



**CABINET – 19 NOVEMBER 2021**

**LEICESTER AND LEICESTERSHIRE AUTHORITIES – STATEMENT  
OF COMMON GROUND RELATING TO STRATEGIC WAREHOUSING  
AND LOGISTICS NEED**

**REPORT OF THE CHIEF EXECUTIVE**

**PART A**

**Purpose of the Report**

1. The purpose of this report is to advise the Cabinet of a Statement of Common Ground (SoCG) which has been prepared by the Leicester and Leicestershire local authorities relating to Strategic Warehousing and Logistics needs in the area.

**Recommendations**

2. It is recommended that the Cabinet agrees to the County Council becoming a signatory to the Leicester and Leicestershire Statement of Common Ground Relating to Strategic Warehousing and Logistics needs (September 2021).

**Reasons for Recommendations**

3. The Strategic Warehousing and Logistics Need Study (April 2021) identifies a Leicester and Leicestershire wide need for large warehousing to 2041. Meeting this need is therefore a cross boundary issue under the Duty to Cooperate (including for those authorities that are not normally directly affected by the sector).
4. The Statement of Common Ground will help inform an approach to meeting the Leicester and Leicestershire need which maintains an appropriate supply across the Areas of Opportunity, in terms of geography and trajectory, as recommended by the study. This is required to help demonstrate a collective Duty to Co-operate on this matter for the forthcoming Local Plan Examinations.
5. The Statement of Common Ground is largely a statement of fact and does not attempt to distribute the need for strategic warehousing floorspace amongst the authorities. It identifies the strategic issues and the intended next steps.

**Timetable for Decisions (including Scrutiny)**

6. The Statement of Common Ground will be considered at each of the Leicester and Leicestershire planning authorities - Leicester City Council and the seven

district councils in Leicestershire - through their respective governance processes. It is anticipated this will be undertaken by the end of 2021.

### **Policy Framework and Previous Decisions**

6. The non-statutory Strategic Growth Plan (SGP) for Leicester and Leicestershire which sets out a vision for growth to 2050, was approved on 23 November 2018 by Cabinet, and by all partners by December 2018. This set out employment land needs between 2011 and 2031/2036 in addition to housing need; however, strategic warehousing was dealt with in a separate study due to the market for this sector operating at beyond the regional scale. The 2014 study (and 2016 update) are updated by 'Warehousing and logistics in Leicester and Leicestershire: managing growth and change' study (April 2021).

### **Resource Implications**

7. There are no resource implications for the Council arising from the recommendations in this report.
8. The Director of Law and Governance has been consulted on the contents of this report and her comments (Legal and Planning) have been included.

### **Circulation under the Local Issues Alert Procedure**

9. This report will be circulated to all Members.

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## **PART B**

### **Background**

10. On 6 May 2021 the Strategic Warehousing and Logistics Study was published having been jointly commissioned by the Leicester and Leicestershire authorities. This replaces the 2014 Leicester and Leicestershire Strategic Distribution Sector Study and the update report (September 2016). The Study forms an important part of the evidence base for Leicester and Leicestershire authorities' Local Plans, highlighting the current and future needs of the sector, with particular emphasis on future floorspace and land needs to 2041.
11. The Study provides an updated understanding of decarbonisation, e-commerce, property market and needs generated by the warehousing and logistics sector. Whilst the Strategic Growth Plan provided a steer for the scale and location of future employment land, this did not include strategic warehousing and logistics given the wider geographical nature and characteristics of this sector.
12. Taking into account the current supply of warehouses, the Study suggests there is a need for 768,000sqm of rail-based warehousing and 392,000sqm of road based warehousing. The shortfall in rail provision starts to emerge around the mid-2020s and the shortfall for road-based provision starts post-2031, because the existing supply is relatively strong.
13. The 'Areas of Opportunity' (the most likely general broad areas for new Large Warehousing and Logistics up to 2041) are the same as those identified in the previous 2014 study and are based on accessibility to the road and rail network, as well as access to labour.
14. The Study forms an important part of the evidence base for Leicester and Leicestershire authorities' Local Plans, highlighting the current and future needs of the sector, with particular emphasis on future floorspace and land needs to 2041.
15. The update reflects the rapid change of pace in this sector in recent years which has been accelerated recently by the move to online retail during the pandemic.

### **Overview of Content of Statement of Common Ground**

16. The Statement of Common Ground (SoCG) has been prepared jointly by the eight plan making authorities in Leicester and Leicestershire (Leicester City Council and the seven district councils in the County), as well as the County Council as an additional signatory given its statutory responsibilities, for example as the Highway Authority for Leicestershire. Its preparation has been overseen by the Members Advisory Group and considers the next steps for agreeing the distribution of the need for large warehousing across Leicester and Leicestershire.

17. This SoCG applies to large warehousing units over 9,000sqm of floorspace (smaller warehousing is covered by Housing and Employment Needs SoCG), and the market for this sector operates beyond the regional scale with some proposals considered through the Nationally Significant Infrastructure Projects (NSIP) process separate to the Local Plan process. This makes it particularly challenging for the development of Local Plans. The key strategic matters addressed in the SoCG relate to the need for Large Warehousing and Logistics floorspace to 2041, including the next steps to ensure the needs of the sector are appropriately planned for across Leicester and Leicestershire
18. The SoCG confirms that the Leicester and Leicestershire authorities agree that the [‘Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change’ \(April 2021\)](#) study is the most up-to-date evidence on the needs of the sector across Leicester and Leicestershire, with a need to provide for 2,570,000 sqm of additional floorspace between 2020 and 2041.
19. The Areas of Opportunity are the same as those identified in the earlier study and provide overarching geographical foci for the direction of future proposals for this sector.
20. The SoCG highlights that the partner authorities are committed to working through the next steps to enable Leicester and Leicestershire authorities to take a proactive rather than a reactive position with regards to the consideration of future strategic warehousing planning applications. These include:
  - Developing an appropriate system to monitor progress in site allocation, consents and delivery at the Leicester and Leicestershire level;
  - Developing a collective understanding of the geographical distribution and phasing of the current supply and
  - Developing a collective understanding of deliverable and developable sites for large warehousing, including through the commissioned Strategic Growth Options and Constraints Study (and other evidence work as appropriate), expected to be completed in early 2022.
21. The authorities agree the Duty to Cooperate is an ongoing process. The process for updating and maintaining this SoCG will be managed through ongoing joint work between the authorities.
22. The Areas of Opportunity are the same as those identified in the earlier study and provide overarching geographical foci for the direction of future proposals for this sector.
23. The Director of Law and Governance advises that the SoCG will be a planning policy type document albeit of limited weight because of the lack of public consultation. Nevertheless it will be a factor for consideration in decisions on planning applications in respect of large warehousing type development and so in the context of the County Council’s planning responsibility for development of this type on Council land using Regulation 3 of the Town and Country Planning General Regulations 1992 (as amended) powers it will apply.

**Equality and Human Rights Implications**

24. There are no Equality and Human Rights Implications directly arising from this report.

**Environmental Impact**

25. The County Council will continue to work closely with partners to minimise the impact planned growth has on the environmental assets of Leicester and Leicestershire.

**Appendix**

Leicester and Leicestershire Statement of Common Ground Relating to Warehousing and Logistics needs (September 2021)

**Background Papers**

Report to the Cabinet on 23 November 2018 “Leicester and Leicestershire Strategic Growth Plan - Consideration of Revised Plan for Approval” - <https://bit.ly/3btffgf>

Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change (April 2021) - <https://bit.ly/3BW0ZY4>

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