list of potential employment areas, but since receiving planning consent should be regarded as available employment land.

9.4.10 On the basis that take-up of land for warehouses were to continue at the 22.3 hectares per annum achieved over the last 4½ years, then the amount required for the 18 years to the end of the plan period would be 401.4 hectares; and with 30.2 already available some 371.2 hectares net would be required.

9.4.11 In the table below we list those potential employment areas best suited to meeting the requirements of warehouse operators and developers. We have identified those areas that are both in excess of two hectares and within two kilometres of the strategic highway network. (i.e. 5 or 4 in the relevant column of the assessment matrix at Appendix 7). These potential employment areas have an aggregate gross area of around 433 hectares. This cannot be directly compared with the 371 hectare requirement, which is a net figure. But applying a typical gross:net ratio of 85% (see Appendix 1) to the gross area generates a net area of 368 hectares which broadly matches the 371 maximum requirement.

Table 40. Potential Employment Areas Meeting Requirements for Large Scale Distribution Warehouses

Reference	Potential Employment Area	Gross Area (ha)
AS 403	Thornton Lane, Markfield	2.2
AS 978	Old Hall Farm Fishing Lakes, Groby	20.5
LPR 16	Land to East of Hinckley Park, Burbage	230.0
LPR 32	West of J22 of M1 and South of A511, Markfield	22.9
LPR 42A	East of Cliffe Lane and south of J22 MM1, Markfield	2.0
LPR 42B	Between Cliffe Lane and M1, Markfield	18.2
LPR 44	Hinckley Sewage Treatment Works, Burbage	26.8
LPR 49A	West of Anstey Lane, Groby	11.5
LPR 49B	East of Anstey Lane, Groby	45.8
LPR 95	East of J21 of M1, Markfield	26.8
LPR 134	East of Leicester Western Bypass, Groby. (Larger part of 74.2 ha site in Blaby)	23.7
LPR 148	East of Whitwick Road, Copt Oak. (Larger part of 24.7 ha site in Charnwood)	2.6
Total		433.0

9.4.12 It follows that, even if, demand for development sites for warehouses were to continue at its short-term rate, the call for sites exercise identifies enough land to accommodate this.

9.4.13 We have identified that more land for general employment is required to serve the urban area of Hinckley and Burbage. As well as the land to the east of Hinckley Park (LPR 16) identified above, some 66 hectares of farmland to the west of Dodwells Bridge Industrial Estate has been put forward for employment use (LPR 22). Before a site of this size could come forward for development, substantial infrastructure would be required including a new access off the A5. A scheme to improve the A5 between Hinckley and Tamworth

has been considered for Department of Transport funding; but the timing of any funding is uncertain, meaning these larger sites are unlikely to come forward in the short term. As a result, the Council should look to smaller employment sites to meet requirements in the short term. A handful of small infill sites have been identified, notably at Normandy Way (LPR 144B) and Nutts Lane Industrial Estate (AS 986). The Council should consider allocating these for employment to meet short-term need. Hinckley Sewage Works (LPR 44) has also been put forward as a potential employment area. The owner, Severn Trent Water has identified 8.8 hectares that are surplus to the requirements of the sewage treatment works which could provide redevelopment opportunities without further incursions into the countryside.

9.4.14 **Rural Workspace.** Various rural sites have been submitted. These are typically small scale and in close proximity to key rural villages. Some are brownfield sites, some include farm buildings. It may not be appropriate to allocate some of these as employment areas as the primary use may still be agricultural. In these cases, planning applications should be treated on their merits and a farm diversification policy could be used to guide development.

9.4.15 Elsewhere in the rural area, some larger sites have been put forward, notably beside Twycross Zoo (LPR 102A) and at Market Bosworth (AS 393). The land near Twycross Zoo is in countryside some 4km south of junction 11 of the M42. Although there is undoubtedly demand for B8 space in the M42 corridor, it is debateable whether this is the best place, given that there are other development opportunities closer to the M42 junction (where Mercia distribution park has been built) and given the proximity to Twycross Zoo. At Market Bosworth the proposed extension to Station Road Industrial Estate would be part of a mixed use scheme that would also provide housing. To create an access from Station Road, existing industrial units would need to be demolished. Thus, part of the employment provision would be to replace existing facilities.

9.5 Summary

9.5.1 The call for sites has identified a high number of potential employment areas and our quantitative assessment concludes that not all this land will be required. The assessment matrix at Appendix 7 allows comparison of these sites and includes our opinion as to whether they are suitable employment areas and, if so, whether the land is deliverable in the short term or developable over the plan period.

10.0 EMPLOYMENT NEEDS ASSESSMENT

10.1.1 In line with the PPG, we have considered several approaches to modelling future employment land needs.

These approaches are:

- Labour demand scenario (using three different sets of employment forecast)
- Sectoral Growth scenario
- Completions Trend Scenario

10.2 Labour Demand Scenarios

10.2.1 This section considers the quantum of employment land needed to support the employment growth shown in the economic forecasts for Cambridge Economics (CE), Oxford Economics (OE), and Experian.

10.2.2 This is one of the approaches to assessing future need – the ‘labour demand’ approach as set out in the PPG – and should be considered alongside other approaches to assessing future need and the economic and contextual data set out in the other sections of the report.

Differences between the three sets of forecasts

10.2.3 The outputs of each forecast are provided on a sectoral basis which together cover all of the jobs within Hinckley and Bosworth’s economy. The sectoral breakdown differs slightly between each forecast as the forecasts group sectors in different ways – with the CE forecast aggregated to 12 sectors, OE to 19 sectors, and Experian to 38 sectors.

10.2.4 All three sets of forecasts take account of the final terms of the Brexit deal agreed between the UK and EU in December 2020 and all three lockdown periods throughout 2020/21.

10.2.5 The three forecasts provide alternative methodologies to estimate future employment in Hinckley and Bosworth. The different methodologies are explained below.

Table 41. Employment Forecast Methodologies

<p>Cambridge Econometrics (CE)</p>	<p>The CE forecast is not constrained by supply-side factors – such as population and the supply of labour. The forecast provides outputs for total employment, which is equivalent to workforce jobs. Therefore, the CE forecast makes no estimates of population, activity rates and unemployment rates of the local population.</p>
<p>From April 2024</p>	<p>The CE forecast assumes that there will be enough labour (either locally, or through commuting and future in-migration) with the right skills to fill the jobs. The forecast provides no outputs on demographic or local population labour supply and makes no assumption regarding the existence of labour supply.</p>

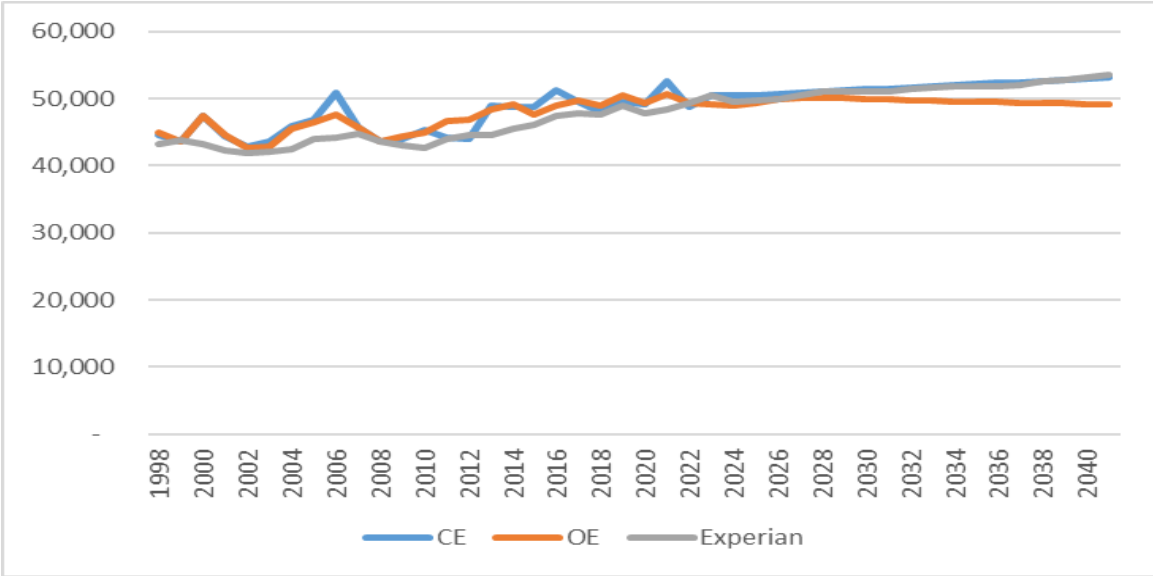
	<p>The CE forecast is based on the historic growth trend assessed in terms of a local area’s performance relative to the region or UK trend (whichever has the strongest relationship with the local area in question). This process is undertaken on a sector-by-sector basis. The CE forecast assumes that these relationships continue. Thus, if an industry in the local area outperformed the industry in the region (or UK) in the past, then it will be assumed to continue to do so in the future. Similarly, if it underperformed the region (or UK) in the past then this will be projected forward in the future.</p>
<p>Oxford Economics (OE)</p> <p>From January 2024</p>	<p>The OE forecast is produced within an integrated modelling framework, which takes account of labour supply-side factors such as migration, commuting and activity rates and both models’ employment and population growth. The OE forecast considers three factors:</p> <ul style="list-style-type: none"> • National/regional outlooks – consistency with the broader global and national forecasts • Historical trends in an area (which implicitly factor in supply-side factors impinging on demand), augmented where appropriate by local knowledge and understanding of patterns of economic development and • Fundamental economic relationships which interlink the various elements of the outlook. <p>The starting point in producing employment forecasts is the determination of workplace-based employees in employment in each of broad sector consistent with the regional and UK outlooks. At local authority level sectoral growth is driven by a range of factors:</p> <ul style="list-style-type: none"> • Some sectors are driven predominantly by population estimates • Others by total employment in the area • The remainder relative to the regional performance (largely exporting sectors) • All sectors are also influenced by past trends in the local area. <p>Total employment is calculated by adding the employees in employment, the self-employed and His Majesty’s Forces. Self-employment data by region is taken from Workforce jobs data which is then broken down into detailed sectors using both employee trends and the UK. Data for the local authorities is Census based (and scaled to the regional self-employed jobs estimates) and is broken down using the employees in employment sectoral structure. The sectors are forecast using the growth in the sectoral employees in employment data and the estimates are scaled to the regional estimate of self-employment by sector.</p>

	<p>The OE framework models population as an output which is economically driven and thus forecasts differ from the official Sub-National Population Projections. The OE model uses official births and deaths projections from the 2016-based population projections; however, they use different migration assumptions based on their modelled UK migration, and at the local level, migration is linked to the forecast employment rate. OE report in their data guide that the current macro-economic climate means that their local forecasts show most, if not all, local areas will face challenges in the short-term, irrespective of how they have performed over the past 15 years.</p>
<p>Experian From December 2023</p>	<p>Like OE, the Experian forecast is an integrated model providing a wide range of outputs on employment, workforce, and population trends. The Experian model is based on the resolution of demand and supply for labour. This process takes account of commuting between local areas within a region and across the regional boundary as well as an estimate of the growth in the economic participation rates in a local area. For population, the Experian model takes as an input data from the Sub-National Population Projections. Commuting flows are used to derive the available labour force for a region.</p> <p>In parallel, labour demand (in terms of workforce jobs) is estimated at the local authority level. This is done on a sector-by-sector basis whereby local growth is assumed to be in line with sectoral growth at the regional level. This is then constrained so that the sum of local authority growth aligns with regional estimates.</p> <p>The Experian forecast constructs workforce jobs series for each local area using BRES/ABI data to disaggregate estimates for each industry sector. The effect of this is:</p> <ul style="list-style-type: none"> • Demand for jobs at the local level is greatest / grows faster in those industries which are performing best at the regional level. • Total demand for jobs at the local level depends on its industrial structure. Those local areas which have a more than proportionate share of the best performing industries will perform best overall. <p>The supply and demand for labour is then resolved by considering:</p> <ul style="list-style-type: none"> • The historic ratio between resident employment and workplace-based employment in that local area • The inflow and outflow of workers across regional boundaries and • Historic commuting patterns.

	This is then converted back into jobs and used to produce final workforce jobs estimates for each local area.
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- 10.2.6 Each forecast provides a different output, which we analyse and for which we have provided a summary of future employment growth outputs. The forecasts are assessed in terms of their total employment growth and on a sectoral basis in order to consider their suitability and robustness for planning purposes.
- 10.2.7 The figure below shows the total employment forecasts for Hinckley and Bosworth, showing the historical trend since 1998 and the forecast growth trend to 2041. The historic trend shows some variation due to how the historical ‘backcasts’ are formed which differs slightly for each forecaster in terms of methodology and data sources used.
- 10.2.8 Both the Experian and CE forecasts show an increase in employment between 2020-2041, with Experian forecasting an increase in employment of 5,600 jobs (0.53% annual growth in average), whilst CE forecasting a more modest growth of 4,041 jobs (0.38% annual growth in average).
- 10.2.9 OE forecast, on the other hand, shows a reduction in employment in Hinckley and Bosworth between 2020 and 2041, with a loss of 334 jobs (-0.03% annual growth in average).

Figure 19. Total Employment – Hinckley and Bosworth 1998-2041



- 10.2.10 Looking at the period from 2009-2020, all three sets of forecasts assumed a similar growth in employment level in Hinckley and Bosworth, ranging from +4,900 and +5,113 jobs depending on the model (+0.99% and +1.01% annually in average).

10.2.11 Therefore, whilst all models predict a slow down of the employment growth between 2020 and 2041 (compared to 2009 to 2020), OE is the most pessimistic forecast and predicts a stagnation of employment growth locally.

Table 42. Total Employment Growth in Hinckley and Bosworth, 2009-2020 vs 2020-2041

	2009-2020			2020-2041		
	Jobs growth	Average per annum	Annual growth rate	Jobs growth	Average per annum	Annual growth rate
CE	5,113	465	1.01%	4,041	367	0.38%
OE	5,016	456	0.98%	-334	-30	-0.03%
Experian	4,900	445	0.99%	5,600	509	0.53%

10.2.12 The table below sets out the jobs growth and growth rate between 2020-2041 by sector for each forecast. The following observations are made:

- All three forecasts show growth in the sectors of mining and quarrying, construction, transport and storage, and government services.
- Both the CE and OE forecasts predict that transport and logistics will be the fastest growing sector in Hinckley and Bosworth between 2020 and 2041, with over 2,000 additional jobs created in this sector alone (a growth of circa 50% in employment from 2020). The growth forecasted in this sector by Experian is more modest, with only 300 additional jobs created (+12%).
- The construction sector is forecasted to grow by between 428 and 1,384 jobs; government services by 200 to 1,378 jobs; mining and quarrying by 65 to 700 jobs.
- All three sets of forecasts are predicting a drop in employment in electricity, gas and water (-100 to -1,311); and in wholesale and retail (-275 to -714).
- Finally, the forecast is more mixed for sectors such as agriculture (-76 to +1,600); manufacturing (-2,370 to +1,000); accommodation and food services (+0 to +1,416); information and professional services (-68 to +746); and professional and business support (-1,251 and +1,100).
- The high variance in jobs growth between the forecasts results in differences in the quantum of employment land required by each forecast. For example, the growth in transport and logistics and decline in manufacturing forecasted by CE and OE implies a higher requirement for B8 space and a lower requirement for B2 space; whilst the growth in manufacturing and decline in transport and logistics forecasted by Experian implies the opposite requirements (a lower requirement for B8 space and a higher requirement for B2 space).

Table 43. Jobs Growth by Broad Sector, 2020-2041

	CE		OE		Experian	
	Jobs growth	Growth rate	Jobs growth	Growth rate	Jobs growth	Growth rate
Agriculture etc.	-76	-13%	-70	-13%	1600	55%
Mining & quarrying	105	250%	65	184%	700	20%
Manufacturing	-1561	-22%	-2370	-35%	1000	12%
Electricity, gas & water	-1025	-63%	-1311	-67%	-100	-17%
Construction	1384	46%	428	13%	1000	17%
Wholesale & Retail	-275	-4%	-714	-9%	-300	-21%
Transport & storage	2048	49%	2324	57%	300	12%
Accommodation & food services	1416	52%	1036	38%	0	0%
Information & communications	746	57%	-68	-4%	300	6%
Professional & Business Support	399	4%	-1251	-13%	1100	11%
Government services	1309	15%	1378	17%	200	7%
Other	-430	-17%	221	8%	-200	-4%
Total	4041	8%	-334	-1%	5600	12%

10.2.13 Drawing upon the sectoral assessment of the forecasts above, the following observations and conclusions can be drawn:

- CE and OE align in terms of direction of growth by sector; however these two sets of forecasts do not align on the overall growth across the entire economy, with CE forecasting employment growth and OE forecasting employment decline.
- CE and Experian forecasts both predict an overall employment growth (+4,041 to +5,600 jobs or +8% to +12%) between 2020 and 2041. OE forecast provides an opposite view, with a small decline in employment (-334 jobs, or -1%) over the same period.
- The three forecasts predict a growth in office-based activities (B1a), to different extents.
- However, for predominantly industrial (B2 and B8) based sectors there is significant misalignment between the forecasts. Therefore, further analysis of these sectors has been undertaken.
- For all three sectors, none of the forecasts show stronger growth for the 2022-40 period than has been seen historically. The most positive forecasts for each sector show a broad continuation of the past trends in jobs growth, while the less positive forecasts show zero growth or decline in a sector.

10.2.14 The analysis does not identify a single forecast as providing a preferred basis for forecasting future employment land requirements in Hinckley and Bosworth. This, along with significant misalignment

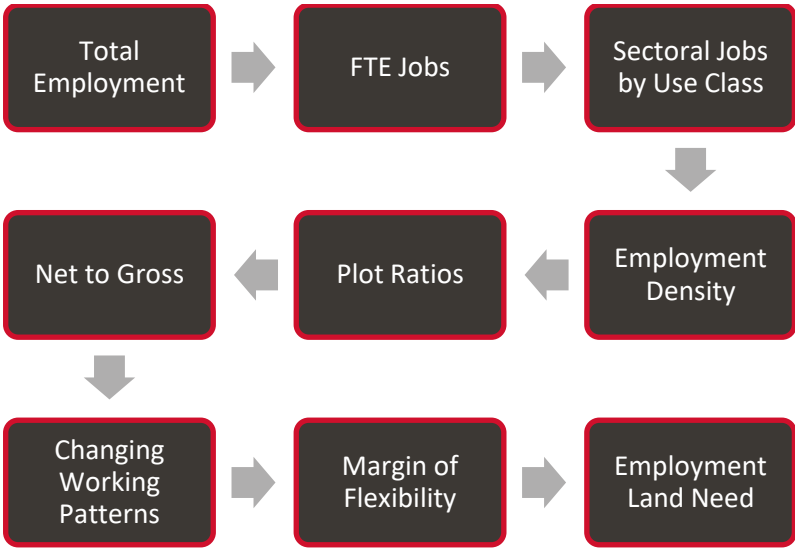
between the forecasts in key industrial-based sectors means that the recommended approach is to use an average of all three forecasts in Hinckley and Bosworth.

10.2.15 This judgement has been considered primarily with a view to considering future employment land needs and has therefore focussed on the sectors which predominantly occupy this type of space. As noted above, even the most positive sectoral growth is not forecast to exceed past performance. Added to this, each of the three forecasts include sectors with declining growth alongside the stronger growth sectors. This would suggest that the employment land requirements aligned to each of the forecasts to be broadly commensurate with the forecast based on the past take-up trends. The labour demand forecasts should therefore be considered alongside this alternative forecasting approach when drawing conclusions on appropriate outputs.

General approach to modelling

10.2.16 The approach to modelling the labour demand scenarios is set out in the flow chart below. The starting point for each scenario is the total net growth in employment in each sector shown in each forecast. Other than these differing inputs, the modelling assumptions made are consistent for each scenario.

Figure 20. Approach to Employment Land Needs Modelling



10.2.17 The modelling assumptions for each stage are set out in the table below:

Table 44. Labour Demand Modelling Assumptions

Stage	Description
FTE Jobs	Full time equivalent (FTE) jobs have been calculated for each sector based on the ratio of full-time and part-time employment jobs for each sector in Hinckley and Bosworth using data from BRES 2022.
Sectoral Jobs by Use Class	<p>The proportion of jobs in each sector is disaggregated by the type of employment (B Class)¹¹ use class and non-employment use classes. The use classes are:</p> <ul style="list-style-type: none"> • B1a – office • B1b – Research and development office • B1c – Light Industrial • B2 – General Industrial • B8 – Distribution • Other (any jobs not requiring B Class space) <p>The use class proportions for each sector are based on a detailed assessment of the current breakdown of jobs in the sub-sectors within each sector in Hinckley and Bosworth’s economy (using SIC 5-digit data from BRES 2022). Each SIC5 sub-sector has been allocated a use class, and this is used to calculate the proportional jobs in each sector by use class, where the proportions of each sector reflect the proportions of jobs in each SIC5 sub-sector.</p>
Employment Density	<p>This reflects the quantum of floorspace required for each job. This is informed by the Employment Density Guide 3rd Edition (HCA, 2015) which remains the latest official guidance on this topic. The following employment densities are used:</p> <ul style="list-style-type: none"> • B1a office: <ul style="list-style-type: none"> ○ Corporate: 13 sqm/job ○ Technology / Media / Telecoms: 11 sqm/job ○ Professional services: 12 sqm/job ○ Public services: 12sqm/job • B1b Research and Development: 40 sqm/job • B1c Light Industrial: 47 sqm/job • B2 general industrial: 36 sqm/job • B8 distribution: 90 sqm/job <p>The employment densities have then been adjusted in line with benchmarks in the</p>

¹¹ It is noted that B1 uses are now designated under Use Class E. However, the modelling takes account of the employment densities set out in the HCA Employment Densities Guide 3rd Edition which provides figures in terms of the B Class sectors.

Stage	Description
	<p>guidance so that they all relate to gross external area (GEA). The employment densities for B1 are quoted as net internal area (NIA) and have been converted to GEA based on a conversion of 20% for B1a office and 10% for B1b and B1c. The employment densities for B2 are quoted for gross internal area (GIA) and have been converted to GEA based on a conversion of 5%. The employment densities for B8 are quoted as GEA.</p> <p>The Guidance provides a range of employment densities for B8 uses. Based on the analysis of the previous sections of this report – the existing economic profile of the district, analysis of past take-up data, and feedback from the stakeholder engagement process – the evidence shows that B8 demand in Hinckley and Bosworth is principally being driven by mid-market to large occupiers. For this reason, an employment density of 90sqm per job has been used. In accordance with the Guidance, this represents a figure more typical of regional and national distribution as opposed to ‘last mile’ distribution centres.</p>
Plot Ratios	<p>The next stage is to convert floorspace requirements to land requirements. A plot ratio of 40% has been assumed for B1b, B1c and B2 use classes. For B8 a plot ratio of 0.5 is assumed. For B1a, a plot ratio of 1.35 is used. This based on the assumption that the future office development will be concentrated in urban areas where office developments are denser compared to developments in rural areas.</p>
Net to Gross	<p>The economic forecasts all provide jobs growth on a net basis – i.e. they include for sectors which will see growth and sectors which will see decline. This means the growth figures derived via the modelling stages to this point, as set out above, estimate the employment land required to support net jobs growth.</p> <p>However, when identifying future land for employment uses, e.g. through employment allocations, it is necessary to account for gross development needs. This accounts for existing employment sites and premises coming to the end of their usable lifespan and/or being redeveloped for alternative uses. This means existing jobs at such sites relocating to alternative, more suitable sites, and land needs to be provided to enable this.</p> <p>The next stage is therefore to convert the net needs to gross development needs. This is done by accounting for the quantum of losses of existing stock which will be expected to be lost over the forecasting period. This is estimated based on past trends of employment land lost to other uses in Hinckley and Bosworth annualised and then forecast forward over the forecasting period.</p> <p>This assessment is based on figures published by Hinckley and Bosworth Borough Council in their latest Monitoring and Land Availability report, which provides quantum of land and lost between 01 April 2007 and 01 April 2021.</p>
Changing Working Patterns	<p>A key factor that should be considered is that the lockdown following the outbreak of Covid-19 has enforced many more people to work from home, which can result in lower office space requirements.</p> <p>However, the lockdown rate of homeworking is not expected to continue in the long-</p>

Stage	Description
	<p>term, and levels of home working have started to drop. There is also a limit to the level of scaling back which is practicable without compromising business operations, even for businesses practicing increased flexible working.</p> <p>Consideration has therefore been given to the increasing rate of flexible working in office-based sectors.</p> <p>Rates of home working have been forecast on sector-by-sector basis based on national trends. Home working rates have been projected forward to 2041 based on previous growth rates.</p> <p>These are then used to calculate FTE jobs for home workers based on the proportion of jobs in each sector which require B1a space within Hinckley and Bosworth, based on the analysis undertaken in the 'Sectoral Jobs by Use Class' stage.</p> <p>This is used to calculate the proportion of office jobs in Hinckley and Bosworth which will be predominantly working from home by 2041. It is assumed that these jobs will not require B1a floorspace and is therefore deducted from the requirement.</p> <p>Additionally, as set out above, there will likely be a lower demand for office floorspace needed to replace existing stock lost to other uses. A sensitivity has therefore been considered where replacement demand for office uses is omitted.</p>
Margin of Flexibility	<p>A margin of flexibility is included to reflect the following factors:</p> <ul style="list-style-type: none"> • To provide a choice of sites to facilitate competition in the property market • To provide flexibility to allow for any delays in individual sites coming forward • In recognition that changing business needs may present additional land requirements which are currently unforeseen • The potential error margin associated with the forecasting process. <p>The size of the margin of flexibility depends on the location and local drivers of demand. Generally, a flexibility margin providing between 2- and 5-years' worth of additional supply is considered to provide a reasonable buffer.</p> <p>One of the key findings of the stakeholder engagement is that a high level of flexibility of supply is required in order to be in a position to respond to emerging needs of both indigenous businesses and to continue to attract inward investment opportunities.</p> <p>Accordingly, we have calculated the margin of flexibility based on 5 years' worth of completions based on the past completions data for Hinckley and Bosworth.</p>
Total Land Needs	<p>Outputs are provided in terms of hectares required for each type of employment use. The use classes have been combined in terms of B1a / E(g)(i) office, B1b / E(g)(ii) R&D, B1c/ E(g)(iii) and B2 industrial, and B8 distribution. This is in order to provide an indication of demand for each type of use.</p>

Full Time Equivalent (FTE) Jobs

10.2.18 The first stage is to calculate the FTE jobs from total employment figures. This is calculated individually for each sector in each forecast based on the ratio of full-time and part-time employment jobs for each sector in Hinckley and Bosworth using data from BRES 2022.

Table 45. CE – FTE Jobs Growth 2020-2041

CE	Employment 2020-2041 growth	FTE %	FTE 2020-2041 growth
Agriculture etc.	-76	96%	-73
Mining & quarrying	105	98%	103
Manufacturing	-1561	95%	-1483
Electricity, gas & water	-1025	97%	-997
Construction	1384	92%	1273
Distribution	-275	84%	-231
Transport & storage	2048	95%	1938
Accommodation & food services	1416	68%	961
Information & communications	746	93%	694
Financial & business services	399	89%	355
Government services	1309	79%	1033
Other services	-430	78%	-335
Total	4041		3239

Table 46. OE – FTE Jobs Growth 2020-2041

OE	Employment 2020-2041 growth	FTE %	FTE 2020-2041 growth
Agriculture, forestry and fishing	-70	96%	-67
Mining and quarrying	65	98%	63
Manufacturing	-2370	95%	-2252
Electricity, gas, steam and air conditioning supply	-1366	98%	-1344
Water supply; sewerage, waste management and remediation activities	54	96%	52
Construction	428	92%	393
Wholesale and retail trade; repair of motor vehicles and motorcycles	-714	84%	-599
Transportation and storage	2324	95%	2200
Accommodation and food service activities	1036	68%	703
Information and communication	-68	93%	-64
Financial and insurance activities	189	88%	166
Real estate activities	-68	85%	-58
Professional, scientific and technical activities	-913	90%	-825

Administrative and support service activities	-459	88%	-406
Public administration and defence; compulsory social security	-210	86%	-181
Education	162	78%	126
Human health and social work activities	1427	79%	1121
Arts, entertainment and recreation	117	78%	91
Other service activities	104	79%	82
Total	-333.5		-797.692

Table 47. Experian – FTE Jobs Growth 2020-2041

Experian	Employment 2020-2041 growth	FTE %	FTE 2020-2041 growth
Agriculture, Forestry & Fishing	-100	96%	-96
Extraction & Mining	0	98%	0
Fuel Refining	0	100%	0
Computer & Electronic Products (manufacture of)	-100	89%	-89
Food, Drink & Tobacco (manufacture of)	0	89%	0
Machinery & Equipment (manufacture of)	-400	99%	-395
Metal Products (manufacture of)	-100	95%	-95
Non-Metallic Products (manufacture of)	-200	98%	-196
Other Manufacturing	300	93%	279
Pharmaceuticals (manufacture of)	0	100%	0
Printing and Recorded Media (manufacture of)	0	92%	0
Textiles & Clothing (manufacture of)	-200	95%	-189
Transport Equipment (manufacture of)	-200	98%	-197
Wood & Paper (manufacture of)	0	96%	0
Chemicals (manufacture of)	0	100%	0
Utilities	600	97%	584
Construction of Buildings	300	90%	270
Civil Engineering	0	92%	0
Specialised Construction Activities	700	94%	656
Retail	0	71%	0
Wholesale	-200	93%	-185
Land Transport, Storage & Post	1400	95%	1326
Air & Water Transport	0	100%	0
Accommodation & Food Services	1600	67%	1078

Telecoms	0	95%	0
Computing & Information Services	0	95%	0
Media Activities	0	70%	0
Insurance & Pensions	0	88%	0
Finance	100	88%	88
Real Estate	-200	85%	-171
Professional Services	300	92%	275
Administrative & Supportive Services	700	87%	611
Public Administration & Defence	0	86%	0
Education	400	78%	313
Health	300	77%	231
Residential Care & Social Work	300	82%	245
Recreation	300	75%	225
Other Private Services	0	78%	0
Total	5600		4566

Employment Density and Floorspace Requirements

10.2.19 Total Floorspace requirements are calculated by multiplying FTEs in each employment category by the relevant employment density (sqm/FTE) specific to each use class. To do so, the first step is to calculate employment by employment category and by use class. The repartition of FTEs by use class is shown in the tables below.

10.2.20 In these tables, other is employment in use classes other than B-class, and therefore not considered as part of this Employment Land Needs Assessment.

Table 48. CE – FTE % by Use Class

CE	B1a	B1b	B1c	B2	B8	Other
Agriculture etc.	0%	0%	0%	0%	0%	100%
Mining & quarrying	0%	0%	0%	0%	0%	100%
Manufacturing	0%	0%	4%	89%	0%	7%
Electricity, gas & water	2%	0%	0%	14%	0%	84%
Construction	0%	0%	0%	0%	25%	75%
Distribution	0%	0%	0%	0%	13%	87%
Transport & storage	0%	0%	0%	0%	80%	20%
Accommodation & food services	0%	0%	0%	0%	0%	100%
Information & communications	85%	0%	15%	0%	0%	0%
Financial & business services	54%	9%	1%	0%	3%	33%
Government services	8%	0%	0%	0%	0%	92%
Other services	10%	0%	0%	0%	0%	90%

Table 49. OE – FTE % by Use Class

OE	B1a	B1b	B1c	B2	B8	Other
Agriculture, forestry and fishing	0%	0%	0%	0%	0%	100%
Mining and quarrying	0%	0%	0%	0%	0%	100%
Manufacturing	0%	0%	4%	89%	0%	7%
Electricity, gas, steam and air conditioning supply	29%	0%	0%	0%	0%	71%
Water supply; sewerage, waste management and remediation activities	0%	0%	0%	15%	0%	85%
Construction	0%	0%	0%	0%	25%	75%
Wholesale and retail trade; repair of motor vehicles and motorcycles	0%	0%	0%	0%	13%	87%
Transportation and storage	0%	0%	0%	0%	80%	20%
Accommodation and food service activities	0%	0%	0%	0%	0%	100%
Information and communication	85%	0%	15%	0%	0%	0%
Financial and insurance activities	100%	0%	0%	0%	0%	0%
Real estate activities	54%	0%	0%	0%	0%	46%
Professional, scientific and technical activities	75%	21%	0%	0%	0%	4%
Administrative and support service activities	1%	0%	4%	0%	8%	87%
Public administration and defence; compulsory social security	49%	0%	0%	0%	0%	51%
Education	0%	0%	0%	0%	0%	100%
Human health and social work activities	0%	0%	0%	0%	0%	100%
Arts, entertainment and recreation	0%	0%	0%	0%	0%	100%
Other service activities	22%	0%	1%	0%	0%	78%

Table 50. Experian – FTE % by Use Class

Experian	B1a	B1b	B1c	B2	B8	Other
Agriculture, Forestry & Fishing	0%	0%	0%	0%	0%	100%
Extraction & Mining	0%	0%	0%	0%	0%	100%
Fuel Refining	0%	0%	0%	0%	0%	100%
Computer & Electronic Products (manufacture of)	0%	0%	0%	100%	0%	0%
Food, Drink & Tobacco (manufacture of)	0%	0%	0%	100%	0%	0%
Machinery & Equipment (manufacture of)	0%	0%	0%	100%	0%	0%
Metal Products (manufacture of)	0%	0%	0%	100%	0%	0%
Non-Metallic Products (manufacture of)	0%	0%	0%	100%	0%	0%
Other Manufacturing	0%	0%	10%	72%	0%	18%
Pharmaceuticals (manufacture of)	0%	0%	0%	100%	0%	0%
Printing and Recorded Media (manufacture of)	0%	0%	0%	100%	0%	0%
Textiles & Clothing (manufacture of)	0%	0%	0%	100%	0%	0%
Transport Equipment (manufacture of)	0%	0%	0%	90%	0%	10%
Wood & Paper (manufacture of)	0%	0%	0%	100%	0%	0%
Chemicals (manufacture of)	0%	0%	0%	100%	0%	0%
Utilities	2%	0%	0%	14%	0%	84%
Construction of Buildings	0%	0%	0%	0%	25%	75%
Civil Engineering	0%	0%	0%	0%	25%	75%
Specialised Construction Activities	0%	0%	0%	0%	25%	75%
Retail	0%	0%	0%	0%	0%	100%
Wholesale	0%	0%	0%	0%	86%	14%
Land Transport, Storage & Post	0%	0%	0%	0%	82%	18%
Air & Water Transport	0%	0%	0%	0%	0%	100%
Accommodation & Food Services	0%	0%	0%	0%	0%	100%
Telecoms	100%	0%	0%	0%	0%	0%
Computing & Information Services	100%	0%	0%	0%	0%	0%
Media Activities	12%	0%	88%	0%	0%	0%
Insurance & Pensions	100%	0%	0%	0%	0%	0%
Finance	100%	0%	0%	0%	0%	0%
Real Estate	54%	0%	0%	0%	0%	46%
Professional Services	75%	21%	0%	0%	0%	4%
Administrative & Supportive Services	1%	0%	4%	0%	8%	87%
Public Administration & Defence	49%	0%	0%	0%	0%	51%
Education	0%	0%	0%	0%	0%	100%
Health	0%	0%	0%	0%	0%	100%

Residential Care & Social Work	0%	0%	0%	0%	0%	100%
Recreation	0%	0%	0%	0%	0%	100%
Other Private Services	22%	0%	1%	0%	0%	78%

10.2.21 FTE by employment category and use class is then turned into floorspace requirements based on employment densities (sqm/FTE), all expressed in Gross External Area.

Table 51. CE – Employment Density by Use Class and Employment Category

CE	B1a	B1b	B1c	B2	B8
Agriculture etc.	15.6	44.0	51.7	37.8	90.0
Mining & quarrying	15.6	44.0	51.7	37.8	90.0
Manufacturing	15.6	44.0	51.7	37.8	90.0
Electricity, gas & water	15.6	44.0	51.7	37.8	90.0
Construction	15.6	44.0	51.7	37.8	90.0
Distribution	15.6	44.0	51.7	37.8	90.0
Transport & storage	15.6	44.0	51.7	37.8	90.0
Accommodation & food services	15.6	44.0	51.7	37.8	90.0
Information & communications	13.2	44.0	51.7	37.8	90.0
Financial & business services	14.4	44.0	51.7	37.8	90.0
Government services	14.4	44.0	51.7	37.8	90.0
Other services	14.4	44.0	51.7	37.8	90.0

Table 52. OE – Employment Density by Use Class and Employment Category

OE	B1a	B1b	B1c	B2	B8
Agriculture, forestry and fishing	15.6	44.0	51.7	37.8	90.0
Mining and quarrying	15.6	44.0	51.7	37.8	90.0
Manufacturing	15.6	44.0	51.7	37.8	90.0
Electricity, gas, steam and air conditioning supply	15.6	44.0	51.7	37.8	90.0
Water supply; sewerage, waste management and remediation activities	15.6	44.0	51.7	37.8	90.0
Construction	15.6	44.0	51.7	37.8	90.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	15.6	44.0	51.7	37.8	90.0
Transportation and storage	15.6	44.0	51.7	37.8	90.0
Accommodation and food service activities	15.6	44.0	51.7	37.8	90.0
Information and communication	13.2	44.0	51.7	37.8	90.0
Financial and insurance activities	12.0	44.0	51.7	37.8	90.0
Real estate activities	14.4	44.0	51.7	37.8	90.0
Professional, scientific and technical activities	14.4	44.0	51.7	37.8	90.0

Administrative and support service activities	14.4	44.0	51.7	37.8	90.0
Public administration and defence; compulsory social security	14.4	44.0	51.7	37.8	90.0
Education	14.4	44.0	51.7	37.8	90.0
Human health and social work activities	14.4	44.0	51.7	37.8	90.0
Arts, entertainment and recreation	15.6	44.0	51.7	37.8	90.0
Other service activities	14.4	44.0	51.7	37.8	90.0

Table 53. Experian – Employment Density by Use Class and Employment Category

Experian	B1a	B1b	B1c	B2	B8
Agriculture, Forestry & Fishing	15.6	44.0	51.7	37.8	90.0
Extraction & Mining	15.6	44.0	51.7	37.8	90.0
Fuel Refining	15.6	44.0	51.7	37.8	90.0
Computer & Electronic Products (manufacture of)	15.6	44.0	51.7	37.8	90.0
Food, Drink & Tobacco (manufacture of)	15.6	44.0	51.7	37.8	90.0
Machinery & Equipment (manufacture of)	15.6	44.0	51.7	37.8	90.0
Metal Products (manufacture of)	15.6	44.0	51.7	37.8	90.0
Non-Metallic Products (manufacture of)	15.6	44.0	51.7	37.8	90.0
Other Manufacturing	15.6	44.0	51.7	37.8	90.0
Pharmaceuticals (manufacture of)	15.6	44.0	51.7	37.8	90.0
Printing and Recorded Media (manufacture of)	15.6	44.0	51.7	37.8	90.0
Textiles & Clothing (manufacture of)	15.6	44.0	51.7	37.8	90.0
Transport Equipment (manufacture of)	15.6	44.0	51.7	37.8	90.0
Wood & Paper (manufacture of)	15.6	44.0	51.7	37.8	90.0
Chemicals (manufacture of)	15.6	44.0	51.7	37.8	90.0
Utilities	15.6	44.0	51.7	37.8	90.0
Construction of Buildings	15.6	44.0	51.7	37.8	90.0
Civil Engineering	15.6	44.0	51.7	37.8	90.0
Specialised Construction Activities	15.6	44.0	51.7	37.8	90.0
Retail	15.6	44.0	51.7	37.8	90.0
Wholesale	15.6	44.0	51.7	37.8	90.0
Land Transport, Storage & Post	15.6	44.0	51.7	37.8	90.0
Air & Water Transport	15.6	44.0	51.7	37.8	90.0
Accommodation & Food Services	15.6	44.0	51.7	37.8	90.0
Telecoms	13.2	44.0	51.7	37.8	90.0

Computing & Information Services	13.2	44.0	51.7	37.8	90.0
Media Activities	13.2	44.0	51.7	37.8	90.0
Insurance & Pensions	14.4	44.0	51.7	37.8	90.0
Finance	14.4	44.0	51.7	37.8	90.0
Real Estate	14.4	44.0	51.7	37.8	90.0
Professional Services	14.4	44.0	51.7	37.8	90.0
Administrative & Supportive Services	14.4	44.0	51.7	37.8	90.0
Public Administration & Defence	14.4	44.0	51.7	37.8	90.0
Education	14.4	44.0	51.7	37.8	90.0
Health	14.4	44.0	51.7	37.8	90.0
Residential Care & Social Work	14.4	44.0	51.7	37.8	90.0
Recreation	14.4	44.0	51.7	37.8	90.0
Other Private Services	14.4	44.0	51.7	37.8	90.0

10.2.22 The table below presents the floorspace requirement for the net jobs growth shown in the CE, OE and Experian forecasts. The difference in these figures reflect the sectoral forecast differences highlighted in the above section. The results are presented by use class.

Table 54. Floorspace Requirement 2020-2041 (sqm)

	B1a	B1b	B1c	B2	B8	Total
CE	10,916	1,393	2,630	-55,314	166,727	126,351
OE	-15,138	-7,596	-5,595	-75,826	157,620	53,464
Experian	3,169	2,530	2,749	-32,535	108,316	84,228

Plot Ratios

10.2.23 Using assumed plot ratios, the future floorspace requirement figures identified above can be used to estimate future employment land requirements. This is the net employment land required to support the level of additional jobs growth shown in the econometric forecasts.

Table 55. Net Employment Land Needs (ha), 2020-2041

	B1a	B1b	B1c	B2	B8	Total
CE	0.8	0.3	0.7	-13.8	33.3	21.3
OE	-1.1	-1.9	-1.4	-19.0	31.5	8.1
Experian	0.2	0.6	0.7	-8.1	21.7	15.1

Net to Gross Needs

10.2.24 The figures in the table above show the net need for employment land to support the levels of jobs growth identified in the economic forecasts. In addition to this, there will also be an employment land requirement arising from the need to update and replace existing stock lost to alternative uses.

10.2.25 This is done by accounting for the quantum of losses of existing stock which will be expected to be lost and need replacing over the forecasting period. This is estimated based on past trends of employment land lost to other uses as reported by Hinckley and Bosworth Borough Council in its Monitoring and Land Availability reports.

10.2.26 The net losses data has been annualised and then multiplied by 18 to identify the replacement demand required to 2041. This is then converted to land requirement using the plot ratios used in the main labour demand modelling.

Table 56. Adjustment for Losses (ha), 2020-2041

	B1a	B1b	B1c	B2	B8	Total
100% replacement	0.5	0.3	5.1	15.3	1.4	22.6

Margin of Flexibility

10.2.27 A margin of flexibility is included for a number of reasons: in recognition that changing business needs may present additional land requirements which are currently unforeseen; to provide a choice of sites to facilitate competition in the property market; to provide flexibility to allow for any delays in individual sites coming forward; and to account for the potential error margin associated with the forecasting process.

10.2.28 Further to this, as per paragraph 82 d) of the NPPF, it is outlined that planning policies should “be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.”

10.2.29 The margin of flexibility has been considered based on a number of years’ worth of completions in Hinckley and Bosworth. It is typical to add between 2-5 years’ worth of completions as a margin. Engagement with a range of stakeholders, including the commercial property market, has identified that flexibility of supply is key in Hinckley and Bosworth so that sufficient quantum and range of sites are available to support business growth and inward investment opportunities. Additionally, we are advised by stakeholders that there has been a considerably constrained supply in the Borough in recent years with potential occupiers struggling to find adequate space to move or expand into. Thirdly, there is a considerable level of uncertainty within the national economic climate given changes surrounding Covid-19 and the implication this has on commercial property requirements. Therefore, it is appropriate now in Hinckley and Bosworth to include a margin of flexibility equivalent to 5 years’ worth of completions data. This margin is added to the cumulative total of employment land need.

Table 57. Flexibility Margin (ha), 2020-2041

	B1a	B1b	B1c	B2	B8	Total
5-year Margin	0.5	0.2	1.9	8.4	2.5	13.5

Changing Trends in Working from Home

- 10.2.30 As an added layer of sensitivity, we have calculated the impact of working from home on the requirement of employment space.
- 10.2.31 As set out above, levels of homeworking have been rising nationally, and Hinckley and Bosworth has a higher proportion of people working from home compared to England. This is likely as a result of the Covid-19 pandemic, whereby the enforced lockdown restrictions resulted in a change in office working patterns.
- 10.2.32 Given that this trend has been accelerated by the recent covid-19 pandemic, the longer-term implications of this shift remain unknown, and many businesses are still working under temporary arrangements and are currently exploring their opportunities to readjust their occupancy requirements. Therefore, no currently available data provides an appropriate benchmark for future for home working rates in Hinckley and Bosworth.
- 10.2.33 As such, it is appropriate to consider the implications that changing working patterns will likely have on the future office requirement in Hinckley and Bosworth going forward and making an appropriate adjustment to the overall office need figure.
- 10.2.34 This is applied in addition to considerable flexibility incorporated into the methodology. This has been done by rolling forward this past growth rate to 2041 and applying this rate of home working, rather than the pre-Covid-19 rate, to future office requirements.
- 10.2.35 This has been done using national data on home working from ONS for the period 2012-19. This has been extrapolated forward to 2041. This is done for each sector and results in a total proportion of home working of 9.0% by 2041 across all sectors. This proportion varies widely from one sector to another, with for example 2.9% in Transport and Storage and 23.3% in IT and Communications. Generally, office-based sectors have a higher share of home working.
- 10.2.36 For the purpose of modelling, we have only estimated the share of home working across B1a employment (office-based) and assumed that employment in all other sectors requires a physical on-site presence (therefore no home working is possible).
- 10.2.37 The following table summarises the share of home-working assumed for each forecast model.

Table 58. Working from home rates in 2041

	B1a WFH
CE	16.18%
OE	-17.56%
Experian	17.19%

10.2.38 An adjustment should therefore be made to the future office requirement in response to the actual and expected future changes in working patterns precipitated by the Covid-19 pandemic. The office requirement figure for Hinckley and Bosworth is therefore reduced by the above rates to account for increased levels of home working. This adjustment applies to the new space to support net jobs growth as well as the flexibility margin.

Overall Employment Land Requirement

10.2.39 The labour demand scenarios provide estimates of future employment land needs for Hinckley and Bosworth for the period 2020-41. The baseline scenarios identify a range of employment land needs ranging from 44.3ha to 57.5ha as a baseline scenario (depending on the employment forecast).

10.2.40 The sensitivity scenarios which take account of changing patterns of home and hybrid working, identify a slightly lower range of 43.9ha to 56.8ha due to lower demand for new office space.

10.2.41 The average requirement is calculated to be 51.0ha under the baseline scenario and 50.4ha under the WFH sensitivity scenario.

Table 59. Employment Land Needs (ha) – Scenario Comparison

	B1a	B1b	B1c	B2	B8	Total
Baseline Scenarios						
CE Baseline	1.8	0.9	7.7	9.8	37.3	57.5
OE Baseline	-0.1	-1.4	5.6	4.7	35.5	44.3
Experian Baseline	1.2	1.2	7.7	15.5	25.6	51.2
Average Baseline	1.0	0.2	7.0	10.0	32.8	51.0
WFH Sensitivity Scenarios						
CE WFH	1.1	0.9	7.7	9.8	37.3	56.8
OE WFH	-0.5	-1.4	5.6	4.7	35.5	43.9
Experian WFH	0.6	1.2	7.7	15.5	25.6	50.6
Average WFH	0.4	0.2	7.0	10.0	32.8	50.4

10.3 Growth Scenario - HNRFI

10.3.1 This section considers the quantum of employment land needed to respond to the future demand for employment space based on external impacts on growth that would not have been already captured in the different sets of employment forecasts (CE, OE and Experian).

10.3.2 Through a review of existing economic growth strategies, baseline assessments and stakeholder engagement, we have identified the Hinckley National Rail Freight Interchange (HNRFI) as being one of the main external growth factors that would not have been captured by employment forecasting.

- 10.3.3 Therefore, this bespoke scenario uses the three sets of employment forecasts as a baseline and adjust them to include an uplift in local employment for Hinckley and Bosworth related to the HNRFI (the application is still pending at the time of writing this report).
- 10.3.4 As the HNRFI is not going to be located in the Borough’s boundaries, no direct employment will be generated by the delivery of the scheme. However, we could assume that the scheme will generate a proportion of indirect and induced employment for Hinckley and Bosworth.

General Approach

- 10.3.5 The general approach to assessing land requirements is similar to the approach used under the Labour Demand Scenario. However, under this scenario, an additional layer is added to the baseline growth reported by the three forecasting houses, to include indirect and induced employment from the HNRFI to be created in Hinckley and Bosworth.

Uplift in Employment

- 10.3.6 In October 2023, Blaby District Council published a Local Impact Report for the HNRFI. This document provides useful information on the likely impact in terms of employment (indirect and induced) that is expected to be generated by the project.
- 10.3.7 The report states that an estimated 8,400 to 10,400 workers could be accommodated on site depending on whether the density ratio is 77 or 95 sqm per worker. These jobs will not generate a requirement of space in Hinckley and Bosworth (the site being located outside the Borough’s Boundaries).
- 10.3.8 The report does not cover the impact of the scheme on the delivery of indirect and induced jobs. As such, we used the report’s estimated number of up to 10,400 as a starting point to establish our own estimate of indirect and induced jobs to be created in Hinckley and Bosworth.
- 10.3.9 Indirect employment are jobs created in the supply chain of an industry. Induced employment are additional jobs in the wider economy which are by the spending generated by new workers in the area (i.e. spending on retail, entertainment, utilities...).
- 10.3.10 Indirect and induced jobs can be estimated by applying the Type I and Type II Employment Multipliers for ‘Rail Transport’ to the direct employment figures. This method indicates that the HRFI could generate up to 7,400 indirect jobs and 3,753 induced jobs, as shown in the following table.

Table 60. HNRFI Indirect and Induced Employment (total)

	Indirect Impact	Induced Impact
Direct Jobs	10,400	10,400
Multiplier	1.7115	2.0724
Total jobs	17,800	21,553
Non-direct jobs	7,400	3,753

- 10.3.11 It is difficult to estimate which share of this indirect employment will be located in Hinckley and Bosworth. However, given the strong clustering of logistics related activities in the Borough and the proximity of the site to the Borough, it would not be unreasonable to assume that Hinckley and Bosworth will accommodate a reasonable share of the HNRFI's supply chain.
- 10.3.12 Looking at historical employment figures in industries which would form part of the HRFI's supply chain (i.e. manufacturing, construction, wholesale and retail, logistics) in the five local authorities adjacent to the HNRFI site (namely: Blaby, Harborough, Hinckley and Bosworth, Nuneaton and Bedworth, Rugby), we observe that Hinckley and Bosworth has accommodated 18.8% of total employment in the area in the supply chain sectors. It is therefore reasonable to assume that the Borough could attract at least as higher share of the HNRFI's supply chain employment, leading to 1,394 additional jobs for the Borough.
- 10.3.13 In addition to indirect jobs, Hinckley and Bosworth will accommodate a share of all induced jobs from HRFI. A reasonable approach to estimate this share is to look at travel to work data and apply the share of residents from Hinckley and Bosworth who work in Blaby to total induced employment. Census 2021 data shows that 4.67% of workers in Blaby live in Hinckley and Bosworth. Assuming that all local residents will spend their money locally, we estimate that the HNRFI will generate a further 175 induced jobs in the wider economy.

Revised Employment Growth

- 10.3.14 The following tables provide a breakdown of adjusted employment as forecasted by CE, OE and Experian, with additional indirect and induced employment from the HNRFI that is expected to be accommodated in Hinckley and Bosworth.
- 10.3.15 Indirect employment was allocated between the supply chain employment categories (pro rata of their relative size) and induced employment was allocated to all employment categories (pro rata of their relative size).

Table 61. CE Adjusted for HNRFI – Employment Growth 2020-2041

CE	CE Employment 2020-2041 growth	CE Employment HNRFI Adjusted 2020-2041 growth
Agriculture etc.	-76	-74
Mining & quarrying	105	105
Manufacturing	-1561	-1261
Electricity, gas & water	-1025	-1023
Construction	1384	1619
Distribution	-275	121
Transport & storage	2048	2380
Accommodation & food services	1416	1638

Information & communications	746	753
Financial & business services	399	432
Government services	1309	1342
Other services	-430	-423
Total	4041	5609

Table 62. OE Adjusted for HNRFI – Employment Growth 2020-2041

OE	OE Employment 2020-2041 growth	OE Employment HNRFI Adjusted 2020-2041 growth
Agriculture, forestry and fishing	-70	-69
Mining and quarrying	65	65
Manufacturing	-2370	-2064
Electricity, gas, steam and air conditioning supply	-1366	-1365
Water supply; sewerage, waste management and remediation activities	54	56
Construction	428	673
Wholesale and retail trade; repair of motor vehicles and motorcycles	-714	-230
Transportation and storage	2324	2760
Accommodation and food service activities	1036	1050
Information and communication	-68	-63
Financial and insurance activities	189	192
Real estate activities	-68	-66
Professional, scientific and technical activities	-913	-898
Administrative and support service activities	-459	-449
Public administration and defence; compulsory social security	-210	-208
Education	162	177
Human health and social work activities	1427	1444
Arts, entertainment and recreation	117	123
Other service activities	104	109
Total	-334	1236

Table 63. Experian Adjusted for HNRFI – Employment Growth 2020-2041

Experian	Experian Employment 2020-2041 growth	Experian Employment HNRFI Adjusted 2020-2041 growth
Agriculture, Forestry & Fishing	-100	-85
Extraction & Mining	0	14
Fuel Refining	0	2
Computer & Electronic Products (manufacture of)	-100	-100
Food, Drink & Tobacco (manufacture of)	0	0
Machinery & Equipment (manufacture of)	-400	-400
Metal Products (manufacture of)	-100	-35
Non-Metallic Products (manufacture of)	-200	-128
Other Manufacturing	300	365
Pharmaceuticals (manufacture of)	0	317
Printing and Recorded Media (manufacture of)	0	0
Textiles & Clothing (manufacture of)	-200	-150
Transport Equipment (manufacture of)	-200	-200
Wood & Paper (manufacture of)	0	0
Chemicals (manufacture of)	0	108
Utilities	600	600
Construction of Buildings	300	717
Civil Engineering	0	86
Specialised Construction Activities	700	700
Retail	0	50
Wholesale	-200	-171
Land Transport, Storage & Post	1400	1508
Air & Water Transport	0	94
Accommodation & Food Services	1600	1600
Telecoms	0	0
Computing & Information Services	0	15
Media Activities	0	2
Insurance & Pensions	0	2
Finance	100	105
Real Estate	-200	-192
Professional Services	300	313
Administrative & Supportive Services	700	709
Public Administration & Defence	0	0
Education	400	401
Health	300	302
Residential Care & Social Work	300	308
Recreation	300	311
Other Private Services	0	3
Total	5600	7169

10.3.16 The rest of the assessment follows step by step the methodology applied to the Labour Demand Scenario. The assessment include the Working From Home sensitivity testing.

Overall Employment Land Requirement

10.3.17 This HRFI growth-led demand scenario provides estimates of future employment land needs for Hinckley and Bosworth for the period 2020-41. The scenarios identify a range of employment land needs ranging from 54.6-65.7ha (depending on the employment forecast).

Table 64. Employment Land Needs (ha) – HNRFI Scenario Comparison

	B1a	B1b	B1c	B2	B8	Total
Scenarios (incl. WFH).						
CE HNRFI Adjusted	1.1	0.9	7.8	12.2	43.7	65.7
OE HNRFI Adjusted	-0.5	-1.3	5.7	7.2	43.5	54.6
Experian HNRFI Adjusted	0.6	1.2	7.8	18.7	29.6	57.9
Average HNRFI Adjusted	0.4	0.3	7.1	12.7	38.9	59.4

10.4 Completions Trend Scenario

10.4.1 Section 8 sets out the past trends of take-up in Hinckley and Bosworth Borough since 1999. These can be used to provide a basic means of estimating future need. However, it is clear from the analysis in Section 8 that the majority of completions in the Borough during this period have been for strategic B8 uses – large warehouse units of more than 100,000 sq ft (9,290 sq m).

Table 65. Total Completions vs Strategic B8 Completions

	Total Employment Completions (ha)	Strategic B8 Completions (ha)	Strategic B8 (%)
1999-2023	187.7	121.4	65%
2019-2023	101.1	87.4	86%

10.4.2 Demand for strategic B8 uses is difficult to quantify on the local level as the market for these uses covers regional and national geographies and the potential area of search for their location is generally wider than a single local authority – often encompassing a whole FEMA. Therefore it is appropriate to consider the needs for this type of employment use at the sub-regional (FEMA-wide) scale. This is what Hinckley and Bosworth have done working in conjunction with the other Leicestershire authorities¹².

10.4.3 For the purposes of this report – which considers the local need for employment uses emerging in Hinckley and Bosworth – the strategic B8 completions have been removed from the analysis. The ‘local’ employment

¹² Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change, GL Hearn, April 2021 (amended March 2022).

need for Hinckley and Bosworth can then be estimated based on an annualisation and extrapolation of the non-strategic B8 completions.

- 10.4.4 The table below sets out the ‘local’ employment completions in Hinckley and Bosworth measured over two periods – a long term trend since 1999, and a more recent short-term trend since 2019. The annualised data allows comparison between these two periods and shows that for most employment uses there is a broad consistency in delivery rates. The exception is for (non-strategic) B8 where the data shows that the annual delivery since 2019 is more than double the rate since 1999.

Table 66. Employment Completions Excl Strategic B8

	1999-23		2019-23	
	Total	Annual (24.5 yrs)	Total	Annual (4.5 yrs)
Office	2.49	0.10	0.26	0.06
R&D	1.12	0.05	0.00	0.00
Workshops	9.26	0.38	1.66	0.37
Industrial	41.06	1.68	6.23	1.38
Warehouse	12.35	0.50	5.59	1.24
TOTAL	66.28	2.71	13.74	3.05

- 10.4.5 The table below shows the employment land projection based on the past completions trend (excluding Strategic B8). This shows a range of ‘local’ employment land need of between 56.8-64.1ha. The main difference between these figures is due to the warehouse requirement with the projection based solely on the more recent trend showing a significantly higher needs for this use, albeit slightly lower needs for other uses.

Table 67. Employment Land Projection Based on Completions Trend (Excl Strategic B8), 2020-41

	Projection Based on 1999-23 Trend	Projection Based on 2019-23 Trend
Office	2.13	1.21
R&D	0.96	0.00
Workshops	7.94	7.75
Industrial	35.19	29.07
Warehouse	10.59	26.09
TOTAL	56.81	64.12

10.5 Conclusions on the Overall Employment Land Requirement

- 10.5.1 The outputs of the all the scenarios presented above are set out in a comparison table below. In the table, the industrial land figure has been combined for ease of comparison with the completions trend figures.

Table 68. Employment Land Needs (ha) – Scenario Comparison

	B1a/b/c	B2/B8	Total
Labour Demand (baseline) Scenarios			
CE Baseline	10.3	47.1	57.5
OE Baseline	4.1	40.2	44.3
Experian Baseline	10.1	41.2	51.2
Average Baseline	8.2	42.8	51.0
Labour Demand (WFH sensitivity) Scenarios			
CE WFH	9.6	47.1	56.8
OE WFH	3.7	40.2	43.9
Experian WFH	9.5	41.2	50.6
Average WFH	7.6	42.8	50.4
Growth Scenario - HNRFI			
CE HNRFI Adjusted	9.8	55.9	65.7
OE HNRFI Adjusted	3.9	50.6	54.6
Experian HNRFI Adjusted	9.6	48.3	57.9
Average HNRFI	7.8	51.6	59.4
Past Completions Trend Scenarios			
1999-23 Trend	11.0	45.8	56.8
2019-23 Trend	9.0	55.2	64.1

10.5.2 Key conclusions:

- The different employment needs assessments identify relatively consistent land requirements to 2041, with overall needs ranging from 43.9ha to 65.7ha between 2020 and 2041.
- Although the economic forecasts capture the recent increase in activity within the strategic logistics sector, this does not provide a suitable basis for employment land need forecasting for this sector, as the broad link between jobs growth and floorspace which holds for most employment uses breaks down for largescale B8 where floorspace does not mean more jobs. As the labour demand approach is not as robust, the land requirements for the strategic logistics sector need to be considered separately from general employment land requirements.
- The econometric assessments indicate a small increase in future demand for employment land, compared to historical trends of take-up of employment space for general employment purposes. When take-up for Strategic B8 is excluded, take up over 24½ years has averaged 2.71ha per annum – resulting in a need for 56.8-64.1ha for the period 2020-41.
- It should be noted that the requirements, based on past take-up of land for employment, implicitly include the delivery of strategic B8 space in Hinckley and Bosworth. GL Hearn, in their “Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change”, April

2021 (amended March 2022), confirmed that Hinckley and Bosworth Borough Council has historically delivered the vast majority of strategic B8 space in Leicestershire.

- Ultimately, the decision to support the delivery of further strategic B8 space (for which the demand is regional), will be a political one and will require the allocation of additional employment land to support this.

10.5.3 For E(g) i, ii & iii use classes, the following observations are made:

- The labour demand scenarios all show much lower need for land for E(g) i, ii & iii use classes, than for B2/B8. This aligns with past take-up trends which indicates little demand for land for office development, there has been steady demand for laboratory and testing facilities, notably at MIRA; there has also been demand for light industrial premises.
- The WFH Sensitivity Scenarios takes account of changing working patterns – increasing proportions of office workers home working or hybrid working – and the effect of this on future office needs. However, given the relatively low need identified in the E(g) i, ii & iii use classes, the changing working patterns of office workers leads to a minor reduction in land requirements compared to the baseline scenarios.
- As working practices remain unsettled and a ‘new normal’ has yet to be established, some changes are beginning to filter down to business decisions regarding floorspace requirements, however this process is evolving, and data on this subject is emerging and untested. The reduction applied under the WFH scenario is reasonable given the uncertainty and we recommend the Council take a cautious approach to any widescale rationalisation of stock and land until more evidence is available.
- The HNRFI scenarios also have a minimal impact on overall office requirements.
- The scenarios based on the CE and Experian forecasts show close alignment with past trend data which identifies a need for between 9-11ha of (g) i, ii & iii use classes over the period 2020-41.

10.5.4 For B2/B8 space, the following observations are made:

- The labour demand forecasts (baseline) show a range from 40ha to 47ha, with both OE and Experian being on the lower end of the range.
- The labour demand WFH sensitivity scenarios provide a similar conclusion, as it is assumed that all industrial employment requires a physical attendance on the workplace.
- The growth scenario that assesses the impact of HNRFI, increases the land requirement for B2/B8, with a net additional requirement of 46ha to 56ha.

- The forecast B2/B8 needs shown in the various economic scenarios align closely with the projection based on past trends (excluding Strategic B8 development). This shows a need for 46-55ha for the period 2020-41. This aligns very closely with the HNRFI Growth Scenario (46-56ha).

11.0 CONCLUSION – BALANCING SUPPLY AND DEMAND

11.1 Introduction

- 11.1.1 We have modelled a range of scenarios. Three labour demand scenarios are based on different, but well established approaches to economic forecasting. We have included a labour demand scenario that allows for the impact of the Hinckley National Rail Freight Interchange, and we also have modelled scenarios based on past completions trends. All these different approaches produce remarkably consistent forecasts of the amount of land required for the Local Plan period to 2041. They result in overall employment land requirements of between 44ha and 66ha for the 21 year period 2020-41.
- 11.1.2 This level of requirement suggests that currently available land, which totals around 66ha could be sufficient for the plan period.
- 11.1.3 Below we consider in turn land requirements for offices, manufacturing and logistics.

11.2 Land for Offices

- 11.2.1 Leicestershire's office market is dominated by Leicester. Hinckley & Bosworth has a small office stock, with Hinckley as the principal office centre, but the borough also provides rural workspace within historic buildings, landscaped settings and through farm diversification schemes. For various reasons, the viability of office development is stronger in prime locations. Secondary locations such as Hinckley are very unlikely to see speculative office development over the plan period.
- 11.2.2 Take-up of sites for office development in Hinckley and Bosworth has been infrequent and small scale; we do not consider that this is likely to change. Though growing demand for offices that have a lower carbon footprint is stimulating some development activity, this new office stock is focussed on prime locations. Hinckley is not one of these.
- 11.2.3 During the Covid-19 lockdowns office occupancy declined as working from home became the norm; since the pandemic hybrid working has become established allowing businesses to reduce their office floorspace requirements. So, although economic forecasts are expecting service sector employment to increase there is uncertainty whether this will result in increased floorspace requirements. The baseline scenarios disagree whether office floorspace will increase or decrease. In Hinckley & Bosworth we have seen this played out with Rare expanding within the borough, whilst Cadent has relocated to new premises outside the borough.

11.2.4 There is little to be gained from allocating land specifically for new offices; and a flexible approach to allowing offices within employment areas or mixed-use schemes and as part of farm diversification schemes, should satisfy demand over the plan period.

11.3 Land for Manufacturing

11.3.1 The baseline economic scenarios agree on manufacturing decline over the plan period. A key question is to what extent established industrial areas can be retained for employment use. There is a huge difference in the viability of employment development in different employment areas. Redevelopment of the historic factories in inner urban areas of Barwell and Hinckley, requires land assembly, demolition and extensive site preparation works; high costs and long preconstruction periods both undermine viability. By contrast, the abnormal costs of redeveloping peripheral parts of the Caterpillar factory complex at Desford would have formed a smaller proportion of the overall construction cost and the value of the new warehouses here would high enough to enable viable development.

11.3.2 Against this backdrop of manufacturing decline, there are some manufacturing sectors which are likely to grow. The automotive sector, which is well established in Hinckley & Bosworth and the wider Midlands, is one of these. Radical changes in the sector including the growing demand for electric, hybrid and autonomous vehicles have already resulted in growing demand for R&D facilities; at the MIRA Technology Park there are expectations that a range of businesses in the automotive sector and its supply chain will require further R&D and workshop premises, and that some of these businesses will require advanced manufacturing premises in the longer term.

11.3.3 Our assessment of available employment land in Hinckley & Bosworth identifies 24.53ha of available land at MIRA Technology Park, reserved for the automotive sector. Having regard to recent take-up, the amount of available land at MIRA is sufficient for the plan period and the allocation of MIRA South within neighbouring North Warwickshire, should ensure that longer term requirements for advanced manufacturing premises can also be accommodated. It should be noted that although MIRA South will not be reserved for the automotive sector, it will be reserved for manufacturing. B8 uses will only be permitted if ancillary to B2. Although outside Hinckley & Bosworth, MIRA South will help to meet and demand for new manufacturing premises over the plan period.

11.3.4 Elsewhere within the borough there are ten available sites on general industrial estates providing a further 13ha of land. The former Cadent site is the largest of these, as identified earlier this site could be redeveloped for housing, in which case the supply would fall to around 8ha. Past take-up of land for general industry and compounds has averaged around 1.9 ha per annum in both the long and short term; on this

basis the Council should aim to identify a further 25 hectares of new allocations for general industrial purposes.

11.4 Land for Logistics

- 11.4.1 It is the market for B8 logistics and warehousing that is arguably the sector for which it is hardest to assess a future land requirement. In Hinckley & Bosworth sectoral demand is not so much for ‘last mile’ premises serving the local market, but for regional and national requirements wanting a location in the Midlands ‘golden logistics triangle’ and with easy access to the strategic highway network. Within this wider sub-region, it is generally recognised that demand is outstripping the supply of sites. Within the sub-region, highway capacity issues and green belt constraints¹³ are barriers to further provision in various locations and as a result little land is now allocated and available for logistics at the core of the ‘golden triangle’ where drive time efficiencies are greatest. As a consequence, developers and occupiers have had to compromise and requirements have steadily extended to locations outside this core and/or to locations with poorer access to the strategic highway network.
- 11.4.2 The strength of demand for logistics sites in the borough, is therefore not only determined by the supply of appropriate sites in Hinckley and Bosworth, but also by the supply in Leicestershire and the wider ‘golden triangle’ which includes Warwickshire and the West Midlands conurbation. If other local planning authorities provide little land for logistics, then this could result in Hinckley & Bosworth accommodating displaced demand. Land allocated by Hinckley & Bosworth could be taken up quickly, leaving little to accommodate demand later in the plan period.
- 11.4.3 Two sites are currently available for large scale logistics. These are Griffen Park, Desford (11.76ha) and Mountpark Bardon III (16.08ha). A smaller site at Interlink Distribution Park is mainly within the neighbouring borough of North West Leicestershire but a corner extends into Hinckley & Bosworth.
- 11.4.4 Analysis of past take-up is a useful reality check for economic forecasts. Economic forecasts are sensitive, due to the large number of assumptions used to arrive at estimates of how much land is required. Analysis of take-up does not rely on the accuracy of any of these assumptions. And though past take-up is no guarantee of future economic performance, by comparing short term and long term rates and understanding them in the context of local market and national economic trends, they can be a helpful guide to future land requirements.
- 11.4.5 Take-up of land for the development of employment premises over the 24 year period 1999-2023 has totalled 187.7ha, or 7.66ha per annum. Over the short term, take-up has been much stronger. However,

¹³ The West Midlands Green Belt extends up to the border of Hinckley & Bosworth but does not cross it.

nearly two thirds of this take-up (121.42ha) has been for strategic B8, that is warehouses of more than 100,000 sq ft. For such premises demand is regional and Hinckley & Bosworth has historically attracted a large proportion of strategic B8 compared to Leicestershire as a whole. This is because of all the Leicestershire authorities, Hinckley & Bosworth is the district that is closest to the core of the 'golden triangle'.

- 11.4.6 Demand for strategic B8 uses is difficult to quantify on the local level as the market for these uses covers regional and national geographies and the potential area of search for their location is generally wider than a single local authority – often encompassing a whole FEMA. Therefore it is appropriate to consider the needs for this type of employment use at the sub-regional (FEMA-wide) scale. This is what Hinckley and Bosworth have done working in conjunction with the other Leicestershire authorities¹⁴.
- 11.4.7 Icen Projects Ltd has been commissioned by the Leicester and Leicestershire authorities to consider the apportionment of strategic distribution floorspace across Leicester and Leicestershire. This study assumes an overall shortfall in supply of 392ha for the period 2020-41; this is split between rail served sites and those that are just road served. Two scenarios look at the implications of the HNRFI being built out or not. In both scenarios the shortfall in road served sites is taken to be 72ha.
- 11.4.8 Hinckley & Bosworth is not being looked on to provide all or indeed any of this shortfall. The study instead assumes that the 72 hectares would be shared across at least two of six 'areas of opportunity' in land parcels of at least 25ha (or at least 10 ha if an extension to an existing industrial estate).
- 11.4.9 Proximity to junctions on the strategic highway networks are a key criteria and a range of factors are considered to establish which are most appropriate to accommodate the shortfall. Two of nine shortlisted junctions are within Hinckley & Bosworth. These are the junction of the A50 and A46 at Groby and junction 22 of the M1 at Markfield. As these are both within the same area of opportunity (Area 4) the implication is that these two locations should not accommodate the entirety of the 72ha and at least 25ha (or 10ha if an extension) would need to be located elsewhere.

11.5 Summary

- 11.5.1 Within the current supply there is 24.53 ha of land at MIRA, which is sufficient for the needs of this niche sector for the new Local Plan period.

¹⁴ Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change, GL Hearn, April 2021 (amended March 2022).

- 11.5.2 Within the current supply there is also 28.37ha of land for strategic B8. The Council's provision of land for strategic B8 should be informed by the separate study that has been commissioned by Leicester and Leicestershire authorities.
- 11.5.3 Separating the land at MIRA and the land available for strategic B8, the Council is left with ten available sites totalling 13.08ha for general employment. If it is assumed that the Cadent site will not form part of the Council's future employment land portfolio, current availability of general employment land reduces to nine sites (7.98 ha).
- 11.5.4 The needs assessment has identified 43.9ha to 65.7ha between 2020 and 2041 with the assessment suggesting that the Council should aim to meet needs at the top of this range to ensure economic growth is supported in the Borough.
- 11.5.5 The provision at MIRA of 24.53ha, plus the available general employment land of 7.98ha, totals 32.51ha. This represents a shortfall of **11.4-33.2ha** when measured against the minimum and maximum estimates of need.
- 11.5.6 We recommend that the Council a) allocates a further 33ha of land for general employment development, b) identifies additional land for strategic B8 in line with the recommendations of the county wide study, c) preserves the allocations at MIRA.

APPENDIX 1 – GLOSSARY OF TERMS

ABBREVIATIONS, DEFINITIONS AND MEASUREMENT CONVENTIONS

USED IN THE APPRAISAL OF EMPLOYMENT LAND AVAILABILITY AND TAKE-UP

ABBREVIATIONS

BF:	Brownfield
GF:	Greenfield
IA:	Immediately Available
RP:	Requiring Preparation
SHN:	Strategic Highway Network
MRN:	Major Road Network

DEFINITIONS

Available Employment Land

All available land allocated for employment uses excluding (a) expansion land and (b) land with empty industrial buildings already in-situ, unless those buildings are time expired, and are unlikely to be re-occupied. Planning Practice Guidance suggests a minimum site size of 0.25 hectares or 500 sq m of floorspace.

Employment Land

Sites that are either (a) allocated for employment use in the development plan, (b) occupied for employment use or (c) formerly in employment use and do not have planning consent, nor are allocated, for an alternative use.

Employment Uses

Business, general industry and storage/distribution uses as defined by Classes E(g), B2 & B8 of the Town and Country Planning (Use Classes) Order as amended in August 2021. Land could generally be developed for any type of employment use with no distinction being made between general industrial uses, warehousing and commerce. Employment uses exclude retail, leisure, residential care facilities, mineral extraction and waste disposal.

Expansion Land

Land owned by a business occupying adjoining premises and held for future expansion. This land is not available to the wider market. Take-up of expansion land is deemed to occur at the same time as the occupied part of the site, or at the date at which it is subsequently purchased for expansion purposes. Where

expansion land is declared surplus to requirements by the owner then it effectively becomes available again to the wider market. When premises formerly in single occupation are subdivided for multiple occupation, any expansion land would typically revert to being available again.

Immediately Available

Sites that require minor remediation or infrastructure provision, which can be brought forward for development in less than 12 months.

Implied Supply

An estimate of the number of years that it would take to consume available land at prevailing take-up rates. It is calculated by dividing the amount of available land by the average yearly take-up.

Requiring Preparation

Sites where major provision of roads and utility services is required and/or where site assembly, demolition and remediation is required, and which are likely to take at least a year to bring forward for development.

Specialist Sites

Land that is reserved for specific industry sectors or purposes. Examples include ports, airports, and major industry clusters. Such sites may be considered separately from general employment sites.

Strategic Highway Network

Motorways and dual carriageways on which the national speed limit applies.

Take-up

The development or first occupation of a site. Take-up occurs at the point at which construction of a building commences. Take-up excludes (a) extensions of existing premises unless they occur on land beyond the original boundary of the site and (b) changes of use. Depots used for storage or yards used for fabrication, dismantling, or other processes are regarded as take-up when first occupied; subsequent changes in occupation or use are excluded. Where buildings are demolished and a site is redeveloped, this constitutes take-up. Where a site is built out in separate phases (rather than a continuous rolling programme), take-up occurs at the start of each phase.

MEASUREMENT CONVENTIONS

When comparing availability and take-up, a consistent approach to the measurement of sites is required. Take-up of employment land is typically recorded on a plot by plot basis, which equates to a net developable area. It follows that availability should be measured on the same basis. When assessing the size of available sites, gross to net adjustments are appropriate in some, but not all, cases.

Research by Lambert Smith Hampton has examined the proportion of land likely to be lost to servicing and landscaping by considering gross and net areas on a sample of industrial estates and business parks. Gross to net ratios range from 100% where a site is in single occupation, to 56% for a business park on a sloping site with large areas set aside for landscaping and sloping banks between development plots. Adjustments appropriate in different circumstances are summarised below.

Type	Ratio	Comment
Serviced plot on industrial estate fronting road.	100%	
Area of land that could easily subdivide into serviced plots with road frontage.	100%	
Large area of land on industrial estate too big for single scheme, having regard to other buildings on estate.	95%	Provision for spur road.
Major undeveloped part of industrial estate or extension to industrial estate.	90%	Provision for roads and landscaping to one or more sides.
Small local allocation, requiring infrastructure.	90%	Provision for spur road, but landscaping likely to be minimal
Level site allocated for industrial estate	85%	Provision for spur road and landscaping.
Site allocated for industrial estate where terracing or bunding required	80%	Provision for spur road and landscaping.
Land allocated for business park with high landscape quality	75%	Provision for spur road extensive landscaping, balancing ponds etc.
Land allocated for employment use where a single end user could be in the market.	100%	Any surplus land likely to be retained for expansion.

APPENDIX 2 – ASSESSMENT OF EMPLOYMENT AREAS

APPENDIX 3 – EMPLOYMENT AREA PRO-FORMAS

APPENDIX 4 – ASSESSMENT OF AVAILABLE EMPLOYMENT LAND

APPENDIX 5 – ASSESSMENT CRITERIA

CRITERIA	FACTORS	ASSESSMENT	
AVAILABILITY FACTORS			
Ownership Factors		Developer proposing speculative units.	5
		Developer proposing D&B/bespoke units.	4
		Single owner - not a developer.	3
		Two owners	2
		Site assembly required.	1
Deliverable		Detailed planning consent	5
		Detailed consent but to be phased	4
		Outline planning consent	3
		Allocation for employment	2
		No allocation or consent	1
SUITABILITY - PLANNING FACTORS			
Habitat	Ancient Woodland, Nature Reserve Special Area of Conservation Special Protection Area SSSI	No habitat constraints	5
		Habitat asset nearby	4
		Habitat asset adjoins site	3
		On site constraining development	2
		On site preventing development	1
		Landscape	AONB Green Belt / Green Wedge Local Green Space National Forest National Park
Landscape asset nearby	4		
Landscape asset adjoins site	3		
On site constraining development	2		
On site preventing development	1		
Heritage	Battlefield Scheduled Monument Conservation Area Listed building		
		Heritage asset nearby	4
		Heritage asset adjoins site	3
		On site constraining development	2
		On site preventing development	1
		SUITABILITY - MARKET FACTORS	
Access to Strategic Highway / Major Road Network		Within 2 km of SHN via unconstrained roads.	5
		Within 2 km of SHN via constrained roads.	4
		Within 2 km of MRN via unconstrained roads.	3
		Within 2 km of MRN via constrained roads.	2
		Over 2 km from SHN & MRN.	1
Local Road Access	Congested roads, Narrow roads, Access through housing area Access via bad junction.	No constraints	5
		One constraint	4
		Two constraints	3
		Three constraints	2
		Four constraints	1
Site Characteristics and Physical Constraints	Level. Regular shape. Not in COMAH zone. Not landlocked > 0.25ha	No constraints	5
		One constraint	4
		Two constraints	3
		Three constraints	2
		Four constraints	1
Flood Risk		Low risk of fluvial and pluvial flooding.	5
		Low risk of fluvial flooding. Moderate risk of pluvial flooding over small part of site.	4
		Low risk of fluvial flooding, but high risk of pluvial flooding over large part of site	3

CRITERIA	FACTORS	ASSESSMENT	
		Moderate or high risk of fluvial flooding over small part of site.	2
		Moderate or high risk of fluvial flooding over large part of site.	1
Quality of Infrastructure	Roads. Streetlights. Mains utilities. Landscaping.	Well served by good quality infrastructure	5
		All infrastructure. Average quality.	4
		All infrastructure. Poor quality.	3
		Limited infrastructure	2
		Major infrastructure required.	1
ACHIEVABILITY FACTORS			
Barriers to Development		Serviced remediated plot, infrastructure to edge.	5
		Modest infrastructure or remediation.	4
		Modest infrastructure and remediation.	3
		Major infrastructure provision or remediation.	2
		Major infrastructure provision and remediation.	1
Market Attractiveness	Area of strong demand. Suit range of businesses. High profile location. Viable development location.	No constraints	5
		One constraint	4
		Two constraints	3
		Three constraints	2
		Four constraints	1
Viability of Employment Development		Viable: high value location & low abnormal costs	5
		Viable: high value location & modest abnormal.	4
		Marginal viability: high value location & high abnormal costs.	3
		Marginal viability: low value location & low abnormal costs.	2
		Unviable: Low value location & high abnormal	1
SUSTAINABILITY FACTORS			
Sequential Status		In town centre.	5
		In minor centre.	4
		Edge of Centre (within 500 m).	3
		Out of Centre.	2
		Out of Town.	1
Proximity to Urban Areas	Within urban area Within 1km of town centre. Close to housing areas Close to bus stop/ station.	No constraints	5
		One constraint	4
		Two constraints	3
		Three constraints	2
		Four constraints	1
Compatibility of Adjoining Uses		Within larger employment area, no incompatibility.	5
		Separated by highway from incompatible land use.	4
		E(g) adjoining residential areas	3
		B2/ B8 adjoining residential areas	2
		B2/B8 adjoining residential areas on more than one side.	1
DELIVERABILITY			
	Deliverable	Likely to come forward for employment in next five years	
	Developable	Likely to come forward for employment within plan period	
	Not yet developable	Unlikely to come forward within plan period	
	Deallocate	Site has consent for alternative use	