



Land at Walsgrave Hill, Rugby

Response to Rugby Local Plan Review Preferred Options Consultation

May 2025

On behalf of **SEGRO**



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Contents

| | | |
|----------|--|-----------|
| 1 | INTRODUCTION | 1 |
| 2 | NATIONAL PLANNING POLICY FRAMEWORK (DECEMBER 2024) | 2 |
| 3 | Draft Policy S3 Strategy for employment land | 3 |
| 3.1 | Rugby Borough's Need for Employment Land | 3 |
| 3.2 | Industrial Market Update | 3 |
| 3.3 | Gross Requirement for Additional Floorspace on Strategic Sites | 3 |
| 3.4 | Unmet Employment Need from Coventry City | 6 |
| 3.5 | Conclusion on Rugby Borough's Need for Employment Land | 7 |
| 3.6 | A46 Walsgrave Junction Development Consent Order Application | 7 |
| 4 | Draft Policy E2 Employment development | 9 |
| 4.1 | Rugby Borough's Economic Strategy..... | 9 |
| 4.2 | Employment Development Outside of Settlement Boundaries | 9 |
| 5 | Draft Policy S7 Employment Allocations | 11 |
| 5.1 | Proposed Allocations Capable of Providing Logistics Development to the Open Market | 11 |
| 5.2 | Conclusion on the Proportion of Proposed Allocations Capable of Providing Logistics Development to the Open Market | 13 |
| 5.3 | Revisions to the Masterplan since the Issues and Options Consultation | 14 |
| 6 | Conclusion | 17 |

Appendices

| | |
|------------|--|
| Appendix A | Location Plan |
| Appendix B | Coventry and Warwickshire's Economic Development Needs |
| Appendix C | Response to Rugby Borough Council – Ecological Constraints and Opportunities |
| Appendix D | Masterplan |
| Appendix E | Example Community Investment Plan |

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1 INTRODUCTION

- 1.1.1 Stantec are instructed by SEGRO to review and submit representations to the Rugby Borough Council Local Plan Review Preferred Options (Regulation 18) and evidence base consultation in respect of their land interests at Walsgrave Hill, Rugby.
- 1.1.2 SEGRO's land interests at Walsgrave Hill includes the land to the east and west of the A46. The land to the west is allocated for 900 homes in Coventry City's adopted Local Plan, and a draft allocation for residential in the draft Coventry Local Plan. It is SEGRO's intention to bring this land forward consistent with the Local Plan. **The land to the east of A46 is within Rugby Borough and is available and considered a suitable and deliverable site to provide much needed strategic employment land to meet the needs of Rugby Borough, and wider area.**
- 1.1.3 The land east of the A46 (the 'Walsgrave site' or the 'site'), shown on the Location Plan at **Appendix A**, is considered to represent an entirely appropriate location to meet the strategic B8 employment needs of Rugby and the Coventry and Warwickshire area. The Site represents a natural and logical extension of the established and successful employment site at Antsy Park, situated on the Site's eastern / northern boundary.
- 1.1.4 The site will facilitate a Blue Light Route through the site into the University Hospital Coventry & Warwickshire. Providing this access into the hospital through the site will cut congestion and emergency response times for residents within the Borough as vehicles, such as ambulances, can enter and exit the hospital more quickly. The catchment of the University Hospital Coventry & Warwickshire hospital includes the residents and businesses of Rugby Borough. The hospital also provides the only Accident and Emergency department for the residents of Rugby Borough.
- 1.1.5 The delivery of the Walsgrave site will enable the retention and refurbishment of the existing listed buildings on the site for small units for employment purposes.
- 1.1.6 In addition, the proposed route for the Very Light Rail (VLR) scheme runs through the Walsgrave site. A suitable space is shown on the Masterplan contained within **Appendix D** to accommodate the VLR Depot.
- 1.1.7 SEGRO support National Highways ongoing improvement works to the strategic road network, particularly those that serve the 'Trans-Midlands Trade Corridor' between the M5 and the Humber Ports. This includes the improvements to the 'Coventry' junctions. The Binley Road junction, approximately a mile south of the Site's southern boundary, which was completed in February 2023 **and the A46 Walsgrave junction improvements**. This will provide a new junction at Walsgrave to increase capacity and an access on this part of the A46. One of the stated aims of the Trans-Midlands Trade Corridor being to facilitate the economic growth of the area through major improvements to supporting infrastructure.
- 1.1.8 The proposed scheme includes the provision of a substantial publicly accessible country park over a total of 79.75 hectares, providing an extension to the country park of the neighbouring Coombe Abbey Registered Park and Garden and new ecological enhancements and habitats to compliment the adjacent Combe Poole SSSI.
- 1.1.9 SEGRO would welcome the opportunity to meet with Rugby Borough Council Planning Policy Officers to discuss the content of these representations in more detail.

2 NATIONAL PLANNING POLICY FRAMEWORK (DECEMBER 2024)

- 2.1.1 Paragraph 11 states that plans and decisions should apply a presumption in favour of sustainable development. For plan-making this means that:

“a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;

b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas⁶, unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area ; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.”

- 2.1.2 The NPPF specifies that the duty of local planning authorities is to cooperate with each other on strategic matters that cross administrative boundaries and states that effective strategic planning across local authority boundaries will play a vital and increasing role in sustainable growth and building economic resilience. Paragraph 27 b) states that plans should ensure that the unmet development needs from neighbouring areas are provided for in accordance with paragraph 11 b) which requires plans to apply the presumption in favour of sustainable development and for plan-making this means that strategic policies should, as a minimum, provide for objectively assessed needs of the relevant authority.
- 2.1.3 Chapter 6 of the NPPF, ‘Building a strong, competitive economy’ sets out the government’s policy to boost the economy. The NPPF at paragraph 86 c) states that planning policies should pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for logistics uses.
- 2.1.4 Paragraph 87 stresses the importance of planning policies to recognise and address the specific locational requirements of different sectors. This includes making provision for *“storage and distribution operations at a variety of scales and in suitably accessible locations”*.
- 2.1.5 Paragraph 146 clarifies that the exceptional circumstances required to alter Green Belt boundaries include, but are not limited to, instances where an authority cannot meet its identified need for commercial development and that authorities should review Green Belt boundaries and propose alterations to meet these needs in full.

3 Draft Policy S3 Strategy for employment land

3.1 Rugby Borough's Need for Employment Land

3.1.1 Draft Policy S3 sets out that to meet Rugby Borough's need for employment land in the period 2024-2045 the following levels of new employment development will be delivered:

- i. 22,013 sqm of use class E(g)(i) office floorspace (approx. 4.4 hectares)
- ii. 1,026,546 sqm (approx. 284 hectares) of floorspace for use classes B2, E(g)(ii) and (iii), and B8

3.1.2 The Topic Paper: Development Needs clarifies that this 1,026,546 sqm figure is the industrial land requirement. The industrial land requirement is the total of the gross requirement for additional floorspace on strategic sites of 761,250 sqm plus the 'local' need for additional floorspace of 265,296 sqm to get an overall gross 2024 – 2045 industrial land requirement of 1,026,546 sqm.

3.2 Industrial Market Update

3.2.1 Since the original Stantec report on the Coventry and Warwickshire's Economic Development Needs written in February 2024 (submitted with SEGRO's Issues and Options consultation representations in respect of the site and for ease of reference included in **Appendix B**), the industrial market in Rugby remains in a similar position characterised by limited supply and high demand. Two key industrial schemes have completed in Rugby in Q4 2024 and Q1 2025 namely Apollo Park, Ansty and Symmetry Park Rugby. It is expected that these will follow net absorption trends found in our report in February 2024 and be occupied quickly. The Q1 2025 vacancy rate for Rugby remains low and under the 7% equilibrium level at 6.6%, indicating a constrained market.

3.2.2 The trend of companies expanding their businesses in the UK, as seen by the Frasers Group¹ decision to relocate to Rugby Borough, is expected to continue, with more companies looking for accessible locations, like Rugby, given the sensitivity of supply chains in the face of on-going economic instability.

3.3 Gross Requirement for Additional Floorspace on Strategic Sites

3.3.1 The Topic Paper Development Needs specifies that the total of the gross requirement for additional floorspace on strategic sites is 761,250 sqm. At paragraph 1.34 of the Topic Paper Development Needs there is clarification that this figure has been derived from the gross requirement in hectares (217.5 hectares) and a standard plot ratio of 0.35 has been applied to get to the 761,250 sqm figure for additional floorspace on strategic sites.

3.3.2 The standard plot ratio of 0.35 for road based sites and 0.25 for rail based sites is derived from the West Midlands Strategic Employment Sites Study 2023/24 (WMSESS). Within this study it notes that plot ratios for this type of sites are becoming smaller at around 25 – 35% and that this 0.35 plot ratio has been developed through case studies of existing strategic sites and used in other strategic sites studies such as Leicester and Leicestershire (2021) and there may be instances where these ratios are lower taking.

3.3.3 The following comment is made on these plot ratios in the WMSESS:

¹ This refers to the planning application (ref: R23/1027) submitted at Crowners Field Farm to relocate the Frasers Group HQ to Rugby, the application was taken to Planning Committee on 18th December 2024 and the decision was the resolution to grant planning permission for the proposed development. At the time of writing there has been no decision notice published publicly.

“There may be instances where these ratios are lower taking into account specific landscape issues or accommodating biodiversity net gain.”

- 3.3.4 Stantec consider that these ratios are too high and the justification for this position is set out in more detail below.
- 3.3.5 The industrial and logistics real estate sector is undergoing a significant transformation driven by occupier demand for more advanced, efficient, and environmentally responsible buildings. A major focus is on Environmental, Social, and Governance (ESG) requirements, which have become a core part of site selection and facility design. In the UK the Government has introduced stricter regulations for properties, for example, buildings must meet a minimum EPC rating of 'E', increasing to 'C' by 2027. These rising standards are compelling occupiers and developers to prioritize ESG-aligned, energy-efficient assets that contribute to long-term sustainability goals.
- 3.3.6 The UK's new Biodiversity Net Gain (BNG) requirement, mandating a minimum 10% net gain in biodiversity for all major developments, will significantly impact logistics development by adding new layers of planning and design complexity. For logistics schemes, often built on large greenfield or semi-rural sites, this means allocating more land to green infrastructure like landscaping, wildlife corridors, and ecological buffers, which could reduce developable land or require innovative site layouts such as low plot ratios to accommodate both operational needs and biodiversity features. The BNG requirement may also increase costs and planning timelines but could encourage more sustainable, environmentally conscious design, aligning with broader ESG goals and enhancing long-term asset value.
- 3.3.7 Modern industrial and logistics facilities include larger HGV circulation, reducing floorspace achieved. In addition, there is greater provision of rooftop solar (covering up to 80% of energy needs), EV charging, battery storage, and upgraded electrical infrastructure. These components support operations increasingly reliant on AI and data centres, which place additional strain on power grids. Moreover, modern buildings integrate sustainable construction materials to reduce embodied carbon, appealing to eco-conscious occupiers and investors alike.
- 3.3.8 A lower plot ratio, meaning a smaller footprint and floorspace relative to the land, is also becoming more desirable. This layout allows for greater flexibility in building design, enabling inclusion of ESG-compliant features like solar panels and advanced mechanical systems without compromising operational functionality. It also allows for better manoeuvrability and site flow, particularly when accommodating deep truck courts (130+ ft), outdoor amenities, and expanded loading zones. A lower site coverage supports larger yards, landscaping, and space for futureproofing, which are critical for meeting occupier expectations and environmental regulations.
- 3.3.9 These ESG-driven design requirements go hand-in-hand with changing occupier strategies. Companies are shifting away from legacy assets and are now more selective about facility locations. Proximity to large consumer bases not only enables faster delivery and better service but also significantly reduces transportation costs, meaning the strategic importance of location and site layout (such as low plot ratios) is amplified. As a result, leading e-commerce and retail brands are reassessing their footprints that enable both ESG compliance and logistical efficiency.
- 3.3.10 Looking ahead, the definition of a "Grade A+" facility is expected to evolve, with increased emphasis on adaptability, sustainability, and operational efficiency. Low plot ratios, once an afterthought, are now integral to accommodating high-spec design elements, ESG infrastructure, and flexible layouts for automation and robotics. As ESG standards tighten and occupier expectations grow, both investors and developers must remain agile, embracing innovative, sustainable building designs to remain competitive and meet the rising benchmark for success in modern industrial and logistics real estate.

- 3.3.11 Table 1 below shows examples of plot ratios from the Midlands region. As discussed above plot ratios are getting smaller owing to large circulation space and ESG requirements from both occupier requirements and the Government. The usual plot ratio for industrial units used for calculating land requirements is 35% (site to floorspace ratio) however, we are seeing as this is getting smaller.

Table 1: Plot Ratio examples from the Midlands.

| Industrial Sites in the Midlands | Plot Ratio |
|---|-------------------|
| Equites Park, Thrapston | 27% |
| Thrapston Business Park | 31% |
| Nunnery Farm | 26% |
| Padge Hall Farm | 21% |
| M6 Anstey | 35% |
| Magna Park, Lutterworth | 29% |
| SEGRO Logistics Park, Rugby | 23% |
| Symmetry Park Kettering | 35% |
| SEGRO Park Coventry | 19% |
| Symmetry Park Lutterworth | 29% |
| Rowena Park | 34% |
| Optimus Point | 31% |
| Average | 29% |

- 3.3.12 The average plot ratio across the sites examined is 29% suggesting that a smaller plot ratio should be used when determining land requirements meaning that more land than initially expected in Rugby Borough may be required that initially expected.
- 3.3.13 The analysis of plot ratios undertaken of existing strategic industrial sites in the Midlands demonstrates that a plot ratio of 35% (site to floorspace ratio) is too high and a plot ratio closer to 29% is representative of sites in the Midlands (this is a 18.75% difference between using a 35% and 29% standard plot ratio). Therefore, this evidence suggests that a smaller plot ratio of 29% should be used when determining employment land requirements for strategic sites. The consequence of this is that the employment land requirement for Rugby Borough has been underestimated as the standard plot ratio used to calculate the requirement is too high and does not reflect the reality of modern strategic sites.
- 3.3.14 The Padge Hall Farm site is the largest site identified in draft Policy S3 to deliver new employment floorspace in Rugby Borough. As shown in Table 1 the plot ratio for this site falls well below the 35% at 21%; this is a current clear example and evidence which points towards modern industrial sites providing increasingly lower plot ratios.
- 3.3.15 For the reasons set out above, Stantec consider that Rugby Borough's need for employment land for the plan period should be reconsidered to take into account the fact that plot ratios on modern industrial sites are falling short of 35% to ensure that this strategy for employment land will provide a sufficient amount of employment land to meet the needs of the Borough. Therefore, the industrial land requirement needs to increase to address the lower plot ratio of modern industrial sites and therefore, additional employment land should be identified to meet this larger requirement.
- 3.3.16 The NPPF at paragraph 32 is clear that *"The preparation and review of all policies should be underpinned by relevant and up to-date evidence"* the justification provided above sets out sufficient evidence to demonstrate that the 35% plot ratio for road based sites is too high. If the plot ratio of 35% is too low, then the industrial land requirement in draft Policy S3 will also

be too low. The consequence of this would be that the Local Plan may not be meeting the area's objectively assessed needs which is a requirement for Local Plans to be considered 'sound' in accordance with paragraph 36 of the NPPF.

3.4 Unmet Employment Need from Coventry City

- 3.4.1 The Rugby Borough Local Plan Review Issues and Options (Regulation 18) consultation document stated that the amount of Coventry City Council's unmet need for industrial land is yet to be decided but Rugby Borough will need to contribute to meeting some of the identified need for strategic warehousing land in Coventry and Warwickshire. Since then, the Coventry & Warwickshire HEDNA – WMSESS Alignment Paper (September 2024) has been published as part of the evidence base for the Coventry City Local Plan Review, Regulation 19 consultation and it states in table 4.2 that the residual need for local industrial land for Coventry City is 45 hectares. The following extract (copied below) from Coventry's Growth Needs – Background Paper (November 2024), which is also part of Coventry City Local Plan Review Regulation 19 consultation evidence base, indicates that all or at least a majority of this 45 hectares residual local need will be met by Coventry's partners:

"Despite four separate Call for Sites consultations since the plan began its review process (including an Employment Call for Sites in Summer 2024) no sites have been put forward which are considered to be suitable for allocation (see site assessment details which are included in the Housing and Employment Land Availability Assessment, November 2024). The growth requirement figure for Policy DS1 in terms of Local Employment Need is therefore considered to be 60 hectares which reflects the evidence base, leaving a shortfall of 45 hectares. This is currently under discussion with partners under the Duty to Co-operate to explore where this could best be accommodated." (Growth Needs – Background Paper, page 18)

- 3.4.2 The Topic Paper Development Needs describes the employment land need in Rugby Borough across the Plan period. At paragraphs 1.36.7 – 1.36.10 the Topic Paper Development Needs sets out the situation regarding the unmet local industrial need from Coventry as follows *"of its 2021-2041 requirement for industrial land on smaller sites Coventry City Council is unable to meet 45 hectares or 180,000 square metres"*. If Rugby Borough were to take the unmet need from Coventry City, it would increase the residual industrial need to 919,559 sqm and the gross need to 1,206,546 sqm.
- 3.4.3 Rugby Borough is not currently accommodating any of Coventry City's unmet local industrial need, neither is there reference to a strategy being in-place to accommodate this unmet need. The NPPF specifies at paragraph 36 that Local Plans should be based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred. Furthermore, local planning authorities have a duty to cooperate with each other. Consequently, following this approach a strategy should be in-place to accommodate Coventry's unmet local industrial need particularly as the Coventry Local Plan Review process is currently ahead of the Rugby Local Plan Review and has gone past the Regulation 19 stage. In addition to this, Nuneaton and Bedworth's Local Plan is already in examination awaiting the Inspector's recommendations, and so it is not likely that additional allocations can be added at this point.
- 3.4.4 Stantec suggest that if Rugby were to accommodate all of or a proportion of Coventry City's unmet local industrial need it should be delivered adjacent to Coventry's boundary i.e. where the need arises. This an approach which has been taken in the Preferred Options Consultation as the emerging preferred option for employment land growth is detailed in the Sustainability Appraisal (SA) of the Rugby Borough Local Plan Interim SA Report. The SA indicates there is a *"very strong case for directing new employment land to the southeast edge of Coventry in the vicinity of the A45/46 junction"* and the Rugby Cabinet report dated 4th March for the approval of the Preferred Option Local Plan consultation specifies that this is the reasoning the 'exceptional circumstances to exist to allocate sites near to Coventry specifying

that “a sustainable approach would allocate employment land close to Coventry as the main population and economic centre in the FEMA [Functional Economic Market Area]”.

- 3.4.5 The NPPF seeks to promote sustainable development. This includes locating new development close to employment opportunities, shops and services and public transport routes. As such, any unmet need arising from Coventry City should be delivered adjacent to Coventry’s boundary.
- 3.4.6 The Walsgrave Hill site represents a suitable and sustainable location to meeting the unmet needs of Coventry City as identified in the Coventry & Warwickshire HEDNA – WMSESS Alignment Paper, on the basis of its proximity to Coventry, that it will capitalise on the planned infrastructure improvements with the delivery of the new A46 Walsgrave junction² and that is situated along the ‘A46 Corridor’³ as identified in the Coventry & Warwickshire HEDNA.

3.5 Conclusion on Rugby Borough’s Need for Employment Land

- 3.5.1 The analysis of plot ratios undertaken by Stantec of existing strategic industrial sites in the Midlands demonstrates that a plot ratio of 35% (site to floorspace ratio) is too high. The consequence of this is that the employment land requirement for Rugby Borough has been underestimated as the gross requirement for additional floorspace on strategic sites of 761,250 sqm (this makes up approximately three quarters of Rugby Borough’s need for employment land) has been calculated using a standard plot ratio of 0.35.
- 3.5.2 Rugby Borough is not currently accommodating any of Coventry City’s unmet local industrial need, neither is there reference to a strategy being in-place to accommodate this unmet need. This appears to run counter to the NPPF and duty to cooperate.
- 3.5.3 Stantec suggest that Rugby Borough should identify additional employment land to address the underestimated employment land requirement and Coventry’s unmet need, and this additional land should be delivered adjacent to Coventry’s boundary.

3.6 A46 Walsgrave Junction Development Consent Order Application

- 3.6.1 The A46 Walsgrave junction Development Consent Order (DCO) application was submitted to the Planning Inspectorate on 14th November 2024. The notification of decision to accept the application for Examination for an Order Granting Development Consent was issued by the Planning Inspectorate on 12th December 2024. The Examination for the application commenced on 7th May 2025 and will run until November 2025.
- 3.6.2 The DCO application is projected to be determined around Spring 2026 and subject to the application being approved National Highways would expect to commence these works in Autumn / Winter 2026. Completion of these works is expected to take around 18-months from commencement therefore, SEGRO intend to submit a planning application for the Walsgrave Hill site to coincide with the start on the National Highways’ Walsgrave new junction, and for permission to be in place so this can be implemented on the opening of the new junction.
- 3.6.3 As explained above, the DCO application is progressing on schedule and SEGRO are regularly meeting with National Highways in relation to the new Walsgrave junction. The site will connect to the A46 Coventry Eastern Bypass via the new Walsgrave junction which will replace the existing roundabout junction with the B4082. The B4082 will be realigned as a result, off which access to SEGRO’s proposed development will be achieved.

² The Development Consent Order application for the A46 Coventry Junctions (Walsgrave) has been submitted and at the time of writing it is at the examination stage.

³ The ‘A46 Corridor’ is identified in the Coventry & Warwickshire HEDNA as one of the two ‘corridors’ that can play a greater potential role in providing strategic B8 development than they historically have.

- 3.6.4 The Walsgrave junction has been a pinch point for traffic as it is the last remaining roundabout east of Coventry and north of Tollbar End junction. The improvements will see the A46 realigned. This would result in a continuous dual road through the Walsgrave junction and a consequent increase in capacity and alleviation of congestion associated with the current road layout. This forms part of the commitment from National Highways to improve the Trans-Midlands Trade Corridor between the M5 and the Humber Ports intended to support economic growth.

4 Draft Policy E2 Employment development

4.1 Rugby Borough's Economic Strategy

- 4.1.1 The supporting text to draft Policy E2 refers to the policy supporting the delivery of units for small and medium sized businesses in line with the Rugby Borough Economic Strategy.
- 4.1.2 The Rugby Borough Economic Strategy refers to employment sites in the Rugby Borough Local Plan 2011 – 2031 have focused on large, high-quality units resulting in a lack of supply of small and grow on space units. The strategy goes on to explain that:
- “A lack of available and affordable grow on space is continually identified as an inhibitor to growth and as a reason for businesses relocating out of the borough. Addressing this issue is a top priority and we will use regulatory tools such as the allocation of small unit space in the emerging local plan to ensure the delivery of high quality small to medium size industrial space in accessible locations across the borough.”*
- 4.1.3 The delivery of the Walsgrave site will help achieve the aspirations of the Economic Strategy. This is because there are units proposed at a range of sizes from the strategic to smaller units as shown on the Masterplan contained within **Appendix D**.
- 4.1.4 The ‘Commercial Plot 1’ as shown on the Masterplan is the Grade II listed Walsgrave Hill Farmhouse and associated buildings. These buildings will be retained and sympathetically integrated and re-used as part of the development.
- 4.1.5 The retention of and the continued use of the Walsgrave Farmhouse will safeguard this designated heritage asset whilst providing a new local centre serving the new and existing community, including the potential for workshops / starter units and / or a community business hub.
- 4.1.6 The Economic Strategy also seeks to provide the residents of the Borough with the best possible access to education and employment opportunities. The delivery of the Walsgrave site will contribute towards this objective through the employment floorspace to be delivered providing linkages to employers. In addition to this, SEGRO are in communication with Rugby College to establish training opportunities on site. SEGRO will also discuss further with Economic Development at Rugby Borough Council. This relationship with Rugby College will be part of a wider skills and training package to be delivered via a Section 106 Agreement.
- 4.1.7 Contained with **Appendix E** is an example Community Investment Plan prepared by SEGRO which provides a summary of the Responsible SEGRO Framework and the Community Investment Plans available in the Coventry and West Midlands area.
- 4.1.8 For clarity, **Appendix E** is an example of a Community Investment Plan prepared elsewhere by SEGRO. It is attached to these representations as a demonstration as to what can be achieved and the type of links to education that can be made available in a nearby geographical area to Rugby. Similar benefits can be replicated within Rugby Borough if the Walsgrave site were to come forward. SEGRO would provide work specific to Rugby Borough in collaboration with Rugby Borough Council and its stakeholders for the benefit of Rugby's residents by aiming to help young and disadvantaged people into sustainable employment, support the growth of local economies and deliver projects that enhance biodiversity and the local environment.

4.2 Employment Development Outside of Settlement Boundaries

- 4.2.1 Draft Policy E2 sets policy requirements for new employment development within and outside of settlement boundaries. The Policy of paragraph E states the following:

“E. Outside of settlement boundaries, development for employment uses will only be permitted where:

i. It would not undermine the continuance of an existing viable agricultural use”

4.2.2 Stantec recognise the importance of protecting land for agricultural purposes however the restriction above will have the effect of in policy terms of preventing any new employment development on land outside of settlement boundaries that are in an agricultural use but not allocated in the plan. For this reason, the restriction is limb i) is too restrictive. This needs to be considered in the context of the advice in the NPPF and applying the planning balance. See below.

4.2.3 There are a considerable number of material considerations which can indicate that planning permission should be granted for employment development and the loss of agricultural land is only one of those material considerations that should be taken into account when deciding whether planning permission should be granted for employment development. The loss of agricultural land is a material consideration which should be included as part of the overall planning balance for employment development proposed and should not be the only consideration.

4.2.4 Paragraph 21b-009 of the PPG specifies that regard should be had for all material considerations, and it is for the decision maker to decide what weight is to be given to the material considerations:

“Provided regard is had to all material considerations, it is for the decision maker to decide what weight is to be given to the material considerations in each case”

4.2.5 As the Local Plan period progresses there may be material considerations which indicate a departure from an up-to-date development plan, and this is expressed clearly in the NPPF at paragraph 12:

“Local planning authorities may take decisions that depart from an up-to-date development plan, but only if material considerations in a particular case indicate that the plan should not be followed.”

4.2.6 Therefore, Stantec consider that the limb i) of paragraph E should be reworded to allow for employment development on land in an agricultural use which isn't proposed to be allocated in the plan where there are material considerations which indicate planning permission should be granted.

4.2.7 Suggested wording of the Policy:

“Outside of settlement boundaries, development for employment uses will only be permitted where:

i. It would not undermine the continuance of an existing viable agricultural use, unless other material considerations indicate otherwise”

5 Draft Policy S7 Employment Allocations

- 5.1.1 Draft Policy S7 seeks to allocate five new employment site allocations for non-office employment uses to deliver the additional floorspace needed over the Plan period.

5.1 Proposed Allocations Capable of Providing Logistics Development to the Open Market

- 5.1.1 Stantec are concerned that the approach taken to the five allocated sites in draft Policy S7 will not provide a sufficient amount of specifically logistics (use class B8) development to meet the market demand in the region.
- 5.1.2 The Rugby Economic Strategy supports driving excellence in logistics and welcomes continuation of the largescale inward investment from the logistics sector into the Borough. The strategy states that: *“Our ultimate aim is to be recognised nationally as a centre of innovation in logistics technology.”*
- 5.1.3 Paragraph 86 c) of the 2024 NPPF states that planning policies should pay particular regard to facilitating development to meet the needs of a modern economy including freight and logistics. The principle of paragraph 87 b) states that planning policies and decisions should recognise and address the specific locational requirements of different sectors including storage and distribution operations at a variety of scale and in suitability accessible locations and goes on to support storage and distribution uses which allow for the efficient handling of goods especially where this is needed to support the supply chain, transport innovation and decarbonisation.
- 5.1.4 Paragraph 2a-031 of the PPG which specifically addresses how to assess need and allocate land for logistics:

“The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).”

Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Where a need for such facilities may exist, strategic policymaking authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas.”

Crowner Fields Farm, Ansty

- 5.1.5 Amongst the proposed employment allocations in the Preferred Options consultation document is the ‘Crowner Fields Farm, Ansty’ site, which is allocated for 275,000 sqm of new floorspace in use classes B2, B8, E(g)(ii) and (iii). This site benefits from a resolution to grant planning permission (ref: R23/1027) for the creation of an employment-led headquarters campus development for the Frasers Group headquarters.
- 5.1.6 The assessment of the ‘Crowner Fields Farm, Ansty’ proposed allocation in the Rugby Borough Stage 2 Site Options Assessment refers to the following:

“In addition, their [National Highways] initial review considers levels of physical highway mitigation required in order to ensure that impact on the strategic road network from development on the site is addressed, ranging 2 from low, medium to high. The current level of concern for this site is High. However, as part of the planning application for the site, National Highways withdrew their objections.”

- 5.1.7 National Highways issued a final response to the R23/1027 application in December 2024 withdrawing their prior objections to the application however this recommendation was subject to recommended “*conditions attached to any planning permission that may be granted*”. Out of those recommended conditions includes the following:

“No occupation of the site shall occur until the improvement works at the A46 Walsgrave Junction (B4082 / Coventry Eastern Bypass (A46) roundabout) are completed and fully operational. The A46 Walsgrave junction improvement is included within the modelling assessment linked to the proposed development application and as such, the A46 Walsgrave Junction upgrade (in keeping with the proposals within the modelling work) is required to be operational in advance of the proposed development occupation.

Reason: To ensure the continued safe operation of the strategic road network, managed by National Highways.”

- 5.1.8 Therefore, without this recommended planning condition National Highways would have not withdrawn their objection to the application. Consequently, it is highly unlikely that the application would have received a resolution to grant planning permission without the withdrawal of the objection from National Highways.
- 5.1.9 The ‘Crownier Fields Farm, Ansty’ proposed allocation does not contain such a restriction to prevent the occupation of the site until the improvement works at the A46 Walsgrave Junction B4082 / Coventry Eastern Bypass (A46) roundabout) are completed and fully operational. This is a necessary restriction to allow for the continued safe operation of the SRN and therefore, the site should not be proposed allocated as it does not contain such a restriction which is vital to ensure the continued safe operation of the strategic road network.
- 5.1.10 The conclusion for the ‘Crownier Fields Farm, Ansty’ proposed allocation in the Rugby Borough Stage 2 Site Options Assessment stated the following:
- “The site now has a resolution to grant planning permission for development. The site is a potential site option.”*
- 5.1.11 Given this conclusion it is not clear whether the site would have been proposed to be allocated if it were not for the resolution to grant planning permission. Local plans in accordance with paragraph 36 of the NPPF need to be ‘justified’ and for this to be the case they must have “an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence”. It is not clear whether the decision to propose to allocate the site is based on its merits as site option or is as a result of the resolution grant planning permission thus there is doubt as to whether this decision follows an appropriate strategy or has been based on proportionate evidence.
- 5.1.12 In addition to the above, draft planning conditions in the Committee Report for the R23/1027 application include Condition 56 which reads as follows **“The development hereby permitted shall be operated by the “Campus Company”**. Condition 57 continues to say that **“The warehouse units hereby approved shall not be occupied other than by a Campus Company, Brand Partners, Suppliers, or a body corporate which the Campus Company or a Group Company has a shareholding in.”**
- 5.1.13 Given that these buildings are part of the wider campus element therefore not available to the open market, logistics operators looking for space in the Rugby area will not have access to these new facilities. As a result, the Frasers Group development will have no effect on the 551 hectares B8 Strategic Land requirement mentioned in the Coventry & Warwickshire HEDNA and above as new space is not being added to the open market.
- 5.1.14 Overall, the Frasers Group’s anticipated development, which now benefits from a resolution to grant planning permission, will not increase the logistics supply in Rugby Borough given that the draft planning conditions only allow companies within the campus company to occupy the

new premises. The industrial and logistics market in Rugby remains constrained expressed by low vacancy rates and continuing positive net absorption trends and therefore new developments need to be brought forward in the open market in order to meet demand.

North of Ansty Park

- 5.1.15 The 'North of Ansty' proposed employment site allocation is allocated for employment floorspace only for uses within classes B2, E(g)(ii) and E(g)(iii) of the Town and County Planning (Use Classes) Order 1987 (as amended) with ancillary E(g)(i) uses. Therefore, the proposed allocation does not allow for B8 logistics development on the site.

Coton Park east

- 5.1.16 The 'Coton Park east' site is a proposed allocation in the Preferred Options Consultation Document for 115,000 sqm of new floorspace in use classes B2, B8, E(g)(ii) and (iii). The site is an existing allocation for residential in the adopted Rugby Local Plan, but as detailed in the Sustainability Appraisal (SA) of the Rugby Borough Local Plan Interim SA Report "the landowner now has a clear desire to deliver employment, such that there is insufficient confidence that a residential allocation would come forward". It is therefore proposed as an employment allocation in the Preferred Options consultation document.
- 5.1.17 It is considered that there is the potential for this site to revert back to a residential use. The landowners current desire to deliver employment development on the site does not mean that residential development from cannot be delivered on the site in the future and the housing land supply in the Borough is in a position of need detailed in the Topic Paper Development Needs document which states that Rugby Borough has a residual need for housing between 2,800 and 3,500 homes.

5.2 Conclusion on the Proportion of Proposed Allocations Capable of Providing Logistics Development to the Open Market

- 5.2.1 As set out above the Preferred Options consultation document seeks to allocate five new sites for employment development. However, as set out above, out of these sites the 'North of Ansty Park' and 'Crown Fields Farm, Ansty' will not deliver any logistics (B8 use class) development available to the open market.
- 5.2.2 The sites allocated in the Preferred Options consultation document which are capable of delivering logistics (B8 use class) development available to the open market are proposed to be allocated for new floorspace in use classes B2, B8, E(g)(ii) and (iii). Therefore, these sites are likely to deliver a proportion of the overall floorspace proposed towards B8 uses and there is the possibility they will deliver floorspace exclusively in the other uses (B2, E(g)(ii) and (iii)) proposed.
- 5.2.3 The NPPF at paragraph 86 c) states that planning policies should pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for logistics uses. As set out above, the sites proposed to be allocated for employment development in the Preferred Options consultation document may not provide sites which deliver a sufficient amount of logistics (B8 use class) development available to the open market. This could create a situation whereby prospective logistics occupiers who are looking to relocate to Rugby Borough or existing businesses looking to expand their businesses within the Borough thus stifling economic growth and investment into the Borough.
- 5.2.4 A lack of logistics floorspace delivered on the sites proposed to be allocated will potentially create a scenario whereby the logistics needs in Rugby Borough becomes increasingly urgent and substantial as the sites proposed to be allocated are not delivering sufficient land to meet the need and the only avenue for this need to be met will be through planning applications on unallocated sites. This would be a contradictory position to paragraph 15 of the NPPF which is

clear that the planning system should be genuinely plan-led. Therefore, Stantec considers that Rugby Borough should propose to allocate additional land capable of delivering logistics development on the open market to prevent a scenario like this from arising whereby speculative applications are approved to meet the need not delivered through the Plan.

- 5.2.5 Furthermore, this risks the objective of Rugby's Economic Strategy to facilitate inward investment from the logistics sector into the Borough and for it to be recognised nationally as a centre of innovation in logistics technology.

5.3 Revisions to the Masterplan since the Issues and Options Consultation

- 5.3.1 Since the previous SEGRO representations were submitted towards the Rugby Borough Local Plan Review Issues and Options (Regulation 18) consultation for the Walsgrave site in April 2024 an iterative exercise has been undertaken in relation to the proposed layout, positioning and number of the employment units and green infrastructure and BNG on-site proposed.
- 5.3.2 **Appendix D** is the revised Masterplan for the Walsgrave site. The plans shows that the total floorspace proposed on the site comes to a total of 289,780 sqm. This is a significant reduction in comparison to the Masterplan submitted towards the Issues and Options consultation which showed a floorspace of 401,728 sqm.
- 5.3.3 The reasoning for the changes to the Masterplan are multi-faceted. Following the Issues and Options consultation SEGRO and the consultant team have engaged further with Rugby Council officers and gone through a pre-application engagement process with Historic England specifically in regard to the Walsgrave site. This engagement process is still ongoing however the consequence of this process has resulted in the production of the latest Masterplan included in these representations.
- 5.3.4 The changes to the Masterplan also respond to the assessment of the site contained within the documents included in the evidence base of the Preferred Options consultation including the Heritage Assessment, Ecological Constraints Assessment and the Stage 2 Site Assessment Report. It also responds to other considerations on or near to the site including Grade II Walsgrave Hill Farmhouse which is on the site, Combe Pool SSSI, and its Impact Risk Zones, which is situated within the grounds of Combe Abbey Country Park, Grade II* Coombe Abbey Registered Park and Garden which contains a number of listed buildings most notably Grade II Coombe Abbey, and the Coombe Abbey Conservation Area which lie to the south of the site.
- 5.3.5 The revisions to the updated Masterplan can be summarised as follows:
- The extent of the units and built floorspace have been pushed further to the north away from the boundary of the Registered Park and Garden, consequently the overall number of proposed units has decreased;
 - Shifting development further to the north brings the proposed development closer to the existing development at Ansty Park and Cross Point, with a small number running alongside the A46;
 - The primary mitigation approach of a bund to screen the units from the Registered Park and Garden has been replaced with an alternative approach which screens units by using the natural land form on the site, this has been achieved by pushing development further to the north and using the existing levels of the site to situate development where the land naturally falls beyond the existing highpoint within the site around the Walsgrave Farmhouse. An extension of the existing topography will be undertaken where feasible along with the creation of more sympathetic and less visually obtrusive mounding at appropriate locations will be designed to ease the visual impact of the development;

- The 'Country Park Extension' as shown on the Masterplan is a functional extension of the Registered Park and Garden over a total area of 79.75 hectares which includes links between the country park and the Registered Park and Garden, providing a 'parkland' landscape character with woodland planting to soften views and break up massing and reduce visual impact. It will also extend and create a more sympathetic and open landscaped boundary between the site and the Registered Park and Garden;
- The 'Country Park Extension' will deliver significant buffer zones ranging from 50 – 300m and as an ecological safeguard which will protect Combe Poole SSSI, it will also deliver diverse extension of parkland-type habitat adjacent to Combe Pool SSSI, providing additional open water, woodland, grassland and scrub habitats that significantly improve the site's biodiversity value
- Linking of existing field boundaries and hedgerows through the planting of new vegetation will further lead to the extension of the Registered Park and Garden;
- In terms of ecological enhancements, new wetland/pond features will be created on areas of lowland as well as retained and enhanced features such as hedgerows/trees and watercourses will be delivered on the southern extents of the site;
- The units located directly to the south of Ansty Park have been removed from the Masterplan to retain the land as free from development to provide separation between the industrial development which has extended further to the south at Ansty Park and the boundary of the Registered Park and Garden;
- The emergency access to Coombe Fields Road is retained and has been revised to be a 5m combined cycle and footpath with the facility for emergency access;
- The units to the south west of Ansty Park have been reconfigured from three units proposed into a single unit (Unit 501) so that the yard area is orientated so that it runs parallel to the boundary of the Registered Park and Garden which provides the maximum length of setback between the built floorspace and the boundary of the Registered Park and Garden;
- The access road to Unit 501 has been repositioned to the north of the unit to avoid the water course adjacent to the unit;
- The units in the south west corner of the site have been reconfigured from three units proposed into a single unit (Unit 701) so that the yard area is orientated adjacent to the boundary of the Registered Park and Garden which provides the maximum length of setback between the built floorspace and the boundary of the Registered Park and Garden; and
- Unit 601 has been orientated to run parallel to the A46 to create greater separation between the Registered Park and Garden and the built floorspace, the yard area is also orientated adjacent to the boundary of the Registered Park and Garden.

5.3.6 Contained within **Appendix C** is a note prepared by FPCR which responds specifically to the ecological considerations on the site. The conclusion of the note is as follows:

5.3.7 *"The proposals for Site 121 at Walsgrave Hill present a significant opportunity to deliver a well-designed, ecologically sensitive development that creates benefits for biodiversity. The scheme has been informed by early ecological assessment and shaped around the principles of avoidance, enhancement, and long-term stewardship."*

Key features of the proposals include the retention of important habitats, the creation of a wide range of new semi-natural features—including woodland, scrub, grassland and wetlands—and the establishment of a robust green infrastructure network. Together, these elements will deliver a substantial uplift in biodiversity value and landscape connectivity, supporting both local priorities and wider ecological benefits.

...

Through a collaborative and evidence-led approach, the development at Site 121 can proceed in a way that is fully compliant with national and local policy—protecting valued habitats, enhancing biodiversity, and contributing to a greener and more resilient landscape.”

- 5.3.8 The note also sets out that delivering a Biodiversity Net Gain (BNG) is a core part of the scheme and the development is committed to achieving a minimum of 10% net gain in accordance with the Environment Act 2021 and is currently forecast to exceed this.
- 5.3.9 The indicative figures for the current proposals indicate that a gain above 50% may be possible across the site for area habitats, which will more than compensate for the loss of areas of arable land. A gain of 20% may also be achieved for linear habitats.

6 Conclusion

- 6.1.1 The site represents a suitable option to deliver strategic employment development capable of delivering high-quality floorspace early in the Plan period situated along the 'A46 Corridor'. This includes the opportunity for small units alongside the proposed strategic employment. It will help achieve a number of objectives within Rugby Boroughs Economic Strategy.
- 6.1.2 These representations have demonstrated that Rugby's employment land requirement in the Preferred Options consultation document has been underestimated. Therefore, Stantec suggest that the Council should be seeking to identify additional employment land to address this. Allocation of the Walsgrave site will ensure that the objective of paragraph 86 c) of the NPPF will be met for planning policies to identify suitable locations for logistics uses.
- 6.1.3 Development of the site is in a unique location as it has the ability to capitalise on committed upgrades to infrastructure such as improvements to the A46, including the new Walsgrave junction proposed by National Highways. In addition to this, delivery of the site will facilitate the Very Light Rail scheme which will improve connections to Rugby, Coventry and the wider FEMA.
- 6.1.4 Significantly, the proposed development will also facilitate a Blue Light Route through the site into the University Hospital Coventry & Warwickshire. This improved access to the only existing local Accident and Emergency department is a benefit for the residents of Rugby Borough that can only be experienced through development of the site.
- 6.1.5 Stantec consider that the 'exceptional circumstances' exist to justify altering the Green Belt boundaries in accordance with paragraph 146 of the NPPF in this location. Stantec agree with Rugby Borough that identifying employment land adjacent to the boundary of Coventry City provides such 'exceptional circumstances' and this is a sustainable approach to allocate employment land close to Coventry as the main population and economic centre in the FEMA.
- 6.1.6 An extensive exercise has been undertaken to revise the proposed Masterplan for the site following engagement with Historic England and to respond appropriately to the constraints on or near to the site, including Combe Poole SSSI and Coombe Abbey Registered Park and Garden. Not only will these revisions to the Masterplan reduce the impact of the proposals towards these constraints but betterment will be provided in terms of enhancing the ecological network and providing a functional extension of the adjacent Registered Park and Garden.

SEGRO would welcome the opportunity to meet with Rugby Borough Council Planning Policy Officers to discuss the content of these representations in more detail.

Appendix A Location Plan

See enclosed.

Appendix B Coventry and Warwickshire's Economic Development Needs

See enclosed.

Appendix C Response to Rugby Borough Council – Ecological Constraints and Opportunities

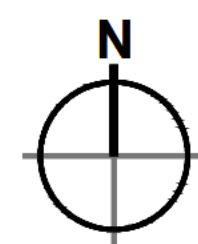
See enclosed.

Appendix D Masterplan

See enclosed.

Appendix E Example Community Investment Plan

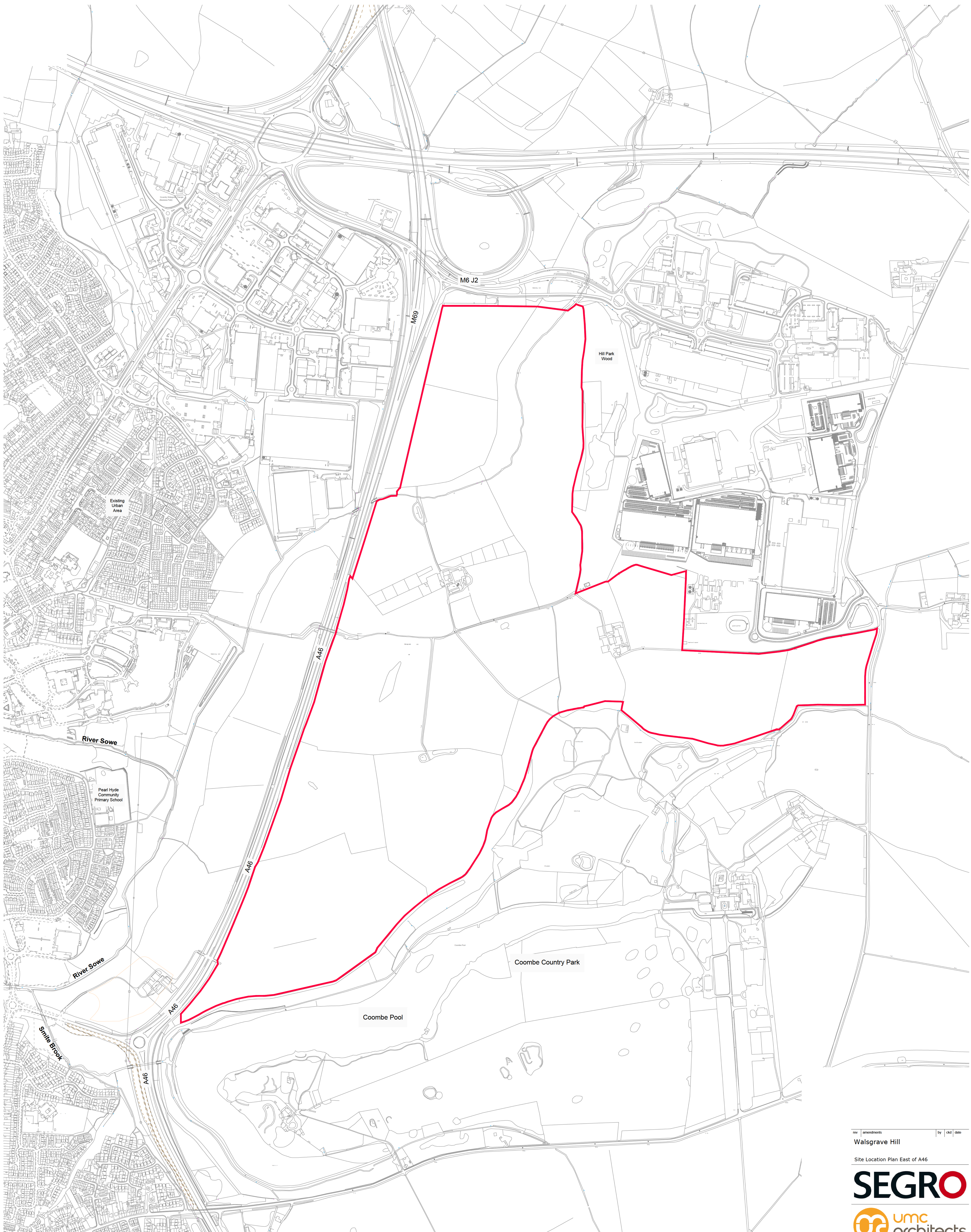
See enclosed.



Key

Eastern Boundary 483.05 ac 195.48 ha

Dimensions are in millimeters, unless stated otherwise.
It is the recipient's responsibility to print the document to the correct scale.
All relevant drawings and specifications should be read in conjunction with this drawing.



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Walsgrave Hill

Site Location Plan East of A46

SEGRO

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**COVENTRY AND WARWICKSHIRE'S
ECONOMIC DEVELOPMENT NEEDS**

An evidence base review focused on the
implications for the Rugby Local Plan Review

2 February 2024

Prepared for:
SEGRO

Prepared by:
Stantec Development Economics

Project Number:
33313090200

Coventry and Warwickshire's Economic Development Needs

| Revision | Description | Author | Date | Quality Check | Date | Independent Review | Date |
|----------|--|--------|-----------|---------------|------|--------------------|------|
| 1 | Industrial Land Market and Need Review for Rugby | RL/RB | 31/1/2024 | | | | |
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Table of Contents

| | |
|---|------------|
| EXECUTIVE SUMMARY | III |
| 1 INTRODUCTION..... | 1 |
| 2 REVIEW OF THE EVIDENCE BASE | 2 |
| Rugby Local Plan Issues and Options 2023 | 2 |
| Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) 2022 | 3 |
| Section 3 – Commercial Property Dynamics | 5 |
| Section 9 – Employment Land Needs..... | 6 |
| Section 10 – Strategic B8 Land Use Forecasting | 7 |
| Replacement Build | 8 |
| Growth Build..... | 9 |
| Combined | 10 |
| Section 11 – Drawing Conclusions on Employment Land Needs..... | 12 |
| Section 15 – Conclusions and Recommendations | 13 |
| Stantec Analysis: Drivers of Future Floorspace Demand | 13 |
| Key Findings | 16 |
| 3 THE MARKET FOR LOGISTICS FLOORSPACE IN RUGBY | 18 |
| Approach19 | |
| Floorspace Inventory..... | 19 |
| Location of Recent Inventory | 20 |
| Vacancy Rates and Availability | 21 |
| Vacancy Rates | 21 |
| Availability Rates | 22 |
| Development in the Pipeline | 26 |
| Floorspace Delivered | 28 |
| Market Analysis Key Findings | 31 |
| 4 CONCLUSION | 33 |
| LIST OF TABLES | |
| Table 2-1: Total Requirement for Rugby..... | 3 |
| Table 2.2: VOA Trend Forecast 2021-41, industrial only, sqm..... | 6 |
| Table 2.3: Completions Trend Forecast 2021 – 2041 ha (gross) | 7 |
| Table 3.1: Floorspace Inventory Q1 2024 QTD (sq ft)..... | 19 |
| Table 3.2: Change in Floorspace Inventory, 2009 to Q1 2024 QTD (sq ft) | 19 |
| Table 3.3: Available Units over 100,000 sq ft in Rugby | 26 |
| Table 3.4: Pipeline Units over 100,000 sq ft in Rugby | 27 |
| LIST OF FIGURES | |
| Figure 2.1: Coventry and Warwickshire Sub-Region..... | 4 |
| Figure 2.2: Past and Planned Housing Growth across Coventry and Warwickshire | 14 |
| Figure 2.3: Past and Planned Housing Growth across Rugby | 15 |
| Figure 3.2: Construction of units over 100,000 sq ft in the past 5 or 10 years in the Coventry and Warwickshire sub-region..... | 21 |
| Figure 3.3: Industrial Vacancy Rates Q1 2009 to Q1 2024 QTD..... | 22 |
| Figure 3.4: Industrial Availability Rates Q1 2009 to Q1 2024 QTD | 23 |
| Figure 3.5: Rugby Availability Rates and Buildings Under Construction from Q1 2015 to Q1 2024 QTD | 24 |
| Figure 3.6: Industrial Availability Rates 9,000 sqm plus Q1 2009 TO Q1 2024 QTD | 24 |
| Figure 3.7: Available Units over 100,000 sq ft in Rugby | 25 |
| Figure 3.8: Pipeline Units over 100,000 sq ft in Rugby | 28 |



| | |
|--|----|
| Figure 3.9: Net absorption, net deliveries, and vacancy rate in Rugby Q1 2014 to Q1 2024 QTD | 29 |
| Figure 3.10: Net absorption, net deliveries, and vacancy rate in the Coventry and Warwickshire Sub-Region Q1 2014 to Q1 2024 QTD | 30 |

LIST OF APPENDICES

| | |
|---|----------|
| APPENDIX A ADOPTED LOCAL PLAN REVIEW | 1 |
|---|----------|



Executive Summary

- i. This report has been prepared by Stantec's Development Economics Team on behalf of SEGRO to review the Coventry and Warwickshire HEDNA (November 2022) Industrial Employment Land Needs Review, and to comment on the implications for Industrial and Logistics land requirements in Rugby.
- ii. Rugby is immediately adjacent to the 'Golden Logistics Triangle', which lies within four hours' drive of 90% of the British population. The triangle covers just over 0.3% of the UK's land area. This emphasises the exceptionally central location and good transport links from which Rugby benefits.
- iii. The Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) was produced in November 2022 and it comprises an integrated assessment of the need of housing, economic growth potential and employment land in Coventry and Warwickshire. Rugby stands out as one of the biggest, fastest-growing logistics markets in the sub-region.
- iv. The HEDNA outlines an overall requirement of 551 ha of Strategic B8 land for the Coventry and Warwickshire Sub-Region until 2041. For Rugby, indicated need is 157.4 ha,
- v. Stantec considers that a 350 ha minimum for industrial and logistics land in Rugby over 2021-2041 would not be unreasonable. Of this, some 200 ha would be B8 Strategic – this is based on the 157.4 ha estimate in the HEDNA for Strategic B8 land, the 120.4 ha requirement for non-strategic land, plus 5-year margins for flexibility.
- vi. Rapid growth in the number of households in Rugby and the post-Covid increase in e-commerce weigh in favour of planning for more non-strategic land. Our analysis of the traffic growth-based approach in the HEDNA (which results in a requirement range of 490 ha to 674 ha) suggests that the 551 ha Strategic B8 land figure may underestimate need, so this (and the Rugby component thereof) may need to be exceeded too.
- vii. Stantec analysis of the market for industrial floorspace finds that the vacancy rate in both the Coventry and Warwickshire sub-region and the Rugby market has continued to fall below 7.5% (an indicator of undersupply) since 2016. A recent uptick in vacancy rates in Rugby has been the result of the completion of new developments, though this is falling as those new development become quickly occupied. Similarly, availability rates in both have been below 8% since 2014.
- viii. When considering pipeline developments, there are five buildings currently under construction and one building with planning permission. When considering this alongside the gross absorption trend seen in the last 5 years, this amounts to 4.4 years of supply in Rugby therefore, our analysis supports the view that there is limited supply of industrial land in the medium and long term.



1 Introduction

- 1.1 This report has been prepared by Stantec's Development Economics Team on behalf of SEGRO to review the Coventry and Warwickshire HEDNA (November 2022) Industrial Employment Land Needs Review, and to comment on the implications for Industrial and Logistics land requirements in Rugby.
- 1.2 Rugby is situated in the West Midlands, roughly 50km from Birmingham . Its central location in England holds strategic importance, being close to key transportation routes such as the nationally significant M6 and M1 Motorways, and the regionally important M45 and M69. Rugby is also positioned on the West Coast Mainline which provides connections into London, to the north of England and Scotland.
- 1.3 Rugby is immediately adjacent to the 'Golden Logistics Triangle', which the ONS defines as any area of the country which lies within four hours' drive of 90% of the British population. The triangle itself covers 289 square miles between Wolverhampton, Birmingham, and Coventry¹ – just over 0.3% of the UK's land area. This emphasises the exceptionally central location and good transport links from which Rugby benefits.
- 1.4 Since the 1980s several large industrial estates have been built in Rugby and its surrounds and warehousing, distribution and light industrial have become major employers. The Rugby Gateway Development lies to the north of the town with access to the M6, and Daventry International Rail Freight Terminal (DIRFT) lies to the east. The biggest businesses currently under occupation in Rugby include: Sainsbury's, Häfele (furniture fittings), General Electric Energy UK, and Meggitt (aerospace).
- 1.5 The site for which SEGRO is seeking adoption in the Rugby local plan is situated near M6 Junction 2, where the M69 meets it. The M69 runs adjacent to the site and changes into the A46, Coventry Western Bypass. To the west of the site, there is an industrial estate and land allocated for housing in the Rugby Local plan. To the east, there is another industrial estate, to the south is greenfield, and to the north of it the M6.
- 1.6 The report is structured as follows:
- Section 2 reviews the HEDNA, focusing on the extent to which market signals are reflected in its analysis, and other relevant evidence.
 - Section 3 reviews the market for industrial and logistics land in Rugby and across Coventry and Warwickshire and the approach in the HEDNA, providing the basis for an alternative floorspace demand assessment.
 - Section 4 sets out the implications and conclusions of the research.

¹ [The rise of the UK warehouse and the "golden logistics triangle" - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/economy/infrastructureandtransport/articles/theriseoftheukwarehouseandthegoldenlogisticstriangle)



2 Review of the Evidence Base

- 2.1 The Rugby Local Plan (2011 – 2031) is the adopted local plan for Rugby. This local plan was advised by the Employment Land Review (2015) which is now outdated. Its Development Strategy seeks to protect existing employment sites for B use classes and allow some development of employment land outside the Rugby urban area (on allocated sites or in exceptional circumstances). A more detailed review of the adopted Local Plan is included as an appendix to this document.
- 2.2 The Rugby Local Plan is currently undergoing its required five yearly consultation. The Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) forms part of the evidence base for this consultation.
- 2.3 The HEDNA is a joint and integrated assessment of the need for housing, economic growth potential and employment land in Coventry and Warwickshire. As part of this it reviews the geographies of the Functional Economic Market Area which Rugby forms part of.

Rugby Local Plan Issues and Options 2023

- 2.4 This document is the consultation paper for the new local plan for Rugby Borough. Chapter 3, Land for Employment Uses, gives 20- and 30-year employment land requirements for Rugby and for Coventry and Warwickshire overall, drawing on the HEDNA.
- 2.5 The document highlights the imperative role of industrial and logistics to Rugby's economy. The ONS ranked Rugby Borough as the local authority with the highest proportion of transport and storage businesses, given its strategic geographic location. The 2021 Census showed the significant role of such business is employment in the Borough. 3.8% of people age 16 and over in Rugby worked in warehousing and transportation roles, the second highest in the country (after Spelthorne, bordering Heathrow Airport).
- 2.6 As well as being an important warehousing location, industrial land in Rugby is also utilised for manufacturing and research and development. The council anticipates an economic strategy to support the growth of such employment land alongside large-scale logistics land. To accommodate this, additional site allocations may be required to attract and sustain the next generation of skilled businesses and jobs in Rugby.
- 2.7 When considering industrial land (excluding strategic warehousing) the Rugby Local Plan considers the requirement and supply already identified. For the plan period 2021 – 2041 the consultation identifies no additional supply needed but an additional 40.29ha of land for the plan period 2021 – 2050 (see Table 6).
- 2.8 This requirement excludes strategic warehousing needs highlighted in the Coventry and Warwickshire HEDNA amounting to 551ha for the plan period 2021 – 2041 and 735ha for the period 2021 – 2050. Rugby Borough Council will need to contribute to meeting some of the identified need for strategic warehousing land in Coventry and Warwickshire. It is also required of Rugby Borough to meet some unmet need from Coventry City Council given its constrained administrative boundary, amounting to 98ha of employment land (see Table 6).



- 2.9 It will also be required of Rugby that they meet a significant proportion of need expressed in the HEDNA given its important strategic location and considering constraints in other local authorities in the sub-region.

Table 2-1: Total Requirement for Rugby

| Total Requirement for Rugby | 2021 - 2041 | 2021 - 2050 |
|---|----------------------|--------------------|
| Excluding strategic warehousing | 150.5ha | 218.2ha |
| Completions + total supply | 177.9ha | 177.9ha |
| Additional supply needed | No additional supply | 40.29ha |
| HEDNA (including strategic warehousing) | 551ha | 725ha |
| Meeting Coventry's unmet need | 98ha | 98ha |
| Total (of which Rugby will take a portion) | 649ha | 833ha |

- 2.10 Given the requirement for employment land in Rugby and the Coventry and Warwickshire Sub-Region, it may be required to justify alterations to the green belt, to serve Rugby's economic development and employment needs.
- 2.11 Potential large-scale manufacturing sites should have good access to A-roads and motorways, avoiding interrupting HGV routes and country lanes. Settlements should be close to existing settlements to allow access to work. Other things that should be considered include, highways capacity, transport accessibility and reducing carbon emissions contributions.

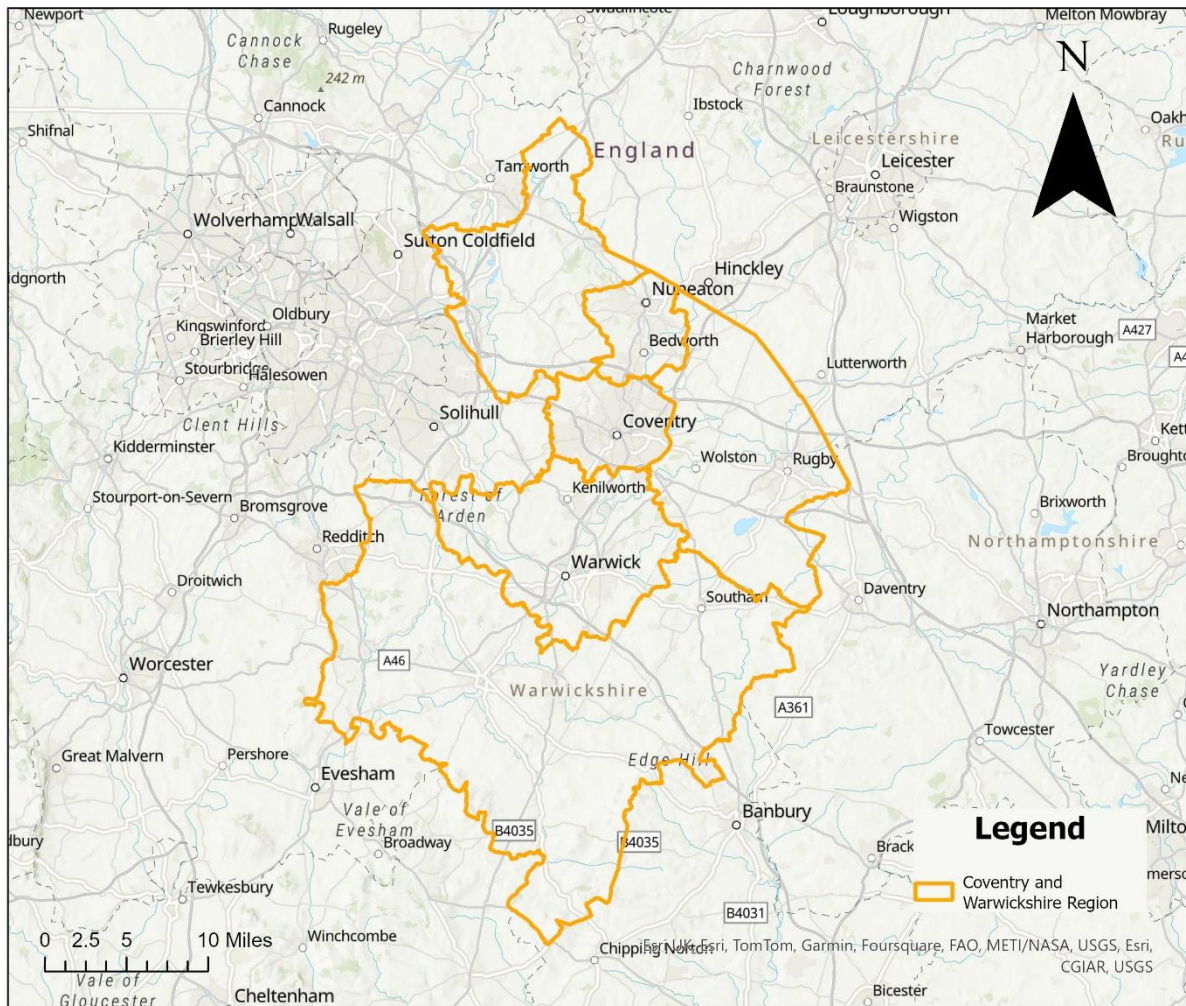
Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) 2022

- 2.12 The Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) was produced in November 2022 and it comprises an integrated assessment of the need of housing, economic growth potential and employment land in Coventry and Warwickshire. It reviews the Housing Market Area (HMA) and more importantly for this report, the Functional Economic Market Area (FEMA) geographies.
- 2.13 The HEDNA focuses on the Coventry and Warwickshire Sub-Region (see Figure 1) whilst drawing comparisons to the West Midlands. The Coventry and Warwickshire sub-region includes the following local authorities; North Warwickshire, Nuneaton and Bedworth, Coventry, Rugby, Warwick and Stratford-on-Avon.

Coventry and Warwickshire's Economic Development Needs

2 Review of the Evidence Base

Figure 2.1: Coventry and Warwickshire Sub-Region



- 2.14 The HEDNA provides a profile of the sub-regional economy and its past performance considering its labour market dynamics. It shows that Coventry and Warwickshire has a £26 billion economy, with a strong manufacturing sector, especially in motor vehicles. It also has a diverse service sector including warehousing. The sub-regional has seen stronger GVA and employment growth than the national average since 2011 but, also has some challenges in terms of productivity, business density and skills. It is imperative that employment land allocations and industrial developments are enabled to continue to support and sustain the growth of the regional economy.
- 2.15 With regards to commercial property, the HEDNA analyses the trends and drivers of demand and supply for commercial property in the sub-region covering office, industrial and retail sectors. It highlights strong demand for industrial and warehousing space, driven by the manufacturing and logistics sectors.

Section 3 – Commercial Property Dynamics

- 2.16 Section 3 – Commercial Property Dynamics provides an assessment of the office and industrial property markets in Coventry and Warwickshire using data from the VOA and Co-Star (mid-2021). It uses this data by covering historic trends, currently supply and demand, vacancy rates, rental levels, and development activity for both office and industrial property in the sub-region and its local authority areas.
- 2.17 Factors cited in the strong market for logistics space include: demand from online retail, which has benefitted from a sustained change in shopping habits following Covid-19; increased stock holding requirements; demand for modern floorspace (driven by both environmental and economic considerations).
- 2.18 Overall, the section concludes that the sub-region, particularly the north and central parts of it, has a strong industrial dynamic and industrial market. There is a significant stock of industrial floorspace (over 8 million sq ft) of space and sustained high take up since 2013. Challenges faced by the automotive sector are relatively cyclical, this has been offset by strong demand for logistics/ distribution space that looks likely to remain strong, specifically given the growth in e-retailing.
- 2.19 Rugby stands out as one of the biggest, fastest-growing logistics markets in the sub-region. Figure 3.14 of the HEDNA indexes growth in industrial floorspace since 2010/11 by local authority. Rugby's grew by 22%, exceeded only by North Warwickshire (111%, influenced by major development at Birch Coppice). Figure 3.19, looking at gross absorption, shows a similar picture, with Rugby second (in this case to Coventry). Figure 3.21 looks at industrial units leased by size band and demonstrates Rugby's outsize role as a location for strategic warehousing. Across Coventry and Warwickshire, 4.5% of units leased are over 10,000 sqm², but this average is brought up by North Warwickshire (15.0%) and Rugby (11.6%).
- 2.20 Industrial space remains low despite 1 million sqm being delivered from 2015 – 2020, this has been accompanied by growth in rents. New supply does appear to be coming forwards, as sites allocated in local plans begin to progress. The HEDNA concludes that there will be a continuing need to replenish industrial supply over time to ensure economic growth is not constrained.
- 2.21 As discussed in the Rugby Local Plan and NPPF, development on green belt is allowed in exceptional circumstances such as to support economic growth. Land on the green belt should be brought forward for the purpose of employment land and industrial development if demand cannot be met within current pipeline and allocations.
- 2.22 Overall, market signals show very strong demand for industrial floorspace in Coventry and Warwickshire and particularly in Rugby.

² Slightly more than the 9,000 sqm benchmark used elsewhere in this report.



Section 9 – Employment Land Needs

- 2.23 Section 9 of the HEDNA examines the employment land requirements obtained through various scenarios and approaches.
- 2.24 Use of employment forecasts to predict floorspace projections is considered. In industrial sectors, however, the relationship between floorspace and employment is weak due to productivity enhancements. Hence, analysing past take-up, based on historical data, is more practical, although it overlooks factors like labour supply and housing.
- 2.25 PPG highlights the significance of assessing and allocating land for the logistics sector given the sub-region's strategic location and access to the motorway network. Logistics ensures efficient goods supply and boosts local employment. It requires separate planning considerations, including ample land, transport access, power capacity, and skilled labour. Collaboration among authorities and stakeholders is vital to determine the scale of logistics needs across markets.
- 2.26 Using data from the VOA, the HEDNA uses net change in floorspace trends (2010 – 2020) to model a future trend-based need. The floorspace projections between 2021 and 2041 shown in Table 2 show expected net gains in North Warwickshire and Rugby, with net losses elsewhere in the sub-region.

Table 2.2: VOA Trend Forecast 2021-41, industrial only, sqm

| | 5yr | 10yr | 15yr |
|-----------------------|------------------|----------------|----------------|
| North Warwickshire | 1,040,000 | 680,000 | 780,000 |
| Nuneaton and Bedworth | 80,000 | -100,000 | -20,000 |
| Rugby | 540,000 | 440,000 | 120,000 |
| Stratford-on-Avon | 180,000 | -160,000 | 20,000 |
| Warwick | -140,000 | -40,000 | -60,000 |
| Coventry | 260,000 | -220,000 | -480,000 |
| Total | 1,960,000 | 600,000 | 360,000 |

- 2.27 The continuation of past supply trends for industrial land would see future provision continuing to be concentrated in North Warwickshire. This is particular reflects the designation of Regional Logistics Sites in the RSS within the Borough.
- 2.28 The third method the HEDNA considers is completion trends. This measures total employment land completions and projects floorspace based on these trends. From this it is shown that North Warwickshire and Rugby have been key contributors to employment floorspace completions. According to the completions trend forecast, between 2021 and 2041 Rugby has a need of 296.9 ha of which 53% should be for warehousing (including Coventry's unmet need contributions) (as shown on Table 3).

Table 2.3: Completions Trend Forecast 2021 – 2041 ha (gross)

| | Total 2011 – 2019 | Average 2011 – 2019 | 2021 – 2041 need | %E(g)(i) | % B8 (strategic sites est.) | Net as % gross |
|--|-------------------------|---------------------------|------------------------|----------|-----------------------------------|-------------------|
| North Warwickshire 2011 – 2018) | 121.8 | 15.2 | 304.4 | 2% | 83% | N/A |
| Nuneaton and Bedworth | 21.5 | 2.4 | 47.9 | 5% | 19% | 91% |
| Rugby* | 133.6 | 14.8 | 296.9 | 6% | 53% | N/A |
| Stratford- upon-Avon | 59.8 | 6.6 | 132.9 | | | 24% |
| Warwick | 20.2 | 2.2 | 44.9 | | | N/A |
| Coventry | 91.3 | 10.1 | 202.8 | 23% | 19% | N/A |
| Total | 448.2 | 51.3 | 1029.8 | | | |

*Including Coventry's unmet need contributions

- 2.29 Comparing the three methods, in the period 2021-2041, Rugby has a B8 need of 14.7 ha, 98 ha, and 157.4 ha when using the labour demand model, VOA forecast and completions trend methods respectively. As discussed previously, the labour demand model is not useful for the case of strategic logistics as there is only a weak relationship between the number of workers and the amount of floorspace needed.

Section 10 – Strategic B8 Land Use Forecasting

- 2.30 Section 10 of the HEDNA relates to Strategic B8 Land Use Forecasting.
- 2.31 VOA data presented shows that of 2,244,000 sqm of strategic B8 floorspace in Coventry and Warwickshire: 874,000 is in North Warwickshire, 505,000 is in Coventry, and 431,000 is in Rugby. Therefore, Rugby is just shy of being the second-largest at present, but unlike Coventry (which has unmet need to be met elsewhere, including in Rugby) it does not face such strong constraints on future expansion.
- 2.32 When considering other commercial sectors (such as office and retail), land-use forecasting is used which seeks to relate employment growth to the need for additional floor space, using consistent and robust employment densities.
- 2.33 This is potentially unsuitable for logistics for three reasons: warehouses have a shorter economic/ functional life therefore there is need to develop new buildings; there is no consistent employment density that can be applied to B8 given the variety of different businesses that can fall under this use; and increasing automation suggests employment densities in the future could be lower than today.
- 2.34 To overcome this, the HEDNA seeks to overcome these issues in its land use forecasting through two avenues:
- Replacement build – continual need to build new large scale logistics warehousing as a replacement for existing capacity.

- Growth build – long-term growth in the demand for goods in the wider economy and the subsequent need for additional floorspace.

- 2.35 The HEDNA therefore uses the following methodology. Existing warehouse capacity is quantified from available data sources, and the likely replacement rate can be estimated based on experiences within the logistics sector. Freight traffic growth, a proxy for growth in the demand for goods, can be forecast using economic or traffic models, such as the MDST GB Freight Model, which is used to produce forecasts for Network Rail and Highways England. The growth is then related to floor space using cargo storage density and throughput rates expected at modern distribution centre.
- 2.36 The baseline forecast year adopted for this forecast exercise is 2021, as this represents the baseline position in terms of existing warehouse stock over 9,000 sqm. The key primary output is total-new build rates over a future time period (i.e. future demand for new build units), measured as square metres of warehouse floor space. In this case, new-build rates up to 2050 have been forecast, with intervening years 2031 and 2041 also estimated. The forecasts are for the West Midlands region and for the Coventry and Warwickshire study area.

Replacement Build

- 2.37 According to the HEDNA, in order to estimate the 'replacement build' element to 2050, the existing stock of large-scale warehousing in the West Midlands region and the Coventry and Warwickshire study area needs to be considered. The average useful economic life of a modern warehouse building is 30 years; therefore, up to 2050, we could expect around 97% of the existing warehouse stock in the areas being considered requiring replacement. This is considered in the 'high replacement build' scenario.
- 2.38 Alternatively, if the rate of replacement begins to slow compared with historic trends, the useful life of a warehouse building may extend to around 40 years. In this case, around 73% of the existing stock will require replacement up to 2050. This can be considered as the 'low replacement build' scenario.
- 2.39 The replacement build forecast under both scenarios for Coventry and Warwickshire and the West Midlands up until 2050 is displayed in Table 1.

Table 2.4: Replacement Build Rates to 2031, 2041, and 2050

| HEDNA – Replacement Build Rate | | | |
|---|---------|-----------|-----------|
| High Replacement Scenario (assuming 30 years economic life) | 2031 | 2041 | 2050 |
| | sqm | | |
| Coventry and Warwickshire | 748,000 | 1,496,000 | 2,169,000 |
| Low Replacement Scenario (assuming 40 years economic life) | 2031 | 2041 | 2050 |
| | sqm | | |
| Coventry and Warwickshire | 561,000 | 1,122,000 | 1,627,000 |

- 2.40 According to this, to 2041 Coventry and Warwickshire will need to replace between 1,122,000 and 1,496,000 sqm of industrial accommodation (Table 1).



Growth Build

- 2.41 According to the HEDNA, the demand for floorspace is driven by the need to handle, store and redistribute cargo. The growth in the volume of consumer goods is expected to increase due to future economic and population growth, which will in turn lead to an increasing demand for additional warehouse floorspace. Consequently, new warehouses are constructed partly to accommodate growing traffic volumes over the long term, referred to as the 'growth build' element.
- 2.42 In the 'growth build' element two factors need to be considered:
- The current (2021) volume of goods which are delivered directly to large-scale distribution centres in Coventry and Warwickshire and the West Midlands region.
 - The volume of goods that can be expected to be delivered directly to large-scale distribution centres in large-scale distribution centres in Coventry and Warwickshire and the West Midlands region in the forecast years up to 2050.
- 2.43 Both current and forecast volumes have been used using the MDS Transmodal GB Freight Model, an analytical tool that can estimate existing freight flows and generate forecasts for future years under different policy and economic scenarios.
- 2.44 The forecast estimates that in Coventry and Warwickshire an additional 1.4 million, 3.2 million, and 4.6 million tonnes can be expected to pass-through large-scale distribution centres up until 2031, 2041 and 2050 respectively.
- 2.45 Table 2 illustrates the increase in goods and converts this to additional floor space needed in Coventry and Warwickshire. We have also added initial traffic (from Table 10.6 of the HEDNA) and large-scale floor space (from Table 10.3) and expressed each value for traffic growth and additional floorspace as a percentage of this initial value.

Table 2.5: Forecast Traffic Growth and Additional Floor Space Required

| | HEDNA – Growth Build Rate | | | |
|--------------------------------------|----------------------------------|------------------|-------------------|-------------------|
| Coventry and Warwickshire | 2021 value | 2031 | 2041 | 2050 |
| Traffic Growth vs. 2021 (000 tonnes) | 12,851,000 | 1,362 (10.6%) | 3,174 (24.7%) | 4,602 (35.8%) |
| Additional floorspace (sqm) | 2,244,000 | 54,000 (2.4%) | 125,000 (5.6%) | 181,000 (8.1%) |

- 2.46 Given the estimated traffic growth in Coventry and Warwickshire, the HEDNA estimates that Coventry and Warwickshire will require an additional 54,000 sqm of floor space up to 2031, 125,000 sqm of floor space up to 2041 and 181,000 sqm of floor space up to 2050. Additional floorspace (+6% by 2041) is low relative to freight growth (25% by 2041).
- 2.47 The scale of additional floorspace is governed by the model's 'tonnes per sqm floorspace assumption' (25 tonnes psm). This assumption is high compared to the 2021 'existing' position (6 tonnes psm). This implies that either the assumption is aspirational and

potentially unrealistic (assuming a x4 efficiency gain), or the use of freight growth does not capture all the drivers of demand for strategic scale warehousing.

- 2.48 If we halve the tonnes per sqm to 12.5, the total requirement to 2041 increases to 624 ha (the 'Stantec' figure) under 'high replacement' and 490 ha under 'low replacement', assuming a 35% plot ratio and a margin of 5 years (as per HEDNA).
- 2.49 Repeating the exercise (again setting tonnes per sqm to 12.5) with the HEDNA sensitivity test (freight plus 15%) results in a total requirement to 2041 increases to 674 ha (the 'Stantec' figure) under 'high replacement' and 541 ha under 'low replacement', again assuming a 35% plot ratio and a margin of 5 years (as per HEDNA).
- 2.50 Therefore, Stantec analysis using a 35% plot ratio and 5-year margin results in land requirements to 2041 ranging from 490 ha (Traffic Forecast Low Replacement) to 674 ha (Sensitivity Test High Replacement). Applying the 5-year margin (25% uplift) to the last column in Table 10.17 of the HEDNA gives a corresponding range of 445 ha to 604 ha.
- 2.51 The above analysis provides the basis for our conclusion that the requirement of 551 ha strategic employment land across Coventry and Warwickshire is an underestimate.
- 2.52 In the circumstances, our preference is to rely on annual average past completions, plus a 5 year margin, and for that to be regarded as a minimum.

Combined

- 2.53 The total warehouse new-build requirement as set out by the HEDNA can be devised by combining the 'replacement build' and 'growth build' elements. Table 3 shows the forecast to 2050 for Coventry and Warwickshire.

Table 2.6: Forecast New-Build Rates to 2050 – Coventry and Warwickshire

| HEDNA – Replacement Build + Growth Build | | | |
|---|-------------|-------------|-------------|
| Coventry and Warwickshire | 2031 | 2041 | 2050 |
| High Replacement Scenario + Growth Build (sqm) | 802,000 | 1,621,000 | 2,530,000 |
| Low Replacement Scenario + Growth Build (sqm) | 615,000 | 1,247,000 | 1,808,000 |

- 2.54 For Coventry and Warwickshire, the HEDNA estimates an industrial requirement up to 2031 of 615,000 sqm – 802,000 sqm. According to this, Coventry and Warwickshire should deliver almost a third of the West Midlands' future industrial accommodation.
- 2.55 The HEDNA also does a sensitivity analysis based on changes in the 'growth build' estimates. The sensitivity analysis suggests that replacement demand is the main driver of floorspace needs within the model given that the growth-build sensitivity analysis only adds around 100,000 sqm up to 2050. Without the sensitivity test and in the low replacement scenario, just 10% (125,000 sqm out of 1,247,000 sqm) is growth build.
- 2.56 Table 5 illustrates the land requirements the sensitivity analysis produced, showing the requirement range for strategic warehousing need. The completions projections are



estimated using a 35% plot ratio, which tends to be the market norm as per the Leicestershire Strategic Distribution 2021 report.

Table 2.7: Coventry and Warwickshire B8 Strategic Land Needs 2021 – 2041 ha

| HENDA – Sensitivity | | | |
|-----------------------------------|------------------|---------------------|---------------------|
| Coventry and Warwickshire | Floorspace (sqm) | 40% Plot Ratio (ha) | 35% Plot Ratio (ha) |
| Traffic Forecast Low Replacement | 1,247,000 | 312 | 356 |
| Sensitivity Test Low Replacement | 1,318,000 | 330 | 377 |
| Traffic Forecast High Replacement | 1,621,000 | 405 | 463 |
| Sensitivity Test High Replacement | 1,692,000 | 423 | 483 |
| | | | |
| Completions Projection | 458 | | |

- 2.57 Over the period 2021 – 2041, the replacement build and growth build models expresses a land requirement from between 356 to 483 ha assuming a plot ratio of 35%.
- 2.58 There are a number of key issues arising from the above methodology; which scenario should be used, what should be given more weighting completions or sensitivity; and to what extent is replacement feasible.
- 2.59 There are also a number of factors that should be weighed up in the 'high' and 'low' replacement scenarios.
- Older buildings becoming functionally obsolete and occupiers' need for newer more up to date buildings before the end of the buildings economic life.
 - The decarbonising agenda encouraging demand for freight linked warehousing.
 - Increasing automation driving demand for newer facilities with higher power requirements.
- 2.60 The HEDNA therefore takes the midpoint between the high and low replacement scenarios considering the above factors equating to a minimum need of 410 ha to 2041 for the Coventry and Warwickshire Sub-Region.
- 2.61 In light of factors which may lead to stronger demand (namely e-commerce and supply chain disruptions), Iceni favour the approach based on recent completions trends for 2021-2031 (229 ha) followed by traffic growth and replacement demand modelling for 2031-2041 (207 ha), for a total of 436 ha.
- 2.62 The HEDNA then allows a margin to support choice of site in a competitive and flexible market. It allows a 5-year margin based on the 5-year completions trend.
- 2.63 Therefore, the total land requirement estimated for Coventry and Warwickshire up to 2041 is 551 ha and 736 ha up to 2050.

Table 2.8: Recommended need for Strategic B8 in Coventry and Warwickshire

| Coventry and Warwickshire | Need to 2041 (ha) | Need to 2050 (ha) |
|---------------------------|-------------------|-------------------|
| Base Need | 436 | 620 |



| Coventry and Warwickshire | Need to 2041 (ha) | Need to 2050 (ha) |
|-------------------------------|-------------------|-------------------|
| 5 Year Margin | 115 | 115 |
| Total Land Requirement | 551 | 736 |

- 2.64 In the previous section, the Completions Trend Forecast implies a greater 20-year requirement than 551 ha. Table 9.15 gives a figure of 457.6 ha; with a 5-year margin this becomes approximately 572 ha ($457.6 * 1.25$)³. Given the clear reasons for thinking that the future will not be like the past – namely the growth of e-commerce and greater supply chain instability – this should be treated as a minimum. It falls within the 490 ha to 674 ha range estimated by the Stantec traffic growth-based analysis above, but is comfortably towards the lower end.
- 2.65 Using the land needs figures estimated in the high replacement scenarios (Table 4) and applying a 5-year margin results in figures that are higher still; 579 ha from the Traffic Forecast High Replacement (463 ha 2021-2041), and 604 ha from the Sensitivity Test High Replacement (483 ha 2021-2041).

Section 11 – Drawing Conclusions on Employment Land Needs

- 2.66 This section of the HEDNA stipulates that the completions data is likely to be the best representation of the market needs for the next phase of plan making for industrial/ warehousing floorspace particularly in the short and medium term. Comparing completions data with other sources and monitoring by authorities suggests that far higher levels of development have been achieved and therefore may be required in the future.
- 2.67 The HEDNA suggests that whilst B8 demand is very strong, separate allocations will be needed for B1c/B2 use in order to support the manufacturing sector.
- 2.68 To meet this need, the PPG outlines that strategic policy-making authorities will need to identify the most appropriate locations for meeting the identified needs. This can be achieved through the expansion of existing sites or the development of new ones. There are multiple technical issues that should be considered for prospective sites; environmental and highways impacts, impacts on the green belt or landscape, and power requirements.
- 2.69 The HEDNA highlights current important strategic locations that include the M6 Corridor from Junction 1 to 3 of the M6 Motorway. Other important strategic locations include areas to the north-west of the sub-region towards Tamworth, Hinkley and stretching to Lutterworth. The HEDNA warns of potential for concentration in the north-west of the sub-region creating labour market and highways pressures in this area. It is therefore important to consider other corridors within the sub-region, including the A46 Corridor.
- 2.70 The HEDNA also stipulates the need for green belt development if the needs identified in Section 10 – B8 Land Use are met. Suitable sites should seek to consider landscape harm, power capacity and limit harm to the purpose of the green belt.

³ Adding the margin of 115 ha based on 5-year completions trend would result in an almost identical result.

- 2.71 The HEDNA recommends that a margin for flexibility be applied to employment land requirements. This recognises the inexact nature of forecasting, potential variations in locational and site size requirements, and potential for delay in sites coming forward. For industrial or distribution sites, a 5-year margin is recommended. Thus, in Table 11.1 they recommend a 30.1 ha margin for flexibility for industrial excluding B8 Strategic – one quarter of the 120.4 ha need shown in Table 9.15.
- 2.72 Applying the same margin for flexibility to B8 Strategic sites as well, Stantec considers that a 350 ha minimum for industrial and logistics land over 2021-2041 would not be unreasonable. This is based on the 120.4 ha excluding B8 Strategic and 157.4 ha B8 Strategic shown in Table 9.15, plus 5-year margins of 30.1 ha and 39.4 ha respectively. These figures total to 347.3 ha, and various factors discussed elsewhere in this report – rapid growth in the number of households, the post-Covid increase in e-commerce, increased supply chain instability – weigh in favour of planning for more.

Section 15 – Conclusions and Recommendations

- 2.73 In respect of strategic warehousing floorspace (units over 9,000 sqm) the HEDNA concludes that it would be appropriate to plan for future development to be in line with recent completion trend over the initial 10 year period (2021 – 2031), with the subsequent decade then seeing potentially slower growth in line with the traffic growth and replacement demand modelling. On this basis, the HEDNA concludes a need for 551 ha of land to 2041 and 735 ha to 2050 for strategic logistics in Coventry and Warwickshire.

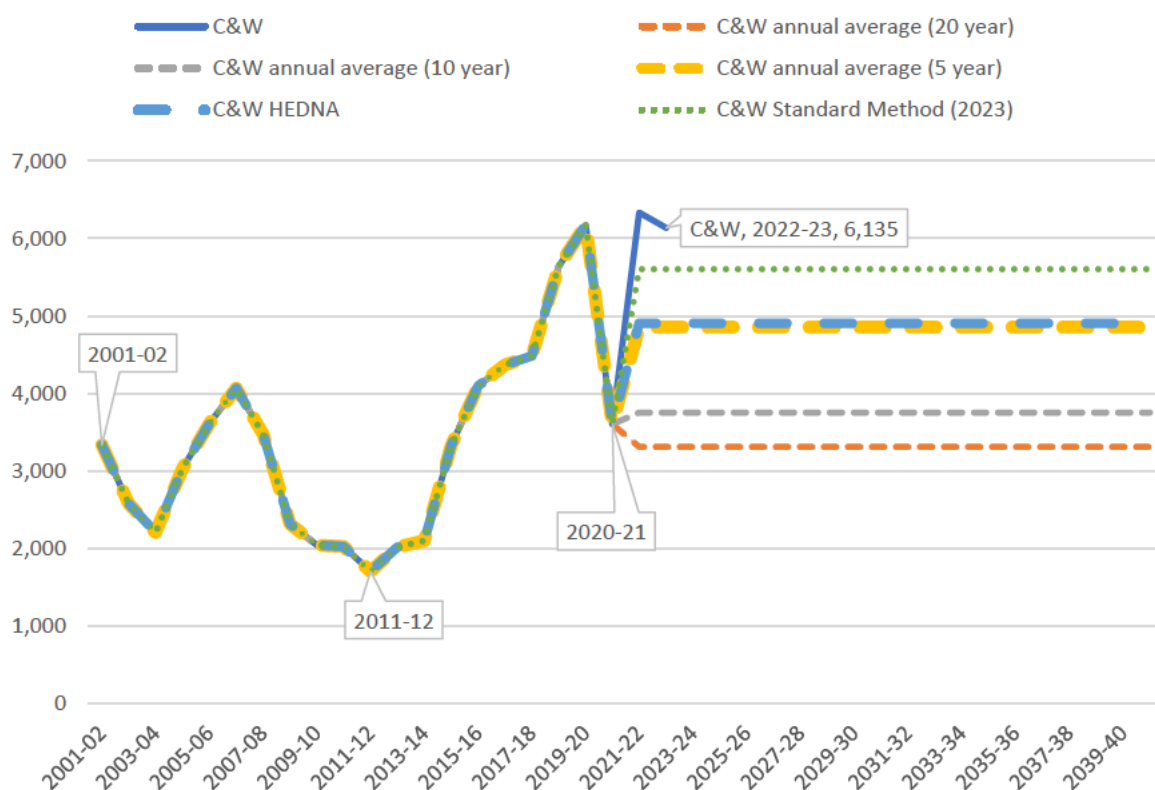
Stantec Analysis: Drivers of Future Floorspace Demand

- 2.74 Freight is central to the functioning of the country, operating around the clock to enable everyday life. In 2020, the UK's freight system transported 1.4 billion tonnes of goods by road, rail and water, delivering to businesses and consumers.
- 2.75 As the population rises, the demand for freight will grow. Over the next 30 years, the weight of goods lifted by heavy freight transport could increase by between 27 and 45 per cent. The nature of this demand will also change, with expected increases in same day delivery, more just-in-time manufacturing, and continued growth of internet shopping⁴.
- 2.76 The HEDNA envisages net housing delivery equal to 4,906 and 735 dwellings per annum, across the sub region and Rugby respectively, over a 20-year plan period (2021 to 2041). This is excess of the 20 year and 10-year trends respectively (between 1.25 and 1.5 times), and in line with the 5-year trend (2016 to 2021) (see Figure 2 and Figure 2.3). This will drive increased demand for goods and services, increasing the need for industrial floorspace (for example for final journey logistics) to service said demand.

⁴ Freight Study Final Report, NIC April 2019.

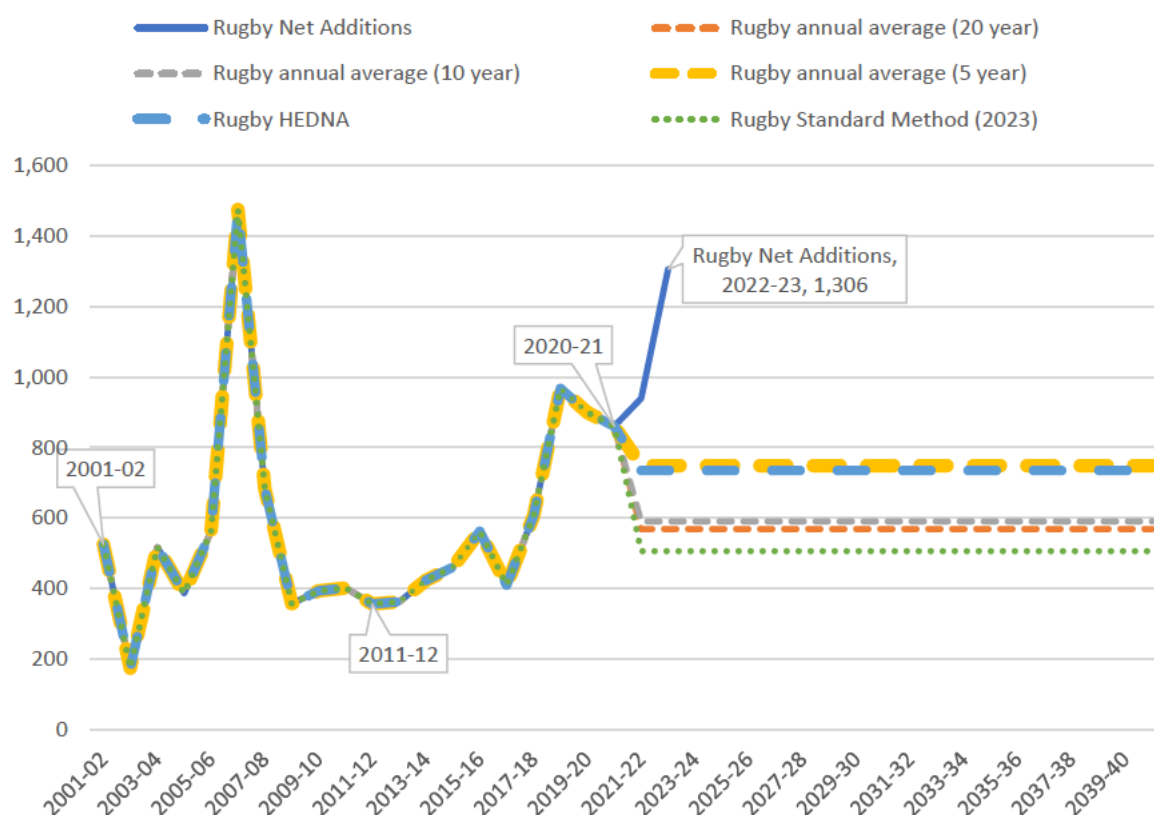


Figure 2.2: Past and Planned Housing Growth across Coventry and Warwickshire



Source: Net Additional Dwellings, Table 122: Net additional dwellings by local authority district, England 2001-02 to 2022-23, published November 2023 and the Coventry and Warwickshire HEDNA, November 2022

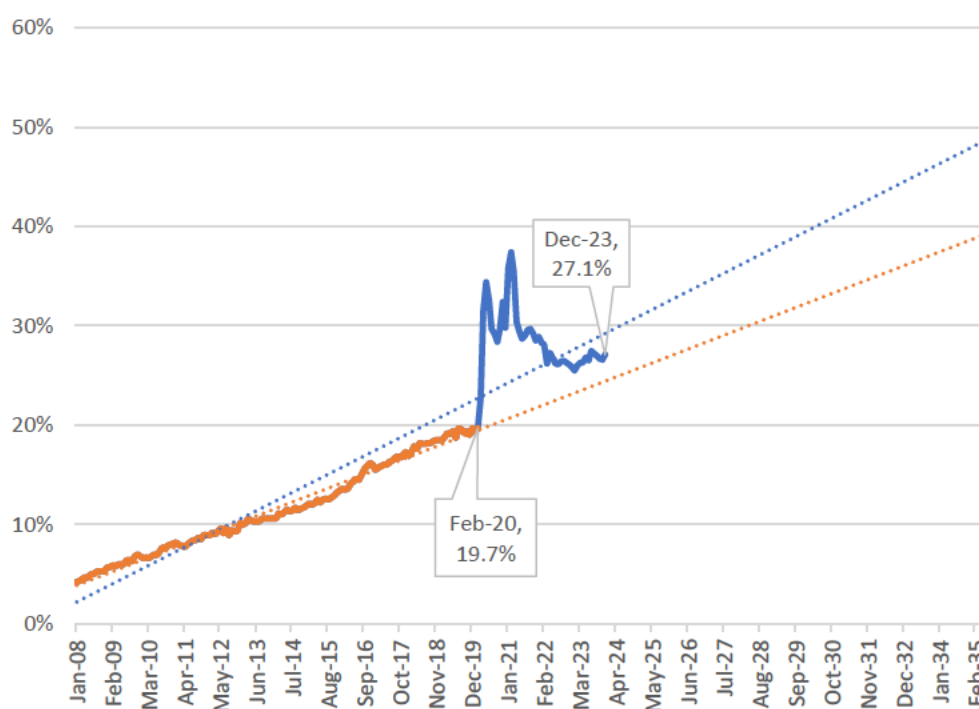
Figure 2.3: Past and Planned Housing Growth across Rugby



Source: Net Additional Dwellings, Table 122: Net additional dwellings by local authority district, England 2001-02 to 2022-23, published November 2023 and the Coventry and Warwickshire HEDNA, November 2022

- 2.77 Growth in housing will result in above trend household growth and in turn household expenditure, which is increasingly through online retailers. A lockdown induced uptick in online retail sales (27.1% of all sales in December 2023, compared to 19.8% in February 2020) has increased activity in final mile / journey logistics, such that according to ONS, recruitment to the sector recovered more rapidly than other sectors as it attempted to keep step with the surge in demand.
- 2.78 Arguably, this is a change in consumer behaviour that will not be wholly reversed, on the basis that the pandemic has accelerated or exacerbated a trend that was already taking place. Internet sales today are where we might otherwise have expected to be in three to four years' time. We illustrate the divergence in 'pre pandemic' (red dotted line) and 'post pandemic' (blue dotted line) in Figure 2.4.

Figure 2.4: Internet Sales as a Proportion of All Sales (Seasonally Adjusted)



Source: ONS, Retail Sales Index (internet sales), published January 2024

Key Findings

- 2.79 Several paragraphs of Rugby's Local Plan deal with employment land. Namely, Chapter 4 (Development Strategy) which aims to protect existing employment sites from within and outside the urban area. Chapter 6 (Economic Development) highlights Rugby's strong and diverse economy, emphasising its central location, accessibility, and the need to retain and provide additional employment sites in order to provide jobs for the growing population and allow economic growth.
- 2.80 With regards to green belt, the Rugby local plan stipulates around two-thirds of Rugby Borough is designated as green belt. The Local Plan addresses the balance between the need for development alongside greenbelt protection. It allows development under specific circumstances outlined in the NPPF, including for economic development needs.
- 2.81 The Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) has a total employment land requirement for B8 use of up to 551 ha up to 2041 and 736 ha up to 2050. These figures do not give an allocation to the individual boroughs but do suggests potential locations including the A46 corridor, given its existing transport links, highways capacity and access to employment. The HEDNA appreciates that to meet this requirement greenbelt land should be brought forward.
- 2.82 The approach to calculating the requirement for strategic warehousing land is an unusual one. For the first ten years (2021-2031) of the projection period, past (2011-2019) trends are continued. For the remainder of the projection period, it is modelled based on a combination

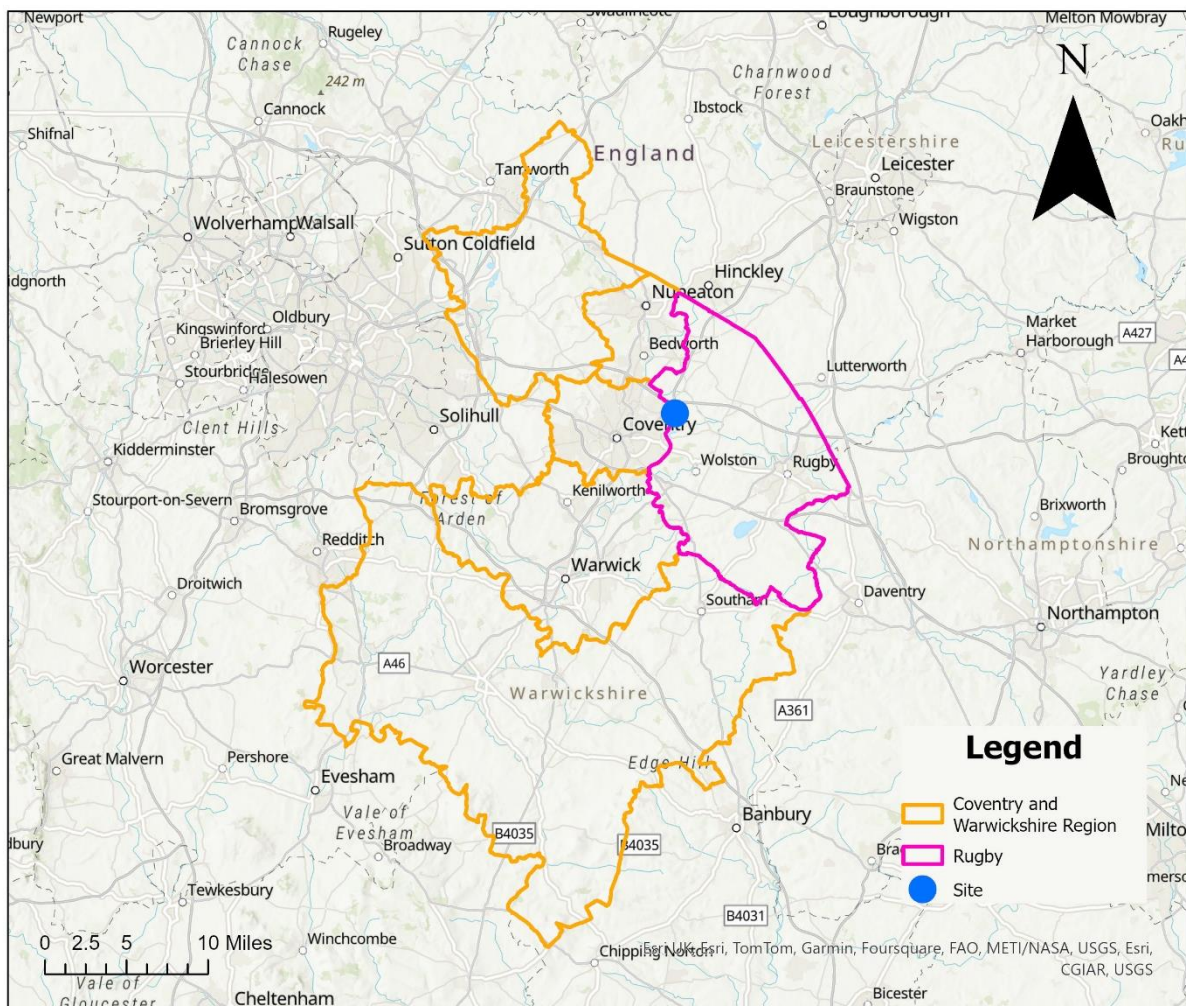
of projected need to replace existing warehouses when they become obsolete (replacement demand) and the projected growth in freight traffic in the region. Assuming that freight growth projections are available for the first ten years of the period, incorporating them then (and perhaps using a trend-based approach for the end of the period) would be more intuitive.

- 2.83 Given Rugby's important location and constraints in other local authorities it will be expected that Rugby should assist the Sub-Region in meeting the needs outlined in the HEDNA alongside meeting Coventry City Council's unmet need.
- 2.84 The rate of past and planned housing growth across Rugby and the impact of Covid-19 on the role of e-commerce weigh in favour of greater logistics floorspace provision.

3 The Market for Logistics Floorspace in Rugby

- 3.1 The market for industrial floorspace is examined in the context of the Coventry and Warwickshire Sub-Region and the Rugby Sub-Market.
- 3.2 As shown on figure 2 Coventry and Warwickshire encompasses the local authorities of North Warwickshire, Nuneaton and Bedworth, Coventry, Rugby, Warwick and Stratford-on-Avon.
- 3.3 The site is situated in Rugby, just east of the Coventry-Rugby border. It is located close to the Golden Logistics Triangle, which is a significant strategic logistics location with excellent transportation links and employment opportunities.

Figure 3.1: Study area including the Coventry and Warwickshire Sub-Region and Rugby Sub-Market



Approach

- 3.4 This section examines a range of market indicators and provides insight into the extent to which the demand for floorspace is being satisfied locally and regionally. It is key wider context for the HEDNA presented in the evidence based for the Rugby Local Plan Consultation. Specifically, providing a basis for identifying downside, neutral or upside risks to the HEDNA's assessment cause by market trends and external factors.
- 3.5 The data we have used is derived from a single source, CoStar's Commercial Real Estate Market Analytics (CoStar Analytics). This provides access to an extensive and comprehensive database of verified property level data, including type, status, floorspace, use and year built or renovated.
- 3.6 CoStar Analytics collates, categorises and aggregates the property data, updates it on a quarterly basis, and provides a platform for bespoke area analysis, by property type and size, of relevant metrics such as floorspace inventory, deliveries, leasing activity and vacancy rates.
- 3.7 For this review we have analysed CoStar Analytics data tagged as relating to the Industrial property type, and the property size thresholds of no minimum and 100,000 sq ft plus (9,000sqm). The latter is used to mirror final mile / fulfilment scale / larger than local requirements.

Floorspace Inventory

- 3.8 Table 6 shows that across the Coventry and Warwickshire Sub-Region the inventory of industrial floorspace sums to 88.5m sq ft. Of this 16.6m sq ft (19%) is in Rugby.

Table 3.1: Floorspace Inventory Q1 2024 QTD (sq ft)

| | Coventry and Warwickshire Sub-Region | Rugby (as a % of the sub- region) |
|--|---|--|
| All Industrial Floorspace | 88.5m | 16.7m (19%) |
| Of which floorspace over 100,000 sq ft. | 50.9m | 11.7m (23%) |

Source: CoStar, January 2024

- 3.9 Large-scale industrial floorspace of more than 100,000 sq ft is a notable and prominent property type across the sub-region, accounting for 50.9m sq ft in the Sub-Region. 11.7m sq ft (23%) is in Rugby (Table 6). This highlights Rugby's position as a strategic industrial location within the sub-region.

Table 3.2: Change in Floorspace Inventory, 2009 to Q1 2024 QTD (sq ft)

| | Coventry and Warwickshire Sub-Region | Rugby |
|---|---|---------------|
| All Industrial Floorspace | +20.3 (+30%) | +6.8m (+68%) |
| Of which floorspace over 100,000 sq ft | +15.8m (+45%) | +6.2m (+112%) |

Source: CoStar, January 2024



Coventry and Warwickshire's Economic Development Needs

3 The Market for Logistics Floorspace in Rugby

- 3.10 As per Table 7, since 2009, industrial floorspace in the Sub-Region has grown by 20.3m sq ft of which 15.6m sq ft is in buildings of 100,000 sq ft or more, equating to 76%; therefore, around 25% of new floorspace has been delivered for small floorspace needs.
- 3.11 Industrial floorspace growth in Rugby has been significant relative to the increase in the Sub-Region, accounting for around 33% of the Sub-Region's growth. This is almost entirely accounted for by the growth in floorspace over 100,000 sq ft. Industrial floorspace in Rugby grew by 6.8m sq ft over the period and 6.2m sq ft when considering buildings over 100,000 sq ft. This highlights Rugby's role in maintaining the Sub-Region's position as an important strategic location (Table 7).

Location of Recent Inventory

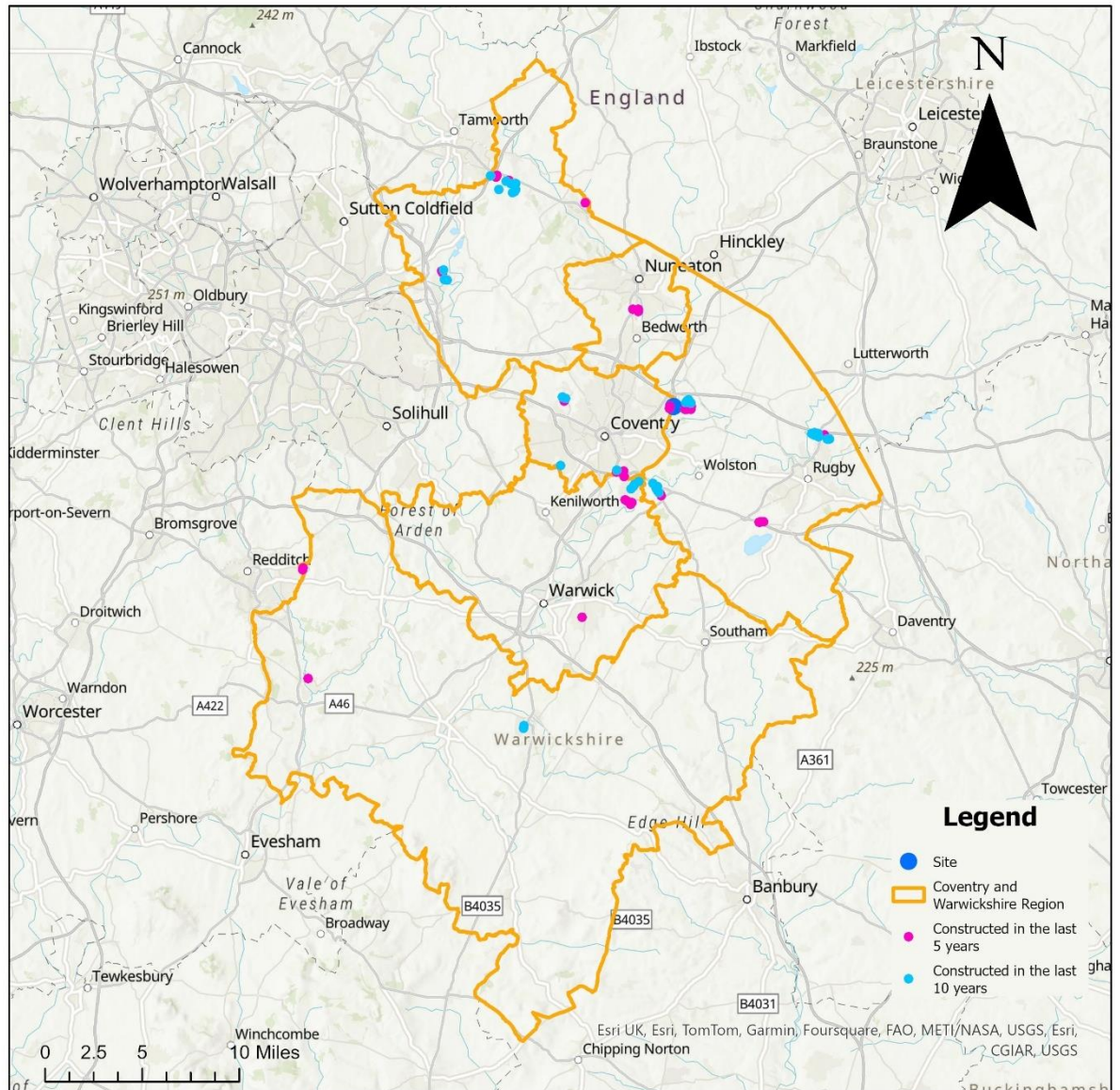
- 3.12 Figure 3 maps the locations of buildings over 100,000 sq ft constructed in either the last 5 or 10 years. This figure shows the distribution of recently constructed buildings, tending to fall within the north-west portion of the Coventry and Warwickshire sub-region.
- 3.13 Recent constructions have clustered around a few central focal locations, namely, Tamworth at the M42, where the M6 and the M69 intersect (near the site), south of Coventry at the A45, and north of Rugby at the M6 (figure 3). As depicted in Figure 3, there is limited B8 storage and distribution development towards the south of the sub-region, specifically in the Stratford-upon-Avon local authority.
- 3.14 There is a clustering of new development adjacent to the site namely, Antsy Park Coventry (Figure 3). This shows that there is existing highways infrastructure in the area capable for HGVs, ample power supply, and access to an employment base in the area.



Coventry and Warwickshire's Economic Development Needs

3 The Market for Logistics Floorspace in Rugby

Figure 3.1: Construction of units over 100,000 sq ft in the past 5 or 10 years in the Coventry and Warwickshire sub-region



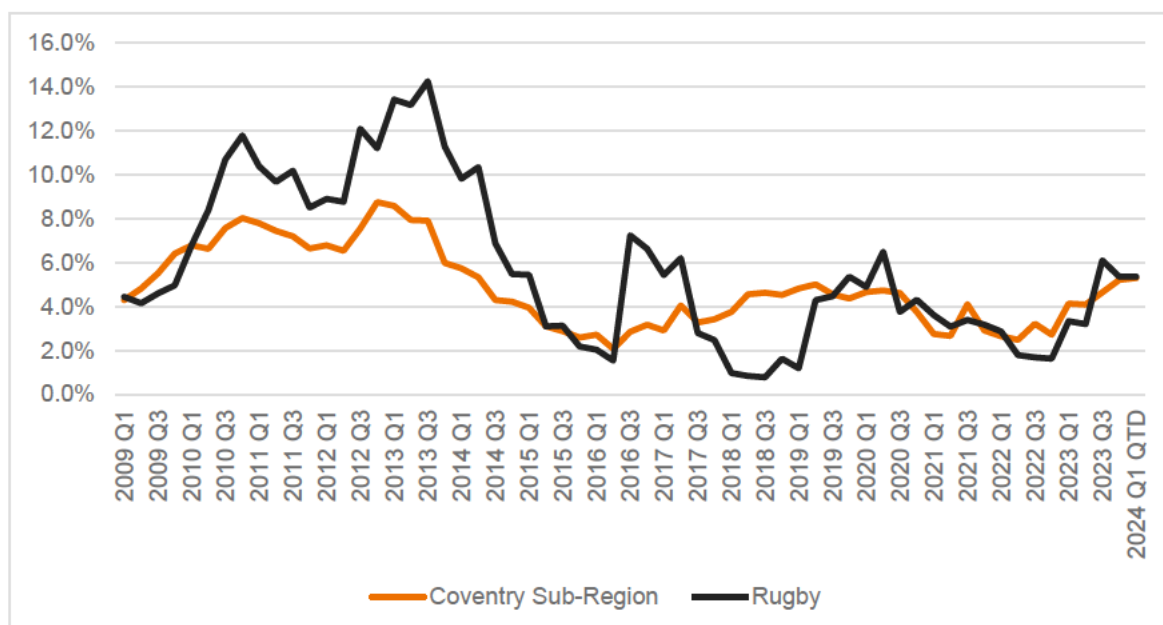
Vacancy Rates and Availability

Vacancy Rates

- 3.15 Vacancy Rates are a measure of floorspace utilisation. If the vacancy rate falls to around 7% - 9% (dependent on the market) there is an imbalance in the market and demand outstrips supply. The HEDNA uses an equilibrium of 7.5% as an indicator for undersupply. This is the rate which rental growth, as a result of tightening supply, can become unaffordable for occupiers. It also indicates that economic development is restricted as there is not enough supply in the market for occupiers to satisfy their requirements.



Figure 3.2: Industrial Vacancy Rates Q1 2009 to Q1 2024 QTD



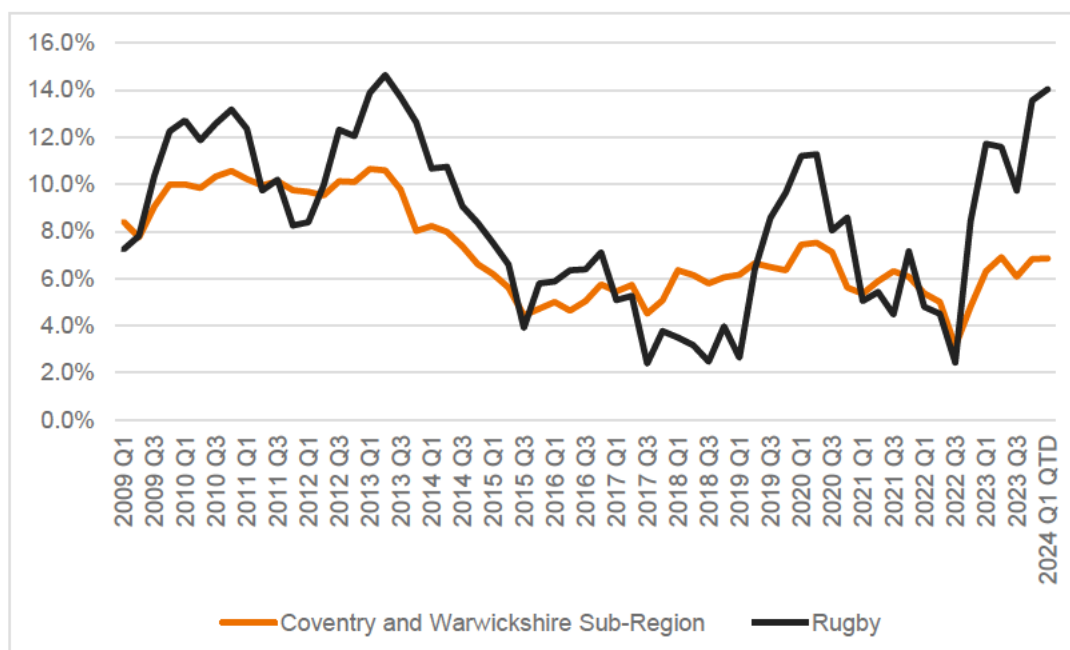
Source: CoStar, January 2024

- 3.16 Figure 3 illustrates Industrial Vacancy Rates across the two areas between Q1 2009 and Q1 2024 QTD. Across the period vacancy has fluctuated in a downwards trend. For the past 10 years, since 2014, the vacancy rate has been under the 7.5% equilibrium. In Q3 2016, the vacancy rate in Rugby peaked slightly above this but quickly fell below the equilibrium. In 2023 it rose as new stock came onto the market but has already begun to be absorbed. This indicates that for the past 10 years both the Coventry Sub-Region and Rugby have been operating in an imbalanced market where demand outstrips supply.
- 3.17 According to this, a greater amount of industrial floorspace should be developed, to increase supply and increase the availability to occupiers to satisfy demand.

Availability Rates

- 3.18 In addition to vacancy level, we also assess the availability rate. The availability rate is a measure of all available floorspace. It differs from the vacancy rate in that the availability rate includes floorspace that is available by way of a sub-lease and buildings under construction that are available to let or pre-let when the building is complete.
- 3.19 The equilibrium availability rate is circa 8%. If the availability rate falls below this rate there is a greater amount of demand in the market compared to demand. This leads to some demand being suppressed as the current supply in the market cannot fulfil demand needs. The equilibrium for availability rates is slightly higher than that of vacancy rates given the inclusion of floorspace available by way of a sub-lease.

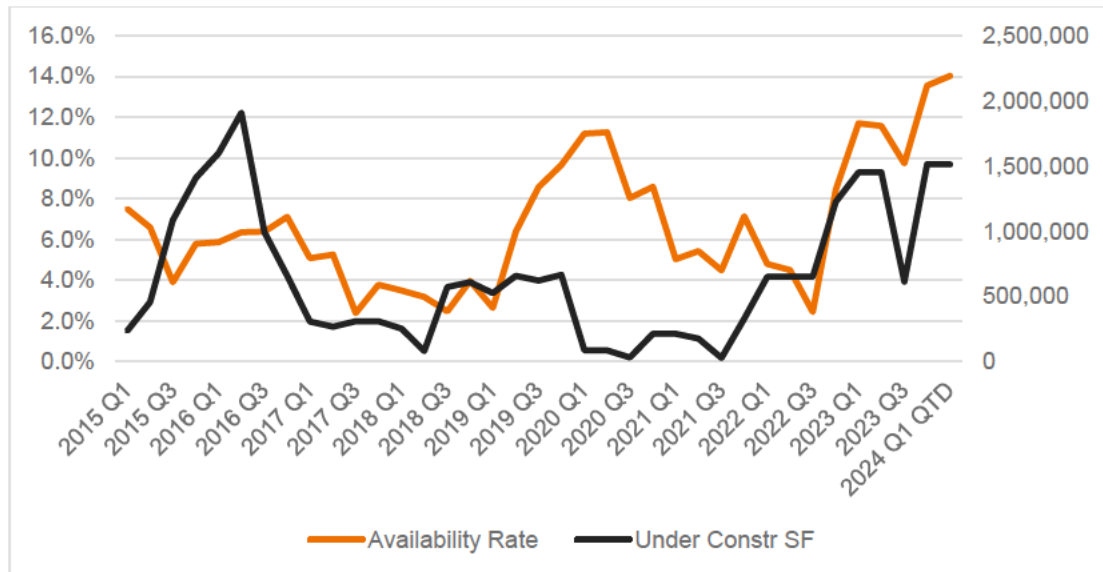
Figure 3.3: Industrial Availability Rates Q1 2009 to Q1 2024 QTD



Source: CoStar, January 2024

- 3.20 Figure 4 illustrates Industrial Availability Rates from Q1 2009 to Q1 2024 QTD. It demonstrates that the Coventry and Warwickshire sub-region have had an availability rate below 8% since Q1 2014. In the sub-region, the availability rate dipped to its lowest point in Q1 2022 to just over 2%. Following this more stock came to the market, largely due to an increase in new developments being brought forward.
- 3.21 The availability rate in Rugby is more volatile, which is to be expected for a smaller area, as rate moves more in response to small changes. In Q1 2019 it spiked to around 11% because of new stock in the market which was quickly absorbed, falling to just over 4% in 2021 and then circa 2% in 2022 (Figure 4). This shows that as new floorspace becomes available it is quickly taken up, resulting in under supply extending to the short and medium term.
- 3.22 A similar spike has recently occurred in Rugby in the latter half of 2023 as a result of buildings under construction being available to let. A similar pattern to that observed in 2019 is likely to occur here, where the rate rapidly increases and then declines, indicating a swift absorption of new supply (Figure 4). This signals confidence in the market and suggests that supply is rapidly absorbed when it becomes available.

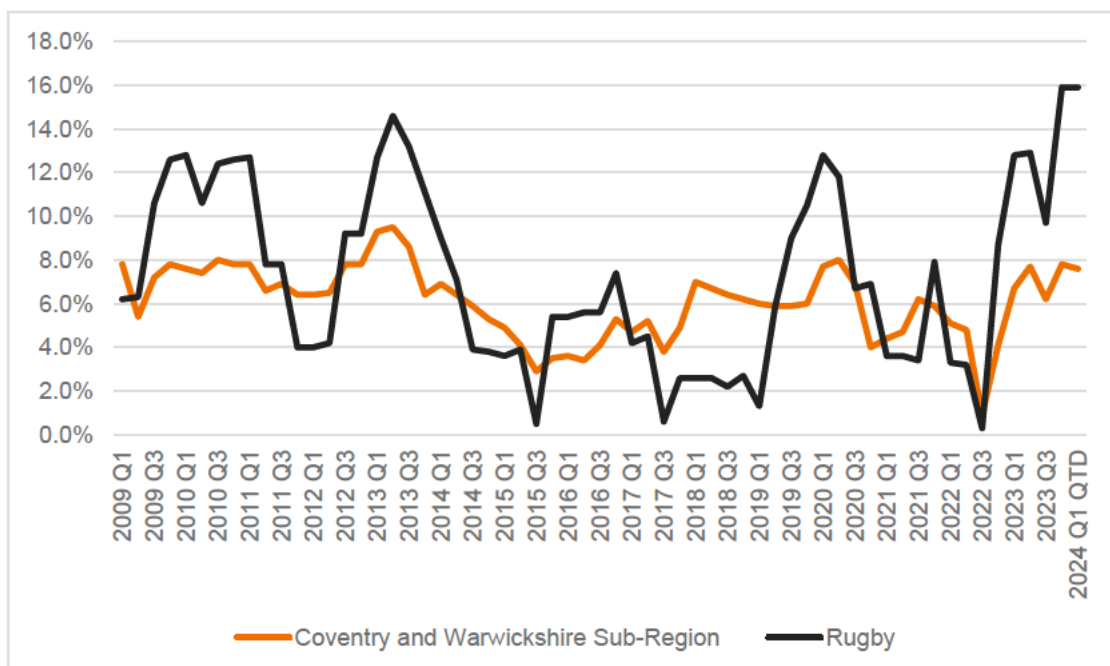
Figure 3.4: Rugby Availability Rates and Buildings Under Construction from Q1 2015 to Q1 2024 QTD



Source: CoStar, January 2024

- 3.23 Figure 5 illustrates the relationship between the availability rate and accommodation under construction. It shows that the recent increase in availability from 2022 onwards has been directly a result of buildings under construction. This shows that the recent spike in availability has been driven by increased supply rather than reduced demand.

Figure 3.5: Industrial Availability Rates 9,000 sqm plus Q1 2009 TO Q1 2024 QTD

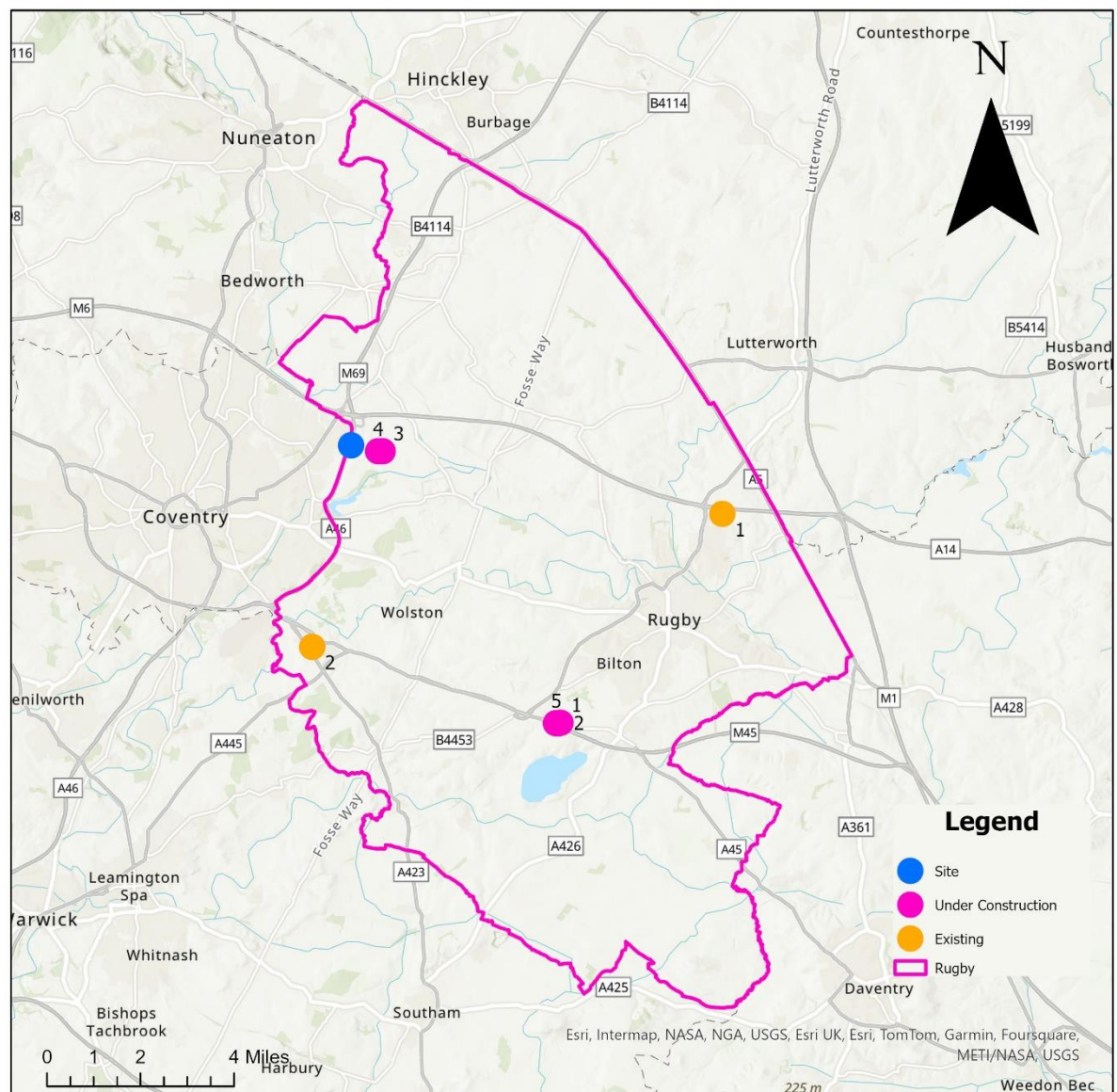


Coventry and Warwickshire's Economic Development Needs

3 The Market for Logistics Floorspace in Rugby

- 3.24 Considering the implications for units over 9,000 sqm a similar picture is painted. This is to be expected, given that the market is largely influenced by large-scale logistics warehouses in the Sub-Region and Rugby.
- 3.25 We consider the implications of availability and vacancy indicators by examining them at individual building level. Figure 7 and Table 9 map all industrial buildings over 9,000 sqm that have vacant space or space available to let.

Figure 3.6: Available Units over 100,000 sq ft in Rugby



- 3.26 There is currently 2.08 million (193,341 sqm) of industrial accommodation for B8 storage and distribution purposes available of this. 613,493 sq ft (56,995 sqm) are available for immediate occupation.



- 3.27 When considering units over 9,000 sqm in Rugby only two units are currently available for occupation, the other five are under construction and estimated to be complete in 2024 with a further 6 months for occupiers to fit out units. When considering units available immediately to occupiers, the availability rate falls to 5.2% in Rugby. This demonstrates the low level of stock available to the market and the limited number of options available to logistics and distribution occupiers (see Figure 7 and Table 9).

Table 3.3: Available Units over 100,000 sq ft in Rugby

| Ref | Name | Sq ft | Sqm | Year built |
|----------------------------|---------------------------|------------------|----------------|---|
| Under Construction | | | | |
| 1 | Symmetry Park, Rugby | 390,694 | 36,296 | Under Construction (completion Q4 2024) |
| 2 | Symmetry Park, Rugby | 338,064 | 31,407 | Under Construction (completion Q4 2024) |
| 3 | Ansy Park, Coventry | 300,039 | 27,874 | Under Construction (completion Q2 2024) |
| 4 | Ansy Park, Coventry | 268,371 | 24,932 | Under Construction (completion Q2 2024) |
| 5 | Symmetry Park, Rugby | 170,473 | 15,837 | Under Construction (completion Q4 2024) |
| Total | | 1,467,641 | 136,346 | |
| Existing Warehouses | | | | |
| 1 | DC1 Central Park, Rugby | 446,673 | 41,497 | 1990/ refurb 2019 |
| 2 | DC4 London Road, Coventry | 166,820 | 15,498 | 2014 |
| Total | | 613,493 | 56,995 | |
| Overall Total | | 2,081,134 | 193,341 | |

Development in the Pipeline

- 3.28 Across Rugby, according to CoStar Analytics, there is a pipeline of 1,897,584 sq ft (176,289 sqm) across 6 buildings (>100,000 sq ft). There is 5 buildings under construction, amounting to 1,476,641 sq ft (136,346 sqm) and 429,942 sq ft (39,943 sqm) with planning consent. There are no further developments in Rugby in the planning application stage (see Table 10).
- 3.29 As illustrated on Figure 9, the location of the pipeline is well dispersed across Rugby with a focus on the A14/M6 Motorway corridor and further south on the M45. The two buildings under construction adjacent to the site are the developments at Ansy Park, Coventry measuring 300,039 sq ft and 268,371 sq ft. These two buildings, alongside the site, benefit from an important strategic position given its proximity to the M6 and M69 motorway. This suggests that there is adequate power, highways infrastructure and labour supply in the

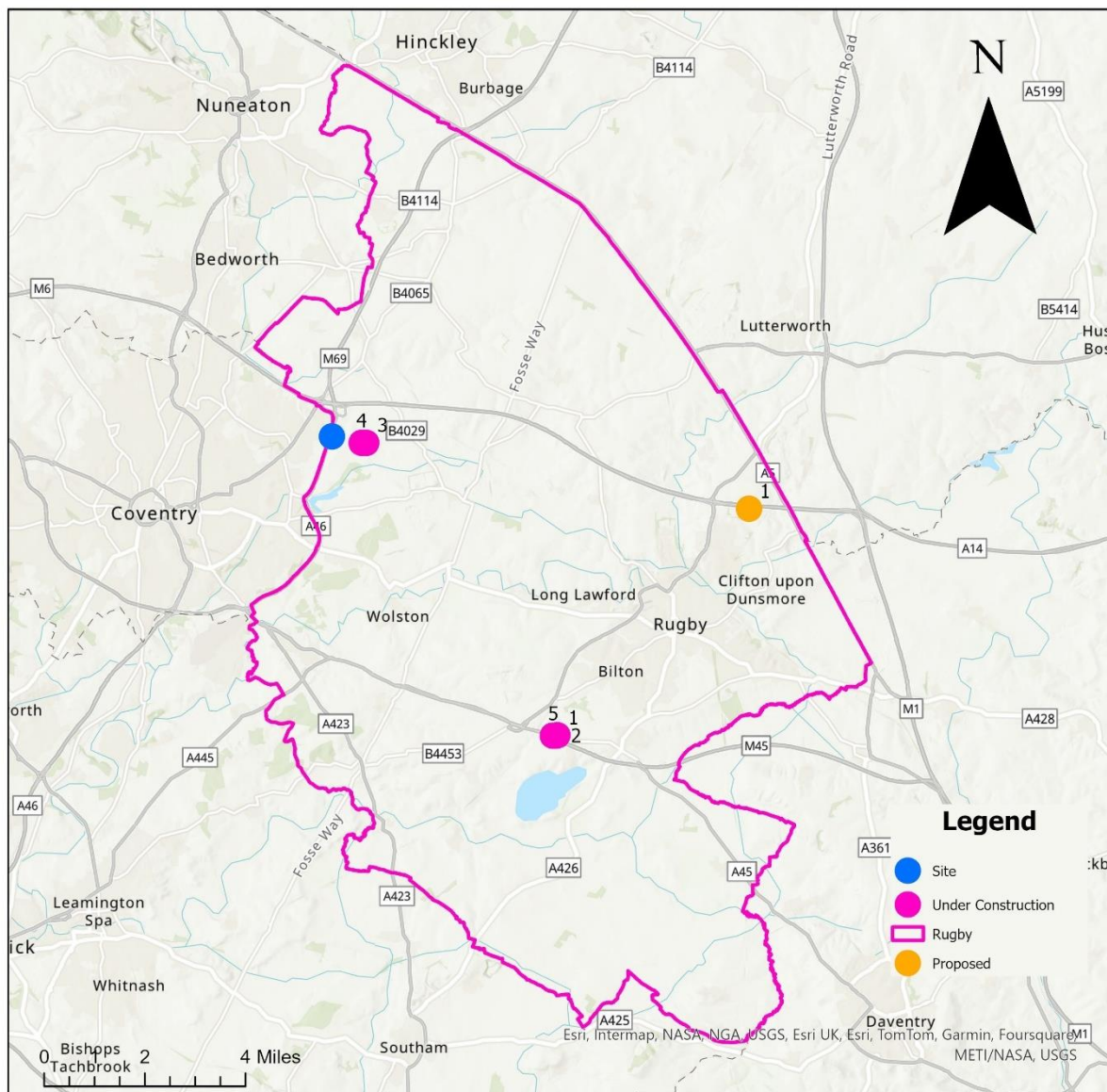
area given the expansion of employment land here, assisting and sustaining the economic development of both Rugby and the sub-region.

- 3.30 Further to the lack of supply of strategic warehousing and distribution space, there is limited space in the pipeline and no space being considered for planning permission. This indicates a further tightening of supply given the lack of future developments.

Table 3.4: Pipeline Units over 100,000 sq ft in Rugby

| Ref | Name | Sq ft | Sqm | Status |
|------------------------------|-----------------------------------|------------------|----------------|-----------------------------|
| Under Construction | | | | |
| 1 | Symmetry Park, Rugby | 390,694 | 36,296 | Under Construction |
| 2 | Symmetry Park, Rugby | 338,064 | 31,407 | Under Construction |
| 3 | Ansy Park, Coventry | 300,039 | 27,874 | Under Construction |
| 4 | Ansy Park, Coventry | 268,371 | 24,932 | Under Construction |
| 5 | Symmetry Park, Rugby | 170,473 | 15,837 | Under Construction |
| | Sub Total | 1,467,641 | 136,346 | |
| Proposed Developments | | | | |
| 1 | Coton Park East, Castle Mound Way | 429,943 | 39,943 | Planning Granted – Feb 2023 |
| | Overall Total | 1,897,584 | 176,289 | |

Figure 3.7: Pipeline Units over 100,000 sq ft in Rugby



Floorspace Delivered

- 3.31 Net absorption is the measure of the total space occupied less the total space vacated over a given period of time. If net absorption is positive, it means move ins have been greater than move outs in that time period and vice versa.
- 3.32 Net deliveries relates to the space that has been delivered to the market.
- 3.33 Figure 10 shows net absorption, net deliveries and vacancy rates across Rugby for the period Q1 2014 to Q1 2024 QTD. The delivery of new industrial floorspace in Rugby amounts to 2.5 million sq ft (230,000 sqm) in the last 5 years (2020 to 2024). Figure 11 shows the same for the Coventry and Warwickshire sub-region. The delivery of new industrial floorspace in the sub-region amounts to 6 million sq ft (560,000 sqm). Rugby therefore

Coventry and Warwickshire's Economic Development Needs

3 The Market for Logistics Floorspace in Rugby

accounts for 41% of all deliveries in the past 5 years in the sub-region. Considering there are 6 local authorities in the sub-region, it seems Rugby is delivering a significant proportion of the sub-region's employment land need.

Figure 3.8: Net absorption, net deliveries, and vacancy rate in Rugby Q1 2014 to Q1 2024 QTD

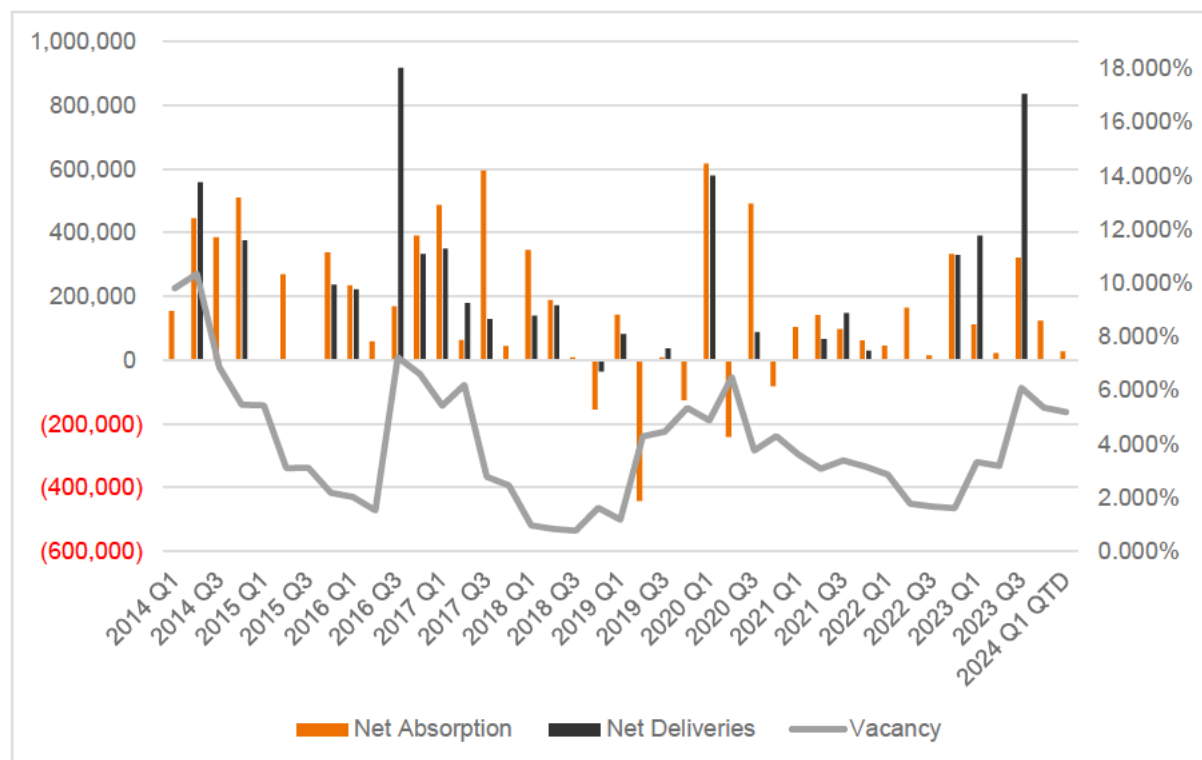
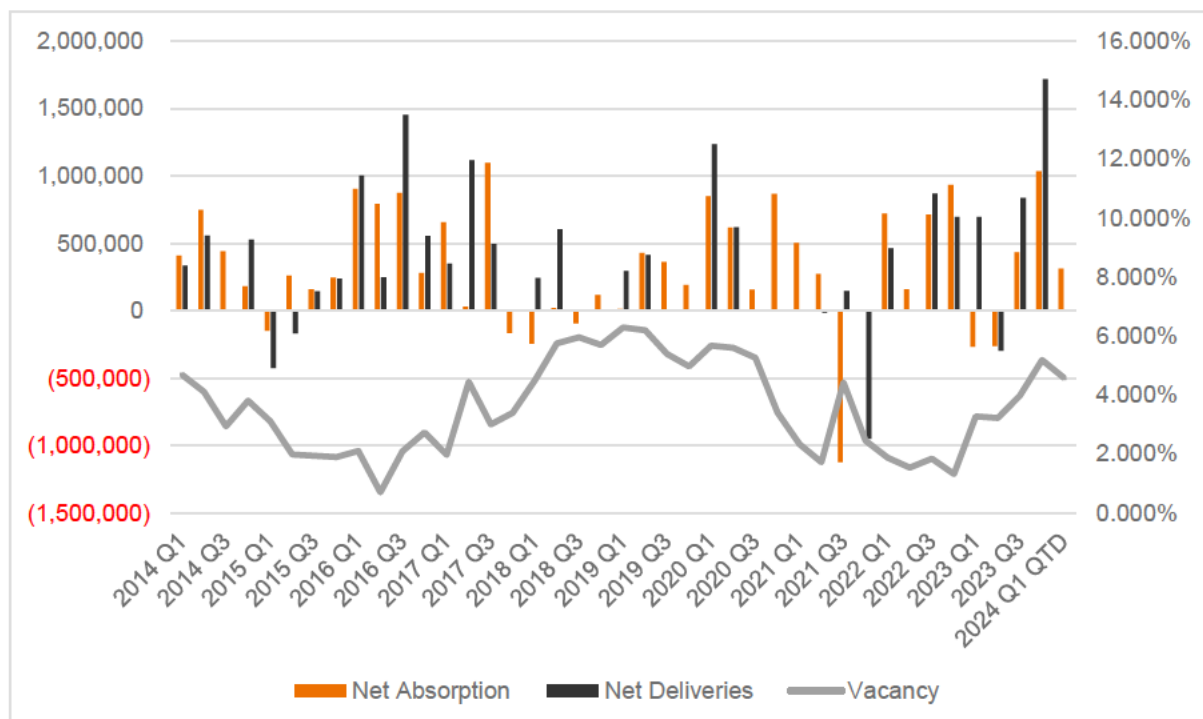


Figure 3.9: Net absorption, net deliveries, and vacancy rate in the Coventry and Warwickshire Sub-Region Q1 2014 to Q1 2024 QTD



- 3.34 Over time, positive net absorption is indicative of increasing demand. Of course, occupiers can only move into space that is available, which means that it is wholly undesirable to have no space available, which would only serve to suppress demand and create a barrier to economic growth. In a functioning market, to provide for choice of property and completion in the property market, we would expect vacancy rates to be about 7.5% of the total inventory.
- 3.35 Studied over time, net absorption and change in vacancy rates provides a basis for concluding whether the market is under supplied or not and for making floorspace demand projections based on based trends.
- 3.36 All things being equal, net absorption (net take up) is a leading indicator of the market appetite for industrial floor space.
- 3.37 As shown by Figure 10, Rugby has been experiencing positive net absorption since 2021 and has averaged 158,000 sq ft in the past 10 years, slowly slightly to 139,000 sq ft in the past 5 years. The slowing of net absorption rates appears to be because of a slowing in net deliveries. Net deliveries in Rugby averaged 152,000 sq ft over the past 10 years, slowing slightly to 145,000 sq ft in the past 5 years. This is a strong indication that there is suppressed demand in Rugby given floorspace is quickly absorbed and the vacancy rate remains below 7.5%.
- 3.38 As shown by Figure 11, net absorption in Coventry and Warwickshire has averaged 335,000 sq ft over the past 10 years, accelerating to 370,000 sq ft over the past 5 years.

- 3.39 Gross absorption serves as a primary indicator of the market's interest in industrial floorspace. Unlike net absorption, which considers vacated space, gross absorption solely reflects the demand for floorspace without accounting for vacancies.
- 3.40 Across the Coventry and Warwickshire sub-region average gross net absorption over the 5-year period equalled circa 2.01 million sq ft (186,000 sqm) and largely remained the same for the 10-year period, 2.03 million sq ft (189,000 sqm).
- 3.41 For Rugby, this amounts to circa 778,000 sq ft (72,000 sqm) over the 5-year period and 920,000 sq ft (85,000 sq ft) for the 10-year period. Over the 10-year period, Rugby accounted for approximately 45% of the Sub-Region's gross absorption, highlighting Rugby's position as an important strategic logistics location within the sub-region.
- 3.42 Considering current developments in the pipeline (Table 10) Rugby has 4.4 years of supply when considering gross absorption trends over the last 5 years. This shows the limited amount of space Rugby has over the medium term suggesting more development is needed to come forward to serve Rugby's economic development alongside the economic development of Coventry and Warwickshire. If supply cannot meet demand, key national occupiers will move to other important regional and national locations to suit their business needs. Given the unique national connectivity enjoyed by the Golden Logistics Triangle and its surroundings, however, alternative locations would be less desirable for these national occupiers.

Market Analysis Key Findings

- 3.43 The vacancy rate in both the Coventry and Warwickshire sub-region and the Rugby market has continued to fall below the 7.5% equilibrium since 2016. A recent uptick in vacancy rates in Rugby has been the result of the completion of new developments, though this is falling as those new development become quickly occupied.
- 3.44 A similar trend can be observed when concerning availability rates in the Coventry and Warwickshire sub-region where the availability rate has fallen below the 8% equilibrium for the last 3 years. The Rugby market is smaller therefore, more susceptible to fluctuations. The recent spike in availability is due to a number of buildings under construction being available to let. This will quickly come down as those buildings are completed and occupied, similar to the fluctuation seen in 2019. This highlights how quickly space is absorbed in the area, signalling confidence in the market.
- 3.45 There are currently 7 buildings for B8 Storage and Logistics buildings available in Rugby. Five of these buildings are currently under construction leaving two available to occupiers immediately. When considering the number of immediately available buildings, the availability rate in Rugby falls to 5.2%, signalling a lack of supply in the short term.
- 3.46 When considering pipeline developments, there are five buildings currently under construction and one building with planning permission, amounting to a total of 1,897,584 sq ft (176,289 sqm). When considering this alongside the gross absorption trend seen in the last 5 years, this amounts to 4.4 years of supply in Rugby, emphasising the limited supply in the medium and long term.



Coventry and Warwickshire's Economic Development Needs

3 The Market for Logistics Floorspace in Rugby

- 3.47 The real-world implication of low availability is that large scale logistics operators are presented with very little (virtually no) choice of suitable properties. The fact is, very few large-scale industrial buildings are available to the market. Occupiers will have no choice but to move to other important strategic locations across the region/ nationally. An imbalance of supply and demand in the market will lead to increased rents making the area unaffordable for businesses, particularly local occupiers and SMEs.
- 3.48 Housing growth in both Rugby and the Coventry and Warwickshire sub-region will drive demand for logistics floorspace, to satisfy new households and the growth in e-commerce.
- 3.49 Continued disruptions to global supply chains⁵ has refocused the attention of logistics occupiers to 'nearshoring', enhancing their floorspace and increasing their inventory, in a bid to offset the impact of global disruptions.

⁵ Examples include the impacts of Covid-19, the blockage of the Suez Canal in 2021, disruption relating to the war in Ukraine, and the ongoing (at time of writing) disruption to shipping in the Red Sea.



4 Conclusion

- 4.1 The evidence compiled in the November 2022 HEDNA confirms Rugby's position as an important strategic location and is a key driver of industrial and logistics floorspace across Coventry and Warwickshire. This speaks to the attractiveness of sites in Rugby to industrial and logistics operators. This is unsurprising given its location immediately adjacent to the 'Golden Logistics Triangle'; this area, comprising just over 0.3% of the UK's land, is within four hours' drive of 90% of the British population.
- 4.2 Market signals also indicate that Rugby's appeal to occupiers continues, demonstrated by low vacancy and availability rates, and rapid take up of new deliveries to date (Q1 2024 QTD).
- 4.3 In summary, the HEDNA outlines an overall requirement of 551 ha of Strategic B8 land for the Coventry and Warwickshire Sub-Region until 2041. Though they do note that, *'comparing the completions data with other sources, monitoring by authorities suggests far higher levels of development have been achieved and therefore may be required in the future'*. An alternative approach based on completions data yields a higher figure, of 572 ha.
- 4.4 For Rugby, the HEDNA indicates a Strategic B8 need of 157.4 ha, This emphasises Rugby's significant role within the broader Sub-Region and constraints on growth elsewhere, especially in Coventry.
- 4.5 Stantec considers that a 350 ha minimum for industrial and logistics land in Rugby over 2021-2041 would not be unreasonable. Of this, some 200 ha would be B8 Strategic – this is based on a 157.4 ha estimate in the HEDNA plus a 5-year margin of 39.4 ha. A further 120.4 ha requirement for non-strategic land plus a 30.1 ha margin results in roughly 150 ha non-strategic land.
- 4.6 Rapid growth in the number of households in Rugby and, the post-Covid increase in e-commerce (and therefore the need for last-mile delivery) weigh in favour of planning for more non-strategic land. Further, our analysis of the traffic growth-based approach in the HEDNA suggests that the 551 ha Strategic B8 land figure may underestimate need, so this (and the Rugby component thereof) may need to be exceeded. This analysis results in a range of 490 ha to 674 ha – so even the 572 ha figure based on completions data is towards the lower end of it.
- 4.7 The HEDNA suggests potential areas for fulfilling Coventry and Warwickshire's Strategic B8 requirement, highlighting the A46 corridor as one of the two promising "less developed" regions. It also proposes, contingent upon land availability, that Rugby could accommodate an even larger proportion of the sub-regional strategic B8 requirement.
- 4.8 In essence, the industrial property market analysis underscores Rugby's pivotal role within the Coventry and Warwickshire sub-region. It reveals sustained trends of low vacancy and availability rates since 2016, driven by rapid occupancy of new developments and limited immediate supply of B8 Storage and Logistics buildings. With a constrained pipeline and potential long-term supply challenges, the market faces the risk of rent increases and limited choices for large-scale logistics operators.



- 4.9 When considering the current pipeline and historic gross absorption trends, supply of employment land in Rugby is limited to 4.4 years. This highlights the limited supply in the medium and long term.

APPENDICES



Appendix A Adopted Local Plan Review

- A1. This section reviews in more detail the Adopted Local Plan, which was mentioned previously in this document.
- A2. The current Rugby Local Plan was adopted in June 2019 and sets out the policies and proposals for the development of the Borough until 2031.
- A3. Chapter 4 outlines the Development Strategy for the growth of Rugby Borough until 2031. It sets out the housing and development, including employment land, that will be planned for and developed within the Borough. This includes contributions to Coventry's unmet need.
- A4. With regards to employment land, this chapter was advised by the Employment Land Review (2015) which has been superseded by the Coventry and Warwickshire Housing and Economic Development Needs Assessment (2022) which will be analysed further on in this report. As a result, figures related to employment land quoted in the current local plan are outdated and subject to change following the ongoing local plan consultation.
- A5. The Development Strategy seeks to protect existing employment sites for B use classes, unless they are no longer viable or an alternative use would be more sustainable for the community. The document allows for employment development outside the Rugby urban area on sites allocated in the plan and in exceptional circumstances, such as conversion or redevelopment of existing buildings, expansion of businesses, or ancillary uses for rural employment.
- A6. Chapter 6 of the Rugby Local Plan outlines the Economic Development of Rugby Borough. The Local Plan highlights the strong and diverse economy of the Borough, its central location and accessibility, and its need to provide jobs for the growing population.
- A7. Given Rugby's strategic geographic location in the Midlands surrounded by an important motorway network, the protection and promotion of employment land is central to its economic development. Chapter 6 sets out policies to retain existing employment sites, especially those of strategic significance, and to support new employment development in suitable locations, both within and outside the urban area.
- A8. Chapter 6 goes on to discuss Rugby's existing employment land stock which is characterised by a range of employment sites, in terms of age, size and quality/ condition. The Borough's nationally central location places Rugby equally accessible to both the East and West Midlands, and its position next to the M1 and M6 (as well as M45 and M69) allowing access to the north-west, north-east and south-east of England (including London). This makes Rugby an attractive location for industrial development of all kinds.
- A9. With regards to green belt, the Local Plan acknowledges that approximately two thirds of Rugby Borough is designated green belt and therefore the Council has to balance the need for the development alongside the protection of the green belt. It continues to state that developments in the green belt will be permitted in the circumstances where national policy on green belt allows including, the need to support economic growth. The Local Plan also



sets out criteria for the replacement of dwellings, the conversion of buildings, and the expansion of existing businesses in the green belt, subject to their impact on the openness.

Response to Rugby Borough Council

Re: Site 121 – Land at Walsgrave Hill – Ecological Constraints and Opportunities

SEGRO

Walsgrave Hill

April 2025

We welcome the opportunity to respond to the Rugby Borough Council's Local Plan Ecological Constraints Assessment (March 2025), with specific reference to Site 121: Land at Walsgrave Hill and the ecological constraints detailed in Section 43.3.

FPCR Environment and Design Ltd has undertaken an initial ecological assessment of the site on behalf of SEGRO, including desk study, walkover field survey, and a Biodiversity Net Gain (BNG) benchmark. This response outlines how the potential impacts identified in the Council's assessment will be appropriately avoided, mitigated, or compensated, and highlights how the development proposals incorporate significant opportunities for ecological enhancement.

Through early ecological input and the application of BNG principles, the project has been designed to avoid sensitive features, create a robust green infrastructure network, and deliver meaningful ecological benefits. A key outcome of the scheme will be the creation of a large, diverse extension of parkland-type habitat adjacent to Combe Pool SSSI, providing additional open water, woodland, grassland and scrub habitats that significantly improve the site's biodiversity value. This approach ensures that development at Site 121 can come forward in full accordance with national and local policy while delivering a lasting net gain for biodiversity.

Key points:

- Significant buffer zones (50–300m) and ecological safeguards will protect Combe Pool SSSI and other nearby designations.
- The scheme retains key habitat features and creates new woodland, grassland, scrub and wetland to enhance biodiversity.
- Urbanisation, water quality, and air quality impacts will be assessed and addressed through design and mitigation. Specialist input has been sought and provided within this note.
- The development has the ability to deliver a significant BNG uplift, likely in excess of 50% for area habitats, ensuring a lasting ecological uplift, which will be subject to funded, positive management for at least 30 years.

1. Statutory and Non-Statutory Designations

Combe Pool SSSI

We fully recognise the ecological importance of Combe Pool SSSI, which is designated for its ornithological and wetland interest. The points below are provided in the council's review for this site, and the reasons for notification/designation are stated.

1. Wintering and breeding birds Combe Pool comprises 36 hectares of open water habitat alongside reed beds, and woodland within Rugby. Combe Pool is one of the most important ornithological sites in Warwickshire for its Herons (*Ardea cinerea*), other breeding birds, and for its wintering wildfowl.
2. Combe Pool holds the largest heronry in the county and about twenty pairs breed regularly on a small island.

3. Great Crested Grebes (*Podiceps cristatus*) breed in the reed beds with a few pairs of Tufted Duck (*Aythya fuligula*), and Shoveler (*Anas clypeata*), the last being rare in Warwickshire.
4. Kingfisher (*Alcedo atthis*), Water Rail (*Rallus aquaticus*), and Grey Wagtail (*Motacilla cinerea*) also breed regularly.
5. The woodland supports a diverse breeding bird community. The woodland is also an important winter roost.
6. In winter the pool holds good numbers of Tufted Duck, Pochard (*Aythya farina*), Gulls (*Larus canus*) and nationally significant numbers of shoveler.

The proposed development is unlikely to affect the designated features of Combe Pool SSSI adversely. The site will be designed with significant buffers ranging from 100 to over 300 metres between built development and the SSSI, including a minimum 20-metre separation from the boundary to any ground re-profiling or bund construction. These buffers, habitat creation, and strategic landscaping will minimise potential disturbance from noise, light, and activity. The scheme is for commercial warehouses, with no anticipated increase in recreational pressure or domestic disturbance.

A detailed hydrological assessment will be undertaken to ensure that the proposed development will not significantly impact open water or associated habitats and safeguard water quality. As such, the proposed development is not expected to affect the site's key ornithological features, including the heronry, wintering wildfowl, and breeding bird assemblages.

Summary of likely mitigation and potential impacts.

The potential for adverse impacts on Combe Pool SSSI from the proposed development at Site 121: Walsgrave Hill has been considered in line with the ecological constraints identified by Rugby Borough Council. During the design of the scheme, the development masterplan will incorporate buffering and ecological protection:

- A minimum 20m physical buffer will be maintained between the SSSI boundary and any ground re-profiling or bund construction.
- The hard development footprint will be set back between 100m and over 300m from the SSSI boundary, depending on location, creating a substantial spatial separation.
- The intervening buffer area will be composed of retained and extensive newly created habitats, including native woodland, waterbodies, scrub and grassland, which will provide hydrological attenuation, visual and acoustic screening, and ecological connectivity.

Each of the key potential impacts identified- habitat loss, hydrological change, air quality, urbanisation, and recreational pressure- will be addressed through design and mitigation. Measures will be taken to ensure that the development:

- Does not result in the loss of open water or valuable semi-natural habitat.
- Incorporates SuDS and pollution control measures to safeguard water quality and flow regimes.
- Provide landscape screening and maintain distance from sensitive bird nesting areas, minimising disturbance risk.

The project team will engage with Natural England via the Discretionary Advice Service (DAS) to review and agree on the proposed buffers, mitigation measures, and long-term ecological management. The scheme will also be supported by full hydrological, air quality, and ecological assessments to ensure a robust, evidence-based approach.

Table 1 below contains the specific potential impacts highlighted in the council response and provides comments relevant to the proposed scheme

Table 1 Potential Impacts and Likely Effects from the Proposed Development

| Potential impacts from development | Response | Likely effect |
|--|--|----------------|
| <u>Habitat Loss / habitat fragmentation</u> - Development may lead to the loss of habitat / habitat fragmentation reducing the presence of open water and supporting habitat for breeding and wintering birds. | <p>The development will not result in the direct loss of any open water habitat within or adjacent to Combe Pool SSSI. In fact, proposals include the creation of attenuation basins and ponds near the SSSI boundary, which will provide additional areas of open water supporting biodiversity.</p> <p>An extensive ecological buffer (100–300m in width/approx. 84ha in area) is proposed between the development and SSSI, incorporating a mosaic of new habitats (grassland, scrub, woodland and waterbodies) to enhance ecological connectivity and reduce fragmentation risks. The large ecological buffer will also provide opportunities for the movement of fauna into and out of the SSSI, and into the wider area.</p> <p>This habitat creation scheme, covering over 80 hectares, will significantly expand the area of semi-natural habitat surrounding Combe Pool SSSI. With the SSSI itself covering approximately 51 hectares, the proposed enhancements will more than double the extent of connected habitat in the immediate landscape.</p> <p>The arable land within the site is of low ecological value and is common and widespread in the local landscape. Its loss represents a negligible impact at a local or regional scale and is more than offset by large areas of habitat creation and BNG delivery.</p> | Major positive |

| Potential impacts from development | Response | Likely effect |
|---|--|-----------------------|
| <p><u>Change in hydrological regime (water quality or water levels)</u> - A change in the quality and distribution of habitat types due to a change in water quality / levels may reduce the availability of wintering and breeding bird habitat.</p> | <p>The Flood Risk & Water Environment Team at BWB Consulting has informed the following section.</p> <p>A detailed hydrological assessment will be undertaken during the design and planning stages to identify and mitigate any risks to the SSSI.</p> <p>The development will be designed to preserve the existing catchment area(s) and discharge point(s) draining towards the SSSI. The discharge rate from the development will be attenuated at the equivalent greenfield runoff rate, thereby mimicking the greenfield conditions and minimising the potential impact on water quantity at the SSSI.</p> <p>To ensure that downstream water quality is protected, the development will include sediment control measures and pollution prevention strategies, which will include the use of Sustainable Drainage Systems (SuDS). The SuDS will be designed in accordance with the SuDS manual and Natural England guidance.</p> <p>The development will replace a proportion of the arable farmland present within the catchment of the SSSI, which may be an existing source of sediments and agrichemicals to the local fluvial systems. It is noted that phosphorus and nitrogen pollution from agriculture and rural land management has been identified on the EA's WFD catchment explorer as contributing to 'bad' ecological indicators in Coombe Pool.</p> <p>The development will be arranged to avoid adversely displacing the floodplain or flood flow pathways of the Smite Brook, which could otherwise affect the flood regime at the SSSI. The development will include an appropriate offset from the Smite Brook channel, thus ensuring that the low flows and geomorphological regime of the watercourse feeding the pool are unaffected.</p> <p>Given the hydrological controls and buffering strategy, the development will not negatively affect open water habitats or associated breeding/wintering bird use. In fact, newly created attenuation areas will provide additional seasonal wetland habitat, and subject to providing the necessary treatment to runoff, an improvement in water quality could be expected.</p> | <p>Minor positive</p> |

| Potential impacts from development | Response | Likely effect |
|---|--|-------------------|
| <p><u>Change in air quality</u> - Combe Pool SSSI is located within 200m of the A46 and B4428 and therefore increased traffic along key transport infrastructure may contribute to a deterioration in air quality at the SSSI. A change in nutrient status due to increased air pollution may result in a change in the availability of suitable habitats for wintering and breeding birds.</p> | <p>The Air Quality Team at Vanguardia has informed the following section.</p> <p>A detailed air quality assessment will be undertaken to assess any potential impacts on Combe Pool SSSI network (A46 and B4428), meaning the SSSI is already subject to prevailing air quality effects. The proposed use of the site is for a strategic employment site (use class B2 / B8), which will not lead to any substantial emissions of pollutants. The assessment will therefore focus on modelling the surrounding highway network. A cumulative assessment of other committed schemes will likely be required and this scenario will be considered when undertaking the modelling. Nonetheless, the proposed development is not expected to generate materially higher traffic volumes than other nearby allocations.</p> <p>Given the commercial nature of the scheme and planned air quality mitigation (if needed), there is no anticipated deterioration in habitat quality or change in nutrient status that would affect breeding or wintering birds at Combe Pool SSSI.</p> <p>It should be noted that the majority of critical features at Combe Pool SSSI are not sensitive to Nitrogen or Acid Deposition impacts, and no identified features are seen to have Bryophytes or Lichens as integral to the habitat. Therefore, it is not anticipated that the SSSI is highly sensitive to impacts from elevated pollutant concentrations..</p> | <p>Negligible</p> |
| <p><u>Urbanisation effects</u> - Urbanisation effects apply where new development is located within 500m of a designated site. Noise, visual and lighting disturbance to birds may lead to the abandonment of nests / energy expenditure. Cat predation may affect the breeding success of birds.</p> | <p>A full assessment of noise, lighting, and visual impacts will be undertaken. However, the site includes a significant buffer (100–300m) between built form and the SSSI, incorporating landscape bunding and green infrastructure, which will effectively screen and attenuate any disturbance.</p> <p>The large area of proposed screening habitats and separation from the SSSI are expected to avoid significant impacts on breeding or wintering birds. The development will not directly interface with key foraging or nesting habitat.</p> <p>The development is for employment/commercial use, not residential, and therefore no increase in domestic cat populations is anticipated. As such, the risk of predation-related impacts is negligible.</p> | <p>Negligible</p> |

| Potential impacts from development | Response | Likely effect |
|--|--|---------------|
| <p><u>Recreational Impacts</u> - The SSSI is part of Combe Abbey Country Park owned and managed by Coventry City Council. There is a visitor, discovery and information centre, parking, café, play area, toilets, dog water stations, a Go Ape and promoted walks. There are also organised activities and events. Dogs are allowed both on and off lead in different signed zones. There is a dog code of conduct available for the site.</p> <p>Grey Herons (<i>Ardea cinerea</i>) require quiet and undisturbed places in which to nest, usually preferring a commanding position over the surrounding open landscape. Increased recreational pressure may result in bird disturbance (abandoning nests / energy expenditure).</p> | <p>The development is for commercial/distribution use, with no residential component or public access provision. It is therefore highly unlikely to increase recreational pressure on Combe Abbey Country Park or Combe Pool SSSI.</p> <p>Given the non-recreational nature of the scheme, disturbance risks to nesting herons or other birds will be negligible, particularly when compared to existing promoted recreational use by the Council.</p> <p>The Council actively promotes the SSSI area for public access and organised activities. Any contribution from this project would be insignificant in comparison to managed recreational use already occurring on-site.</p> | Negligible |

Local Wildlife Sites (LWS)

The following LWS sites are adjacent or near to the site boundary:

- **Coombe Abbey LWS** (supports otter *Lutra lutra*, water vole *Arvicola amphibious*, diverse invertebrates)
- **Hill Park Wood LWS** (includes Ancient Woodland and Great Crested Newt (GCN) *Triturus cristatus* ponds)

Coombe Abbey LWS

Coombe Abbey LWS lies directly adjacent to the site's western boundary and includes habitats of high ecological value, such as broadleaved woodland, standing water, and watercourses. The site supports species including otter and water vole. Potential indirect impacts arising from development, such as noise, lighting, hydrological change, or pollution, will be carefully considered.

However, Combe Pool SSSI's headline assessment and response strategy set out above effectively addresses the potential impacts and likely mitigation strategy for Coombe Abbey LWS. The substantial buffer zones, hydrological safeguards, dark corridors, and habitat creation measures outlined in that section will also protect the ecological integrity of Coombe Abbey LWS.

Hill Park Wood LWS and Ancient Woodland

Hill Park Wood LWS, located adjacent to the proposed development site, is designated for its damp secondary woodland, post-industrial habitats, and partial coverage of former ancient woodland. It supports a range of species, including GCN and common lizards *Zootoca vivipara*. The woodland lies within the wider Ansty Park development area and is currently undisturbed, with no public access and a secure fenced boundary.

The proposed development does not include any part of Hill Park Wood or the associated ancient woodland within its red line boundary. There will be no direct loss of ancient woodland or supporting habitat. A significant area of intervening land is retained between the site and the LWS, including open land, habitat creation zones, and landscaped green infrastructure, ensuring that the woodland remains physically and functionally separate from the development.

In line with the National Planning Policy Framework and guidance from Natural England and the Forestry Commission, the design of the scheme will ensure the protection of irreplaceable habitats such as ancient woodland. A buffer zone of at least 20 metres of non-engineered landform will be provided, in accordance with best practice, and in this case the proposed buffer will significantly exceed the minimum requirement. The buffer will incorporate landscape bunding and native habitat planting to reduce the risk of noise, light, and visual intrusion. Surface water drainage and runoff will be carefully managed through a network of sustainable drainage features designed to avoid any change to water quality or quantity entering the woodland or its surrounding habitat.

Due to the scheme's commercial nature and proximity to existing road infrastructure, additional air quality impacts are expected to be minor / negligible. The development will not include point source emissions or combustion-based processes, and an air quality assessment will be undertaken to confirm that nutrient deposition rates or species composition in Coombe Pool SSSI or Hill Park Wood LWS will not be significantly adversely affected.

The site is non-residential. Therefore, risks typically associated with urbanisation, such as increased recreational use, domestic pets, or garden waste dumping, are not relevant. Urban edge impacts such as lighting and noise will be minimised through the use of directional lighting, bunding, and planted screening, ensuring that the woodland remains undisturbed and continues to support its existing ecological function.

The development has been designed to protect Hill Park Wood LWS and its associated ancient woodland. By avoiding encroachment and providing robust buffering, ecological safeguards, and pollution control, the scheme ensures that this valuable habitat will not be lost or significantly deteriorated. These measures, alongside broader habitat creation and landscape connectivity proposals, will support the resilience and biodiversity of the local ecological network.

2. Habitats

The majority of the site is currently comprised of intensively managed arable farmland, which is of generally low ecological value. These areas lack structural diversity, are frequently disturbed, and support relatively few species of conservation concern. While the arable fields dominate the landscape, they are interspersed with a network of boundary features and isolated habitat patches that contribute to the site's overall ecological structure. These include hedgerows, watercourses, ponds, grassland, woodland, trees and scrub, which vary in distinctiveness and condition but provide opportunities for enhancement.

The proposed development seeks to focus built form within the areas of lowest ecological interest, thereby avoiding or minimising impacts to the more valuable habitats. Through this approach, the scheme prioritises the retention, protection, and enhancement of those features that contribute meaningfully to local biodiversity.

Habitats of Medium to High Distinctiveness

The proposed development will be designed to retain and enhance the site's ecological value, with particular regard to areas of medium to high distinctiveness, as identified in Warwickshire's LBAP and Section 43.3 of the Council's ecological assessment.

The northern watercourse will be largely retained and protected with a buffer zone exceeding the minimum 10 metres recommended for riparian features. This buffer will include native planting and be managed to protect the watercourse's ecological function, water quality, and bank structure. It will also contribute to habitat connectivity across the site and into the wider landscape.

Where the watercourse is to be crossed by the highway design, it will be realigned to create an additional length of naturalised channel and will be designed using the BNG MoRPH methodology to incorporate appropriate features to ensure that its value is maintained and enhanced.

Regarding terrestrial habitats, most high-value features—such as broadleaved woodland, mixed scrub, neutral grassland, and ditches—will largely be retained as part of the site's green infrastructure network. These areas will be protected through the design of the scheme. Where the loss of medium or high distinctiveness habitat is unavoidable due to the development footprint, it will be mitigated by creating a significantly larger area of diverse habitat. This will include extensive planting of native broadleaved woodland, mixed species scrub, and wildflower-rich neutral grassland, which is in line with the LBAP objectives to expand and restore these habitat types across the sub-region.

Additionally, attenuation basins, ponds and wetland features designed as part of the site's SuDS strategy will increase the number of standing water features, replacing any ponds that may be lost and enhancing the site's value for amphibians, invertebrates, and aquatic flora. These features will support biodiversity while delivering water quality and flood management functions.

Irreplaceable habitats, such as ancient woodland, will be retained and protected through sensitive design and layout. Should any potential impact be identified, this would be subject to the agreement of a bespoke mitigation or compensation strategy with the Local Planning Authority in accordance with national policy and best practice guidance.

BNG will be used to assess the project's impacts in accordance with the statutory requirements set out in the Environment Act 2021. A commitment will be made to delivering a minimum of 10% net gain in biodiversity units, ensuring that the development not only avoids and mitigates ecological harm but also results in a measurable improvement to biodiversity. The BNG assessment will guide habitat creation, enhancement, and long-term management across the site, ensuring that a clear and lasting gain for biodiversity is achieved.

The current proposals indicate that a considerable gain above 50% may be possible across the site for area habitats, which will more than compensate for the loss of areas of arable land. A gain of 20% may also be achieved for linear habitats.

Overall, the project will result in a significant net increase in the total area and diversity of medium-distinctiveness habitat types on the site. By converting large areas of intensively managed arable land into a mosaic of structurally varied and ecologically rich habitats, the development will contribute to local and county-wide biodiversity priorities. These enhancements will also help to secure long-term ecological resilience and connectivity within the surrounding landscape, supporting a wide range of species and strengthening the green infrastructure network. Table 2 below summarises the proposed habitats, their proposed condition and the areas of each habitat to be provided.

Table 2. Summary of Proposed Habitats on Site

| Proposed Habitat | Approximate Area (ha) |
|-----------------------------|-----------------------|
| Other Neutral Grassland | 64 |
| Mixed Scrub | 14 |
| Ponds | 2.5 |
| Other Woodland: Broadleaved | 23 |

3. Conclusion

The proposals for Site 121 at Walsgrave Hill present a significant opportunity to deliver a well-designed, ecologically sensitive development that creates benefits for biodiversity. The scheme has been informed by early ecological assessment and shaped around the principles of avoidance, enhancement, and long-term stewardship.

Key features of the proposals include the retention of important habitats, the creation of a wide range of new semi-natural features—including woodland, scrub, grassland and wetlands—and the establishment of a robust green infrastructure network. Together, these elements will deliver a substantial uplift in biodiversity value and landscape connectivity, supporting both local priorities and wider ecological benefits.

Delivering a Biodiversity Net Gain is a core part of the scheme's delivery. The development is committed to achieving a minimum of 10% net gain in accordance with the Environment Act 2021 and is currently forecast to exceed this, with an uplift of over 50% for area-based habitats. This will be achieved through on-site habitat creation and long-term management, designed to secure measurable and meaningful ecological improvements.

While the site is located adjacent to several sensitive ecological designations—including Combe Pool SSSI, Hill Park Wood ancient woodland, and Coombe Abbey LWS—the development will be designed to respond appropriately to these constraints. Substantial buffer zones, careful hydrological and drainage design, and protection from noise, lighting, and recreational impacts will ensure that these features are safeguarded. All potential impacts will be subject to detailed assessment and consultation with Natural England and the Local Planning Authority to secure suitable mitigation.

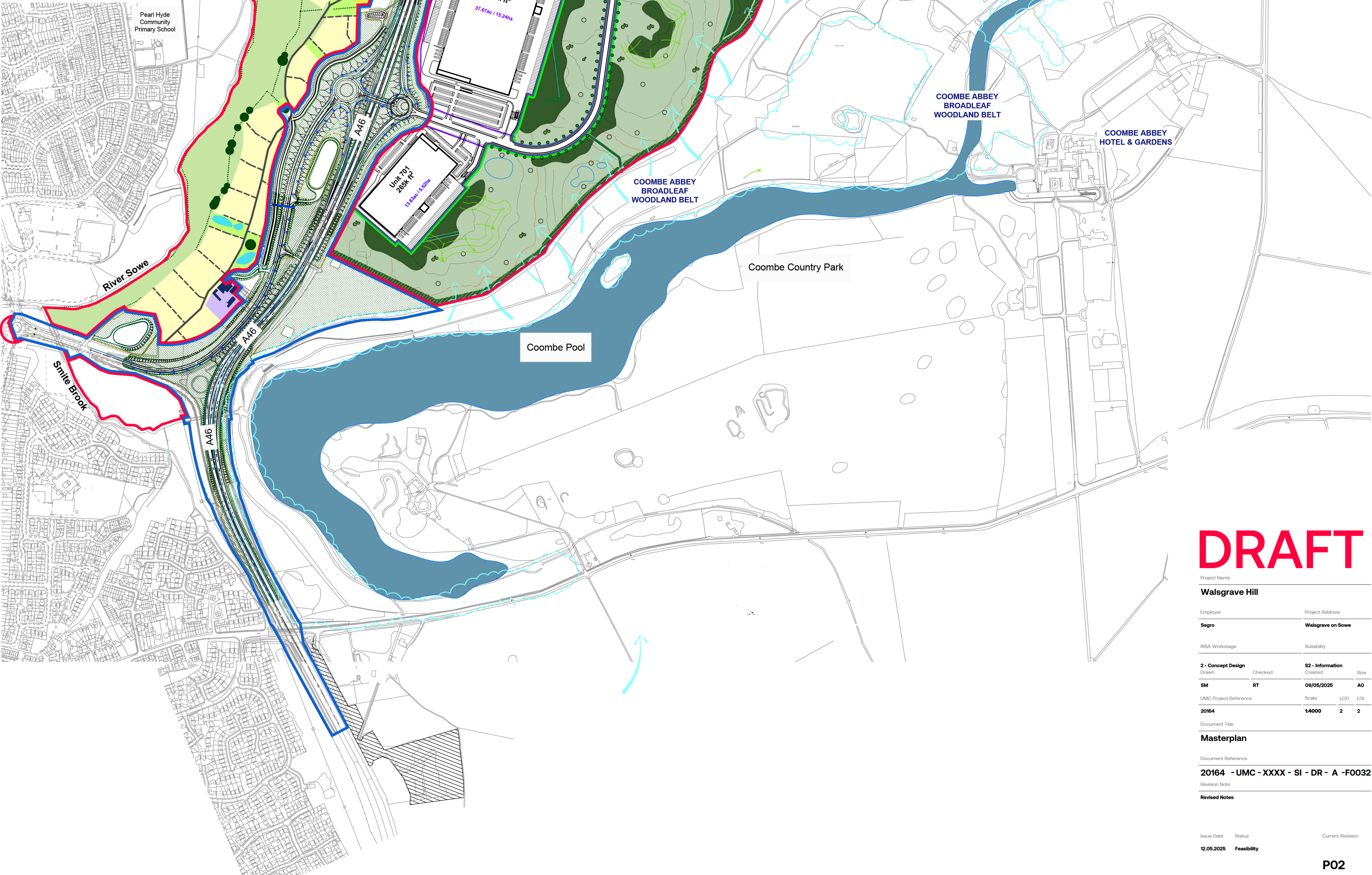
Through a collaborative and evidence-led approach, the development at Site 121 can proceed in a way that is fully compliant with national and local policy—protecting valued habitats, enhancing biodiversity, and contributing to a greener and more resilient landscape.

| Key | | | |
|-------------|---------------|-----------|-----------|
| <div></div> | Site Boundary | 583.86 ac | 236.28 ha |

Schedule of Accommodation

| For Incoming Developmen | | | | Open to Net |
|-------------------------------|--------------------------|------------------------|---------|-------------|
| Plot 1 | 25.15 ac | 10.18 ha | | |
| Unit 101 | 320,000 ² | 29,729 m ² | 48.89 % | |
| Unit 102 | 156,000 ² | 14,400 m ² | 45.85 % | |
| Plot 1 Total | 475,000 ² | 44,129 m ² | | |
| Plot Density | | 43.35 % | | |
| Plot 2 | 2157 ac | 8.73 ha | | |
| Unit 201 | 115,000 ² | 10,684 m ² | 38.88 % | |
| Unit 202 | 250,000 ² | 23,226 m ² | 46.28 % | |
| Plot 2 Total | 365,000 ² | 33,910 m ² | | |
| Plot Density | | 38.84 % | | |
| Plot 3 | 42.79 ac | 17.32 ha | | |
| Unit 301 | 65,000 ² | 6,039 m ² | | |
| Unit 302 | 145,000 ² | 13,471 m ² | | |
| Unit 303 | 480,000 ² | 44,594 m ² | | |
| Plot 3 Total | 690,000 ² | 64,103 m ² | | |
| Plot Density | | 37.02 % | | |
| Plot 4 | 6.98 ac | 2.82 ha | | |
| Unit 401 | 125,000 ² | 11,613 m ² | 41.13 % | |
| Plot 4 Total | 125,000 ² | 11,613 m ² | | |
| Plot Density | | 41.13 % | | |
| Plot 5 | 20.00 ac | 8.09 ha | | |
| Unit 501 | 360,000 ² | 33,445 m ² | 41.32 % | |
| Plot 5 Total | 360,000 ² | 33,445 m ² | | |
| Plot Density | | 41.32 % | | |
| Plot 6 | 53.56 ac | 21.68 ha | | |
| Unit 601 | 780,000 ² | 72,464 m ² | 33.43 % | |
| Plot 6 Total | 780,000 ² | 72,464 m ² | | |
| Plot Density | | 33.43 % | | |
| Plot 7 | 21.99 ac | 8.90 ha | | |
| Unit 701 | 265,000 ² | 24,619 m ² | 27.67 % | |
| Plot 7 Total | 265,000 ² | 24,619 m ² | | |
| Plot Density | | 27.67 % | | |
| Commercial Plot 1 | 6.33 ac | 2.56 ha | | |
| Community Listed Building | 1,990 e ² | 185 m ² | | |
| Community Hub | 6,545 e ² | 608 m ² | | |
| Workshops | 13,775 e ² | 1,280 m ² | | |
| Workshops with Public Offices | 14,725 e ² | 1,368 m ² | | |
| Supermarket | 4,735 e ² | 440 m ² | | |
| Food Retail | 2,390 ¹ | 222 m ² | | |
| Commercial Plot 1 | 44,160 ² | 4,103 m ² | 16.02 % | |
| Plot Density | | 16.02 % | | |
| Grand Total | 3,104,160 e ² | 288,386 m ² | | |
| Site Density | | 12.21 % | | |

Extent of Land Required for Junction Works



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North

Combined cycle and footpath onto Coombe Fields Road. Fire emergency access only via barrier control.

DRAFT

| | | | |
|--|---------|-------------------|---------|
| Project Name | | | |
| Walsgrave Hill | | | |
| Employer | | Project Address | |
| Segro | | Walsgrave on Sowe | |
| RBA Workstage | | Suitability | |
| | | | |
| 2 - Concept Design | | S2 - Information | |
| Drawn | Checked | Created | Sta |
| SM | RT | 09/05/2025 | A0 |
| UMC Project Reference | | Scale | LOD LOI |
| 20164 | | 14000 | 2 2 |
| Document Title | | | |
| Masterplan | | | |
| Document Reference | | | |
| 20164 - UMC - XXXX - SI - DR - A - F0032 | | | |
| Revision Note | | | |
| Revised Notes | | | |
| Issue Date Status Current Revision | | | |
| 12.05.2025 Feasibility | | | |

RESPONSIBLE SEGRO - INVESTING IN OUR LOCAL COMMUNITIES AND ENVIRONMENTS

COVENTRY COMMUNITY INVESTMENT PLAN SUMMARY:

'SEGRO EMPLOYMENT ACCESS FUND'

PARTNER: COVENTRY CITY COUNCIL ADULT EDUCATION

- 50 residents have benefited from a range of learning opportunities, including:
- ESOL, English (Functional Skills qualification), Caring for a Child, Mathematics, Level 2 Certificate in Supporting Teaching and Learning in Schools
- One resident has secured employment

'SEGRO EDUCATION PROGRAMME'

PARTNER: CAREER READY

Programme inspiring students about the world of work through 1-2-1 mentoring, workplace visits, careers masterclasses and paid internships.

- School engaged: Grace Academy, Coventry
- 21 sixth-form students supported monthly by business volunteers
- Two students received 4-week, paid internships at SEGRO in Summer 2024. To be repeated in 2025.

'SEGRO'S COMMUNITY ENVIRONMENTAL PROGRAMME'

PARTNER: GROUNDWORK WEST MIDLANDS

Improving green space for the well-being of the local community.

- 3 community environmental projects completed
- Project locations: Willenhall WEETC, Willenhall Primary School, Baginton Fields School.
- 54 local unemployed people supported in employability skills
- 478 m2 of community space improved

'SEGRO AND ST BASILS UNIVERSAL BURSARY SCHEME'

PARTNERS: LANDAID AND ST BASILS, BIRMINGHAM

- 63 young people have benefited from the scheme
- 8 people have secured employment
- 20 education and training courses have been accessed by participants

SEGRO'S ANNUAL DAY OF GIVING

Over the last 4 years, 60 SEGRO volunteers have taken part in Day of Giving projects in the following local areas:

- The Bradbury Club, Rugby
- The Chapel, Newbold on Avon
- Hillmorton Locks, in partnership with the Canal and River Trust
- Trinity Care home, Coventry

RESPONSIBLE SEGRO FRAMEWORK – OVERVIEW

- Responsible SEGRO Framework launched in 2021 with a key pillar focusing on Investing in Local Communities and Environments.
- Long-term investor, developer, and manager of industrial and warehouse space, with a strong track record of long-term investment in its communities.
- Community investment is integral to Purpose and Strategy with Community Investment Plans in place to ensure consistency of approach with beneficial outcomes.
- Flexible national approach, allowing for local need to be met.
- Dedicated Partnership Development Manager in place to manage stakeholder and community engagement through the lifecycle of the project and end-user phase.

At the heart of SEGRO's growth strategy is our commitment to be a force for environmental and societal good. In February 2021, we re-launched our [Responsible SEGRO Framework](#) with three new long-term focus areas where we believe we can make the greatest business, environmental and social impact and where we are setting challenging and ambitious goals - Championing low-carbon growth; Investing in our local communities and environments; and Nurturing talent.

SEGRO has a strong track record of charity giving that spans our 101-year history. Through our Responsible SEGRO framework, we're proud to build on that success by investing in our local communities and environments.

Investing in our local communities and environments can be defined through the work and support we undertake in our communities in addition to our responsibilities as a long-term investor, developer, and manager of industrial and warehouse space. It is not an option or a nice to do, but a crucial and integral part of our Purpose and Strategy. It is about doing the right thing and wanting to make a real and positive impact on the lives of local people, especially those facing a range of economic, social and health barriers.

COMMUNITY INVESTMENT PLANS

In 2022, SEGRO launched its Community Investment Plans (CIPs), to support this framework and which aim to help young and disadvantaged people into sustainable employment, support the growth of local economies and deliver projects that enhance biodiversity and the local environment.

This forms part of the company's Responsible SEGRO commitment to create and implement bespoke social and environmental programmes in all its key markets.

The UK plans cover SEGRO's major operational areas, including Slough, Greater London, Northampton, Coventry and the East Midlands.

In Continental Europe, plans are in place in Germany, Spain, France, Italy, Poland, The Czech Republic and The Netherlands.

Since 2022, SEGRO has delivered the following outcomes across the group:

- 758 participants progressed into employment from SEGROs employment programmes
- 25,232 young people inspired about the world of work through SEGROs education programmes
- 119 environmental community projects completed
- 263 Suppliers and Customers engaged
- 2,426 volunteering days delivered

COMMUNITY INVESTMENT - COVENTRY

The Community Investment Plan in Coventry shows a commitment to ongoing community investment in the West Midlands area. Working in partnership with Groundwork West Midlands, Coventry City Council Adult Education, and Career Ready enables us to draw on local and national expertise whilst maintaining a strong local focus. We also continue to support homeless charity St Basils in Birmingham through our long-term partnership with Landaid.

DELIVERY DETAILS AND OUTCOMES

'SEGRO EMPLOYMENT ACCESS FUND'

PARTNER: COVENTRY CITY COUNCIL ADULT EDUCATION

Supporting Coventry residents who would benefit from enrolling on an educational programme to enhance their integration, journey into further learning, and/or work but do not qualify for funding through WMCA/ESFA funding rules.

To date, 50 residents have benefited from a range of learning opportunities, including:

- English for Speakers of Other Languages (ESOL)
- English (Functional Skills qualification)
- Caring for a Child
- Mathematics
- Level 2 Certificate in Supporting Teaching and Learning in Schools

Level 2 Teaching Assistant beneficiary:

'I had good experience; I had all the help I needed to finish this course. My tutor was very helpful and encouraging. My biggest achievement was I got the job straight after finishing my course.'

'SEGRO EDUCATION PROGRAMME'

PARTNER: CAREER READY

Inspiring students about the world of work through 1-2-1 mentoring, workplace visits, careers masterclasses and paid internships.

- School engaged: Grace Academy
- 21 sixth-form students supported by business volunteers
- Two students received 4-week, paid internships in Summer 2024. To be repeated in 2025.

Grace Academy internship student:

"I am grateful to SEGRO for providing an environment that encouraged me to step out of my comfort zone and embrace new challenges. The internship has been instrumental in my development, and I am confident that the lessons I have learned will have a lasting impact on my future endeavours"

'SEGRO'S COMMUNITY ENVIRONMENTAL PROGRAMME'

PARTNER: GROUNDWORK WEST MIDLANDS

Improving green space for the well-being of the local community.

- **Willenhall WEETC** | Community Garden created, used by community groups. 13 local unemployed people were involved in the programme and 10 people were supported on their journey to employment. The garden continues to be used for gardening and horticulture clubs.

- **Willenhall Primary School** | Sensory Garden created to support learning and SEND students. The garden is looked after by the Sunflower SEND group, using the area as a breakout space, it is also used by the science club to understand the lifecycle of plants.
- **Baginton Fields School** | students with special education needs and disabilities renovated their school's sensory garden as it was unfit for wheelchair users. 30 students (aged 16-19) participated, all of whom had varying needs and disabilities. The experience can be used on the students CVs and will also form part of a Life Skills qualification they are working towards.

Sarah Reece-Mills, Partnerships and Programmes Director, Groundwork UK, said:

"We're delighted to be working in partnership with SEGRO to make a real difference to young people's employment prospects across the country. Together, we will be able to give them the skills they need to be at the forefront of a green economy, by supporting them to access jobs that improve the local environment and protect biodiversity."

'SEGRO AND ST BASILS UNIVERSAL BURSARY SCHEME'

PARTNERS: LANDAID AND ST BASILS, BIRMINGHAM

Previously providing funding for new accommodation at St Basils, in 2022 SEGRO launched the Universal Family Bursary Scheme in collaboration with Landaid, helping young people to identify a course, career or job they may wish to pursue and providing financial or material support to achieve sustainable outcomes.

- 63 young people have benefited from the scheme
- 8 people have secured employment
- 20 education and training courses have been accessed by participants

It has also been reported that the scheme has facilitated personal growth and empowerment among the young individuals St Basil's supports. With the resources at their disposal, they have been able to explore their passions, discover their strengths, and develop a sense of purpose. has equipped them with valuable skills, opened doors to employment opportunities and boosted their confidence.

SEGRO'S ANNUAL DAY OF GIVING

In addition to longer term projects, SEGRO's 'Day of Giving', enables all colleagues to volunteer with one of its partner charities.

The Day of Giving provides an opportunity to work together as team to support the local community. Over the last 4 years, 60 SEGRO volunteers have taken part in projects at the following local areas:

- The Bradbury Club, Rugby
- The Chapel, Newbold on Avon
- Hillmorton Locks, in partnership with the Canal and River Trust
- Trinity Care home, Coventry

Carol Kavanagh, Volunteering Coordinator, Rugby Borough, said:

'(The space created) has been used by youth workers to deliver 121 support and mentoring and adds another space where we can do this vital work with young people. This work has made a huge impact at the Bradby Club and a buzz amongst the young people to use it, for whatever reason. Trustees, staff, volunteers and young people send massive thanks to SEGRO, Whiting Landscapes and Warwickshire CAVA for making this happen and enabling us to develop and grow services for young people in Rugby.'