Cheshire East Council Local Scoping Document (July 2026)

Representations by Richborough Commercial

September 2026

PINNACLE

PINNACLE PLANNING LIMITED

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Appendix 1 Industrial and Logistics: The Infrastructure of Everything

Appendix 2 High Level Industrial and Logistics Needs Assessment December 2025

1. Introduction

1.1 This representation is prepared by Pinnacle Planning on behalf of our client Richborough Commercial (hereafter referred to as "Richborough"). It provides representations to Cheshire East Council (CEC) in respect of the Local Plan Scoping Consultation (SC) and promotes land at Junction 17 of the M6, Sandbach for commercial development.

1.2 The consultation period runs until 1 September 2026.

Background

1.3 Established in 2003, Richborough is one of the UK's leading independent strategic land promotion businesses, with a proven track record of identifying, promoting and delivering high-quality development opportunities across the country.

1.4 Working in partnership with landowners, local planning authorities, developers and communities, Richborough manages the development process from initial site identification through planning promotion and outline consent to the disposal of consented land to specialist development partners. Each project is underpinned by technical evidence, thoughtful masterplanning and a clear route to delivery.

1.5 Richborough is recognised for combining commercial realism with placemaking, creating sustainable development opportunities that deliver long-term social, environmental and economic value.

Richborough Commercial

1.6 Richborough Commercial was established in 2023 in response to growing national demand for high-quality employment land. The Commercial Division applies Richborough's established strategic land promotion model to well-located employment and mixed-use opportunities capable of supporting economic growth, inward investment and business expansion.

1.7 Its track record includes Viking Way, Congleton, where outline planning permission was secured for more than 250,000 sq ft of commercial floorspace before the site was acquired by Clowes Developments, and York Road, Market Weighton, where hybrid permission was secured for a mixed-use scheme including commercial development before sale to Danum Developments for delivery.

1.8 Building on this experience, Richborough Commercial is committed to creating exceptional places for business and people, combining commercial success with high-quality design, landscape-led placemaking and long-term environmental stewardship.

New Local Plan

1.9 The current adopted Local Plan for Cheshire East comprises the following documents:

- The Local Plan Strategy (adopted July 2017) (LPS);

- The Site Allocations and Development Policies Document (adopted December 2022) (SADPD);

1.10 CEC are in the process of preparing a new Local Plan under the government's recently reformed plan-making system. CEC issued a Notice to Commence Plan-making on 12 June 2026 and this is the first stage of consultation on the scope of the new Local Plan. Prior to starting work on the new plan, CEC carried out some informal and background work including initial work on the evidence base, consultation on Issues Papers in 2024, and invitations to submit sites for consideration in 2024 and 2026.

1.11 The Scoping Consultation document sets out, at a very high level, CEC's approach to the key issues and topics which will shape Cheshire East over the plan period. It is seeking the views of residents and stakeholders on what the new Local Plan should contain and how future consultation and engagement should be carried out.

Representations

1.12 This Representation provides feedback and commentary on the SC.

1.13 Richborough are actively promoting land at Junction 17 of the M6, Sandbach for commercial development.

1.14 Richborough submitted representations in respect of this Site to the recent Call for Sites, which included a Vision Document.

2. Economic Growth

2.1 In the 'Context for the New Local Plan' section, CEC acknowledge that in addition to making sure there is sufficient land for offices and industrial premises, national policy requires the local plan to meet the needs of a modern economy. This includes identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.

2.2 The boxed text at Chapter 4 of the NPPF 2026, titled "achieving sustainable development", is clear that "the objective of the policies in this chapter is to meet development needs through sustainable patterns of development".

2.3 Policy S1 is titled positive plan-making and states that "the development plan should plan positively for future growth and change by seeking to meet the development needs of their area, as a minimum".

2.4 Chapter 7 of the NPPF is titled "Building a strong, effective economy" and the boxed text states the following:

"The objective of the policies in this chapter is to enable businesses to invest, expand and adapt in a way that reflects the opportunities, challenges and characteristics of different areas, and supports long-term economic growth both locally and nationally."

2.5 NPPF Policy E1 is titled "Providing the conditions for long-term economic growth" and states at E1(1)(c) that development plans should:

"Allocate sites to implement the economic vision and strategy and meet identified needs over the plan period, paying particular regard to facilitating development to meet the needs of a modern economy (including sites and premises which are flexible and adaptable) and the specific locational requirements of different sectors. This includes, where a need exists or is anticipated, making provision for:

i. Clusters, networks and sites for knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure to support the growth of these industries (including laboratories, campus facilities, data centres and associated generating capacity, and electricity network infrastructure to provide grid connections);

ii. Freight and logistics operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain (including 'last mile' deliveries), transport innovation and decarbonisation; and

iii. The expansion or modernisation of other businesses of local, regional or national importance to support economic growth and resilience (such as leisure and tourism, agriculture and other rural and land-based businesses which may be of particular importance in certain areas).

2.6 Policy E1 continues that development plans should not be overly prescriptive about the types of uses or unit sizes that would be acceptable on particular sites (other than where there is a clear and justified rationale for being specific about acceptable uses at the plan-making stage).

2.7 The adopted LPS and SADPD set a target of a minimum of 380 hectares of employment land to be developed between 2010 and 2030 to support the growth of the local economy1. However, the AMR for 2022/23 confirms that employment land take up at 31 March 2023 is only 86.95 hectares and there remains 202.05 hectares of allocated employment land undeveloped, with only seven years of the plan period remaining at that point. Over the thirteen year period to date, CEC has delivered an average of only 6.7 hectares per annum of employment land against a disaggregated minimum requirement of 19 hectares per annum. This is a significant shortfall which justifies an alternative approach for the emerging Local Plan.

2.8 The Industrial & Logistics (I&L) sector has become a cornerstone of the UK economy, driven by structural changes in consumer behaviour and global trade. The rapid growth of e-commerce, which now accounts for over a quarter of all retail sales (27.2%) has significantly increased the need for well-located logistics space, as online retail typically requires three times more floorspace than traditional retail models (Prologis, 2016). Alongside this, rising freight volumes and reconfiguration of supply chains following Brexit and the pandemic have reinforced the importance of resilient and domestic distribution networks. These trends have elevated the sector's role as a critical national infrastructure, underpinning the economic activity and ensuring the efficient movement of goods across the country.

2.9 As referenced in the Savills report contained at Appendix 1, the I&L sector is fundamental to the delivery of the Government's Industrial Strategy. The eight priority growth sectors identified by Government rely, both directly and indirectly, on industrial and logistics activity, which accounts for around 22 percent of the inputs they purchase, equivalent to approximately £250 billion. In practice, industrial and logistics is the common foundation that enables other sectors to scale, innovate and operate at speed. However it often remains undervalued in policy and planning despite its central role in delivery. It is essential that CEC do not overlook the I&L sector in the new Local Plan.

2.10 The I&L market across Cheshire is significantly supply-constrained. At the national level, 8.0% availability across all size bands is commonly referred to as the level where a market is broadly in balance (i.e. equilibrium frictional capacity) in terms of supply and demand.

2.11 In Cheshire East availability has been below the 8.0% equilibrium since 2014 but recently increased to 8.1% in 2025 YTD. This higher availability rate is partly due to 335,403 ft2 (31,160 m2) of available floorspace at Crewe 335 which only recently reached practical completion. Once Crewe 335 is let, Cheshire East's availability rate reduces to below the 8.0% equilibrium to 6.7%. It should be noted that one or even a few years of above equilibrium availability does not fully compensate for a sustained period of tight supply in the face of strong demand. Availability in Cheshire and Warrington has been below the

[1] Policy PG1, LPS

8.0% equilibrium since 2015, with current I&L availability at 6.4%, reducing to 5.9% once Crewe 335 is let.

2.12 This shortfall indicates that Cheshire's I&L markets have been supply-constrained for over a decade, which in turn suppresses demand as not all occupiers can find space to meet their needs. As a result, they are either forced to remain in their existing premises or alternatively have to leave the area to find suitable premises elsewhere, taking the jobs and investment they generate with them.

2.13 It is important that the Borough continues to flex and adapt to the needs of the modern economy, in particular the rise in e-commerce. The growth in online shopping has significant implications on future I&L demand given that e-commerce requires around three times the logistics space of traditional bricks-and-mortar retailers (Prologis, 2016). Internet shopping relies on increased choice for the consumer and increased delivery speeds to a location of people's choosing. This means that more inventory is required to be located nearer to the general population. E-commerce is therefore one of the main growth drivers for the I&L sector.

2.14 The economic contribution of the I&L sector is often misconceived as being a land hungry operation and having a relatively low density in employment terms. This fails to recognise the wider role it plays in supporting jobs which are not physically within a warehouse but are enabled by its operations.

2.15 For every 10 new warehousing jobs created on-site, another 7 to 12 jobs are created off-site. The indirect GVA of logistics in the UK is 3.5 times the direct GVA contribution, vastly greater than other sectors. This effectively measures the role it plays in supporting other business sectors and the economy more generally. To impede logistics growth would undermine growth in other sectors of the economy too.

2.16 All of these aspects should be explored thoroughly through the Council's evidence base, notwithstanding the SDS process which will shortly be underway with the Combined Authority. This will help to ensure that the required quantity of sites/hectares for each sector are identified in the right areas.

2.17 The commercial land requirement should not be artificially constrained by policy designations, and a substantial buffer should be incorporated to avoid potential non-delivery (as has historically been the case). This will provide flexibility in the supply and improve the prospect of achieving the identified needs for employment space. The Plan should maintain a deliverable pipeline of sites throughout the plan period.

3. Combined Authority Spatial Development Strategy

3.1 Cheshire East is part of the newly established Cheshire and Warrington Combined Authority (CA) which is now functioning.

3.2 The CA is preparing to create a Spatial Development Strategy (SDS) as part of its devolved planning and strategic framework. This regional plan will coordinate long-term growth, housing, infrastructure, and employment land use. The CEC Local Plan cannot be delayed in the absence of the SDS, although it is important that its preparation takes account of CEC's role within the CA.

3.3 In preparing the SDS and the Local Plan, CEC and other partners must work strategically to identify development needs, and make decisions regarding the allocation of employment sites, with due consideration to cross boundary matters and areas of focused demand including major corridors across the CA.

3.4 The CA is aiming to transform Cheshire and Warrington into the UK's fastest growing regional economy by 2045. The Cheshire and Warrington Sustainable and Inclusive Economic Strategy sets out this ambitious vision and acknowledges that 'Manufacturing' is the region's highest value sector. In addition, the strategy notes that the Logistics sector has seen strong employment growth, with up to 25,000 jobs in 2020. The region's strategic location adjacent to Liverpool and Manchester with direct motorway links in key directions has been highlighted as a major reason for the region's growing reputation as a centre for logistics and distribution. The strategy states that the sector will be supported and the Combined Authority will ensure suitable business space is made available.

3.5 The CA is commencing an Independent Economic Review, which is due to commence in the coming months and will be subject to significant engagement with key stakeholders including landowners and site promoters. CEC should work closely with the CA to input into this review to ensure the Borough is afforded due consideration and that viable and deliverable sites are identified as part of the process.

3.6 As part of the review, it is understood that Investment Zones will be identified with direct access to funding. It is important that the benefit of these zones is balanced across the three LPA's in the CA. One such Investment Zone could be around Junction 17 of the M6, Sandbach including the land promoted herein by Richborough alongside the allocated employment site on the opposite side of the motorway (LPS53).

3.7 It is equally important to ensure that employment growth is balanced across CEC (as well as the wider CA) to ensure sustainable communities are maintained. At present, Alderley Park to the north of the Borough provides a firm anchor for employment (as well as being an Investment Zone), and the allocation of the land at J17 would create a similar anchor for the south of the Borough in an area of huge demand for logistics and advanced manufacturing.

4. Spatial Distribution

4.1 Cheshire is a strategic area for road freight with the M6 being a key arterial route travelling between major conurbations in the north, midlands and south of the UK. New and existing businesses, particularly industrial employment uses are reliant on this route for goods and distribution networks. There is a need therefore for the strategic location of new employment allocations close to the motorway network. This offers an opportunity for sustainable and highly accessible employment areas that will attract investment and new businesses to the Borough, allowing for the expansion of the local and wider economy.

4.2 Richborough support the Council's recognition that the scale of development likely to be required over the plan period will necessitate consideration of a range of growth options. The Local Plan should be prepared in a manner that positively seeks opportunities to meet identified housing and employment needs in full, consistent with the requirements of national planning policy.

4.3 The factors identified in paragraph 5.25 of the Scoping Consultation are broadly appropriate. However, when determining the distribution of development, the Council should place significant weight on the availability of deliverable and developable sites, market demand, infrastructure capacity, and the ability of locations to contribute towards supply in the early years of the plan period. It is important that environmental and policy constraints are considered in a proportionate manner and balanced against the need to address economic growth.

4.4 Richborough support the acknowledgement that development opportunities may need to include:

- Further development and densification within existing urban areas;
- Sustainable urban extensions on the edge of settlements;
- Strategic urban extensions capable of delivering homes, infrastructure and community facilities; and
- New settlement opportunities where these represent sustainable locations for long-term growth.

4.5 In particular, edge-of-settlement and urban extension locations often provide the most realistic opportunity to accommodate development needs while delivering new infrastructure, public open space and biodiversity enhancements. Such sites can be planned comprehensively and are frequently more deliverable and viable than relying solely on higher urban densities or fragmented brownfield opportunities.

4.6 The Local Plan should therefore assess all reasonable spatial options through a robust and evidence-led process. Sites should be evaluated against their sustainability credentials, accessibility, deliverability and capacity to provide wider planning benefits, rather than being excluded solely because they lie on the edge of existing settlements or within the open countryside.

4.7 Accordingly, Richborough support the Council's intention to consider a range of spatial growth options and encourage the emerging Local Plan to maintain sufficient flexibility to identify the most sustainable and deliverable pattern of development capable of meeting the Borough's employment and infrastructure needs throughout the plan period.

5. Development in the Countryside

5.1 The way in which development proposals outside of settlements should be determined has now been outlined in the NPPF and as such, the Council will not need to replicate these in the Local Plan.

5.2 However, the Local Plan will need to identify well-related sites (to existing settlements) as a sustainable growth option.

5.3 NPPF Policy S5 "Principle of development outside settlements" sets out the circumstances in which certain forms of development should be approved outside settlements. This includes (1)(j), which states:

"Development which would address an evidenced unmet need (including, but not limited to, development proposals involving the provision of housing where the local planning authority cannot demonstrate a five year supply of deliverable housing sites or scores below 75% in the most recent Housing Delivery Test), and where the development would:

i. Be physically well-related to an existing settlement (unless the nature of the development would make this inappropriate) and be of a scale which can be accommodated taking into account the existing or proposed availability of infrastructure; or

ii. Comprise major development for freight and logistics purposes which accords with policy E3."

5.4 Turning then to Policy E3, this states:

"To support the effective and efficient movement of goods, development proposals for freight and logistics uses and associated infrastructure should:

a) Have good access to transport networks (including via sustainable transport modes where possible) appropriate to the type of development;

b) Be sited and designed to limit environmental impacts (such as through the colocation or intensification of facilities to limit vehicle movements, provision of electric vehicle charging infrastructure and sensitive building design and landscaping). The impact on local residents or other neighbouring uses should be acceptable, taking into account proposed mitigation, especially where night-time operations will be required; and

c) Provide sufficient and secure parking for lorries or other vehicles to cater for the anticipated use, in accordance with policy TR4(1)(e)."

5.5 Richborough advocate that the Land at Junction 17 of the M6, Sandbach falls within the scope of Policy S7(1)(j) and could be designed to address Policy E3 in full. The Site should therefore be a key consideration and priority for allocation in the new Local Plan.

5.6 The Site is well related to Sandbach being directly to the east of the Settlement and to the west of Arclid /Bathgate Quarry. Access routes to the Site can be upgraded to allow a

range of active travel options from nearby residential areas. The site can also be accessed by existing bus services on Congleton Road to the south of the site with regular trips available to Goostrey, Macclesfield and Congleton. Sandbach Train Station is an eight-minute drive from the Site, providing excellent connectivity to Manchester Airport (31 minutes), Stockport (42 minutes) and Crewe (7 minutes).

5.7 The Site could comprise a major development for logistics purposes in accordance with Policy E3. As noted above, the site is well connected to public transport. In addition, the proximity of the Site to the Strategic Road Network (SRN) delivers valuable access opportunities across a wide area. The Site is immediately adjacent to J17 of the M6, where connections can be made more widely to the M56, M62 and the M60. In addition, the site can be readily accessed via the SRN by key I&L hubs such as the ports of Liverpool. Ellesmere Port, Manchester Airport, Crewe and Stoke-on-Trent making it a prime and opportune location for the proposed uses.

5.8 The Site is located to the east of the M6 and could be designed to limit environmental impacts, the Site creates the opportunity to provide a new roundabout off the M6 J17 slip road at its junction with the A534 to facilitate the principal access to the site off the A5022 Holmes Chapel Road. The creation of this roundabout will have wider benefits to the local area and will future proof the junction. It could not only help to unlock the full potential of the Capricorn employment allocation (LPS53) but also address existing peak time queues at what is considered to be a gateway junction to eastern areas of the Borough. This will improve access for traffic seeking to reach Alderley Park and Wilmslow to the north, as well as Congleton and Macclesfield to the north east.

5.9 Due to the location of the Site, there are very few neighbouring residential properties, although a scheme could be designed to ensure the residential amenity of these properties is protected.

5.10 Any future scheme at this Site would be designed to provide sufficient and secure parking for lorries or other vehicles to cater for the anticipated use, in accordance with Policy TR4(1)(e) of the NPPF.

6. Employment and the Economy

6.1 The Scoping Consultation Document acknowledges that the Local plan must also allocate sufficient employment land to meet current and future needs, including for knowledge-based, high-technology and creative industries, storage and distribution uses, and the expansion or modernisation of important businesses, including those in the leisure and tourism sectors.

6.2 As mentioned earlier, the Scoping Document notes the adopted Local Plan seeks to provide at least 380 hectares of employment land between 2010 and 2030 to support average annual jobs growth of 0.7%. Monitoring shows that, as of 31 March 2024, there remained a supply of 375 hectares of employment land and over 112 hectares had been developed since 2010. Whilst this evidence suggests that remaining claimed supply of 375 ha of employment land is a positive, Richborough notes that the majority of these sites have been available for some time and there is no certainty that they will be delivered.

6.3 A review of the employment growth distribution in the AMR 2022/23 reveals that a number of the larger employment allocations remain undeveloped and without planning permission. A list of the settlements with the largest allocations, which are without permission, is provided as follows:

- 39.41 hectares without permission in Middlewich – 52% of the total allocated in the settlement
- 35.92 hectares without permission in Crewe – 55% of the total allocated in the settlement
- 20 hectares without permission in Sandbach – 100% of the total allocated in the settlement
- 18.07 hectares without permission in Handforth - 82% of the total allocated in the settlement
- 16.33 hectares without permission in Macclesfield – 82% of the total allocated in the settlement.

6.4 The slow pace of delivery in these locations is a result of CEC's decision to distribute a significant scale of employment land through the settlement hierarchy, rather than focusing on deliverable sites based on demand. There are also a range of mixed-use allocations that are not attractive areas for large scale industrial or logistics sites due to constraints from neighbouring land uses, such as sites around Macclesfield. This approach to ensuring that land is allocated in the right locations is advocated by the BPF (now RE:UK) in the report contained at Appendix 1, wherein it is stated that:

"*A supply of numerous small, irregular shaped sites, located away from the strategic transport network will not address the larger, expansion, or strategic requirements of many businesses, particularly those which meet a regional or national need*".

6.5 The report goes on to highlight the locational importance of motorway junctions to the I&L sector, however around 47% of land within 2km of the UK's busiest motorway junctions (which includes the M6) is Green Belt at present.

6.6 Richborough considers the most appropriate strategy to address the shortfall in delivery is to allocate employment sites that are relatively unconstrained from neighbouring land uses (i.e. noise or air pollution) to ensure the sites that are allocated are the most suitable for development.

6.7 The site promoted for employment development to the north east of Junction 17 of the M6 is relatively unconstrained by neighbouring land uses given its location adjacent to the M6, Arclid / Bathgate Quarry and open countryside (not Green Belt), but benefits from being well-related to Sandbach. It is suitable and available, and could be developed for logistics and commercial uses, with the potential to start delivering employment space within the next five years.

7. Transport and Infrastructure

7.1 The Scoping Consultation Document notes that the Council will need to produce an Infrastructure Delivery Plan (IDP). It is essential that this shows the existing and known deficiencies in current infrastructure so that contributions and mitigation from new development can be calculated. This will need to feed into the Local Plan Viability Assessment to provide an accurate picture.

7.2 The Site at Junction 17 of the M6 has the potential to provide a much-needed improved roundabout arrangement at J17. Such a junction improvement could unlock the allocated the allocated employment site as well as Richborough's proposals to the east of the M6. Together, this could deliver around 1.25 million sqft of floorspace in a location with unmet demand

7.3 It would also build in resilience to the network with sufficient spare capacity, allowing better access to other parts of the Borough.

8. Local Plan Evidence Base

8.1 Richborough considers it imperative that a robust SHENA, SHELAA and Employment Land Review are prepared by the Authority to inform an emerging Local Plan, which should comprise key evidence base documents.

8.2 This work can inform the spatial strategy for growth, including the employment land requirement figure for the different market areas. National policy requires local plans to pay particular regard to facilitating development to meet the needs of a modern economy (including sites and premises which are flexible and adaptable) and the specific locational requirements of different sectors.

8.3 It is important to build in flexibility given the changing commercial property requirements. Development plans should not be overly prescriptive about the types of uses or unit sizes that would be acceptable on particular sites (other than where there is a clear and justified rationale for being specific about acceptable uses at the plan-making stage).

8.4 The SHELAA must consider environmental and historic land-based designations as well as technical constraints including ground conditions and areas of flood risk, using available information. Richborough also considers that a review of existing allocations and designations in the adopted Local Plan must inform the SHELAA site assessment process.

8.5 The NPPF Policy E1 states that development plans "should take into account both local business needs and wider needs and opportunities for economic growth and investment including relevant market signals, priority places for investment in key sectors set out in the Industrial Strategy, and the location of Industrial Strategy Zones and AI Growth Zones".

8.6 The methodology for the site assessment should be the subject of consultation and the results for sites put forward as part of the Call for Sites clearly evidenced.

8.7 In preparing a new SHELAA the authority should carefully consider the site review methodology. The SHELAA should clearly identify sites that can deliver in the short term and distinguish these from those sites that are potentially constrained by viability, technical constraints or ownership issues.

8.8 The new assessments must take account of the previous failings and ensure a robust evidence base supports the new Local Plan for the most effective delivery.

8.9 The emerging Local Plan can help to ensure that developments are viable and are not prevented from coming forward due to planning policy requirements by ensuring that there is flexibility for viability to be considered further at the application stage.

8.10 The emerging Local Plan must be informed by evidence on the supply and demand for employment land across Cheshire East. The market signals of supply and demand should underpin the Local Plan policies.

8.11 This representation is supported by a high-level Industrial and Logistics Needs Assessment prepared by Savills in December 2025 (Appendix 2) and a wider report, again prepared by Savills commissioned by the BPF, now RE:UK of who Richborough Commercial are a member (Appendix 1). This identifies that the I&L market across Cheshire is significantly supply-constrained. At the national level, 8.0% availability across all size bands is commonly referred to as the level where a market is broadly in balance (i.e. equilibrium frictional capacity) in terms of supply and demand.

8.12 In Cheshire East availability has been below the 8.0% equilibrium since 2014 but recently increased to 8.1% in 2025 YTD. This higher availability rate is partly due to 335,403 ft2 (31,160 m2) of available floorspace at Crewe 335 which only recently reached practical completion. Once Crewe 335 is let, Cheshire East's availability rate reduces to below the 8.0% equilibrium to 6.7%. It should be noted that one or even a few years of above equilibrium availability does not fully compensate for a sustained period of tight supply in the face of strong demand. Availability in Cheshire and Warrington has been below the 8.0% equilibrium since 2015, with current I&L availability at 6.4%, reducing to 5.9% once Crewe 335 is let.

8.13 This shortfall indicates that Cheshire's I&L markets have been supply-constrained for over a decade, which in turn suppresses demand as not all occupiers can find space to meet their needs. As a result, they are either forced to remain in their existing premises or alternatively have to leave the area to find suitable premises elsewhere, taking the jobs and investment they generate with them.

8.14 Additionally, this constrained supply market has led to rental growth by 94% in Cheshire East between 2021-2024, far outpacing the rate of inflation at 39% over the same period.

8.15 Demand has consistently exceeded the available supply, with net absorption (occupied space vs vacated space) 87% higher than net deliveries over the last 13-years (2012-2024).

8.16 Given the strength of the I&L market, this relative lack of supply is restricting Cheshire East's participation in the sector's growth. The new Local Plan must take account of these market signals and evidence in identifying new employment allocation sites.

9. Jodrell Bank World Heritage Site

9.1 It is understood that the Council will review whether existing policies for Jodrell Bank remain effective and whether additional guidance or controls are required. Richborough support the Council in this review and suggest that a review of the necessary extent of the associated Buffer Zone is also undertaken to ensure that appropriate growth can be achieved across the Borough and taking into account more recent developments that have been permitted on the periphery of the Buffer Zone, indicating that it could and should be reduced.

10. Engagement

10.1 Richborough agrees that engagement is an essential part of the consultation process.

10.2 It is evident from our responses to several of the consultation questions that historic under-delivery as part of the previously adopted Local Plan has meant that the Council has fallen behind.

10.3 Some of the previously allocated strategic sites have been slow to deliver due to site specific constraints, as well as land ownership, market and viability issues that were not fully tested by the previous Local Plan. This situation should be avoided in the new Local Plan via more targeted and proactive engagement with landowners, land promoters and developers.

10.4 It is therefore vital that CEC seek to liaise directly with stakeholders to ensure that when considering and allocating sites that the Local Plan represents realistic and deliverable yields and timescales for delivery. This could comprise formal or informal meetings to discuss options for various sites.

10.5 In addition to the methods proposed in the Consultation document, CEC should consider allocating specific officers to liaise with stakeholders on proposed allocations from an early stage to work collaboratively in identifying site constraints and opportunities. This will ensure that sites allocated in the plan are a true representation of what will be delivered within the plan period. Richborough supports this approach and would welcome the opportunity to meet with Officers directly.

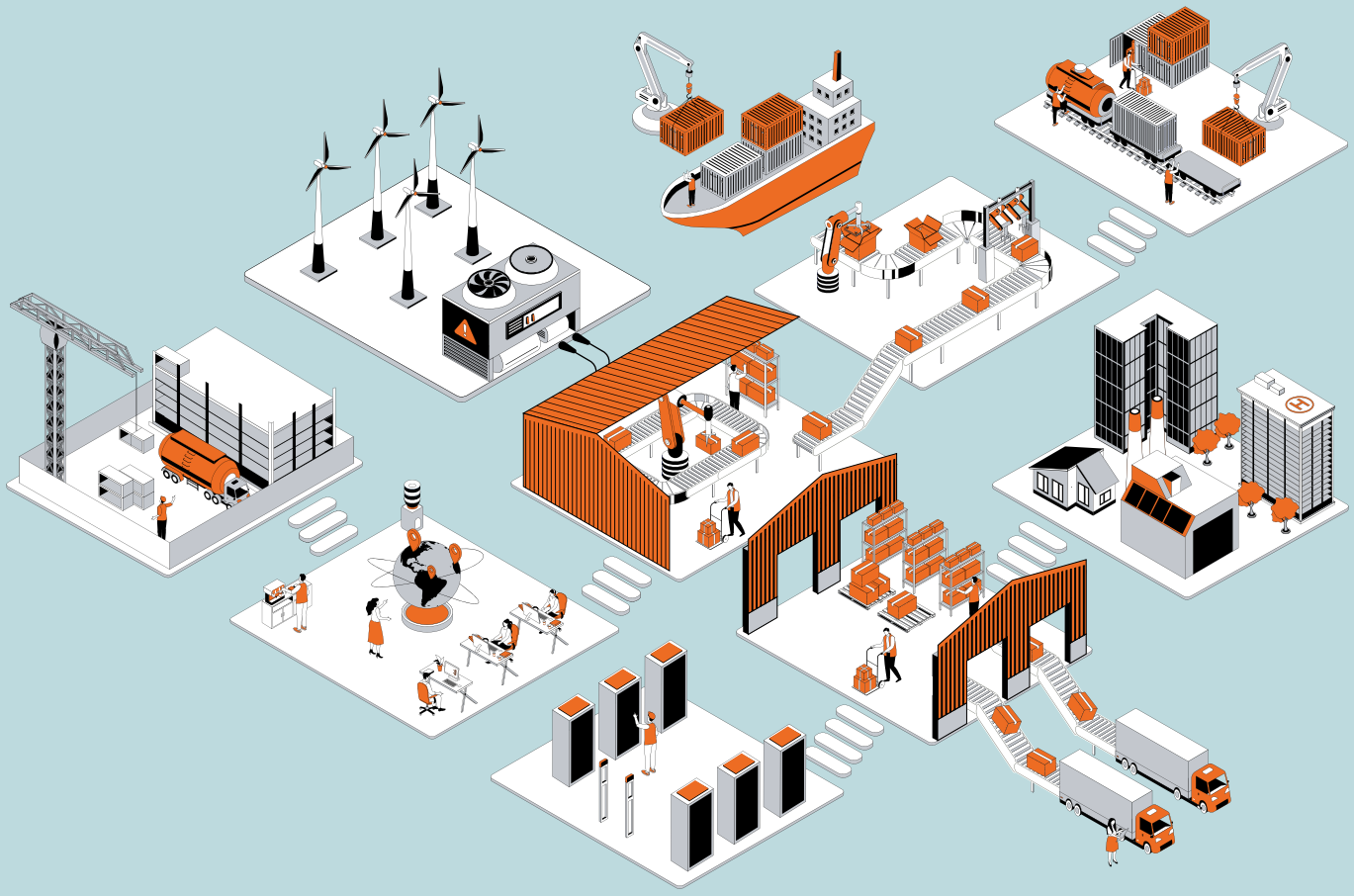
Appendix 1 Industrial and Logistics: The Infrastructure of Everything

savills

BPF BRITISH PROPERTY FEDERATION

INDUSTRIAL AND LOGISTICS: THE INFRASTRUCTURE OF EVERYTHING

THE CRITICAL INFRASTRUCTURE UNDERPINNING THE UK'S INDUSTRIAL STRATEGY



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Sets out the significant contribution the I&L sector makes to the economy, and highlights the foundational role of the I&L sector in delivering the Government's Industrial Strategy. Considers the need to address supply constraints and policy uncertainty about energy efficiency standards.

27-33 A CONDUIT FOR DOMESTIC AND INTERNATIONAL INVESTMENT
Illustrates how the I&L sector is a magnet for domestic and international investment due in part to its diverse occupier base and use of cutting-edge technologies. Electricity costs, grid connection delays, and a lack of good-quality premises are identified as barriers to further investment.

34-42 HELPING PEOPLE BACK INTO WORK AND IMPROVING LIVING STANDARDS
Positions how the I&L sector can tackle regional disparities by providing good-quality, well-paid jobs across the country, with strong opportunities for job progression. Emphasises the importance of having a streamlined approach to training and upskilling schemes, as well as challenging misconceptions about the I&L sector at all levels of government.

43-44 HOW GOVERNMENT CAN HELP: SUPPORTING UK GROWTH, JOBS & INVESTMENT
Presents policy recommendations to fully realise the I&L sector's contribution to the economy, reinforced by how the I&L sector is critical national infrastructure and provider of good-quality job opportunities.

INDUSTRIAL & LOGISTICS: THE INFRASTRUCTURE OF EVERYTHING

The UK's ability to deliver economic growth at pace, attract investment and remain globally competitive is fundamentally linked to the strength and availability of its industrial and logistics infrastructure.





PAUL WESTON
Regional Head of Prologis UK - Chair of the BPF Logistics Property Board

BEN TAYLOR
Head of Planning at Newlands Developments - Chair of the BPF Industrial Committee

Often overlooked, the sector is embedded in the DNA of the UK economy, enabling the speed, resilience and scalability on which modern growth depends. From manufacturing and processing to storage and distribution, industrial and logistics assets are not peripheral support functions but core economic infrastructure.

The industrial and logistics sector is one of the UK's most productive and fastest growing economic foundations, underpinning investment decisions, supply chain resilience and the UK's attractiveness as a destination for global capital. It generates around £84.4 billion in tax revenues each year and supports approximately 4.5 million jobs. The sector is also fundamental to the delivery of the Government's Industrial Strategy. The eight priority growth sectors identified by Government rely, both directly and indirectly, on industrial and logistics activity, which accounts for around 22 percent of the inputs they purchase, equivalent to approximately £250 billion.

In practice, industrial and logistics is the common foundation that enables these sectors to scale, innovate and operate at speed, yet it remains undervalued in policy and planning despite its central role in delivery.

Beyond its economic contribution, the industrial and logistics sector has an important role to play in supporting inclusive growth and improving living standards. Development is geographically dispersed across the country to a much greater extent than other commercial uses, helping to spread jobs and investment. This regional presence means the sector is well placed to tackle disparities in productivity and pay, while supporting pathways back into work for those who are economically inactive. This geographically distributed footprint also means the sector can deliver growth faster than many others, provided the planning and policy environment enables timely development.

This latest BPF report builds on previous research and policy work, setting out the case for industrial and logistics as the infrastructure of everything. It demonstrates how the sector can unlock growth, jobs and international investment, while supporting the transition to a more sustainable economy. Crucially, it sets out practical policy actions required over the next two years to create a more responsive and effective planning system. With the right framework in place, the industrial and logistics sector stands ready to work with government to deliver growth at pace, strengthen the UK's economic foundations and secure long term national resilience.



EXECUTIVE SUMMARY

The industrial and logistics (I&L) sector is the backbone of the UK economy and should be recognised as critical national infrastructure. It powers modern life, supporting hospitals, businesses, and households, and underpins the Government's Industrial Strategy by supporting supply chains for priority growth sectors.

Despite wider economic challenges, I&L remains one of the UK's most productive and fastest-growing sectors. It contributes £287 billion to gross domestic product (GDP) (direct and indirect), supports 4.5 million jobs, and delivers £84 billion in annual tax revenues. Jobs in the sector are diverse, well-paid (around £4,000 above the all-sector median), and increasingly high-skilled, which can help to address regional inequalities and social mobility.

The sector is also a major magnet for investment: attracting £137 billion annually, accounting for 25% of domestic investment and 22% of net foreign direct investment. It drives innovation, representing 48% of UK research and development (R&D) spending, and supports the success of the eight priority sectors identified in the Industrial Strategy.

However, the sector's full potential is constrained by planning delays and land supply shortages, leading to 'suppressed demand', costing the UK an estimated £9.7 billion in gross value added (GVA) and 140,000 jobs over the last decade. Addressing these barriers could unlock billions in additional tax revenues and thousands of new jobs.

> "The I&L sector is not just warehouses and factories – it is the infrastructure of everything. With targeted policy support and strategic planning, it can deliver even greater economic growth, investment, and resilience for UK Plc.
>
> **MARK POWNEY, SAVILLS ECONOMICS**

INDUSTRIAL AND LOGISTICS
INTRODUCTION

This report is the latest in the BPF's thought leadership series concerning the industrial and logistics (I&L) sector and its role in contributing to sustainable economic growth, supply chain efficiency and the transition to a low-carbon economy. It follows on from previous publications including:

- Delivering the Goods (2015)
- What Warehousing Where? (2019)[1]
- Delivering the Goods (2020)[2]
- Levelling Up – The Logic of Logistics (2022)[3]
- The BPF Manifesto for Logistics (2024)[4]

The UK, like much of the world, is having to face up to multiple economic and geopolitical challenges. These challenges are now impacting everyday life, from the cost of daily goods and services, job security and the quality of, and level of access to key public services.

The UK Government is aware of these challenges and is taking steps to address them, including through its Industrial Strategy. While some of these issues are longstanding, such as those stemming from the Global Financial Crisis and demographic shifts like an ageing population, they have been made more complex by recent events, including the Covid-19 pandemic, the cost of living crisis, and ongoing global conflicts.

Given this context, the aim of this report is to shine a light on the role that the I&L sector can play in helping all levels of Government address the economic challenges of today.

The I&L sector powers modern life and provides the premises and supply chain support for the eight priority growth sectors outlined in UK's Industrial Strategy. I&L premises range from advanced manufacturing and data centres to last-mile delivery hubs and hybrid spaces for small and medium enterprises (SMEs). These facilities support hospitals, businesses, and household consumption - they are truly the infrastructure of everything.

It is our view that the sector should be considered as critical national infrastructure. It is a sector with a consistently strong growth profile (supporting 4.5 million jobs), needs little financial support from Government to come forward, is a key conduit for new investment into the UK (£137 billion per annum), supports a diverse range of quality jobs (paying between £3,900 and £4,300 above the all-sector median) and as a result, is a key contributor to the finances of UK Plc (£84 billion in tax receipts per annum). With further support the I&L sector can deliver even more into the future.

WHAT DOES THE I&L SECTOR INCLUDE?

When we refer to the industrial and logistics (I&L) sector we mean Light Industrial (formerly B1c use class, now Class E(g)(iii)), General Industry (B2 use class) and Storage and Distribution (B8 use class). Effectively the primary use classes that require warehouses and factories (including ancillary offices) and associated yard spaces. These use classes typically cover the diverse range of industrial, manufacturing and logistics companies that operate within England[5].

Modern I&L buildings encompass everything from advanced manufacturing and prototyping facilities, large-scale data centres, national, regional or last mile logistics centres to hybrid modular units combining office, R&D, light industrial space, life sciences, and high-tech engineering (such as robotics designers and operators) for small and medium enterprises.

Aligned to this diversity of occupiers, I&L premises can range in size from less than 500 sqm and a few metres tall, to more medium and large sized units up to 10,000 sqm and 25 metres tall, with the largest units extending well over 100,000 sqm in floorspace and heights reaching above 40 metres.

THE UK ECONOMY FACES MANY CHALLENGES

It is the view of the BPF members that the I&L sector can play a key role in supporting and benefiting from the Government's pro-growth policy initiatives, which in turn will help to address the key economic challenges facing the UK.

Unlike other commercial sectors, I&L requires minimal direct financial support from the Government in order to grow, yet it serves as a highly effective conduit in attracting new investment into the UK to deliver quality jobs. It is critical infrastructure that facilitates the functioning of a modern economy through its vital supply chain support to other sectors of the economy. For these reasons, its contribution to Government finances (Chapter 3), foreign and domestic investment (Chapter 4), the upskilling agenda, alongside its role in reducing economic inactivity and improving productivity (Chapter 5) is substantial, though often overlooked.

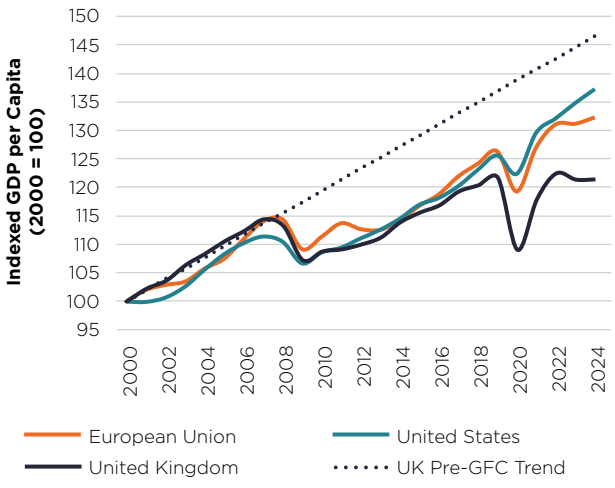
The aim of this chapter is to shed light on some of the key economic challenges being faced in the UK and how the Government is seeking to address them.

STAGNANT PRODUCTIVITY, LOW WAGE GROWTH, AND REGIONAL INEQUALITY

The UK is falling behind Europe in terms of economic growth measured through real Gross Domestic Product (GDP) per capita, especially since the Global Financial Crisis (GFC) (Figure 1). A major reason for this is that the UK has had the lowest level of domestic investment[6] in the G7[7] for 24 of the last 30 years (Figure 2). The last time the UK's level of investment was above the median for the G7 was in 1990. This lack of investment has contributed to stagnant productivity, weak wage growth, and lower living standards.

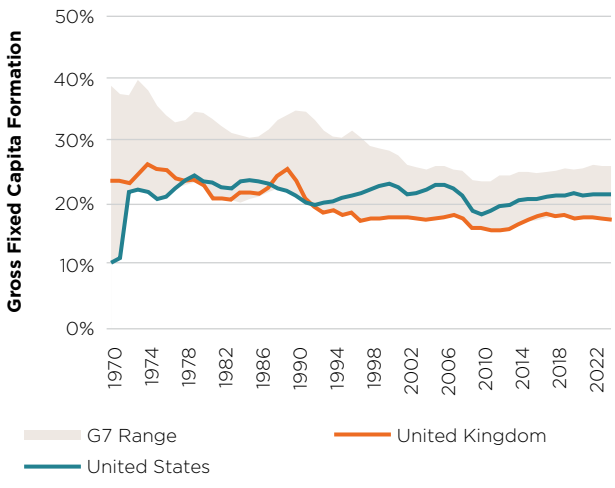
UK wage growth has lagged behind two key measures of inflation, the Retail Price Index (RPI) and Consumer Price Index (including Housing) (CPIH), since the GFC (Figure 3). In simple terms, this means that a large proportion of UK workers are finding the goods and services they purchase more expensive today than in the past, resulting in a lower standard of living.

FIGURE 1 INDEXED REAL GDP PER CAPITA



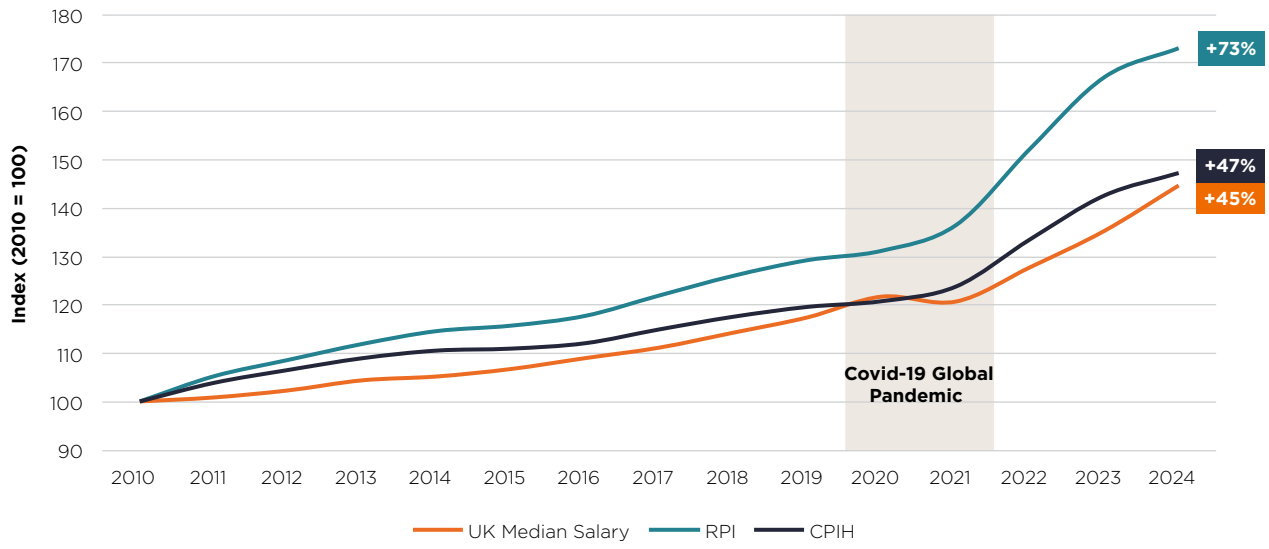
Source: ONS, Oxford Economics, IMF

FIGURE 2 DOMESTIC INVESTMENT IN THE UK VERSUS THE G7 AVERAGE (GROSS FIXED CAPITAL FORMATION)



Source: OECD

FIGURE 3 UK MEDIAN SALARY GROWTH HAS LAGGED INFLATION METRICS (RPI AND CPIH)



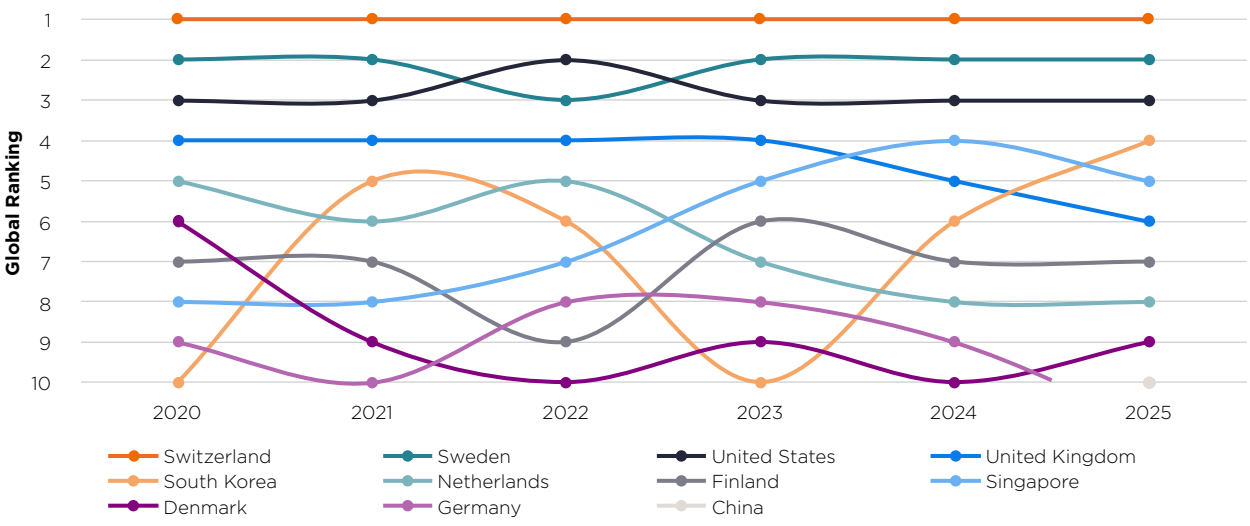
Source: Savills analysis of ONS (2025) Annual survey of hours and earnings; OBR (2025) Economic and fiscal outlook – June 2025

Despite these investment, productivity and wage challenges, the UK continues to produce world-leading research and fosters innovative start-ups. Between 2020 to 2024, the UK ranked second in the world (behind the US) on the Global Start Up Ecosystem Index, with particular strengths in human capital and research, market sophistication, knowledge and technology outputs, and creative outputs.

The UK also performs strongly in the Global Innovation Index, currently ranking sixth in the world (Figure 4). However, having ranked fourth in the world until 2023, it was overtaken by Singapore in 2024, followed by South Korea in 2025.

This demonstrates that the value of the UK's strong start-up and R&D culture is not being fully realised as the majority of these companies don't go on to grow and succeed. Failing to provide the conditions required to scale small firms into large firms has prevented the UK from alleviating its productivity problem. Instead, what has occurred is the existence of a large quantity of unproductive firms and increasing company death rates[8]. Access to affordable property in the right locations is crucial to improving this (Chapter 3).

FIGURE 4 GLOBAL INNOVATION INDEX RANKINGS TOP 10 (2020 TO 2025)



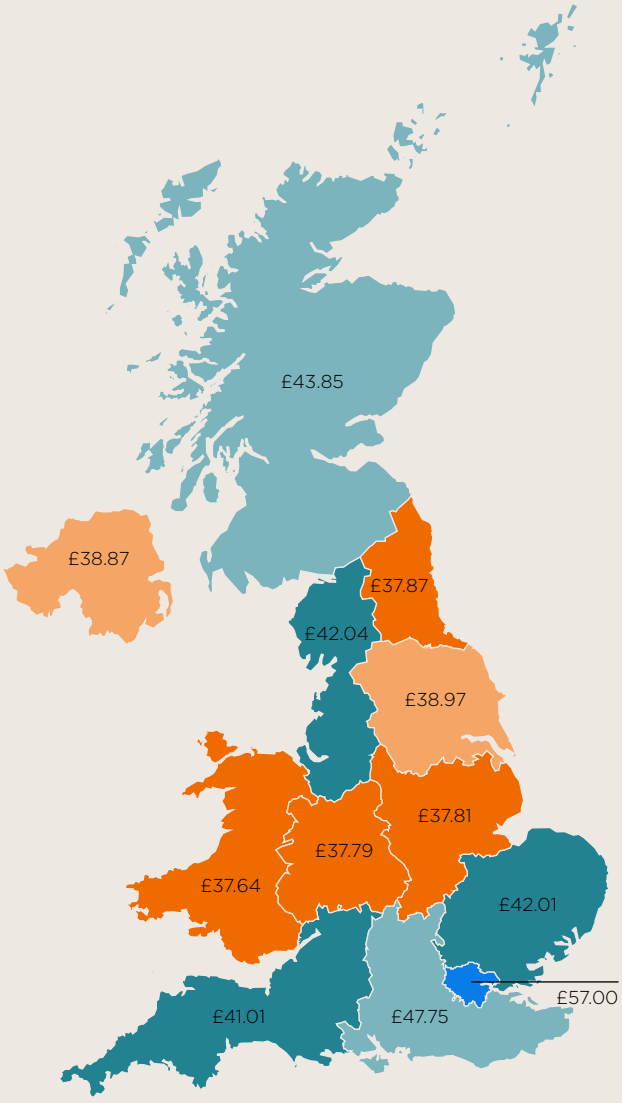
Source: WIPO (2025)

The UK also has a regionally imbalanced economy, wherein London and the South East are significantly more productive than other regions (Figure 5) measured by Gross Value Added (GVA) per hour, and therefore command higher levels of income (Figure 6). Again, access to affordable property in the right locations is a key consideration in helping to address these inequalities.

This is especially true for sectors that have a strong growth profile outside of London and the South East, such as I&L.

Since the Covid-19 pandemic, the UK has struggled to get people back into work, with a rise in the claimant count which stands above the long-term average (Figure 7).

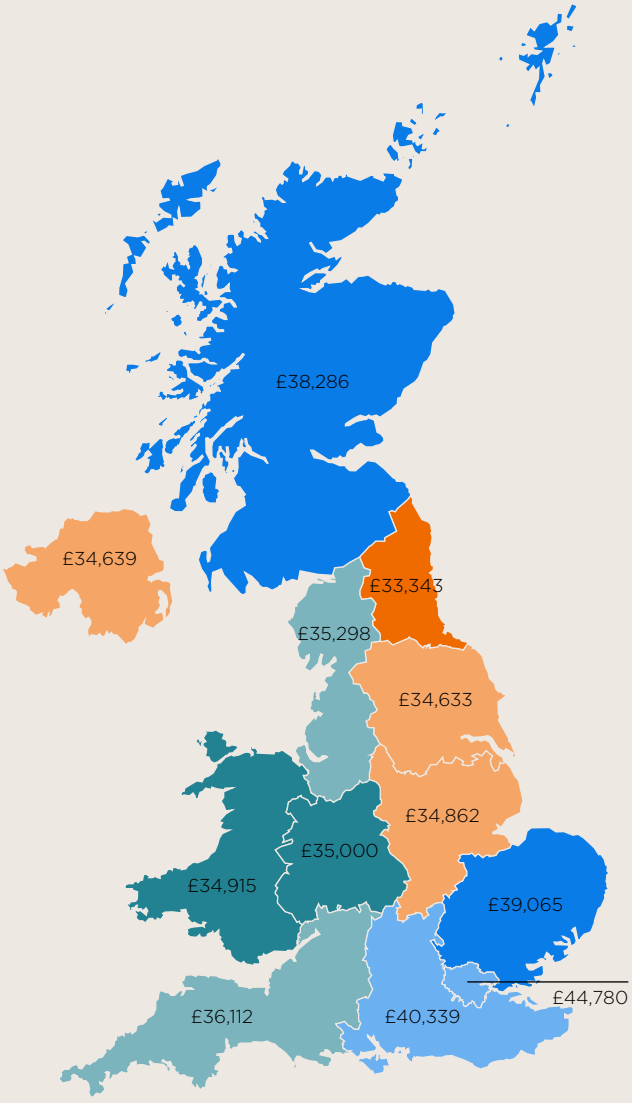
FIGURE 5 LONDON & SOUTH EAST ARE HIGHLY PRODUCTIVE[9]



Regional Productivity (GVA per hour worked)
- £37.64 - £37.87
- £37.87 - £38.97
- £38.97 - £42.04
- £42.04 - £47.75
- £47.75 - £57.00

Source: Savills analysis of ONS (2025) Subregional productivity: labour productivity

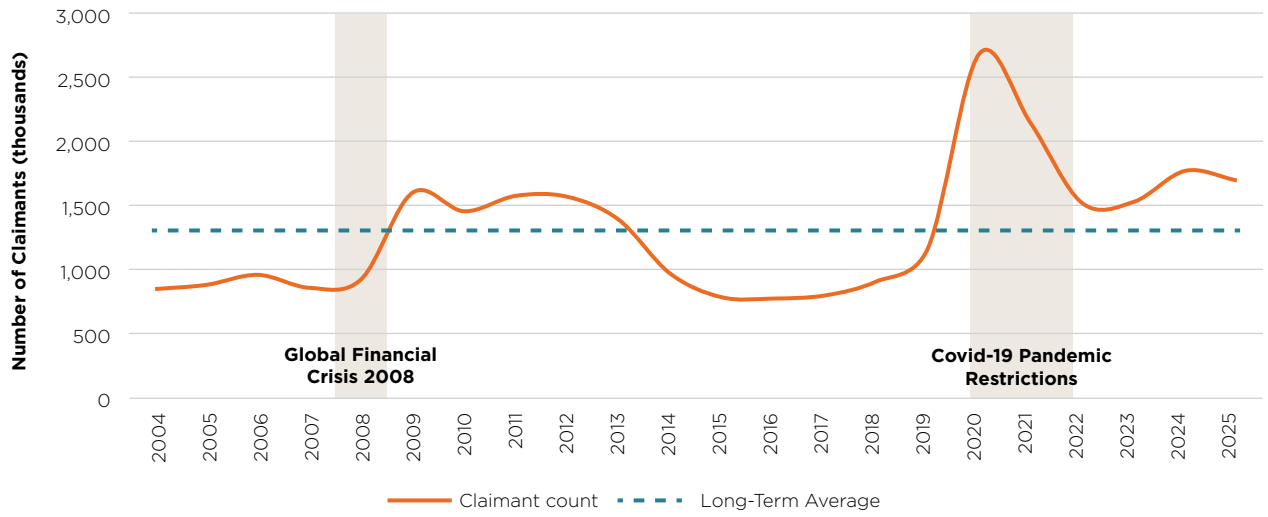
FIGURE 6 LONDON & SOUTH EAST HAVE THE HIGHEST WAGES



Median Income (2024)
- £33,300 - £34,600
- £34,600 - £34,900
- £34,900 - £35,200
- £35,200 - £38,000
- £38,000 - £40,000
- £40,000 - £45,000

Source: Savills analysis of ONS (2025) Annual survey of hours and earnings

FIGURE 7 CLAIMANT COUNT HASN'T RETURNED TO PRE-COVID LEVELS



Source: Savills analysis of ONS (2025) Claimant count by sex and age data

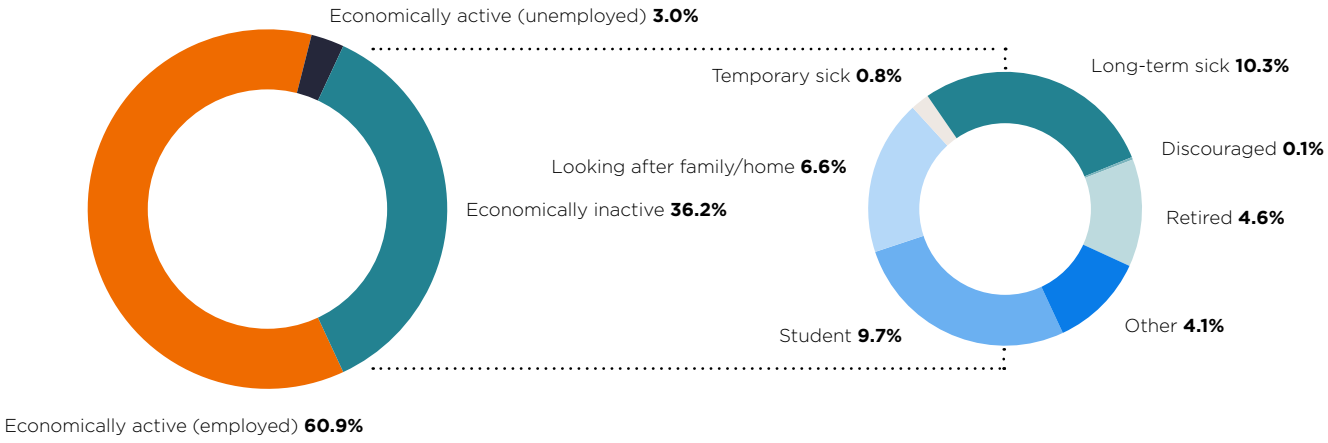
The economic inactivity rate currently stands at around 36% with long-term sick individuals, students, and individuals looking after family or home being the main contributors (Figure 8). Across these categories, it is the 50 to 64 age cohort that the Government is focusing on to try and improve economic activity levels[10]. This group represents a significant portion of the 2.8 million people currently economically inactive due to long-term sickness. Many in this age bracket face challenges such as:

- Chronic pain and musculoskeletal issues
- Mental health conditions
- Caring responsibilities, especially among women
- Lack of tailored employment support

The Government sees this group as having valuable experience and skills but being underutilised in the labour market. Bringing more of this cohort and other economically inactive individuals back into employment will not only help to improve health outcomes and living standards, but also strengthen the UK's finances. This in turn can be reinvested back into essential public services, help moderate future tax rises, and protect living standards.

As we explain in Chapter 5, the I&L sector can play a key role in bringing people back into work. It offers a diverse range of occupations, from the highly skilled to more elementary roles, with fewer barriers to entry than other sectors, and many on-site training opportunities.

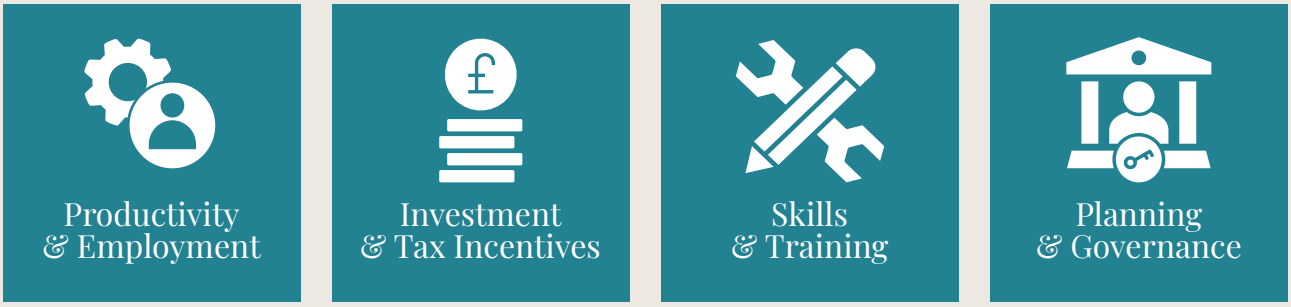
FIGURE 8 ECONOMIC ACTIVITY OF PEOPLE AGED 16+ WITH ECONOMIC INACTIVITY BY REASON



Source: Savills analysis of ONS (2025) Annual Population Survey

THE GOVERNMENT IS FACING UP TO THESE ECONOMIC CHALLENGES

The Government is keenly aware of the above economic challenges facing the UK and has been quick in its policy responses to help improve the situation under its welcomed 'pro-growth' agenda. Some of these key policy initiatives include:



PRODUCTIVITY & EMPLOYMENT

- Employment Rights Bill – Bans zero-hour contracts, strengthens day-one rights, and improves sick pay to enhance job security.
- Minimum Wage Increase – Raised by £1,400/ year for full-time workers aged 21+, with record increases for younger workers.
- National Wealth Fund – Strategic investment vehicle supporting clean energy, infrastructure, and industrial clusters to unlock private capital and boost regional productivity.
- Get Britain Working White Paper - proposals to reform employment, health and skills support to tackle economic inactivity and support people into good work.

INVESTMENT & TAX INCENTIVES

- Modern Industrial Strategy (Invest 2035) – A 10-year plan to support key growth sectors (such as advanced manufacturing, clean energy, and defence) to build on existing strengths, raise productivity and create quality jobs across the country, and recognises the vital contribution that the freight and logistics sector makes to the UK economy.
- Upcoming Freight and Logistics Plan - The Government is seeking to deliver a new plan for freight and logistics so that the sector can continue to play its part in growing the economy.
- Corporate Tax Roadmap – Simplifies tax and customs systems to reduce burdens and encourage long-term investment in infrastructure and automation.
- National Infrastructure Strategy – £725 billion investment over 10 years in transport, clean energy, and supply chain infrastructure.
- Investment Zones and Freeports – Targeted support for logistics resilience and advanced manufacturing through tax incentives and planning flexibility.

SKILLS & TRAINING

- Skills England – National and local skills planning aligned with the Modern Industrial Strategy.
- Growth and Skills Levy – Replaces the Apprenticeship Levy; allows flexible employer-led funding for apprenticeships and short technical courses.
- Construction Technical Excellence Colleges – Specialist further education hubs supporting local industrial clusters and logistics hubs.

PLANNING & GOVERNANCE

- Revised National Planning Policy Framework (Dec 2024) – Reforms to 'get Britain building', including 1.5 million homes over the Parliament, and support for key sectors including laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.
- Devolution Agenda – Empowers regional and local authorities to lead on infrastructure, skills, and economic development aligned with local needs and wider sub-regional needs.
- Draft National Planning Policy Framework (Dec 2025) and Planning Practice Guidance provide further support and facilitation for freight and logistics than the previous NPPF and also includes National Decision-Making Policies which standardise decision-making.

The aim of the following chapters is to demonstrate, in an evidential way, how the I&L sector can assist in addressing these economic challenges. To maximise the sector's contribution will require closer alignment between government departments and closer engagement with industry stakeholders.



THE I&L SECTOR IS BOTH FAST GROWING AND PRODUCTIVE

It is clear that both the Government and the wider public today have a greater appreciation of the important role the I&L sector plays in the modern UK economy than in the recent past.

It is hoped that previous BPF publications, such as 'Levelling Up – The Logic of Logistics', have played a part in the evolution of this thinking. However, despite these positives, there are still many within Local Government and the wider property profession that still wrongly consider the I&L sector to be a low-skilled and low-quality employer.

As we evidence within this chapter, a lack of appreciation and consideration of the I&L sector risks missing out on sustainable economic growth. We also highlight the wider role the sector can play in helping the Government improve productivity, generate more quality jobs, support housing growth, facilitate the operations of the priority sectors identified in the Industrial Strategy, and fund social infrastructure.

A SIGNIFICANT CONTRIBUTOR TO THE UK ECONOMY

The I&L sector makes a significant contribution to the UK economy in terms of:

- Creating employment opportunities
- Tax receipts
- Gross Value Added (GVA) direct and indirect
- Productivity (economic output per job/hour)

CREATING JOB OPPORTUNITIES

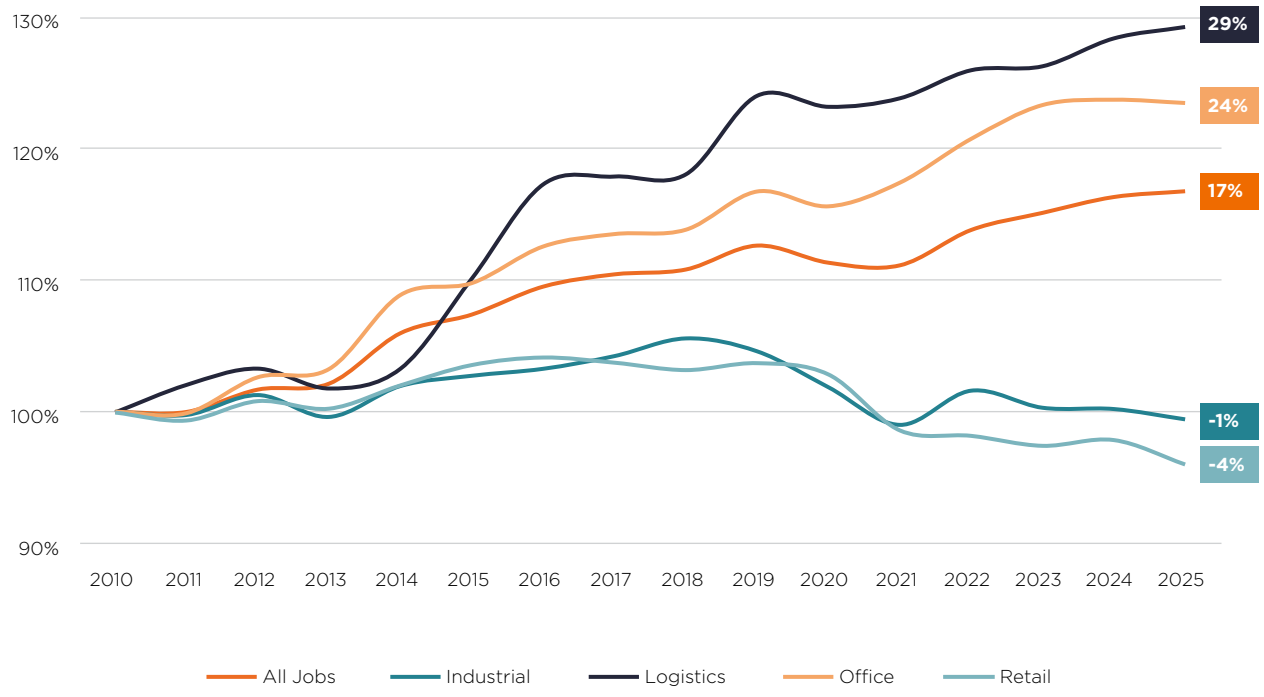
Whilst jobs in the industrial sector have remained relatively stable since 2010, jobs in the logistics sector have grown at a much faster pace than the UK average (Figure 9).

Over the period 2010 to 2025, logistics jobs grew by 29%, rising to 1.9 million, whilst industrial jobs declined slightly by -1% to 2.6 million. In the same time period, office jobs grew by 24% to 11.0 million and retail jobs declined by -4% to 4.6 million jobs. Overall, jobs grew by 17% in the UK, to 36.8 million. Logistics jobs consequently comprise around 5% of all employment, whilst industrial jobs comprise around 7% of all employment.

It is important that the I&L sector's growth is supported given other commercial sectors, such as retail, are struggling. Concurrently the office sector is experiencing higher levels of homeworking and subsequently less investment in new office buildings, particularly outside of prime locations.

This highlights the role that the I&L sector can play in delivering sustainable economic growth, given the fast-growing nature and resilience of the sector in the face of macroeconomic shocks and the Covid-19 pandemic.

FIGURE 9 LOGISTICS JOBS HAVE GROWN FASTER THAN OTHER COMMERCIAL SECTORS (2010-2025)



Source: Savills analysis of ONS (2025) Workforce jobs by industry (SIC 2007)

IT'S NOT JUST ON-SITE JOBS THAT MATTER

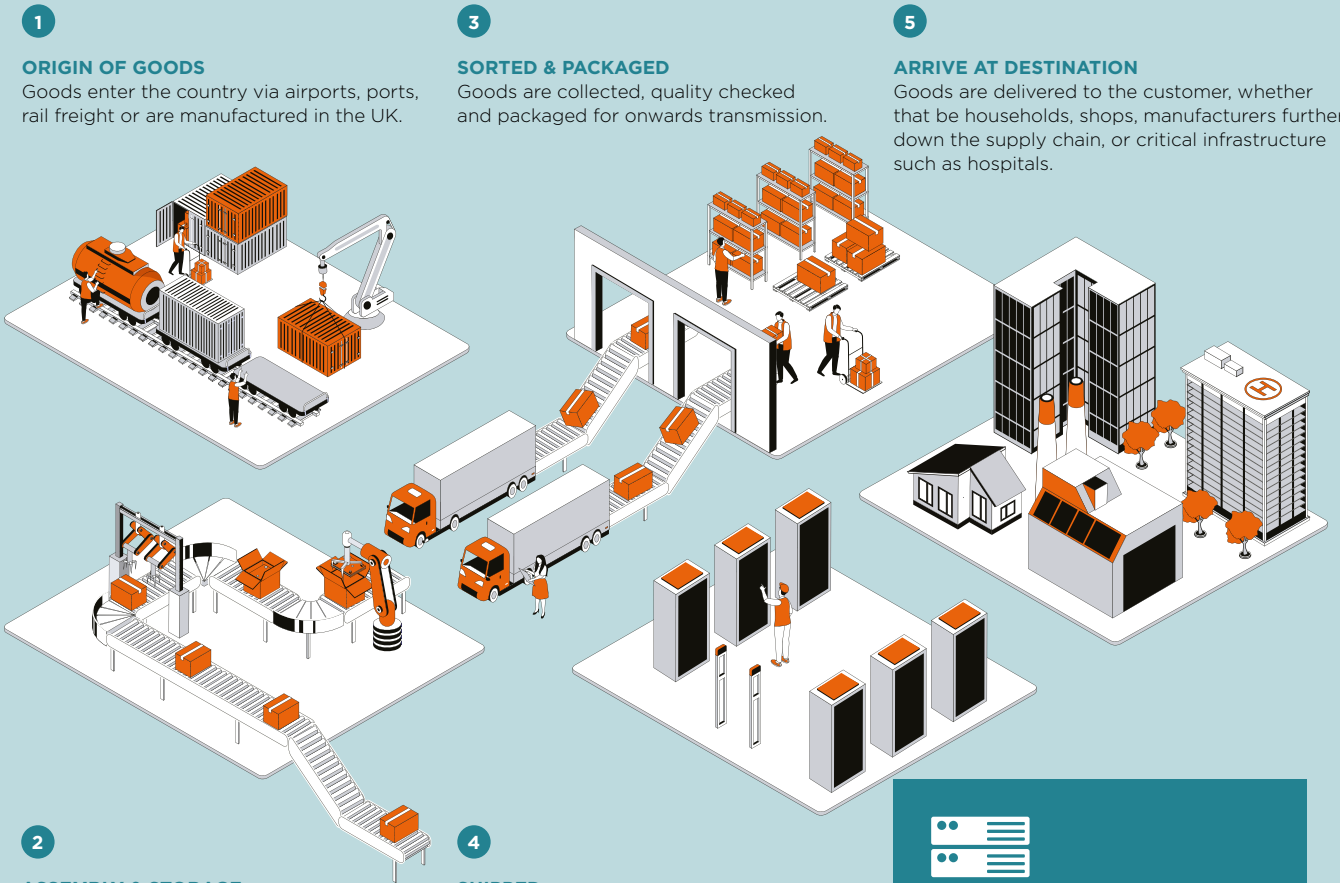
Whilst it is true that I&L uses generate fewer on-site jobs per square metre of floorspace compared to other uses, such as standalone office space, on-site jobs are only part of a commercial use's true economic contribution. It is also worth noting that there is significant variation within I&L, with R&D and light or advanced manufacturing facilities delivering much greater job densities.

For instance, the I&L sector's role in facilitating the operations of other sectors (such as robotics, advanced manufacturing, life sciences, and high-value R&D) means it supports significant indirect employment. Logistics premises are a critical link in all supply chains alongside the key freight modes that allow goods to enter, leave and move around the country (i.e. ports, airports, rail freight interchanges, and motorways), underpinning nearly all economic activity.

These freight-handling facilities, like warehouses, generate employment to drive the planes, trains and boats as well as jobs involved in their maintenance and repair. Jobs are also created at ports, airports and rail freight interchanges as part of their operation, as well as at retail services where goods are sold (Figure 10).

Like logistics, industrial uses also facilitate other sectors of the economy via the products they manufacture. These products are then used as inputs to upstream products and process. For example, circuit boards or battery components manufactured in I&L premises are incorporated into consumer electronics and renewable energy technologies. Elsewhere medical devices and diagnostic equipment are distributed to hospitals and clinics, supporting the delivery of healthcare services.

FIGURE 10 THE I&L SUPPLY CHAIN: 'FROM A TO B'



1 ORIGIN OF GOODS
Goods enter the country via airports, ports, rail freight or are manufactured in the UK.

2 ASSEMBLY & STORAGE
Goods are transported from UK factories and freight infrastructure to nearby warehouses for assembly and storage.

3 SORTED & PACKAGED
Goods are collected, quality checked and packaged for onwards transmission.

4 SHIPPED
Goods are shipped across the country via road or rail freight. Data is also stored and transferred.

5 ARRIVE AT DESTINATION
Goods are delivered to the customer, whether that be households, shops, manufacturers further down the supply chain, or critical infrastructure such as hospitals.

Jobs are also created at data centres, enabling the flow of information across sectors, borders and devices

Source: Savills (2025)

Indeed, for every 10 new industrial jobs created, approximately 10 further jobs are created throughout the supply chain, whilst for every 10 new logistics jobs created, approximately nine further jobs are created throughout the supply chain[11]. This is stark when compared to the retail and office sectors where for every 10 jobs created, approximately five and six jobs, respectively, are created throughout the supply chain (Figure 11).

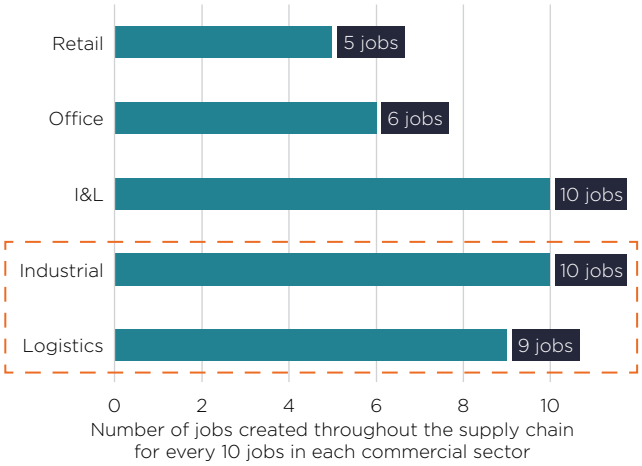
A HIGHLY PRODUCTIVE SECTOR

The combined I&L sector contributes £128 billion annually to the UK economy (measured using GVA), which is equivalent to 6% of Gross Domestic Product (GDP).

What is even more significant is the sector's indirect GVA contribution. As with the indirect and offsite jobs discussed above, the indirect GVA captures the impact that the sector has on other segments of the economy. For example, the services that a sector procures in support of its business activities trigger a GVA contribution by its suppliers, suppliers of suppliers, and so forth, up the entire value chain. The indirect GVA generated by the logistics sector in the UK is 2.54 times higher than its direct GVA contribution. This is much higher than the indirect GVA generated by the industrial (0.95), office (0.55), and retail (0.55) sectors (Figure 12). This highlights the vital contribution that logistics in particular makes to the rest of the economy, but also demonstrates that industrial indirect GVA generation is also proportionally much higher than other commercial sectors.

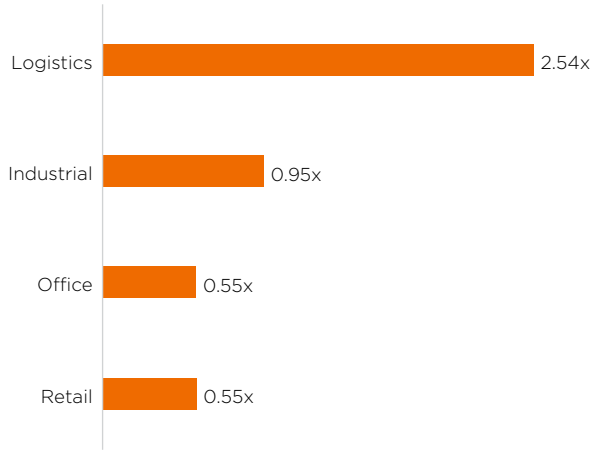
When indirect effects are included (£159 billion), the I&L sector's total contribution rises to 13% of UK GDP (£287 billion), underscoring its critical role in the broader economy. The I&L sector is also highly productive: 10% more productive than the UK average (as measured by GVA per worker). Its productivity is also estimated to grow at a faster rate into the future when compared to both retail and office-related sectors (Figure 13). Productivity is a major determinant of long-term economic growth. Higher levels of productivity are associated with higher wages, increased living standards and greater international competitiveness. One of the most effective ways to tackle the UK's economic challenges is to build on our existing strengths and facilitate further growth in the most productive parts of the economy, which includes I&L.

FIGURE 11 I&L CREATES MORE SUPPLY CHAIN ('OFF-SITE') JOBS THAN OTHER COMMERCIAL SECTORS



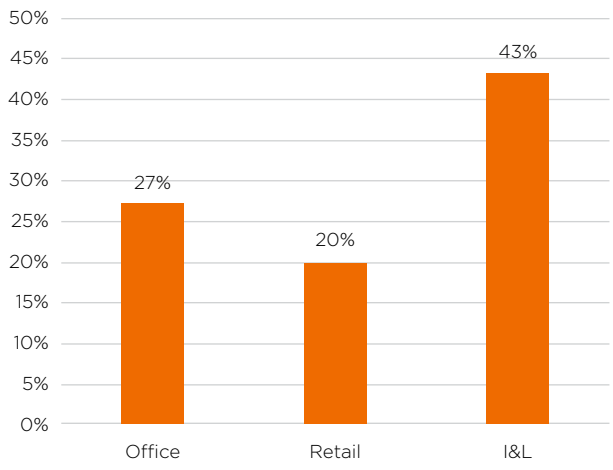
Source: Savills analysis of ONS (2025) Employment multipliers and effects in the UK

FIGURE 12 LOGISTICS HIGHER INDIRECT GVA DEMONSTRATES ITS IMPACT ON OTHER SECTORS

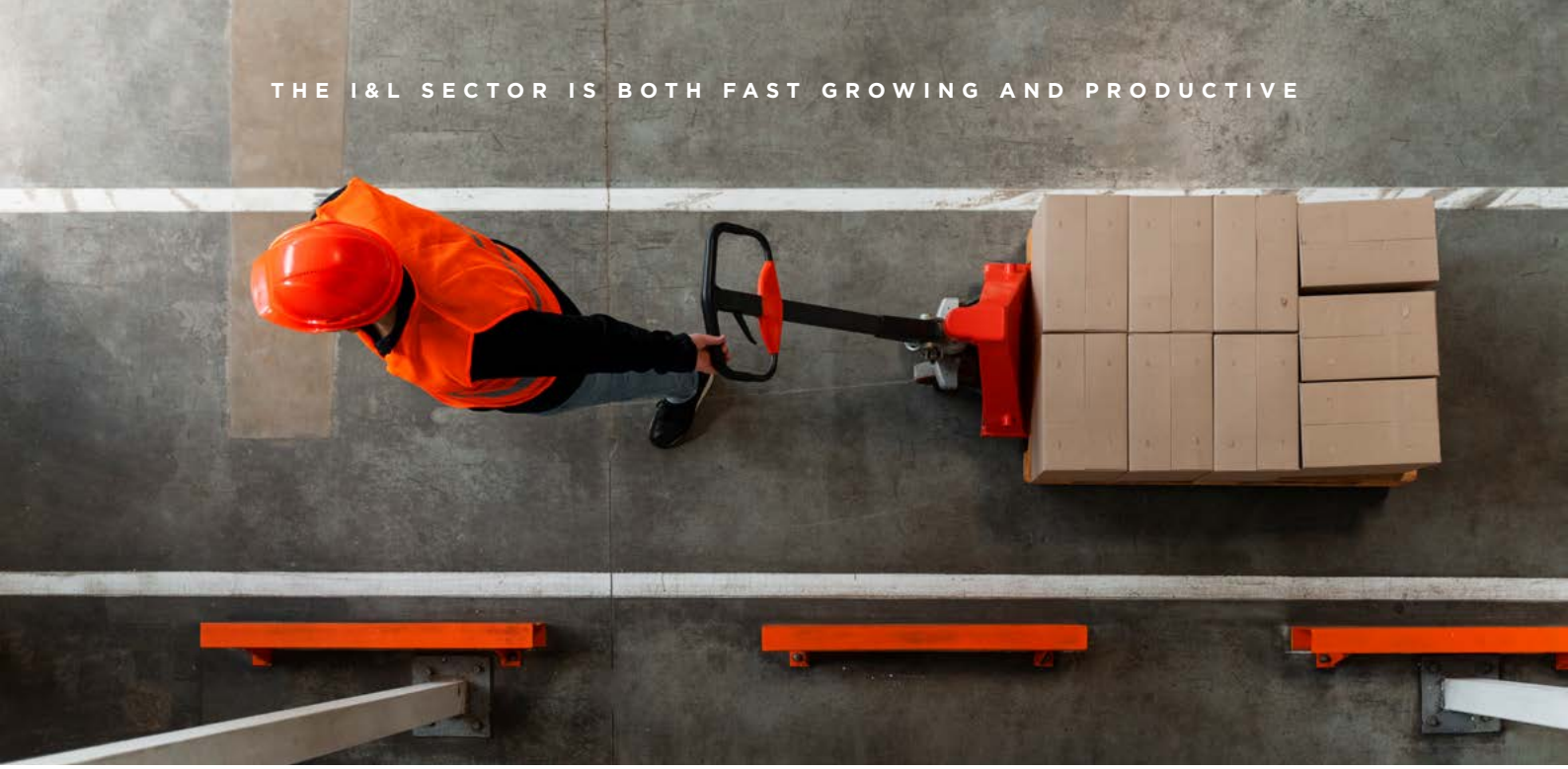


Source: Savills analysis of ONS (2025) UK input-output analytical tables 2022

FIGURE 13 I&L HAS HIGHER PRODUCTIVITY GROWTH (2021-2040)



Source: Source: Savills analysis of Oxford Economics (2025) data



£84 BILLION IN TAX RECEIPTS

The I&L sector makes a significant contribution to the public purse at around £84.4 billion (Figure 14) per year, equivalent to around 12% of total public revenues[12] across:

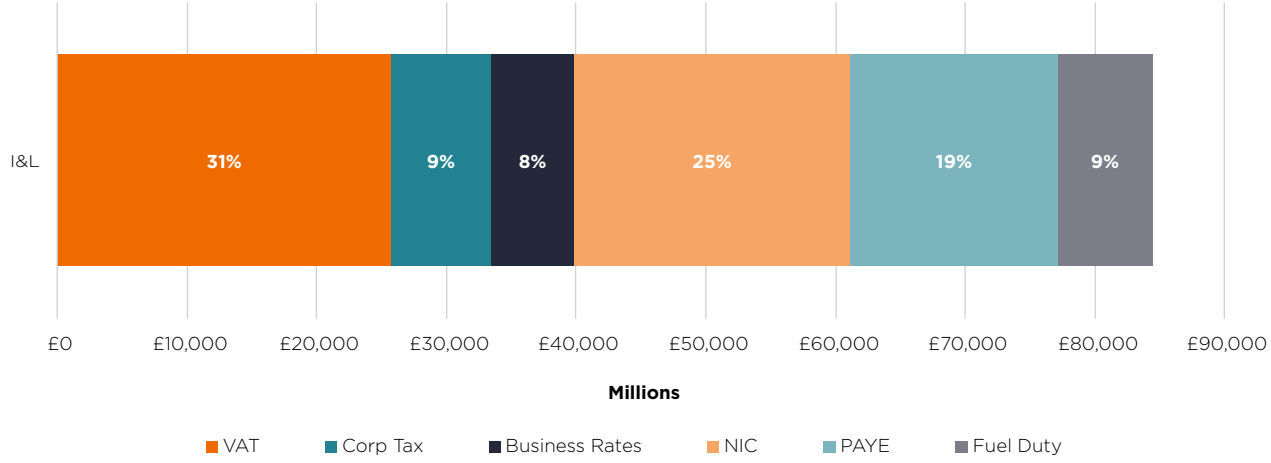
- Value Added Tax (VAT)[13]: £25.8 billion (15%)
- Corporation Tax[14]: £7.7 billion (10%)
- Business Rates[15]: £6.4 billion (28%)
- National Insurance Contributions (NIC)[16]: £21.3 billion (12%)
- Income Tax (PAYE)[17]: £16.0 billion (6%)
- Fuel Duty[18]: £7.3 billion (29%)

This revenue helps to fund public services such as the NHS, education and infrastructure, contributing to economic growth and living standards.

Supporting the growth of the I&L sector can serve to further bolster its contribution to public finances. As we discuss later, I&L demand has been 'suppressed' (or unfulfilled) by around 37% over the last decade due to historic land supply constraints. Given competing priorities for land and various environmental constraints it may be unrealistic to assume all of this demand could have been accommodated. However, if just 10% more of this demand could have been realised that would equate to around £9 billion in additional revenues for the Government annually.

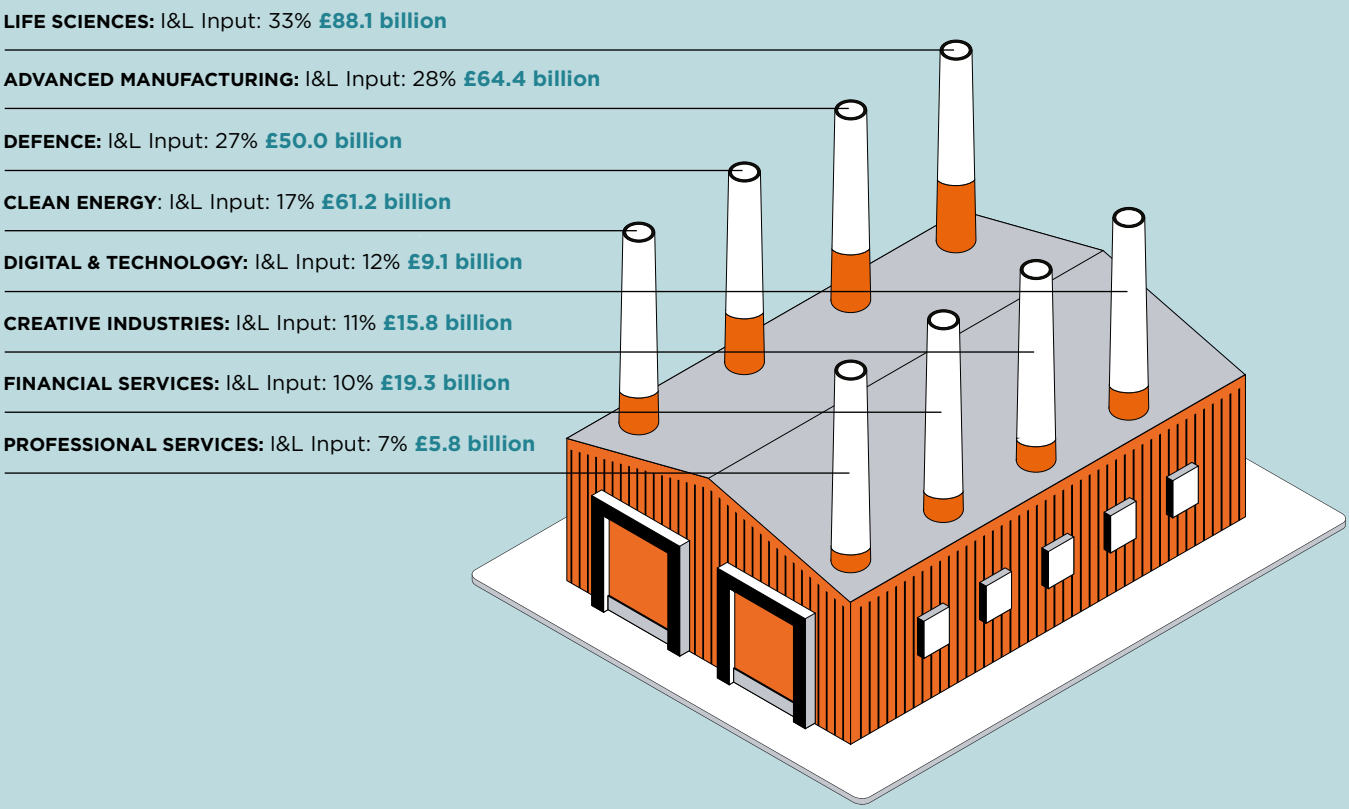
This additional revenue is equivalent to the annual funding (£9 billion) being committed for the repair and upgrade of schools, hospitals and justice buildings in England under the 10-Year Infrastructure Strategy published in June 2025.

FIGURE 14 ESTIMATED TAX RECEIPTS FROM THE I&L SECTOR



Source: Savills analysis of ONS (2024) Annual survey of hours and earnings; VOA (2023) Non-domestic rating: stock of properties including business floorspace, 2023; DfT (2024) Road traffic estimates (TRA) data tables; HMRC (2024) Annual UK VAT statistics 2023 to 2024; HMRC (2024) Annual UK Corporation Tax Statistics 2023

FIGURE 15 I&L IS A VITAL INPUT TO THE IS-8 SECTORS



Source: Savills analysis of ONS (2025) UK input-output analytical tables

I&L IS A FOUNDATIONAL SECTOR IN DELIVERING THE GOVERNMENT'S INDUSTRIAL STRATEGY

The I&L sector, and in particular the logistics element, enables the economy to function smoothly by connecting suppliers, manufacturers, and consumers across regions and industries. Without it, supply chains would not be able to function efficiently, costs would rise, and access to goods and services would be compromised – impacting economic activity at every level.

The Government's Industrial Strategy recognises the vital contribution the sector makes to the UK economy and the competitiveness of the eight identified growth sectors (referred to as the IS-8). The IS-8 are underpinned to a greater or lesser degree by I&L. This can either be directly through providing the physical premises from where these growth sectors operate, manufactured products as inputs to wider products and processes and/or indirectly via the transport of their physical goods and data to end customers.

Savills analysis of ONS Input-Output Analytical Tables show how different industries interact with each other. This analysis indicates that the IS-8 sectors combined purchased £250 billion worth of inputs from the I&L sector, which is equivalent to 22% of their overall inputs (Figure 15).

Facilitating growth in the I&L sector therefore has a two pronged impact. Firstly, through furthering its contribution to UK Plc as a highly productive sector in its own right. Secondly, by facilitating and enabling growth in other productive sectors which rely on it.

For these reasons, it should be considered critical national infrastructure, and should be planned for accordingly in Spatial Development Strategies. The role (direct and indirect) that the I&L sector plays in supporting the IS-8 sectors is explored through case studies on the following pages.

DIRECT AND INDIRECT IMPACTS OF THE I&L SECTOR ON THE IS-8

ADVANCED MANUFACTURING	
SIEMENS Healthineers	**Direct Impact** High-spec premises for R&D activities, prototyping and manufacturing. **Indirect Impact** Relies on logistics sector for storage and movement of physical goods from origin to destination. **Case Study** Siemens Healthineers has announced a new 56,000 sqm facility in North Oxfordshire that will design and manufacture superconducting magnets used for MRI patient scans in healthcare facilities globally. With an investment of £250 million, the site will be home to proprietary technology that minimises the use of helium, making scanners lighter, easier to install and more sustainable.
CLEAN ENERGY	
Vaillant	**Direct Impact** Clean energy technologies rely heavily on R&D and advanced manufacturing facilities for innovation, prototyping, and testing activities. **Indirect Impact** The sector is responsible for the physical movement of renewable energy infrastructure and components (e.g. solar panels and wind turbines) from manufacturers to installation sites. **Case Study** Vaillant, a global heating and cooling solutions provider, has expanded its UK manufacturing presence to meet the growing demand for low-carbon heating solutions. The company opened a £40 million manufacturing plant in Derby (12,200 sqm) to produce hot water cylinders, including the new uniSTOR high-recovery range, which will play a role in advancing the UK's low-carbon transition.
LIFE SCIENCES	
AstraZeneca	**Direct Impact** The Life Science sector relies on dedicated R&D, advanced manufacturing and warehouse premises which are temperature-controlled and meet regulatory standards for sensitive products. **Indirect Impact** Pharmaceuticals, including medicines and vaccines, require precise supply chain management to ensure that they reach healthcare providers, pharmacies, and patients in a timely manner and in optimal condition. **Case Study** AstraZeneca is a pioneering global company driving innovation in biopharmaceuticals. The company is headquartered in an R&D facility known as the Discovery Centre, totalling 39,200 sqm located in Cambridge. AstraZeneca played a key role during the Covid-19 pandemic working alongside Oxford University to develop and distribute a vaccine. Underpinning this success was precise and resilient supply chain management.
CREATIVE INDUSTRIES	
The British Museum	**Direct Impact** The flexibility of I&L floorspace means it provides the physical premises to support creative industries, such as film studios and art studios. **Indirect Impact** Events such as art exhibitions, filming/media production and trade shows, are all dependent on logistics for transporting stages, instruments, lighting, artwork, displays, and other equipment. **Case Study** Faced with limited storage the British Museum has commissioned a purpose-built research space and collection facility to safeguard and study its holdings. The British Museum Archaeological Research Collection (BM_ARC) is located in Reading and totals 15,500 sqm. The BM_ARC now holds over 1.3 million objects and has space to accommodate further collection moves in the future.

DEFENCE

Direct Impact
Storage is a critical aspect for the sector, encompassing secure, efficient, and strategically located facilities for keeping various assets (e.g. weapons, ammunition, vehicles, medical supplies) ready for deployment.

Indirect Impact
I&L, along with the various freight modes (i.e. motorways / vehicles, ports, rail and air) underpin the movement of goods from manufacturing plant to frontline delivery, both domestically and abroad. This is vital to maintaining operational readiness and resilience of the UK defence force.

Case Study
The Defence Fulfilment Centre covering 80,000 sqm is located in Hadley. This site includes two large warehouses and a support building, designed to centralise and streamline the storage and distribution of defence supplies. This facility is transforming the development of military logistics, enabling the Ministry of Defence to manage increasingly complex supply chains with greater efficiency.

DIGITAL AND TECHNOLOGY

Direct Impact
Data centres are specialised facilities that house computer systems and associated components such as telecommunications and data storage systems. As a result the digital and technology sector is itself dependent on facilities and floorspace encompassed within the wider I&L sector. Data centres facilitate homeworking, entertainment and streaming services, along with traditional business activities.

Indirect Impact
Supporting digital infrastructure such as data centres is likely to lead to major positive spillover effects for the economy, increasing dynamism into new sectors, and supporting the creation of new jobs.

Case Study
ARM Holdings is a global leader in semiconductor intellectual property and chip architecture, powering billions of devices, including those used in other IS-8 sectors such as advanced manufacturing. The company is headquartered in Cambridge, with an R&D facility spanning 18,000 sqm. The global distribution of ARM's technology depends on a highly specialised and resilient logistics network that supports movement of raw materials and finished chips across continents.

FINANCE/PROFESSIONAL AND BUSINESS SERVICES

Direct Impact
These sectors are heavily reliant on digital platforms for banking, trading and payment systems, which all require data centre infrastructure to operate. The finance industry is also expected to be one of the leading users of big data, AI and cloud computing.

Indirect Impact
The I&L sector plays a critical role in supporting business functions by ensuring the secure and efficient movement of documents and data. There is also heavy reliance on digital infrastructure for real-time transaction processing and compliance with data privacy laws.

Case Study
Asanti is a UK-based data centre headquartered in Scotland, with key facilities in locations such as Reading with a facility spanning over 1,200 sqm. The company provides secure, scalable infrastructure solutions tailored to the needs of the financial services sector. One of its core offerings is colocation services, which allows firms to rent physical space to host their IT infrastructure within Asanti's data centres, enabling secure data storage, high speed connectivity and resilience performance.

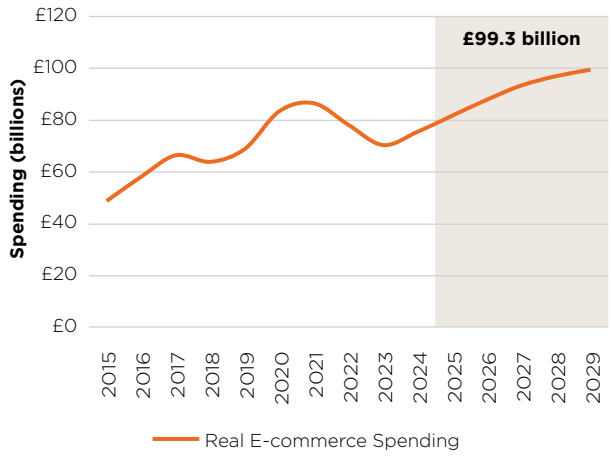
I&L GROWTH IS STRUCTURAL, NOT CYCLICAL

The past decade has seen the I&L sector undergo a remarkable transformation, reshaping operating models and occupier requirements. The sector is also 'critical national infrastructure' that supports the functioning of our economy and the way we live our lives. Demand is being driven by a number of factors.

E-COMMERCE

E-commerce has grown substantially over the past decade, with the Covid-19 pandemic accelerating this trend. Statista, a respected source of online retail projections, estimate that inflation adjusted online retail will grow from around £76 billion currently to £99 billion by 2029 (Figure 16).

FIGURE 16 HISTORIC AND FORECAST E-COMMERCE SPENDING



Source: Savills analysis of Statista, DfT, MDS Transmodal, Boeing data (2024)

FREIGHT FLOWS

Freight flows are another key driver of I&L floorspace demand. Significant growth is forecast across all freight modes (Figure 17). Freight arriving and leaving the UK needs to be sorted, packaged and distributed via a network of freight handling infrastructure (i.e. ports, airports, rail freight interchanges and motorways) and conveniently located I&L premises to reach end customers.

HOUSING GROWTH

A growing population and shrinking household sizes are driving the need for more housing. Each additional property is a potential delivery address that generates additional demand for I&L premises. Society's increasing desire for rapid parcel deliveries further compounds this demand.

FIGURE 17 FORECAST GROWTH IN FREIGHT BY MODE



Retail Economics[19] survey of 2,000 UK households in 2024 found that consumers ranked next-day delivery as the most influential factor when deciding where to shop online for the second consecutive year. To meet this demand for rapid parcel deliveries requires more I&L premises in close proximity to urban conurbations.

Therefore, it is clear that housing growth will have a significant influence on future logistics demand in particular. Based on our analysis, we estimate that the Government's 1.5 million homes target will account for 49% of future logistics demand (10.4 million sqm) by the end of the current Parliament. This is equivalent to 6.9 sqm of floorspace per household, accounting for continued productive improvements.

This analysis is significant for two key reasons. Firstly, it demonstrates that planning for new housing must go hand-in-hand with planning for new logistics space—one cannot be done effectively without the other. Secondly, it reveals that approximately half of future logistics demand is unrelated to new housing. This includes business-to-business activity, broader freight movements, and increased demand from existing households, which are spending more online and expecting faster parcel deliveries.

As discussed below, current methods used by local authorities to estimate future logistics demand rely heavily on population growth and historical trends. As a result, they tend to capture only the demand generated by new housing, overlooking the remaining 51% of logistics needs.

INCREASED NEARSHORING & RESHORING

I&L companies serving the UK market continue to move towards nearshoring and reshoring[20] their operations in response to global transportation bottlenecks and geopolitical tensions. According to the latest Nearshoring Index produced by Savills, the UK ranks 10th globally in terms of attractiveness for nearshoring; which has already started to be observed with demand for I&L floorspace from the manufacturing sector rising by 32% since 2021[21].

DEFENCE SPENDING

The UK has pledged to raise defence spending to 2.5% of GDP by 2027, while NATO has set a more ambitious target at 3.5% of GDP. Currently, the UK's defence I&L footprint is estimated at 2.4 million sqm. Based on the UK's current target, this would require an additional 137,000 to 285,000 sqm of floorspace by 2027[22]. Should the target be revised upward, the required uplift in space would exceed these estimates.

DATA CENTRES

Data centres, a relatively new and rapidly growing subset of the I&L sector[23], are specialised facilities that house computer systems and associated infrastructure, including telecommunications and data storage. Put simply, they provide the physical space that powers the digital world: from everyday cloud storage and increasingly prevalent AI tools, to the critical systems relied upon by essential services such as the NHS.

As such, data centres are not only a vital component of the I&L sector, but also a cornerstone of the wider UK economy. The Government has recognised this through its delivery of AI Growth Zones which would help to facilitate and accelerate the delivery of data centres.

GROWING IMPORTANCE OF DATA CENTRES

Analysis by TechUK shows that data centres currently contribute £4.7 billion in Gross Value Added (GVA) annually to the UK economy. Their impact extends far beyond direct economic output—they also drive productivity across other sectors. For every £100 of GVA generated directly by data centres, an additional £17 to £164 of GVA is created elsewhere in the economy[24]. These indirect benefits stem from supply chain interdependencies, as data centres provide the computing power behind technologies such as cloud computing, artificial intelligence (AI), and the processing, storage, and transfer of vast volumes of data.

Research by Savills[25] suggests the data centre market is set for significant expansion, driven largely by the rapid growth of AI. Europe's AI market is forecast to reach quadruple between 2025 and 2031, expanding at a compound annual rate of over 26%[26]. This points to an increasing reliance on digital infrastructure, with data centres—and by extension, the I&L sector—becoming ever more critical to the UK's economic future.

PLANNING CHALLENGES AHEAD

Looking forward, a key challenge is the competition between data centres and other I&L uses for finite employment land and infrastructure. As data centre developments scale up, their need for uninterrupted, high-capacity power supply becomes increasingly pressing. However, this should not be framed as a binary choice. Each plays a distinct and complementary role in supporting the UK's economic and digital future. Data centres are critical to enabling digital transformation, AI, and cloud computing, while traditional I&L premises underpin physical supply chains, manufacturing, and distribution. As the economy becomes increasingly hybrid — blending digital and physical infrastructure — strategic planning must ensure that both sectors are supported. A balanced approach is needed to accommodate the growth of data centres without displacing the essential functions of the I&L sector.

The above factors are significantly driving demand for more I&L floorspace which the current planning system is failing to facilitate (as we discuss in the following chapter).

I&L'S ECONOMIC CONTRIBUTION COULD BE EVEN GREATER IF CERTAIN BARRIERS ARE ADDRESSED

The economic contribution the sector makes in terms of jobs and GVA, as well as the tax revenue it generates for UK Plc, could be increased if historic land supply constraints are addressed and we have a more responsive planning system.

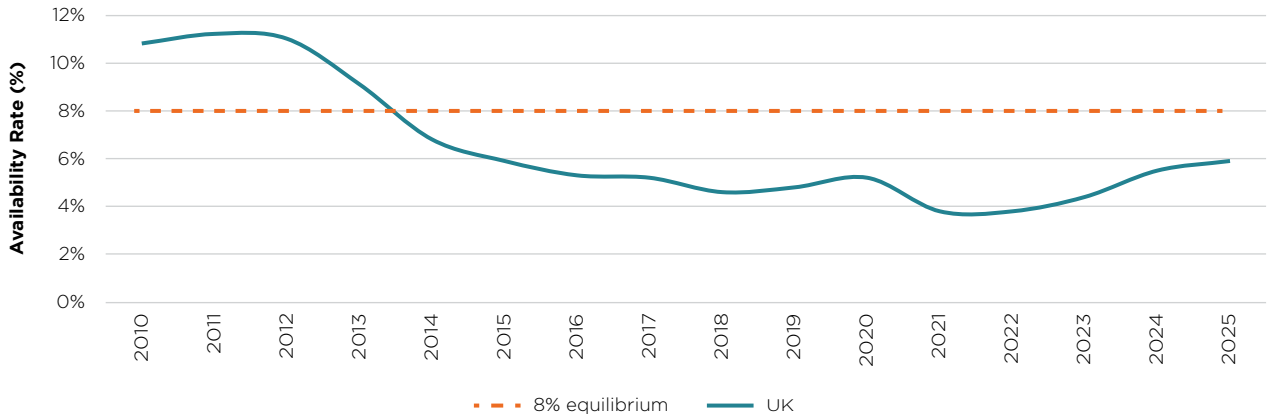
We would advocate for the creation of a National Supply Chain Infrastructure Framework to drive growth, sitting alongside the NPPF as a material consideration in planning decisions in order to provide decarbonised, reliable and resilient supply chains across the UK.

HISTORIC SUPPLY CONSTRAINTS NEED TO BE ACCOUNTED FOR IN LOCAL PLANS

Between 2010 and 2024, availability of I&L floorspace has been below the 8% equilibrium, where demand and supply are considered to be in balance, for a significant period. This indicates that the market for I&L floorspace has been supply-constrained over this period (Figure 18).

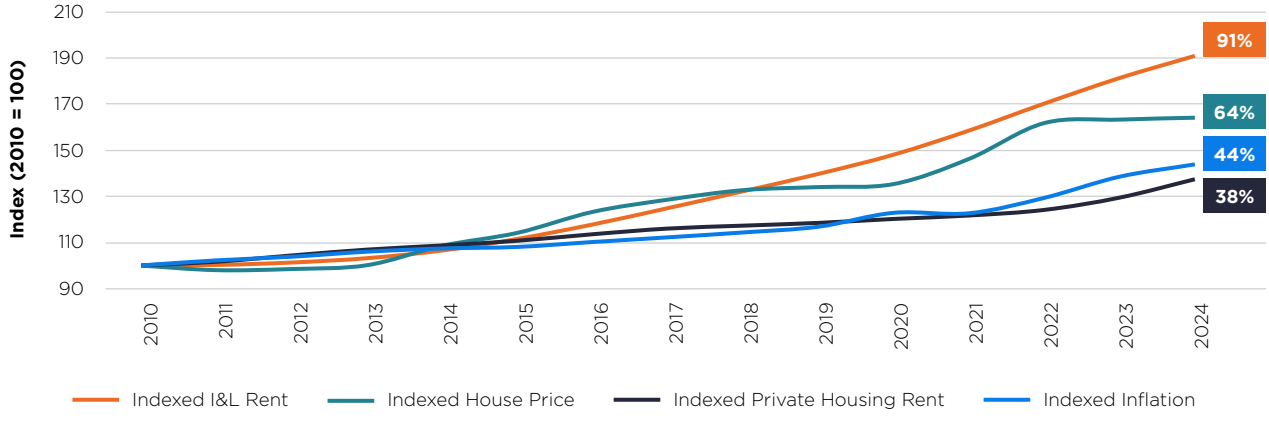
Whilst availability has ticked up over the last few years as a result of the cost of living crisis, elevated inflation, and geopolitical tensions, it has still remained below the 8% equilibrium rate, indicating the sector's resilience and the fact that its growth profile is structural rather than cyclical.

FIGURE 18 AVAILABILITY HAS REMAINED LOW NATIONALLY DESPITE MACROECONOMIC CHALLENGES



Source: Savills analysis of CoStar (2025) data

FIGURE 19 I&L RENTAL GROWTH HAS OUTPACED HOUSING VALUES & INFLATION



Source: Savills analysis of CoStar (2025) data and ONS (2025) UK House Price Index; Index of Private Housing Rental Prices



The fact that rental growth has been more than double the rate of inflation (Figure 19) is further evidence that the sector is supply constrained. Such high levels of rental growth is, in part, a byproduct of occupiers having to compete for limited available stock.

A key impact of this sustained above-inflation rental growth is increasing unaffordability for occupiers, especially for small and medium enterprises (SMEs) and non-blue-chip companies. Whilst the housing affordability crisis is well documented in the UK, less is known about these affordability struggles within the I&L sector. I&L rents have grown faster than private housing rents and house prices in the last decade (Figure 19). These affordability challenges can lead to companies delaying expansions plans, having to move to more affordable premises even if not ideal for their operations or staff, or in the worst cases contribute to business failure.

Historic supply constraints have 'suppressed' demand for I&L land and floorspace. Effectively, not all demand can be met, resulting in lost investment, job creation, and GVA.

Whilst it's easy to recommend that local authorities simply allocate more land for I&L uses, it is important that the way Local Planning Authorities (LPAs) estimate future demand is modernised and standardised to account for suppressed demand. This will ensure that future demand is not underestimated and the needs of the sector are planned for positively and in a robust manner.

Savills have developed a model which can estimate how much I&L demand has been lost ('suppressed') due to historic supply constraints, which is advocated by the BPF. This model can be applied to any geography, (whether at the national level, local authority, devolved authority level, or bespoke market areas), and to other commercial uses such as office.

The East and West Midlands have the highest levels of suppressed demand, which is problematic given these are two of the most important locations for I&L in the UK due to their geographic centrality (Figure 20).

FIGURE 20 SUPPRESSED DEMAND (IN SQM) BY UK REGION (2010-2024)

Total Regional Suppressed Demand 2010-24 (sq.m)

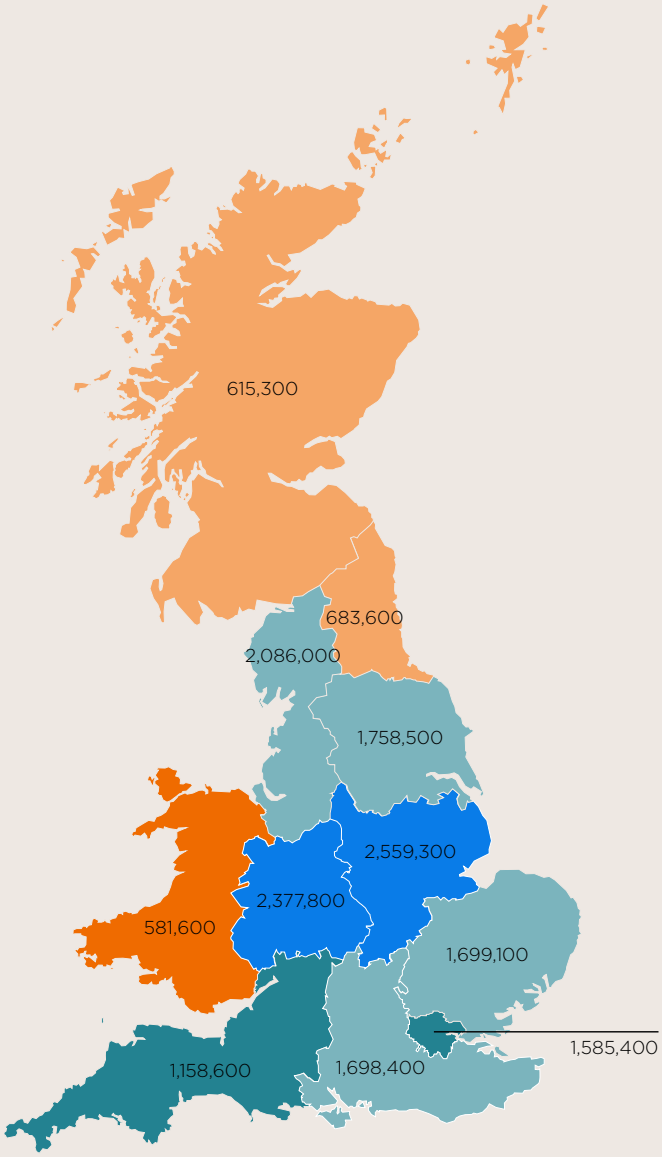
- Up to 0.6 million
- 0.6 million - 1 million
- 1 million - 1.6 million
- 1.6 million - 2.1 million
- 2.1 million - 2.6 million

£9.7B

In GVA lost from I&L Suppressed Demand across the UK

140,000

Jobs lost from I&L Suppressed Demand across the UK 2010 - 2024



Source: Savills (2025) analysis using CoStar (2025) data

London and the South East also have high levels of suppressed demand. This is concerning given London is the largest population and business hub in Europe. London's current housing target is 88,000 homes per annum, which means there will be an increasing demand for I&L space to serve this growing population.

The total suppressed demand across the UK equates to lost economic potential in terms of 140,000 jobs[27] and £9.7 billion in GVA between 2010 and 2024.

A GVA loss of £9.7 billion to the UK economy is roughly equivalent to the lost output of a local authority such as Southampton or Derby. Effectively, an entire city's worth of output has been lost due to the suppression of demand through lack of supply.

Whilst it is unrealistic to assume that all of this suppressed demand could be accommodated given competing pressures for land in the UK, it does help to demonstrate that the I&L sector could make an even larger economic contribution to UK Plc with additional supply.

MORE LAND NEEDS TO BE ALLOCATED IN THE RIGHT LOCATIONS

Planning for the right quantum of land is important. However, it is equally important that land is allocated in the right locations. A supply of numerous small, irregular shaped sites, located away from the strategic transport network will not address the larger, expansion, or strategic requirements of many businesses, particularly those which meet a regional or national need.

While the inclusion of grey belt in the new NPPF is useful, these sites are generally smaller in size and not typically located close to motorway junctions, thereby limiting their suitability for larger or 'strategic' I&L premises.

As a result, there is a strong case for targeted Green Belt release for I&L uses. Currently around 47% of land within 2 km of the UK's busiest motorway junctions (the northern section of the M25, the M6, the M1 and the M62) is designated Green Belt.

Selective Green Belt release in these locations (and Greenfield land release in non-Green Belt locations) for development would enable new job opportunities to be created in the most attractive locations for I&L occupiers and critically help to meet strategic I&L demand. This in turn will have knock on effects for the wider economy, including the IS-8, given they are all to some degree dependent on I&L activity. This requires a cross-government departmental approach, to ensure that the wider objectives of the Government's Industrial Strategy can be realised.

The introduction of strategic planning by the government is welcomed as the current planning system has failed to adequately deal with strategic 'larger than local' employment sites[28]. The current system relies on effective co-operation between neighbouring local authorities which is rare.

Planning strategically is particularly beneficial for the I&L sector given that most occupiers have expansive supply chains linking themselves with their suppliers and end customers of between 1 to 4 hours travel time. Even this shorter 1 hour timeframe, more akin to smaller occupiers, is far larger than most local authority boundaries.

The English Devolution White Paper[29] states that Strategic Authorities (regionally-based bodies made up of groups of Local Authorities) must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets. This suggests that I&L needs will be assessed at a wider geography than local authority level, where supply chains can be better considered.

However, travel to work patterns and labour market considerations are not the only factors. Market attractiveness and what makes a prime I&L site will also need to be part of the assessment to ensure that these geographies are meaningful for planning purposes. The rollout of the strategic planning system will help to ensure that I&L development is better aligned with strategic infrastructure provision and housing growth.

Ideally, the relevant strategic authority should set an overall minimum employment land delivery figure, which would then be distributed among local authorities by identifying or allocating land for development, mirroring the approach used for housing through the standard method.

A MORE RESPONSIVE PLANNING SYSTEM

Planning delays are identified in the Government's Industrial Strategy as a cost of doing business in the UK, resulting in investors having a 'perception of the UK as a place where it is hard to get anything built – too slow, uncertain and expensive'[30]. These delays impact the pace at which new supply comes forward and therefore is a contributing factor to the supply constraints the sector has faced historically as discussed above. Additional implications include:

- Suppressing demand, resulting in lower investment and lower productivity as a result of suboptimal stock utilisation;
- Affordability issues for occupiers, particularly SMEs, as a result of significant rental growth; and
- Poor quality floorspace that does not meet emerging EPC standards.

Speeding up planning determination periods will be essential to having a more responsive system. Based on a sample of 50 recent I&L planning applications across the country, only 18% of these were decided within the 16-week statutory time requirement[31], with many extending far beyond this time frame (Figure 21). Over 26% of applications took more than one year to be decided.

The Government's Industrial Strategy is seeking to make planning decisions more timely. Called-in applications will have a 13-week target for determination, whilst funding for 300 new planning officers will help to increase the capacity of LPAs. Furthermore, I&L planning applications contribute significant planning application fees to LPAs, which should more effectively be directed towards resourcing and recruiting planning officers and improving overall planning service delivery levels.

Increased capacity of LPAs to determine applications is important, but a significant challenge that needs to be addressed is the widely-held negative perceptions of the I&L sector, typically held by local residents and councillors (see Chapter 5).

More agile or flexible planning policy mechanisms should also be deployed to enable employment sites to come forward outside of the formal Local Plan cycle via criteria-based policies, safeguarded sites or supplementary plans.

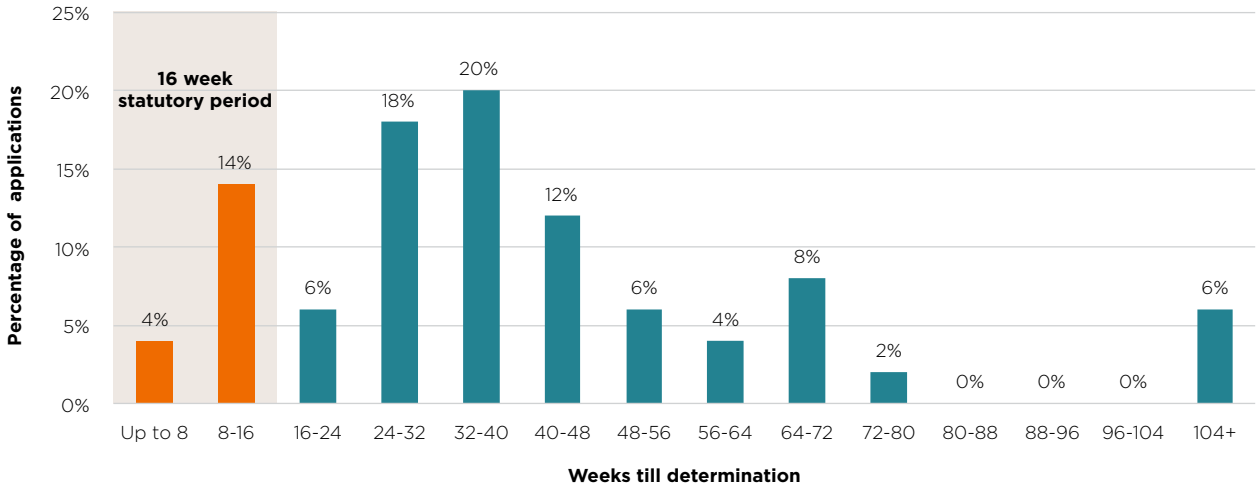
A standardised approach to pre-application advice and planning performance agreements can also ensure a greater degree of certainty. Strategic planning will also enable more efficient and timely production of local plans, which will provide the detail and broad areas of growth and opportunity areas to support the spatial strategy set out in Spatial Development Strategies.

GOVERNMENT INTERVENTION ON EPCS IS NEEDED

As a result of technical innovations in the I&L sector, occupiers are increasingly demanding higher quality I&L floorspace, including high-quality ancillary office floorspace, larger yard sizes and minimum clear heights. Given increasing operating costs, occupiers are also gravitating towards buildings with strong environmental credentials (eg: EPC rating of A or A+, BREEAM Outstanding).

However, given not enough land is coming forward, and by extension, not enough modern floorspace, many I&L occupiers are having to occupy older buildings which do not fully meet their operational needs. Subsequently, many older buildings are fully occupied making it difficult for their owners to refurbish or redevelop them to meet modern occupier requirements and emerging EPC requirements. These tenants would find it difficult to find alternative space while the unit is refurbished or redeveloped whilst the owner would lose income while the works take place.

FIGURE 21 DETERMINATION PERIODS FOR I&L PLANNING APPLICATIONS



Source: Savills (2025) analysis of relevant planning applications

This is a significant issue for the commercial sector at large and the Government. Without more land supply, the existing aging stock will be difficult to replenish and the proposed EPC standards, designed to meet decarbonisation targets, will not be met.

The UK Government's 2021 consultation on Minimum Energy Efficiency Standards (MEES) proposed that all non-domestic rented properties achieve a minimum EPC rating of B by 2030, with an interim rating of C by 2027. A formal response to this consultation, originally due to be announced in early 2025, is still pending and the Department for Energy Security and Net Zero (DESNZ) has continued to signal that this remains the preferred trajectory.

Under these plans, Savills analysis, based on current EPC records suggests that around 70–80% of commercial property, and approximately 73% of I&L floorspace, would fall below EPC B. If unaddressed, this stock would be legally unlettable from 2030, leading to significant disruption across the sector.

Whilst there are no easy fixes to bringing the UK's I&L stock up to standard, the following may help to ease this transition:

- Confirmation of policy direction and timelines: we would welcome an approach which drops the intermediary 2027 deadline (minimum EPC C), focusing on 2030 deadline (minimum EPC B). This would reduce the level of burden placed on landlords and occupiers and ensure they can meaningfully engage with deeper and more substantial work to meet the 2030 deadline. There could also be scope to review the 2030 deadline and move it to 2032 or 2035. New regulations should only apply at certain trigger points to prevent contractual issues and ensure that businesses can run as smoothly as possible throughout the process. These trigger points would most obviously be lease renewals and building sales.
- Amendments to the General Permitted Development Order to increase the level of permitted development allowance given to warehousing. This would make it easier to upgrade existing warehouses for market requirements without the need for planning permission.
- Financial incentives to retrofit existing premises: including green leases, extending capital allowances for energy upgrades, and transition grants for SMEs.
- Prioritising 'fabric first' retrofits: roof and wall insulation, air-tight loading bays, insulated doors, upgraded glazing, LED lighting with motion sensors, smart building management systems (BMS), solar PV on roofs (see Chapter 4).

Retrofitting may be part of the solution, especially as the cost of retrofitting an existing I&L unit to raise its EPC rating to B is often around the same as the cost of demolishing and rebuilding, resulting in the main 'cost' difference being the high carbon cost of demolishing and rebuilding. However, retrofitting alone cannot solve the problem.

In cases where the I&L stock no longer meets modern occupier requirements, due to factors such as the clear height of the building or the internal or external layout of the buildings and its associated infrastructure, demolition and rebuild may be the only viable solution to ensure the property is marketable to modern I&L occupiers. Furthermore, in order to demolish and rebuild a property, the existing tenants would need to be evicted, resulting in the loss of rental payments received by landlords and operational difficulties for occupiers. Due to supply constraints in the I&L market, occupiers may struggle to find alternative premises and may have to cease operations.

Modern I&L developments are routinely built to EPC A+ and BREEAM Outstanding/Excellent standard. These schemes incorporate solar PVs, heat pumps, natural ventilation, and EV infrastructure and utilise low-carbon materials during construction. Modern premises have modular, flexible layouts which allow them to evolve with occupier needs without the need for redevelopment. Therefore, facilitating the development of new I&L premises will not only help to address supply constraints in the market, but also meet the Minimum Energy Efficiency Standards.

A CONDUIT FOR DOMESTIC AND INTERNATIONAL INVESTMENT

The UK is a magnet for international capital, thanks to its strong legal protections, global connectivity, dynamic start-up culture, and commitment to the transition to a low-carbon economy[32]. It leads Europe both in venture capital investment (receiving over twice as much as Germany since 2010[33]) and Foreign Direct Investment (FDI)[34].

In contrast, domestic investment is more muted. The UK has the lowest domestic investment rate in the G7 (see Figure 2). This reflects underinvestment by domestic firms in machinery, intellectual property (IP), and infrastructure, planned reductions in public investment and policy uncertainty (most notably Brexit).

Much of this investment supports a vibrant research and development (R&D) and start-up ecosystem, but companies struggle to scale-up and commercialise their ideas into marketable products that can be produced and distributed in the UK and abroad. Contributing factors include high electricity costs, grid constraints, and a lack of suitable and affordable commercial floorspace.

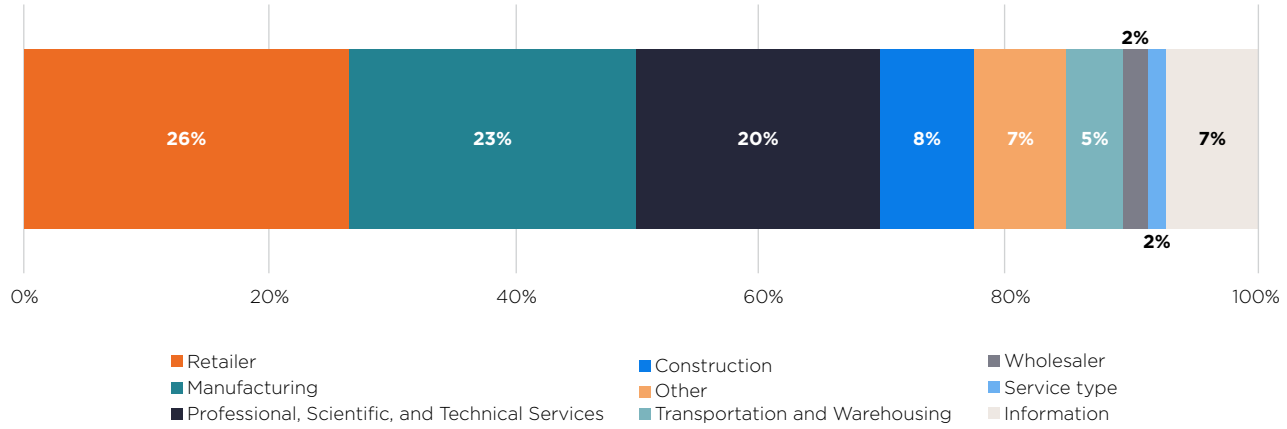
This chapter explores how the I&L sector acts as a conduit for both international and domestic investment, and its role in providing flexible floorspace for a diverse range of business sectors. More of this space in the right locations can help to ensure we manufacture and distribute the fantastic products and services developed in the UK and contribute to economic growth.

I&L PREMISES PROVIDE FLEXIBLE FLOORSPACE FOR DIFFERENT FUNCTIONS UNDER ONE ROOF

I&L premises are fundamentally uniform and flexible spaces that can be adapted or fit-out to meet the needs of a diverse range of businesses. This allows them to serve a wide range of industries and occupiers, from traditional manufacturers and logistics firms, innovative R&D companies, laboratories and service oriented businesses, to data centres (which have stricter locational requirements).

This conclusion is evidenced by the fact that almost every business sector of the economy has leased I&L floorspace within England since 2019 (see Figure 22). Over half (57%) of the I&L floorspace leased has been in sectors outside of the traditional manufacturing and transportation and warehouse sectors, with a significant proportion (around 15%) in service based sectors including professional, scientific and technical activities. Given the sector provides premises ranging in size from a couple of hundred square metres to over 100,000, it caters to companies of all sizes and at all stages of the supply chain to operate efficiently within.

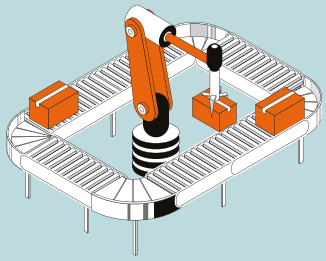
FIGURE 22 A DIVERSE RANGE OF SECTORS LEASE I&L FLOORSPACE (2019-2024)



Source: Savills analysis of CoStar (2025) data

This sectoral diversity within the I&L sector is often overlooked and helps to explain why it is so successful in attracting both domestic and international investment. The activities that take place within I&L premises are as diverse as the occupier base. Modern I&L buildings encompass everything from advanced manufacturing and prototyping facilities, large-scale data centres, national, regional or last mile logistics centres to hybrid modular units combining office, R&D and light industrial space for SMEs.

These premises are also home to cutting-edge technologies and processes, such as:

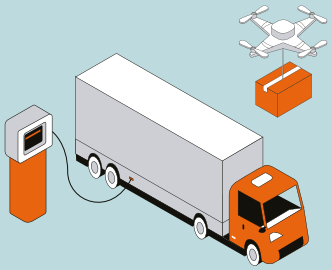


AUTOMATION AND ROBOTICS IN WAREHOUSING
Warehouses are increasingly using robots for picking, packing, and sorting, along with automated guided vehicles (AGVs) and autonomous mobile robots (AMRs) to move goods.

These technologies boost speed, reduce errors, and drive productivity—while creating high-skilled jobs such as robotics technicians and engineers (see Chapter 5).



DATA ANALYTICS AND INTERNET OF THINGS (IOT)
AI, data analytics, and IoT are essential for tracking shipments and managing inventory. With next-day delivery now standard, smarter, faster supply chains are required.



ENERGY EFFICIENT VEHICLES
Transport is both a major cost and environmental concern. Logistics firms are investing in electric trucks, biofuels, autonomous vehicles, and last-mile drones to cut emissions and improve efficiency.



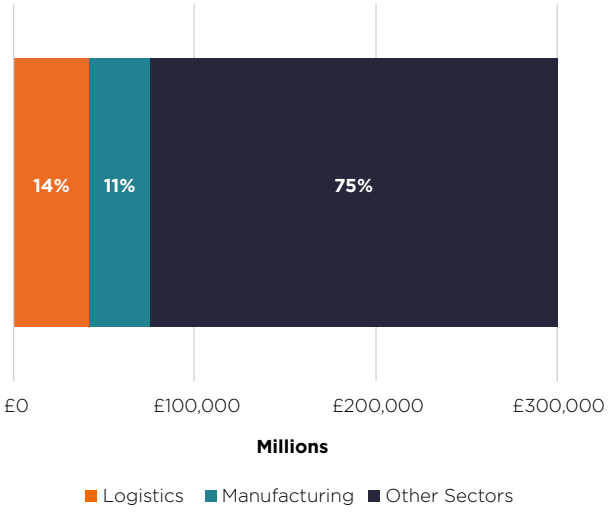
SUSTAINABILITY PRACTICES
Green warehousing and packaging are gaining traction. Eco-friendly practices not only reduce environmental impact but also lower long-term costs and enhance productivity.

These technological advancements and processes drive productivity and ultimately profitability and will be critical to the success of the IS-8 sectors identified in the Government's Industrial Strategy. They will also be a key focus of further investment (both international and domestic) going forward.

THE I&L SECTOR ATTRACTS DOMESTIC AND FOREIGN INVESTMENT

Within the UK, the industrial and logistics sectors, when combined, form the largest source of domestic investment (25% or £75.4 billion), followed by real estate (Figure 23). Domestic investment in I&L has a powerful multiplier effect — each pound invested supports not only the construction and operation of I&L space, but also enables wider supply chain activity, exports, and job creation as discussed in Chapter 3.

FIGURE 23 UK DOMESTIC INVESTMENT SECTOR BREAKDOWN



Source: Savills analysis of ONS (2025) Business investment by industry and asset



CASE STUDY: MAGNA PARK LUTTERWORTH

Magna Park Lutterworth is one of the great success stories in UK logistics and regional development. It has supported and delivered jobs and growth and is home to 30 global occupiers including Amazon, Bleckmann, Centrica, Unipart, DHL, ASDA, Wayfair, Nissan and Renault.

Earlier this summer it completed its 50th building marking the latest milestone in what has become the largest dedicated logistics park in Europe, with over £1 billion invested over 38 years.

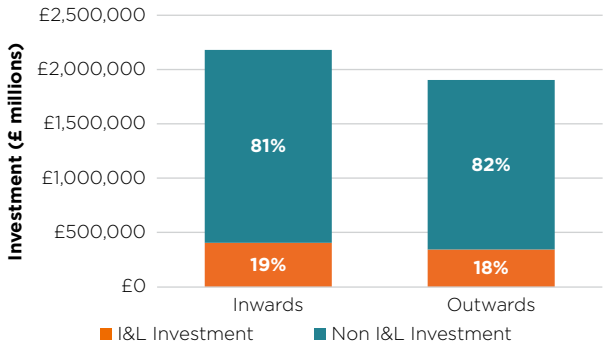
The Park contributes between £1.13 and £1.36 billion annually to the UK economy, supports between 10,000 and 12,000 direct jobs, (up to 26,000 jobs when the impact of supply chains and spending is included), and generates annual business rates income of £50 million (rising to £60 million at full build-out).

GLP has established the Centre of Logistics Education and Research (CLEAR) at Bittesby House in Magna Park providing training and skills programmes in partnership with North Warwickshire & South Leicestershire College, Wincanton, and the East Midlands Chamber of Commerce. Further additions of an Innovation Centre and HGV Truck Park with EV charging are coming through in the next 12 months. Local communities have been strengthened by targeted social initiatives, including a £1.3 million community fund supporting over 100 local charities and projects.

The I&L sector accounts for £62 billion of net Foreign Direct Investment (FDI) (i.e., inward investment flows minus outward investment flows). This level of net inward investment signals that the UK is a highly attractive location for I&L investors especially as it comprises 22% of overall net FDI into the UK. This is reinforced by the fact that:

- The UK has one of the highest e-commerce penetration rates in Europe and the Midlands 'Golden Triangle' offers access to 90% of the UK's population within 4 hours – this makes the country attractive for e-commerce and logistics investment.
- The UK is a gateway to Europe and global markets with major ports (Felixstowe, Southampton, London Gateway, Port of Liverpool) and international freight airports (Heathrow, East Midlands).
- The commercial property market is transparent and mature, with strong protection of property rights.
- The UK I&L sector is a leader in tech innovation (automation, robotics, AI) and sustainability (aligning with global ESG investment strategies).

FIGURE 24 INWARD FOREIGN DIRECT INVESTMENT IN I&L EXCEEDS OUTWARD INVESTMENT



Source: Savills analysis of ONS (2025) Foreign direct investment, UK subnational estimates: 2023

The sector also accounts for almost half (48%) of all R&D spending in the UK[35]. This is mainly driven by investment in manufacturing (particularly in pharmaceuticals) which is not surprising given the UK's strength in life sciences. R&D spending is a key driver of innovation, competitiveness and long-term economic growth.

I&L INVESTMENT COULD BE MAXIMISED IF CERTAIN BARRIERS ARE ADDRESSED

The I&L sector is a conduit for both domestic and international investment, and the members comprising the BPF's Logistics Board plan to increase investment by 50% over the next 5 years to meet demand.

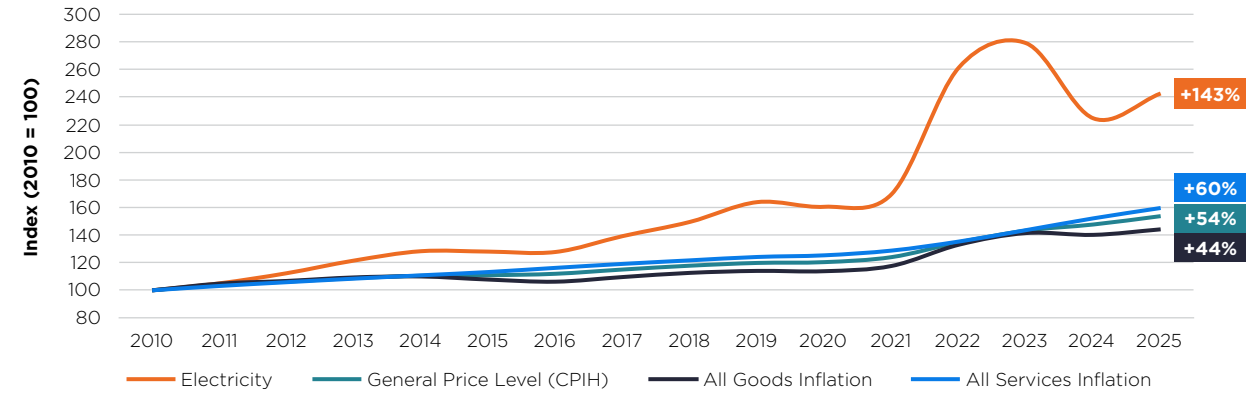
To support these plans, we would recommend the formation of a cross-departmental Freight Planning Forum comprising public and private sector partners as part of the upcoming Freight and Logistics Plan, which places investing in I&L property at its heart as part of the UK's critical infrastructure.

Along with this, the following barriers should be addressed to maximise investment into the sector.

ELECTRICITY COSTS AND GRID CONNECTIONS

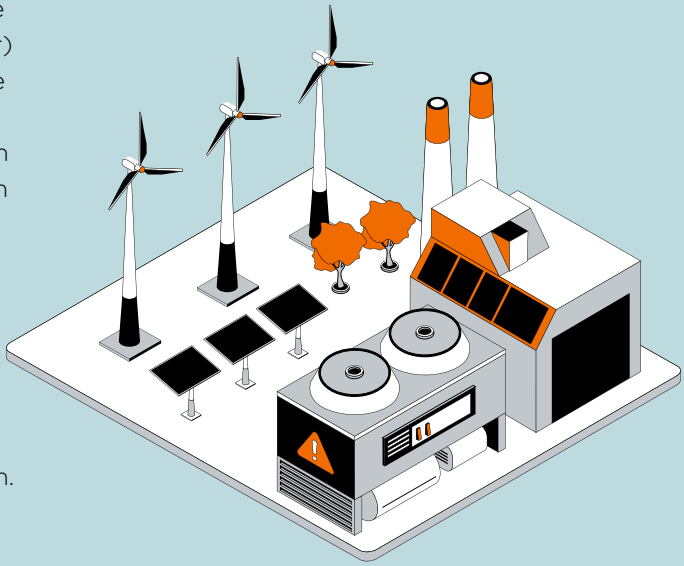
A major constraint preventing further adoption of technology, investment and supply chain efficiency in the I&L sector is the cost of electricity. Electricity has been one of the major drivers of inflation in the UK economy in recent years (Figure 25).

FIGURE 25 ELECTRICITY COSTS HAVE SIGNIFICANTLY OUTPACED INFLATION



Source: ONS (2025) Consumer price inflation detailed reference tables

Indeed, based on Savills 2025 European Real Estate Logistics census, cost pressures (energy and labour) were identified as the biggest operational challenge for I&L occupiers[36]. For developers, power supply was ranked as the third most important factor when considering new I&L developments (after the length of the planning process and a lack of development sites)[37]. Access to power is also the single largest determinant behind the development of data centres.



The Government's Industrial Strategy recognises that high electricity prices and grid connection delays are a barrier to investment and electrification. The Government has therefore proposed a number of initiatives to address these problems, including:

LOWER ELECTRICITY COSTS
British Industrial Competitiveness Scheme (from 2027): Cutting electricity costs by up to £40/MWh for 7,000+ electricity-intensive businesses in automotive, aerospace and chemicals.

EXTRA SUPPORT FOR ENERGY-INTENSIVE INDUSTRIES
British Industry Supercharger Programme: Raising network charge discounts from 60% to 90% by 2026 for energy-intensive sectors including steel, glass and chemicals.

STABLE LONG-TERM ENERGY PRICES
Corporate Power Purchase Agreements (CPPAs): Government support to expand the CPPA market, helping businesses secure stable long-term electricity prices and reduce market volatility.

FASTER GRID CONNECTIONS
Connections Accelerator Service: Speeds up grid access for major industrial and investment projects, reducing delays when firms expand or build new facilities.

REDUCED ENERGY LEVIES
Reduced Energy Levies: Targeted exemptions from schemes such as the Renewables Obligation, Feed-in Tariffs and the Capacity Market to cut electricity bills for qualifying firms.

PRIORITY ACCESS FOR STRATEGIC PROJECTS
Planning & Infrastructure Bill (Proposed Powers): Enables grid capacity to be reserved for strategically important projects, preventing delays caused by limited network capacity.

On-site solar photovoltaic (PV) generation can supplement these measures by offering an immediate, decentralised source of electricity, helping to offset grid demand and reduce dependency on constrained local substations (and does not take up valuable agricultural farmland). I&L premises are particularly well-suited to this, due to their large, unshaded roof areas that can accommodate significant solar arrays which are capable of meeting a meaningful share of daytime operational loads (see case study below). I&L buildings have the roof space for up to 15GW of new solar, equivalent to about 25% of the UK's power requirements[38].

By generating electricity on-site, solar installations can release pressure on the grid and enable development where connection capacity is limited, particularly when designed to maximise self-consumption rather than export. Government support for innovation in battery and other local energy storage solutions (for example by providing grants) could also enable logistics parks to become self-sufficient, thus reducing the need to draw energy from the grid. We would also recommend opening up the market for physical connection to the grid to competition and setting a higher feed-in tariff to further incentivise export of green energy to the grid.



CASE STUDY: SOLAR DEPLOYMENT IN I&L WAREHOUSING

I&L developer and operator Indurent has rolled out rooftop solar across 557,400 sqm of its UK logistics portfolio, supporting over 100 occupiers in improving energy resilience and reducing operational costs.

The initiative reflects growing occupier demand for sustainable, energy-efficient buildings and aligns with broader sector trends toward decarbonisation.

The installations include features such as rooftop PV arrays and EV charging infrastructure, helping tenants lower energy bills and strengthen ESG performance. While full rooftop coverage is not yet commercially viable for all sites due to grid constraints and limited onsite consumption, Indurent's refurbishment-led approach has enabled solar deployment where it delivers clear value.

Cross-functional collaboration between planning, development, ESG, and asset management teams is key to identifying viable opportunities and aligning capital investment with sustainability goals.

Planning barriers have eased for non-domestic rooftops and since late 2023 rules were relaxed so that most industrial rooftop PV falls under permitted development (Class J), with prior-approval focused mainly on design/glare. The previous 1 MW cap on industrial rooftops was removed in 2023 to speed up deployment. Fiscal incentives such as extending capital allowances to solar PV and battery storage systems could further encourage installations and simplifying grid connections will be particularly important.

The current grid connection queue is a major obstacle as permission is required from the Distribution Network Operator (DNO) and larger roofs need to be registered with the National Grid Electricity System Operator (ESO). The system was designed decades ago for centralised power plants, not for a distributed network of warehouse solar rooftops, which has resulted in long connection queues, a complex approval process and cost uncertainty.

For many operators, this means rooftop solar cannot be installed or used at full capacity, even when technically feasible. We therefore welcome reforms to speed up and simplify grid access for solar PV projects, including the ESO and Ofgem clearing speculative or stalled projects from the connection queue and better data-sharing between DNOs and the ESO to improve visibility of local capacity and prevent double-handling of applications.

While not a replacement for long-term grid investment, rooftop PV offers a pragmatic, scalable and low-carbon means of alleviating immediate power-connection challenges for occupiers, while also accelerating the energy transition more efficiently.

SUPPORTING TECHNOLOGY ADOPTION AND SCALING UP

As stated, the UK, and the I&L sector in particular, attracts large volumes of R&D and Venture Capital (VC) investment and produces world-leading research. However, this research is largely not translated into new products that are ready for market, that can then be scaled and mass produced from within the UK. In other words, we are good at the research and development phases, but not as good at scaling and commercialising (Figure 26). This wasted economic potential can also explain why the UK's productivity growth has been constrained historically.

FIGURE 26 THE START UP LIFECYCLE



Source: Savills (2025)

The Government's Industrial Strategy aims to tackle difficulties with technology adoption by expanding on proven interventions such as the Made Smarter Adoption Programme (which supports manufacturing SMEs to take up new technologies). It also wishes to take a greater role in coordinating technology adoption activity, building on the Technology Adoption Review. Innovate UK will also play a central role in accelerating commercialisation of new technology.

Another barrier to innovative companies scaling up is a lack of affordable, flexible, mid-sized premises in the right locations. The result is occupiers having to remain in their existing premises, even if not ideal for their operational requirements which negatively impacts growth, productivity and supply chain efficiency. Higher rents also mean less productive investment in skills and software, for example.

Innovative activities (from high growth sectors such as the IS-8) are increasingly being located within modern I&L buildings given their inherent flexibility (sometimes referred to as 'mid-tech' units). Therefore, it will be important to facilitate the development of these premises.

FREEPORTS, INVESTMENT ZONES AND TAX INCENTIVES

The Government's Industrial Strategy will provide more support for the UK's Freeports and Investment Zones (collectively called Industrial Strategy Zones) equating to £160 million of funding over 10 years. These zones will have streamlined planning processes, better-targeted investment promotion, support for accessing finance, and coordinated support on skills.

This support will be particularly beneficial for the I&L sector given that customs advantages such as exemptions from tariffs, VAT, and customs duties are attractive for companies that manage global supply chains, bonded warehouses, and distribution hubs (e.g., automotive, electronics, or life sciences).

Relief from business rates, reductions in employer National Insurance Contributions and enhanced capital allowances will enable relatively lower cost development of I&L premises within these Zones, and will also provide significant operational cost savings for occupiers.

The strategic location of the Industrial Strategy Zones (near key freight handling infrastructure such as airports, ports, and strategic rail freight interchanges) will also be beneficial for many I&L occupiers by encouraging clustering.

This will result in agglomeration benefits such as improved efficiency and supply chain integration. The Government is looking to bring more investible sites forward through its Strategic Sites Accelerator which should help to address some of the supply constraints faced by the I&L sector discussed in Chapter 3.

There is also scope for Local Development Orders (LDOs) to play a greater role in facilitating I&L development in the right locations by reducing planning delays and uncertainty for investors and occupiers. Greater coordination with the new proposed Strategic Authorities could also help to provide consistent planning frameworks for regionally significant employment sites and logistics corridors.



HELPING PEOPLE BACK INTO WORK AND IMPROVING LIVING STANDARDS

The Government's Get Britain Working White Paper aims to ensure everyone has access to secure, rewarding, and fulfilling work[39]. It outlines measures to help the long-term sick return to employment, expand training and apprenticeships for young people, support upskilling and retraining, and assist employers in addressing labour and skills shortages.

The Paper highlights that labour market opportunities are often shaped by geography. Areas with higher deprivation tend to have lower educational attainment, which affects employment rates, earnings, and overall living standards.

As a result of historically low unemployment, the UK faces persistent labour shortages, worsened by rising economic inactivity post-Covid. Inflation and the cost-of-living crisis have further strained wages and deepened regional disparities.

This chapter explores how the I&L sector can help tackle regional inequality and serve as a springboard for re-engaging economically inactive individuals back to the workforce.

THE I&L SECTOR CAN HELP TO TACKLE REGIONAL DISPARITIES

The UK has a regionally imbalanced economy, whereby London and the South East are home to the majority of high-value economic activity, resulting in higher levels of productivity.

Subsequently, their residents benefit from a higher standard of living when compared to other regions.

Tackling regional inequality has been a key goal of successive Governments. I&L can play an important role in this regard given new investment in buildings is more evenly spread throughout the UK compared to other major commercial sectors such as offices and retail (Figures 27-29). I&L investment is more footloose as to where it will locate as long as it can serve population and business hubs, typically with a 1 to 4 hour travel time.

On the other hand, offices and retail are town centre uses and by their nature are more geographically focused. Offices are a prime example whereby 74% of new development has been concentrated in just 10 city centre locations, since 2020. Offices and retail are also facing structural challenges meaning investment in these sectors, especially outside of super-prime locations, has been modest. Data centres, whilst a growth industry, will also be limited to where there is power availability, with most of this investment to be concentrated in Availability Zones and AI Growth Zones.

FIGURE 27 I&L

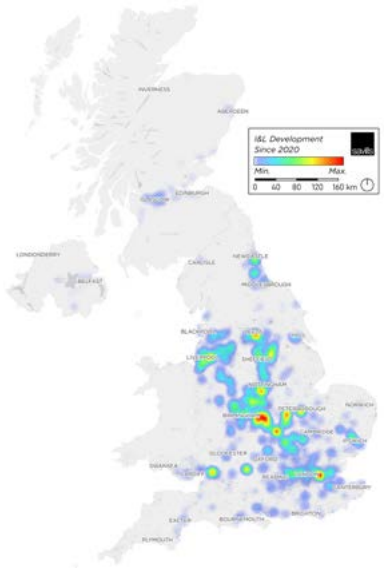


FIGURE 28 OFFICE

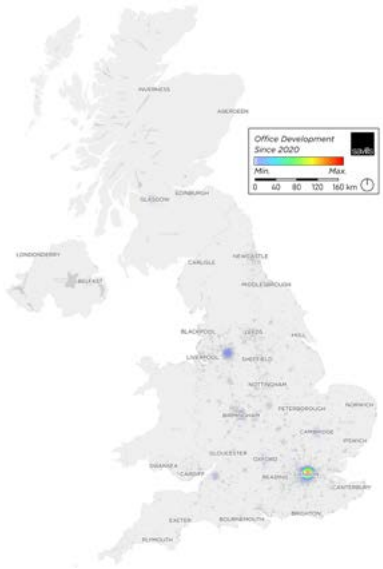
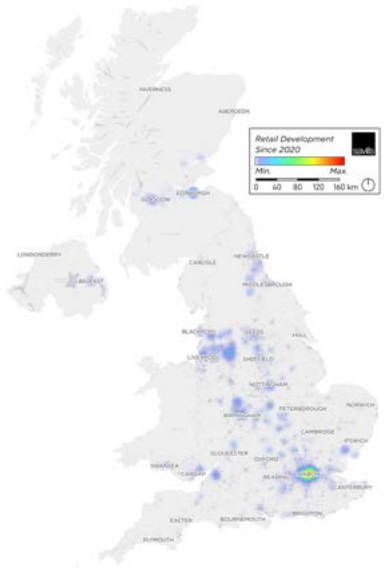


FIGURE 29 RETAIL



Source: Savills analysis of CoStar (2025) data

THE SECTOR PROVIDES DIVERSE, WELL-PAID AND GOOD-QUALITY JOBS

The I&L sector is also an engine for sustainable growth outside of London and the South East. Logistics is the only sub-sector that has seen more jobs growth outside of London: 31% growth in the regions vs 19% in London (Figure 30). In contrast, job growth has been stronger for office and retail in London, given that investment has been largely concentrated in the capital for these uses.

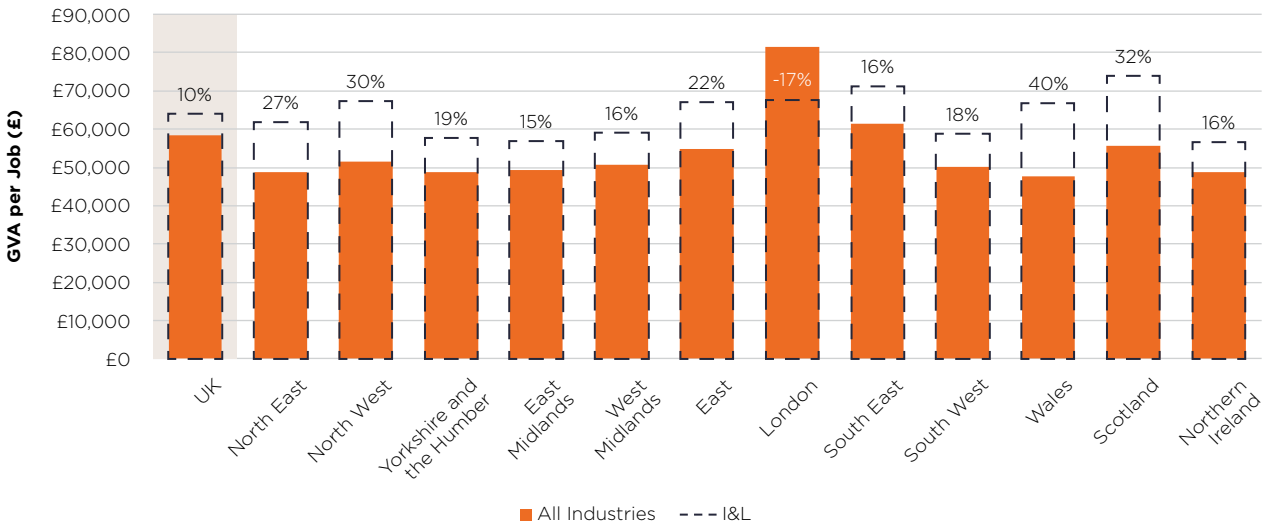
I&L jobs are also more productive, with GVA per job (£64,110) higher than the all-sector average (£58,260) in the UK and all regions other than London (Figure 31). This means not only is investment more evenly spread throughout the UK, this investment results in good-quality and productive jobs to the benefit of local economies and areas of deprivation.

FIGURE 30 LOGISTICS IS THE ONLY SECTOR WITH HIGHER JOBS GROWTH IN THE REGIONS THAN LONDON (2010-25)



Source: Savills analysis of ONS (2025) Workforce jobs by industry (SIC 2007)

FIGURE 31 GVA PER FILLED JOB IS HIGHER FOR I&L IN ALL REGIONS OTHER THAN LONDON



Source: Savills analysis of ONS (2021) Region by industry labour productivity

Contrary to many people's perceptions, I&L jobs are well-paid and diverse. At the national level, when compared to all sectors, median industrial and logistics wages stand at £35,520 (+£3,900 vs the all-sector median) per annum and £35,870 (+£4,300 vs the all-sector median) per annum, respectively (Figures 32 and 33).

The I&L sector has become higher skilled in part due to I&L roles and processes shifting away from manual labour towards managing machinery and technology. These higher skilled roles fuel productivity in the more traditionally 'lower skilled' roles through increased use of technology and faster and more efficient processes.

As a result, most of the job growth has been in professional occupations such as Supply Chain Managers, Procurement Specialists, Warehouse Managers, Automation Engineers, Health & Safety Managers, etc. Between 2005 and 2025, occupations in Standard Occupational Classification (SOC) groups 1-3 (higher skilled) have increased by 40%, whilst SOC groups 4-6 (mid skilled) have decreased by 30%, and SOC groups 7-9 (lower skilled) have decreased by 19% (Figure 34).

FIGURE 32 REGIONAL INCOME PREMIUM FOR INDUSTRIAL JOBS

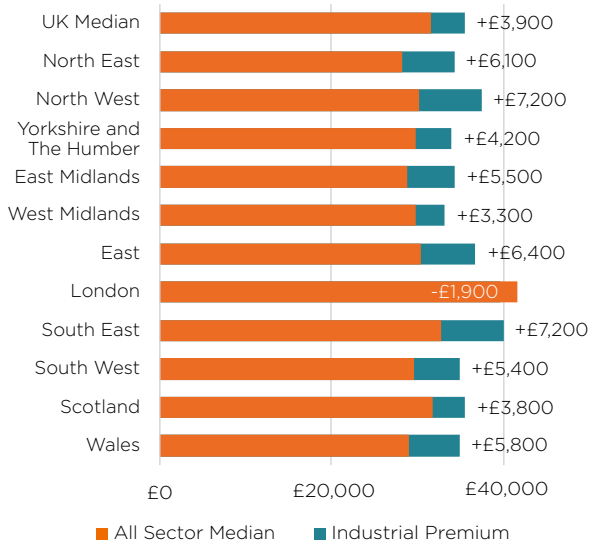
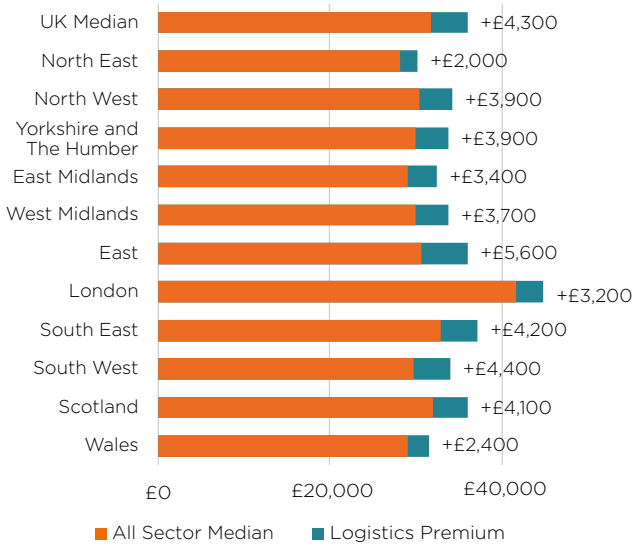
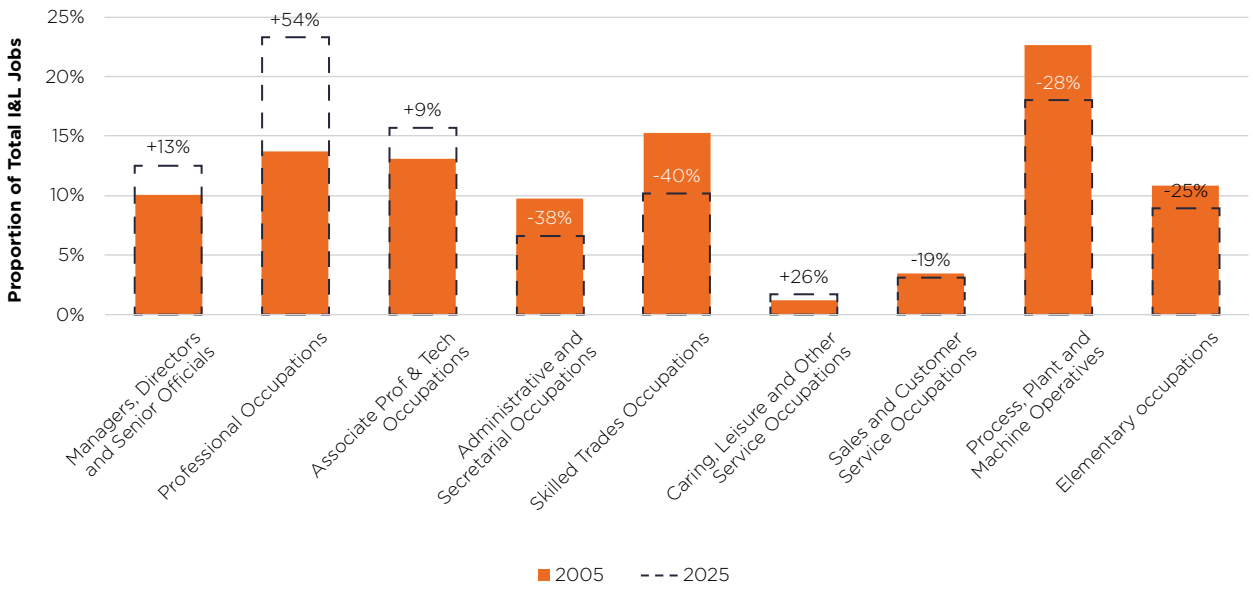


FIGURE 33 REGIONAL INCOME PREMIUM FOR LOGISTICS JOBS



Source: Savills analysis of ONS (2025) Annual survey of hours and earnings

FIGURE 34 I&L JOBS ARE INCREASINGLY HIGHER SKILLED



Source: Savills analysis of ONS (2025) Annual population survey

STOPPING THE BRAIN DRAIN

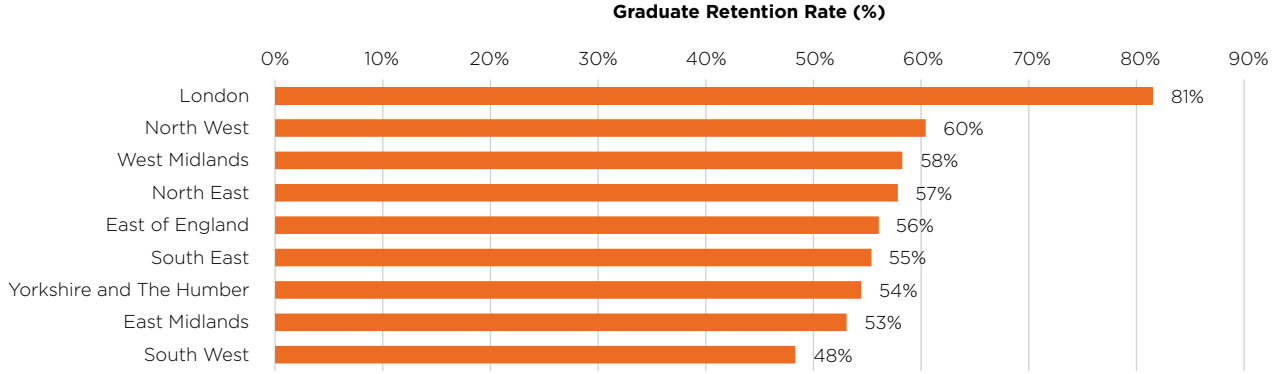
Regions outside of London have significantly lower graduate retention rates (Figure 35) which can be attributed to a lack of quality employment opportunities. Facilitating the development of good quality I&L premises in the regions can play a role in reducing the brain drain of graduates to London, especially given the sector supports a range of different skilled occupations, is better paid, more productive and is one of the few commercial sectors that is growing faster in the regions than in London.

Given logistics is one of the few commercial sectors with a strong growth profile in the economy, it offers the opportunity to anchor talent locally rather than lose them to London and the South East.

This makes I&L development not just a physical investment, but a strategic lever for inclusive, skills-led regional growth.

I&L premises are changing too, in response to the changing nature of operations and the types of occupations it now accommodates. One of the most notable changes is increased office co-location which now accounts for around 10% on average of new I&L premises. Businesses are increasingly co-locating their HQ and R&D functions with their I&L operations, which requires high-quality (Grade A) office floorspace. Co-location and the move to higher quality floorspace can play a role in helping to attract skilled staff.

FIGURE 35 GRADUATE RETENTION RATES BY REGION (2024)

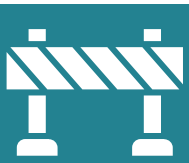


Source: Savills analysis of ONS (2024) data

However, it is important to note many I&L roles do not require university level qualifications. This is not to say employees get stuck in more elementary roles, in fact quite the opposite. The I&L sector demonstrates a unique capacity to upskill entry-level workers and promote career progression without requiring formal higher education. According to written evidence submitted by Logistics UK to Parliament, around 35,000 logistics workers were promoted to managerial roles in 2021, and notably, 63% of those promoted did not hold a university degree[40]. This highlights the sector's ability to offer structured, experience-based advancement pathways.

Programmes like Generation Logistics (see case study below), backed by the Department for Transport and led by Logistics UK and CILT (UK), have further institutionalised this approach by integrating logistics careers into school curricula and launching initiatives such as the Education Hub and Generation Logistics Week. These initiatives provide hands-on exposure and virtual learning for young people aged 13–24.

The I&L sector also saw around 33,860 apprenticeship starts in 2022/23, and between 2018/19 and 2022/23 around 170,000 individuals started I&L apprenticeships, reflecting the sector's commitment to vocational training and inclusive workforce development. The figures underscore I&L's role as a driver of social mobility, offering clear, accessible pathways from elementary roles to skilled and managerial positions — a model not as widely replicated in other sectors.



The I&L sector could make a greater contribution to reducing regional disparities and creating good-quality jobs if certain barriers are addressed.

(RE)ENTERING THE WORKFORCE, RE-TRAINING AND UPSKILLING

As detailed below, the I&L sector provides a diverse range of higher skilled and more elementary occupations. These elementary roles are less reliant on formal qualifications which can be both costly and time consuming for employees to obtain. These types of roles are well suited for bringing unemployed persons back into work and those with fewer qualifications more easily, many of which can be upskilled on the job. Indeed, the Government intends to continue the sector-based Work Academy Programme (SWAPs) over 2025/26, with the mission to increase participation in sectors such as logistics and warehousing[41].

Jobcentres work with local training providers to deliver employer-led placements combining sector-focused employability training, a work experience placement and guaranteed job interview. SWAPs have a strong track record of supporting people to build skills and helping employers accessing a new pool of candidates.

CASE STUDY: GENERATION LOGISTICS

Initiatives like Generation Logistics, a government-backed campaign led by Logistics UK and CILT (UK), have played a pivotal role in reshaping perceptions of logistics careers and attracting new entrants. In its first year, the campaign generated 789,000 visits to its online hub and 3.7 million social media engagements, while building a network of over 300 ambassadors who promote logistics careers in schools and colleges. The campaign's Education Hub provides curriculum-linked resources for educators and has launched Generation Logistics Week to directly engage students through virtual careers fairs and in-person events backed by major employers like Maersk and Tesco. Alongside this, organisations such as Logistics Learning Alliance and The National Logistics Academy offer accredited qualifications and experiential learning in warehousing, transport, and supply chain management, helping individuals transition into high-skilled roles and supporting workforce development across the sector. These programmes are not only vital for operational excellence but also for graduate retention, as they provide clear pathways into meaningful, future-ready careers in regional I&L hubs.



CASE STUDY: THE HUB AT DIRFT

The Hub at DIRFT (Daventry International Rail Freight Terminal) is a purpose-built logistics training and education facility developed by Prologis UK. It serves as the central location for the Prologis Warehousing and Logistics Training Programme (PWLTP), launched in 2021 to address skills gaps in the logistics sector and support local employment.

The Hub offers practical training in areas such as forklift operation, warehousing procedures, and employability skills. It features flexible learning spaces and supports a wide range of learners, including care leavers, ex-offenders, and women entering the industry. The programme has had a strong social impact, helping nearly 100 individuals secure employment in its first year and generating over £1.5 million in socioeconomic value.

The PWLTP aims to train 11,000 people by 2026, helping meet the sector's increasing demand for skilled workers driven by e-commerce expansion. The Hub has also earned recognition for its innovative design and community contribution, including the RTPI Best Project Award in 2022.

Examples of I&L company-specific on-the-job training and upskilling is detailed in the above case study. Apart from this, there are numerous skills and jobs brokerage services in operation (see table on the next page). These initiatives are all well thought-out and successful in their own right, however a lack of coordination across programmes is leading to duplication, inefficiencies, and missed opportunities.

There is clearly a role for Government, potentially as part of its upcoming Freight and Logistics Plan, to define a more coordinated approach to I&L skills which better connects and amplifies the good work already being done.

Singapore's Skills Framework for Logistics is considered to represent a good example of a more coordinated approach (presented in the adjacent case study).

CASE STUDY: SINGAPORE SKILLS FRAMEWORK FOR LOGISTICS

The Framework has been developed by the Singapore government in collaboration with industry stakeholders, and is a comprehensive sector-wide tool that maps out job roles, career pathways, and the technical and transferable skills required across the logistics industry. It provides a unified structure that supports individuals, employers, and educators in workforce planning, training alignment, and career development. Each role within the framework is linked to specific competencies and nationally recognised qualifications, enabling clear progression routes and consistent standards. This model offers a strategic blueprint for how the UK could better coordinate its fragmented logistics training landscape through a national framework embedded in policy and practice. This would not be about removing the great programmes already in place but rather connecting them better within a more unified framework.

A MYRIAD OF PROGRAMMES AND FRAMEWORKS COVERING I&L SKILLS

PROGRAMME / FRAMEWORK	TYPE	SCOPE	FUNDING	DELIVERY	NOTES
Generation Logistics	Awareness & Recruitment Campaign	UK-wide, logistics sector	DfT + industry	Digital media, ambassadors	Focused on perception change and youth engagement
Opportunity Escalator (East Midlands IGC)	Policy Framework	East Midlands, cross-sector	EMCCA	Strategic planning, investment alignment	Focus on inclusive growth and systemic barriers
National Logistics Academy	Training Provider	UK-wide	Government + private	HGV training, apprenticeships	Largest specialist logistics trainer in UK
Logistics UK Training	Industry-led Training	UK-wide	Member-funded	CPC, dangerous goods, technical skills	Covers all logistics roles from driver to director
Prologis Warehouse & Logistics Training Programme (PWLTP)	Free Training Programme	UK-wide	Private (Prologis)	Hands-on, employer-linked	Focused on warehousing and entry-level roles
Logistics Learning Alliance (LLA)	Qualifications Provider	UK-wide	Self-funded or employer-funded	CILT, IoSCM, humanitarian logistics	Offers bespoke and experiential learning
T Levels & BTECs in Logistics	Vocational Education	England	Government	Schools & colleges	Formal education route into logistics
RHA Skills	Free Training & Career Development Service	UK-wide	Government-funded	Delivered by Road Haulage Association and TRS Training	Supports career development and training across the logistics industry
Veterans into Logistics	Employment Support & Training	UK-wide	Charitable & corporate sponsorship	Driver training, mentoring, job placement	Helps ex-military personnel enter the logistics sector



APPRENTICESHIPS, APPRENTICESHIPS, APPRENTICESHIPS...

The Get Britain Working White Paper makes it clear: too many young people leave school without the skills, support, or access to high-quality learning pathways—like apprenticeships—that they need to thrive in the workplace.

Initiatives like Generation Logistics are flipping the script—showcasing the I&L sector as a dynamic career destination, with routes ranging from entry-level apprenticeships to graduate programmes. As the sector evolves, so is academia. Universities are stepping up, with 27 institutions now offering over 55 logistics-related courses, which is likely an underestimate, given the sector's overlap with engineering, business, and tech.

These courses have been built in partnership with leading employers, ensuring graduates are prepared with practical, job-ready skills that match real-world needs.

Beyond universities, specialist providers like UKWA, City & Guilds, IoSCM, and Logistics UK Training are delivering hands-on training that supports career progression and sector growth.

Logistics UK, for example, is now on the Apprenticeship Provider and Assessment Register (APAR), and is launching the Level 3 Transport Operations Supervisor programme and the Level 5 Operations Manager Apprenticeship—a direct route to Chartered Manager status.

The proposed Growth and Skills Levy will give employers more flexibility to invest in training—whether that's apprenticeships, short courses, or new foundation apprenticeships designed to open doors for young people in key growth sectors.

But there is still more potential to unlock. If the sector can overcome historic supply constraints (see Chapter 3), the scale and impact of training and apprenticeship opportunities could grow significantly. For instance, apprenticeship starts in the I&L sector has averaged around 34,000 per annum over 2018/19 to 2022/23[42]. Savills Economics have estimated that due to I&L suppressed demand, the UK has lost out on 140,000 jobs as well as 3,800 apprentices between 2010 and 2024.

This underscores the vital role that the sector can play in unlocking employment opportunities, particularly for young people.

CHALLENGING I&L MISCONCEPTIONS

Misconceptions around job densities, skill levels and pay have long shaped how the I&L sector has been planned for, often to its detriment. These outdated views overlook the evidence that I&L is one of the UK's most productive and fastest-growing sectors, generating a wide range of increasingly high-skilled, well-paid occupations.

It is therefore important to ensure decision-makers better understand and recognise the critical role that the I&L sector plays in the economy to ensure that 'significant weight' is attributed to logistics and supply chain infrastructure through government working with local government representative bodies, the Planning Advisory Service and the sector itself.

The benefits of supporting I&L development are tangible and measurable. Through social value outcomes, local engagement, and sustainability initiatives, developments can deliver real community impact. Section 106 obligations already play a role in this—funding transport upgrades, new cycle lanes, public transport contributions, and environmental mitigation measures such as noise reduction and air quality improvements. They also support public realm enhancements and social infrastructure, including through contributions to Community Funds, employment and training initiatives, community facilities, and essential services. However, the full value of I&L development goes beyond what Section 106 can capture, such as employment creation, skills development, health and wellbeing, and environmental gains.

To unlock the sector's full potential, Planning Policy Guidance should be updated to reflect the sector's true economic contribution, moving past outdated assumptions and recognising its role in driving productivity and high-skilled employment in planning decisions. Crucially, planning obligations must evolve to capture offsite impacts (such as supply chain jobs and regional training initiatives), so that the full spectrum of economic and social value is recognised and delivered, whilst GPDO allowances and HCA Employment Densities guidelines should be updated to reflect modern conditions and market realities.



CASE STUDY: EVRI HUB, BARNSLEY

In May 2022, Newlands Developments completed Evri's largest European parcel sorting centre—a 31,600 sqm facility capable of processing 1.1 million parcels daily, boosting Evri's total capacity to 4.2 million parcels per day. Strategically located near key motorways and retail distribution hubs, it enables later collection cut-off times.

The site supports Evri's Compressed Natural Gas (CNG) fleet, the UK's largest, and incorporates major sustainability features including solar PV, EV charging, 25,000 trees, with zero waste during construction. A nearby 19.5-acre biodiversity site is managed under a 30-year plan.

Newlands worked with Barnsley Council to secure funding for a £25 million bypass, supporting 1,400 jobs, with over 80% local recruitment. Community benefits include new public transport, sports facilities (football pitches, archery range), educational visits for local schools (including Hoyland Common Primary School), university placements for Sheffield Hallam, Nottingham Trent and Loughborough Universities and Barnsley College, apprenticeships, and local SME procurement.



HOW GOVERNMENT CAN HELP: SUPPORTING UK GROWTH, JOBS & INVESTMENT

This report has highlighted the role the I&L sector can play in helping all levels of Government address the economic challenges of today. It is a sector with a consistently strong growth profile, needs little financial support from Government to come forward, is a key conduit for new investment into the UK, supports a diverse range of quality jobs and as a result, is a key contributor to the finances of UK Plc.

If the following recommendations are taken forward (along with the Government's proposed policies detailed in this report), the I&L sector can deliver even more for the UK economy into the future:

MAXIMISING I&L'S ECONOMIC CONTRIBUTION

- Create a National Supply Chain Infrastructure Framework to drive growth, sitting alongside the NPPF as a material consideration in planning decisions in order to provide decarbonised, reliable and resilient supply chains across the UK
- Modernise and standardise how future demand for I&L land is estimated to account for historic supply constraints in Local Plans, using the 'Suppressed Demand' methodology advocated by the BPF.
- More land needs to be allocated in the right locations, including through selective Green Belt release, to enable new job opportunities in the most attractive locations for I&L development.
- Deploy more agile or flexible planning policy mechanisms to enable employment sites to come forward outside of the formal Local Plan cycle via criteria-based policies, safeguarded sites or supplementary plans
- Standardise the approach to pre-application advice and planning performance agreements to ensure a greater degree of certainty
- Strategic Authorities need to cover sensible economic geographies that reflect the supply chains and site requirements of modern I&L occupiers, as well as to deal with larger than local sites and to ensure that I&L development is more aligned with strategic infrastructure provision and housing growth.
- The approach advocated in the PPG should be emphasised more strongly in the NPPF whereby the relevant strategic authority should set an overall employment land delivery figure, which would then be distributed among local authorities by identifying or allocating land for development, mirroring the approach used for housing through the standard method.
- Clarify the policy direction and timelines for Minimum Energy Efficiency Standards (MEES), with scope to drop the interim 2027 deadline and extend the 2030 deadline (minimum EPC B) to 2032 or 2035.
- Financial incentives and prioritising 'fabric first' retrofits may help to ease the transition to minimum EPC B premises, but it must be recognised that retrofitting alone cannot solve the problem without facilitating development of new I&L premises, which are routinely built to EPC A+ and BREEAM Excellent/Outstanding as the baseline.



MAXIMISING NATIONAL AND INTERNATIONAL INVESTMENT IN THE I&L SECTOR

- Formation of a cross-departmental Freight Planning Forum comprising public and private sector partners as part of the upcoming Freight and Logistics Plan, which places investing in I&L property at its heart as part of the UK's critical infrastructure
- Accelerate grid connectivity to enable green energy to be exported back to the grid through grants for innovation in battery and other local energy storage solutions, opening up the market for physical connection to the grid to competition, setting a higher feed-in tariff to further incentivise export to the grid and expediting Ofgem and ESO's reforms to the grid connection queue
- Facilitate the development of modern, flexible and affordable I&L premises in the right locations to support innovative companies to scale up their operations in order to bring their goods and services to market.
- Greater use of LDOs in facilitating I&L development at regionally significant employment sites or along strategic corridors, with coordination between Strategic Authorities to provide consistent planning frameworks.
- Amend the General Permitted Development Order to increase the level of permitted development allowance given to warehousing and I&L units. This would enable the upgrading of existing units to market and business requirements without the need for planning permission, allowing for the careful consideration of occupier demands whilst also alleviating the burden on Local Planning Authorities.

MAKING A GREATER CONTRIBUTION TO REDUCING REGIONAL DISPARITIES AND CREATING GOOD-QUALITY JOBS

- A more coordinated approach which better connects and amplifies the good work already being done to re train and upskill the I&L workforce such as Generation Logistics and Veterans into Logistics.
- Ensure decision-makers better understand and recognise the critical role that the I&L sector plays in the economy to ensure that 'substantial weight' is attributed to logistics and supply chain infrastructure through government working with local government representative bodies, the Planning Advisory Service and the sector itself.
- Planning Policy Guidance should be updated to reflect the I&L sector's true economic contribution and planning obligations must evolve to capture offsite impacts (such as supply chain jobs and regional training initiatives), so that the full spectrum of economic and social value is recognised and delivered.

As we evidence within this chapter, a lack of appreciation and consideration of the I&L sector risks missing out on sustainable economic growth. We also highlight the wider role the sector can play in helping the Government improve productivity, generate more quality jobs, support housing growth, facilitate the operations of the priority sectors identified in the Industrial Strategy, and fund social infrastructure.

ENDNOTES

1 What Warehousing Where?
2 Delivering the Goods (2020)
3 Levelling Up - The Logic of Logistics
4 The BPF manifesto for Logistics
5 In Scotland and Wales, I&L covers the use classes B1(c), B2 and B8; in Northern Ireland B3 (Light industrial), B2 (General Industrial), B4/B8 (Storage and Distribution).
6 Includes public, private, household and non-for-profit investments
7 Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States
8 ONS (2023) Annual Business Survey; ONS (2022) UK Business Demography
9 The highest productivity sectors, in order, are real estate activities, finance & insurance, non-manufacturing production & agriculture, and information & communication. These jobs are concentrated within London, the South East, North West, and Scotland. This contributes to their very high levels of productivity. Outside of these sectors, and following public administration & defence, the combined I&L industry accounts for the next highest productivity sector.
10 Department for Work and Pensions, Economic labour market status of individuals aged 50 and over, trends over time (September 2025)
11 Based on analysis of ONS Type 1 FTE Multipliers
12 Proportion of total public revenues of the public revenue streams considered (i.e., VAT, Corporation Tax, Business Rates, NIC, Income Tax, and Fuel Duty).
13 Covers the UK
14 Covers the UK
15 Covers England and Wales
16 Covers England, Wales and Scotland
17 Covers England, Wales and Scotland
18 Covers England, Wales and Scotland
19 2024 Basket Abandonment Report – Retail Economics
20 Nearshoring and reshoring refer to relocating supply chain operations closer to or back within the UK—nearshoring typically to nearby countries like those in Europe, and reshoring directly to the UK—to reduce transport times, improve reliability, and strengthen supply chain resilience.
21 Savills Research (2024) Big Shed Prospects
22 Savills Research (2025) Savills Defence Logistics
23 The majority of local authorities regard data centres as B8 (because they are used for the electronic storage of data), although some consider them as a specialised use (sui-generis) due to their unique operational requirements.
24 TechUK: Foundations For The Future: How Data Centres Can Supercharge UK Economic Growth
25 Why the rise of data centres is good news for the industrial & logistics sector
26 EMEA Data Centres - Between gridlock and gold rush
27 Accounting for a 50% displacement rate
28 The BPF manifesto for Logistics
29 Ministry of Housing, Communities & Local Government (2024) English Devolution White Paper
30 UK Government (2025) The UK's Modern Industrial Strategy p.80
31 Stratified sample of 50 I&L planning applications since 2019, which due to their size met the criteria for an Environmental Impact Assessment (EIA) application, which has a 16-week time limit for determination according to national guidance
32 Industrial Strategy (2025)
33 Savills analysis of Pitchbook data
34 Industrial Strategy (2025)
35 ONS (2024) Business enterprise research and development (R&D), UK: 2023; Expenditure on R&D performed in UK businesses: detailed product groups
36 Savills Research (2025) European Real Estate Logistics Census
37 Ibid
38 The BPF manifesto for Logistics
39 UK Government (2024) Get Britain Working White Paper
40 Logistics UK, Written Evidence SMP0031, UK Parliament Committees
41 UK Government (2024) Get Britain Working White Paper para 155
42 DfE (2025). 'Apprenticeships in England by industry characteristics'

Appendix 2 High Level Industrial and Logistics Needs Assessment December 2025

JUNCTION 17 M6, SANDBACH, CHESHIRE EAST COUNCIL

High-Level Industrial & Logistics Needs Assessment

December 2025

Key Trends in the I&L Sector

Overview of the I&L Sector

- The I&L sector is comprised of light industrial (formerly B1c use class now part of Class E), manufacturing (use class B2), and logistics (use class B8) activities. The light industrial and manufacturing elements encompass businesses and organisations involved in the transformation of raw materials into finished products through mechanical, physical, or chemical processes. Logistics encompasses the storage and transportation of goods at all stages of the supply chain. These use classes together cover the diverse range of I&L companies that operate within England.

Critical National Infrastructure

- The past decade has seen the I&L sector undergo a remarkable transformation, reshaping operating models and occupier requirements. The sector should be considered as 'critical national infrastructure' that supports the functioning of our economy and the way we live our lives.

- The I&L sector enables the movements of goods across a multi-modal network of road, rail, air, and water routes. Most businesses draw on supply chains that rely upon these multiple modes of transport and on the transfer between freight nodes to warehouses, and then finally onto the end customer. Without these facilities, the delivery of our purchases would be much slower, more expensive, and we would have less choice. The sector's performance is being driven by several key structural growth drivers including:

1. The Rise of E-Commerce

- E-commerce has grown substantially over the past decade, with the Covid-19 Pandemic accelerating this trend. Online retail sales have increased from 8.3% of all retail sales in 2011 to 27.2% in 2024 (ONS). Statista, a respected source of online retail projections, estimate that inflation adjusted online retail will grow to £99 billion by 2029 (**Figure 1**).

- The growth in online shopping has significant implications on future I&L demand given that e-commerce requires around 3 times the logistics space of traditional bricks-and-mortar retailers (Prologis, 2016). Internet shopping relies on increased choice for the consumer and increased delivery speeds to a location of people's choosing. This means that more inventory is required to be located nearer to the general population. E-commerce is therefore one of the main growth drivers for the I&L sector.

2. Growth in Global Freight Flows

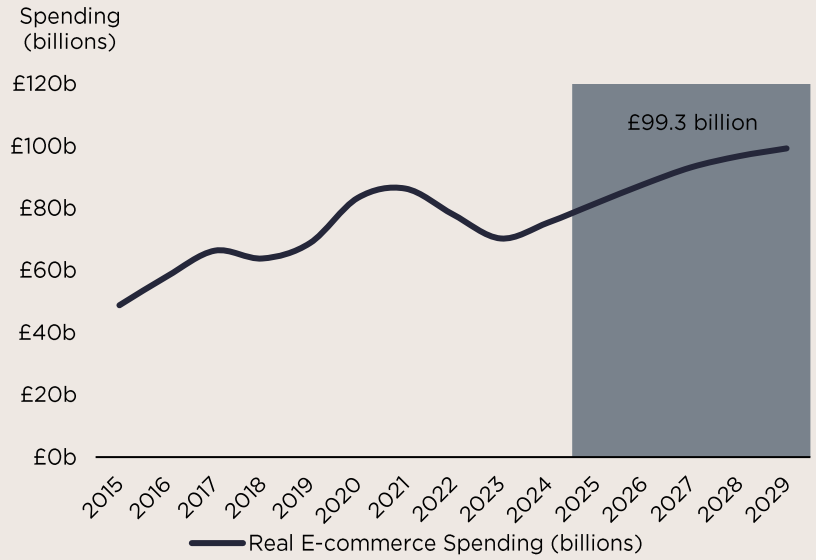
- Freight flows are another key driver of I&L floorspace demand. Freight arriving and leaving the UK needs to be sorted, packaged and distributed via a network of freight handling infrastructure (i.e. ports, airports, rail freight interchanges and motorways) and conveniently located I&L premises to reach end customers. Freight volumes are forecast to grow significantly across all freight modes, which will increase demand for I&L floorspace in the UK (**Figure 2**).

3. Protecting Supply Chains

- Recent geopolitical challenges (e.g. Brexit and the Covid-19 Pandemic) have highlighted the level of interconnectedness of international supply chains and their fragility when one or more links break. Companies have started building up greater resilience in their operating models by moving operations either back to the UK (re-shoring), or closer by (near-shoring) as a means to minimise future supply-chain-induced disruptions. This results in a net increase in demand for I&L units in the UK.

E-Commerce Spending is Expected to Increase

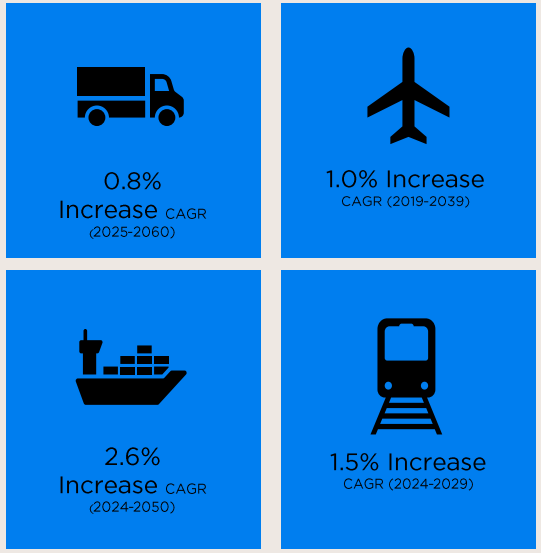
Figure 1 Past and Forecast E-Commerce Spending



Source: ONS, Statista

Global Freight Flows will be a Key Driver of Future I&L Demand

Figure 2 Forecast Freight Flows



Source: DfT, MDS Transmodal, Boeing, Savills

Key Benefits of the I&L Sector

I&L is the Fastest Growing Sector of the Economy

- The logistics sector is the fastest growing segment of our economy, both in recent years and over the long term. Between 2015 Q1 and 2025 Q2 the number of jobs nationally in the logistics sector grew by 22% compared to only 9% across the economy as a whole (Figure 3).

I&L Jobs Pay More than Average

- Notwithstanding its importance in terms of employment and GVA contribution, the I&L sector is subject to several misconceptions about average pay levels and skills required. In the North West, compared to the All-Sector average, Logistics and Manufacturing sectors' annual median wages are +£3,900 per annum higher and +£7,200 per annum higher respectively (Figure 4).

I&L Jobs have become Higher Skilled and More Diverse

- The jobs offered within the I&L sector are becoming higher skilled and more diverse. Within the I&L sector, the highest skilled occupations (Groups 1-3) have increased by 28% between 2004 and 2024 (Figure 5). These roles are associated with engineering and technological professions in response to automation and robotics and increased office co-location. This increasingly diverse range of occupations in the I&L sector enables it to re-employ people who have lost their jobs in other sectors of the economy.

Economic Contribution is Much Larger that On-Site Jobs

- A common misconception about the I&L sector is that operations are land hungry and have a relatively low density in employment terms. This fails to recognise the wider role it plays in supporting jobs which are not physically within a warehouse but are enabled by its operations. For every 10 new warehousing jobs created on-site, another 7 to 12 jobs are created off-site.

- The indirect GVA of logistics in the UK is 3.5 times the direct GVA contribution, vastly greater than other sectors (Figure 6). This effectively measures the role it plays in supporting other business sectors and the economy more generally. To impede logistics growth would undermine growth in other sectors of the economy too.

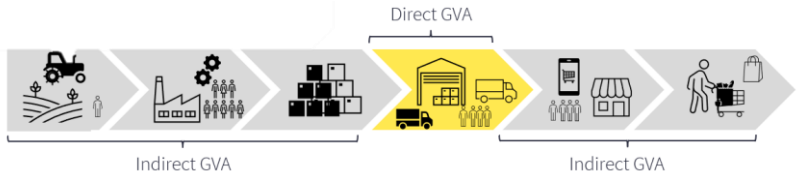


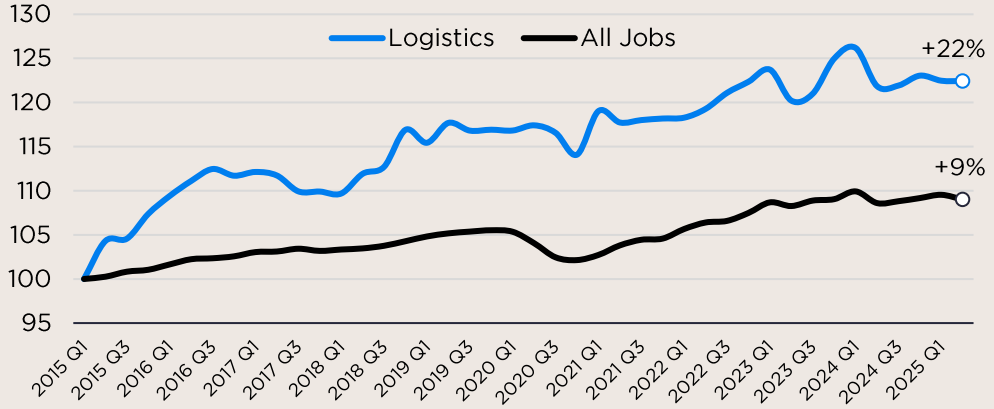
Figure 6 Indirect GVA Generation (Compared to Direct GVA)



Source: ONS Input Output Tables

Logistics Jobs Growth has Outperformed the Rest of the UK Economy

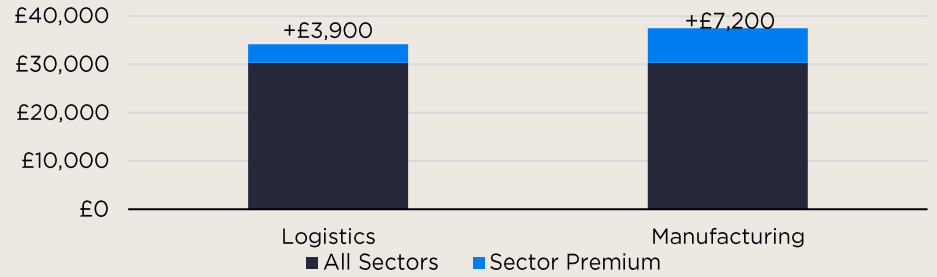
Figure 3 Logistics Job Growth Vs. UK Average



Source: ONS Workforce Jobs by Industry

I&L Jobs are Better Paid than the North West Average

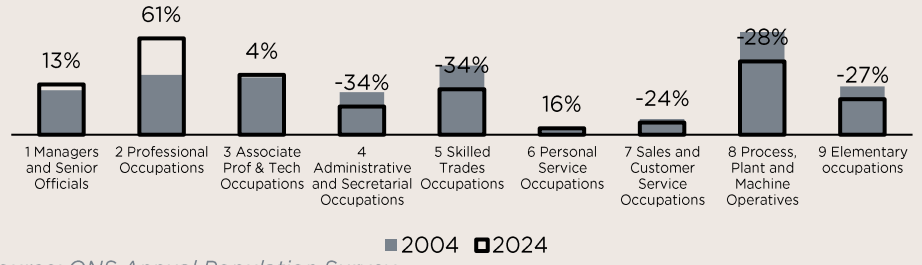
Figure 4 Wage Premium of I&L Jobs in the North West



Source: ONS ASHE

High Skilled and Quality Jobs

Figure 5 Occupational Distribution in the UK I&L Sector, 2004 Vs. 2024



Source: ONS Annual Population Survey

I&L Market Assessment

Introduction and Property Market Area ('PMA')

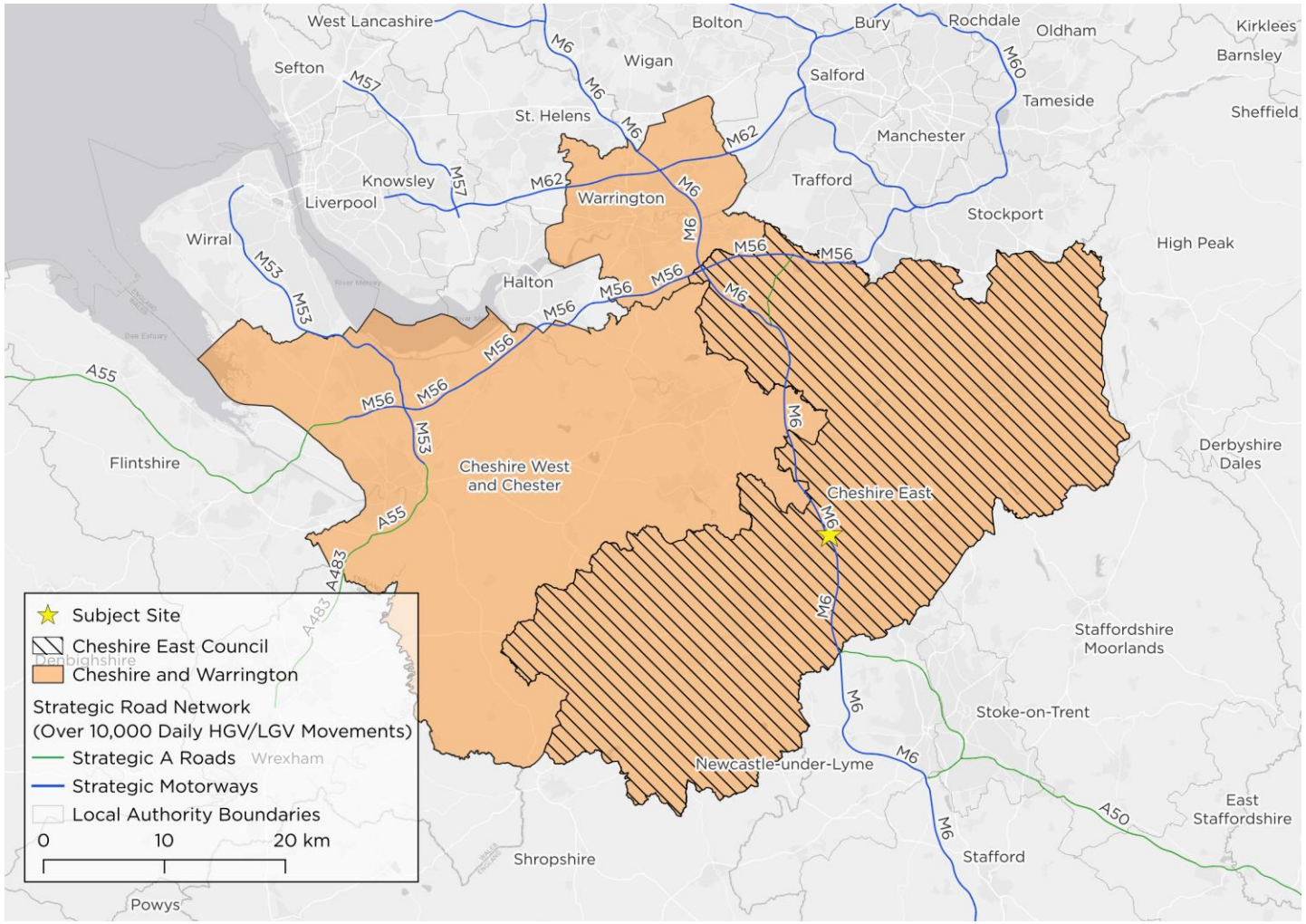
- This section objectively assesses the future need for new I&L development in Cheshire East Council having regard to local and sub-regional supply and demand signals.

- To undertake our assessment, we first need to determine an appropriate Property Market Area ('PMA'). The PMA needs to be relevant to the Subject Site, namely it is the 'broad area of search' the Site sits within that prospective occupiers will consider when looking to lease space. Effectively, the PMA includes the competitor locations to the Subject Site for attracting occupier demand.

- I&L uses in particular require demand and supply signals to be looked at a wider area than a single local authority's administrative area. This is because I&L occupiers typically have distribution networks linking their customers and suppliers of between 1 to 4 hours' travel time. Given even the 1-hour drive time goes beyond the administrative boundary of Cheshire East Council, we consider it appropriate to consider supply and demand signals at the sub-regional level.

- It is proposed that a Mayoral Combined Authority is established over the local council areas of Cheshire East Council, Cheshire West and Chester Council, and Warrington Borough Council. The Government's proposal is that the Combined Authority would be formally known as the **Cheshire and Warrington Combined Authority**. We consider this geography as a basis for a suitable PMA for the Subject Site (**Figure 7**).

Figure 7 Cheshire East Council and Cheshire and Warrington



Source: Savills (2025)

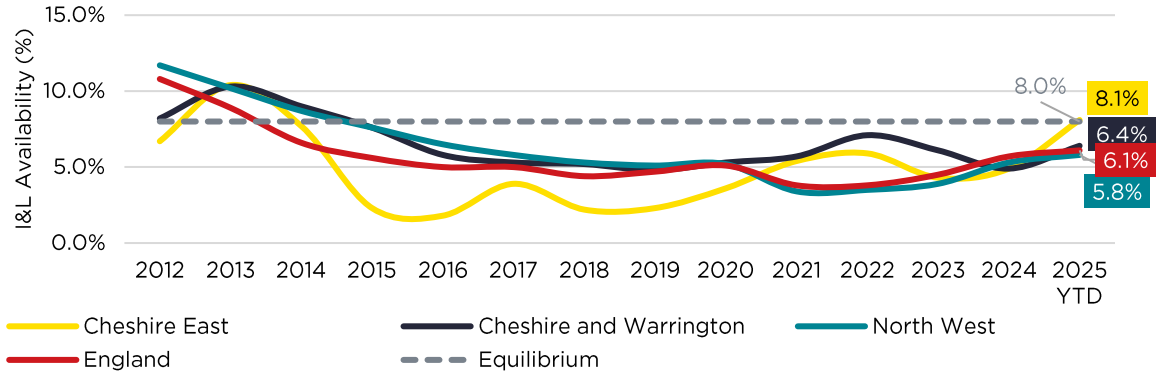
I&L Market Assessment

Supply and Demand Market Signals

This section considers key supply and demand signals for the I&L markets of Cheshire East, Cheshire and Warrington, the North West, and England. The aim of this analysis is to objectively assess the relevant market strength for I&L units within Cheshire East and compare this against other geographies. The consideration of market signals is a key requirement of the National Planning Policy Framework ('NPPF') (Paragraph 32) for underpinning the preparation and review of all Local Plan policies.

Cheshire East's I&L Market is Supply Constrained

Figure 8 Historic I&L Availability Rate in Cheshire East, Cheshire and Warrington, North West and England (2012-2025 YTD)



Source: Savills analysis of CoStar data (2025)

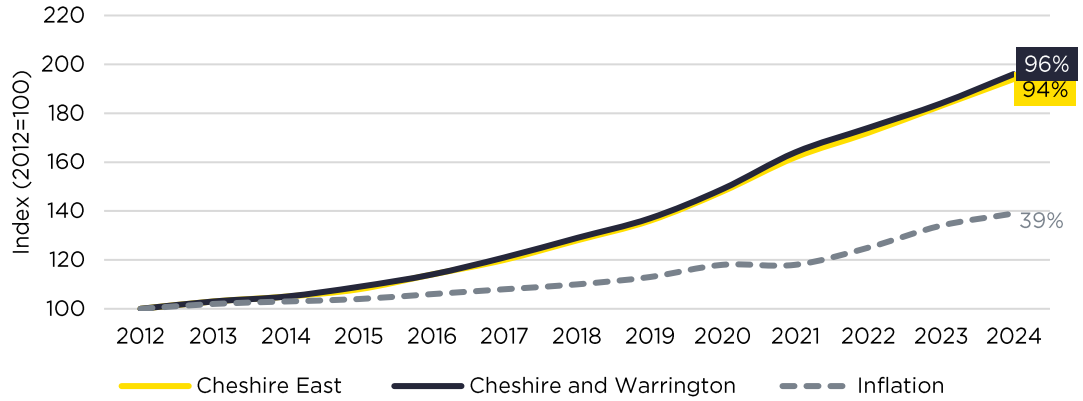
- At the national level, 8.0% availability across all size bands is commonly referred to as the level where a market is broadly in balance (i.e. equilibrium frictional capacity) in terms of supply and demand. Below this level, available supply becomes tight, and rents increase as strong occupier demand compete for limited stock.

- Availability in Cheshire East has been below the 8.0% equilibrium since 2014 but recently increased to 8.1% in 2025 YTD. This higher availability rate is partly due to 335,403 sq.ft (31,160 sq.m) of available floorspace at Crewe 335 which only recently reached practical completion. Discussions with agents indicate that there is interest in the unit, and it is expected to be let in the next 6 months. Cheshire East's availability rate reduces to below the 8.0% equilibrium to 6.7% once Crewe 335 is let. It should be noted that one or even a few years of above equilibrium availability doesn't fully compensate for a sustained period of tight supply in the face of strong demand. Availability in Cheshire and Warrington has been below the 8.0% equilibrium since 2015, with current I&L availability at 6.4%, reducing to 5.9% once Crewe 335 is let (Figure 8).

- This indicates that the I&L markets have been supply-constrained for a considerable period (over a decade) which in turn suppresses demand as not all occupiers can find space to meet their needs. As a result, they are either forced to remain in their existing premises, even if not ideal for their operational requirements, or alternatively have to leave the area to find suitable premises elsewhere, taking the jobs and investment they generate with them.

I&L Rents have Outpaced Inflation

Figure 9 I&L Rental Growth in Cheshire East and Cheshire and Warrington (2012-2024)



Source: Savills analysis of CoStar data (2025)

- Another key market indicator for understanding the relationship between supply and demand is rental growth.

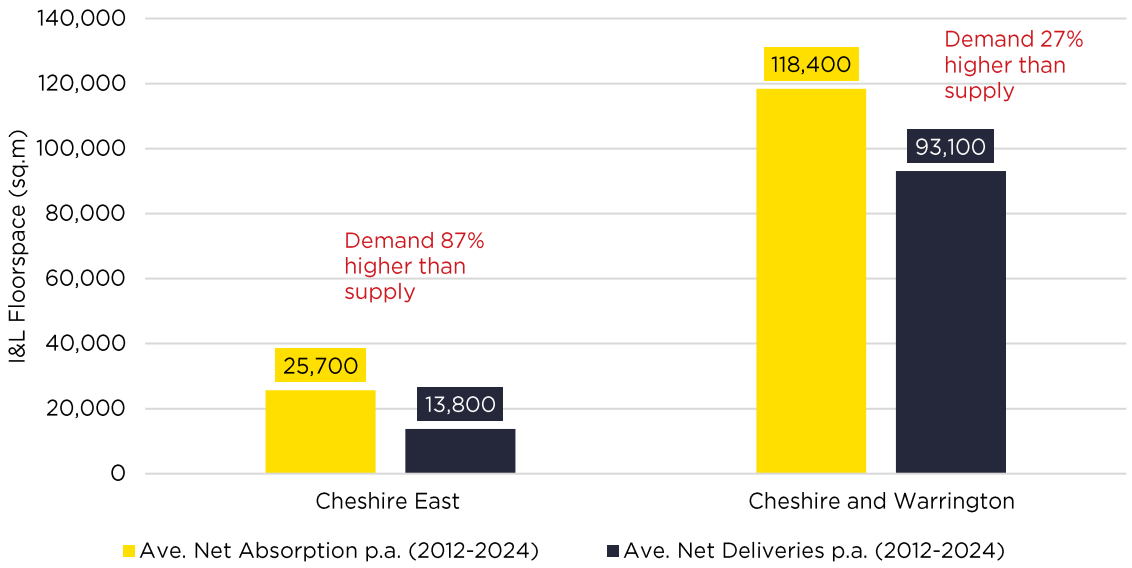
- When demand outstrips supply, rental growth is typically higher as occupiers compete for limited available stock. This in turn drives up rents. Conversely, when there is sufficient supply to accommodate demand, rental growth is lower, typically tracking inflation more closely.

- Between 2012 and 2024, rents have grown by 94% in Cheshire East and 96% in Cheshire and Warrington, which is over double the rate of inflation over the same period (39%) (Figure 9). This corroborates the availability analysis in Figure 8, namely that Cheshire East and Cheshire and Warrington have both been supply constrained historically, with their respective availability rates being below the 8.0% equilibrium for most of the last decade.

I&L Market Assessment

Demand for I&L Floorspace has Exceeded Supply

Figure 10 Average Net Absorption p.a. Vs. Average Net Deliveries p.a. (2012-2024)

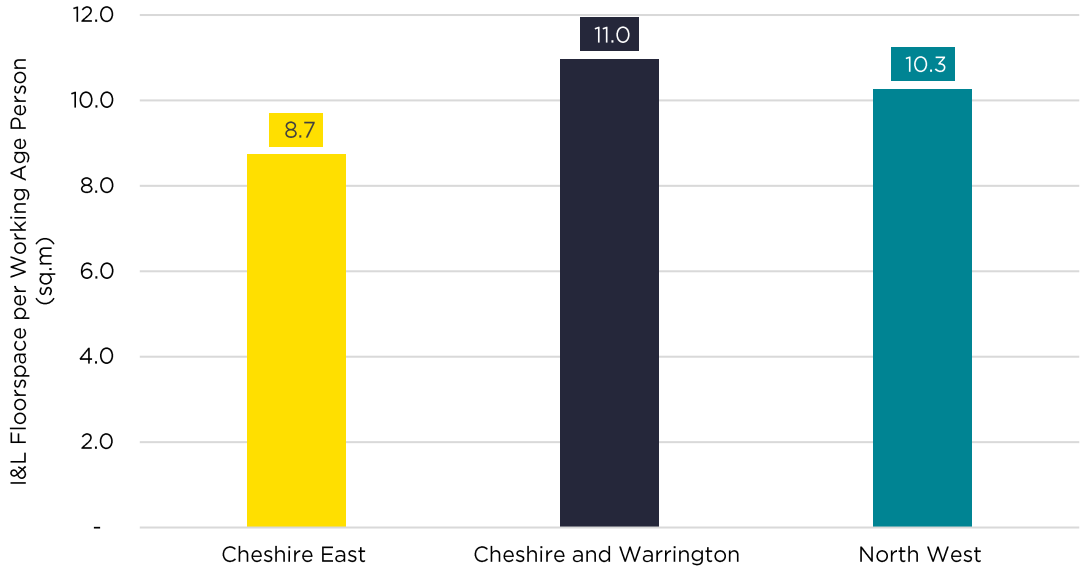


Source: Savills analysis of CoStar data (2025)

- Net absorption is a leading measure of demand based on lease deals. It compares occupied space (move-ins) versus vacated space (move-outs). On the other hand, net deliveries is a measure of supply and registers the change in inventory (floorspace) related primarily to new developments.
- Over the last 13-years (2012-2024), average levels of net absorption (demand) have exceeded the average levels of net deliveries (supply) of I&L floorspace by 87% in Cheshire East, and 27% in Cheshire and Warrington (**Figure 10**).
- This explains why availability has been below the 8.0% equilibrium within these geographies for most of the last decade (**Figure 8**).

Cheshire East has a Disproportionally Small I&L Market

Figure 11 I&L Floorspace to Working-Age Population (16-64 Years) Ratio



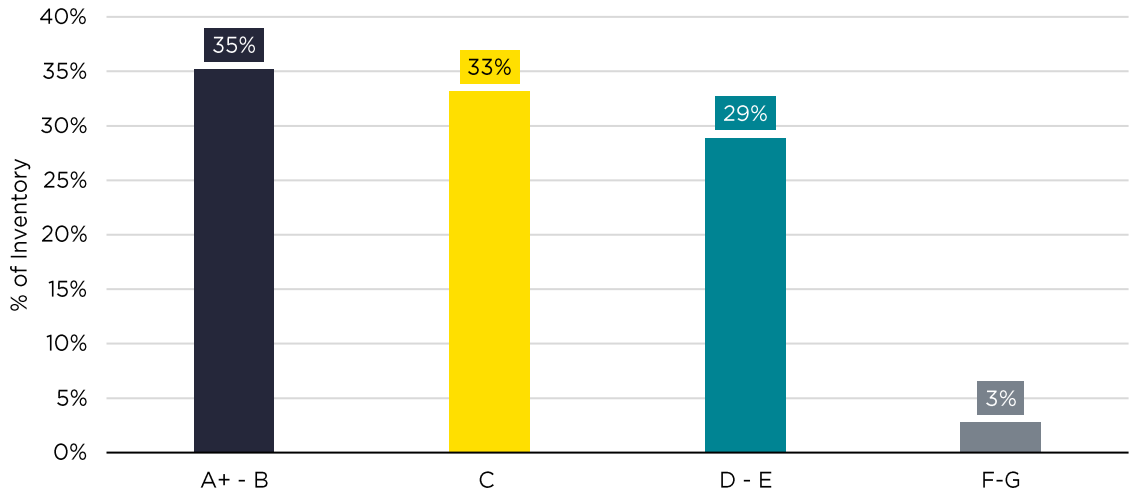
Source: Savills analysis of CoStar data (2025)

- **Figure 11** above shows how much I&L floorspace Cheshire East has per working age resident (16-64 years) compared to Cheshire and Warrington, and the North West average. In effect, it shows how large the I&L sector is relative to the size of the local working age population.
- Cheshire East has 8.7 sq.m of I&L floorspace per working-age resident (16-64 years). This is lower than Cheshire and Warrington, and the North West, at 11.0 sq.m and 10.3 sq.m respectively.
- Given the strength of the I&L market, this relative lack of supply is restricting Cheshire East's participation in the sector's growth.

I&L Market Assessment

A Lack of Quality Premises in Cheshire and Warrington

Figure 12 I&L Stock by EPC Rating in Cheshire and Warrington

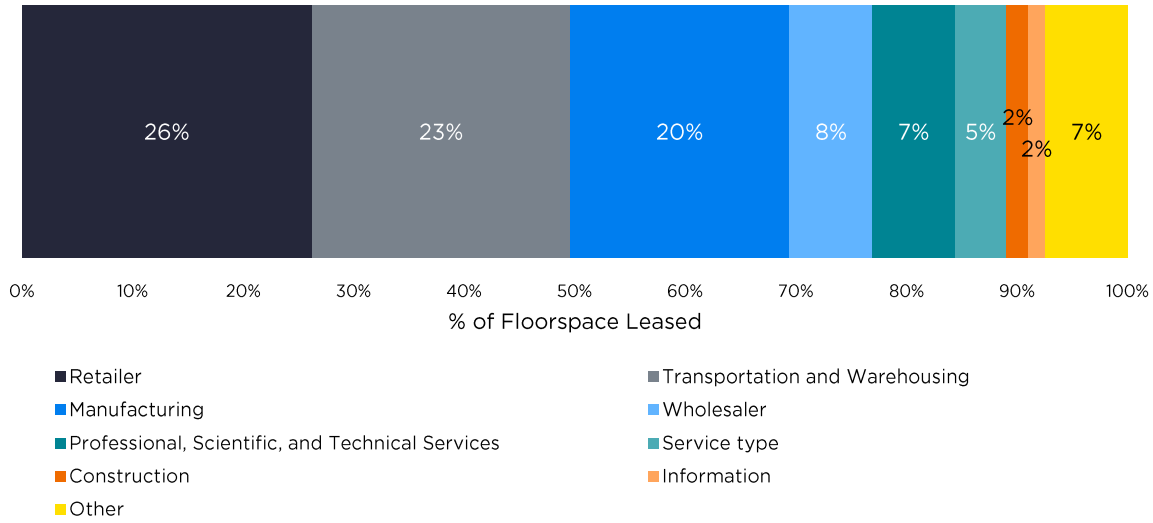


Source: Savills analysis of VOA data (2025)

- If the Government's current proposed Minimum Energy Efficiency Standards ('MEES') reforms are adopted, then:
  - From 1st of April 2027, a commercial property cannot be let unless achieving at least an EPC rating of C.
  - From 2030, a commercial property cannot be let unless achieving at least an EPC rating of B.
- Based on the above requirements, and without any upgrades to existing inventory in Cheshire and Warrington, from April 2027 32% of inventory will be unable to be let. From 2030, 65% of inventory will be unable to be let (**Figure 13**).
- The Proposed Development can play a role in providing good quality, flexible, I&L floorspace to meet modern occupier requirements.

Flexible Premises that Support a Variety of Functions

Figure 13 I&L Floorspace Leased by Sector in England (2019-2024)



Source: Savills analysis of CoStar data (2025)

- Fundamentally, I&L floorspace is flexible, enabling diverse occupiers to fit out the internal spaces of buildings to suit their specific operational requirements. As such, I&L premises serve a wide range of industries and occupiers, from traditional manufacturers and logistics firms, innovative research and development companies, to laboratories and service-orientated businesses.
- As illustrated in **Figure 13**, since 2019 almost every business sector of the economy has leased I&L floorspace within England. This is because the I&L sector provides the premises for companies of all sizes and at all stages of the supply chain to operate within. As a result, over half (57%) of the I&L floorspace leased since 2019 has been in sectors outside of the traditional manufacturing and transportation and warehouse sectors, with a significant proportion (around 15%) in service-based sectors including professional, scientific and technical activities. The dependence of these sectors on I&L floorspace is often over-looked. The result is a **highly diverse occupier base, which supports economic resilience, job creation, and growth, all the while reducing risks associated with sector-specific dependencies.**

Savills Future Demand Estimates

Existing Employment Evidence

- The most recent employment evidence for Cheshire East is the Alignment of Economic, Employment & Housing Strategy (AEEHS), prepared by Ekosgen in 2015. The AEEHS was commissioned to inform planning policy for the Cheshire East Local Plan, including employment land requirements over the period 2010–2030.

- To forecast future employment land demand, the AEEHS adopts a labour demand methodology. This approach translates labour market forecasts into floorspace requirements and, ultimately, land requirements for B1, B2 and B8 uses. The labour forecasts are drawn from the Cheshire and Warrington Econometric Model (CWEM) (2014).

- Using this methodology, the AEEHS identifies a net employment land requirement of 195 hectares between 2010 and 2030, representing land needed to accommodate net full-time equivalent (FTE) employment growth. Of this total, **137.17 hectares relates to B2 and B8 uses**.

- The AEEHS then applies further adjustments to account for employment land losses and a 20% flexibility allowance. These adjustments increase the total employment land requirement for Cheshire East to 378 hectares, although this figure is not disaggregated by use class.

Savills Observations

- The AEEHS is now over a decade old, with its labour demand model based on forecasts from 2014. As a result, limited weight can be placed on its findings, particularly in relation to the I&L sector, which has experienced significant growth over the past decade. This growth has been underpinned by a number of structural demand drivers, many of which were accelerated by the Covid-19 pandemic.

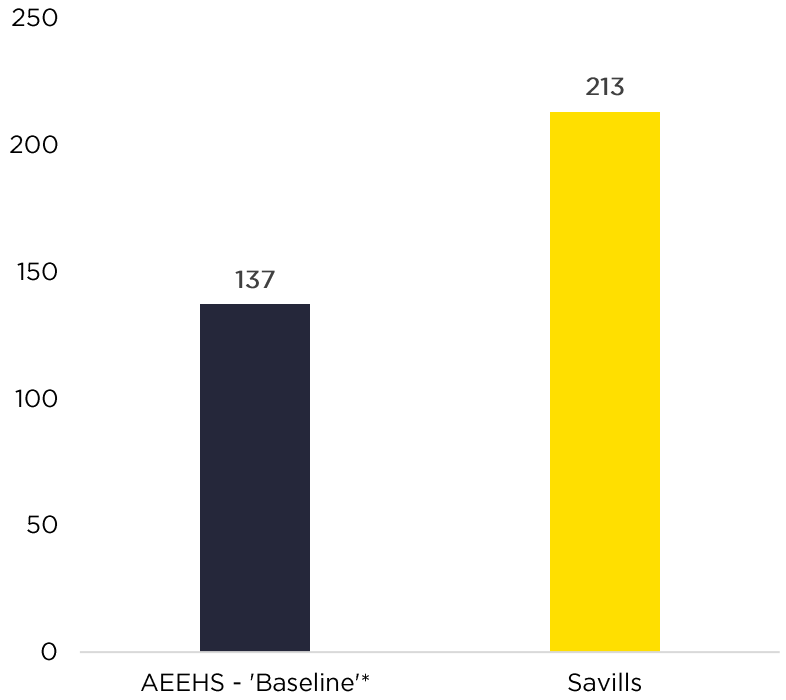
- Moreover, in Savills' view, labour demand models tend to underestimate the performance of the I&L sector and, consequently, future land requirements. This is mainly because they reflect the continuing restructuring of the economy away from industry (particularly manufacturing) towards services, and do not take into account market signals or current drivers of I&L demand. The fact that almost half of the total employment land requirement (183 hectares of the 378 hectares) is derived from adjustment factors further highlights the limitations of the labour demand approach.

Savills Estimates

- We have identified demand for future I&L land in Cheshire East using our market-signals based approach in accordance with Paragraph 32 of the NPPF. Our approach (the Savills Suppressed Demand Model) has been successfully applied to support numerous employment site allocations, planning applications and appeals. It differs from the forecasting approaches used in the AEEHS which are rooted in socio-economic factors underpinned by labour market growth.

- Based on this approach, Savills estimates a requirement for approximately 213 hectares of I&L land in Cheshire East over a 20-year period. This estimate exceeds the 'baseline' B2/B8 requirement identified in the AEEHS (137 hectares). It should be noted that the AEEHS does not clearly identify the quantum of I&L demand (B2/B8) once adjustment factors are applied, making a direct comparison not possible.

Figure 14 Savills Future I&L Demand Estimates Vs. AEEHS over 20 Years



Source: AEEHS (2015), Savills (2025)

**Does not account for land demand derived from adjustment factors which are not disaggregated by use class.*

CLIENT NOTE: To be updated prior final issue to account for latest market stats

Occupier Market Review

Excellent Location and Connectivity

The site benefits from an **excellent location at J17 of the M6** making it ideal to support I&L development:

- Proximity to the M6, a critical north-south motorway route.
- Situation approximately mid-way between Crewe and Congleton on the A534.

It's scale and location mean that it can respond to local, sub-regional and regional demand. Occupier demand is likely to include both logistics and manufacturing businesses seeking to serve Stoke-on-Trent, Crewe, as well as Manchester and the Midlands.

A Lack of Sites

- There are sites available within Cheshire East including Panattoni Park, Crewe, WestonM6, and Midpoint 18, Middlewich. A planning application has also been submitted by Indurent in May 2025 in relation to land south east ofJ16 M6 for up to 200,000 sq. ft of I&L. This application is currently pending decision.
- However, these sites are not sufficient to meet demand. The site is therefore **well placed to bolster the supply of land and choice of sites to maximise investment**.
- The Subject Site presents a **strategic-scale opportunity** to deliver a mix of units across several size bands which will help **accommodate demand across all segments of the market**.

Strong Demand

- Transactional activity within the North West region YTD 2025 has shown an increase year-on-year evidencing the strength of demand in the region.
- Where there have been opportunities these have proved successful in delivering investment and economic benefits.
  - Crewe Commercial Park is a significant and established logistics development located adjacent to the A500 and in proximity to J16 of the M6. Occupiers include AO, who signed a 10-year lease for Crewe 305, a 305,360 sq. ft unit. Crewe 305 was the second to be developed by Panattoni at Crewe Commercial Park. The first unit of 240,000 sq. ft was let to NWF Group on a 12-year lease.
- Other key recent deals within the region include:
  - A 421,250 sq. ft speculative unit has been let by Regency Glass at Indurent 420, Omega West, Warrington marking the largest single letting in the North West this year;
  - Baxi Heating have taken a second-hand unit at Revolution 185, Chorley of 185,191 sq.ft (Q3 2025);
  - Geberit Service has taken a second-hand unit of 141,121 sq. ft at Cabot 141, Stoke-on-Trent (Q2 2025); and
  - A 158,904 sq. ft BTS unit has been taken by Finsa UK at Grandidges Quay, Chester (Q1 2025).
- The majority of take-up YTD in the North West has been for second hand units indicating a shortage of new supply.

Active Requirements

Given the shortage of sites, there is strong demand with occupiers facing an increasingly limited choice of floorspace to meet their business needs, as evidenced by the live enquiries summarised below:

- There have been c. 60 requirements for I&L floorspace in the last 6 months which could be suitable for the subject site*
- Total requirement floorspace is between 6M sq.ft to 10M sq. ft
- The average floorspace requirement is between 100k to 200k sq. ft
- Demand is from a variety of sectors including manufacturing, 3PL and wholesale/distribution

**Not all occupiers are reported, particularly in the mid-box market.*

Proposed Development's Economic Benefits

CLIENT NOTE: In line with Savills Agents we have assumed the following land splits:

- Industrial manufacturing (B2) (incl. ancillary office space) 20%) – 13,980 sqm (GIA)
- Warehouse (B8) (incl. ancillary office space) (80%) – 55,920 sqm (GIA)

ECONOMIC BENEFITS

CONSTRUCTION PHASE

365 direct jobs

(on-site) supported on average during the 1.5-year construction period. Around 185 of these are expected to be taken by Chesire East residents.

255 net additional jobs

(on/off-site) are expected to be generated for Cheshire East residents during the construction period.

£100m capital investment

required to construct the proposal.

£28.5m additional GVA

associated with the additional number of on-site construction jobs supported.

OPERATIONAL PHASE

1,155 direct jobs

(on-site) related to future I&L occupiers. Around 755 of these are expected to be filled by Chesire East residents.

705 net additional jobs

(on/off-site) are expected to be generated for Cheshire East residents.

£64m additional GVA

related to the additional number of on-site operational jobs.

PUBLIC SECTOR REVENUES

The public sector would also benefit from additional local government revenues from a range of sources, some of which can be retained by Chesire East.

Estimated Total Additional Business Rates:

£2m PER ANNUM

Around 970k to be retained by Chesire East Local Authority.

Net Additional Cumulative Income (Net Present Value):

£27.2m* OVER 20 YEARS

SOCIAL VALUE

SKILLS & EMPLOYMENT

£8k Social value of non-paid work experience placements

£124k Social value of apprenticeships supported per annum

£30k Social value of Construction Career Information, Advice and Guidance Events

£245k Social value of those on training placements gaining a form of qualification

SKILLS & EMPLOYMENT

£86k Social value of NHS savings as unemployment reduces

£746k Social value of hiring those who are not in employment, education, or training (NEETs)

£9.6m Social value of local procurement supporting local businesses

TOTAL SOCIAL VALUE

£12.3m



* Net Present Value (NPV) discounted at Treasury Green Book rate of 3.5% pa starting 2025