

Appendix 3**Critique of the Rugby Borough Council Interim Sustainability Appraisal (SA) Report**

Source: Sustainability Appraisal (SA) Table 6.2: Employment land growth scenarios appraisal – Scenarios 1,2 and 3. Annotated with comments from Stoford.

Pretext for Scenario 1: Site 328

Land West of Prologis Park is made up of Site 61: Mountpark Ryton and Site 50: Prologis Park Ryton West. The Council's Stage 2 Site Assessment (March 2025) appraises all three sites. Notably, some of the accessibility information provided by National Highways in respect of the Sites 61 and 50 has not been replicated across to Site 328. As a result, the 'high' level of concern relating to the level of physical highway mitigation required to mitigate impacts on the strategic road network from development on this site is missed entirely. This is a significant omission which sways the assessment of accessibility in the Interim SA Report. Site 328 and Site 130 (land north of Houlton) each score 1 out of 6 in respect of public transport accessibility, yet the accessibility of Site 130 will undoubtedly increase as consented schemes at Houlton for 295 homes are currently under construction and a further 1,205 will be built out by 2031 (Rugby Borough Council 5 year Housing Land Supply Position Statement 2024-2029). This is in addition to the 1161 homes already completed as at December 2024. As a result of this, bus services along Houlton Way will increase and new residents will be closer to Site 130, further increasing the opportunities for walking and cycling.

Key

Within each row, the aim is to:

1. Rank the scenarios in order of performance (★ indicating best performing and = used where it is not possible to differentiate with confidence); and then
2. Categorising performance in terms of significant effects;
 - red (significant negative)
 - amber (moderate/uncertain negative)
 - light green (moderate/uncertain positive)
 - green (significant positive)
 - no colour (neutral)

Scenario	Council's appraisal of Scenario 1 Preferred option inc. 328	Stoford's appraisal of Scenario 1 Preferred option inc. 328	Council's appraisal of Scenario 2 Replace 328 with 130	Stoford's appraisal of Scenario 2 Replace 328 with 130	Council's appraisal of Scenario 3 Replace 328 with 18 and 133	Stoford's appraisal of Scenario 3 Replace 328 with 18 and 133	Stoford's appraisal rationale
Topic	Order of preference (numbers) and predicted significant effects (shading)						
Accessibility	1	2	2	1★	3	3	Both sites 328 and 130 offer significant new open space, however Site 130 does not erode valuable Green Belt land. The quantum of new open space offered at both sites are comparable (55ha at Site 328 and 60ha at Site 130). The commentary to Table 6.2 in the SA refers to links between the proposed country park at Site 328 and Ryton Pools Country Park, yet the site allocation boundary does not extend to Ryton Pools. The open space at Site 130 alongside the Clifton Brook offers parking for visitors and links to 70ha of consented informal open space at Houlton. For these reasons we consider the accessibility of our site to be superior to Site 328 and with the potential for a linked extensive Country Park setting. Scenario 3 (Sites 18 and 133) does not offer areas of new open space and provides for structural green infrastructure around buildings only.
Air Quality	=	=	=	=	=	=	No comment.
Biodiversity	=	2	=	1	=	1★	At 6.3.4, the focus of the SA is on the opportunities for each site to deliver biodiversity enhancements as mitigation rather than an assessment of the impacts on the ecological / biodiversity baseline. In line with the mitigation hierarchy (NPPF para 193), there is a need to avoid issues in the first instance ahead of relying on mitigation . The Stage 2 site assessment considers the ecological constraints at Site 328 to be high. They are stated as being medium at Site 130, and low at combined Sites 18 and 133. This assessment should form part of the SA appraisal and be reflected in the scenarios.
CC Adaptation	2	=	2	=	1	=	No comment.
CC Mitigation	=	=	=	=	=	=	No comment.

Communities	1	2	1	1★	2	2	Given the location of Site 130, the benefits of its country park with walking / cycling links to the west will benefit the communities of Houlton, Rugby urban area and its suburbs opposed to communities in Coventry (with no benefits to Rugby residents). Scenario 2 (Site 130) and Scenario 3 (Sites 18 and 133) are also in proximity to a future workforce at Rugby. The sites within Scenario 1 perform a stronger relationship with labour pools within Coventry.
Economy / Employment	1	2	2	1★	2	3	Scenario 1 (inc. Site 328) is favoured by the Council based on its proximity to a 'hub of economic agglomeration of larger-than-local importance and its potential to deliver a mix of employment land including small to medium sized buildings'. The proximity of Scenario 2 (inc. Site 130) to the Daventry International Rail Freight Interchange is not considered within the SA despite its national significance and rail connectivity. Site 130 has the unique ability to be a 'spoke' location to the central 'hub' of DIRFT in the hub and spoke model of logistics. Thus, Site 130 can provide a regional or local distribution point for goods received from DIRFT, for delivery to customers. Equal to Site 328, Scenarios 2 and 3 can provide small and medium sized buildings. Stoford have updated their masterplan to include a mix of employment floorspace given the supporting evidence in the West Midlands Strategic Employment Sites Study. Scenario 3 is not within proximity of a hub of economic agglomeration of larger than local importance.
Historic Environment	1	1	1	1	2	2	No comment.
Homes	=	1	=	1	=	2	Scenario's 1 and 2 provide gypsy and traveller provision onsite to assist in meeting an identified unmet need.
Landscape	2	3	1	1★	1	2	Scenario 2, including Site 130 has the lowest landscape sensitivity as per the Stage 2 Site Assessment and is located outside of the Green Belt. Scenario 3 including Sites 18 and 133 are also outside the Green Belt but the landscape has medium/low sensitivity given the risk of coalescence with Rugby and Thurlaston / Dunchurch. Scenario 1, including Site 328 is in the Green Belt which is afforded significant protection in planning policy and should be avoided unless there are no other reasonable options. Based on the Warwickshire Joint Green Belt Assessment 2016, Site 328 performs strongly against the purposes of the Green Belt and its development would undermine its function.

							Accordingly, this scenario would have a significant effect on the landscape. Since the SA table omits a separate topic on 'Green Belt' the SA assessment of Site 328 in respect of landscape should reflect its likely significant effects, be rated last of the 3 options and be shaded red.
Resources	1	1	2	1	1	1	Site 130 comprises a mix of arable and pasture land, therefore the parts of the site used for pasture should be omitted from its assessment of agricultural land quality. Stoford are preparing a detailed agricultural land classification survey.
Transport	1	2	2	1 ★	2	2	<p>Site 328: Land West of Prologis Park is made up of Site 61: Mountpark Ryton and Site 50: Prologis Park Ryton West. The Council's Stage 2 Site Assessment (March 2025) appraises all three sites. Notably, some of the accessibility information provided by National Highways in respect of the Sites 61 and 50 has not been replicated across to Site 328. As a result, the 'high' level of concern relating to the level of physical highway mitigation required to mitigate impacts on the strategic road network from development on the site is missed entirely. This is a significant omission which sways the assessment of accessibility in the Interim SA Report.</p> <p>Equal to Scenario 1 (Site 328), National Highways reported a high level of concern relating to the level of physical highway mitigation required to mitigate impacts on the strategic road network from development at Scenario 2 (Site 130). A medium level of concern was raised in respect of Scenario 3 (Sites 18 and 133).</p> <p>Scenario's 1 (Site 328), 2 (Site130) and 3 (Sites 18 and 133) each score 1 out of 6 in respect of public transport accessibility, yet the accessibility of Site 130 will undoubtedly increase as consented schemes at Houlton for 295 homes are currently under construction and a further 1,205 will be built out by 2031 (Rugby Borough Council 5 year Housing Land Supply Position Statement 2024-2029). As a result of this, bus services along Houlton Way will increase and new residents will be closer to Site 130, further increasing the opportunities for walking and cycling. In addition, the consented Rugby Parkway Station, opening in 2029 will be within walking / cycling distance of Scenario 2. This should weigh heavily in favour of Site 130.</p>

							<p>In respect of Scenario 1, it appears that no consideration around in-combination impacts from committed growth in the adjacent authorities of Coventry and Warwick (close to the site) have been considered. A new gigafactory on the Coventry Airport site is consented and Coventry's Proposed Submission Plan allocates a 25ha strategic employment site at Bagington Fields.</p> <p>Significant concerns about the in-combination transport effects of committed development at South West Rugby are raised in respect of Scenario 2 (combined Sites 18 and 133).</p>
Water	=	=	=	=	=	=	No comment.

Stoford's concerns with the Interim Sustainability Appraisal (SA) Report

The Interim SA Report is not fit for purpose and has been intentionally drafted to exclude the identification of significant adverse impacts on the Green Belt. The SA framework in the Interim SA Report includes sustainability objectives addressing economic, social and environmental matters (table 3.1). Whilst there is a topic on 'landscape' (which seeks to protect the countryside), this objective (nor any other) does not address the Green Belt. This omission is unjustified and inconsistent with the NPPF given its clear steer to protect the Green Belt unless exceptional circumstances are fully evidenced and justified (para 145).

Since the Interim SA fails to assess any of the housing and employment growth scenarios against an effect on the Green Belt, its effects on this element of national policy are neither considered nor accounted for. Given the quantum of land proposed for employment uses in the Green Belt (321ha), and the strength of the land's contribution to Green Belt purposes (evidenced in the Council's Joint Green Belt Assessment 2015), it is reasonable to assume that any appraisal of these sites against a Green Belt protection objective would result in significant negative effects (as shown in the table above). As per paragraph 33 of the NPPF, significant adverse impacts on objectives **should be avoided** *[our emphasis]* and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued first.

As demonstrated by employment land growth Scenarios 2 and 3 in the Interim SA, alternative non-Green Belt sites are available which would eliminate all impacts on the Green Belt. The lack of regard for the protection of the Green Belt constitutes a significant failure of the SA which prejudices the results of the employment land growth scenarios that feature within it. Thus, the strategy for employment land (Policy S3) is not justified (para 36b NPPF). The SA fails to include an additional scenario that explores how an increased employment land need could be met, and whether this may require a combination of non-Green Belt and Green Belt sites. This option could be utilised to remedy shortcomings in the Local Plan, meet the higher

growth needs that are evidenced, and allocate additional land firstly within non-Green Belt sustainable locations, ahead of considering the need for Green Belt sites.

At paragraph 5.2.72 of the Interim SA, the Council refers to wider factors that will have a bearing on the broad spatial strategy [our emphasis] including an assessment of the Green Belt. This approach is incorrect because the NPPF is clear at paragraph 32 that the consideration of Green Belt should **underpin** the local plan strategy and not simply have a bearing on it.

If Green Belt was included in the SA criteria, as appropriate, the harmful impacts of Scenario 1 on the Green Belt / environment would have been identified and expressed as a significant adverse effect. Given the national importance of Green Belt in plan-making this should be weighed heavily against this option. In our accompanying representations, we note that Scenario 1 (Site 328) was assessed in the Council's Joint Green Belt Study (2015) and was considered to contribute strongly to the purposes of the Green Belt.

If the identified errors / inconsistencies in the SA method were rectified, as shown in our table, we note that Scenario 2 would perform best under the greatest number of topic headings and is assigned the greatest number of positive effects and the fewest negatives. Whilst the appraisal assumptions against each topic are not weighted in the SA, any scenario protecting the Green Belt should be attributed significant positive weight given the presumption in favour of sustainable development in national planning policy, which includes protection of the Green Belt.

Technical Note Reviewing Industrial Land Need Evidence Supporting Rugby Preferred Options Consultation Local Plan

1. This Note has been prepared by Marrons on behalf of Stoford Rugby Limited and seeks to draw out fundamental issues with the Council's calculation of industrial land needs. The consequences of pursuing such a constrained level of employment land needs are severe both to the market (resulting in limited choice, high rents and limited ability for local firms to expand), as well as the local economy, through lower levels of job creation.

Context

2. Policy S3 of the Preferred Options Consultation Local Plan relates to the Council's Strategy for employment land. It aims to meet Rugby Borough's need for employment land in the period 2024 – 2045 (21 years), and in so doing identifies that 4.4ha of office floorspace will be delivered, along with 284ha of industrial and general employment floorspace. In total therefore the Preferred Options Local Plan is providing for a total of 288.4ha of employment land.
3. The Council's Development Needs Topic Paper (March 2025) summarises the evidence informing this figure. The calculation of industrial need can be summarised as follows:
 - a. The West Midlands Strategic Employment Sites Study (WMSESS, 2024) identified a need within Opportunity Area (OA) 7 (broadly comprising Rugby and Coventry), after commitments, for 84ha of land for strategic floorspace >9,000 sq m) over the period 2022 – 2045. Added to this is commitments of 201ha, suggesting a strategic industrial need of 285ha.
 - b. The Development Needs Topic Paper then subtracts completions between 2022 – 2024 totalling 67.5ha, reducing the strategic need figure to 217ha over the period 2024 – 2045.
 - c. In respect of smaller sites, the Development Needs Topic Paper refers to a need for 66.3ha (with reference to the Alignment Paper) over the period 2024 – 2045.
 - d. **The combined total gross industrial need over the period 2024 – 2045, as set out in the Development Needs Topic Paper, therefore totals 284ha.**
4. The key sources of evidence are as follows:

HEDNA 2022

5. The initial employment evidence, the Coventry and Warwickshire HEDNA, was published in 2022. It determined there to be a general industrial need over a 20 year period 2021 – 2041 of 150.5 ha within Rugby, plus a further 551ha of need for strategic B8 sites across Coventry and Warwickshire (not allocated to specific authorities). The need calculations are underpinned by an assessment of past trends over the period 2011 – 2019, and as such no account is taken of the significant change experienced across the logistics industry during and following the Covid pandemic, and as a result of BREXIT. The C&W HEDNA has informed the Council's Coventry and Warwickshire – WMSESS Alignment Paper (November 2025), which is referred to below.

WMSESS 2024

6. Separately, the Council along with other West Midlands local authorities have prepared the WMSESS (West Midlands Strategic Employment Sites Study 2023/24). The purpose of this study was to inform the extent of strategic employment floorspace (manufacturing and logistics) over the central West Midlands economy.
7. The WMSESS assesses a number of high level scenarios to determine future strategic sites need, concluding in paragraph 10.23 that the 'completions trend' model is the preferred lower end of the range and the 'traffic growth/ Replacement demand central scenario' provides the upper end of the range. It goes on to state that historic completion rates appear not to have met demand, and even with a margin (of flexibility – amounting to 5 years of supply) may continue to fail to do so. As such it considers need forecasted under the completions model to be a minimum requirement.
8. Paragraph 10.25 recommends a need for large units of between 3,080 ha (completions plus margin) to 3,980ha across the WMSESS study area. Further adjustments are made to this range, which this note does not seek to address in detail, other than to flag that they have the effect of significantly reducing overall need, placing potentially significant constraints on the future supply of large scale strategic sites.
9. Rugby falls within Opportunity Area (OA) 7, which also encompasses Coventry. The gross strategic need is not identified for each OA within the WMSESS, rather it appears to provide an indicative summary of residual need, which for OA7 is said to comprise between 1 – 2 B8 mixed use sites; and 1 – 2 E9 B2 sites, which collectively would require between 75 – 150ha of additional employment land. The Development Needs Topic Paper refers to a net figure of 84ha, which broadly relates to the reduction of the WMSESS figure to account for the 64ha commitment at Padge Hall Farm – however it should be noted that this site does not fall within OA7¹, and should not therefore be included, and was a planning permission granted in the main, for a specific occupier (accepted by the Council within their March 2023 Committee Report). Within that Report, officers advised that the needs of a Hinckley based occupier for a unit of just under 600,000sqft were being met through the application. Such needs are arising from outside of the West Midlands, and the Coventry and Warwickshire area. They will not have been factored into the evidence base that underpins the Local Plan and summarised in this Paper.
10. After accounting for commitments (including Padge Hall Farm), as detailed in paragraph 1.31 of the Development Needs Topic Paper, this would indicate that the WMSESS considered there to be a strategic sites need within OA7 of 285ha (2022 – 2045). The WMSESS does not provide an explanation of how this level of need sits within the range detailed in Section 10 of the WMSESS.
11. It is also important in this respect to note by its own admission the WMSESS 'apportionment strategy' was intentionally simplistic and high level².

¹ Paragraph 4.10 HEDNA WMSESS Alignment Paper

² Paragraph 1.31 WMSESS

12. As a means of comparison, it is possible using data within the WMSESS, specifically Tables 4.5 and 4.7³, and 8.1⁴ of the WMSESS to establish based on past strategic floorspace completions and take up within Rugby and Coventry specifically (those two authorities primarily making up OA7). This shows that over the 11 year period 2011 – 2021/22 total strategic site completions across Coventry and Warwickshire stood at 645,489 sq m. Extrapolating this figure over a 21 year plan period (plus 5 year margin), at a plot ratio of 0.35 would suggest a need for strategic industrial sites of 436ha. By way of comparison a review of take up over the period 2018 – 2022, of strategic floorspace, across both authorities totals 582,637 sq m. Extrapolating this figure over a 21 year plan period (plus 5 year margin), at a plot ratio of 0.35 suggests a strategic need of 866ha within OA7.
13. The critical point being, both figures significantly exceed the level of strategic sites need that has been attributed to OA7 within the WMSESS, suggesting that the level of strategic sites growth provided for within the WMSESS (for OA7) will have the effect of significantly constraining supply.

C&W HEDNA – WMSESS Alignment Paper (November 2024)

14. The Alignment Paper is intended to bring together the WMSESS and C&W HEDNA (2022). In addition to drawing out the conclusions of the WMSESS in respect of strategic sites need it summarises the need for local industrial sites (<9,000 sq m), as well as ‘big box need’ on non-strategic sites. There are various inconsistencies with the approach taken in the Alignment Paper relative to the WMSESS, which we do not seek to address within this note but lead to inconsistencies in output. The Alignment Paper concludes there to be a need for smaller industrial sites totalling 68ha (2021 – 2045). This level of need is at odds with that provided in the HEDNA (2022) for general industrial needs in Rugby (150.5ha 2021 – 2041) over a shorter timeframe, however no detail is provided within the Alignment Paper to allow a critique of the calculations.

Past Completion Trends

15. It is important to note that much of the Council’s evidence does not appear to be based upon the latest completions trends. The HEDNA, for example assesses trends to 2019, and the WMSESS to 2021/22. Whilst the Alignment Paper states that completions trends to 2023/24 have been used, no detail is provided, and the output is lower than that resulting from the HEDNA based trends, despite Rugby experiencing higher levels of completions in recent years.
16. Furthermore, and despite the Preferred Options Local Plan having a start year of 2024, all of the evidence is based upon a study period commencing in 2021/ 2022. As a result the Council, within its Development Needs Topic Paper, has netted off completions which have occurred in the intervening period.
17. This is an important issue, because on the one hand the Council has not applied the latest completions data (most apparently in respect of strategic need) in determining future need – despite those completions more properly reflecting the state of the modern logistics market, yet

³ Extracts in Appendix 1

⁴ Extract in Appendix 2.

on the other hand it has drawn upon those past recent completions as a means of netting off need (which itself does not reflect current demand). Whilst this might be an understandable approach if it were undertaken during the proposed Plan Period, these calculations are made prior to the Plan period commencing.

18. A more transparent and logical approach would be to assess need based upon latest completions data – the more recent AMR being 2023/24.
19. The following table below summarises completions, as sourced from the Council's AMRs over the past 10 years – the data shown reflects total completions (in land area) for B2, B8 and mixed use employment sites (duplicates have been removed).

Table 1 Employment Land Completions - Rugby
B2/ B8 and mixed
use completions (ha)

2023/24	48.6
2022/23	28.6
2021/22	2.1
2020/21	0.4
2019/20	31.1
2018/19	1.4
2017/18	3.3
2016/17	51.5
2015/16	4.1
2014/15	29.7
Total ha	200.8

Source: RBC AMRs (duplicated sites removed; includes mixed use B class employment sites)

20. **Extrapolating completions over the past 10 years within Rugby, over the 21 year plan period (plus a further 5 year margin) would suggest a need within Rugby for 522ha of industrial / mixed use employment land.**
21. **This level of need, based upon past long term trends (pre and post COVID) is significantly higher than that proposed by the Council (284ha over same time period as summarised in paragraph 3d above).** In part this is because the Council's evidence does not factor in the most recent completion data within its needs calculation, but it is also clear that the use of the indicative apportionment of strategic sites within the WMSESS has the effect of suppressing need in areas which have traditionally shown high demand.
22. **Indeed, reference to past completions and take up calculations drawn from data within the WMSESS confirms that an extrapolation of those figures would suggest a strategic industrial need of between 436ha and 866ha⁵ over the 21 year plan period.**

⁵ Drawn from reference to Tables 4.5 and 4.7, and 8.1 of the WMSESS as summarised in Paragraph 12 on this note. Extracts set out in Appendix 1 and 2 of this Paper.

23. **The critical point being that at present the Council is planning on a level of employment land supply significantly below what past trends would suggest.**
24. The Council's evidence base appears overly complex, assessed across different time frames to the plan, and with strategic and local industrial needs assessed on different basis. Aside from the fact that the evidence is difficult to follow, it contains a number of assumptions (including around rail freight within the WMSESS) which have the effect of reducing overall need. As is clear, from the figures presented above, the consequence to Rugby of such assumptions are severe and we would encourage the Council to revisit its evidence base and sense check against past completions, as well as market demand data at a local level.

Appendix 1 – WMSESS Past Take Up within Opportunity Area 7 (Coventry and Rugby) within Strategic Manufacturing and Strategic Logistics – Tables 4.5 and 4.7

Table 4.5 Strategic Manufacturing Floorspace Gross Take-up
(sq.m) by Local Authority

	Local Authority	2018	2019	2020	2021	2022	Total
Birmingham	Birmingham City	9,826	36,787	12,614	-	9,522	68,749
	Bromsgrove	0	-	-	-	-	-
	Dudley	12,620	0	23,790	-	-	36,410
	Redditch	0	-	-	-	-	-
	Sandwell	-	-	34,339	-	17,769	52,108
	Solihull	-	92,716	-	-	-	92,716
	Wolverhampton	16,395	-	13,045	-	-	29,440
	Wyre Forest	-	37,996	-	-	-	37,996
	Birmingham Total	38,841	167,499	83,788	0	27,292	317,420
	Coventry	12,546	-	-	-	22,689	35,235
Coventry	North Warwickshire	38,495	14,941	-	-	24,109	77,545

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Staffordshire	Nuneaton and Bedworth	-	-	-	-	-	-
	Rugby	40,923	-	-	15,399	-	56,322
	Stratford-On-Avon	-	-	-	-	-	-
	Warwick	-	-	-	-	27,636	27,636
	Coventry Total	91,965	14,941	0	15,399	74,434	196,738
	Cannock Chase	-	-	-	-	-	-
	East Staffordshire	-	-	-	15,937	15,937	31,875
	Lichfield	-	13,782	-	10,127	-	23,910
	Newcastle-under-Lyme	-	10,639	-	-	-	10,639
	South Staffordshire	-	-	-	-	-	-
Staffordshire	Stafford	-	-	-	-	-	-
	Stoke-On-Trent	-	-	-	12,645	-	12,645
	Tamworth	-	-	-	-	-	-
	Staffordshire Moorlands	-	-	-	-	-	-
	Stafford Total	0	24,421	0	38,710	15,937	79,068
		130,806	206,862	83,788	54,108	117,663	593,227

Source: CoStar and Icen Analysis (2023)

Table 4.7 Strategic Logistics Floorspace Take-up by Local Authority
2018-2022 (sq.m)

	Local Authority	2018	2019	2020	2021	2022	Total
Birmingham	Birmingham Core	97,622	72,896	66,726	32,342	18,886	288,472
	Bromsgrove	-	34,041	-	-	10,380	44,420
	Dudley	12,620	-	23,790	-	-	36,410
	Redditch	-	-	-	10,554	-	10,554
	Sandwell	-	-	34,339	43,849	17,769	95,957
	Solihull	-	114,522	24,351	-	-	138,873
	Walsall	-	10,966	14,307	-	-	25,273
	Wolverhampton	42,709	-	13,045	12,357	-	68,111
	Wyre Forest	-	37,996	-	-	-	37,996

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	Birmingham Total	152,951	270,421	176,558	99,102	47,035	746,066
Coventry	Coventry	32,114	15,991	61,877	47,593	91,084	248,658
	North	81,973	14,941	29,841	59,089	68,441	254,285
	Warwickshire	-	-	21,403	-	91,141	112,544
	Nuneaton and Bedworth	-	-	21,403	-	91,141	112,544
	Rugby	50,245	25,926	62,140	29,191	74,921	242,422
	Stratford-On-Avon	-	-	-	-	9,887	9,887
	Warwick	28,831	48,185	-	14,653	55,507	147,175
	Coventry Total	193,163	105,043	175,261	150,526	390,981	1,014,971
	Cannock Chase	-	34,882	49,362	14,971	13,134	112,348
Stafford	East	-	-	-	25,534	58,096	83,630
	Staffordshire	-	-	-	25,534	58,096	83,630
	Lichfield	29,910	37,008	40,603	30,507	12,774	150,802
	Newcastle-under-Lyme	-	10,639	-	9,610	-	20,249
	South	-	-	-	85,748	-	85,748
	Staffordshire	-	-	-	85,748	-	85,748
	Stafford	-	-	84,946	-	-	84,946
	Staffordshire Moorlands	0	0	0	0	0	0
	Stoke-On-Trent	-	10,081	38,615	12,645	17,179	78,520
	Tamworth	52,189	-	-	12,597	-	64,786
	Stafford Total	82,099	92,610	213,526	191,612	101,183	681,029
		428,213	468,074	565,345	441,240	539,199	2,442,066

Source: CoStar and Icen analysis (2023)

Appendix 2 – WMSESS Past Completions of Strategic Units within Opportunity Area 7 (Coventry and Rugby) – Table 8.1

Table 8.1 Strategic Unit (+9,000 sq.m) Gross Completions by Local Authority (2011/12-2021/22)

Local Authority	No. of Units	Floorspace (sq. m)
Coventry	5	172,792
North Warwickshire	16	1,100,707
Nuneaton and Bedworth	1	21,403
Rugby	15	472,697
Stratford-on-Avon	3	182,589
Warwick	3	47,292
Birmingham	18	328,740
Bromsgrove	1	34,080
East Staffordshire	5	186,105
Lichfield	8	201,018
Redditch	0	0
Solihull	10	256,395
Tamworth	1	12,597

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Wyre Forest	0	0
Shropshire	0	0
Cannock Chase	0	0
Newcastle Under Lyme	0	0
South Staffordshire	6	267,323
Stafford	4	253,343
Staffordshire Moorlands	0	0
Stoke on Trent	16	291,820
Dudley	0	0
Sandwell	3	64,517
Walsall	1	16,000
Wolverhampton	2	26,057
Total	118*	3,935,475

Source: Local Authority Monitoring Data and CoStar (2023)

*Some completions consisted of multiple units over 100,000 sq.ft but have been counted together if under the same consent.



EMPLOYMENT NEEDS ASSESSMENT

RUGBY

STOFORD PROPERTIES LIMITED

JANUARY 2024





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APPENDICES

APPENDIX 1 – Annual Monitoring Report Review – Rugby 2022/23

APPENDIX 2 – Review of completed employment sites – Rugby 2011 - 2023



1. NON TECHNICAL SUMMARY

- 1.1 This Employment Needs Assessment has been prepared by Marrons on behalf of Stoford Properties Limited.
- 1.2 The purpose of this Report is to assess, based upon current evidence, the extent of the employment land needs within Rugby, and the wider functional economic market area of Coventry and Warwickshire.
- 1.3 The Council has decided to proceed with a full update of its Adopted Local Plan (2011 – 2031). This decision followed, amongst other things, new evidence of future needs for homes and employment land, particularly warehousing uses. In respect of employment needs, the Issues and Options consultation draws attention to more recent evidence which establishes both non-strategic employment needs within Rugby, and broader strategic needs which for the time being have been identified only across the Coventry and Warwickshire functional economic market.
- 1.4 The Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) 2022 forms the core piece of evidence informing the Council's employment land requirement.
- 1.5 In respect of general (non-strategic) industrial land requirements, the HEDNA measures future growth based upon past long-term completions over the period 2011 – 2019. Based upon this calculation, general industrial need over the period to 2041 stands at 150.5 hectares (ha), increasing to 218.2ha by 2050. The Council considers that it has a sufficient identified supply to broadly meet this need to 2041, albeit as we note in doing so the Council include a number of strategic sites which meet strategic need (which in itself is additional to non-strategic need). The point being the Council are double counting its supply for both non-strategic and strategic purposes.
- 1.6 The HEDNA also assesses strategic warehousing need across Coventry and Warwickshire, basing its calculations on the same past completion period for the first 10 years of the plan and a slightly lower level of growth reflective of traffic demand in the second half of the plan period. Strategic needs within Coventry and Warwickshire total 551ha to 2041, increasing to 735ha to 2050.
- 1.7 Evidence has yet to be published determining the distribution of this strategic need. However, an assessment based upon past completions would indicate that 34% should be met by Rugby, equating to 187ha of strategic needs by 2041, and increasing to 250ha by 2050. This means that based upon evidence presented within the HEDNA the Council should be planning to meet an industrial need equivalent to at least 337.5ha by 2041, and 468.2ha by 2050.



- 1.8 However, the HEDNA bases its calculations of need on past completions over the period 2011 – 2019, but acknowledges that the shift towards ecommerce arising from the Covid pandemic has accelerated demand for logistics space.
- 1.9 This Report undertakes an assessment of the latest completions trends over the past 10 years (2014 – 2023). The assessment shows average annual completions to be 16% *greater* than the level of completions assessed by the HEDNA. On the basis that the Council should be planning based upon the most recent 10-year trend, Rugby's strategic and non-strategic industrial land needs total 403ha by 2041, increasing to 547ha by 2050.
- 1.10 Notwithstanding this, past completions will always be constrained to past evidence, and as such will not reflect unconstrained, policy off need.
- 1.11 Market evidence presented by Lambert Smith Hampton (LSH) and appended to our client's representations demonstrates a significantly higher level of demand than reflected in past completions. LSH consider that with a good supply of new logistics floorspace, take up levels should be well in excess of 1.5m sq ft. per annum, and probably significantly higher with new build-to-suit commitments. Assuming a prudent plot ratio of 0.4 this equates to annual demand for 35ha, or 875ha over the 20-year period to 2041 (including a 5 year margin of flexibility). This increases to 1,190ha by 2050 (including flexibility margin).
- 1.12 Furthermore, LSH consider that this is compounded by a lack of supply in recent years, and at present there exists an active requirement for 9m sq ft. of floorspace (with requirements ranging from 80,000 to 800,000 sq ft.). Based upon a plot ratio of 0.4, this equates to current active requirements occupying an area equivalent to 209ha (representing an immediate requirement).
- 1.13 LSH conclude by confirming there to be a significant shortfall in the availability of credible development land in Rugby Borough over the next 20 years, and as a consequence the area will not be able to provide for projected occupier demand. Based upon current take-up projections over the last 5 years, it considers there to be only 1.6 years of supply, and therefore after 2026 it is difficult to identify any credible development opportunity to meet either strategic or non-strategic occupier requirements.
- 1.14 This market assessment is consistent with the findings of the Coventry and Warwickshire Chamber of Commerce Employment Land Report published in 2023. This recommends allocating 20 per cent more land than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land. It also concludes that insufficient employment land has been allocated in the Local Plans in Coventry and Warwickshire historically, and the land which has been allocated has been used up far faster than anticipated. In addition, the report states that establishing future need for employment land based on projections of suppressed past take up

rates will always underestimate the true requirement for employment land.

- 1.15 Separately, Deloitte note in its Transforming Logistics Paper, 2022, that the UK logistics market is projected to grow at a compounded annual growth rate of 6.3%, with road freight and haulage seen as a particular area of growth. Application of this level of growth to existing industrial stock within Rugby over the 20-year period to 2041 results in an increased demand for employment land (assuming a plot ratio of 0.4, and a flexibility margin of 5 years) totaling 1,156ha, increasing to 2,212ha by 2050.
- 1.16 We set out the various scenarios discussed in the table below, both over the period to 2041 and 2050.

Table 1.1 Rugby, Total Forecast Industrial Land Needs 2021 - 2041

Industrial Land Growth Scenarios - Rugby	Non-Strategic (General Industrial) ha	Strategic ha	Total ha
Rugby Local Plan Review	150.5	Rugby to meet as yet unspecified proportion of 551ha	Unspecified (upwards of 150.5ha)
Past Completions (HEDNA) 2011 – 2019	150.5	187*	337.5
Past Completions 2014 – 2023 (AMR)	403		
LSH Forecast Demand - Rugby	875		
Deloitte Sector Based Forecast - Rugby	1,156		

Note: * Rugby's distribution of identified Coventry & Warwickshire wide strategic need amounts to 34% based upon past distribution (2011 – 2019)

All scenarios assume an additional 5 year flexibility margin as per HEDNA assumption

Table 1.2 Rugby, Total Forecast Industrial Lane Needs 2021 - 2050

Industrial Land Growth Scenarios - Rugby	Non-Strategic (General Industrial) ha	Strategic ha	Total ha
Rugby Local Plan Review	218.2	Rugby to meet as yet unspecified proportion of 735ha	Unspecified (upwards of 218.2ha)
Past Completions (HEDNA) 2011 – 2019	218.2	250*	468.2
Past Completions 2014 – 2023 (AMR)	547		
LSH Forecast Demand - Rugby	1,190		
Deloitte Sector Based Forecast - Rugby	2,212		

Note: * Rugby's distribution of identified Coventry & Warwickshire wide strategic need amounts to 34% based upon past distribution (2011 – 2019)

All scenarios assume an additional 5 year flexibility margin as per HEDNA assumption

- 1.17 As demonstrated by the market evidence presented within this Report, there exists a significant



level of unmet occupier demand for industrial floorspace within Rugby, and it is essential that this demand is not constrained by a limited supply of potential sites.

- 1.18 There is also a growing need to ensure there is a sufficient supply of sites to meet replacement stock requirements arising from aged stock that is no longer fit for purpose. Furthermore, it is essential that the Council adequately account for employment sites lost to other uses, such as residential development, and ensure sufficient sites are brought forward to address these losses.
- 1.19 In addition, analysis of Coventry's stated employment land position from its Issues and Options Local Plan consultation earlier this year demonstrates that it is unable to meet its own general industrial needs, leading to a shortfall of at least 87ha which will have to be met elsewhere by 2041.
- 1.20 On this basis it is reasonable to assume that Coventry is also unable to meet its strategic warehousing needs, and as such it may also be appropriate that Rugby plans to meet that unmet need. Various scenarios demonstrate that Rugby and Coventry's combined strategic warehouse need equates to approximately 43% of the Coventry and Warwickshire share. On this basis, and without accounting for more recent completions, it is reasonable to assume based upon evidence within the HEDNA that Rugby should plan to meet a proportion of what we consider will amount to Coventry's strategic needs amounting to approximately 45ha by 2041, increasing to 60ha by 2050.
- 1.21 In summary therefore Rugby's strategic and non-strategic industrial needs are as follows:
- Past completions, whilst constrained, indicate a need of between 337.5ha and 403ha to 2041 (the lower figure reflecting HEDNA evidence, the higher reflecting more recent completions), and between 468.2ha to 507ha to 2050;
 - Demand evidence, presented by LSH, would suggest that subject to a good supply of sites, take up levels could amount to at least the equivalent of +35ha per annum. This equates to 875ha to 2041, and 1,190 to 2050;
 - Current active requirements occupy an area equivalent to 209ha (representing an immediate requirement);
 - Market forecasts by Deloitte suggest stock growth of 6.3% per annum – equating to growth of 1,156ha by 2041, and 2,212 by 2050;
 - It is also appropriate for Rugby to meet a proportion of Coventry's unmet strategic needs (approximately 45ha by 2041, increasing to 60ha by 2050), plus the potential to meet a proportion of unmet (general industrial) non-strategic needs which would appear to total at least 87ha by 2041 and 154ha by 2050.

- 1.22 As a consequence of the above, Rugby Borough Council should plan for a significant increase in



its employment land supply to account for both general industrial and strategic warehouse requirements, and ensure that demand is not constrained by limited supply.

- 1.23 It is clear that this figure should *exceed* 337.5ha by 2041 based upon evidence presented within the Council's HEDNA, however given more recent evidence both in respect of past completions and occupier demand data the level of identified need far exceeds this, and there is a clear risk at the present time that supply will be severely constrained in a short space of time (LSH estimates 1.6 years).



2. INTRODUCTION

- 2.1 This Employment Needs Assessment has been prepared by Marrons on behalf of Stoford Properties Limited.
- 2.2 The purpose of this Report is to assess, based upon current evidence, the extent of the employment land needs within Rugby, and the wider functional economic market area of Coventry and Warwickshire.
- 2.3 Section 3 of this Report examines national planning policy associated with employment growth, whilst Section 4 provides an overview of the national logistics market. Section 5 summarises draft local planning policy, and section 6 includes a review of the employment needs evidence base.
- 2.4 Section 7 of the Report provides an overview of the industrial property market within which Rugby operates, whilst section 8 includes a review of neighbouring Coventry's likely levels of unmet need. Section 9 provides a summary of the supply and demand situation within Rugby.

3. NATIONAL PLANNING POLICY REVIEW

- 3.1 The National Planning Policy Framework (NPPF) (December 2023) requires that the preparation and implementation of plans and the application of policies in the framework deliver against its three sustainability objectives (economic, social and environmental). The economic objective of the NPPF is:

“to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity and by identifying and coordinating the provision of infrastructure;”¹

- 3.2 In ‘building a strong, competitive economy’, Section 6 requires that account is taken of local business needs and wider opportunities for development. Policies should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration. Critically paragraph 87 requires that recognition should also be given to addressing specific locational requirements of different sectors within planning policies, including:

“making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.”

- 3.3 Government national Planning Practice Guidance (PPG) requires local authorities to prepare a robust evidence base to understand existing business needs, which encompass functional market areas, and for Local Enterprise Partnerships to play a key role in this process. The guidance requires that in gathering evidence to plan for business uses, local authorities will need to liaise closely with the business community, take account of the Local Industrial Strategy and understand current and future requirements.

- 3.4 In assessing business needs the guidance confirms assessment of the following:

- Best fit functional economic area;
- Existing stock of land for employment uses within the area;
- Recent pattern of employment land supply and loss;
- Evidence of market demand;

¹ Paragraph 8a, National Planning Policy Framework, December 2023



- Wider market signals; and any evidence of market failure.²
- 3.5 More specifically, the guidance also confirms the critical role the logistics industry plays “*in enabling an efficient, sustainable, and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities*”, something that has been brought into sharp focus during the COVID-19 pandemic. Importantly, the guidance also recognises that the logistics industry “*has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial uses)*”.³
- 3.6 The guidance confirms that strategic logistics facilities with a national or regional remit are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Policy-making authorities are encouraged to engage with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies.
- 3.7 Local authorities are also required to assess the extent to which land and policy support is required for other forms of logistics requirements, including ‘last mile’ facilities serving local markets.
- 3.8 Given Rugby’s location within the Golden Triangle and its position on the strategic road network, it has and will continue to experience a high demand for large scale (strategic) logistics floorspace, the need for which can only be met in a limited geography in order to serve national logistics operations. This same geography is also heavily constrained by Green Belt which tightly constraints the Metropolitan Areas of Birmingham and Coventry. The revised NPPF (December 2023) was strengthened in respect of Local Plan reviews and the consideration of Green Belt. Paragraph 145 of the NPPF states that “*once established there is no requirement for Green Belt boundaries to be reviewed or changed when plans are being prepared or updated. Authorities may choose to review and alter Green Belt boundaries where exceptional circumstances are fully evidenced and justified.*”
- 3.9 For some authorities within the Golden Triangle e.g. Coventry, this change to the NPPF will be problematic and significant, however in the case of Rugby, there is a large quantum of land located on and adjacent to the strategic highway network which is not constrained by Green Belt and provides the Council with the opportunity to both fully meet demand and not require the need for exceptional circumstances to be explored.
- 3.10 The benefits of being located centrally within the Golden Triangle to Rugby are significant, both in terms of direct job creation, as well as to the wider supply chain, and as is clear in Government

² Paragraph ID2a-026, PPG, 2019

³ Paragraph ID2a-031, PPG, 2019



Policy it is essential that the local authority ensures that this demand is met in full, where Green Belt releases are not required.

- 3.11 Paragraph 24 of the NPPF outlines the duty which local planning authorities are under to cooperate with each other on strategic matters which cross administrative boundaries. Paragraph 26 goes on to states:

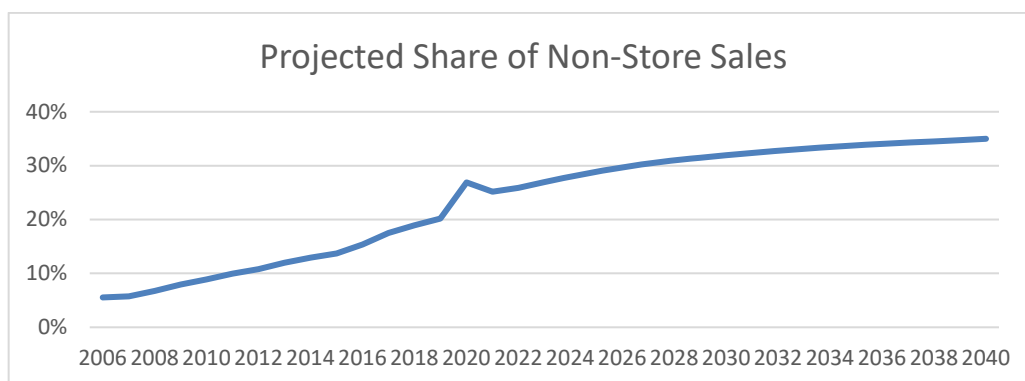
“Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.”

- 3.12 This is significant given Rugby’s adjacency to Coventry, a tightly constrained authority area which is unable to meet its employment land needs.

4. DRIVERS OF CHANGE IN THE LOGISTICS MARKET

- 4.1 This section of the Report considers evidence presented by the British Property Federation and Savills in its report, 'Levelling Up – the Logic of Logistics Demand for logistics' (2022), as well as more recent evidence presented by Lambert Smith Hampton (LSH), on behalf of our client.
- 4.2 Demand for logistics floorspace within the UK is significant. This is fueled by growth in online retail, exit from the EU (disrupting the supply chain), the onset of the COVID pandemic, and other global factors which place an increased focus on the need for onshore logistics infrastructure to provide supply chain security.
- 4.3 The following graph displays the growth in non-store (ecommerce) sales in past years, and forecast into future years. The impact of the COVID pandemic in speeding up the transition from store to non-store spending is clear.

Figure 4.1 Projected Growth in Non-Store Sales



Source: Experian

- 4.4 As the BPF Report, Levelling Up – the Logic of Logistics highlights, it is not just ecommerce driving growth for industrial and logistics floorspace – these are identified in the graphic below. Combined, these growth drivers, each competing for space, are placing unprecedented demand for premises. In January 2022 Savills reported that 55.1 million sq ft. of warehouse floorspace had been transacted in the prior year, a +86% increase on the long term average.

Figure 4.2 Industrial and Logistics Growth Drivers



- 4.5 The BPF Report also highlights a longer standing under-supply of logistics floorspace across UK markets, evidenced by significant increases in rental growth. The Report references rental growth of +61% across England between 2011 and 2021, more than double inflation. LSH note that whilst the pace of rental growth has been easing since the heights of 2021, unlike other property sectors, it remains firmly in positive territory. Across the 60 key markets in the UK, average prime rents for 50,000 sq ft. units increased by 8% over the 12 months to the end of Q3 2023.
- 4.6 LSH report that in 2023 there remains a clear focus on demand for high quality space, which continues to drive rental growth. LSH note that whilst occupier demand is back to pre-pandemic levels, this reflected high inflation, and a steady stream of interest rate hikes which resulted in a deterioration in activity. However, the West Midlands was the most resilient region.
- 4.7 In respect of UK-wide supply, LSH confirm that supply remains tight, equivalent to only 1.2 years of average take-up and an availability rate of just 4.3%.
- 4.8 The BPF Report notes that during periods of suppressed demand (i.e. under supply) rental growth peaks. It considers that equilibrium in the market is established when availability of floorspace stands at 8% of stock.
- 4.9 LSH consider that take-up will continue to stabilise following the Covid and Brexit peak and remain at healthy levels with sustained occupier demand and investor sentiment.
- 4.10 It states that:

“a new era of logistics will occur with significant sectoral pressure over the next 10 years driven primarily by technological innovations and environmental concerns. Increased demands on ever improving cost efficiency and the relentless growth of the online retail sector will be balanced by environmental concerns, climate change pressures, brand loyalty and demands for better



working environments.

An increased awareness on supply chain security will lead to more onshoring / near shoring in place of relying on stretched global networks affected by wars / conflicts and natural disasters. This has increased post Brexit and is linked to manufacturing commitments in the UK.

Units will continue to be larger and more bespoke / specialised to generate operational efficiencies offering greater warehouse volumes. Haunch heights of 18-21m will become more common place on large units compared to the traditional 15m. Greater areas of open space will be required with an attractive business environment.

On-line retail as a proportion of high street shopping will continue to grow and increase logistics demand and need for efficiencies (delivery slots). The current 25% (2023) share of the UK retail market is predicted to increase to circa 30% by 2027. In the USA there are some 300 million internet shoppers – 91% of the population.”⁴

- 4.11 Deloitte note in its Transforming Logistics Paper, 2022, that the UK logistics market is projected to grow at a compounded annual growth rate of 6.3%, with road freight and haulage seen as a particular area of growth.⁵

Department for Transport (DfT) Paper ‘Future of Freight: A Long Term Plan’ (June 2022)

- 4.12 In particular, the DfT recognise that when the Government will succeed in achieving their vision for the future success of logistics and freight, there will be “*an increase in site allocations for freight and supply infrastructure being adopted in Local Plans to reflect the needs of the sector, alongside more robust and agile policies, where needed, to meet specific local needs.*”⁶
- 4.13 The DfT ran a call for evidence between 4th July and 6th October 2023 to inform its vision of reforming the interaction between freight and logistics sector and the planning system in England.
- 4.14 The logistics sector continues to play an increasingly important role in the national economy and the recognition of this sector in the Government’s national vision demonstrates it remains a clear priority to be planned for.

⁴ Pages 9, 10, LSH Rugby Employment Land Evidence, January 2024 – appended to client representations.

⁵ Page 3, Deloitte, Transforming logistics: A sector fit for the future, 2022

⁶ Page 80, Future of Freight: a long-term plan, June 2022

5. LOCAL PLAN POLICY REVIEW

- 5.1 This section of the Assessment reviews the draft Rugby Local Plan Review Issues and Options Consultation published in October 2023.

Rugby Local Plan Review Issues and Options (October 2023)

- 5.2 The Council has decided to proceed with a full update of its Adopted Local Plan (2011 – 2031). This decision followed, amongst other things, new evidence of future needs for homes and employment land, particularly warehousing uses.
- 5.3 The Adopted Local Plan (Adopted June 2019) identified a requirement to meet 208ha of employment land over the Plan period, which included 98ha to contribute Coventry's unmet needs. Within Rugby, identified need totalled 110ha, and was based upon employment evidence prepared in 2015. The Adopted Plan identifies that in addition to meeting the quantitative need for employment land in Rugby, a proportion of this land must meet a qualitative demand for employment sites which provide for smaller units (5,000 – 50,000 sq ft.), and it considers this especially important in accommodating demand from firms requiring floorspace in this size band for B1c, B2 and ancillary B8 employment units.
- 5.4 The Council's Local Plan Review is informed by the Coventry and Warwickshire Housing and Economic Development Needs Assessment prepared in 2022 (HEDNA). As identified in the Issues and Options Plan, the HEDNA identifies three components of employment land needs, 1) the net needs for office land totaling 5.2ha by 2041, increasing to 6.5ha by 2050; 2) the gross requirement for industrial land totalling 150.5ha by 2041, increasing to 218.2ha by 2050, and 3), the gross requirement for strategic warehousing land across Coventry and Warwickshire totalling 551ha by 2041 and 735ha by 2050. The strategic warehousing need is not distributed across respective Warwickshire authorities by the HEDNA. We examine the robustness of these figures later within this Report.
- 5.5 Whereas the HEDNA, paragraph 11.18 only goes as far as saying, when using gross completions to derive need that, "*some of the forecast need may occur on recycled existing industrial premises*", as we set out later within this Report the level of replacement stock required in the coming years is significant and as such a reliance on recycled premises maybe unfounded and also not recognisant of market signals.
- 5.6 The Local Plan Review notes that whilst the HEDNA does not split the need for industrial and smaller warehouse land, it is recommended that the Council should make specific site allocations for B2 industrial and light industrial land. Paragraph 3.11 of the HEDNA goes on to confirm that feedback from local businesses indicates a shortage of 'grown on space' to allow existing



businesses to expand and incubator space for new start-ups.

- 5.7 The Local Plan Review confirms that the Council is in the process of producing a new economic strategy which will inform the Local Plan, and paragraph 3.21 of the Local Plan Review considers that it is the Council's expectation that the Economic Strategy will support the expansion of manufacturing, research and development employment land, and that additional site allocations are likely to be necessary to enable this need to be met. It is therefore important in this respect that the Borough provides a sufficient level of employment land to balance each of these competing priorities, including providing sufficient employment land to meet both strategic and non-strategic warehousing demand.
- 5.8 In setting out the reasons for the high need for warehousing, the Local Plan Review correctly identifies Rugby Borough's role within the Golden Triangle, meaning that it is optimally located in providing logistic operators with an efficient means of accessing large parts of the Country via the strategic road and rail network.
- 5.9 As noted in paragraph 3.17 of the Local Plan Review, Rugby is identified as having the highest proportion of business units used for transport and distribution (17.5% in 2021).
- 5.10 The Council also confirm in paragraph 3.22 the importance of planning for large warehouses, with reference to national planning policy, including the need to address the specific locational requirements of different sectors, which includes making provision for storage and distribution operations at a variety of scales and in suitably accessible locations.
- 5.11 In respect of identifying how the strategic warehousing needs may be met across individual authorities, paragraph 3.28 states that a new West Midlands Strategic Employment Sites Study will update the position on the supply of sites. The Council consider that this will provide a clearer picture of how much more land needs to be found across Coventry and Warwickshire to meet the need for strategic warehousing.
- 5.12 It is important to note in this respect that the strategic warehousing need identified within the Coventry and Warwickshire HEDNA originates from the Coventry and Warwickshire functional economic market area, and reflects the locational advantage that the area brings to logistics operators amongst other factors such as labour supply. It is essential that the Coventry and Warwickshire authorities collectively plan to meet that strategic need in full at the very least (accounting for unmet needs in surrounding authorities where necessary). It would be entirely inappropriate to assume that the identified strategic need could be met elsewhere and outside of the function economic market within which that need exists. Given the Warwickshire area is also constrained by Green Belt, those authorities that are able to allocate non Green Belt land towards meeting a higher proportion of this need, should therefore do so.



- 5.13 We undertake a series of scenarios assessing the reasonable distribution of strategic warehousing need later within this Report.
- 5.14 In respect of the supply, the Council, in paragraph 3.34 of the Local Plan Review assert that the 2022/23 Rugby Council Annual Monitoring Report (AMR) shows substantial progress to meeting the 2011-2031 requirement for employment uses, with 191.53ha of the target of 208ha either already built or under construction. However, reference to the 2022/23 AMR asserts that whilst the Council has met all but 2.7ha of Coventry's need (totaling 98ha), it has yet to meet some 13.8ha of Rugby's own needs.⁷
- 5.15 Our own assessment of supply since 2011, using information set out within each AMR (attached in Appendix 2), would suggest that after accounting for 30.18ha of employment land under construction, sites delivered and under construction to date only amounts to 183ha. As such there remains an outstanding requirement of 20.5ha.
- 5.16 It must also be remembered that the level of need identified in the Adopted Local Plan (208ha) originated from a 2015 evidence base, and bears no reflection of current needs – hence the reason why the Council are seeking to review its Plan. It would therefore be wrong to assume that needs to 2031 have been broadly met.
- 5.17 Furthermore, given that the Council's latest employment land need calculations are predicated on past completions, it would seem appropriate to incorporate these most recent completions referenced for the year 2022-23 into account when calculating future needs – we deal with this later within this report, albeit noting that these are constrained by a requirement derived from evidence prepared in 2015.
- 5.18 Paragraph 3.36 of the Local Plan Review refers to future supply as set out in the 2022/2023 AMR and goes on to confirm that 115ha of land has planning permission and is not yet under construction. It confirms this to mostly be made up of three sites (Prospero Ansty – 9.58ha, Tritax Symmetry SW Rugby allocation – 40.7ha and the former Rugby Radio Station allocation – 31ha). As a consequence, and accounting for completions between 2021 and 2023 said to total 32.65ha, the Council consider is has already identified supply of 145.26ha to set against the future plan requirement of 150.5ha to 2041, and 218.2ha to 2050.
- 5.19 As a result it does not consider that it is required to find any further sites to meet the need requirement by 2041, and a further 40ha is required by 2050.
- 5.20 However, the 2022/2023 AMR clearly sets out planning permissions not yet under construction to

⁷ Page 11, Rugby Borough Council Annual Monitoring Report 2022-2023



total only 95.88ha⁸, some 19ha less than reported in the draft Local Plan calculation

- 5.21 Furthermore, it is important to note that firstly the requirement identified by the Council within this calculation excludes strategic warehousing requirements, some of which may well be met by the identified supply (noting that the Council has included the SW Rugby “strategic” allocation of 40.7ha within its calculation of supply to meet non-strategic needs), and secondly the requirement identified by the Council fails to account for recent completions within its calculation, meaning it is not reflective of more recent demand. Thirdly, the committed supply of 115ha (which we calculate to total 95.88ha) across these three sites was in response to meeting a need that was identified for a period to 2031. It is unreasonable to now effectively double count this supply and stretch it into serving a further ten year period to 2041. It also takes no account of the time required to open up and deliver strategic employment sites – hence, sites like Ansty, Rugby Radio Station and SW Rugby (allocations in the 2019 Local Plan) have planning permission, but given the Plan has been in place for under 5 years, it is not unreasonable for these sites to have not completed yet. Data from LSH that has informed this Report confirms they will deliver by 2031.
- 5.22 Furthermore, analysis of the planning permissions under construction as set out in the 2022/2023 AMR (totaling 95.88ha) includes a large number of sites which meet a strategic logistics need – we calculate those elements to total 58.9ha.
- 5.23 These sites, as listed in the AMR include:
- Tritax Symmetary, Land North of Coventry Road – 40.7ha net, comprising a series of reserve matters approvals for units exceeding 100,000 sq ft., with the remainder of the site capable of delivering build to suit units of between 100,000 sq ft. and 1 million sq ft.
 - Rolls Royce, Prospero, Ansty – 9.56ha net, comprising a series of units each exceeding 100,000 sq ft.
 - Land North and East of Castle Mound Way, Rugby – 8.61ha, comprising one single unit of 250,000 sq ft.⁹
- 5.24 These sites will not help fulfil the general industrial (non-strategic) needs identified by the Council. As a consequence the Council is 91.6ha short of meeting general industrial (non-strategic) need by 2041, and 159.3ha short of meeting needs by 2050.
- 5.25 Notwithstanding, the Local Plan Review details a number of potential strategic employment locations, which will be the subject of more detailed analysis once the Council has undertaken its

⁸ Employment Land Overview table, Page 8, Rugby Borough Council Annual Monitoring Report 2022-2023

⁹ Pages 9-11, Rugby Borough Council Annual Monitoring Report 2022-2023



employment land availability assessment. It should however be noted that in doing so the Council should also plan how best it might meet Coventry's unmet employment land needs, in addition to its own strategic and non-strategic needs.

Summary

- 5.26 In recognition that the Local Plan is approaching five years since adoption, the Council are consulting on its Local Plan Review. In respect of employment needs, the Issues and Options consultation draws attention to more recent evidence which establishes both non-strategic employment needs within Rugby, and broader strategic needs which for the time being have been identified only across the Coventry and Warwickshire functional economic market.
- 5.27 In respect of non-strategic employment needs the Council suggest that they have a sufficient identified supply, albeit as we note in doing so the Council include a number of strategic sites which may meet strategic need (which in itself is additional to non-strategic need). The point being the Council are potentially double counting its supply for both non-strategic and strategic purposes.
- 5.28 In addition the Council welcomes recent levels of completions as meeting future identified need, yet as we highlight it is important that those recent completions feature in any calculation of need – at present they do not.
- 5.29 In respect of strategic employment land needs identified across the Coventry and Warwickshire functional economic market area, the Council await the publication of the new West Midlands Strategic Employment Sites Study. The Council consider that this will provide a clearer picture of how much more land needs to be found across Coventry and Warwickshire to meet the need for strategic warehousing. It is important to note in this respect that the strategic warehousing need identified within the Coventry and Warwickshire HEDNA, originates from Coventry and Warwickshire functional economic market area, and reflects the locational advantage that the area brings to logistics operators amongst other factors such as labour supply. It would be entirely inappropriate to assume that the identified strategic need could be met elsewhere and outside of the function economic market within which that need exists.
- 5.30 We review the Council's employment need evidence in the following section of this Report.

6. EMPLOYMENT LAND NEED EVIDENCE REVIEW

- 6.1 This section of the Assessment reviews the Council's underlying employment needs evidence. This is in the form of the Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) published in 2022. We set this in the context of the West Midlands Local Industrial Strategy, and employment land evidence from the Coventry and Warwickshire Chamber of Commerce below.

The West Midlands Local Industrial Strategy (WMLIS) (2019)

- 6.2 The West Midlands Local Industrial Strategy (WMLIS) highlights the significant growth in productivity within the West Midlands over recent years, with productivity increasing, during 2018, at twice the rate of the UK average. The WMLIS highlights the acute shortage of large scale strategic sites that can have the greatest net additional impacts on growth and jobs. The LIS states that:

“These issues are most severe in Coventry and Warwickshire, but across the region there is a significant gap in good quality employment land” (pg. 63)

- 6.3 With regard to identifying employment land, the WMLIS referred to the West Midlands Strategic Employment Site Study, which would identify the £10bn worth of existing opportunities in identified investor-ready sites.

Coventry and Warwickshire Chamber of Commerce produced an Employment Land Report 2023

- 6.4 Coventry and Warwickshire Chamber of Commerce produced an Employment Land Report (CWELR) which sets out a detailed assessment of the current pool of employment land presently available in Coventry and Warwickshire. There is 98.3 hectares of “oven-ready” employment land which is immediately available across the whole sub-region and only one immediately available site of strategic scale (25ha+). The report highlights that there is a further 47 hectares, on top of the 98.3ha, likely to be available in the next 12 months, with 177 hectares at the advanced stage (allocated Local Plan Sites – timing dependent on ownership, infrastructure and demand).¹⁰
- 6.5 In addition, there is a potential 249ha of strategic sites which may contribute to the employment land supply, but the report notes due to constraints they these are unlikely to proceed at this stage or the sites already have a dedicated user, so they do not form part of the open market. The CWELR states that Coventry and Warwickshire are sorely lacking sufficient serviced land, both qualitatively and quantitatively, to encourage inward investment into the sub-region. The report

¹⁰ Page 4, Coventry & Warwickshire Employment Land Report, Coventry & Warwickshire



continues to emphasise bringing forward the right land for logistics in locations close to road and rail infrastructure.

- 6.6 The CWELR recommends allocating 20 per cent more land than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land. The CWELR suggests that employment land should be given equal priority to housing land which is currently not a requirement.
- 6.7 The report concludes that insufficient employment land has been allocated in the Local Plans in Coventry and Warwickshire historically, and the land which has been allocated has been used up far faster than anticipated. In addition, the report states that establishing future need for employment land based on projections of suppressed past take up rates will always underestimate the true requirement for employment land.

Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA, 2022)

- 6.8 The HEDNA seeks to quantify the need for additional housing and employment floorspace across the wider housing and functional economic market area of Coventry and Warwickshire. In doing so, with the exception of strategic B8 land, it establishes need across each local authority area.
- 6.9 In considering employment land needs, the HEDNA utilises a range of different forecasting techniques, the first of which is a labour demand model which draws upon forecasts from Cambridge Econometrics (dated March 2021). Section 6 of the HEDNA summarises the economic growth potential of Coventry and surrounding local authority areas based upon these forecasts.
- 6.10 In summary it expects GVA across Coventry and Warwickshire to grow by 1.4% per annum over the period to 2043, which paragraph 6.11 confirms is slightly below longer term trends. Paragraph 6.12 confirms that total employment has grown at 1% per annum over the period since 1981, but the March 2021 Cambridge Econometrics forecast suggests growth of only 0.5% per annum.
- 6.11 Based upon the March 2021 Cambridge Econometrics forecast, Table 6.5 confirms that Rugby is set to grow by 7,800 jobs over the period 2019 – 2043, amounting to growth of 325 jobs per annum (a growth rate of 0.58% per annum). Over the plan period 2021 – 2041 this would appear to amount to 6,500 jobs.
- 6.12 However, we would express caution in placing too great a reliance on economic growth forecasts prepared during the COVID pandemic, particularly as the HEDNA notes that across the Coventry and Warwickshire functional economic market job growth is forecast at half that experienced over the longer term trend.



- 6.13 This is particularly important given the ambitions of the Coventry and Warwickshire SEP Update 2016 which targeted growth in the local economy of 3.3% GVA per annum in order to bridge the gap with the wider national economy.
- 6.14 If employment within Coventry were to grow at a rate of 1% per annum (mirroring long term past growth of the functional economic market), this would amount to job growth of 558 per annum. Over the 20 year plan period this would amount to a further 11,160 jobs within Rugby.
- 6.15 In establishing employment land needs, as summarised above, the HEDNA adopts a number of different techniques. Table 11.2 of the HEDNA details the recommended levels of employment land need within Rugby across various uses including over the period to 2041: offices 5.2ha, general industrial 150.5ha plus a further 551ha of strategic B8 land which is as yet to be distributed across the Coventry and Warwickshire local authority areas. Over the period to 2050 the level of need increases to 6.5ha for offices, 218.2ha general industrial and 735ha of strategic B8 land across the functional economic market area.
- 6.16 For the purposes of establishing office floorspace need the HEDNA adopts a labour demand approach – essentially drawing upon the Cambridge Econometrics forecasts as detailed above. Table 9.4 of the HEDNA confirms an employment land need for offices of 3.3 ha to 2041, which is supplemented by a margin for flexibility of 1.9 ha (Table 11.1). However, as detailed above, in calculating office needs the HEDNA adopts a Cambridge Econometrics forecasts prepared during COVID which shows job growth of approximately 0.58% per annum, whereas longer term past trends would suggest growth of 1% should be pursued, which would have the effect of almost doubling office land need.
- 6.17 In calculating general industrial employment land need the HEDNA opts instead to draw upon past floorspace trends. This shows a higher level of need, than compared with a labour demand method, and is a more appropriate measure of industrial/ logistics demand given increased levels of automation within the sector, and significantly different levels of employment dependent on the nature of the logistics operation (meaning a job based approach to measuring need is less accurate).
- 6.18 In doing so the HEDNA assesses industrial floorspace change as reported by the Valuation Office (VOA), and separately past completions. Importantly however the HEDNA notes that the implications of assessing future delivery based on past supply trends would see future provision continuing to be concentrated in North Warwickshire. It notes that whilst North Warwickshire remains an attractive location for warehousing and logistics development, there is a case for seeking a broader spread of industrial land provision between the authorities within the sub-region (HEDNA, page 209).



- 6.19 In respect of past completions the HEDNA assesses the level of completions in employment uses over the period 2011 – 2019. This is said to amount to 133.6ha in Rugby, some 14.8ha per annum. Table 9.12 considers that 6% of this figure relates to E (g) uses (offices), whilst 53% relates to strategic sites. The remaining amount (41%) is assumed to relate to non-strategic industrial land.
- 6.20 Once extrapolated, Table 9.15 of the HEDNA confirms this to amount to 19.1ha of office land, 120.4ha of non-strategic industrial, and 157.4ha on strategic industrial land over the period to 2041. Strategic B8 need under this method of calculation across Coventry and Warwickshire equates to 457.6ha over the period to 2041. It is clear from this exercise that strategic warehousing needs within Rugby, or at least its proportion of the wider strategic needs across the functional economic market area amount to approximately 34% of that figure (i.e. 157.4ha / 457.6ha)
- 6.21 Whilst the HEDNA continues to adopt a labour demand approach in its assessment of office based need, it adopts past completions as a means of establishing need for non-strategic industrial need, and as we detail below it also draws upon past completions (in part) in calculating strategic need.
- 6.22 In respect of non-strategic industrial land, Table 11.1 of the HEDNA goes on to outline an additional margin of flexibility (amounting to an additional 5 years of need) totaling 30.1ha (this is assumed to relate to the period to 2041).
- 6.23 As detailed in Table 11.2, it concludes that general industrial need (non-strategic) totals 150.5ha to 2041 (i.e. 120.4ha based upon past completions, plus a 30.1ha margin).

Strategic B8 Need

- 6.24 The HEDNA goes on to undertake a separate assessment of strategic B8 need across the functional economic market area. This assessment is detailed in section 10 of the HEDNA. The HEDNA explains that a series of replacement growth scenarios were considered in establishing strategic warehousing needs which comprises two components, replacement build – reflecting the functional obsolescence of existing stock, and growth build – accommodating the link between new warehouses and growing traffic volumes. Based upon a preferred plot ratio of 0.35 this resulted in a range of between 356 – 483ha of need over the period to 2041 (across C&W). The HEDNA opts for a mid-point of 410ha. However, it goes on to consider that there are factors which point to the potential to see stronger demand than this, noting the shift towards ecommerce which has arisen from the Covid pandemic, which has accelerated previous trends.
- 6.25 As such the HEDNA considers it appropriate to plan for future development in line with completion trends (2011-2019) over the first 10 years, with the subsequent decade (2031 – 2041) then seeing slower growth in line with traffic growth and replacement demand modelling.
- 6.26 As a result the HEDNA assumes strategic needs based on completion trends over the first 10



years of the plan totaling 229ha, with traffic growth and replacement demand reflecting growth of 207ha in the latter 10 years of the Plan. It determines that total need over the period to 2041 totals 436ha. This figure is then increased to provide a 5 year flexibility margin by a further 115ha leading to a strategic B8 employment land requirement across C&W of 551ha by 2041, and 735ha by 2050.

- 6.27 If the HEDNA were to base these calculations on past completions (2011 – 2019) across the whole 20 year plan period this would increase to 573ha (to 2041).
- 6.28 Notwithstanding, as we detail below, more recent completion figures do now exist, and paint a picture of significantly higher levels of demand than is reflected in the past completion trends used within the HEDNA.

Distribution of Strategic (large scale) Warehousing Needs

- 6.29 The Coventry and Warwickshire authorities have yet to determine where the identified strategic warehousing need (551ha/ 735ha to 2041 and 2050 respectively) should be met. It is concerning to note, as detailed in earlier within this Report that Rugby Borough Council consider that this need may be in part met outside of Coventry and Warwickshire, particularly given that this is where the need arises and Coventry and Warwickshire is a functional economic market area. It is therefore essential that the identified need is met by these authorities.
- 6.30 In respect of where this need may be met it would seem logical to base this upon the demand for warehousing. In the absence of more recent published completions data across Coventry and Warwickshire, we have relied upon the strategic completions data reported in Table 9.15 of the HEDNA. On this basis completions over the period 2011 – 2019 within Rugby amount to 34% of all strategic completions across C&W. Undertaking a similar exercise using large scale warehousing stock shows that Rugby accommodates 19% of all floorspace across C&W, whilst an equivalent assessment using labour demand shows a similar percentage (19%), within Rugby.
- 6.31 Whilst the latter scenarios help frame the range, it is considered that completions provide the most appropriate method. This results in a need for Rugby to meet 187ha to 2041, increasing to 250ha by 2050.
- 6.32 However, as detailed in Table 6.1 below, we have also included figures for Coventry. This is important, given issues faced by Coventry in meeting its own non-strategic industrial land needs, as detailed later within this Report. As such it is necessary to understand the extent to which Rugby may be required to also meet Coventry's unmet strategic needs. As can be seen from the following table, whichever scenario is tested, collectively Rugby and Coventry would be required to meet approximately 43% of all strategic warehousing needs across the functional economic

market area. Based upon the HEDNA evidence this amounts to between 236ha to 2041 and 314ha to 2050.

Table 6.1 – Strategic Warehousing Distribution Scenarios

	Large scale floorspace		Strategic Completions pa		Labour demand	
	000s sqm	%	ha	%	000s	%
Rugby	431	19%	7.9	34%	14.7	19%
Coventry	505	23%	1.9	8%	17.8	24%
Coventry and Rugby Combined	936	42%	9.8	43%	32.5	43%
Total Coventry and Warwickshire	2244		22.9		75.6	

Source: C&W HEDNA 2022, tables 10.3, and 9.15

- 6.33 Therefore, in addition to the identified need within the HEDNA for Rugby to meet general (non-strategic) industrial needs totaling 150.5ha by 2041 and 218.2ha by 2050, based upon the distribution of past completions (2011 – 2019) it will also be necessary to meet an additional 187ha of strategic employment land needs by 2041, increasing to 250ha by 2050.
- 6.34 In addition Coventry's strategic employment needs are likely to total 45ha by 2041, increasing to 60ha by 2050. It is reasonable to assume that Rugby will need to meet at least a proportion of these.

Table 6.2 Summary of Industrial Needs - Rugby

	Employment Land Requirement (ha)	
	2041	2050
General Industrial (non-strategic)	150.5	218.2
Strategic (distributed based upon past strategic completions within Rugby)	187	250
Total Industrial Need - Rugby	337.5	468.2
Proportion of Coventry's Strategic need (distributed based upon past strategic completions within Coventry)	45	60

- 6.35 However, as we detail below, more recent 10 year completions data within Rugby indicates a higher level of growth, and should be accounted for in calculations of need.

More Recent Completions Data

- 6.36 It is important to note that the industrial employment land need figures established through the HEDNA (both non-strategic and strategic) are based upon past completion trends over the period 2011 – 2019. We also note that reference in the Local Plan Review to high levels of recent completions (2022/23), as well as paragraph 10.42 of the HEDNA which notes "*the shift towards e-commerce which has arisen from the Covid-19 pandemic, which has accelerated previous*



trends”.

- 6.37 As such we consider it appropriate to assess the implications of future employment needs based upon the most recent available completions data.
- 6.38 As detailed in the HEDNA, it assessed completions over the period 2011 – 2019, confirming them to amount to an average of 14.8ha per annum, of which 94% (i.e. 13.9ha) relates to industrial employment land (strategic and non-strategic). The remaining 6% falls within office use.
- 6.39 The following Table 6.3 summarises completions over the most recent 10 year period, ending 2022/2023. These figures are derived from each of the Council's AMRs, and excluding some duplication of completions during the years 2016/17 and 2017/18. This shows an average annual level of completions totaling 17.2ha, representing a 16% increase in the average rate of completions compared to that assessed within the HEDNA. Excluding B1 only schemes, this figure reduces to an average of 16.1ha.
- 6.40 This suggests that the HEDNA evidence does not truly reflect the profound changes to market conditions experienced since both the Covid pandemic and Brexit, a point which appears to have been recognised in paragraph 10.42 of the HEDNA. Furthermore, as noted in the 2022/2023 AMR (page 9), there was a total of 30.2ha of employment land currently under construction, suggesting that completions in 2023/2024 will continue to remain high, increasing the 10 year average once again.
- 6.41 A simple extrapolation of the current annual average 10 year completion figure of 16.1ha, would suggest that the Council should be planning for at least 322ha of strategic and non-strategic industrial employment land over the period to 2041, which after allowing for a 5 year margin of flexibility (as per the HEDNA assumption) would increase to 403ha. This figure increases to 547ha by 2050.

Table 6.3 Employment Land Completions - Rugby

Year	All Completions (ha)	Completions (excluding B1 office only schemes) ha
2013/14	9.4	9.4
2014/15	33.7	29.7
2015/16	7.1	4.1
2016/17	51.5	51.5
2017/18	3.3	3.3
2018/19	3.0	1.4
2019/20	31.1	31.1
2020/21	0.4	0.4
2021/22	2.1	0.0
2022/23	30.6	30.6
Average pa	17.2	16.1

Source: Rugby Borough Council, AMRs 2013/14 – 2022/23
Detail set out in Appendix 2

- 6.42 Notwithstanding, past completions will always be constrained to past evidence, and as such will not necessarily reflect true, unconstrained demand. As we set out later within this Report, market evidence presented by LSH demonstrates a significantly higher level of demand than reflected in past completions. LSH consider that with a good supply of new logistics floorspace, take up levels should be well in excess of 1.5m sq ft. per annum, and probably significantly higher with new build to suit commitments. Assuming a prudent plot ratio of 0.4 this equates annual demand for 35ha, or 875ha over the 20 year period to 2041 (including a 5 year margin of flexibility). This increases to 1,190ha by 2050 (including flexibility margin).

Replacement Stock

- 6.43 The HEDNA also recognises the importance of accounting for the replacement of aged stock. Large scale logistics operators require modern units, with immediate access to the strategic road network. Access to power and a large labour force are also other key locational factors.
- 6.44 According to CoStar, 40% of existing industrial and logistics stock within Rugby, totaling 6.7m sq ft. is over 30 years old. A period of 30 years represents the useful economic life of a modern warehouse building¹¹. Beyond this period they become functionally obsolete, as they tend not to be able to accommodate modern automated stock handling equipment, or transport equipment such as double stack trailers. Buildings reaching the end of their useful economic life and are no longer suitable for their original designed use, necessitating a more modern direct replacement.

¹¹ [General Report Template \(nwleics.gov.uk\), Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change, April 2021 \(amended March 2022\) Leicester and Leicestershire Authorities, Final Report - paragraph 8.11](#)



- 6.45 The following Table 6.4 summarises existing floorspace by size band and age, and confirms that there is a greater proportion of smaller units within Rugby that are becoming obsolete. It will however be important for the Council to ensure that any replacement stock meets the needs of existing occupiers.

Table 6.4 Age of Existing Stock

Floorspace (sq ft)	All	>30 yrs old	% >30 yrs old
<75,000	4,080,471	2,453,959	60%
75,001 - 100,000	869,581	603,166	69%
100,001 - 250,000	6,013,041	1,600,407	27%
250,001 - 350,000	2,758,662	301,597	11%
>350,000	2,923,873	1,772,525	61%
Total	16,645,628	6,731,654	40%

Source: CoStar

- 6.46 The volume of floorspace over 30 years old increases to 8.2m sq ft. by 2041.
- 6.47 The HEDNA considers that as calculations of need have been undertaken based upon past completions these reflect gross employment land additions, which will incorporate replacement stock. Whilst this may be the case, this assumes that stock replacement remains at a steady rate which is consistent with past trends. As stock levels increase as will the rate of replacement stock.
- 6.48 A consequence of this process is that new sites need to be brought forward in order to allow occupiers to re-locate to new buildings, thereby releasing the existing facility for refurbishment or demolition. This process allows those existing sites which may be adjacent to or within urban areas but poorly suited for logistics operations (due to poor road network, irregular site etc.) to be released for other more appropriate uses, including housing.
- 6.49 It is estimated that the employment land necessary to accommodate all of the existing stock older than 30 years totals 178ha at current levels, increasing to 192ha by 2041 as further stock ages¹². Whilst clearly much replacement stock will be developed on existing employment land, existing occupiers seeking larger units with closer proximity to the strategic road network may require alternative sites. Smaller business may continue to rely upon existing industrial areas and their redevelopment, to meet smaller/ medium sized requirements.

Summary

- 6.50 The Coventry and Warwickshire HEDNA 2022 forms the core piece of evidence informing the Council's employment land requirement. The HEDNA assesses the need for office, general industrial (including non-strategic warehousing), and strategic warehousing land requirements

¹² Assuming a plot ratio of 0.4

across Coventry and Warwickshire, the functional economic market area within which Rugby operates.

- 6.51 In respect of office land requirements the HEDNA adopts a labour demand approach, determining a requirement for 5.2ha to 2041 and 6.5ha to 2050 (both figures include a 5 year flexibility margin). It is however important to note that an assessment of need based upon past completions would equate to a need for 19.1ha to 2041. This would suggest that the HEDNA labour demand based assessment of office needs is likely to constrain office market demand within Rugby, and that a higher requirement should be planned for.
- 6.52 In respect of general (non-strategic) industrial land requirements the HEDNA measures future growth based upon past long term completions over the period 2011 – 2019. Based upon this calculation general industrial need over the period to 2041 stands at 150.5ha, increasing to 218.2ha by 2050.
- 6.53 The HEDNA also assesses strategic warehousing need across Coventry and Warwickshire, basing its calculations on the same past completion period (2011 – 2019) and a slightly lower level of growth reflective of traffic demand in the second half of the plan period. Strategic needs within Coventry and Warwickshire total 551ha to 2041, increasing to 735ha to 2050.
- 6.54 Whilst the HEDNA does not seek to establish where that strategic floorspace need may be met across the functional economic market area, an assessment based upon past completions would indicate that 34% should be met by Rugby. In addition it is also clear that Coventry is unable to meet its employment needs due to its tightly constrained boundaries, and insufficient sites, and as such it is appropriate that Rugby plans to meet part of that need. Various scenarios demonstrate that Rugby and Coventry's combined strategic warehouse need equates to approximately 43% of the Coventry and Warwickshire share. On this basis, and as set out in Table 6.2 above, it is reasonable to assume based upon evidence within the HEDNA that Rugby should plan for a total of approximately 337.5ha of strategic and non-strategic industrial land to 2041, increasing to 468.2ha by 2050. As we detail in the later sections of this Report, there may also be a requirement for Rugby to assist in meeting Coventry's general industrial (non-strategic) employment land needs.
- 6.55 The HEDNA bases its calculations of need on past completions over the period 2011 – 2019, but acknowledges that the shift towards ecommerce arising from the Covid pandemic has accelerated demand for logistics space. As set out in Table 6.3 above, an assessment of the latest completions trends over the past 10 years (2014 – 2023) show average annual completions to be 17.2ha per annum, some 16% greater than the level of completions assessed by the HEDNA (14.8ha). On the basis that the Council should be planning based upon the most recent 10 year trend (16.1ha per annum after excluding B1 only schemes), Rugby's strategic and non-strategic industrial land



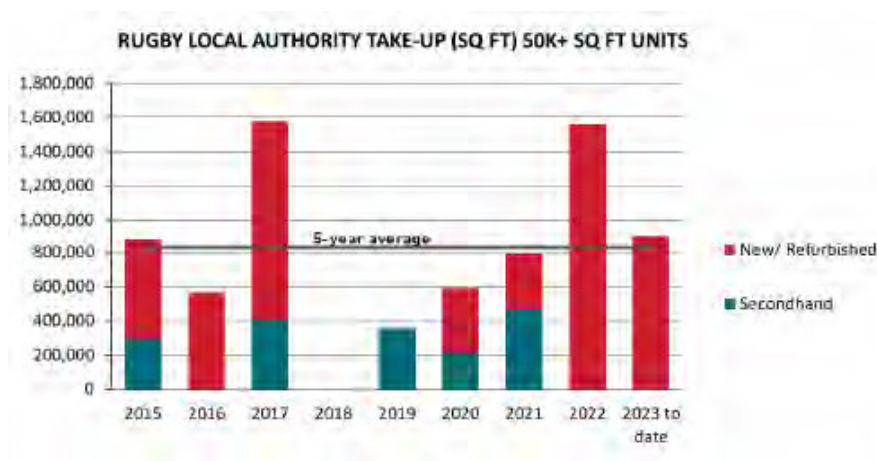
needs total 403ha by 2041 increasing to 547ha by 2050.

- 6.56 The following section of this Report reviews the industrial market data sourced from LSH, and serves to emphasise the significant level of occupier demand which exists for industrial floorspace within Rugby.

7. INDUSTRIAL PROPERTY MARKET REVIEW

- 7.1 Within this section of the Report we review evidence presented by Lambert Smith Hampton (LSH), on behalf of our client, on the Rugby property market.
- 7.2 LSH confirm that the logistics market in Rugby has grown significantly over the last 20 years in line with rapid expansion of the logistics sector nationally, and the strong location and employment benefits that this centrally located area offers. LSH consider that it remains one of the most popular industrial areas in the UK.
- 7.3 Rugby has a vacancy rate of 4.3% for units above 50,000 sq ft., and 4.1% for units >100,000 sq ft. – both rates lower than the West Midlands average. LSH forecast rental growth in Rugby to outperform the West Midlands region over the next four years.
- 7.4 Occupier and developer interest remains very strong for Rugby and the surrounding area given its very strong locational appeal. Review of take up data confirms the trend for specialist logistics units increasing in size over the last decade, with the figures for Rugby considerably higher than the national average highlighting the emphasis on logistics demand given its central location.
- 7.5 As summarised in Figure 7.1 below, LSH calculate average take up over the period 2015 – 2023 to equate to 826,000 sq ft. per annum. Take up over the year 2022 totalled 1.56m sq ft., almost double that of the previous year, whilst take up in 2023 has continued to see healthy levels of demand totaling 900,000 sq ft. By contrast average take up over 2015-2016 was 639,000 sq ft. per annum. There was no new registered take up in Rugby over the period 2018 – 2020, highlighting the lack of available stock and no new stock under construction for the period 2018 – 2020. This lack of stock would hinder occupier demand and take up.

Figure 7.1 Rugby Take Up 50,000 sq ft.+ units



Source: LSH



- 7.6 LSH consider that with a good supply of new logistics units to the Rugby area, occupier take up levels should be well in excess of 1.5m sq ft. per annum, and probably significantly higher with new build to suit commitments. As detailed earlier within this Report assuming a prudent plot ratio of 0.4 this equates annual demand for 35ha, or 875ha over the 20 year period to 2041 (including a 5 year margin of flexibility). This increases to 1,190ha by 2050 (including flexibility margin).
- 7.7 LSH detail current active occupier requirements focused around the Rugby area/ M6 totalling 9m sq ft. (ranging from 80,000 to 800,000 sq ft.). Based upon a plot ratio of 0.4, this equates to current active requirements occupying an area equivalent to 209ha (representing an immediate requirement).
- 7.8 LSH conclude by confirming there to be a significant shortfall in the availability of credible development land in Rugby Borough over the next 20 years, and as a consequence the area will not be able to provide for projected occupier demand. Based upon current take up projections over the last 5 years, it considers there to be only 1.6 years of supply, and therefore after 2026 it is difficult to identify any credible development opportunity to meet either strategic or non-strategic occupier requirements.
- 7.9 Separately, and as detailed above, Deloitte note in its Transforming Logistics Paper, 2022, that the UK logistics market is projected to grow at a compounded annual growth rate of 6.3%¹³, with road freight and haulage seen as a particular area of growth. Application of this level of growth to existing industrial stock within Rugby (totaling 16.6m sq ft. – as detailed in Table 6.4 above) over the 20 year period to 2041 results in an increased demand for employment land (assuming a plot ratio of 0.4, and a flexibility margin of 5 years) totaling 1,156ha, increasing to 2,212ha by 2050.

¹³ Page 3, Transforming Logistics: A sector fit for the future, 2022



8. COVENTRY'S UNMET EMPLOYMENT LAND NEED

- 8.1 The Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) identifies a need for 8.5ha of office space, and 147.6ha of (non-strategic) general industrial land within Coventry. In addition a further 551ha has been identified as needed across Coventry and Warwickshire to meet strategic B8 demand – as detailed above an exercise to distribute this strategic logistics need across the various Coventry and Warwickshire authority areas has yet to be published.
- 8.2 Meanwhile, Coventry City Council's employment land evidence, contained within its Housing and Economic Land Availability Assessment 2023 (HELAA) identifies an employment land supply at March 2023 of 60.35ha (Table 4).
- 8.3 However, paragraph 3.63 of the HELAA, Table 6 attempts to compare this existing level of supply broken down by land type (and only totaling 59.63ha) with need as identified in the HEDNA (totaling only 12.8ha based upon labour demand only). As a result the table concludes there to be an over-supply across each employment land type. In doing so the HELAA has incorrectly drawn across the wrong figures from the HEDNA, and significantly understated the level of need identified, totaling 147.6ha of general industrial (non-strategic) need to 2041, increasing to 214ha by 2050. This figure excludes any strategic warehousing needs which Coventry may need to meet.
- 8.4 An extract of Table 6 of the HELAA has worked its way into the Draft Coventry Local Plan (Table 5), and results in the City Council concluding within its Non-Technical Summary Issues and Options Consultation document that it has a sufficient supply of employment land (despite referencing the correct need figure of 147.6ha (page 4)).
- 8.5 As a consequence the City faces a significant shortfall in the future provision of employment land necessary to meet identified need, being in excess of 87ha (excluding any further strategic B8 needs which may also be required to be met).
- 8.6 We would encourage Rugby Borough Council to continue joint working with its neighbouring authorities in ensuring employment land needs of Coventry can be met, where possible within close proximity to Coventry City and accessible to its resident workforce. However in some Authorities this may give rise to the consideration of Green Belt land for which exceptional circumstances will need to be evidenced and justified,

9. SUMMARY OF SUPPLY AND DEMAND POSITION

Supply

- 9.1 The Local Plan Review references three sites which the Council considers largely contribute to planning permissions for 115ha of employment land as set out in its 2022/2023 AMR. The sites, Prospero Ansty – 9.58ha, Tritax Symmetry SW Rugby allocation – 40.7ha and the former Rugby Radio Station allocation – 31ha, are coupled with completions totaling 32.65ha over the period 2021 – 2023.
- 9.2 However, a review of the 2022/2023 AMR confirms these figures to be incorrect, as reported planning permissions (not yet to be under construction) only total 95.88ha.
- 9.3 Accounting for completions between 2021 and 2023 said to total 32.65ha, the Council consider it has already identified supply of 145.26ha to set against the future plan requirement of 150.5ha to 2041, and 218.2ha to 2050, however the latest AMR would suggest identified supply to be 19.12ha less than reported in the Draft Local Plan
- 9.4 Furthermore, analysis of the planning permissions under construction as set out in the 2022/ 2023 AMR (totaling 95.88ha) includes a large number of sites which meet a strategic logistics need – we calculate those elements to total 58.9ha.
- 9.5 These sites, as listed in the AMR include:
- Tritax Symmetry, Land North of Coventry Road – 40.7ha net, comprising a series of reserve matters approvals for units exceeding 100,000 sq ft., with the remainder of the site capable of delivering build to suit units of between 100,000 sq ft. and 1 million sq ft.
 - Rolls Royce, Prospero, Ansty – 9.56ha net, comprising a series of units each exceeding 100,000 sq ft.
 - Land North and East of Castle Mound Way, Rugby – 8.61ha, comprising one single unit of 250,000 sq ft.
- 9.6 These sites will not help fulfil the general industrial (non-strategic) needs identified by the Council. As a consequence, the Council is significantly short of meeting growing general industrial needs.
- 9.7 It is essential that both the completions (2021-2023), and the identified supply only relate to floorspace capable of meeting general industrial need and not strategic need. On the face of it the sites identified by the Council are strategic sites, and therefore in many cases will at least in part



meet a strategic need, meaning that general industrial needs will remain unmet. Further explanation is required from the Council on how the supply figures for meeting general industrial (non-strategic) sites have been compiled.

- 9.8 Notwithstanding, it is clear from the evidence presented that Rugby will also be accountable for meeting future strategic needs generated within the functional economic market area. Given its proximity to neighbouring Coventry, it is also likely to face increasing demand as a result of Coventry's unmet need. Whether planned or not, Rugby is likely to face an increased demand for floorspace as result of constrained supply within Coventry.
- 9.9 As such it is entirely appropriate for the Council to plan for a higher level of supply than currently appears to be the case.

Need and Demand

Rugby General Industrial and Strategic Warehousing

- 9.10 As set out above, Tables 11.2 and 11.3 of the HEDNA demonstrate a need for 150.5ha general industrial (non-strategic) employment land needs by 2041, increasing to 218.2ha by 2050 within Rugby.
- 9.11 Tables 11.2 and 11.3 of the HEDNA also demonstrate a Coventry and Warwickshire wider strategic employment land need of 551ha to 2041 increasing to 735ha by 2050. Whilst the HEDNA does not seek to establish where that strategic floorspace need may be met across the functional economic market area, an assessment based upon past completions would indicate that 34% should be met by Rugby. As such it is reasonable to assume that Rugby should plan to meet around 187ha of strategic level warehousing need by 2041, increasing to 250ha by 2050.
- 9.12 In combination, and based upon the HEDNA evidence the Council should be planning to meet strategic and non-strategic needs totaling 337.5ha by 2041, increasing to 468.2ha by 2050.

Table 9.1 Summary of Industrial Needs – Rugby (excluding unmet needs from Coventry)

	Employment Land Requirement (ha)	
	2041	2050
General Industrial (non-strategic)	150.5	218.2
Strategic (34% distributed to Rugby based upon past completions)	187	250
Total Industrial Need	337.5	468.2

Source: C&W HEDNA Tables 9.14, 9.15, 11.2, 11.3

- 9.13 However, the assessment of warehousing need (both strategic and non-strategic) within the HEDNA is based upon past completions within Rugby over the period to 2019, and it is clear that completions since 2019 have been higher.
- 9.14 Evidence published within the Council's AMRs indicates that over the 10 year period to 2023, annual completions have grown at a rate 16% higher than over the period 2011 – 2019 (as assessed within the HEDNA).
- 9.15 On the basis that the Council should be planning based upon the most recent 10 year trend, Rugby's strategic and non-strategic industrial land needs total 403ha by 2041 increasing to 547ha by 2050. This does not assume that strategic needs are constrained in the latter part of the plan to account for forecast freight movement. Whilst this is assumed within the HEDNA, this would appear to reflect a constraint that would artificially suppress need, particularly as the HEDNA considers in paragraph 10.42 there to be a number of factors which indicate that demand will be stronger than reported traffic growth scenarios.

Table 9.2 Comparison of Industrial Needs Based on More Recent Completions – Rugby

Growth Scenarios – Past Trends	Employment Land Requirement (ha)	
	2041	2050
HEDNA derived industrial needs (strategic and non-strategic) – past completions 2011 - 2019	337.5	468.2
Industrial needs (strategic and non-strategic) – past completions 2014 - 2023	403	547

- 9.16 Separately, evidence presented by LSH confirms a significant and sustained level of occupier demand within Rugby for strategic warehouse space, exacerbated by a lack of supply in recent years (particularly over the period 2018 – 2020. At present there exists an active requirement for 9m sq. ft. of floorspace (with requirements ranging from 80,000 to 800,000 sq ft.). Based upon a plot ratio of 0.4, this equates to current active requirements occupying an area equivalent to 209ha (representing an immediate requirement).
- 9.17 LSH consider that with a good supply of new logistics, take up levels should be well in excess of

1.5m sq. ft. per annum, and probably significantly higher with new build to suit commitments. Assuming a prudent plot ratio of 0.4 this equates annual demand for 35ha, or 875ha over the 20 year period to 2041 (including a 5 year margin of flexibility). This increases to 1,190ha by 2050 (including flexibility margin).

- 9.18 LSH consider that based upon current take up over the last 5 years, there remains only 1.6 years of supply within Rugby.
- 9.19 Separately, and as detailed above, Deloitte note in its Transforming Logistics Paper, 2022, that the UK logistics market is projected to grow at a compounded annual growth rate of 6.3%, with road freight and haulage seen as a particular area of growth. Application of this level of growth to existing industrial stock within Rugby (totaling 16.6m sq ft. – as detailed in Table 6.4 above) over the 20 year period to 2041 results in an increased demand for employment land (assuming a plot ratio of 0.4, and a flexibility margin of 5 years) totaling 1,156ha, increasing to 2,212ha by 2050.

Offices

- 9.20 Whilst the focus of this assessment has been on industrial and warehousing need it is clear in respect of office floorspace demand that the HEDNAs assessment of office need is based upon an assessment of labour demand, whereas past completions would suggest a far higher level of growth. Notwithstanding, it is also important to note that whilst ancillary to the main function of the site, many strategic warehousing occupiers including a not insignificant amount of office related employment on their sites, including in finance and operations functions. As such it is not unreasonable to assume that strategic warehouses sites could assist in meeting the Council's office floorspace requirements.

Coventry's Unmet Needs

- 9.21 In addition, analysis of Coventry's stated employment land position from its Issues and Options Local Plan consultation early this year demonstrates that it is unable to meet its own general industrial needs leading to a shortfall of at least 87ha, which will have to be met elsewhere.
- 9.22 On this basis it is reasonable to assume that Coventry is unable to meet its strategic warehousing needs, and as such it may also be appropriate that Rugby plans to meet that unmet need. Various scenarios demonstrate that Rugby and Coventry's combined strategic warehouse need equates to approximately 43% of the Coventry and Warwickshire share. On this basis, and without accounting for more recent completions, it is reasonable to assume based upon evidence within the HEDNA that Rugby should plan to meet a proportion of what we consider will amount to Coventry's strategic needs amounting to approximately 45ha by 2041, increasing to 60ha by 2050.



9.23 In summary therefore Rugby's strategic and non-strategic industrial needs are as follows:

- Past completions, whilst constrained, indicate a need of between 337.5ha and 403ha to 2041 (the lower figure reflecting HEDNA evidence, the higher reflecting more recent completions), and between 468.2ha to 507ha to 2050;
- Demand evidence, presented by LSH, would suggest that subject to a good supply of sites, take up levels could amount to at least the equivalent of +35ha per annum. This equates to 875ha to 2041, and 1,190 to 2050;
- Current active requirements occupy an area equivalent to 209ha (representing an immediate requirement);
- Market forecasts by Deloitte, suggest stock growth of 6.3% per annum – equating to growth of 1,156ha by 2041, and 2,212 by 2050;
- It is also appropriate for Rugby to meet a proportion of Coventry's unmet strategic needs (approximately 45ha by 2041, increasing to 60ha by 2050), plus the potential to meet a proportion of unmet (general industrial) non-strategic needs which would appear to total at least 87ha by 2041 and 154ha by 2050.



10. CONCLUSIONS

- 10.1 This assessment has been prepared on behalf of Stoford Properties Limited. The purpose of this Report is to assess, based upon current evidence, the extent of the employment land needs within Rugby and the wider functional economic market area of Coventry and Warwickshire.
- 10.2 The National Planning Policy Framework (NPPF) seeks to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right place and at the right time to support growth. The NPPF places significant emphasis on the need to address the specific locational requirements of different sectors including storage and distribution operations.
- 10.3 Given Rugby's location within the Golden Triangle and its position on the strategic road network, it has and will continue to experience a high demand for large scale (strategic) logistics floorspace, the need for which can only be met in a limited geography in order to serve national logistics operations. The benefits of this to Rugby are significant, both in terms of direct job creation, as well as to the wider supply chain, and as is clear in Government Policy it is essential that the local authority ensures that this demand is met in full. Strategic warehousing occupiers can also assist in providing office floorspace, which whilst ancillary to the main purpose of the site will offer finance and operational office related jobs.
- 10.4 Furthermore, the NPPF requires effective and on-going joint working between local authorities in ensuring development needs are met. This is significant given Rugby's adjacency to Coventry, a tightly constrained authority area which is unable to meet its employment land needs.
- 10.5 The Council has decided to proceed with a full update of its Adopted Local Plan (2011 – 2031). This decision followed, amongst other things, new evidence of future needs for homes and employment land, particularly warehousing uses. In respect of employment needs, the Issues and Options consultation draws attention to more recent evidence which establishes both non-strategic employment needs within Rugby, and broader strategic needs which for the time being have been identified only across the Coventry and Warwickshire functional economic market.
- 10.6 In respect of non-strategic employment needs the Council suggest that they have a sufficient identified supply, albeit as we note in doing so the Council include a number of strategic sites which meet strategic need (which in itself is additional to non-strategic need). The point being the Council are double counting its supply for both non-strategic and strategic purposes.
- 10.7 In addition the Council welcomes recent levels of completions as meeting future identified need, yet as we highlight it is important that those recent completions feature in any calculation of need – at present they do not.



- 10.8 In respect of strategic employment land needs identified across the Coventry and Warwickshire functional economic market area, the Council await the publication of the new West Midlands Strategic Employment Sites Study. The Council consider that this will provide a clearer picture of how much more land needs to be found across Coventry and Warwickshire to meet the need for strategic warehousing. It is important to note in this respect that the strategic warehousing need identified within the Coventry and Warwickshire HEDNA, originates from Coventry and Warwickshire functional economic market area, and reflects the locational advantage that the area brings to logistics operators amongst other factors such as labour supply. It is essential that the Coventry and Warwickshire authorities collectively plan to meet that strategic need in full at the very least (accounting for unmet needs in surrounding authorities where necessary). It would be entirely inappropriate to assume that the identified strategic need could be met elsewhere and outside of the function economic market within which that need exists.
- 10.9 The Coventry and Warwickshire HEDNA 2022 forms the core piece of evidence informing the Council's employment land requirement. The HEDNA assesses the need for office, general industrial (including non-strategic warehousing), and strategic warehousing land requirements across Coventry and Warwickshire, the functional economic market area within which Rugby operates.
- 10.10 In respect of office land requirements the HEDNA adopts a labour demand approach, determining a requirement for 5.2ha to 2041 and 6.5ha to 2050 (both figures include a 5 year flexibility margin). It is however important to note that an assessment of need based upon past completions would equate to a need for 19.1ha to 2041. Furthermore, we note that the labour demand scenario was generated during the Covid pandemic and may not be reflective of long term patterns of growth. This would suggest that the HEDNA labour demand based assessment of office needs is likely to constrain office market demand within Rugby, and that a higher requirement should be planned for.
- 10.11 In respect of general (non-strategic) industrial land requirements the HEDNA measures future growth based upon past long term completions over the period 2011 – 2019. Based upon this calculation general industrial need over the period to 2041 stands at 150.5ha, increasing to 218.2ha by 2050. We summarise in Tables 10.1 and 10.2 below.
- 10.12 The HEDNA also assesses strategic warehousing need across Coventry and Warwickshire, basing its calculations on the same past completion period for the first 10 years of the plan and a slightly lower level of growth reflective of traffic demand in the second half of the plan period. Strategic needs within Coventry and Warwickshire total 551ha to 2041, increasing to 735ha to 2050.
- 10.13 Whilst the HEDNA does not seek to establish where that strategic floorspace need may be met



across the functional economic market area, an assessment based upon past completions would indicate that 34% should be met by Rugby, and equating to 187ha of strategic needs by 2041, increasing to 250ha by 2050. This means, based upon evidence presented within the HEDNA that the Council should be planning to meet an industrial need equivalent to at least 337.5ha by 2041, and 468.2ha by 2050.

- 10.14 However, the HEDNA bases its calculations of need on past completions over the period 2011 – 2019, but acknowledges that the shift towards ecommerce arising from the Covid pandemic has accelerated demand for logistics space. An assessment of the latest completions trends over the past 10 years (2014 – 2023) show average annual completions to be 16% greater than the level of completions assessed by the HEDNA. On the basis that the Council should be planning based upon the most recent 10 year trend, Rugby strategic and non-strategic industrial land needs total 403ha by 2041 increasing to 547ha by 2050.
- 10.15 Notwithstanding, past completions will always be constrained to past evidence, and as such will not reflect unconstrained, policy off need.
- 10.16 Market evidence presented by LSH demonstrates a significantly higher level of demand than reflected in past completions. LSH consider that with a good supply of new logistics floorspace, take up levels should be well in excess of 1.5m sq ft. per annum, and probably significantly higher with new build to suit commitments. Assuming a prudent plot ratio of 0.4 this equates annual demand for 35ha, or 875ha over the 20 year period to 2041 (including a 5 year margin of flexibility). This increases to 1,190ha by 2050 (including flexibility margin).
- 10.17 Furthermore, LSH consider that this is compounded by a lack of supply in recent years, and at present there exists an active requirement for 9m sq ft. of floorspace (with requirements ranging from 80,000 to 800,000 sq ft.). Based upon a plot ratio of 0.4, this equates to current active requirements occupying an area equivalent to 209ha (representing an immediate requirement).
- 10.18 LSH conclude by confirming there to be a significant shortfall in the availability of credible development land in Rugby Borough over the next 20 years, and as a consequence the area will not be able to provide for projected occupier demand. Based upon current take up projections over the last 5 years, it considers there to be only 1.6 years of supply, and therefore after 2026 it is difficult to identify any credible development opportunity to meet either strategic or non-strategic occupier requirements.
- 10.19 Separately, Deloitte note in its Transforming Logistics Paper, 2022, that the UK logistics market is projected to grow at a compounded annual growth rate of 6.3%, with road freight and haulage seen as a particular area of growth. Application of this level of growth to existing industrial stock within Rugby (totaling 16.6m sq ft. – as detailed in Table 6.4 above) over the 20 year period to

2041 results in an increased demand for employment land (assuming a plot ratio of 0.4, and a flexibility margin of 5 years) totaling 1,156ha, increasing to 2,212ha by 2050.

- 10.20 We set out the various scenarios discussed in the table below, both over the period to 2041 and 2050.

Table 10.1 Rugby, Total Forecast Industrial Land Needs 2021 - 2041

Industrial Land Growth Scenarios - Rugby	Non-Strategic (General Industrial) ha	Strategic ha	Total ha
Rugby Local Plan Review	150.5	Rugby to meet as yet unspecified proportion of 551ha	Unspecified (upwards of 150.5ha)
Past Completions (HEDNA) 2011 – 2019	150.5	187*	337.5
Past Completions 2014 – 2023 (AMR)	403		
LSH Forecast Demand - Rugby	875		
Deloitte Sector Based Forecast - Rugby	1,156		

Note: * Rugby's distribution of identified Coventry & Warwickshire wide strategic need amounts to 34% based upon past distribution (2011 – 2019)

All scenarios assume an additional 5 year flexibility margin as per HEDNA assumption

Table 10.2 Rugby, Total Forecast Industrial Lane Needs 2021 - 2050

Industrial Land Growth Scenarios - Rugby	Non-Strategic (General Industrial) ha	Strategic ha	Total ha
Rugby Local Plan Review	218.2	Rugby to meet as yet unspecified proportion of 735ha	Unspecified (upwards of 218.ha)
Past Completions (HEDNA) 2011 – 2019	218.2	250*	468.2
Past Completions 2014 – 2023 (AMR)	547		
LSH Forecast Demand - Rugby	1,190		
Deloitte Sector Based Forecast - Rugby	2,212		

Note: * Rugby's distribution of identified Coventry & Warwickshire wide strategic need amounts to 34% based upon past distribution (2011 – 2019)

All scenarios assume an additional 5 year flexibility margin as per HEDNA assumption

- 10.21 As demonstrated by the market evidence presented within this Report, there exists a significant level of unmet occupier demand for industrial floorspace within Rugby, and it is essential that this demand is not constrained by a limited supply of potential sites.
- 10.22 There is also a growing need to ensure there is a sufficient supply of sites to meet replacement stock requirements arising from aged stock that is no longer fit for purpose. Furthermore, it is



essential that the Council adequately account for employment sites lost to other uses, such as residential development, and ensure sufficient sites are brought forward to address these losses.

- 10.23 In addition, analysis of Coventry's stated employment land position from its Issues and Options Local Plan consultation early this year demonstrates that it is unable to meet its own general industrial needs leading to a shortfall of at least 87ha, which will have to be met elsewhere by 2041.
- 10.24 On this basis it is reasonable to assume that Coventry is also unable to meet its strategic warehousing needs, and as such it may also be appropriate that Rugby plans to meet that unmet need. Various scenarios demonstrate that Rugby and Coventry's combined strategic warehouse need equates to approximately 43% of the Coventry and Warwickshire share. On this basis, and without accounting for more recent completions, it is reasonable to assume based upon evidence within the HEDNA that Rugby should plan to meet a proportion of what we consider will amount to Coventry's strategic needs amounting to approximately 45ha by 2041, increasing to 60ha by 2050

Summary

- 10.25 As detailed within this assessment there are a number of components which make up Rugby's industrial employment land needs, including general (non-strategic) industrial requirements, a proportion of Coventry and Warwickshire's strategic warehousing needs, and a potential requirement to meet Coventry's unmet strategic and non-strategic employment land needs. We calculate Rugby's industrial land requirements to total at least 337.5ha to 2041, and 468.2ha by 2050.
- 10.26 The Draft Local Plan Review asserts that it has a supply of 145ha of industrial land. However, reference to the Amr 2022/2023 confirms planning permissions (yet to be under construction) to be 19ha short of that assumed in the Draft Local Plan.
- 10.27 There remains therefore a significant shortfall to meeting identified future industrial needs. Furthermore, many of the sites relied upon by the Council's as having planning permission or identified completed sites meet a strategic logistics need, highlighting the shortfall in general industrial (non-strategic) sites.
- 10.28 However, more recent 10 year completion trends indicate identified need to be higher (403ha by 2014 increasing to 547ha by 2050), whilst unconstrained demand forecasts providing by LSH indicate a need for 875ha by 2041 and 1,190ha by 2050. Market evidence provided by Deloitte frames these scenarios in much higher levels of market growth.
- 10.29 Based upon current take up projections over the last 5 years LSH note there to be only 1.6 years



of supply, and therefore after 2026 it is difficult to identify any credible development opportunity to meet either strategic or non-strategic occupier requirements.

- 10.30 It is also important to note the findings of the Coventry and Warwickshire Chamber of Commerce Employment Land Report published in 2023. This recommends allocating 20 per cent more land than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land. The CWELR suggests that employment land should be given equal priority to housing land which is currently not a requirement.
- 10.31 The report also concludes that insufficient employment land has been allocated in the Local Plans in Coventry and Warwickshire historically, and the land which has been allocated has been used up far faster than anticipated. In addition, the report states that establishing future need for employment land based on projections of suppressed past take up rates will always underestimate the true requirement for employment land.
- 10.32 As a consequence the Council should plan for a significant increase in its employment land supply to account for both general industrial and strategic warehouse requirements, and ensure that demand is not constrained by limited supply.
- 10.33 It is clear that this figure should *exceed* 337.5ha by 2041 based upon evidence presented within the Council's HEDNA, however given more recent evidence both in respect of past completions and occupier demand data the level of identified need far exceeds this, and there is a clear risk at the present time that supply will be severely constrained in a short space of time (LSH estimates 1.6 years).

APPENDIX 1 – Annual Monitoring Report Review – Rugby 2022/23

Employment Land Overview (hectares)

A	Local Plan requirement 2011-2031	208
B	Delivery 2011 - 2022	130.8
C	Delivery in 2022-2023	30.55
D	Under Construction	30.18
E	Delivery and Under Construction to date (B+C+D)	191.53
F	Remaining Requirement (A-E)	16.47
G	With planning permission not started	95.88

Employment Land - Completions						
2022-2023						
Reference Number	Site	Use Class	Floorspace (sqm)	Site Area (hectares)	Status	LSH Summary
R17/2019	Former Peugeot Site C (Prologis Park), Oxford Road, Ryton, CV8 3EA	B2/B8	45,275	16.7	Complete	<p><u>Prologis Park, Ryton, Coventry CV8 3LF</u></p> <p>Planning description: Application for Reserved Matters for Units DC8 & DC9 relating to appearance, landscaping, layout, and scale, including ancillary car parking, loading areas, gatehouse, associated road infrastructure, sprinkler tanks and pump house, against outline planning permission R16/2561 (for the redevelopment of the southern part of the former Peugeot Works site for Class B2 (general industry) & Class B8 (warehouse, storage & distribution) uses, together with ancillary offices, gatehouses, car parking, associated road infrastructure and landscaping, including importation of material to raise ground levels (REVISED SCHEME TO R14/2236 WITH NEW ACCESS)).</p> <p>Two unit speculative scheme: Available summer 2021 - DC8 / 147,300 sq ft / Let to Furnolic / Let Q4 2021 / £7.50 psf Available summer 2022 - DC9 / 330,770 sq ft / Let to Ceva/DHL / Let Q1 2022 / £7.50 psf</p> <p>Other takeup: DC1 / Jaguar Heritage Trust DC2 / DHL DC5 / LEVC DC6 / DHL DC7 / Jaguar Land Rover</p> <p>Availability DC4 / 166,820 sq ft / £8.50 psf - believed to be under offer</p>
R20/1026	Tritax Symmetry, Land North of Coventry Road, Thurlaston	B1a B8	1,817 27,950	5.5	Complete	<p><u>Symmetry Park, Rugby CV23 9JR</u></p> <p>Planning description: Full planning application for the erection of 2 logistics units development comprising a total of 30,435 sqm (327,599 sq.ft.) (measured GEA) of Class B8 floorspace of which 1,817.2 sq.m (measured GIA) (19,560 sq. ft.) comprises Class E(g)(i) ancillary office floorspace (measured GIA) with associated infrastructure including lorry parking, landscaping including permanent landscaped mounds, sustainable drainage details, sprinkler tank pump houses, gas and electricity substations, temporary construction access from Coventry Road, temporary marketing suite and temporary stockpile area for additional soil disposal.</p> <p>Unit 1 & 2 Let to Iron Mountain collar and cap of £8 - £9.50 psf Q1 2022.</p> <p>They have taken a futher two units at the site: Iron Mountain, 2022 Q1, Unit 3, 394,640 sq ft - collar and cap of £8 - £9.50 psf Iron Mountain, 2022 Q1, Unit 4, 251,281 sq ft - collar and cap of £8 - £9.50 psf</p> <p>The remaining balance of the site has the capability to offer bespoke design & build facilities to suit individual occupier requirements between 100,000 – 1 million sq ft to meet an occupation date during 2024. Detailed planning has been granted for three buildings: Unit 5 (390,694 sq ft), Unit 6 (338,064 sq ft) and Unit 7 (170,473 sq ft) ready Q3 2024 guiding £10.00 per sq ft (speculatively developed).</p>

R21/1165	Rolls Royce, Ansty Aerodrome, Combe Fields Road, Combe Field, Coventry, CV7 9JR	B2/B8	46,500	6.35 (part of outline permission R19/1540 below)	Complete (replaces R21/0784)	<u>Prospero Ansty Park, Coventry CV7 9JU</u> Planning description: Erection of three commercial units for flexible use within Use Classes B2 & B8 use (with ancillary uses), and associated works, including supporting infrastructure, landscaping and re-profiling works for the remainder of Plot 1. Let as a two unit scheme: Apollo I - 70,389 sq ft / Let to Polestar / Q4 2023 / 10 year term / £10.95 psf Apollo II - 174,594 sq ft / Let to Staircraft / Q2 2023 / 15 year term / £9.25 psf
R20/0919	Land on West Side of A5, Watling Street, Clifton upon Dunsmore, Rugby, CV23 0AJ	B1a B2 B8	732 1,501 895	2	Complete	<u>Alcohols Ltd</u> Planning description: Demolition of existing buildings. Erection of three buildings and use of site for purposes of an alcohol distillery and hydrocarbon warehouse (Use Classes B2 and B8) and on office building (Use Class B1a). Plus external tank farms; sprinkler tanks and pumphouse; access; parking and servicing; earthworks and landscaping; drainage; fencing. In occupation 2023
Total Completions			124,670	30.55		

Employment Land - Under Construction (U/C)						
2022-2023						
Reference Number	Site	Use Class	Floorspace (sqm)	Site Area (hectares)	Status	LSH Summary
R21/0525	Rolls Royce, Prospero Ansty (Plot 5)	B8	27,900 (part of R19/1540 below)	16.3 (part of R19/1540 below)	Under Construction	<u>Prospero Ansty Park, Coventry CV7 9JU</u> Planning description: Erection of building and use for Class B8 (storage and distribution) of the Town and Country Planning (Use Classes) Order 1987 (as amended) with PV roof panels, including ancillary offices. Primary vehicular access from Pilot Way (Ansty Park), secondary vehicular access from Combe Fields Road, access road, car parking, cycle parking, lorry parking, service areas, drainage, landscaping, demolition of existing buildings, ground remodelling, associated works and temporary use of land for deposition of soil arisings. Apollo V - 300,039 sq ft / PC Q1 2024 / guiding £10.50 psf
R22/0485	Plot 3, Ansty Aerodrome, Combe Fields Road, Combe Fields, Coventry, CV7 9JR	B2/B8	15,922 (part of R19/1540 below)	6.43 (part of R19/1540 below)	Under Construction	<u>Prospero Ansty Park, Coventry CV7 9JU</u> Planning description: Erection of one commercial unit for flexible use within Use Classes B2 (General Industrial) and B8 (Storage and Distribution) of the Town and Country Planning (Use Classes) Order 1987 (as amended) and associated development including drainage, earthworks, highways, car parking, HGV parking, service yard and landscaping. Apollo III - 171,378 sq ft / PC Q1 2024 / guiding £10.50 psf
R22/0491	Plots 6 and 7, Ansty Aerodrome, Combe Fields Road, Combe Fields, Coventry, CV7 9JR	B2/B8	35,739 (part of R19/1540 below)	7.45 (part of R19/1540 below)	Under Construction	<u>Prospero Ansty Park, Coventry CV7 9JU</u> Planning description: Erection of one commercial unit for flexible use within Use Classes B2 (General Industrial) and B8 (Storage and Distribution) of the Town and Country Planning (Use Classes) Order 1987 (as amended) and associated development including drainage, earthworks, highways, car parking, HGV parking, service yard and landscaping. Apollo VI - 268,371 sq ft / PC Q1 2024 / guiding £10.50 psf Apollo VII - 116,322 sq ft / PC Q1 2024 / guiding £10.50 psf
Total Under Construction			79,561	30.18		

Approved Planning Applications for New Employment Uses						
Approved 2022-2023						
Reference Number	Location	Use Class	Floorspace (sqm)	Site Area (hectares)	Status	LSH Summary
R22/0551	Land North and East of Castle Mound Way, Castle Mound Way, Rugby	B8	26,421	8.61	Full Planning Permission (replaces R20/0272)	<u>Equities Park, Rugby M6/J1</u> Planning description: Application for full planning permission for storage and distribution floorspace (Class B8 use), with ancillary offices, gatehouse, associated car parking, HGV parking, landscaping and infrastructure. Newlands Developments / full planning permission / one single unit at 250,000 sq ft. Detailed planning consent no achieved for a unit of 250,000 sq ft.

R22/0803	Zone C - Land North of Coventry Road, Coventry Road, Thurlaston	B8	59,997 (part of R16/2569 below)	15.91 (part of R16/2569 below)	Approval of Reserved Matters (R16/2569)	<p><u>Symmetry Park, Rugby CV23 9JR</u> Planning description: Erection of two buildings within Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelter; external plant and access details for the continuation of the spine road north of Northampton Lane and the access road to the east of the site; landscaping details; security fencing. Approval of reserved matters (access, appearance, layout, scale and landscaping) relating to R16/2569.</p> <p>Unit 3 (394,649 sq ft) and Unit 4 (251,281 sq ft) let to Iron Mountain subject to a collar and cap of £8 - £9.50 psf / Q1 2022</p>
R21/0789	SW Rugby, Zone D, Land North of Coventry Road	B8	50,965 (part of R16/2569 below)	15.8 (part of Outline Permission R16/2569 below)	Approval of Reserved Matters (R16/2569)	<p><u>Symmetry Park, Rugby CV23 9JR</u> Planning description: Erection of 50,965 square metre building (GEA, floorspace) within Class B8 with ancillary office; ancillary structures; with associated access roads; servicing yard; car parking and cycle shelter and compound; external plant and access details for the continuation of the spine road north of Northampton Lane; landscaped embankments with landscaping details; the provision for a noise attenuating fence on top of the embankment; security fencing. Approval of reserved matters (access, appearance, layout, scale and landscaping) relating to R16/2569.</p> <p>Zone D is now being delivered to provide three buildings: Unit 5 (390,694 sq ft), Unit 6 (338,064 sq ft) and Unit 7 (170,473 sq ft) guiding £10.00 per sq ft ready to occupy Q3 2024 (speculatively developed).</p>
R21/0790	SW Rugby, Eastern part of Zone D - Tritax Symmetry, Land North of Coventry Road	B8	35,600 (part of R16/2569 below)	6.08 (part of Outline Permission R16/2569 below)	Approval of Reserved Matters (R16/2569)	<p><u>Symmetry Park, Rugby CV23 9JR</u> Planning description: Erection of a building within Class B8 with ancillary office; ancillary structures; with associated landscaping & landscape bund, access roads; servicing yard; car parking and cycle shelter and compound; external plant; acoustic fencing; security fencing. Approval of reserved matters (access, appearance, landscaping, layout and scale) relating to R16/2569. (Alternative scheme).</p> <p>Zone D is now being delivered to provide three buildings: Unit 5 (390,694 sq ft), Unit 6 (338,064 sq ft) and Unit 7 (170,473 sq ft) ready Q2 2024 guiding £10.00 per sq ft ready to occupy Q3 2024 (speculatively developed).</p>
R20/0422	Land South of A5 (Watling Street) Adjacent to M69 Junction 1	B2/B8 B1	1,858 5,672	5.25	Hybrid Application	<p><u>Stretton Point, Hinkley, Leicestershire</u> Planning description: Full application for erection of a roadside services facility comprising a petrol filling station, drive through restaurant (class A1/A3/A5) with new vehicular access (via A5 Watling Street), together with internal roads, car/cycle parking, drainage works, earthworks, landscaping and other associated infrastructure. Outline application for erection of class B1 and flexbile class B1/B2/B8 units with access via the A5 (Watling Street) together with the construction of internal roads, vehicle and cycle parking, drainage works, earthworks, landscaping and other associated infrastructure</p> <p>Indicative masterplan as per the Design and Access Statement: Plot 1 / Sui Generis/A1/A3 Plot 2 / B2 B8 / 20,000 sq ft Plot 3 / B1 / 35,550 sq ft Plot 4 / B1 /25,500 sq ft</p>
R22/0966	Unit 17 Europark, Watling Street, Newton	B8	2,070	0.25	Full Planning Permission	<p><u>Unit 17 Europark, Watling Street, Newton</u> Planning description: Change of use from Sui Generis to B8 storage yard and retention of portacabin.</p>
R21/0664	Land off Parkfield Road, Parkfield Road, Rugby	B8	1,408	0.32	Full Planning Permission	<p><u>Unit 4, Parkfield Business Park Rugby</u> Planning description: Erection of a steel clad portal frame building as a storage facility falling within Use Class B8, with associated ancillary two storey offices with external works, yard and vehicle parking, including roof mounted photo-voltaic panels.</p> <p>Unit 4 - 15,156 sq ft</p>
R22/0462	6 Paynes Lane, Rugby, CV21 2UH	E/B2/B8	1,130	0.19	Full Planning Permission	<p><u>6 Paynes Lane, Rugby, CV21 2UH</u> Planning description: Change of use from Auction House to a mixed use of classes E(g)(i), B2 and B8 and replacement timber fencing</p> <p>9,928 sq ft unit / Let to Tools With A Mission</p>
R22/0380	Rugby Radio Station, A5 Watling Street, Clifton upon Dunsmore	B1/B8	12,161 (part of R17/0022 below)	3.67 (part of R17/0022 below)	Approval of Reserved Matters (R17/0022)	<p><u>Rugby Radio Station</u> Planning description: Erection of a commercial unit, comprising of offices (Use Class B1), assembly areas associated with light industry (Use Class B1), storage and distribution facilities (Use Class B8), and other ancillary requirements and associated works, including supporting infrastructure and other operational requirements, landscaping, re-profiling works, temporary stockpiling of materials, and temporary haul routes for construction purposes, (application for reserved matters approval (outside of a key phase) of appearance, landscape, layout and scale against outline planning permission (R17/0022 dated 28th June 2017).</p> <p>Commercial unit for WAGO Limited</p>

Total App 22/23*	38,559	14.62	
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*does not include Reserved Matters as these will have been counted at Outline Stage (final figure for site accounted for when complete)

Extant Permissions						LSH Summary
pre 1 April 2022						
Reference Number	Location	Use Class	Floorspace (sqm)	Site Area (hectares)	Status	
R16/2569	SW Rugby - Tritax Symmetry, Land North of Coventry Road	B8	156,733 (adjusted from total 186,500 as 29,767 complete)	40.7 (adjusted from total 46.2 as 5.5 complete)	Outline	<p><u>Symmetry Park, Rugby CV23 9JR</u></p> <p>Planning description: Outline planning application for up to 186,500 sq m of buildings for Use Class B8 (Warehousing and Distribution),with ancillary Use Class B1(a) (Offices),land for a fire station (0.4 hectares) with site infrastructure including energy centre,vehicle parking,landscaping,and sustainable drainage system. Demolition of Station Farmhouse and outbuildings. All matters reserved except means of access from A45/M45 junction up to and including the link to the crossing of the Northampton Lane right of way.</p> <p>Extending to a total of 111 acres, Symmetry Park, Rugby has an outline planning permission to deliver up to 2 million sq ft of logistics floor space. Initial site infrastructure works for the first phase started in 2021. Tritax Symmetry has since exchanged an agreement for lease with Iron Mountain on circa 1 million sq ft across four units on a state-of-the-art logistics space forming their first UK Campus, subject to a collar and cap of £8 - £9.50 psf. Units 1 and 2 are reaching practical completion with units 3 and 4 currently under construction.</p> <p>The remaining balance of the site has the capability to offer bespoke design & build facilities to suit individual occupier requirements between 100,000 – 1 million sq ft to meet an occupation date during 2024. Detailed planning has been granted for three buildings: Unit 5 (390,694 sq ft), Unit 6 (338,064 sq ft) and Unit 7 (170,473 sq ft) ready Q3 2024 guiding £10.00 per sq ft (speculatively developed).</p>
R17/0022	Rugby Radio Station, A5 Watling Street, Rugby, CV23 0AS	B1/B2/B8	106,000	31	Outline	<p><u>Rugby Radio Station</u></p> <p>Planning description (R17/0022): Outline application for an urban extension to Rugby for up to 6,200 dwellings together with up to 12,000sq.m retail (A1), up to 3,500sq.m financial services (A2) and restaurants (A3 - A5), up to 3,500sq.m for a hotel (C1), up to 2,900sq.m of community uses (D1), up to 3,100sq.m assembly and leisure uses (D2), 31 hectares (up to 106,000sq.m) of commercial and employment space (B1, B2 and B8), and ancillary facilities; a mixed use district centre and 3 subsidiary local centres including retention and re-use of the existing buildings known as 'C' Station (Grade II listed), 'A' Station and some existing agricultural buildings; a secondary school and 3 primary schools; public art; green infrastructure including formal and informal open space and amenity space; retention of existing hedgerows, areas of ridge and furrow and grassland; new woodland areas, allotments and areas for food production, wildlife corridors; supporting infrastructure (comprising utilities including gas, electricity, water, sewerage, telecommunications, and diversions as necessary); sustainable drainage systems including ponds, lakes and water courses; a link road connecting the development to Butlers Leap, estate roads and connections to the surrounding highway, cycleway and pedestrian network; ground remodelling; any necessary demolition and any ground works associated with the removal of any residual copper matting, with all matters reserved for future determination except the three highway junctions on the A428, the two junctions on the A5 and the link road junctions at Butlers Leap and Hillmorton Lane - Variation of conditions 5,6,7,63 64 and 81 of the outline planning permission R11/0699 dated 21/05/2014 to cover minor material changes to the approved Parameter Plans and Development Specification and to reflect approvals already granted pursuant to the outline planning permission and the latest land control position; removal of condition 73 and consequent renumbering of conditions 74 - 81 inclusive.</p> <p>As per the planning documents condition 50: No individual B8 employment unit shall exceed 5000m² (GEA) and at no time shall any of the units be amalgamated to create larger units nor shall any mezzanine floors be constructed within any of the units. Reason: To ensure that a range of B8 units of a suitable size are provided in order to maintain a vibrant and mixed local economy.</p>

R19/1540	Rolls Royce, Prospero Ansty	B1/B2	33,939 (Adjusted from 160,000 total as 126,061 Complete or Under Construction) with a maximum of 20,000 B1a/b.	9.56 net (28.76 gross) (Adjusted from 46.1 Net/65.3 Gross total as 36.54 Complete or UnderConstruction	Outline	<p>Prospero Ansty Park, Coventry CV7 9JU</p> <p>Planning description: Outline planning application for a new employment area (Prospero Ansty) including the redundant/surplus parts of the Rolls-Royce Ansty manufacturing and testing site, comprising B1a, B1b, B1c & B2 floorspace (up to 160,000 m² , of which no more than 20,000 m² is for B1a and/or B1b), hotel (C1) (up to 4,500 m²), retail (A1/A3) (up to 250 m²); including car & cycle parking, structural landscaping, new access roads, any necessary demolition (including demolition of "4 shop"), ground remodelling, drainage infrastructure, provision & replacement of utilities & service infrastructure and other associated works</p> <p>Industrial at the site: Apollo I - 70,389 sq ft / Let to Polestar / Q4 2023 / £10.95 per sq ft Apollo II - 174,594 sq ft / Let to Staircraft / Q2 2023 / £9.25 per sq ft Apollo III - 171,378 sq ft / PC Q1 2024 / Guiding £10.50 Apollo V - 300,039 sq ft / PC Q1 2024 / Guiding £10.50 Apollo VI - 268,371 sq ft / PC Q1 2024 / Guiding £10.50 Apollo VII - 116,322 sq ft / PC Q1 2024 / Guiding £10.50 Unit 2 - 490,000 sq ft / Let to Meggit PLC / Q1 2020 One D&B plot available for circa 150,000 sq ft unit</p>
Total Extant (pre 1 April 2022)			296,672	81.26		

Policy ED1: Protection of Rugbys Employment Land (hectares)

Reference Number	Use Class	Loss Approved
R22/1309	B2	0.11

Completions against Coventry's Need (hectares)

	Amount
Delivery in 2022-23	16.7
Under Construction in 2022-2023	0
Cumulative Delivery and Under Construction between 2011-23	95.3
Land Area requirement remaining	2.7

Employment Land on Local Plan Allocations (hectares)

Allocation	Allocated Site Area	Use Class	Approvals 2011-2022	Approvals 2022-2023	Delivered
Coton Park East	7.5	B1/B2/B8	0	8.61 (supersedes R20/0272)	0
South West Rugby	35	B8	46.2 (larger site area approved due to density requirements)	0 (37.79 Reserved Matters)	5.5
Houlton (former Rugby Radio Station)	16	B1/B2/B8	16	0 (3.67 Reserved Matters)	0

APPENDIX 2 – Review of completed employment sites – Rugby 2011 - 2023

Year	Ref	Decision	Site	Use	Size ha	Rugby ha	Coventry (unmet needs) ha
2011/12	-	-	-	-	0		
2012/13	-	-	Unit DC2 - Prologis Ryton (ref in 2013/14 AMR)	B8	6.7		6.7
2013/14	R11/0246	27/06/2011	Zone C (Plot 1) Central Park	B2	2.4	2.4	
2013/14	R13/0440	20/05/2013	Unit DC4 - Prologis Ryton (Site B), London Road (A45)	B2/B8	3.6		3.6
2013/14	R13/1359	28/08/2013	Unit DC5 - Prologis Ryton (Site B), London Road (A45)	B2/B8	3.4		3.4
2014/15	R11/1918	05/09/2013	Zone B, Central Park	B1/B2	1.5	1.5	
2014/15	R13/1645	15/11/2013	Rolls Royce / University of Birmingham HTRC, Zone 4 Ansty Park	B1	2.0		2.0
2014/15	R13/1591	23/10/2013	MTC Aerospace, Zone 5 Ansty Park	B1	1.9		1.9
2014/15	R13/2311	12/02/2014	RG-1, Rugby Gateway, Leicester Road	B8	5.1	5.1	
2014/15	RBC/13CN	23/12/2013	Malpass Farm – First Phase (Eastern Process Building)	B2	5.0	5.0	
2014/15	R13/0440	20/05/2013	Unit DC3 - Prologis Ryton (Site B), London Road (A45)	B2/B8	4.8		4.8
2014/15	R13/1088	23/12/2013	Unit DC6 - Prologis Ryton (Site B), London Road (A45)	B2/B8	13.4		13.4
2015/16	R12/0190	21/03/2014	MTC Academy, Zone 3/4 Ansty Park	B1	3.0		3.0
2015/16	R14/1703	27/10/2014	RG-4 Rugby Gateway, Leicester Road	B8	4.1	4.1	
2016/17	R15/1463	29/10/2015	RG-2 Rugby Gateway, Leicester Road	B8	6.1	6.1	
2016/17	R15/1467	21/10/2015	RG-3 Rugby Gateway, Leicester Road	B8	4.3	4.3	
2016/17	R15/1453	29/09/2015	RG-5 Rugby Gateway, Leicester Road	B8	16.0	16.0	
2016/17	R14/2343 [†]	24/02/2015	London Taxi Company, Zone 6 Ansty Park	B2	8.7		8.7
2016/17	R14/0491 [†]	30/04/2014	Unit DC1 - Prologis Ryton, London Road (A45)	B2 / B8	3.4		3.4
2016/17	R14/0217 [†]	17/02/2015	Unit DC7 - Prologis Ryton, London Road (A45)	B2 / B8	6.7		6.7
2016/17	R15/1623	10/09/2015	Zone C (Plots 2 and 3) Central Park, Castle Mound Way	B2 / B8	6.2	6.2	
2017/18	R17/1827	28/12/2017	Royal Mail Rugby Delivery Office, Mill Road, Rugby.	B8	0.4	0.4	
2017/18	R15/0394	02/11/2015	Land at Zone 2 Ansty Park, Airfield Drive.*	B1, B2 & B8	2.9		2.9
2018/19	R18/0981	28/08/2018	Ansty Park, Land at Zone One, Airfield Drive, Rugby, CV7 9DR	B1	1.7		1.7
2018/19	R15/0984	05/05/2015	Britvic Soft Drinks Ltd, Aventine Way, Brownsover, Rugby.	B8	1.0	1.0	
2018/19	R18/0523	28/09/2018	Unit 1, Central Building, Parkfield, Newbold, CV21 1QJ	B8	0.4	0.4	
2019/20	R17/1829	-	Meggitt, Rolls Royce, Ansty Aerodrome, Combe Fields Road, Coventry, CV7 9JR	B2	26.0	**	
2019/20	R17/1367	-	Stepnell Ltd, Lawford Road, Rugby, V21 2UU	B1/B2/B8	5.1	5.1	
2020/21	R19/1105	-	Dollman Farm, Houlton, Rugby, CV23 1AL	B1	Unknown		
2020/21	R19/0072	-	Unit 1, Parkfield Business Park, Rugby Western Relief Road, CV21 1QJ	B8	0.4	0.4	
2021/22	R19/1512	-	Rolls Royce, Coombe Fields, Coventry, CV7 9JR	B1a/ B1b	2.1	2.1	
2022/23	R17/2019	-	Former Peugeot Site C (Prologis Park), Oxford Road, Ryton, CV8 3EA	B2, B8	16.7		16.7
2022/23	R20/1026	-	Tritax Symmetry, Land North of Coventry Road, Thurlaston	B1a, B8	5.5	5.5	
2022/23	R21/1165	-	Rolls Royce, Ansty Aerodrome, Combe Fields Road, Coombe Field, Coventry, CV7 9JR	B2, B8	6.4	6.4	
2022/23	R20/0919	-	Land on west side of A5, Watling Street, Clifton Upon Dunsmore, Rugby, CV23 0AJ	B1a	2.0	2.0	
Total					178.8	74.1	78.7
Total (B1b/B2/B8 plus B1 where mixed use)					168.1		
Total 2013/14 to 2022/23					172.2		
Total (B1b/B2/B8 plus B1 where mixed use) 10 years 2013/14 to 2022/23					161.5		

** not counted against requirement as replacement



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Technical Review of West Midlands Strategic Employment Sites
Study (WMSESS) and Coventry and Warwickshire HEDNA –
WMSESS Alignment Paper





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APPENDICIES

Appendix 1 Stoford Analysis of the Net Developable Areas of Existing Commitments



1. INTRODUCTION & KEY CONCLUSIONS

- 1.1 This Note has been prepared by Marrons Economics on behalf of Stoford Properties Ltd. The purpose of the note is to provide a critical review of two recently prepared reports, the West Midlands Strategic Employment Sites Study 2023/24 (hereafter referred to as WMSESS) and the Coventry and Warwickshire HEDNA (Housing and Economic Development Needs Assessment) – WMSESS Alignment Paper 2024 (hereafter referred to as Alignment Paper).
- 1.2 The note also compares the findings of these two reports with previously prepared evidence, with a particular focus of logistic floorspace need.

Key Findings of WMSESS and Alignment Paper

- Within the West Midlands there is 0.45 years supply of manufacturing floorspace, and 1.16 years of strategic logistics floorspace – the WMSESS acknowledges there to be a considerable shortage in supply at present.
- **The WMSESS finds a need for strategic sites >25ha across the West Midlands Study Area of 1,920ha – 2,282ha (2022-2045). Of this figure road based need equates to 1,555ha to 1,848ha and rail based 365ha to 433ha.**
- In meeting residual need the WMSESS assumes 30% of supply will be required by the manufacturing sector, and 70% logistics.
- The WMSESS accounts for commitments totalling 1,007ha of road based, and 298ha rail based. **Residual road based need after accounting for this supply therefore totals between 549ha and 841ha (rail based residual 67ha to 135ha)**
- The WMSESS identifies a series of Opportunity Areas within which residual need could be met – Opportunity Area 7 contains Coventry and Rugby, which combined with OA 5 and 8 broadly equate to Coventry and Warwickshire.
- After accounting for strategic commitments of 655/656ha across Coventry and Warwickshire the WMSESS identifies a residual need of between 200ha to 275ha, of which 75ha to 150ha of residual need is identified for OA 7 (Rugby and Coventry).
- The Alignment Paper goes onto deduct two further sites in Coventry and Rugby totalling 68ha – reducing the **residual need within OA7 (Rugby and Coventry) to between 9ha and 84ha to 2045 (136 to 311ha across C&W)**. Note, a separate Alignment Paper Addendum has been published which seeks to



correct an error in the Alignment Paper's rebasing of strategic sites need, the effect of which is to increase residual needs by around 30ha across Coventry and Warwickshire (albeit this is not explicitly stated within the Addendum).

- In addition the Alignment Paper identifies non-strategic sites needs of 572ha by 2045 across Coventry and Warwickshire, reducing to a residual need of 328ha (68ha within Rugby reducing to 63ha and 122ha within Coventry reducing to 62ha).
- In respect of rail freight, the WMSESS acknowledges that finding a new rail freight interchange will be challenging, and should one not be found, the residual rail freight need (**+67ha to +135ha**) will transfer to a road based need – preferable as a satellite site to an existing RFI.

- 1.3 By way of comparison the Coventry and Warwickshire HEDNA, 2022, identified general industrial needs of 622ha by 2041, in addition to 551ha of strategic B8 need. By 2050 it forecast general industrial need of 902ha by 2050, in addition to 735ha of strategic B8 need. General industrial need within Rugby totalled 150.5ha by 2041, and 218.2ha by 2050. The HEDNA did not account for supply.
- 1.4 Evidence prepared by Marrons and LSH (submitted by Stoford Properties Ltd in early 2024 to RBC) demonstrated a need of between 547ha and 1,190ha within Rugby Borough alone over the period to 2050, significantly exceeding the aforementioned need.
- 1.5 The above summary presents the output as characterised by the WMSESS and Alignment Paper. Both assessments contain inconsistencies, as well as some fairly generic assumptions which have been applied to the wider West Midlands study area, and filtered down to the sub regional areas.
- 1.6 We attempt to summarise those most critical issues to the assessments of need below, but provide further detail in the following sections of this note.

Key Concerns/ Limitations of WMSESS

1. Study area wide (regional) assumptions applied, which have then been disaggregated to broad sub areas, and functional economic markets, without consideration of regional market disparities – for example a generic 70/30 split has been assumed between logistics and manufacturing demand, which fails to recognise the operational requirements of each sector which may favour



specific localities.

2. There is a significant disparity between the evidence presented in the WMSESS and Alignment Paper, compared with the C&W HEDNA in respect of both strategic and non-strategic needs. A detailed critique is appended but these largely can largely be explained as:

- a) Scenarios – inconsistent application of assumptions:

- i. Suppressed demand – only appears to have been included within the net absorption scenario, despite the completions scenario (WMSESS preferred scenario) also be based on past trends (and constrained by suppressed demand), as would arguably the MDST scenario. Very crudely this would add a further **+446ha to 2,099 ha** to overall need across the West Midlands Study Area (data is not available to establish the uplift within Coventry and Warwickshire alone)

Separately, in calculating the low range of suppressed demand the WMSESS has incorrectly applied an annual need figure rather than the figure extrapolated over the study period. It is not clear of the implications of this error on the report's findings.

- ii. 5 year margin – it is appropriate to incorporate a 5 year margin for flexibility, however the WMSESS only applies this to the MDST and Completions scenarios, whilst excluding it from the net absorption scenario.

- b) Completion trends – inconsistent results compared to C&W HEDNA. Difficult to quantify because of lack of detail published.

- c) 25% downward adjustment to strategic sites need (>25ha) – the premise being that 25% of strategic floorspace can be met on non-strategic sites (i.e <25ha). However whilst a generic 25% deduction was made in the WMSESS, a local upward adjustment for strategic floorspace on non-strategic sites was made in the Alignment Paper, amounting to only 10-13% of need. As a consequence, some **+130ha to 210ha** of need across Coventry and Warwickshire has been lost between the WMSESS and the Alignment Paper.



- d) Recycled site assumption reducing need by c.20% - significantly greater than the difference between gross and net completions (indicative of re-use) amounting to c.8%.
 - e) Reliance on supply designated for specific operator/ use not modelled within need assessment. Of the 655/656ha of identified supply relied upon in the WMSESS to meet Coventry and Warwickshire's needs, some **+224.7ha** is intended to meet need not modelled within the WMSESS (paragraph 10.60).
3. A generic plot ratio of 0.35 on the gross developable area (i.e 35% of the site will be built out) has been assumed in the WMSESS in determining road based need, whilst accepting that rail based delivery is better suited to a plot ratio of 0.25 ¹.

This does not appear to account for the increased levels of infrastructure required on larger strategic sites, as well as for example BNG requirements. Furthermore, it is clear that the plot ratio assumption has been applied to the gross developable area. Evidence prepared by Stoford's (appended to this Report) demonstrates that the net developable area is significantly smaller – reducing the amount of floorspace that can be achieved on each site. As such this is a significant generic assumption which has huge ramifications to the calculation of need. If for example a plot ratio of 0.25 were assumed, reflecting that assumed for strategic rail freight, it would increase road based need across the WMSESS study area from the range of 1,555ha – 1,848ha to a figure of between 2,177ha – 2,587ha. This one change to the assumption, which is considered to better reflect an average across a range of strategic sites, would require an additional 500ha to 700ha to be found across the study area. An equivalent calculation based on the assessed strategic need within Coventry and Warwickshire (835ha to 1,017ha) would indicate an additional **+333ha to 406ha** would need to be found.

Key Concerns/ Limitations of Alignment Paper

1. The Paper rebases residual need 2022 – 2045 back to a start year of 2021. In doing so it makes a pro rata adjustment to residual need, and then deducts

¹ Paragraph 10.2 of WMSESS



completions which occurred in 2021. However, in making a pro rata adjustment to residual need the Alignment Paper also extrapolates the strategic supply figure (of 655ha 2022 – 2045) by virtue of the fact that it underpinned the residual need calculation. A subsequent Alignment Paper Addendum seeks to correct part of this calculation but is still flawed in so far as it does not rebase gross need. The correct method would be to pro rata gross need, and then deduct completions that occurred in 2021. This has the effect of increasing residual need from the stated 177ha – 359ha to 207ha – 390ha, an additional **+30ha of residual need** over that quoted. Gross strategic sites need increases from 833 – 1,015ha as reported in the Alignment Paper to 893 – 1,076ha (+60ha of gross need).

2. As detailed above, whilst the WMSESS made a downward adjustment to strategic floorspace need of 25% to account for strategic needs which might be met on non-strategic sites, the Alignment Paper only provides for an upward adjustment to non-strategic needs of 148ha within C&W, some **+130ha to 210ha** short of the 25% equivalent upward adjustment required to balance the calculation.
3. There is a clear discrepancy in the level of non-strategic needs calculated within the C&W HEDNA and the latest figures within the Alignment Paper, despite both seemingly drawing upon past completions – however insufficient detail is provided to recreate the calculation.
4. No explanation of where the non-strategic supply figures used in the Alignment Paper's calculations have been derived, or what sites they encompass.
5. The Alignment Paper carries forward the WMSESS supply figures, which include 2 x sites within C&W which do not assist in meeting modelled need (JLR and Battery Manufacturing sites = 224.7ha). As such the strategic supply figure for Coventry and Warwickshire of 656ha² should be reduced by **+224.7ha**.
6. The Alignment Paper goes on to make a further supply reduction for Padge Hall Farm, despite this site not falling within an opportunity area. Further the site is intended to meet the needs of an occupier relocating from Hinckley – as with the JLR site, the Padge Hall Farm site does not seek to meet WMSESS

² As set out in Appendix 1 of the Alignment Paper



modelled need. Residual need should therefore be increased by **+64ha** to exclude Padge Hall Farm from the supply calculations. As such the residual strategic need of between 9 – 84ha identified in paragraph 4.10 of the Alignment Paper should be increased by +64ha.

Implications to Identified Future Industrial Need

1.7 The key implications of the above analysis are as follows:

1. The WMSESS and Alignment Paper appear to significantly underestimate the need for strategic floorspace, as well as non-strategic floorspace (within Coventry and Warwickshire).
2. Neither of the preferred strategic need scenarios build in suppressed demand – estimated to increase demand by between **+446ha and +2,099ha** over the period to 2045 (figure not available for C&W in isolation).
3. Whilst the WMSESS makes a 25% downward adjustment to strategic needs (assumed to be met on non-strategic sites). Within C&W the Alignment Paper does not make a full compensatory adjustment leaving an unaccounted shortfall of between **+130ha and +210ha** of strategic needs.
4. Reliance on a plot ratio of 0.35 (applied to the gross developable area) may constrain growth if sites are not capable of being developed at such a high plot density. A sensitivity test using a plot ratio of 0.25 (as applied to strategic rail freight) demonstrates that within C&W the need for additional sites would increase by between a further **+333ha and +406ha**.
5. The Alignment Paper, and Alignment Paper Addendum make an incorrect pro rata adjustment to the WMSESS Study Period. The correct method would first increase gross strategic needs across C&W over the period 2021 – 2045 by a further **+60ha**, and residual strategic needs by a further +30ha. This residual uplift is broadly acknowledged in the Alignment Paper, albeit it still continues to contain an error in its calculation of gross needs.
6. The Alignment Paper's calculation of non-strategic needs within C&W appears inconsistent with those in the 2022 HEDNA – noting that insufficient detail is provided to recreate the calculation.

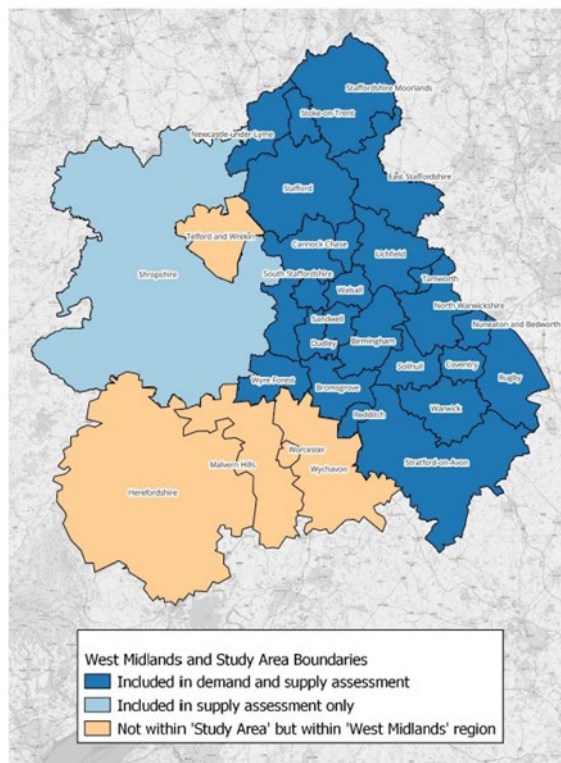


7. The WMSESS and Alignment Paper incorrectly assume that the JLR site and Battery Storage Site will help to meet modelled needs (despite accepting that they will not in para 10.60 of WMSESS). This would have the effect of reducing supply within C&W by **+224.7ha** (and increasing residual need by the same amount).
 8. The Alignment Paper also assumes a site intended for an occupier relating from Hinckley and Bosworth (Padge Hall Farm) will assist in meeting modelled need. Excluding this site, for the same reasons given paragraph 10.60 of the WMSESS would reduce identified supply in the Alignment Paper by **+64ha** (and increase residual need by the same amount).
- 1.8 In the context of the residual strategic need identified within Coventry and Warwickshire totalling 136ha to 311ha by 2045, and 9ha to 84ha across Opportunity Area 7 (Rugby and Coventry) the levels of additional residual need identified above are significant, and raise doubt over the robustness of the evidence, or at the very least a real risk that adopting the levels suggested in the Alignment Paper will significantly constrain economic growth.
- 1.9 Adjusting the calculations within Coventry and Warwickshire simply to account for errors in the calculation of need (balancing the 25% adjustment for strategic need on non-strategic sites (+130ha to +210ha); and applying the correct pro-rata adjustment to 2021 (+30ha), as well as excluding supply that will not assist in meeting modelled need (+288.7ha) would increase residual needs by a further +448.7ha and 528.7ha. Providing for suppressed need and/ or a more realistic plot ratio would further increase residual strategic need.

2. REVIEW OF WEST MIDLANDS STRATEGIC EMPLOYMENT SITES STUDY 2024 (WMSESS)

2.1 The Study, commissioned by Dudley Council, with the client group comprising the West Midlands study area local planning authorities and West Midlands combined authority, as shown below.

Figure 2.1. West Midlands Study Area



Source: Fig 2.1 WMSESS

2.2 The WMSESS brief is said to be as follows:

- Determine and appraise current provision and need identified in the 2021 Study (West Midlands Strategic Employment Sites Study 2021)
- Update on committed sites
- Identify the need for large scale strategic logistics and manufacturing sites (acknowledging that past take up rates alone are not necessarily reliable indicators of future need)
- Acknowledge locally identified EDNA needs and advise where sites can meet both local and regional need simultaneously



- Address modern industry requirements, qualitative and quantitatively
- Provide recommendations on the overall number and type of strategic sites required in the study area and in relation to identified opportunity areas within the study area.
- Review criteria for selection of strategic sites
- Advise on phasing and priority broad locations/ corridors for new strategic sites
- The work should be informed by engagement with key stakeholders
- Additional policy advice should be provided regarding the take-up of land for non strategic uses and on the practical mechanism for identifying, allocating and delivering strategic employment sites.

2.3 The key parameters of the scope include the definition of strategic units for manufacturing and logistics, exceeding 100,000 sq ft (9,300 sqm) and a site area typically exceeding 25ha. The rationale given is that this was the threshold typical of generating sufficient value to support the delivery of enabling infrastructure (paragraph 11.14).

2.4 **Policy and evidence review** – the WMSESS includes a review of relevant policy documents, as well as evidence base documents including the Coventry and Warwickshire sub-regional employment market signals study 2019, the South East Midlands Warehousing and Logistics Study 2022, and the Leicester and Leicestershire Strategic Distribution Study 2021. Critically the WMSESS does not appear to review the findings of the Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) 2022 which included an assessment of strategic logistics (B8) need totalling 551ha to 2041 and 735ha to 2050. However, the C&W HEDNA WMSESS Alignment Paper addresses the output of the WMSESS in the context of C&W, as we detail later.

2.5 **Market dynamics** – in assessing the market the WMSESS reports that 33.5% of total strategic floorspace in the West Midlands (5.4m sq m) is in B2 (manufacturing) use, whilst 66.5% (10.8m sq m) is in B8 (logistics) use. The WMSESS does not appear to provide this analysis across the three broad (sub) areas of Greater Birmingham; Coventry & Warwickshire; and Staffordshire (as set out in Table 4.1).

2.6 Whilst Table 4.5 does subsequently assess recent take up on manufacturing floorspace by local authority, this does not necessarily translate to occupier demand. Notwithstanding it is important to note that over 50% of manufacturing take up in



recent years has been in the Birmingham sub-market of the region. There are therefore clear sub-regional differences in the extent of demand from manufacturing and logistics influenced by differing operational requirements.

- 2.7 Table 4.3 assesses the overall change in strategic floorspace over the 10 year period to 2022 within each of the three broad areas within the region. This shows that whilst by volume of floorspace both Birmingham and Staffordshire broad areas individually have a greater share of the market than Coventry and Warwickshire, Coventry and Warwickshire has experienced the greatest rate and volume of growth over the 10 years to 2022 (+1.2m sq m). The 41% rate of growth experienced is almost double that experienced by either Birmingham or Staffordshire, and the increased strategic floorspace growth within Coventry and Warwickshire over this 10 year period amounts to 45% of growth across the whole region.
- 2.8 Further, when comparing to the equivalent table summarising recent take up of logistics floorspace (Table 4.7) it is clear that over the 5 year period to 2022 Birmingham has been the key focus for growth in manufacturing, whilst the majority of floorspace growth in logistics has been in Coventry and Warwickshire.
- 2.9 Note that there is a notable illogical difference in the level of strategic floorspace change reported over the 10 year period 2012 – 2022 (Table 4.3) totalling +2,848,217 sq m across the West Midlands, compared with a figure of +3,035,292 sq m over the shorter 5 year period 2018 – 2022 (Tables 4.5 & 4.7 combined). This is likely a result of the 10 year calculation assessing net change, compared to the 5 year figures reflecting gross take up, but this is not immediately clear from the report.

Table 2.1 Summary of gross take up by broad area 2018- 2022

Broad Area	Manufacturing 2018-22 (sq m)	Logistics 2018- 22 (sq m)	Total Take Up 2018-22 (sq m)
Birmingham	317,420 (30%)	746,066 (70%)	1,063,486
Coventry and Warwickshire	196,738 (16%)	1,014,971 (84%)	1,211,709
Staffordshire	79,068 (10%)	681,029 (90%)	760,097
West Midlands Total	593,226	2,442,066	3,035,292

Source: WMSESS Table 4.5 and 4.7

- 2.10 The WSMESS provide a review of years supply, measured by current available floorspace (>100,000 sq ft), and compared to average annual take up. Notwithstanding the fact that past take-up could in itself be constrained through a lack of supply, the analysis indicates (Table 4.8) that across the West Midlands there is



0.45 years supply of manufacturing floorspace, and 1.16 years of strategic logistics floorspace. Paragraph 4.58 concedes that this points to a considerable short term under supply.

- 2.11 Rent for strategic logistics floorspace have been consistently higher in the Coventry broad area, compared to the other two broad areas, and UK average. Coventry's logistic rental average stood at £8 per sq ft in 2022, after consistent growth since 2014. The WMSESS considers that the significant rate of rental growth is reflective of high demand and a shortage of supply. A similar comparison of manufacturing rents across each of the three broad areas were lower than the UK average, noting that Coventry broad area remained the strongest of the three (£7.25 per sq ft in 2022), demonstrating the relative demand for floorspace, and noting a similar trajectory of growth since 2014.
- 2.12 The WMSESS concludes its assessment of market dynamics by referencing that vacancy rates are at an all time low, with rents consistently increasing over the past 10 years, indicative of strong demand, with current availability of supply limited to 0.99 years, which helps to emphasise the seriousness of the situation and the need to plan for greater levels of strategic floorspace, and the extent of suppressed demand which may exist.
- 2.13 **Commitments and allocations** – the WMSESS identifies a series of commitments by local authority totalling 1,305 ha (based upon sites >25ha and extensions of strategic sites) as at April 2022. However, this figure is significantly skewed by a number of large sites, including three sites which collectively comprise over 500ha - including 298ha at the West Midlands (Rail Freight) Interchange (South Staffs); 100ha Jaguar Land Rover (Stratford on Avon) (which whilst allocated does not benefit from planning permission); and 127ha for battery manufacturing at Coventry Airport. These sites have the effect of distorting the overall supply position.
- Within the Coventry broad area identified strategic commitments, as detailed in Section A3 of the WMSESS total 655.1ha, and are as follows (as at April 2022):



Figure 2.2 Coventry and Warwickshire Extract from Appendix A3.Commitments, of WMSESS

LPA	Status	Site	Use	Land ha	Floorspace (sq m)	Phasing
Coventry	Allocation	Land at Baginton Fields & SE of Whitley Business Park	Mixed B1, B2, B8	25		5-10 yrs
Rugby	Outline pp/ partial full pp	Tritax Symmetry, Land North of Coventry Road	Mixed	46.2	186,500	0-5 yrs
Rugby	Outline pp/ partial full pp	Prospero Ansty	B2	49.4	160,000	0-5 yrs
Rugby	Outline pp with res matters	Former Peugeot Site C (Prologis Park)	Mixed	16.7	45,275	0-5 yrs
Rugby	Outlined pp	Rugby Radio Station	Mixed B1, B2, B8	16	106,000	0-5 yrs
Rugby	Full pp	Coston Park East	B8	8.7	26,421	0-5 yrs
North Warwickshire	Allocation	Land at Mira	B2	42		0-10 yrs
North Warwickshire	Allocation	West of Birch Coppice (extension)	Mixed B1, B2, B8	5.1	25,000	0-5 yrs
North Warwickshire	Allocation	Playing fields South of A5, Dordon	Mixed B1, B2, B8	3.5	17,500	0-5 yrs
North Warwickshire	Full pp	Former B Station Site - Prologis Park Hams Hall	B2/ B8	8.9	45,000	0-5 yrs
Nuneaton and Bedworth	Full pp	Faultlands	B2/ B8	26	92,904	0-5 yrs
Nuneaton and Bedworth	Outline pp	Meadow off Pilgrims Walk (extension Prologis Park)	B2/ B8	5.9		0-5 yrs
Stratford on Avon	Allocated	Jaguar Land Rover	B2	100		0-10 yrs
Warwick	Outline pp	Gateway South, Land to South & west of Coventry Airp	B2/ B8	177	337,421	0-10 yrs
Warwick	Outline pp	Coventry airport	B2	124.7	513,470	0-10 yrs
Total				655.1		

2.14 However, it is clear that many of these commitments relate to either B2 or a mix of B class uses, with only 8.7ha of committed pure B8 floorspace. Of the remainder there is 316.1ha of committed B2 floorspace, and 330.3ha of committed mixed use floorspace – meaning that committed logistics floorspace across the entire Coventry and Warwickshire broad area totals at most 339ha, however it is reasonable to assume a proportion of this will be occupied by B2 manufacturers.

2.15 Indeed the reliance on allocations such as JLR in meeting general B2 needs is misplaced, given that the site will serve JLR's needs. This point is noted in respect of the JLR site, as well as the battery manufacturing site at Coventry Airport in paragraph 10.60 of the WMSESS. However, the WMSESS does not go on to exclude those sites from its supply calculations. Because of this the WMSESS appears to over inflate supply by 224.7ha from these two sites alone.

Establishing future need

2.16 The WMSESS goes on to undertake a series of forecast scenarios as set out below:

2.17 **Traffic growth & replacement demand model (need for sites)** – accounting for both growth build and various replacement build scenarios (low, central and high) the WMSESS considers there to be a need to 2045 for between 1,993ha – 2,868 ha of strategic sites. The WMSESS tests within these figures a series of rail served scenarios, the mid point being 23%, equating to 458ha of rail served sites by 2045. Accounting for the 207ha at West Midlands Interchange the WMSESS indicates a shortfall in rail served supply of 161ha by 2045.



- 2.18 **Completions (need for sites)** – strategic floorspace completions data over the 11 year period between 2011/12 and 2021/22 totals 3,935,475 sq m, averaging 357,770 sq m per annum and 102ha (plot ratio 0.35). Extrapolated over the period 2022 – 2045 this equates to 2,351 ha across the West Midlands.
- 2.19 It is important to note that these figures are supply constrained, and as such do represent the market demand over this period.
- 2.20 **Net Absorption (need for sites)** - WMSESS confirms, drawing on data from CoStar, that average net absorption for large scale industrial and warehouse units between 2011 and 2022 across West Midlands was 328,293 sq m per annum, equivalent to 94 ha. Over the period 2022 – 2045, projected forward this equates to 2,157 ha. Importantly para 9.4 acknowledges that net absorption masks gross demand for new stock.
- 2.21 The WMSESS anticipates that that manufacturing demand will be steady whilst population growth, changing business functions and shopping habits will continue as drivers for e-commerce. It considered that the demand rate post pandemic is now stabilising towards the pre pandemic rate. In the longer term (post 2030 to 2040) it considers that there is uncertainty on where demand will stabilise with potential levelling off of online retailing but it considers that this would need to be reviewed in future evidence base updates. Some caution should be expressed over the reliance upon past trends.
- 2.22 **Need for Sites, Conclusion and Requirements by type and size** – the WMSESS considers the following the above calculations there is a need for adjustment to account for:
- suppressed demand;
 - margin for flexibility;
 - relationship between strategic units and strategic sites; and
 - recycling of sites.
- 2.23 The WMSESS calculations assume a plot ratio of 0.35 for road based and 0.25 for rail based services, which is considered reasonable. Rightly however it considers that there may be instances where these ratios are lower taking into account specific landscape issues or accommodating biodiversity net gain. The consequence of this being that the numbers presented within the WMSESS in respect of the needs for



sites (ha) may be light. However, the WMSESS does not undertake a sensitivity test of plot ratios. By way of example the road based ratio does not appear to account for the increased levels of infrastructure required on larger strategic sites, as well as for example BNG requirements. Furthermore, it is clear that the plot ratio assumption has been applied to the gross developable area. Evidence prepared by Stoford's (appended to this Report) demonstrates that the net developable area is significantly smaller – reducing the amount of floorspace that can be achieved on each site. As such this is a significant generic assumption which has huge ramifications to the calculation of need. If for example a plot ratio of 0.25 were assumed, reflecting that assumed for strategic rail freight, it would increase road based need across the WMSESS study area from the range of 1,555ha – 1,848ha to a figure of between 2,177ha – 2,587ha. This one change to the assumption, which is considered to better reflect an average across a range of strategic sites, would require an additional 500ha to 700ha to be found across the study area. An equivalent calculation based on the assessed strategic need within Coventry and Warwickshire (835ha to 1,017ha) would indicate an additional **+333ha to 406ha** would need to be found.

- 2.24 Suppressed demand – the WMSESS measures this through the rate of availability of floorspace. The WMSESS tests this based on a low scenario (assuming availability of 5%) and a high scenario, as advocated by Savills research (assuming availability of 8%).
- 2.25 The WMSESS favours incorporating availability based upon the low scenario – however, given the intended nature of the exercise in forecasting future demand for strategic floorspace, it would seem reasonable to base calculations on what is termed the high scenario, but is Savills preference given their knowledge of the market.
- 2.26 The average annualised suppressed demand is rolled forward over the planned period (multiplied by 23) to provide a 'top-up' of:
- 1.6 million sq. m or 446ha of need under the 'Low' scenario (5% availability) and
 - 7.3 million sq.m or 2,100 ha under the 'High' scenario (8%)
- 2.27 The WMSESS only considers suppressed demand in the context of a net absorption based forecast, however it is important to recognise that these figures are in equally as relevant to a forecast based upon past completions.



- 2.28 As stated above the WMSESS favours the calculation of suppressed need equating to 446ha. Had it incorporate the high scenario (2,100ha) this would add a further 1,654ha of need.
- 2.29 Notwithstanding, it is clear that an error has crept into the WMSESS in respect of the application of the favoured low scenario (+446ha). Reference to Table 10.1 confirms that the low scenario equates to suppressed demand of 1,562,523 sq m, whereas the level of suppressed demand applied to the net absorption low scenario in Table 10.3 totals only +319,379 sq m. This figure is in fact the annualised level of suppressed demand associated with the high scenario as set out in Table 10.1. As a consequence the total floorspace associated with the low scenario in Table 10.3 should equal 9.1m sq m, and the equivalent land take shown in the proceeding Table 10.4 should total 2,604ha, as opposed to 2,249 ha.
- 2.30 Margin for flexibility – the WMSESS incorporates a margin for flexibility equivalent to 5 years of completions in the study area equivalent to 1.8 million sq m. Based upon a plot ratio of 0.35 we calculate this to total 514ha.
- 2.31 The WMSESS goes on to present a summary of its various need scenarios as set out in the extracted tables below. As detailed above, an error has crept into the net absorption low scenario, whereby an incorrect suppressed demand has been applied – as a consequence the need associated with this scenario, and shown in Figure 2 (Table 10.4) below should, we believe, total 2,604ha as opposed to the reported figure of 2,249ha.
- 2.32 Table 10.3 WMSESS (extract below) sets out the floorspace calculations underlying the above, and it is clear that whilst a margin of flexibility has been applied to the MDST and Completions scenarios, it has not been applied to the net absorption scenarios. Similarly, whilst the net absorption scenarios account for suppressed demand, the completions scenario does not (despite the fact that it is similarly derived from past trends). The allowance for a margin of flexibility and separately suppressed demand are complementary and do not in any way double count – it is therefore unclear why the analysis would appear to exclude these elements from certain scenarios.

Table 2.3 Extracted Summary of Forecast Strategic Floorspace Needs 2022 – 2025 (sq m)

Table 10.3 Summary of Forecast Strategic Floorspace Needs 2022-45 (sq.m)

	MDST Central Scenario			Completions	Net Abs. /SD - High	Net Abs. /SD - Low
	Road (B8 only)	Rail (B8 only)	Road and Rail + 30% B2 Adjustment			
Forecasted Need (2022-45)	6,977,000	1,605,000	11,156,600	8,228,720	7,550,730	7,550,730
Suppressed Demand					7,345,723	319,379
5-year Margin			1,788,852		N/A	N/A
Total			12,945,452	10,017,572	14,896,454	7,870,109
Road-based Need*			10,485,816	8,114,233	12,066,128	6,374,788
Rail-based Need*			2,459,636	1,903,339	2,830,326	1,495,321

*Based on the MDST model road to rail split of 81% / 19%

Source: Icen Analysis

2.33 Notwithstanding, the WMSESS goes on to recommended a narrower range comprising the Completion Scenario at the low end, and the Traffic growth/ replacement demand central Scenario at the upper end. The WMSESS discounts both absorption scenarios, with the high net absorption scenario dismissed as ‘likely to overestimate the nature of the strategic sector requirement, particularly when combined with the shorter term exceptional demand influence associated with the pandemic’. However, it is our understanding that the net absorption scenario assessed net absorption over the period 2011 – 2022, and paragraph 9.6 of the WMSESS concedes that the difference in net absorption over the period 2011 – 19 and 2011 – 22 is not significant. By the WMSESS’s own analysis the pandemic would appear to have had little influence on need identified through the net absorption scenario.

2.34 It is not clear whether the error associated with the low net absorption scenario would have influenced the decision to exclude it, albeit the rationale given was that it sat below the completion trend. In this respect it is important to note that use of the net absorption scenarios would negate the need to apply a downward recycling adjustment as we refer to late within this note, as net absorption accounts for the overall change in floorspace.

2.35 The WMSESS considers that whilst it forecasts strategic floorspace (units greater than >9,000 sq m), its focus is on strategic sites (>25ha). It considers that there are a number of considerations to take into account in reconciling the modelled forecasts,



including 1) not all strategic units are located on strategic sites, 2) most strategic sites contained some smaller, non strategic units, and 3) some need can be met by recycling existing brownfield sites.

- 2.36 **Relationship between strategic units and strategic sites** – the WMSESS draws on CoStar data in assessing the proportion of strategic units located on non strategic sites (36% since 2000). The WMSESS concedes, based on shareholder feedback in paragraph 10.29 that because of the high demand and shortage of supply, an increasing amount of strategic units are being built on sub optimal, non strategic sites.
- 2.37 Despite this it goes on to make a reduction of 35% (paragraph 10.30) to the forecast strategic floorspace need for strategic sites. Separately, the WMSESS makes a positive adjustment of +10% to provide for smaller units on strategic sites. As a consequence Table 10.8 appears to make a net reduction of 25%.
- 2.38 Notwithstanding the rationale behind this adjustment, it is essential that an equal and compensatory upward adjustment is made to non-strategic site needs – however as we detail below the Alignment Paper does not make such an adjustment, instead only increasing non-strategic need by c.10 – 13%, whereas an upward adjustment would be required to full account for need.
- 2.39 **Recycling of sites** - The WMSESS confirms a need to replace older stock, which it considers is an important driver of demand, and that those existing strategic sites yield opportunities for redevelopment. It considers that newer stock will have a 40+ year lifespan, but the majority of current stock needs replacing approximately every 30 years. As such it considers that stock built pre 2015 (at the end of the study period 2045) will need replacing.
- 2.40 As a consequence the WMSESS assumes an adjustment of 20% which applies to all large units on strategic and non-strategic sites in respect of the MDST scenario, albeit it goes on to note that there is considered to be a greater probability of on-site recycling at strategic sites – there is only 4.2 million sq m of strategic floorspace location on existing strategic sites. Furthermore, of this figure only 2.7m sq m was built prior to 2015 – the cut-off date implied by WMSESS.
- 2.41 Despite this the 20% downward adjustment made by the WMSESS amounts to 2.2 million sq m, more than half of the current strategic floorspace on strategic sites. In addition, and in respect of the MDST scenario, the WMSESS makes a further



recycling adjustment of 234ha (we approximate this to 819,000 sq m, and bringing the total assumed to be recycled to c.3m sq m – 75% of all strategic floorspace on strategic sites). In respect of the Completion Scenario, the WMSESS makes a downward recycling adjustment of 390 ha (we approximate this to total 1,365,000 sq m).

- 2.42 The implausibility of this adjustment is demonstrated by a comparison of the gross completed strategic floorspace as reported in the WMSESS over the period 2011-2022 (3.9m sq m), and net absorption over the same period (3.6m sq m – paragraph 9.6). Net absorption represents net additional floorspace, and as such the difference in these numbers amounts to the amount of recycled floorspace – some 300,000 sq m, or 8%.
- 2.43 The following table, an extract of Table 10.8 of the WMSESS summarises the above calculations based upon the two recommended scenarios.
- 2.44 In respect of the MDST scenario, after making an initial deduction for recycled sites of 20% resulting in a need of 3,354 ha, the WMSESS makes a further 25% reduction on the assumption that 25% of strategic floorspace will be met on non-strategic sites (<25ha). A further recycling downward adjustment is made of 190ha resulting in a residual need for strategic floorspace on strategic sites (>25ha) of 1,848 ha. This figure is then apportioned between rail and road.
- 2.45 In respect of the equivalent Completions Scenario, the forecast need figure is reduced by 25% to account for the assumption that 25% of strategic floorspace will be met on non-strategic sites. A further downward adjustment of 390 ha is made on the assumption that this need will be met on recycled sites, leaving a residual need of 1,555 ha. As above, this figure is apportioned between road and rail.
- 2.46 As detailed above there appears to be no rationale for not applying the suppressed demand calculation to the Completions scenario (when it has been applied to the net absorption scenario), which would have the effect of increasing need within this scenario by between 446ha and 2,099ha – substantially increasing stated need.



Table 2.4 Supply Demand Balance Summary (Ha) Extract from Table 10.8 WMSESS

	MDST	Completions
Forecasts needs 2022 – 2045 with adjustments and margin	3,354	3,080
Strategic sites (downward) adjustment (25%)	2,516	2,310
Brownfield recycling adjustment	2,282	1,920
Adjusted Road Need	1,848	1,555
Adjusted Rail Need	433	365
Commitments Road	1,007	1,007
Commitments Rail	298	298
Road Shortfall	841	548
Rail Shortfall	135	67
Shortfall (ha)	977	615

2.47 The need analysis undertaken within the WMSESS raises a number of key concerns, which can be summarized as follows:

- Use of completions data, without accounting for suppressed demand
- Preference for a lower availability rate in calculating suppressed demand, than advocated by market evidence (5% as opposed to 8%).
- Clear errors within the suppressed demand calculations, and subsequent impact on the demand scenario
- Inconsistent use of the flexible margin, with no rationale as to why it would not also apply to the net absorption scenarios
- Downward adjustment (of 25%) to account for strategic floorspace on non-strategic sites, the result of which would compound market supply issues, resulting in exactly the issues faced by the market resulting in occupiers locating in sub-optimal sites.
- Illogical adjustment for recycled sites, amounting to 20% of need – with no explanation as to the source of this assumption, which far exceeds that experienced in the market from a comparison of gross completions and net absorption (8%). Notwithstanding, an increase in the rate of recycled sites would require a properly functioning market with adequate levels of vacant/ available space to ensure continuity in business operations, as acknowledged in para 1.10, 7.17 and 10.34. In order for that to be achieved sufficient allowance would need to be built into each scenario to provide for suppressed demand, which is presently excluded from the WMSESS calculations other than the net absorption scenarios.
- Finally, the assumptions underlying the assessment of need appear to have been undertaken at a study area level (i.e. West Midlands) meaning it is difficult to



extrapolate need across individual functional economic markets within the West Midlands, without assuming the same underlying assumptions, including for example the mix of need for logistics and manufacturing sites.

- 2.48 The WMSESS makes a series of assumptions and adjustments, which at each stage have the effect of substantially reducing strategic floorspace needs. No sensitivity analysis is undertaken to test the impact of each assumption, and the risk of underestimating need – the effect of which would be to exacerbate existing market pressures.
- 2.49 The WMSESS and Alignment Paper are both technical assessments yet do not contain the detailed underlying data informing many of the assumptions. As such it is difficult to establish the provenance of many of the assumptions, and where clear issues exist, why they have occurred.
- 2.50 In establishing the current shortfall in supply, the WMSESS deducts commitments totalling 1,305 ha. For the reasons identified above, this figure potentially over inflates supply through the inclusion of a number of large sites intended for occupation by known operators (such as JLR) or for a specific purpose (battery manufacturing for example), meaning they are not available to the open market, and there need falls outside of that reflected in the WMSESS methodology. We address commitments relating to the Coventry and Warwickshire functional economic market later within this note.
- 2.51 In meeting the shortfall in supply the WMSESS goes on to set out the requirement for additional sites. In respect of rail based need the WMSESS considers that in the medium term the West Midlands Interchange will fulfil need, at least until 2030, albeit it confirms that if a further rail freight interchange does not materialise then the residual rail need will need to be met at road based sites with good accessibility to existing strategic rail freight interchanges, known as satellite sites. Based upon the WMSESS calculations this would amount to be 67ha and 135ha of need (albeit with an appropriate plot ratio adjustment).
- 2.52 In respect of road based need the WMSESS identifies a need for between 548ha and 841ha (notwithstanding the concerns we raise above). Based upon a need for sites >50ha the WMSESS considers there to be a requirement for between 11 and 17 sites, albeit noting that site size will vary, influencing the number of sites required.



- 2.53 The WMSESS also considers that around 30% of supply will be required by manufacturing and 70% by logistics, based on ratios of stock, take up and market sentiment, equating to around 500-600ha of manufacturing need, and 1,100 to 1,300 ha of logistics need (before accounting for commitments). In respect of the quoted committed supply (1,007ha road based), 418ha comprise strategic manufacturing sites.
- 2.54 Paragraph 10.60 rightly concedes that a significant portion of the supply is earmarked for specific use (JLR 100ha, and Coventry Airport 127ha for battery manufacturing only). The WMSESS rightly points out that these demands would not be reflected in any modelled need from past trends, but are rather inward investment.
- 2.55 This, it considers, reduces the general B2 supply to 191ha and as such the residual need in manufacturing rises to around 300-400ha. Whilst we agree with this assertion, the two sites combined appear to total 224.7ha, which should instead be deducted from the supply figure. It is also important to note that both sites are located within the Coventry and Warwickshire functional economic market area. Critically, and despite the WMSESS conceding that they should not form part of the supply calculations in addressing identified strategic need, paragraph 12.20 sets out the assumptions in determining the residual need and includes both sites in the total stated supply of 1007ha. Furthermore, the Alignment Paper continues to assume that both sites will contribute to supply against stated need.
- 2.56 Paragraph 10.64 goes onto deal with logistics need/ supply, however it refers to an overall logistics need of 676ha to 994ha. This differs to the range of 1,100 to 1,300ha given in paragraph 10.56, and appears to be written in error. Notwithstanding paragraph 10.64 refers to a broad supply of 589ha (of which 30% may be required for manufacturing). The WMSESS concludes that there is a considerable shortfall in space following several years of high demand.
- 2.57 In recommending the quantum and distribution of additional sites, the WMSESS outlines the potential for 13-23 sites totalling between 575ha and 975ha of supply. It states in paragraph 12.21 that this compares to a road based shortfall of up to 841ha. The figure of 841ha appears to be derived by deducting what was considered to be a committed road based supply of 1,007ha (which as stated above includes the two sites which should have been excluded from the supply calculation), from the road based need of 1,848 ha (note the slight discrepancy in quoted need figure relative to



Table 10.8 of the WMSESS).

- 2.58 Notwithstanding our stated concerns over the calculation of need, the WMSESS conceded in chapter 10 (paragraph 10.60) that two of the committed sites will not meet modelled need, and as such should be excluded, reducing supply by 224.7ha. This has the effect of increasing the shortfall from 841ha to 1,066 ha – meaning that the WMSESS falls short of allocating sufficient needs through the sites/ locations identified.
- 2.59 Within Area 7 covering Coventry and Rugby the WMSESS identifies a need for between 1-2 for B8/ mixed use (totalling 50 – 100ha) and 1-2 sites for B2 use (totalling 25 – 50ha). However, the Coventry Airport battery manufacturing site totals 124.7ha, which should be excluded from the supply calculations, therefore adding a further equivalent supply requirement to Area 7.
- 2.60 Importantly paragraph 12.24 confirms that the results of opportunity area analysis are indicative and not intended to pre-empt any Local Plan processes.
- 2.61 We undertake a more detailed review of the implications to Coventry and Warwickshire, and specifically Rugby in the following section drawing on the C&W HENDA Alignment Paper.

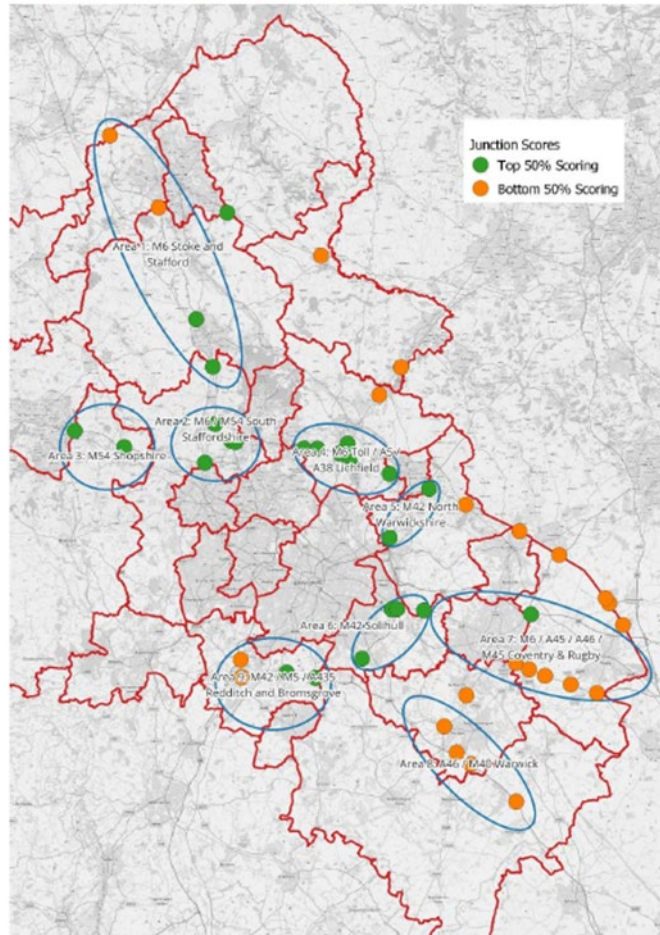


3. REVIEW OF COVENTRY AND WARWICKSHIRE HEDNA – WMSESS ALIGNMENT PAPER (ALIGNMENT PAPER)

- 3.1 The Alignment Paper, published in September 2024, was commissioned by Rugby Borough Council (RBC) on behalf of the Coventry and Warwickshire local planning authorities (Rugby, Coventry, North Warwickshire, Nuneaton & Bedworth, Warwick and Stratford-on-Avon). It is intended to consider the relationship between the employment land need recommendations in the WMSESS and the Coventry and Warwickshire Housing and Economic Development Needs Assessment (C&W HEDNA) 2022.
- 3.2 The Alignment Paper gives the WMSESS primacy, given its pan regional coverage, and the overlap between large manufacturing requirements and strategic site requirements; and more detailed consideration given to need based factors and opportunity areas.
- 3.3 The Alignment Paper is said to address overlap between the two assessments, and provide aligned outputs on employment land needs over a consistent time scale.
- 3.4 The HEDNA concluded upon a need for 621.9ha for general industrial (non strategic) to 2041 (increasing to 901.8ha to 2050). The equivalent figures for RBC were 150.5ha and 218.2ha respectively. Separately, a need for strategic B8 development totalling 551ha to 2041 (increasing to 735ha to 2050) was identified across Coventry and Warwickshire (the HEDNA did not distribute this need).
- 3.5 The WMSESS identifies a number of areas of opportunity where strategic employment sites should be considered. Three areas of opportunity fall within Coventry and Warwickshire as follows:
- Area 5 - M42 - North Warwickshire
 - Area 7: M6 / A45 / A46 / M45 - Coventry, Rugby, Nuneaton and Warwick
 - Area 8: A46 / M40 - Warwick and Stratford-on-Avon

Figure 3.1 Extract from WMSESS – Opportunity Areas

Figure 1.1 WMSESS Road Opportunity Areas



- 3.6 The Alignment Paper confirms that each Opportunity Area was apportioned a proportion of the residual strategic site needs for both B8 and manufacturing occupiers (after accounting for commitments).
- 3.7 Across the three Opportunity Areas, the WMSESS identifies a residual need of between 200 and 375ha. Of this range, so 150 – 300 was identified for strategic B8/ mixed use, whilst 50 – 75ha was identified for B2 use. This is summarised in the following table extract.



Table 3.1 WMSESS Recommended Additional Strategic Site Provision 2022 – 2045

Opportunity Area	Type of Site	Indicative additional strategic site requirement at B8/mixed c.50ha - B1/B2 dedicated c.25ha	Indicative land need 2022-45
Area 5: M42 North Warwickshire	B8/Mixed	1-2	50-100
	B2	0	0
Area 7: M6 / A45 / A46 / M45 Coventry & Rugby	B8/Mixed	1-2	50-100
	B2	1-2	25-50
Area 8: A46 / M40 Warwick & Stratford	B8/Mixed	1-2	50-100
	B2	1	25
Total			200 - 375

Source: Table 2.4 of Alignment Paper

- 3.8 Within Area 7, encompassing parts of Coventry and Rugby the WMSESS identifies a residual need of between 50 – 100ha of B8/ mixed need, and 25-50ha of B2 need 2022 – 2045.
- 3.9 The Alignment Paper then seeks to re-align the WMSESS study period (2022 – 2045) to that of the C&W HEDNA (2021 – 2045). It does this, by making a pro-rata adjustment to the residual supply, and then deducting a completion of 30ha that occurred in 2021/22.
- 3.10 It is not entirely clear why this is necessary, particularly as the year 2021/22 forms part of the past completion/ net absorption calculation in the WMSESS. Nonetheless, the calculation itself does not make sense.
- 3.11 Firstly there is an error in the pro rata calculation in Table 3.2. The average need per annum of 7.4 – 13.9, is said to be based on a pro rata of the residual need of 200 – 375ha over a 23 year period (2022 – 2045) which actually equates to 8.7 – 16ha. This is subsequently addressed in an Alignment Paper Addendum (Table 3.2). This confirms that the rebased strategic residual need 2021 – 2045 totals between 209 – 391ha, an increase of 32ha above that set out in the Alignment Paper.
- 3.12 However, in correcting this calculating in the Alignment Paper Addendum, Table 3.3 appears to make an incorrect calculation by deducting supply of 30ha to the gross



need calculation. It is not clear why this is applied in this way.

- 3.13 A more transparent method of calculating rebased need over the extended period from 2021 would first be to establish gross need (rather than residual need) within C&W over the period 2022 – 2045. Over the period 2022 – 2045 the WMSESS considers there to be commitments totalling 656ha after which there is determined to be a residual need of 200 -375ha. As such, , it can be deduced that the WMSESS determined there to be a gross strategic need of between 856 and 1,031ha over the period 2022 – 2045. A pro rata of this figure (37ha to 45ha) would suggest the gross need over the period 2021 – 2045 (an additional year) would total between 893 - 1,076ha across C&W, not the figure of 833 – 1,015ha set out in the Alignment Paper or the revised figure of 835 – 1,017ha as reported in the Alignment Paper Addendum. As a consequence gross strategic sites need is +60ha greater than that reported in the Alignment Paper.
- 3.14 After accounting for planned reported supply of 656ha within the WMSESS and deducting the additional completion of 30ha reported by the Alignment Paper for 2021 (albeit the Alignment Paper Addendum raises doubt over whether this should be included), a corrected gross need figure of between 893ha – 1,0776ha reduces to a residual need of 207 – 390ha, some +30ha above that reported in the Alignment Paper (being 177 - 359ha – Table 3.2). Whilst this is similar to the residual need reported in the Alignment Paper Addendum of 209 – 391ha, importantly it corrects a miscalculation of gross need within the Alignment Paper/ Addendum's calculation over the period 2021 – 2045.
- 3.15 It is also important to note that the WMSESS reduced strategic needs to be accommodated on strategic sites >25ha by 25% - a blanket assumptions over the WMSESS study area which assumed that the remaining 25% of strategic needs could be met on non-strategic sites. However, in adjusting for this within the non-strategic site calculations in the Alignment Paper, a local adjustment is made – adding only an additional 148ha to non-strategic sites (to account for strategic need) by 2045.
- 3.16 Assuming the strategic needs to be met on strategic sites within Coventry and Warwickshire (quoted in the Alignment Paper as totalling 833 – 1,015ha) amount to 75% of total strategic need, the WMSESS assumed that 25%, between some 278ha and 358ha of strategic needs would be met on non-strategic sites.
- 3.17 By making a local adjustment of only 148ha the Alignment Paper has not fully



provided for the element of strategic needs which the WMSESS considered would be suited to non-strategic sites. As a consequence it would appear that the assessment has lost between 130ha and 210ha of strategic need in its calculation which has not been unaccounted for.

Non-Strategic Needs

- 3.18 Separately, the Alignment Paper assesses non-strategic site needs. It does this by applying the average gross completion trends for the period 2011/12 – 2023/24 (2022/23 for SoA). This method compares to the 2022 HEDNA which used gross completions data for 2011/12 – 2019/20.
- 3.19 The C&W Alignment Paper identifies a non-strategic sites need of 424ha (2021 – 2045). These figures are adjusted to account for strategic units located on non-strategic sites (a further 148ha as explained above), increasing need to 572ha across C&W, of which 68ha is within Rugby. The equivalent figure to 2041 totals 492ha, and to 2050 670ha across C&W (and 58.4ha within Rugby to 2041, increasing to 82.1ha by 2050).
- 3.20 By way of comparison the C&W HEDNA identified non-strategic needs of 621.9ha 2021 – 2041, and 901.8 over the period 2021 – 2050. The difference in reported non-strategic need between the Alignment Paper and HEDNA is more pronounced in Rugby where the C&W HEDNA identified a need 2021 – 2041 of 150.5ha and over the period 2050 218.2ha.
- 3.21 It is difficult to square the revised calculation of non-strategic needs in the context of the previously published HEDNA – which ostensibly is based on the same calculation underpinned by past completion trends coupled with a margin for flexibility. However, insufficient evidence is published in the Alignment Paper to establish the raw completions data which underpins the calculation.
- 3.22 As a consequence the Alignment Paper identifies an overall strategic and non strategic need as follows:
- 1,325 – 1507ha (2021 – 2041)
 - 1,405 – 1,587ha (2021 – 2045)
 - 1,503 – 1,685ha (2021 – 2050)
- 3.23 However, for the reasons identified above, the need figures identified in the Alignment



Paper appear deficient. Over the period to 2045 the identified need appears to be at least 30ha short based on a correction to the calculation of rebasing need starting in 2021 and incorporating past completions in 2021/22 (see paragraph 3.15).

- 3.24 Furthermore, between the deduction of 25% of strategic need within the WMSESS to account for what it considers can be met on non-strategic sites (as opposed to the WMSESS focus on strategic sites >25ha), and inclusion of a local adjustment amounting to only 10 – 13% of strategic needs, there exists an element of strategic need which has been lost in the calculation totalling between 130ha and 210ha of strategic need which is unaccounted for.

Supply

- 3.25 The Alignment Paper compares identified need with supply for both non strategic and strategic sites, based upon completions, commitments and allocations.

Non Strategic Supply

- 3.26 In respect of non strategic sites the Alignment Paper converts hectares to floorspace based upon a plot ratio of 0.4. Where the Alignment Paper assesses mixed use sites with an element of offices, it acknowledges that it fails to account for the fact that office uses could occupy the site and assumes that 100% of the site is available for industrial use.
- 3.27 Table 4.1 of the Alignment Paper summarises the total supply of non-strategic sites across Coventry and Warwickshire to total 244ha, of which 5ha is identified in Rugby and 60ha within Coventry itself.
- 3.28 Based upon the Alignment Paper's calculation of non-strategic needs, after accounting for supply, there would exist a residual non-strategic need across C&W amounting to 248ha in 2045 (53ha Rugby), 328ha by 2045 (63ha Rugby) and 426ha by 2050 (75ha Rugby). It is not clear where the supply figures have been derived, as they are not detailed in the Alignment Paper, WMSESS or HEDNA.

Strategic Supply

- 3.29 The Alignment Paper draws upon reported commitments within the WMSESS totalling 656ha (noting the total of the sites listed in the WMSESS totals 655ha). This it considers results in a residual need of between 200 – 375ha (to 2045).



- 3.30 The Alignment Paper makes a further supply adjusted netting off two sites which were not included in the WMSESS, namely Padge Hall Farm (Watling Street) in Rugby totalling 64ha, and Lyons Park – Lyons 106, Coventry estimated to total 2ha. As a result residual need is reduced to 136 – 311ha across C&W, and within the Opportunity Area 7 (encompassing Rugby and Coventry) residual need is reduced from the WMSESS recommendation of 75 – 150ha to 9 – 84ha.
- 3.31 However, it is important to note that the Alignment Paper attributes Padge Hall Farm to Opportunity Area 7, despite the site not lying within it – it is simply said to align most closely to it. Furthermore, Padge Hall is a cross boundary site (RBC, NBBC and HBBC) with the stated intended occupier relocating from Hinckley. The site therefore clearly serves the needs of the neighbouring functional economic market within which HBBC is located and should not be included within a supply calculation which seeks to meet Coventry and Warwickshire’s functional economic market needs. The needs which Padge Hall seeks to meet fall outside of those calculated within the WMSESS. It should not therefore be treated as being capable of meeting needs identified within the WMSESS.
- 3.32 Furthermore, as detailed in the WMSESS (para 10.60) it is also appropriate to exclude both the JLR allocation of 100ha within Stratford Upon Avon and the battery manufacturing site as Coventry Airport (124.7ha). Both sites falls within Coventry and Warwickshire’s functional economic market, and should be excluded from the WMSESS’s calculation of supply (totalling 655ha) given its statement in paragraph 10.60. As such it is considered that strategic supply capable of meet identified needs within the WMSESS is actually closer to 432.3ha (i.e. excluding JLR, battery manufacturing site, and Padge Hall Farm).
- 3.33 Given Coventry Airport’s location within Opportunity Area 7 it would seem appropriate to increase residual strategic needs within this opportunity area by a further 124.7ha to account for the fact that the battery manufacturing site will not meet WMSESS ‘modelled need’ based upon past trends (paragraph 10.60 WMSESS).



4. CONCLUSIONS

- 4.1 This Note has been prepared by Marrons Economics on behalf of Stoford Properties Ltd. The purpose of the note is to provide a critical review of two recently prepared reports, the West Midlands Strategic Employment Sites Study 2023/24 (hereafter referred to as WMSESS) and the Coventry and Warwickshire HEDNA (Housing and Economic Development Needs Assessment) – WMSESS Alignment Paper 2024 (hereafter referred to as Alignment Paper). A subsequent Alignment Paper Addendum has also been published.

Key Findings of WMSESS and Alignment Paper

- Within the West Midlands there is 0.45 years supply of manufacturing floorspace, and 1.16 years of strategic logistics floorspace – the WMSESS acknowledges there to be a considerable shortage in supply at present.
- **The WMSESS finds a need for strategic sites >25ha across the West Midlands Study Area of 1,920ha – 2,282ha (2022-2045). Of this figure road based need equates to 1,555ha to 1,848ha and rail based 365ha to 433ha.**
- In meeting residual need the WMSESS assumes 30% of supply will be required by the manufacturing sector, and 70% logistics.
- The WMSESS accounts for commitments totalling 1,007ha of road based, and 298ha rail based. **Residual road based need after accounting for this supply therefore totals between 549ha and 841ha (rail based residual 67ha to 135ha)**
- The WMSESS identifies a series of Opportunity Areas within which residual need could be met – Opportunity Area 7 contains Coventry and Rugby, which combined with OA 5 and 8 broadly equate to Coventry and Warwickshire.
- After accounting for strategic commitments of 655/656ha across Coventry and Warwickshire the WMSESS identifies a residual need of between 200ha to 275ha, of which 75ha to 150ha of residual need is identified for OA 7 (Rugby and Coventry).
- The Alignment Paper goes onto deduct two further sites in Coventry and Rugby totalling 68ha – reducing the **residual need within OA7 (Rugby and Coventry) to between 9ha and 84ha to 2045 (136 to 311ha across C&W)**. Note, a separate Alignment Paper Addendum has been published which seeks to correct an error in the Alignment Paper's rebasing of strategic sites need, the effect of which is to increase residual needs by around 30ha across Coventry and Warwickshire.



- In addition the Alignment Paper identifies non-strategic sites needs of 572ha by 2045 across Coventry and Warwickshire, reducing to a residual need of 328ha (68ha within Rugby reducing to 63ha and 122ha within Coventry reducing to 62ha).
- In respect of rail freight, the WMSESS acknowledges that finding a new rail freight interchange will be challenging, and should one not be found, the residual rail freight need **(+67ha to +135ha)** will transfer to a road based need – preferable as a satellite site to an existing RFI.

4.2 The above summary presents the output as characterised by the WMSESS and Alignment Paper. Both assessments contain inconsistencies, as well as some fairly generic assumptions which have been applied to the wider West Midlands study area, and filtered down to the sub regional areas.

Strategic Sites

4.3 The key implications of the above analysis in respect of strategic sites are as follows:

1. The WMSESS and Alignment Paper appear to significantly underestimate the need for strategic floorspace, as well as non-strategic floorspace (within Coventry and Warwickshire).
2. Neither of the preferred strategic need scenarios build in suppressed demand – estimated to increase demand by between **+446ha and +2,099ha** over the period to 2045 (figure not available for C&W in isolation).
3. Whilst the WMSESS makes a 25% downward adjustment to strategic needs (assumed to be met on non-strategic sites). Within C&W the Alignment Paper does not make a full compensatory adjustment leaving an unaccounted shortfall of between **+130ha and +210ha** of strategic needs.
4. Reliance on a plot ratio of 0.35 on gross developable site areas may constrain growth if sites are not capable of developing at that plot density. A sensitivity test using a plot ratio of 0.25 (as applied to strategic rail freight) demonstrates that within C&W the need for additional sites would increase by between a further **+333ha and +406ha**.
5. The Alignment Paper, and Alignment Paper Addendum make an incorrect pro



rata adjustment to the WMSESS Study Period. The correct method would increase gross strategic needs across C&W over the period 2021 – 2045 by a further **+60ha**, and residual strategic needs by a further **+30ha**. This uplift is broadly acknowledged in the Alignment Paper, albeit it still continues to contain an error in its calculation of gross needs.

6. The WMSESS and Alignment Paper incorrectly assume that the JLR site and Battery Manufacturing Site will help to meet modelled needs (despite accepting that they will not in para 10.60 of WMSESS). Exclusion of these two sites would have the effect of reducing supply within C&W by **+224.7ha** (and increasing residual need by the same amount).
7. The Alignment Paper also includes a site intended for an occupier relocating from Hinckley and Bosworth (Padge Hall Farm), however this will not assist in meeting WMSESS 'modelled need'. Excluding this site, for the same reasons given in paragraph 10.60 of the WMSESS would reduce identified supply in the Alignment Paper by **+64ha** (and increase residual need by the same amount).

4.4 The following table summarise the strategic sites residual need position to 2045 as set out within the WMSESS and associated Alignment Paper, alongside the upward adjustments required to address issues relating to 'need' raised within this note, and downward adjustments to 'supply' due to issues raised.

Table 4.1 Strategic Sites Residual Need and Recommended Upward Adjustments

	Para Ref	West Midlands (2022 – 2045)	Coventry & Warwickshire (2021 – 2045)	Coventry & Rugby (2021 – 2045)	Rugby (2021 – 2045)
Residual Strategic Sites Need (ha)	-	548-841 ³	136-311 ⁴	9-84 ⁵	n/a
Upward Adjustments to Residual Strategic Needs (ha)					
Accounting for suppressed demand (calculation only made at regional level)	2.26	+446 to +2,099			
Adjusting for more realistic plot ratio (0.25)	2.23	+500 to +700	+330 to +406ha	n/a	n/a
Correcting the allowance for strategic need on non strategic sites	3.17	n/a	+130 to +210ha	n/a	n/a
Rebasing of study period (correcting calculation in Alignment Paper Addendum)	3.14		+30ha	n/a	n/a

Note: n/a data not available for this geography

4.5 The following table sets out the supply position as reported in the WMSESS and associated Alignment Paper, alongside downward adjustments required to discount those sites which will not meet the WMSESS modelled need (as accepted in

³ Para 14.12 WMSESS

⁴ Para 4.11 Alignment Paper

⁵ Para 4.11 Alignment Paper

paragraph 10.60 of the WMSESS).

Table 4.2 Strategic Sites Residual Need and Recommended Upward Adjustments

	Para Ref	West Midlands	Coventry and Warwickshire	Coventry and Rugby	Rugby
Stated Supply Commitments (Appendix A1 Alignment Paper)	-	1,007ha (table 2.4)	656ha (162	137
Additional Supply Commitments/ Completions (Alignment Paper)	See note	-	96	70	64
Adjustments to Supply (ha)					
Remove JLR (SoA); and Battery Manufacturing (Coventry)	2.54	224.7	-224.7	-124.7	-
Remove Padge Hall Farm Rugby	3.34	-	-64	-64	-64

Note: additional supply includes 30ha completions in 2021⁶ (Coventry AMR shows 4.04h of this at Whitley Way BP, remainder N Works); 64ha Padge Hall Farm Rugby; and 2ha Lyons Park Coventry⁷

- 4.6 In the context of the residual strategic need identified within Coventry and Warwickshire totalling 136ha to 311ha by 2045, and 9ha to 84ha across Opportunity Area 7 (Rugby and Coventry) the levels of additional residual need (resulting from need additions/ or supply deductions identified above are significant, and raise doubt over the robustness of the evidence, or at the very least a real risk that adopting the levels suggested in the Alignment Paper will significantly constrain economic growth.
- 4.7 Adjusting the calculations within Coventry and Warwickshire simply to account for errors in the calculation of need (balancing the 25% adjustment for strategic need on non-strategic sites **(+130 to +210ha)**; and applying the correct pro-rata adjustment to 2021 **(+30ha)**, as well as excluding supply that will not assist in meeting modelled need **(+288.7ha)** would increase residual needs by a further **+448.7ha and 528.7ha**. Providing for suppressed need and/ or a more realistic plot ratio would further increase residual strategic need.

Non Strategic Site

- 4.8 The Alignment Paper's calculation of non-strategic needs within C&W appears inconsistent with those in the 2022 HEDNA – noting that insufficient detail is provided to recreate the calculation.
- 4.9 The Alignment Paper identifies non-strategic sites needs of 572ha by 2045 Coventry and Warwickshire, reducing to a residual need of 328ha (68ha within Rugby reducing to 63ha and 122ha within Coventry reducing to 62ha).

⁶ Table 3.2 Alignment Paper

⁷ Para 4.12 Alignment Paper



- 4.10 As a consequence the Alignment Paper identifies an overall gross strategic and non strategic need across Coventry and Warwickshire as follows, however it is important to note that the calculation does not grow strategic needs beyond 2045:
- 1,325 – 1507ha (2021 – 2041)
 - 1.405 – 1,587ha (2021 – 2045)
 - 1,503 – 1,685ha (2021 – 2050)
- 4.11 By way of comparison the C&W HEDNA identified non-strategic needs of 901.8 over the period 2021 – 2050, with a further 735ha of strategic B8 need identified over the same period (meaning total need (excl strategic B2 totalled 1,686ha to 2050).
- 4.12 The difference in reported non-strategic need between the Alignment Paper and HEDNA is more pronounced in Rugby where the C&W HEDNA identified a need 2021 – 2050 of 218.2ha. The non-strategic need over the same period in the Alignment Paper totals only 79.5ha.
- 4.13 It is difficult to square the revised calculation of non-strategic needs in the context of the previously published HEDNA – which ostensibly is based on the same calculation underpinned by past completion trends coupled with a margin for flexibility. However, insufficient evidence is published in the Alignment Paper to establish the raw completions data which underpins the calculation.

Comparison to Previous Assessments

- 4.14 By way of comparison we also compare the WMSESS/ Alignment Paper recommendations to the previous HEDNA 2022, as well as scenarios presented by Marrons/ Stoford in its submission to the Rugby Local Plan representations in January 2024.
- 4.15 To enable comparison the figures shown below are based on a study period 2021 – 2050 – with the exception of the WMSESS strategic site needs calculation which is only assessed over the period to 2045. To enable comparison with the previous HEDNA strategic B8 figure we have also shown as a dwelling per annum figure.



Table 4.3 Summary of Gross Need Calculations (2021 – 2050)

	Coventry & Warwickshire	Rugby
WMSESS/ Alignment Paper		
WMSESS Gross Strategic Sites Need	835-1,017ha (to 2045)/ 35 to 42ha pa	n/a
Alignment Paper Non Strategic Sites Need	670ha	79.5ha
HEDNA 2022		
HEDNA 2022 Strategic B8 Need	735ha (25ha pa)	n/a
HEDNA 2022 Non Strategic Need	901.8ha	218.2ha
Marrons/ Stoford – January 2024		
Past Completions 2014 – 2023 (AMR)	n/a	547ha
Lambert Smith Hampton Forecast of Demand	n/a	1,190ha
Deloitte Sector Based Forecast	n/a	2,212ha

4.16 Neither the HEDNA nor the more recent WMSESS Alignment Paper appear to recognise the significant demand for industrial floorspace in Rugby, reflecting in the analysis of past trends, and the forecasts by LSH of local market demand.

Unmet Need from Surrounding Local Authorities

4.17 In addition to the above analysis it is apparent following Coventry's publication of its Local Plan regulation 19 consultation that it is only able to meet 60ha of local (non strategic needs), leaving a residual unmet local need of 45ha (to 2041), increasing based on the local need figures within the Alignment Paper to an unmet need of 61.8ha by 2045 and 97.8ha by 2050. Given that neither Nuneaton and Bedworth of Warwick/ Stratford upon Avon are planning to meet Coventry's needs in their respective submitted Local Plans, it will be left to Rugby to address this shortfall.

4.18 Further, and In respect of strategic needs Coventry has identified one site, Baginton Fields totaling 25ha which is already accounted for in the WMSESS/ Alignment Paper strategic supply calculations. As such it will be left to Rugby to meet the residual strategic need of 84ha identified within the Alignment Paper, a figure which is considered to significantly underestimate need based upon the above analysis.



Appendix 1 Stoford Analysis of the Net Developable Areas of Existing Commitments

	Local Planning Authority	Site	Land Area (ha) - as per Appendix A1 of alignment paper	Stoford NDA (ha)
1	Coventry	Land at Baginton Fields and South East of Whitley Business Park	25	15
2	Rugby	Tritax Symmetry, Land North of Coventry Road	46.2	33.28
3		Prospero Ansty	49.4	33
4		Former Peugeot Factory Site C (Prologis Park)	16.7	8.7
5		Rugby Radio Station	16	8.4
6		Coton Park East	8.7	4.9
7	North Warwickshire	Land at Mira	42	39.3
8		West of Birch Coppice, Dordon	5.1	3.06
9		Playing fields South of A5, Dordon	3.5	2.1
10		Former B Station Site - Prologis Park Hams Hall (DC2, 3 & 4)	8.9	8.48
11	Nuneaton and Bedworth	Faultlands	26	18.5
12		Meadow Off Pilgrims Walk	5.9	3.53
13	Stratford-on-Avon	Jaguar Land Rover	100	70
14	Warwick	Gateway South, Land to south and west of Coventry Airport	177.7	92
15		Coventry Airport	124.7	80
Total			655.8	420.15

	Local Planning Authority	Site	Allocation / Planning Permission	Description	Decision Date	Land Area (ha) - as per Appendix A1 of alignment paper	Stoford NDA (ha)	Landscape/ SuDS/ Infrastructure area (ha)	Use Class	GIA sqm	GIA sqft	Notes
1	Coventry	Land at Baginton Fields and South East of Whitley Business Park	Allocated	Employment Type: B1b&c, B2 & B8		25	15		Mixed			No planning applications. We assume 60% NDA as site is not occupier specific. Local Plan states "This site will help to create an employment hub for the south east corner of Coventry which could help support the longer term expansion of Jaguar Land Rover at Whitley, support the sustainable growth of its supply chain or provide a stand-alone inward investment opportunity."
2	Rugby	Tritax Symmetry, Land North of Coventry Road	Allocated site with outline planning permission (R16/2569). Parts of site with full planning permission (R20/1026 & R21/0790 & R22/0803)		Outline - 3/11/20	46.2	33.28		Mixed			The parametres plan accompanying the outline application states that the total deveopable area is 33.28ha.
			R20/1026 Full	Full planning application for the erection of 2 logistics units development comprising a total of 30,435 sqm (327,599 sq.ft.) (measured GEA) of Class B8 floorspace of which 1,817.2 sq.m (measured GIA) (19,560 sq. ft.) comprises Class E(g)(i) ancillary office floorspace (measured GIA) with associated infrastructure including lorry parking, landscaping including permanent landscaped mounds, sustainable drainage details, sprinkler tank pump houses, gas and electricity substations, temporary construction access from Coventry Road, temporary marketing suite and temporary stockpile area for additional soil disposal.	04.05.2021							Unit 1 building and parking boundary – building extends marginally to the south of the parameters plan developable boundary, and 2 van parking bays and edge of the service yard exceed the parameters boundary to the north east corner, and Unit 2 parking boundary – 16 van parking bays associated with Unit 2 extend outside of the parameters plan developable boundary.
			R21/0789	Erection of 50,965 square metre building (GEA, floorspace) within Class B8 with ancillary office; ancillary structures; with associated access roads; servicing yard; car parking and cycle shelter and compound; external plant and access details for the continuation of the spine road north of Northampton Lane; landscaped embankments with landscaping details; the provision for a noise attenuating fence on top of the embankment; security fencing. Approval of reserved matters (access, appearance, layout, scale and landscaping) relating to R16/2569	11.11.2021							Permission not being implemented.
			R21/0790 Reserved Matters	Erection of a building within Class B8 with ancillary office; ancillary structures; with associated landscaping & landscape bund; access roads; servicing yard; car parking and cycle shelter and compound; external plant; acoustic fencing; security fencing. Approval of reserved matters (access, appearance, landscaping, layout and scale) relating to R16/2569. (Alternative scheme).	01.06.2022							Application relates to eastern part of zone D only and NDA is 6.07Ha. In total zone D has permission for a maximum developable area of 16.89ha
			R22/0803 Reserved Matters	Erection of two buildings within Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelter; external plant and access details for the continuation of the spine road north of Northampton Lane and the access road to the east of the site; landscaping details; security fencing. Approval of reserved matters (access, appearance, layout, scale and landscaping) relating to R16/2569.	24.02.2024							Zone C - two buildings for Iron Mountain. Complies with parameter plan.
			R23/0397 Reserved Matters	Erection of one building within Use Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelters; external plant and access; landscaping details; security fencing. Approval of reserved matters access, appearance, layout, scale and landscaping, relating to r16/2569. (Unit 7)	02.08.2023							Complies with parameters plan.
			R23/0877	Erection of two buildings within Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelters; external plant and access; landscaping details; security fencing. Approval of reserved matters access, appearance, layout, scale and landscaping, relating to R16/2569. Units 5 & 6 (Alternative scheme to that approved by R23/0398 to amend haunch height, ridge height, roof form and elevations of Unit 5)	24.10.2023							Complies with parameters plan.
3	Rugby	Prospero Ansty	Outline Planning Permission (R19/1540). Parts of site with Full Planning Permission (R19/1512). Under Construction or with Reserved matters (R21/0784)	Erection of two buildings within Class B2 with ancillary office.	15.06.2021	49.4	33		B2			Red line application site is 65.27ha. Circa 33ha is NDA from outline parameter plan. Note that outline allows for 160,000sqm B1a, B1b, B1c & B2, 20,000sqm B1a & B1b, 250sqm Retail (A1/A3) and 4,500 for hotel.
			R19/1512	Erection of building and use for purposes within Class B1(a) (Offices) of the Town and Country Planning (Use Classes) Order 1987 (as amended), together with ancillary research and development facilities (Use Class B1(b)), staff gym and studio, associated surface and multi-storey car park, cycle parking, access road, service areas, external plant and machinery, drainage, attenuation ponds, landscaping, demolition of existing buildings, ground remodelling and associated works	03.07.2020							
			R21/0784	Erection of three commercial units (Use Class B2) and associated works, including supporting infrastructure, landscaping and re-profiling works for the remainder of Plot 1 (application for approval of reserved matters relating to access, appearance, landscaping, layout and scale against outline planning permission R19/1540 dated 15th June 2021)	29.10.2021							Buildings in plot 1. Limited alterations are required to the approved Parameters Plan to accommodate the completion of Plot 1 (as proposed by this development). This REM application is therefore submitted in parallel with a Non-Material Amendment application, to the landscape parameters plan.
4	Rugby	Former Peugeot Factory Site C (Prologis Park)	Outline Planning Permission with Reserved Matters (R16/2561 & R17/2019)	Outline planning application for redevelopment of the southern part of the former Peugeot Works site for Class B2 (general industry) & Class B8 (warehouse, storage & distribution) uses, together with ancillary offices, gatehouses, car parking, associated road infrastructure and landscaping, including importation of material to raise ground levels (REVISED SCHEME TO R14/2236 WITH NEW ACCESS)	05/10/17	16.7	8.7		Mixed			Have used details from REM application as this covers whole site that benefits from outline consent.
			R17/2019	Application for Reserved Matters for Units DC8 & DC9 relating to appearance, landscaping, layout, and scale, including ancillary car parking, loading areas, gatehouse, associated road infrastructure, sprinkler tanks and pump house, against outline planning permission R16/2561 (for the redevelopment of the southern part of the former Peugeot Works site for Class B2 (general industry) & Class B8 (warehouse, storage & distribution) uses, together with ancillary offices, gatehouses, car parking, associated road infrastructure and landscaping, including importation of material to raise ground levels (REVISED SCHEME TO R14/2236 WITH NEW ACCESS)).	14.03.2018							NDA measured on landsight as buildings and associated infrastructure is complete. Plans and application documents provide sqm for buildings only.
5	Rugby	Rugby Radio Station	Allocated Site with Outline Planning Permission (R11/0699)	Urban extension to Rugby for up to 6,200 dwellings...31 hectares (up to 106,000sq.m) of commercial and employment space (B1, B2 and B8)	21.05.2014	16	8.4		Mixed			2 no. applications in employment part of the allocation. R22/0380 for B1/B8 unit. R19/1301for David Lloyd gym. NDA calculated by Stoford by removing gross area of David Lloyd site (2ha) as not a B class use and then applying 60% gross to net ratio to remaining site area (14ha).
6	Rugby	Colton Park East	Allocated site with full planning permission (R22/0551)	Application for full planning permission for storage and distribution floorspace (Class B8 use).	17th Feb 23	8.7	4.9	Mixed		21,890 sqm warehouse 1,398 sqm office 37 sqm gatehouse 23,225 sqm total	235,622 sqft warehouse 15,047 sqft office 400 sqft gatehouse 251,069 sqft total	Estimate 4.9ha NDA from site plan (includes building, car parking, service yard and road).
7	North Warwickshire	Land at Mira	Allocated PAP/2022/0423	B2	Resolution to grant at cttee on 05.02.2024	42	39.3		Mixed			Red line site boundary within North Warks is 63ha. Parameter plan states NDA as 39.3ha.
8	North Warwickshire	West of Birch Coppice, Dordon	Allocated	B1/B2/B8		5.1	3.06		Mixed			No applications. Stoford estimate the NDA based on 60% gross to net.
9	North Warwickshire	Playing fields South of A5, Dordon	Allocated	B1/B2/B8		3.5	2.1		Mixed			No applications. Stoford estimate the NDA based on 60% gross to net.
10	North	Former B Station Site - Prologis	Outline planning permission (PAP/2016/0399)	Demolition of existing buildings and redevelopment of site for industrial/distribution uses (Use Class B2/B8) including ancillary offices and associated parking, highway infrastructure, ground engineering works, drainage and landscaping	10.04.2018	8.9	8.48		Mixed			

	Local Planning Authority	Site	Allocation / Planning Permission	Description	Decision Date	Land Area (ha) - as per Appendix A1 of alignment paper	Stoford NDA (ha)	Landscape/ SuDS/ Infrastructure area (ha)	Use Class	GIA sqm	GIA sqft	Notes
10	Warwickshire	Park Hams Hall (DC2, 3 & 4)	PAP/2018/0034 REM	Approval of reserved matters application for erection of four employment units (use class B2/B8) together with ancillary offices, service yards, car parking and on-plot landscaping (PAP/2016/0399)	10.04.2018							Reserved matters approval given for 4 buildings (DC1, Dc2, Dc3 and DC4). Appendix 1 refers to DC2, 3 & 4 only and therefore the gross and net of the site relate to these buildings only. The NDA for the 3 buildings is included on the reserved matters areas schedule.
11	Nuneaton and Bedworth	Faultlands	Allocation and full planning permission (034901 & 038406 & 038687)	Redevelopment of existing land for up to 92,904 sq.m of B2 (General industrial) and B8 (Storage and distribution) floorspace	034901 - 04 Nov 2020 038406 - 19 Jan 2022 038687 - 27 May 2022	26	18.5	7.5	Mixed	Phase 1 - 19,455 Phase 2 - 71,835	Phase 1 - 209,414 Phase 2 - 773,226	Landscape areas taken from landsight ordance survey mapping as buildings are built. No details of GDA and NDA in planning app's.
12	Nuneaton and Bedworth	Meadow Off Pilgrims Walk	Outline planning permission (038023)	Erection of industrial units for (either Class Use B2 - General Industry or Class Use B8 - Storage and Distribution) to include ancillary offices (Class Use E formally B1a)	27.07.2022	5.9	3.53		Mixed			NDA taken from parameter plan accompnayng the outline application.
			039751 REM	Application for approval of reserved matters relating to layout, scale, appearance and landscaping for two industrial distribution units following outline approval 038023	12.02.2024							Two REM application submitted concurrently (039751 and 039750). 039751 is REM for a 2 unit scheme and 039750 a REM for a single unit scheme.
			039750 REM	Application for approval of reserved matters relating to layout, scale, appearance and landscaping for one industrial/distribution units following outline approval 038023	12.02.2024							Two REM application submitted concurrently (039751 and 039750). 039751 is REM for a 2 unit scheme and 039750 a REM for a single unit scheme.
13	Stratford-on-Avon	Jaguar Land Rover	Allocated	No applications	NA	100	70		B2			Gaydon Lighthorne Heath SPD includes illustrative masterplan of site which includes some GI but majority of is developable land. We assume 70% NDA as this site is occupier specific (for JLR).
14	Warwick	Gateway South, Land to south and west of Coventry Airport	Outline planning permission (W/18/0522)	Comprehensive redevelopment of land South of Coventry Airport, comprising demolition of existing structures and the erection of new buildings to accommodate general industrial uses (Use Class B2) and storage and distribution (Use Class B8)	07.10.2019	177.7	92	85 for community park	B2/B8 plus replacement sports ground / facilities	343,741		NDA and GIA figures relate to B2 and B8 uses only.
			W/21/1527	REM for Plot 4A	28.01.2022	NA			B8 with ancillary offices	25,189		Total GIA comprising : 21,884 sqm main hub/warehouse 1,866sqm ancillary offices, 152 sqm Security Office, 798 sqm for the Drivers Facilities and 489 sqm for the VMU. Gross area for REM 12ha.
			W/22/0679	REM for Plots 4B & 4C	28.10.2022	NA			B8 with ancillary offices	33,545		Two industrial units. Gross area for REM 6.8ha.
			W/22/1704	REM for Plot 3A	30.01.2023	NA			B8 with ancillary offices	55,771		One building . Gross area for REM 12ha.
15	Warwick	Coventry Airport	Outline planning application with all matters reserved apart from access. W/21/1370	Development of battery manufacturing facility with ancillary battery recycling capability including landscaping, car parking, access and associated works	30.03.2022	125	80	35	B2	529,648	5,700,600	9.5ha of the red line site boundary on the outline app comprises land outside the allocation comprising road connections. Therefore Stoford consider the gross site area is 115ha opposed to 125 as stated in the HEDNA. No RM applications.
	Total:					655.8	316.87					