Representation Form for Local Plans

	Local Plan Publication Stage Representation Form	**Ref:** **(For official use only)**

Name of the Local Plan to which this representation relates: Rugby Borough Council Proposed Submission Local Plan

Please return to Rugby Borough Council by 5:00pm Friday 13th March 2026 By email to: localplan@rugby.gov.uk with **Proposed Submission Consultation in the subject line, OR by post to**: Development Strategy, Town Hall, Evreux Way, Rugby, CV21 2RR.

This form has two parts –
Part A – Personal Details: need only be completed once.
Part B – Your representation(s). Please fill in a separate sheet for each representation you wish to make.

Part A

1. Personal Details* **If an agent is appointed, please complete only the Title, Name and Organisation boxes below (if applicable) but complete the full contact details of the agent in 2.*		2. Agent's Details (if applicable)
Title	Ms	
First Name	Jo	
Last Name	Russell	
Job Title (where relevant)	[redacted]	
Organisation (where relevant)	[redacted]	
Address Line 1	[redacted]	
Line 2		
Line 3		
Line 4	[redacted]	
Post Code	[redacted]	
Telephone Number	[redacted]	
E-mail Address (where relevant)	[redacted]	

Part B – Please use a separate sheet for each policy or site you wish to comment on

Name or Organisation: Jo Russell/Stacey Green, Stoford Properties Ltd

3. To which part of the Local Plan does this representation relate?

Local Plan Paragraph		Local Plan Policy	CL2	Policies Map	x
Site ID					

4. Do you consider the Local Plan:

(1) is Legally compliant	Yes	x	No	
(2) is Sound	Yes		No	x
(3) complies with the Duty to co-operate	Yes	x	No	

5. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.
If you wish to support the legal compliance or soundness of the Local Plan or its compliance with the duty to co-operate, please also use this box to set out your comments.

Please see attached representation to CL2

(Continue on a separate sheet /expand box if necessary)

6. Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect of any legal compliance or soundness matters you have identified at 5 above. (Please note that non-compliance with the duty to co-operate is incapable of modification at examination). You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

Please see attached representation to CL2

(Continue on a separate sheet /expand box if necessary)

Please note: *In your representation you should provide succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.*
After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues he or she identifies for examination.

7. If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing session(s)?

	No, I do not wish to participate in hearing session(s)	x	**Yes**, I wish to participate in hearing session(s)

Please note that while this will provide an initial indication of your wish to participate in hearing session(s), you may be asked at a later point to confirm your request to participate.

8. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:

Stoford are a prominent developer of industrial and logistics floorspace, with land interests within the Borough, which were featured within the Sustainability Appraisal Scenarios

Please note *the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Inspector has identified the matters and issues for examination.*

9. If you have used AI to produce or substantially alter your representation, please declare which tool you have used, how it was used, and what checks you have undertaken to ensure the AI-produced material is accurate.

Not Applicable

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Name or Organisation: Jo Russell/Stacey Green, Stoford Properties Ltd

3. To which part of the Local Plan does this representation relate?

Local Plan Paragraph		Local Plan Policy	E2	Policies Map	
Site ID					

4. Do you consider the Local Plan:

(1) is Legally compliant	Yes	x	No	
(2) is Sound	Yes		No	x
(3) complies with the Duty to co-operate	Yes	x	No	

5. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.
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Telephone Number	[redacted]	
E-mail Address (where relevant)	[redacted]	

Part B – Please use a separate sheet for each policy or site you wish to comment on

Name or Organisation: Jo Russell/Stacey Green, Stoford Properties Ltd

3. To which part of the Local Plan does this representation relate?

Local Plan Paragraph		Local Plan Policy	I5	Policies Map	
Site ID					

4. Do you consider the Local Plan:

(1) is Legally compliant	Yes	x	No	
(2) is Sound	Yes	x	No	
(3) complies with the Duty to co-operate	Yes	x	No	

5. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.
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Please see attached representation to I5

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	No, I do not wish to participate in hearing session(s)	x	**Yes**, I wish to participate in hearing session(s)

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Line 4	[redacted]	
Post Code	[redacted]	
Telephone Number	[redacted]	
E-mail Address (where relevant)	[redacted]	

Part B – Please use a separate sheet for each policy or site you wish to comment on

Name or Organisation: Jo Russell/Stacey Green, Stoford Properties Ltd

3. To which part of the Local Plan does this representation relate?

Local Plan Paragraph		Local Plan Policy	S1	Policies Map	X
Site ID					

4. Do you consider the Local Plan:

(1) is Legally compliant	Yes	x	No	
(2) is Sound	Yes		No	x
(3) complies with the Duty to co-operate	Yes		No	x

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First Name	Jo	
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Job Title (where relevant)	[redacted]	
Organisation (where relevant)	[redacted]	
Address Line 1	[redacted]	
Line 2		
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Line 4	[redacted]	
Post Code	[redacted]	
Telephone Number	[redacted]	
E-mail Address (where relevant)	[redacted]	

Part B – Please use a separate sheet for each policy or site you wish to comment on

Name or Organisation: Jo Russell/Stacey Green, Stoford Properties Ltd

3. To which part of the Local Plan does this representation relate?

Local Plan Paragraph		Local Plan Policy	S3	Policies Map	Yes
Site ID					

4. Do you consider the Local Plan:

(1) is Legally compliant	Yes	x	No	
(2) is Sound	Yes		No	x
(3) complies with the Duty to co-operate	Yes		No	x

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Part B – Please use a separate sheet for each policy or site you wish to comment on

Name or Organisation: Jo Russell/Stacey Green, Stoford Properties Ltd

3. To which part of the Local Plan does this representation relate?

Local Plan Paragraph		Local Plan Policy	S4	Policies Map	
Site ID					

4. Do you consider the Local Plan:

(1) is Legally compliant	Yes	x	No	
(2) is Sound	Yes		No	x
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Name or Organisation: Jo Russell/Stacey Green, Stoford Properties Ltd

3. To which part of the Local Plan does this representation relate?

Local Plan Paragraph		Local Plan Policy	S5	Policies Map	
Site ID					

4. Do you consider the Local Plan:

(1) is Legally compliant	Yes	x	No	
(2) is Sound	Yes		No	x
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9. If you have used AI to produce or substantially alter your representation, please declare which tool you have used, how it was used, and what checks you have undertaken to ensure the AI-produced material is accurate.

Not Applicable

All representations received will be submitted to the Planning Inspectorate alongside the Proposed Submission Local Plan and published on the council's website. Personal addresses and email addresses (as distinct from businesses addresses), but not names, will be redacted before representations are published.

The Rugby Borough Council Privacy Notice for Development Strategy is available here:
https://www.rugby.gov.uk/w/privacy#development-strategy
The Planning Inspectorate's privacy notice can be accessed here:
https://www.gov.uk/government/publications/planning-inspectorate-privacy-notices

Representation Form for Local Plans

	Local Plan Publication Stage Representation Form	**Ref:** **(For official use only)**

Name of the Local Plan to which this representation relates: Rugby Borough Council Proposed Submission Local Plan

Please return to Rugby Borough Council by 5:00pm Friday 13th March 2026 By email to: localplan@rugby.gov.uk with **Proposed Submission Consultation in the subject line, OR by post to**: Development Strategy, Town Hall, Evreux Way, Rugby, CV21 2RR.

This form has two parts –
Part A – Personal Details: need only be completed once.
Part B – Your representation(s). Please fill in a separate sheet for each representation you wish to make.

Part A

1. Personal Details* **If an agent is appointed, please complete only the Title, Name and Organisation boxes below (if applicable) but complete the full contact details of the agent in 2.*		2. Agent's Details (if applicable)
Title	Ms	
First Name	Jo	
Last Name	Russell	
Job Title (where relevant)	[redacted]	
Organisation (where relevant)	[redacted]	
Address Line 1	[redacted]	
Line 2		
Line 3		
Line 4	[redacted]	
Post Code	[redacted]	
Telephone Number	[redacted]	
E-mail Address (where relevant)	[redacted]	

Part B – Please use a separate sheet for each policy or site you wish to comment on

Name or Organisation: Jo Russell/Stacey Green, Stoford Properties Ltd

3. To which part of the Local Plan does this representation relate?

Local Plan Paragraph		Local Plan Policy	S7	Policies Map	
Site ID					

4. Do you consider the Local Plan:

(1) is Legally compliant	Yes	x	No	
(2) is Sound	Yes		No	x
(3) complies with the Duty to co-operate	Yes		No	x

5. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.
If you wish to support the legal compliance or soundness of the Local Plan or its compliance with the duty to co-operate, please also use this box to set out your comments.

Please see attached representation to S7

(Continue on a separate sheet /expand box if necessary)

6. Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect of any legal compliance or soundness matters you have identified at 5 above. (Please note that non-compliance with the duty to co-operate is incapable of modification at examination). You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

Please see attached representation to S7

(Continue on a separate sheet /expand box if necessary)

Please note: *In your representation you should provide succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.*
After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues he or she identifies for examination.

7. If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing session(s)?

	No, I do not wish to participate in hearing session(s)	x	**Yes**, I wish to participate in hearing session(s)

Please note that while this will provide an initial indication of your wish to participate in hearing session(s), you may be asked at a later point to confirm your request to participate.

8. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:

Stoford are a prominent developer of industrial and logistics floorspace, with land interests within the Borough, which were featured within the Sustainability Appraisal Scenarios

Please note *the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Inspector has identified the matters and issues for examination.*

9. If you have used AI to produce or substantially alter your representation, please declare which tool you have used, how it was used, and what checks you have undertaken to ensure the AI-produced material is accurate.

Not Applicable

All representations received will be submitted to the Planning Inspectorate alongside the Proposed Submission Local Plan and published on the council's website. Personal addresses and email addresses (as distinct from businesses addresses), but not names, will be redacted before representations are published.

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EMPLOYMENT NEEDS ASSESSMENT

RUGBY

STOFORD PROPERTIES LIMITED

JANUARY 2024

www.marrons.co.uk

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APPENDICES

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

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

1. NON TECHINICAL SUMMARY

1.1 This Employment Needs Assessment has been prepared by Marrons on behalf of Stoford Properties Limited.

1.2 The purpose of this Report is to assess, based upon current evidence, the extent of the employment land needs within Rugby, and the wider functional economic market area of Coventry and Warwickshire.

1.3 The Council has decided to proceed with a full update of its Adopted Local Plan (2011 – 2031). This decision followed, amongst other things, new evidence of future needs for homes and employment land, particularly warehousing uses. In respect of employment needs, the Issues and Options consultation draws attention to more recent evidence which establishes both non-strategic employment needs within Rugby, and broader strategic needs which for the time being have been identified only across the Coventry and Warwickshire functional economic market.

1.4 The Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) 2022 forms the core piece of evidence informing the Council's employment land requirement.

1.5 In respect of general (non-strategic) industrial land requirements, the HEDNA measures future growth based upon past long-term completions over the period 2011 – 2019. Based upon this calculation, general industrial need over the period to 2041 stands at 150.5 hectares (ha), increasing to 218.2ha by 2050. The Council considers that it has a sufficient identified supply to broadly meet this need to 2041, albeit as we note in doing so the Council include a number of strategic sites which meet strategic need (which in itself is additional to non-strategic need). The point being the Council are double counting its supply for both non-strategic and strategic purposes.

1.6 The HEDNA also assesses strategic warehousing need across Coventry and Warwickshire, basing its calculations on the same past completion period for the first 10 years of the plan and a slightly lower level of growth reflective of traffic demand in the second half of the plan period. Strategic needs within Coventry and Warwickshire total 551ha to 2041, increasing to 735ha to 2050.

1.7 Evidence has yet to be published determining the distribution of this strategic need. However, an assessment based upon past completions would indicate that 34% should be met by Rugby, equating to 187ha of strategic needs by 2041, and increasing to 250ha by 2050. This means that based upon evidence presented within the HEDNA the Council should be planning to meet an industrial need equivalent to at least 337.5ha by 2041, and 468.2ha by 2050.

1.8 However, the HEDNA bases its calculations of need on past completions over the period 2011 – 2019, but acknowledges that the shift towards ecommerce arising from the Covid pandemic has accelerated demand for logistics space.

1.9 This Report undertakes an assessment of the latest completions trends over the past 10 years (2014 – 2023). The assessment shows average annual completions to be 16% *greater* than the level of completions assessed by the HEDNA. On the basis that the Council should be planning based upon the most recent 10-year trend, Rugby's strategic and non-strategic industrial land needs total 403ha by 2041, increasing to 547ha by 2050.

1.10 Notwithstanding this, past completions will always be constrained to past evidence, and as such will not reflect unconstrained, policy off need.

1.11 Market evidence presented by Lambert Smith Hampton (LSH) and appended to our client's representations demonstrates a significantly higher level of demand than reflected in past completions. LSH consider that with a good supply of new logistics floorspace, take up levels should be well in excess of 1.5m sq ft. per annum, and probably significantly higher with new build-to-suit commitments. Assuming a prudent plot ratio of 0.4 this equates to annual demand for 35ha, or 875ha over the 20-year period to 2041 (including a 5 year margin of flexibility). This increases to 1,190ha by 2050 (including flexibility margin).

1.12 Furthermore, LSH consider that this is compounded by a lack of supply in recent years, and at present there exists an active requirement for 9m sq ft. of floorspace (with requirements ranging from 80,000 to 800,000 sq ft.). Based upon a plot ratio of 0.4, this equates to current active requirements occupying an area equivalent to 209ha (representing an immediate requirement).

1.13 LSH conclude by confirming there to be a significant shortfall in the availability of credible development land in Rugby Borough over the next 20 years, and as a consequence the area will not be able to provide for projected occupier demand. Based upon current take-up projections over the last 5 years, it considers there to be only 1.6 years of supply, and therefore after 2026 it is difficult to identify any credible development opportunity to meet either strategic or non-strategic occupier requirements.

1.14 This market assessment is consistent with the findings of the Coventry and Warwickshire Chamber of Commerce Employment Land Report published in 2023. This recommends allocating 20 per cent more land than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land. It also concludes that insufficient employment land has been allocated in the Local Plans in Coventry and Warwickshire historically, and the land which has been allocated has been used up far faster than anticipated. In addition, the report states that establishing future need for employment land based on projections of suppressed past take up

rates will always underestimate the true requirement for employment land.

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

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

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

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

Note: * Rugby's distribution of identified Coventry & Warwickshire wide strategic need amounts to 34% based upon past distribution (2011 – 2019)
All scenarios assume an additional 5 year flexibility margin as per HEDNA assumption

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

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

Note: * Rugby's distribution of identified Coventry & Warwickshire wide strategic need amounts to 34% based upon past distribution (2011 – 2019)
All scenarios assume an additional 5 year flexibility margin as per HEDNA assumption

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

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

1.18 There is also a growing need to ensure there is a sufficient supply of sites to meet replacement stock requirements arising from aged stock that is no longer fit for purpose. Furthermore, it is essential that the Council adequately account for employment sites lost to other uses, such as residential development, and ensure sufficient sites are brought forward to address these losses.

1.19 In addition, analysis of Coventry's stated employment land position from its Issues and Options Local Plan consultation earlier this year demonstrates that it is unable to meet its own general industrial needs, leading to a shortfall of at least 87ha which will have to be met elsewhere by 2041.

1.20 On this basis it is reasonable to assume that Coventry is also unable to meet its strategic warehousing needs, and as such it may also be appropriate that Rugby plans to meet that unmet need. Various scenarios demonstrate that Rugby and Coventry's combined strategic warehouse need equates to approximately 43% of the Coventry and Warwickshire share. On this basis, and without accounting for more recent completions, it is reasonable to assume based upon evidence within the HEDNA that Rugby should plan to meet a proportion of what we consider will amount to Coventry's strategic needs amounting to approximately 45ha by 2041, increasing to 60ha by 2050.

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

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

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

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

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

2. INTRODUCTION

2.1 This Employment Needs Assessment has been prepared by Marrons on behalf of Stoford Properties Limited.

2.2 The purpose of this Report is to assess, based upon current evidence, the extent of the employment land needs within Rugby, and the wider functional economic market area of Coventry and Warwickshire.

2.3 Section 3 of this Report examines national planning policy associated with employment growth, whilst Section 4 provides an overview of the national logistics market. Section 5 summarises draft local planning policy, and section 6 includes a review of the employment needs evidence base.

2.4 Section 7 of the Report provides an overview of the industrial property market within which Rugby operates, whilst section 8 includes a review of neighbouring Coventry's likely levels of unmet need. Section 9 provides a summary of the supply and demand situation within Rugby.

3. NATIONAL PLANNING POLICY REVIEW

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

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

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

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

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

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

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

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

- Wider market signals; and any evidence of market failure. [2]

3.5 More specifically, the guidance also confirms the critical role the logistics industry plays *"in enabling an efficient, sustainable, and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities"*, something that has been brought into sharp focus during the COVID-19 pandemic. Importantly, the guidance also recognises that the logistics industry "*has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial uses)*". [3]

3.6 The guidance confirms that strategic logistics facilities with a national or regional remit are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Policy-making authorities are encouraged to engage with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies.

3.7 Local authorities are also required to assess the extent to which land and policy support is required for other forms of logistics requirements, including 'last mile' facilities serving local markets.

3.8 Given Rugby's location within the Golden Triangle and its position on the strategic road network, it has and will continue to experience a high demand for large scale (strategic) logistics floorspace, the need for which can only be met in a limited geography in order to serve national logistics operations. This same geography is also heavily constrained by Green Belt which tightly constraints the Metropolitan Areas of Birmingham and Coventry. The revised NPPF (December 2023) was strengthened in respect of Local Plan reviews and the consideration of Green Belt. Paragraph 145 of the NPPF states that *"once established there is no requirement for Green Belt boundaries to be reviewed or changed when plans are being prepared or updated. Authorities may choose to review and alter Green Belt boundaries where exceptional circumstances are fully evidenced and justified."*

3.9 For some authorities within the Golden Triangle e.g. Coventry, this change to the NPPF will be problematic and significant, however in the case of Rugby, there is a large quantum of land located on and adjacent to the strategic highway network which is not constrained by Green Belt and provides the Council with the opportunity to both fully meet demand and not require the need for exceptional circumstances to be explored.

3.10 The benefits of being located centrally within the Golden Triangle to Rugby are significant, both in terms of direct job creation, as well as to the wider supply chain, and as is clear in Government

[2] Paragraph ID2a-026, PPG, 2019
[3] Paragraph ID2a-031, PPG, 2019

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

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

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

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

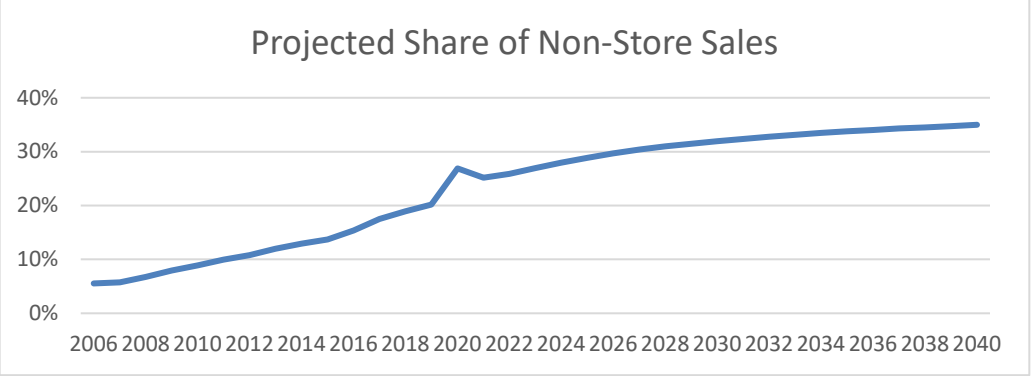
4. DRIVERS OF CHANGE IN THE LOGISTICS MARKET

4.1 This section of the Report considers evidence presented by the British Property Federation and Savills in its report, 'Levelling Up – the Logic of Logistics Demand for logistics' (2022), as well as more recent evidence presented by Lambert Smith Hampton (LSH), on behalf of our client.

4.2 Demand for logistics floorspace within the UK is significant. This is fueled by growth in online retail, exit from the EU (disrupting the supply chain), the onset of the COVID pandemic, and other global factors which place an increased focus on the need for onshore logistics infrastructure to provide supply chain security.

4.3 The following graph displays the growth in non-store (ecommerce) sales in past years, and forecast into future years. The impact of the COVID pandemic in speeding up the transition from store to non-store spending is clear.

Figure 4.1 Projected Growth in Non-Store Sales



Source: Experian

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

Figure 4.2 Industrial and Logistics Growth Drivers

4.5 The BPF Report also highlights a longer standing under-supply of logistics floorspace across UK markets, evidenced by significant increases in rental growth. The Report references rental growth of +61% across England between 2011 and 2021, more than double inflation. LSH note that whilst the pace of rental growth has been easing since the heights of 2021, unlike other property sectors, it remains firmly in positive territory. Across the 60 key markets in the UK, average prime rents for 50,000 sq ft. units increased by 8% over the 12 months to the end of Q3 2023.

4.6 LSH report that in 2023 there remains a clear focus on demand for high quality space, which continues to drive rental growth. LSH note that whilst occupier demand is back to pre-pandemic levels, this reflected high inflation, and a steady stream of interest rate hikes which resulted in a deterioration in activity. However, the West Midlands was the most resilient region.

4.7 In respect of UK-wide supply, LSH confirm that supply remains tight, equivalent to only 1.2 years of average take-up and an availability rate of just 4.3%.

4.8 The BPF Report notes that during periods of suppressed demand (i.e. under supply) rental growth peaks. It considers that equilibrium in the market is established when availability of floorspace stands at 8% of stock.

4.9 LSH consider that take-up will continue to stabilise following the Covid and Brexit peak and remain at healthy levels with sustained occupier demand and investor sentiment.

4.10 It states that:

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

working environments.

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

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

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

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

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

4.12 In particular, the DfT recognise that when the Government will succeed in achieving their vision for the future success of logistics and freight, there will be "*an increase in site allocations for freight and supply infrastructure being adopted in Local Plans to reflect the needs of the sector, alongside more robust and agile policies, where needed, to meet specific local needs*." [6]

4.13 The DfT ran a call for evidence between 4th July and 6th October 2023 to inform its vision of reforming the interaction between freight and logistics sector and the planning system in England.

4.14 The logistics sector continues to play an increasingly important role in the national economy and the recognition of this sector in the Government's national vision demonstrates it remains a clear priority to be planned for.

[4] Pages 9, 10, LSH Rugby Employment Land Evidence, January 2024 – appended to client representations.
[5] Page 3, Deloitte, Transforming logistics: A sector fit for the future, 2022
[6] Page 80, Future of Freight: a long-term plan, June 2022

5. LOCAL PLAN POLICY REVIEW

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

Rugby Local Plan Review Issues and Options (October 2023)

5.2 The Council has decided to proceed with a full update of its Adopted Local Plan (2011 – 2031). This decision followed, amongst other things, new evidence of future needs for homes and employment land, particularly warehousing uses.

5.3 The Adopted Local Plan (Adopted June 2019) identified a requirement to meet 208ha of employment land over the Plan period, which included 98ha to contribute Coventry's unmet needs. Within Rugby, identified need totalled 110ha, and was based upon employment evidence prepared in 2015. The Adopted Plan identifies that in addition to meeting the quantitative need for employment land in Rugby, a proportion of this land must meet a qualitative demand for employment sites which provide for smaller units (5,000 – 50,000 sq ft.), and it considers this especially important in accommodating demand from firms requiring floorspace in this size band for B1c, B2 and ancillary B8 employment units.

5.4 The Council's Local Plan Review is informed by the Coventry and Warwickshire Housing and Economic Development Needs Assessment prepared in 2022 (HEDNA). As identified in the Issues and Options Plan, the HEDNA identifies three components of employment land needs, 1) the net needs for office land totaling 5.2ha by 2041, increasing to 6.5ha by 2050; 2)the gross requirement for industrial land totalling 150.5ha by 2041, increasing to 218.2ha by 2050, and 3), the gross requirement for strategic warehousing land across Coventry and Warwickshire totalling 551ha by 2041 and 735ha by 2050. The strategic warehousing need is not distributed across respective Warwickshire authorities by the HEDNA. We examine the robustness of these figures later within this Report.

5.5 Whereas the HEDNA, paragraph 11.18 only goes as far as saying, when using gross completions to derive need that, *"some of the forecast need may occur on recycled existing industrial premises"*, as we set out later within this Report the level of replacement stock required in the coming years is significant and as such a reliance on recycled premises maybe unfounded and also not recognisant of market signals.

5.6 The Local Plan Review notes that whilst the HEDNA does not split the need for industrial and smaller warehouse land, it is recommended that the Council should make specific site allocations for B2 industrial and light industrial land. Paragraph 3.11 of the HEDNA goes on to confirm that feedback from local businesses indicates a shortage of 'grown on space' to allow existing

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

5.7 The Local Plan Review confirms that the Council is in the process of producing a new economic strategy which will inform the Local Plan, and paragraph 3.21 of the Local Plan Review considers that it is the Council's expectation that the Economic Strategy will support the expansion of manufacturing, research and development employment land, and that additional site allocations are likely to be necessary to enable this need to be met. It is therefore important in this respect that the Borough provides a sufficient level of employment land to balance each of these competing priorities, including providing sufficient employment land to meet both strategic and non-strategic warehousing demand.

5.8 In setting out the reasons for the high need for warehousing, the Local Plan Review correctly identifies Rugby Borough's role within the Golden Triangle, meaning that it is optimally located in providing logistic operators with an efficient means of accessing large parts of the Country via the strategic road and rail network.

5.9 As noted in paragraph 3.17 of the Local Plan Review, Rugby is identified as having the highest proportion of business units used for transport and distribution (17.5% in 2021).

5.10 The Council also confirm in paragraph 3.22 the importance of planning for large warehouses, with reference to national planning policy, including the need to address the specific locational requirements of different sectors, which includes making provision for storage and distribution operations at a variety of scales and in suitably accessible locations.

5.11 In respect of identifying how the strategic warehousing needs may be met across individual authorities, paragraph 3.28 states that a new West Midlands Strategic Employment Sites Study will update the position on the supply of sites. The Council consider that this will provide a clearer picture of how much more land needs to be found across Coventry and Warwickshire to meet the need for strategic warehousing.

5.12 It is important to note in this respect that the strategic warehousing need identified within the Coventry and Warwickshire HEDNA originates from the Coventry and Warwickshire functional economic market area, and reflects the locational advantage that the area brings to logistics operators amongst other factors such as labour supply. It is essential that the Coventry and Warwickshire authorities collectively plan to meet that strategic need in full at the very least (accounting for unmet needs in surrounding authorities where necessary). It would be entirely inappropriate to assume that the identified strategic need could be met elsewhere and outside of the function economic market within which that need exists. Given the Warwickshire area is also constrained by Green Belt, those authorities that are able to allocate non Green Belt land towards meeting a higher proportion of this need, should therefore do so.

5.13 We undertake a series of scenarios assessing the reasonable distribution of strategic warehousing need later within this Report.

5.14 In respect of the supply, the Council, in paragraph 3.34 of the Local Plan Review assert that the 2022/23 Rugby Council Annual Monitoring Report (AMR) shows substantial progress to meeting the 2011-2031 requirement for employment uses, with 191.53ha of the target of 208ha either already built or under construction. However, reference to the 2022/23 AMR asserts that whilst the Council has met all but 2.7ha of Coventry's need (totaling 98ha), it has yet to meet some 13.8ha of Rugby's own needs. [7]

5.15 Our own assessment of supply since 2011, using information set out within each AMR (attached in Appendix 2), would suggest that after accounting for 30.18ha of employment land under construction, sites delivered and under construction to date only amounts to 183ha. As such there remains an outstanding requirement of 20.5ha.

5.16 It must also be remembered that the level of need identified in the Adopted Local Plan (208ha) originated from a 2015 evidence base, and bears no reflection of current needs – hence the reason why the Council are seeking to review its Plan. It would therefore be wrong to assume that needs to 2031 have been broadly met.

5.17 Furthermore, given that the Council's latest employment land need calculations are predicated on past completions, it would seem appropriate to incorporate these most recent completions referenced for the year 2022-23 into account when calculating future needs – we deal with this later within this report, albeit noting that these are constrained by a requirement derived from evidence prepared in 2015.

5.18 Paragraph 3.36 of the Local Plan Review refers to future supply as set out in the 2022/2023 AMR and goes on to confirm that 115ha of land has planning permission and is not yet under construction. It confirms this to mostly be made up of three sites (Prospero Ansty – 9.58ha, Tritax Symmetry SW Rugby allocation – 40.7ha and the former Rugby Radio Station allocation – 31ha). As a consequence, and accounting for completions between 2021 and 2023 said to total 32.65ha, the Council consider is has already identified supply of 145.26ha to set against the future plan requirement of 150.5ha to 2041, and 218.2ha to 2050.

5.19 As a result it does not consider that it is required to find any further sites to meet the need requirement by 2041, and a further 40ha is required by 2050.

5.20 However, the 2022/2023 AMR clearly sets out planning permissions not yet under construction to

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

total only 95.88ha[8], some 19ha less than reported in the draft Local Plan calculation

5.21 Furthermore, it is important to note that firstly the requirement identified by the Council within this calculation excludes strategic warehousing requirements, some of which may well be met by the identified supply (noting that the Council has included the SW Rugby "*strategic*" allocation of 40.7ha within its calculation of supply to meet non-strategic needs), and secondly the requirement identified by the Council fails to account for recent completions within its calculation, meaning it is not reflective of more recent demand. Thirdly, the committed supply of 115ha (which we calculate to total 95.88ha) across these three sites was in response to meeting a need that was identified for a period to 2031. It is unreasonable to now effectively double count this supply and stretch it into serving a further ten year period to 2041. It also takes no account of the time required to open up and deliver strategic employment sites – hence, sites like Ansty, Rugby Radio Station and SW Rugby (allocations in the 2019 Local Plan) have planning permission, but given the Plan has been in place for under 5 years, it is not unreasonable for these sites to have not completed yet. Data from LSH that has informed this Report confirms they will deliver by 2031.

5.22 Furthermore, analysis of the planning permissions under construction as set out in the 2022/2023 AMR (totaling 95.88ha) includes a large number of sites which meet a strategic logistics need – we calculate those elements to total 58.9ha.

5.23 These sites, as listed in the AMR include:

- Tritax Symmetary, Land North of Coventry Road – 40.7ha net, comprising a series of reserve matters approvals for units exceeding 100,000 sq ft., with the remainder of the site capable of delivering build to suit units of between 100,000 sq ft. and 1 million sq ft.

- Rolls Royce, Prospero, Ansty – 9.56ha net, comprising a series of units each exceeding 100,000 sq ft.

- Land North and East of Castle Mound Way, Rugby – 8.61ha, comprising one single unit of 250,000 sq ft. [9]

5.24 These sites will not help fulfil the general industrial (non-strategic) needs identified by the Council. As a consequence the Council is 91.6ha short of meeting general industrial (non-strategic) need by 2041, and 159.3ha short of meeting needs by 2050.

5.25 Notwithstanding, the Local Plan Review details a number of potential strategic employment locations, which will be the subject of more detailed analysis once the Council has undertaken its

[8] Employment Land Overview table, Page 8, Rugby Borough Council Annual Monitoring Report 2022-2023
[9] Pages 9-11, Rugby Borough Council Annual Monitoring Report 2022-2023

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

Summary

5.26 In recognition that the Local Plan is approaching five years since adoption, the Council are consulting on its Local Plan Review. In respect of employment needs, the Issues and Options consultation draws attention to more recent evidence which establishes both non-strategic employment needs within Rugby, and broader strategic needs which for the time being have been identified only across the Coventry and Warwickshire functional economic market.

5.27 In respect of non-strategic employment needs the Council suggest that they have a sufficient identified supply, albeit as we note in doing so the Council include a number of strategic sites which may meet strategic need (which in itself is additional to non-strategic need). The point being the Council are potentially double counting its supply for both non-strategic and strategic purposes.

5.28 In addition the Council welcomes recent levels of completions as meeting future identified need, yet as we highlight it is important that those recent completions feature in any calculation of need – at present they do not.

5.29 In respect of strategic employment land needs identified across the Coventry and Warwickshire functional economic market area, the Council await the publication of the new West Midlands Strategic Employment Sites Study. The Council consider that this will provide a clearer picture of how much more land needs to be found across Coventry and Warwickshire to meet the need for strategic warehousing. It is important to note in this respect that the strategic warehousing need identified within the Coventry and Warwickshire HEDNA, originates from Coventry and Warwickshire functional economic market area, and reflects the locational advantage that the area brings to logistics operators amongst other factors such as labour supply. It would be entirely inappropriate to assume that the identified strategic need could be met elsewhere and outside of the function economic market within which that need exists.

5.30 We review the Council's employment need evidence in the following section of this Report.

6. EMPLOYMENT LAND NEED EVIDENCE REVIEW

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

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

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

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

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

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

6.4 Coventry and Warwickshire Chamber of Commerce produced an Employment Land Report (CWELR) which sets out a detailed assessment of the current pool of employment land presently available in Coventry and Warwickshire. There is 98.3 hectares of *"oven-ready"* employment land which is immediately available across the whole sub-region and only one immediately available site of strategic scale (25ha+). The report highlights that there is a further 47 hectares, on top of the 98.3ha, likely to be available in the next 12 months, with 177 hectares at the advanced stage (allocated Local Plan Sites – timing dependent on ownership, infrastructure and demand).[10]

6.5 In addition, there is a potential 249ha of strategic sites which may contribute to the employment land supply, but the report notes due to constraints they these are unlikely to proceed at this stage or the sites already have a dedicated user, so they do not form part of the open market. The CWELR states that Coventry and Warwickshire are sorely lacking sufficient serviced land, both qualitatively and quantitatively, to encourage inward investment into the sub-region. The report

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

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

6.6 The CWELR recommends allocating 20 per cent more land than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land. The CWELR suggests that employment land should be given equal priority to housing land which is currently not a requirement.

6.7 The report concludes that insufficient employment land has been allocated in the Local Plans in Coventry and Warwickshire historically, and the land which has been allocated has been used up far faster than anticipated. In addition, the report states that establishing future need for employment land based on projections of suppressed past take up rates will always underestimate the true requirement for employment land.

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

6.8 The HEDNA seeks to quantify the need for additional housing and employment floorspace across the wider housing and functional economic market area of Coventry and Warwickshire. In doing so, with the exception of strategic B8 land, it establishes need across each local authority area.

6.9 In considering employment land needs, the HEDNA utilises a range of different forecasting techniques, the first of which is a labour demand model which draws upon forecasts from Cambridge Econometrics (dated March 2021). Section 6 of the HEDNA summarises the economic growth potential of Coventry and surrounding local authority areas based upon these forecasts.

6.10 In summary it expects GVA across Coventry and Warwickshire to grow by 1.4% per annum over the period to 2043, which paragraph 6.11 confirms is slightly below longer term trends. Paragraph 6.12 confirms that total employment has grown at 1% per annum over the period since 1981, but the March 2021 Cambridge Econometrics forecast suggests growth of only 0.5% per annum.

6.11 Based upon the March 2021 Cambridge Econometrics forecast, Table 6.5 confirms that Rugby is set to grow by 7,800 jobs over the period 2019 – 2043, amounting to growth of 325 jobs per annum (a growth rate of 0.58% per annum). Over the plan period 2021 – 2041 this would appear to amount to 6,500 jobs.

6.12 However, we would express caution in placing too great a reliance on economic growth forecasts prepared during the COVID pandemic, particularly as the HEDNA notes that across the Coventry and Warwickshire functional economic market job growth is forecast at half that experienced over the longer term trend.

6.13 This is particularly important given the ambitions of the Coventry and Warwickshire SEP Update 2016 which targeted growth in the local economy of 3.3% GVA per annum in order to bridge the gap with the wider national economy.

6.14 If employment within Coventry were to grow at a rate of 1% per annum (mirroring long term past growth of the functional economic market), this would amount to job growth of 558 per annum. Over the 20 year plan period this would amount to a further 11,160 jobs within Rugby.

6.15 In establishing employment land needs, as summarised above, the HEDNA adopts a number of different techniques. Table 11.2 of the HEDNA details the recommended levels of employment land need within Rugby across various uses including over the period to 2041: offices 5.2ha, general industrial 150.5ha plus a further 551ha of strategic B8 land which is as yet to be distributed across the Coventry and Warwickshire local authority areas. Over the period to 2050 the level of need increases to 6.5ha for offices, 218.2ha general industrial and 735ha of strategic B8 land across the functional economic market area.

6.16 For the purposes of establishing office floorspace need the HEDNA adopts a labour demand approach – essentially drawing upon the Cambridge Econometrics forecasts as detailed above. Table 9.4 of the HEDNA confirms an employment land need for offices of 3.3 ha to 2041, which is supplemented by a margin for flexibility of 1.9 ha (Table 11.1). However, as detailed above, in calculating office needs the HEDNA adopts a Cambridge Econometrics forecasts prepared during COVID which shows job growth of approximately 0.58% per annum, whereas longer term past trends would suggest growth of 1% should be pursued, which would have the effect of almost doubling office land need.

6.17 In calculating general industrial employment land need the HEDNA opts instead to draw upon past floorspace trends. This shows a higher level of need, than compared with a labour demand method, and is a more appropriate measure of industrial/ logistics demand given increased levels of automation within the sector, and significantly different levels of employment dependent on the nature of the logistics operation (meaning a job based approach to measuring need is less accurate).

6.18 In doing so the HEDNA assesses industrial floorspace change as reported by the Valuation Office (VOA), and separately past completions. Importantly however the HEDNA notes that the implications of assessing future delivery based on past supply trends would see future provision continuing to be concentrated in North Warwickshire. It notes that whilst North Warwickshire remains an attractive location for warehousing and logistics development, there is a case for seeking a broader spread of industrial land provision between the authorities within the sub-region (HEDNA, page 209).

6.19 In respect of past completions the HEDNA assesses the level of completions in employment uses over the period 2011 – 2019. This is said to amount to 133.6ha in Rugby, some 14.8ha per annum. Table 9.12 considers that 6% of this figure relates to E (g) uses (offices), whilst 53% relates to strategic sites. The remaining amount (41%) is assumed to relate to non-strategic industrial land.

6.20 Once extrapolated, Table 9.15 of the HEDNA confirms this to amount to 19.1ha of office land, 120.4ha of non-strategic industrial, and 157.4ha on strategic industrial land over the period to 2041. Strategic B8 need under this method of calculation across Coventry and Warwickshire equates to 457.6ha over the period to 2041. It is clear from this exercise that strategic warehousing needs within Rugby, or at least its proportion of the wider strategic needs across the functional economic market area amount to approximately 34% of that figure (i.e. 157.4ha / 457.6ha)

6.21 Whilst the HEDNA continues to adopt a labour demand approach in its assessment of office based need, it adopts past completions as a means of establishing need for non-strategic industrial need, and as we detail below it also draws upon past completions (in part) in calculating strategic need.

6.22 In respect of non-strategic industrial land, Table 11.1 of the HEDNA goes on to outline an additional margin of flexibility (amounting to an additional 5 years of need) totaling 30.1ha (this is assumed to relate to the period to 2041).

6.23 As detailed in Table 11.2, it concludes that general industrial need (non-strategic) totals 150.5ha to 2041 (i.e. 120.4ha based upon past completions, plus a 30.1ha margin).

Strategic B8 Need

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

6.25 As such the HEDNA considers it appropriate to plan for future development in line with completion trends (2011-2019) over the first 10 years, with the subsequent decade (2031 – 2041) then seeing slower growth in line with traffic growth and replacement demand modelling.

6.26 As a result the HEDNA assumes strategic needs based on completion trends over the first 10

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

6.27 If the HEDNA were to base these calculations on past completions (2011 – 2019) across the whole 20 year plan period this would increase to 573ha (to 2041).

6.28 Notwithstanding, as we detail below, more recent completion figures do now exist, and paint a picture of significantly higher levels of demand than is reflected in the past completion trends used within the HEDNA.

Distribution of Strategic (large scale) Warehousing Needs

6.29 The Coventry and Warwickshire authorities have yet to determine where the identified strategic warehousing need (551ha/ 735ha to 2041 and 2050 respectively) should be met. It is concerning to note, as detailed in earlier within this Report that Rugby Borough Council consider that this need may be in part met outside of Coventry and Warwickshire, particularly given that this is where the need arises and Coventry and Warwickshire is a functional economic market area. It is therefore essential that the identified need is met by these authorities.

6.30 In respect of where this need may be met it would seem logical to base this upon the demand for warehousing. In the absence of more recent published completions data across Coventry and Warwickshire, we have relied upon the strategic completions data reported in Table 9.15 of the HEDNA. On this basis completions over the period 2011 – 2019 within Rugby amount to 34% of all strategic completions across C&W. Undertaking a similar exercise using large scale warehousing stock shows that Rugby accommodates 19% of all floorspace across C&W, whilst an equivalent assessment using labour demand shows a similar percentage (19%), within Rugby.

6.31 Whilst the latter scenarios help frame the range, it is considered that completions provide the most appropriate method. This results in a need for Rugby to meet 187ha to 2041, increasing to 250ha by 2050.

6.32 However, as detailed in Table 6.1 below, we have also included figures for Coventry. This is important, given issues faced by Coventry in meeting its own non-strategic industrial land needs, as detailed later within this Report. As such it is necessary to understand the extent to which Rugby may be required to also meet Coventry's unmet strategic needs. As can be seen from the following table, whichever scenario is tested, collectively Rugby and Coventry would be required to meet approximately 43% of all strategic warehousing needs across the functional economic

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

Table 6.1 – Strategic Warehousing Distribution Scenarios

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

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

6.33 Therefore, in addition to the identified need within the HEDNA for Rugby to meet general (non-strategic) industrial needs totaling 150.5ha by 2041 and 218.2ha by 2050, based upon the distribution of past completions (2011 – 2019) it will also be necessary to meet an additional 187ha of strategic employment land needs by 2041, increasing to 250ha by 2050.

6.34 In addition Coventry's strategic employment needs are likely to total 45ha by 2041, increasing to 60ha by 2050. It is reasonable to assume that Rugby will need to meet at least a proportion of these.

Table 6.2 Summary of Industrial Needs - Rugby

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

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

More Recent Completions Data

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

trends".

6.37 As such we consider it appropriate to assess the implications of future employment needs based upon the most recent available completions data.

6.38 As detailed in the HEDNA, it assessed completions over the period 2011 – 2019, confirming them to amount to an average of 14.8ha per annum, of which 94% (i.e. 13.9ha) relates to industrial employment land (strategic and non-strategic). The remaining 6% falls within office use.

6.39 The following Table 6.3 summarises completions over the most recent 10 year period, ending 2022/2023. These figures are derived from each of the Council's AMRs, and excluding some duplication of completions during the years 2016/17 and 2017/18. This shows an average annual level of completions totaling 17.2ha, representing a 16% increase in the average rate of completions compared to that assessed within the HEDNA. Excluding B1 only schemes, this figure reduces to an average of 16.1ha.

6.40 This suggests that the HEDNA evidence does not truly reflect the profound changes to market conditions experienced since both the Covid pandemic and Brexit, a point which appears to have been recognised in paragraph 10.42 of the HEDNA. Furthermore, as noted in the 2022/2023 AMR (page 9), there was a total of 30.2ha of employment land currently under construction, suggesting that completions in 2023/2024 will continue to remain high, increasing the 10 year average once again.

6.41 A simple extrapolation of the current annual average 10 year completion figure of 16.1ha, would suggest that the Council should be planning for at least 322ha of strategic and non-strategic industrial employment land over the period to 2041, which after allowing for a 5 year margin of flexibility (as per the HEDNA assumption) would increase to 403ha. This figure increases to 547ha by 2050.

Table 6.3 Employment Land Completions - Rugby

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

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

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

Replacement Stock

6.43 The HEDNA also recognises the importance of accounting for the replacement of aged stock. Large scale logistics operators require modern units, with immediate access to the strategic road network. Access to power and a large labour force are also other key locational factors.

6.44 According to CoStar, 40% of existing industrial and logistics stock within Rugby, totaling 6.7m sq ft. is over 30 years old. A period of 30 years represents the useful economic life of a modern warehouse building[11]. Beyond this period they become functionally obsolete, as they tend not to be able to accommodate modern automated stock handling equipment, or transport equipment such as double stack trailers. Buildings reaching the end of their useful economic life and are no longer suitable for their original designed use, necessitating a more modern direct replacement.

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

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

Table 6.4 Age of Existing Stock

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

Source: CoStar

6.46 The volume of floorspace over 30 years old increases to 8.2m sq ft. by 2041.

6.47 The HEDNA considers that as calculations of need have been undertaken based upon past completions these reflect gross employment land additions, which will incorporate replacement stock. Whilst this may be the case, this assumes that stock replacement remains at a steady rate which is consistent with past trends. As stock levels increase as will the rate of replacement stock.

6.48 A consequence of this process is that new sites need to be brought forward in order to allow occupiers to re-locate to new buildings, thereby releasing the existing facility for refurbishment or demolition. This process allows those existing sites which may be adjacent to or within urban areas but poorly suited for logistics operations (due to poor road network, irregular site etc.) to be released for other more appropriate uses, including housing.

6.49 It is estimated that the employment land necessary to accommodate all of the existing stock older than 30 years totals 178ha at current levels, increasing to 192ha by 2041 as further stock ages[12]. Whilst clearly much replacement stock will be developed on existing employment land, existing occupiers seeking larger units with closer proximity to the strategic road network may require alternative sites. Smaller business may continue to rely upon existing industrial areas and their redevelopment, to meet smaller/ medium sized requirements.

Summary

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

[12] Assuming a plot ratio of 0.4

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

6.51 In respect of office land requirements the HEDNA adopts a labour demand approach, determining a requirement for 5.2ha to 2041 and 6.5ha to 2050 (both figures include a 5 year flexibility margin). It is however important to note that an assessment of need based upon past completions would equate to a need for 19.1ha to 2041. This would suggest that the HEDNA labour demand based assessment of office needs is likely to constrain office market demand within Rugby, and that a higher requirement should be planned for.

6.52 In respect of general (non-strategic) industrial land requirements the HEDNA measures future growth based upon past long term completions over the period 2011 – 2019. Based upon this calculation general industrial need over the period to 2041 stands at 150.5ha, increasing to 218.2ha by 2050.

6.53 The HEDNA also assesses strategic warehousing need across Coventry and Warwickshire, basing its calculations on the same past completion period (2011 – 2019) and a slightly lower level of growth reflective of traffic demand in the second half of the plan period. Strategic needs within Coventry and Warwickshire total 551ha to 2041, increasing to 735ha to 2050.

6.54 Whilst the HEDNA does not seek to establish where that strategic floorspace need may be met across the functional economic market area, an assessment based upon past completions would indicate that 34% should be met by Rugby. In addition it is also clear that Coventry is unable to meet its employment needs due to its tightly constrained boundaries, and insufficient sites, and as such it is appropriate that Rugby plans to meet part of that need. Various scenarios demonstrate that Rugby and Coventry's combined strategic warehouse need equates to approximately 43% of the Coventry and Warwickshire share. On this basis, and as set out in Table 6.2 above, it is reasonable to assume based upon evidence within the HEDNA that Rugby should plan for a total of approximately 337.5ha of strategic and non-strategic industrial land to 2041, increasing to 468.2ha by 2050. As we detail in the later sections of this Report, there may also be a requirement for Rugby to assist in meeting Coventry's general industrial (non-strategic) employment land needs.

6.55 The HEDNA bases its calculations of need on past completions over the period 2011 – 2019, but acknowledges that the shift towards ecommerce arising from the Covid pandemic has accelerated demand for logistics space. As set out in Table 6.3 above, an assessment of the latest completions trends over the past 10 years (2014 – 2023) show average annual completions to be 17.2ha per annum, some 16% greater than the level of completions assessed by the HEDNA (14.8ha). On the basis that the Council should be planning based upon the most recent 10 year trend (16.1ha per annum after excluding B1 only schemes), Rugby's strategic and non-strategic industrial land

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

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

7. INDUSTRIAL PROPERTY MARKET REVIEW

7.1 Within this section of the Report we review evidence presented by Lambert Smith Hampton (LSH), on behalf of our client, on the Rugby property market.

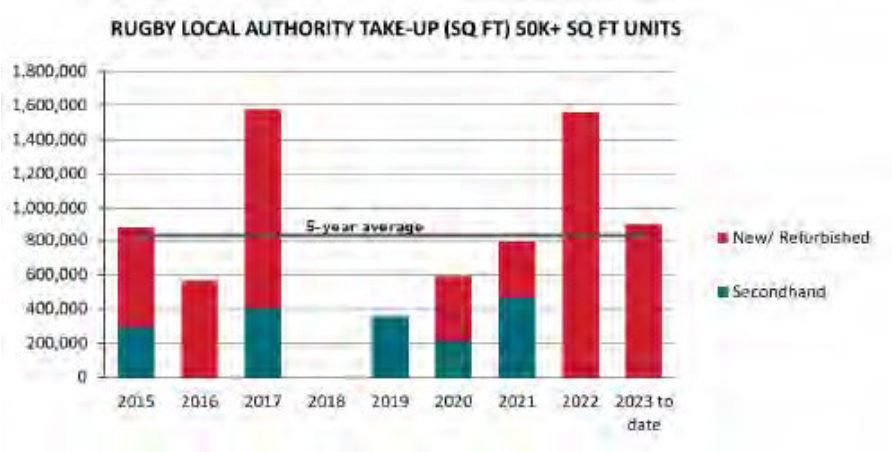
7.2 LSH confirm that the logistics market in Rugby has grown significantly over the last 20 years in line with rapid expansion of the logistics sector nationally, and the strong location and employment benefits that this centrally located area offers. LSH consider that it remains one of the most popular industrial areas in the UK.

7.3 Rugby has a vacancy rate of 4.3% for units above 50,000 sq ft., and 4.1% for units >100,000 sq ft. – both rates lower than the West Midlands average. LSH forecast rental growth in Rugby to outperform the West Midlands region over the next four years.

7.4 Occupier and developer interest remains very strong for Rugby and the surrounding area given its very strong locational appeal. Review of take up data confirms the trend for specialist logistics units increasing in size over the last decade, with the figures for Rugby considerably higher than the national average highlighting the emphasis on logistics demand given its central location.

7.5 As summarised in Figure 7.1 below, LSH calculate average take up over the period 2015 – 2023 to equate to 826,000 sq ft. per annum. Take up over the year 2022 totalled 1.56m sq ft., almost double that of the previous year, whilst take up in 2023 has continued to see healthy levels of demand totaling 900,000 sq ft. By contrast average take up over 2015-2016 was 639,000 sq ft. per annum. There was no new registered take up in Rugby over the period 2018 – 2020, highlighting the lack of available stock and no new stock under construction for the period 2018 – 2020. This lack of stock would hinder occupier demand and take up.

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



Source: LSH

7.6 LSH consider that with a good supply of new logistics units to the Rugby area, occupier take up levels should be well in excess of 1.5m sq ft. per annum, and probably significantly higher with new build to suit commitments. As detailed earlier within this Report assuming a prudent plot ratio of 0.4 this equates annual demand for 35ha, or 875ha over the 20 year period to 2041 (including a 5 year margin of flexibility). This increases to 1,190ha by 2050 (including flexibility margin).

7.7 LSH detail current active occupier requirements focused around the Rugby area/ M6 totalling 9m sq ft. (ranging from 80,000 to 800,000 sq ft.). Based upon a plot ratio of 0.4, this equates to current active requirements occupying an area equivalent to 209ha (representing an immediate requirement).

7.8 LSH conclude by confirming there to be a significant shortfall in the availability of credible development land in Rugby Borough over the next 20 years, and as a consequence the area will not be able to provide for projected occupier demand. Based upon current take up projections over the last 5 years, it considers there to be only 1.6 years of supply, and therefore after 2026 it is difficult to identify any credible development opportunity to meet either strategic or non-strategic occupier requirements.

7.9 Separately, and as detailed above, Deloitte note in its Transforming Logistics Paper, 2022, that the UK logistics market is projected to grow at a compounded annual growth rate of 6.3%[13], with road freight and haulage seen as a particular area of growth. Application of this level of growth to existing industrial stock within Rugby (totaling 16.6m sq ft. – as detailed in Table 6.4 above) over the 20 year period to 2041 results in an increased demand for employment land (assuming a plot ratio of 0.4, and a flexibility margin of 5 years) totaling 1,156ha, increasing to 2,212ha by 2050.

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

8. COVENTRY'S UNMET EMPLOYMENT LAND NEED

8.1 The Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) identifies a need for 8.5ha of office space, and 147.6ha of (non-strategic) general industrial land within Coventry. In addition a further 551ha has been identified as needed across Coventry and Warwickshire to meet strategic B8 demand – as detailed above an exercise to distribute this strategic logistics need across the various Coventry and Warwickshire authority areas has yet to be published.

8.2 Meanwhile, Coventry City Council's employment land evidence, contained within its Housing and Economic Land Availability Assessment 2023 (HELAA) identifies an employment land supply at March 2023 of 60.35ha (Table 4).

8.3 However, paragraph 3.63 of the HELAA, Table 6 attempts to compare this existing level of supply broken down by land type (and only totaling 59.63ha) with need as identified in the HEDNA (totaling only 12.8ha based upon labour demand only). As a result the table concludes there to be an over-supply across each employment land type. In doing so the HELAA has incorrectly drawn across the wrong figures from the HEDNA, and significantly understated the level of need identified, totaling 147.6ha of general industrial (non-strategic) need to 2041, increasing to 214ha by 2050. This figure excludes any strategic warehousing needs which Coventry may need to meet.

8.4 An extract of Table 6 of the HELAA has worked its way into the Draft Coventry Local Plan (Table 5), and results in the City Council concluding within its Non-Technical Summary Issues and Options Consultation document that it has a sufficient supply of employment land (despite referencing the correct need figure of 147.6ha (page 4)).

8.5 As a consequence the City faces a significant shortfall in the future provision of employment land necessary to meet identified need, being in excess of 87ha (excluding any further strategic B8 needs which may also be required to be met).

8.6 We would encourage Rugby Borough Council to continue joint working with its neighbouring authorities in ensuring employment land needs of Coventry can be met, where possible within close proximity to Coventry City and accessible to its resident workforce. However in some Authorities this may give rise to the consideration of Green Belt land for which exceptional circumstances will need to be evidenced and justified,

9. SUMMARY OF SUPPLY AND DEMAND POSITION

Supply

9.1 The Local Plan Review references three sites which the Council considers largely contribute to planning permissions for 115ha of employment land as set out in its 2022/2023 AMR. The sites, Prospero Ansty – 9.58ha, Tritax Symmetry SW Rugby allocation – 40.7ha and the former Rugby Radio Station allocation – 31ha, are coupled with completions totaling 32.65ha over the period 2021 – 2023.

9.2 However, a review of the 2022/2023 AMR confirms these figures to be incorrect, as reported planning permissions (not yet to be under construction) only total 95.88ha.

9.3 Accounting for completions between 2021 and 2023 said to total 32.65ha, the Council consider it has already identified supply of 145.26ha to set against the future plan requirement of 150.5ha to 2041, and 218.2ha to 2050, however the latest AMR would suggest identified supply to be 19.12ha less than reported in the Draft Local Plan

9.4 Furthermore, analysis of the planning permissions under construction as set out in the 2022/ 2023 AMR (totaling 95.88ha) includes a large number of sites which meet a strategic logistics need – we calculate those elements to total 58.9ha.

9.5 These sites, as listed in the AMR include:

- Tritax Symmetary, Land North of Coventry Road – 40.7ha net, comprising a series of reserve matters approvals for units exceeding 100,000 sq ft., with the remainder of the site capable of delivering build to suit units of between 100,000 sq ft. and 1 million sq ft.
- Rolls Royce, Prospero, Ansty – 9.56ha net, comprising a series of units each exceeding 100,000 sq ft.
- Land North and East of Castle Mound Way, Rugby – 8.61ha, comprising one single unit of 250,000 sq ft.

9.6 These sites will not help fulfil the general industrial (non-strategic) needs identified by the Council. As a consequence, the Council is significantly short of meeting growing general industrial needs.

9.7 It is essential that both the completions (2021-2023), and the identified supply only relate to floorspace capable of meeting general industrial need and not strategic need. On the face of it the sites identified by the Council are strategic sites, and therefore in many cases will at least in part

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

9.8 Notwithstanding, it is clear from the evidence presented that Rugby will also be accountable for meeting future strategic needs generated within the functional economic market area. Given its proximity to neighbouring Coventry, it is also likely to face increasing demand as a result of Coventry's unmet need. Whether planned or not, Rugby is likely to face an increased demand for floorspace as result of constrained supply within Coventry.

9.9 As such it is entirely appropriate for the Council to plan for a higher level of supply than currently appears to be the case.

Need and Demand

Rugby General Industrial and Strategic Warehousing

9.10 As set out above, Tables 11.2 and 11.3 of the HEDNA demonstrate a need for 150.5ha general industrial (non-strategic) employment land needs by 2041, increasing to 218.2ha by 2050 within Rugby.

9.11 Tables 11.2 and 11.3 of the HEDNA also demonstrate a Coventry and Warwickshire wider strategic employment land need of 551ha to 2041 increasing to 735ha by 2050. Whilst the HEDNA does not seek to establish where that strategic floorspace need may be met across the functional economic market area, an assessment based upon past completions would indicate that 34% should be met by Rugby. As such it is reasonable to assume that Rugby should plan to meet around 187ha of strategic level warehousing need by 2041, increasing to 250ha by 2050.

9.12 In combination, and based upon the HEDNA evidence the Council should be planning to meet strategic and non-strategic needs totaling 337.5ha by 2041, increasing to 468.2ha by 2050.

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

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

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

9.13 However, the assessment of warehousing need (both strategic and non-strategic) within the HEDNA is based upon past completions within Rugby over the period to 2019, and it is clear that completions since 2019 have been higher.

9.14 Evidence published within the Council's AMRs indicates that over the 10 year period to 2023, annual completions have grown at a rate 16% higher than over the period 2011 – 2019 (as assessed within the HEDNA).

9.15 On the basis that the Council should be planning based upon the most recent 10 year trend, Rugby's strategic and non-strategic industrial land needs total 403ha by 2041 increasing to 547ha by 2050. This does not assume that strategic needs are constrained in the latter part of the plan to account for forecast freight movement. Whilst this is assumed within the HEDNA, this would appear to reflect a constraint that would artificially suppress need, particularly as the HEDNA considers in paragraph 10.42 there to be a number of factors which indicate that demand will be stronger than reported traffic growth scenarios.

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

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

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

9.17 LSH consider that with a good supply of new logistics, take up levels should be well in excess of

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

9.18 LSH consider that based upon current take up over the last 5 years, there remains only 1.6 years of supply within Rugby.

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

Offices

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

Coventry's Unmet Needs

9.21 In addition, analysis of Coventry's stated employment land position from its Issues and Options Local Plan consultation early this year demonstrates that it is unable to meet its own general industrial needs leading to a shortfall of at least 87ha, which will have to be met elsewhere.

9.22 On this basis it is reasonable to assume that Coventry is unable to meet its strategic warehousing needs, and as such it may also be appropriate that Rugby plans to meet that unmet need. Various scenarios demonstrate that Rugby and Coventry's combined strategic warehouse need equates to approximately 43% of the Coventry and Warwickshire share. On this basis, and without accounting for more recent completions, it is reasonable to assume based upon evidence within the HEDNA that Rugby should plan to meet a proportion of what we consider will amount to Coventry's strategic needs amounting to approximately 45ha by 2041, increasing to 60ha by 2050.

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

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

10. CONCLUSIONS

10.1 This assessment has been prepared on behalf of Stoford Properties Limited. The purpose of this Report is to assess, based upon current evidence, the extent of the employment land needs within Rugby and the wider functional economic market area of Coventry and Warwickshire.

10.2 The National Planning Policy Framework (NPPF) seeks to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right place and at the right time to support growth. The NPPF places significant emphasis on the need to address the specific locational requirements of different sectors including storage and distribution operations.

10.3 Given Rugby's location within the Golden Triangle and its position on the strategic road network, it has and will continue to experience a high demand for large scale (strategic) logistics floorspace, the need for which can only be met in a limited geography in order to serve national logistics operations. The benefits of this to Rugby are significant, both in terms of direct job creation, as well as to the wider supply chain, and as is clear in Government Policy it is essential that the local authority ensures that this demand is met in full. Strategic warehousing occupiers can also assist in providing office floorspace, which whilst ancillary to the main purpose of the site will offer finance and operational office related jobs.

10.4 Furthermore, the NPPF requires effective and on-going joint working between local authorities in ensuring development needs are met. This is significant given Rugby's adjacency to Coventry, a tightly constrained authority area which is unable to meet its employment land needs.

10.5 The Council has decided to proceed with a full update of its Adopted Local Plan (2011 – 2031). This decision followed, amongst other things, new evidence of future needs for homes and employment land, particularly warehousing uses. In respect of employment needs, the Issues and Options consultation draws attention to more recent evidence which establishes both non-strategic employment needs within Rugby, and broader strategic needs which for the time being have been identified only across the Coventry and Warwickshire functional economic market.

10.6 In respect of non-strategic employment needs the Council suggest that they have a sufficient identified supply, albeit as we note in doing so the Council include a number of strategic sites which meet strategic need (which in itself is additional to non-strategic need). The point being the Council are double counting its supply for both non-strategic and strategic purposes.

10.7 In addition the Council welcomes recent levels of completions as meeting future identified need, yet as we highlight it is important that those recent completions feature in any calculation of need – at present they do not.

10.8 In respect of strategic employment land needs identified across the Coventry and Warwickshire functional economic market area, the Council await the publication of the new West Midlands Strategic Employment Sites Study. The Council consider that this will provide a clearer picture of how much more land needs to be found across Coventry and Warwickshire to meet the need for strategic warehousing. It is important to note in this respect that the strategic warehousing need identified within the Coventry and Warwickshire HEDNA, originates from Coventry and Warwickshire functional economic market area, and reflects the locational advantage that the area brings to logistics operators amongst other factors such as labour supply. It is essential that the Coventry and Warwickshire authorities collectively plan to meet that strategic need in full at the very least (accounting for unmet needs in surrounding authorities where necessary). It would be entirely inappropriate to assume that the identified strategic need could be met elsewhere and outside of the function economic market within which that need exists.

10.9 The Coventry and Warwickshire HEDNA 2022 forms the core piece of evidence informing the Council's employment land requirement. The HEDNA assesses the need for office, general industrial (including non-strategic warehousing), and strategic warehousing land requirements across Coventry and Warwickshire, the functional economic market area within which Rugby operates.

10.10 In respect of office land requirements the HEDNA adopts a labour demand approach, determining a requirement for 5.2ha to 2041 and 6.5ha to 2050 (both figures include a 5 year flexibility margin). It is however important to note that an assessment of need based upon past completions would equate to a need for 19.1ha to 2041. Furthermore, we note that the labour demand scenario was generated during the Covid pandemic and may not be reflective of long term patterns of growth. This would suggest that the HEDNA labour demand based assessment of office needs is likely to constrain office market demand within Rugby, and that a higher requirement should be planned for.

10.11 In respect of general (non-strategic) industrial land requirements the HEDNA measures future growth based upon past long term completions over the period 2011 – 2019. Based upon this calculation general industrial need over the period to 2041 stands at 150.5ha, increasing to 218.2ha by 2050. We summarise in Tables 10.1 and 10.2 below.

10.12 The HEDNA also assesses strategic warehousing need across Coventry and Warwickshire, basing its calculations on the same past completion period for the first 10 years of the plan and a slightly lower level of growth reflective of traffic demand in the second half of the plan period. Strategic needs within Coventry and Warwickshire total 551ha to 2041, increasing to 735ha to 2050.

10.13 Whilst the HEDNA does not seek to establish where that strategic floorspace need may be met

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

10.14 However, the HEDNA bases its calculations of need on past completions over the period 2011 – 2019, but acknowledges that the shift towards ecommerce arising from the Covid pandemic has accelerated demand for logistics space. An assessment of the latest completions trends over the past 10 years (2014 – 2023) show average annual completions to be 16% greater than the level of completions assessed by the HEDNA. On the basis that the Council should be planning based upon the most recent 10 year trend, Rugby strategic and non-strategic industrial land needs total 403ha by 2041 increasing to 547ha by 2050.

10.15 Notwithstanding, past completions will always be constrained to past evidence, and as such will not reflect unconstrained, policy off need.

10.16 Market evidence presented by LSH demonstrates a significantly higher level of demand than reflected in past completions. LSH consider that with a good supply of new logistics floorspace, take up levels should be well in excess of 1.5m sq ft. per annum, and probably significantly higher with new build to suit commitments. Assuming a prudent plot ratio of 0.4 this equates annual demand for 35ha, or 875ha over the 20 year period to 2041 (including a 5 year margin of flexibility). This increases to 1,190ha by 2050 (including flexibility margin).

10.17 Furthermore, LSH consider that this is compounded by a lack of supply in recent years, and at present there exists an active requirement for 9m sq ft. of floorspace (with requirements ranging from 80,000 to 800,000 sq ft.). Based upon a plot ratio of 0.4, this equates to current active requirements occupying an area equivalent to 209ha (representing an immediate requirement).

10.18 LSH conclude by confirming there to be a significant shortfall in the availability of credible development land in Rugby Borough over the next 20 years, and as a consequence the area will not be able to provide for projected occupier demand. Based upon current take up projections over the last 5 years, it considers there to be only 1.6 years of supply, and therefore after 2026 it is difficult to identify any credible development opportunity to meet either strategic or non-strategic occupier requirements.

10.19 Separately, Deloitte note in its Transforming Logistics Paper, 2022, that the UK logistics market is projected to grow at a compounded annual growth rate of 6.3%, with road freight and haulage seen as a particular area of growth. Application of this level of growth to existing industrial stock within Rugby (totaling 16.6m sq ft. – as detailed in Table 6.4 above) over the 20 year period to

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

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

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

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

Note: * Rugby's distribution of identified Coventry & Warwickshire wide strategic need amounts to 34% based upon past distribution (2011 – 2019)
All scenarios assume an additional 5 year flexibility margin as per HEDNA assumption

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

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

Note: * Rugby's distribution of identified Coventry & Warwickshire wide strategic need amounts to 34% based upon past distribution (2011 – 2019)
All scenarios assume an additional 5 year flexibility margin as per HEDNA assumption

10.21 As demonstrated by the market evidence presented within this Report, there exists a significant level of unmet occupier demand for industrial floorspace within Rugby, and it is essential that this demand is not constrained by a limited supply of potential sites.

10.22 There is also a growing need to ensure there is a sufficient supply of sites to meet replacement stock requirements arising from aged stock that is no longer fit for purpose. Furthermore, it is

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

10.23 In addition, analysis of Coventry's stated employment land position from its Issues and Options Local Plan consultation early this year demonstrates that it is unable to meet its own general industrial needs leading to a shortfall of at least 87ha, which will have to be met elsewhere by 2041.

10.24 On this basis it is reasonable to assume that Coventry is also unable to meet its strategic warehousing needs, and as such it may also be appropriate that Rugby plans to meet that unmet need. Various scenarios demonstrate that Rugby and Coventry's combined strategic warehouse need equates to approximately 43% of the Coventry and Warwickshire share. On this basis, and without accounting for more recent completions, it is reasonable to assume based upon evidence within the HEDNA that Rugby should plan to meet a proportion of what we consider will amount to Coventry's strategic needs amounting to approximately 45ha by 2041, increasing to 60ha by 2050

Summary

10.25 As detailed within this assessment there are a number of components which make up Rugby's industrial employment land needs, including general (non-strategic) industrial requirements, a proportion of Coventry and Warwickshire's strategic warehousing needs, and a potential requirement to meet Coventry's unmet strategic and non-strategic employment land needs. We calculate Rugby's industrial land requirements to total at least 337.5ha to 2041, and 468.2ha by 2050.

10.26 The Draft Local Plan Review asserts that it has a supply of 145ha of industrial land. However, reference to the Amr 2022/2023 confirms planning permissions (yet to be under construction) to be 19ha short of that assumed in the Draft Local Plan.

10.27 There remains therefore a significant shortfall to meeting identified future industrial needs. Furthermore, many of the sites relied upon by the Council's as having planning permission or identified completed sites meet a strategic logistics need, highlighting the shortfall in general industrial (non-strategic) sites.

10.28 However, more recent 10 year completion trends indicate identified need to be higher (403ha by 2014 increasing to 547ha by 2050), whilst unconstrained demand forecasts providing by LSH indicate a need for 875ha by 2041 and 1,190ha by 2050. Market evidence provided by Deloitte frames these scenarios in much higher levels of market growth.

10.29 Based upon current take up projections over the last 5 years LSH note there to be only 1.6 years

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

10.30 It is also important to note the findings of the Coventry and Warwickshire Chamber of Commerce Employment Land Report published in 2023. This recommends allocating 20 per cent more land than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land. The CWELR suggests that employment land should be given equal priority to housing land which is currently not a requirement.

10.31 The report also concludes that insufficient employment land has been allocated in the Local Plans in Coventry and Warwickshire historically, and the land which has been allocated has been used up far faster than anticipated. In addition, the report states that establishing future need for employment land based on projections of suppressed past take up rates will always underestimate the true requirement for employment land.

10.32 As a consequence the Council should plan for a significant increase in its employment land supply to account for both general industrial and strategic warehouse requirements, and ensure that demand is not constrained by limited supply.

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

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

Rugby Annual Monitoring Report **2022-2023**

Employment Land Overview (hectares)

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

Employment Land - Completions

2022-2023

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

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

Employment Land - Under Construction (U/C)

2022-2023

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

Approved Planning Applications for New Employment Uses

Approved 2022-2023

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

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

Total App 22/23*	38,559	14.62	

*does not include Reserved Matters as these will have been counted at Outline Stage (final figure for site accounted for when complete)

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

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

Policy ED1: Protection of Rugbys Employment Land (hectares)

Reference Number	Use Class	Loss Approved
R22/1309	B2	0.11

Completions against Coventry's Need (hectares)

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

Employment Land on Local Plan Allocations (hectares)

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

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

Year	Ref	Decision	Site	Use	Size ha	Rugby ha	Coventry (unmet needs) ha
2011/12	-	-	-	-	0		
2012/13	-	-	Unit DC2 - Prologis Ryton (ref in 2013/14 AMR)	B8	6.7		6.7
2013/14	R11/0246	27/06/2011	Zone C (Plot 1) Central Park	B2	2.4	2.4	
2013/14	R13/0440	20/05/2013	Unit DC4 - Prologis Ryton (Site B),London Road (A45)	B2/B8	3.6		3.6
2013/14	R13/1359	28/08/2013	Unit DC5 - PrologisRyton (Site B), London Road (A45)	B2/B8	3.4		3.4
2014/15	R11/1918	05/09/2013	Zone B, Central Park	B1/B2	1.5	1.5	
2014/15	R13/1645	15/11/2013	Rolls Royce / University of Birmingham HTRC,Zone 4 Ansty Park	B1	2.0		2.0
2014/15	R13/1591	23/10/2013	MTC Aerospace, Zone 5 Ansty Park	B1	1.9		1.9
2014/15	R13/2311	12/02/2014	RG-1, Rugby Gateway, LeicesterRoad	B8	5.1	5.1	
2014/15	RBC/13CM	23/12/2013	Malpass Farm – First Phase (Eastern ProcessBuilding)	B2	5.0	5.0	
2014/15	R13/0440	20/05/2013	Unit DC3 - Prologis Ryton (Site B),London Road (A45)	B2/B8	4.8		4.8
2014/15	R13/1088	23/12/2013	Unit DC6 - Prologis Ryton (Site B),London Road (A45)	B2/B8	13.4		13.4
2015/16	R12/0190	21/03/2014	MTC Academy,Zone 3/4 Ansty Park	B1	3.0		3.0
2015/16	R14/1703	27/10/2014	RG-4 Rugby Gateway,Leicester Road	B8	4.1	4.1	
2016/17	R15/1463	29/10/2015	RG-2 Rugby Gateway,Leicester Road	B8	6.1	6.1	
2016/17	R15/1467	21/10/2015	RG-3 Rugby Gateway,Leicester Road	B8	4.3	4.3	
2016/17	R15/1453	29/09/2015	RG-5 RugbyGateway, Leicester Road	B8	16.0	16.0	
2016/17	R14/2343*	24/02/2015	London TaxiCompany, Zone 6 Ansty Park	B2	8.7		8.7
2016/17	R14/0491*	30/04/2014	Unit DC1 - Prologis Ryton,London Road (A45)	B2 / B8	3.4		3.4
2016/17	R14/0217*	17/02/2015	Unit DC7 -Prologis Ryton, London Road(A45)	B2 / B8	6.7		6.7
2016/17	R15/1623	10/09/2015	Zone C (Plots 2 and 3) CentralPark, Castle Mound Way	B2 / B8	6.2	6.2	
2017/18	R17/1827	28/12/2017	Royal Mail Rugby Delivery Office, MillRoad, Rugby.	B8	0.4	0.4	
2017/18	R15/0394	02/11/2015	Land at Zone 2 Ansty Park,Airfield Drive.*	B1, B2 & B8	2.9		2.9
2018/19	R18/0981	28/08/2018	Ansty Park, Land at Zone One,Airfield Drive, Rugby, CV7 9DR	B1	1.7		1.7
2018/19	R15/0984	05/05/2015	Britvic Soft Drinks Ltd, Aventine Way, Brownsover,Rugby.	B8	1.0	1.0	
2018/19	R18/0523	28/09/2018	Unit 1, Central Building, Parkfield, Newbold, CV211QJ	B8	0.4	0.4	
2019/20	R17/1829	-	Meggitt, Rolls Royce, Ansty Aerodrome, Combe Fields Road, Coventry, CV7 9JR	B2	26.0	**	
2019/20	R17/1367	-	Stepnell Ltd, Lawford Road, Rugby, V21 2UU	B1/B2/B8	5.1	5.1	
2020/21	R19/1105	-	Dollman Farm, Houlton, Rugby, CV23 1AL	B1	Unknown		
2020/21	R19/0072	-	Unit 1, Parkfield Business Park, Rugby Western Relief Road, CV21 1QJ	B8	0.4	0.4	
2021/22	R19/1512	-	Rolls Royce, Coombe Fields, Coventry, CV7 9JR	B1a/ B1b	2.1	2.1	
2022/23	R17/2019	-	Former Peugeot Site C (Prologis Park), Oxford Road, Ryton, CV8 3EA	B2, B8	16.7		16.7
2022/23	R20/1026	-	Tritax Symmetry, Land North of Coventry Roa, Thurlaston	B1a, B8	5.5	5.5	
2022/23	R21/1165	-	Rolls Royce, Ansty Aerodrome, Combe Fields Road, Coombe Field, Coventry, CV7 9JR	B2, B8	6.4	6.4	
2022/23	R20/0919	-	Land on west side of A5, Watling Street, Clifton Upon Dunsmore, Rugby, CV23 0AJ	B1a	2.0	2.0	
Total					**178.8**	**74.1**	**78.7**
Total (B1b/B2/B8 plus B1 where mixed use)					**168.1**		
Total 2013/14 to 2022/23					**172.2**		
Total (B1b/B2/B8 plus B1 where mixed use) 10 years 2013/14 to 2022/23					**161.5**		

** not counted against requirement as replacement

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STOFORD PROPERTIES LTD

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

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APPENDICIES

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

1. INTRODUCTION & KEY CONCLUSIONS

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

1.2 The note also compares the findings of these two reports with previously prepared evidence, with a particular focus of logistic floorspace need.

Key Findings of WMSESS and Alignment Paper

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

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

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

1.3 By way of comparison the Coventry and Warwickshire HEDNA, 2022, identified general industrial needs of 622ha by 2041, in addition to 551ha of strategic B8 need. By 2050 it forecast general industrial need of 902ha by 2050, in addition to 735ha of strategic B8 need. General industrial need within Rugby totalled 150.5ha by 2041, and 218.2ha by 2050. The HEDNA did not account for supply.

1.4 Evidence prepared by Marrons and LSH (submitted by Stoford Properties Ltd in early 2024 to RBC) demonstrated a need of between 547ha and 1,190ha within Rugby Borough alone over the period to 2050, significantly exceeding the aforementioned need.

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

1.6 We attempt to summarise those most critical issues to the assessments of need below, but provide further detail in the following sections of this note.

Key Concerns/ Limitations of WMSESS

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

specific localities.

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

   a) Scenarios – inconsistent application of assumptions:

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

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

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

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

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

d) Recycled site assumption reducing need by c.20% - significantly greater than the difference between gross and net completions (indicative of re-use) amounting to c.8%.

e) Reliance on supply designated for specific operator/ use not modelled within need assessment. Of the 655/656ha of identified supply relied upon in the WMSESS to meet Coventry and Warwickshire's needs, some **+224.7ha** is intended to meet need not modelled within the WMSESS (paragraph 10.60).

3. A generic plot ratio of 0.35 on the gross developable area (i.e 35% of the site will be built out) has been assumed in the WMSESS in determining road based need, whilst accepting that rail based delivery is better suited to a plot ratio of 0.25 [1].

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

Key Concerns/ Limitations of Alignment Paper

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

[1] Paragraph 10.2 of WMSESS

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

2. As detailed above, whilst the WMSESS made a downward adjustment to strategic floorspace need of 25% to account for strategic needs which might be met on non-strategic sites, the Alignment Paper only provides for an upward adjustment to non-strategic needs of 148ha within C&W, some **+130ha to 210ha** short of the 25% equivalent upward adjustment required to balance the calculation.

3. There is a clear discrepancy in the level of non-strategic needs calculated within the C&W HEDNA and the latest figures within the Alignment Paper, despite both seemingly drawing upon past completions – however insufficient detail is provided to recreate the calculation.

4. No explanation of where the non-strategic supply figures used in the Alignment Paper's calculations have been derived, or what sites they encompass.

5. The Alignment Paper carries forward the WMSESS supply figures, which include 2 x sites within C&W which do not assist in meeting modelled need (JLR and Battery Manufacturing sites = 224.7ha). As such the strategic supply figure for Coventry and Warwickshire of 656ha[2] should be reduced by **+224.7ha.**

6. The Alignment Paper goes on to make a further supply reduction for Padge Hall Farm, despite this site not falling within an opportunity area. Further the site is intended to meet the needs of an occupier relocating from Hinckley – as with the JLR site, the Padge Hall Farm site does not seek to meet WMSESS

[2] As set out in Appendix 1 of the Alignment Paper

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

Implications to Identified Future Industrial Need

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

1. The WMSESS and Alignment Paper appear to significantly underestimate the need for strategic floorspace, as well as non-strategic floorspace (within Coventry and Warwickshire).

2. Neither of the preferred strategic need scenarios build in suppressed demand – estimated to increase demand by between **+446ha and +2,099ha** over the period to 2045 (figure not available for C&W in isolation).

3. Whilst the WMSESS makes a 25% downward adjustment to strategic needs (assumed to be met on non-strategic sites). Within C&W the Alignment Paper does not make a full compensatory adjustment leaving an unaccounted shortfall of between **+130ha and +210ha** of strategic needs.

4. Reliance on a plot ratio of 0.35 (applied to the gross developable area) may constrain growth if sites are not capable of being developed at such a high plot density. A sensitivity test using a plot ratio of 0.25 (as applied to strategic rail freight) demonstrates that within C&W the need for additional sites would increase by between a further **+333ha and +406ha**.

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

6. The Alignment Paper's calculation of non-strategic needs within C&W appears inconsistent with those in the 2022 HEDNA – noting that insufficient detail is provided to recreate the calculation.

7. The WMSESS and Alignment Paper incorrectly assume that the JLR site and Battery Storage Site will help to meet modelled needs (despite accepting that they will not in para 10.60 of WMSESS). This would have the effect of reducing supply within C&W by **+224.7ha** (and increasing residual need by the same amount).

8. The Alignment Paper also assumes a site intended for an occupier relating from Hinckley and Bosworth (Padge Hall Farm) will assist in meeting modelled need. Excluding this site, for the same reasons given paragraph 10.60 of the WMSESS would reduce identified supply in the Alignment Paper by **+64ha** (and increase residual need by the same amount).

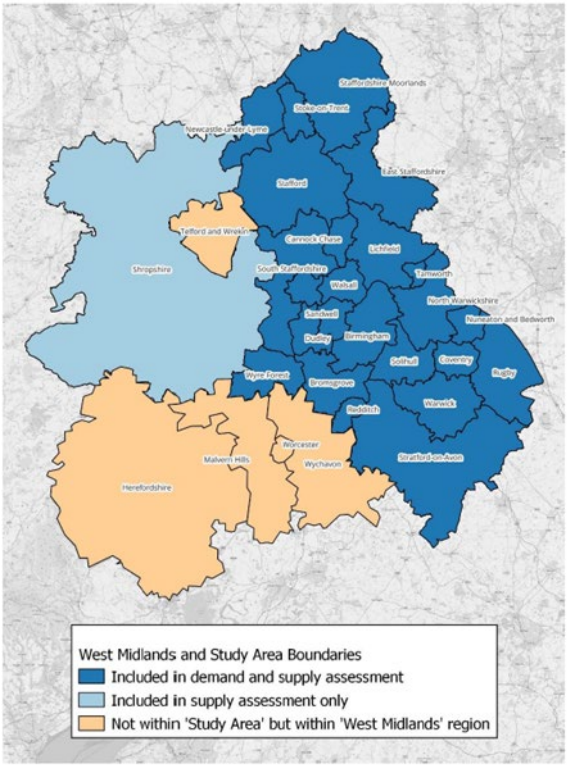
1.8 In the context of the residual strategic need identified within Coventry and Warwickshire totalling 136ha to 311ha by 2045, and 9ha to 84ha across Opportunity Area 7 (Rugby and Coventry) the levels of additional residual need identified above are significant, and raise doubt over the robustness of the evidence, or at the very least a real risk that adopting the levels suggested in the Alignment Paper will significantly constrain economic growth.

1.9 Adjusting the calculations within Coventry and Warwickshire simply to account for errors in the calculation of need (balancing the 25% adjustment for strategic need on non-strategic sites (+130ha to +210ha); and applying the correct pro-rata adjustment to 2021 (+30ha), as well as excluding supply that will not assist in meeting modelled need (+288.7ha) would increase residual needs by a further +448.7ha and 528.7ha. Providing for suppressed need and/ or a more realistic plot ratio would further increase residual strategic need.

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

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

Figure 2.1. West Midlands Study Area



Source: Fig 2.1 WMSESS

2.2 The WMSESS brief is said to be as follows:

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

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

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

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

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

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

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

2.7 Table 4.3 assesses the overall change in strategic floorspace over the 10 year period to 2022 within each of the three broad areas within the region. This shows that whilst by volume of floorspace both Birmingham and Staffordshire broad areas individually have a greater share of the market than Coventry and Warwickshire, Coventry and Warwickshire has experienced the greatest rate and volume of growth over the 10 years to 2022 (+1.2m sq m). The 41% rate of growth experienced is almost double that experienced by either Birmingham or Staffordshire, and the increased strategic floorspace growth within Coventry and Warwickshire over this 10 year period amounts to 45% of growth across the whole region.

2.8 Further, when comparing to the equivalent table summarising recent take up of logistics floorspace (Table 4.7) it is clear that over the 5 year period to 2022 Birmingham has been the key focus for growth in manufacturing, whilst the majority of floorspace growth in logistics has been in Coventry and Warwickshire.

2.9 Note that there is a notable illogical difference in the level of strategic floorspace change reported over the 10 year period 2012 – 2022 (Table 4.3) totalling +2,848,217 sq m across the West Midlands, compared with a figure of +3,035,292 sq m over the shorter 5 year period 2018 – 2022 (Tables 4.5 & 4.7 combined). This is likely a result of the 10 year calculation assessing net change, compared to the 5 year figures reflecting gross take up, but this is not immediately clear from the report.

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

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

Source: WMSESS Table 4.5 and 4.7

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

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

2.11 Rent for strategic logistics floorspace have been consistently higher in the Coventry broad area, compared to the other two broad areas, and UK average. Coventry's logistic rental average stood at £8 per sq ft in 2022, after consistent growth since 2014. The WMSESS considers that the significant rate of rental growth is reflective of high demand and a shortage of supply. A similar comparison of manufacturing rents across each of the three broad areas were lower than the UK average, noting that Coventry broad area remained the strongest of the three (£7.25 per sq ft in 2022), demonstrating the relative demand for floorspace, and noting a similar trajectory of growth since 2014.

2.12 The WMSESS concludes its assessment of market dynamics by referencing that vacancy rates are at an all time low, with rents consistently increasing over the past 10 years, indicative of strong demand, with current availability of supply limited to 0.99 years, which helps to emphasise the seriousness of the situation and the need to plan for greater levels of strategic floorspace, and the extent of suppressed demand which may exist.

2.13 **Commitments and allocations** – the WMSESS identifies a series of commitments by local authority totalling 1,305 ha (based upon sites >25ha and extensions of strategic sites) as at April 2022. However, this figure is significantly skewed by a number of large sites, including three sites which collectively comprise over 500ha - including 298ha at the West Midlands (Rail Freight) Interchange (South Staffs); 100ha Jaguar Land Rover (Stratford on Avon) (which whilst allocated does not benefit from planning permission); and 127ha for battery manufacturing at Coventry Airport. These sites have the effect of distorting the overall supply position.

Within the Coventry broad area identified strategic commitments, as detailed in Section A3 of the WMSESS total 655.1ha, and are as follows (as at April 2022):

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

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

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

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

Establishing future need

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

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

2.18 **Completions (need for sites)** – strategic floorspace completions data over the 11 year period between 2011/12 and 2021/22 totals 3,935,475 sq m, averaging 357,770 sq m per annum and 102ha (plot ratio 0.35). Extrapolated over the period 2022 – 2045 this equates to 2,351 ha across the West Midlands.

2.19 It is important to note that these figures are supply constrained, and as such do represent the market demand over this period.

2.20 **Net Absorption (need for sites)** - WMSESS confirms, drawing on data from CoStar, that average net absorption for large scale industrial and warehouse units between 2011 and 2022 across West Midlands was 328,293 sq m per annum, equivalent to 94 ha. Over the period 2022 – 2045, projected forward this equates to 2,157 ha. Importantly para 9.4 acknowledges that net absorption mask gross demand for new stock.

2.21 The WMSESS anticipates that that manufacturing demand will be steady whilst population growth, changing business functions and shopping habits will continue as drivers for e-commerce. It considered that the demand rate post pandemic is now stabilising towards the pre pandemic rate. In the longer term (post 2030 to 2040) it considers that there is uncertainty on where demand will stabilise with potential levelling off of online retailing but it considers that this would need to be reviewed in future evidence base updates. Some caution should be expressed over the reliance upon past trends.

2.22 **Need for Sites, Conclusion and Requirements by type and size** – the WMSESS considers the following the above calculations there is a need for adjustment to account for:

- suppressed demand;
- margin for flexibility;
- relationship between strategic units and strategic sites; and
- recycling of sites.

2.23 The WMSESS calculations assume a plot ratio of 0.35 for road based and 0.25 for rail based services, which is considered reasonable. Rightly however it considers that there may be instances where these ratios are lower taking into account specific landscape issues or accommodating biodiversity net gain. The consequence of this being that the numbers presented within the WMSESS in respect of the needs for

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

2.24 Suppressed demand – the WMSESS measures this through the rate of availability of floorspace. The WMSESS tests this based on a low scenario (assuming availability of 5%) and a high scenario, as advocated by Savills research (assuming availability of 8%).

2.25 The WMSESS favours incorporating availability based upon the low scenario – however, given the intended nature of the exercise in forecasting future demand for strategic floorspace, it would seem reasonable to base calculations on what is termed the high scenario, but is Savills preference given their knowledge of the market.

2.26 The average annualised suppressed demand is rolled forward over the planned period (multiplied by 23) to provide a 'top-up' of:

- 1.6 million sq. m or 446ha of need under the 'Low' scenario (5% availability) and
- 7.3 million sq.m or 2,100 ha under the 'High' scenario (8%)

2.27 The WMSESS only considers suppressed demand in the context of a net absorption based forecast, however it is important to recognise that these figures are in equally as relevant to a forecast based upon past completions.

2.28 As stated above the WMSESS favours the calculation of suppressed need equating to 446ha. Had it incorporate the high scenario (2,100ha) this would add a further 1,654ha of need.

2.29 Notwithstanding, it is clear that an error has crept into the WMSESS in respect of the application of the favoured low scenario (+446ha). Reference to Table 10.1 confirms that the low scenario equates to suppressed demand of 1,562,523 sq m, whereas the level of suppressed demand applied to the net absorption low scenario in Table 10.3 totals only +319,379 sq m. This figure is in fact the annualised level of suppressed demand associated with the high scenario as set out in Table 10.1. As a consequence the total floorspace associated with the low scenario in Table 10.3 should equal 9.1m sq m, and the equivalent land take show in the proceeding Table 10.4 should total 2,604ha, as opposed to 2,249 ha.

2.30 Margin for flexibility – the WMSESS incorporates a margin for flexibility equivalent to 5 years of completions in the study area equivalent to 1.8 million sq m. Based upon a plot ratio of 0.35 we calculate this to total 514ha.

2.31 The WMSESS goes on to present a summary of its various need scenarios as set out in the extracted tables below. As detailed above, an error has crept into the net absorption low scenario, whereby an incorrect suppressed demand has been applied – as a consequence the need associated with this scenario, and shown in Figure 2 (Table 10.4) below should, we believe, total 2,604ha as opposed to the reported figure of 2,249ha.

2.32 Table 10.3 WMSESS (extract below) sets out the floorspace calculations underlying the above, and it is clear that whilst a margin of flexibility has been applied to the MDST and Completions scenarios, it has not been applied to the net absorption scenarios. Similarly, whilst the net absorption scenarios account for suppressed demand, the completions scenario does not (despite the fact that it is similarly derived from past trends). The allowance for a margin of flexibility and separately suppressed demand are complementary and do not in any way double count – it is therefore unclear why the analysis would appear to exclude these elements from certain scenarios.

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

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

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

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

Source: Iceni Analysis

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

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

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

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

2.36 **Relationship between strategic units and strategic sites** – the WMSESS draws on CoStar data in assessing the proportion of strategic units located on non strategic sites (36% since 2000). The WMSESS concedes, based on shareholder feedback in paragraph 10.29 that because of the high demand and shortage of supply, an increasing amount of strategic units are being built on sub optimal, non strategic sites.

2.37 Despite this it goes on to make a reduction of 35% (paragraph 10.30) to the forecast strategic floorspace need for strategic sites. Separately, the WMSESS makes a positive adjustment of +10% to provide for smaller units on strategic sites. As a consequence Table 10.8 appears to make a net reduction of 25%.

2.38 Notwithstanding the rationale behind this adjustment, it is essential that an equal and compensatory upward adjustment is made to non-strategic site needs – however as we detail below the Alignment Paper does not make such an adjustment, instead only increasing non-strategic need by c.10 – 13%, whereas an upward adjustment would be required to full account for need.

2.39 **Recycling of sites** - The WMSESS confirms a need to replace older stock, which it considers is an important driver of demand, and that those existing strategic sites yield opportunities for redevelopment. It considers that newer stock will have a 40+ year lifespan, but the majority of current stock needs replacing approximately every 30 years. As such it considers that stock built pre 2015 (at the end of the study period 2045) will need replacing.

2.40 As a consequence the WMSESS assumes an adjustment of 20% which applies to all large units on strategic and non-strategic sites in respect of the MDST scenario, albeit it goes on to note that there is considered to be a greater probability of on-site recycling at strategic sites – there is only 4.2 million sq m of strategic floorspace location on existing strategic sites. Furthermore, of this figure only 2.7m sq m was built prior to 2015 – the cut-off date implied by WMSESS.

2.41 Despite this the 20% downward adjustment made by the WMSESS amounts to 2.2 million sq m, more than half of the current strategic floorspace on strategic sites. In addition, and in respect of the MDST scenario, the WMSESS makes a further

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

2.42 The implausibility of this adjustment is demonstrated by a comparison of the gross completed strategic floorspace as reported in the WMSESS over the period 2011-2022 (3.9m sq m), and net absorption over the same period (3.6m sq m – paragraph 9.6). Net absorption represents net additional floorspace, and as such the difference in these numbers amounts to the amount of recycled floorspace – some 300,000 sq m, or 8%.

2.43 The following table, an extract of Table 10.8 of the WMSESS summarises the above calculations based upon the two recommended scenarios.

2.44 In respect of the MDST scenario, after making an initial deduction for recycled sites of 20% resulting in a need of 3,354 ha, the WMSESS makes a further 25% reduction on the assumption that 25% of strategic floorspace will be met on non-strategic sites (<25ha). A further recycling downward adjustment is made of 190ha resulting in a residual need for strategic floorspace on strategic sites (>25ha) of 1,848 ha. This figure is then apportioned between rail and road.

2.45 In respect of the equivalent Completions Scenario, the forecast need figure is reduced by 25% to account for the assumption that 25% of strategic floorspace will be met on non-strategic sites. A further downward adjustment of 390 ha is made on the assumption that this need will be met on recycled sites, leaving a residual need of 1,555 ha. As above, this figure is apportioned between road and rail.

2.46 As detailed above there appears to be no rationale for not applying the suppressed demand calculation to the Completions scenario (when it has been applied to the net absorption scenario), which would have the effect of increasing need within this scenario by between 446ha and 2,099ha – substantially increasing stated need.

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

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

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

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

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

2.48 The WSMESS makes a series of assumptions and adjustments, which at each stage have the effect of substantially reducing strategic floorspace needs. No sensitivity analysis is undertaken to test the impact of each assumption, and the risk of underestimating need – the effect of which would be to exacerbate existing market pressures.

2.49 The WMSESS and Alignment Paper are both technical assessments yet do not contain the detailed underlying data informing many of the assumptions. As such it is difficult to establish the provenance of many of the assumptions, and where clear issues exist, why they have occurred.

2.50 In establishing the current shortfall in supply, the WMSESS deducts commitments totalling 1,305 ha. For the reasons identified above, this figure potentially over inflates supply through the inclusion of a number of large sites intended for occupation by known operators (such as JLR) or for a specific purpose (battery manufacturing for example), meaning they are not available to the open market, and there need falls outside of that reflected in the WMSESS methodology. We address commitments relating to the Coventry and Warwickshire functional economic market later within this note.

2.51 In meeting the shortfall in supply the WMSESS goes on to set out the requirement for additional sites. In respect of rail based need the WMSESS considers that in the medium term the West Midlands Interchange will fulfil need, at least until 2030, albeit it confirms that if a further rail freight interchange does not materialise then the residual rail need will need to be met at road based sites with good accessibility to existing strategic rail freight interchanges, known as satellite sites. Based upon the WMSESS calculations this would amount to be 67ha and 135ha of need (albeit with an appropriate plot ratio adjustment).

2.52 In respect of road based need the WMSESS identifies a need for between 548ha and 841ha (notwithstanding the concerns we raise above). Based upon a need for sites >50ha the WMSESS considers there to be a requirement for between 11 and 17 sites, albeit noting that site size will vary, influencing the number of sites required.

2.53 The WMSESS also considers that around 30% of supply will be required by manufacturing and 70% by logistics, based on ratios of stock, take up and market sentiment, equating to around 500-600ha of manufacturing need, and 1,100 to 1,300 ha of logistics need (before accounting for commitments). In respect of the quoted committed supply (1,007ha road based), 418ha comprise strategic manufacturing sites.

2.54 Paragraph 10.60 rightly concedes that a significant portion of the supply is earmarked for specific use (JLR 100ha, and Coventry Airport 127ha for battery manufacturing only). The WMSESS rightly points out that these demands would not be reflected in any modelled need from past trends, but are rather inward investment.

2.55 This, it considers, reduces the general B2 supply to 191ha and as such the residual need in manufacturing rises to around 300-400ha. Whilst we agree with this assertion, the two sites combined appear to total 224.7ha, which should instead be deducted from the supply figure. It is also important to note that both sites are located within the Coventry and Warwickshire functional economic market area. Critically, and despite the WMSESS conceding that they should not form part of the supply calculations in addressing identified strategic need, paragraph 12.20 sets out the assumptions in determining the residual need and includes both sites in the total stated supply of 1007ha. Furthermore, the Alignment Paper continues to assume that both sites will contribute to supply against stated need.

2.56 Paragraph 10.64 goes onto deal with logistics need/ supply, however it refers to an overall logistics need of 676ha to 994ha. This differs to the range of 1,100 to 1,300ha given in paragraph 10.56, and appears to be written in error. Notwithstanding paragraph 10.64 refers to a broad supply of 589ha (of which 30% may be required for manufacturing). The WMSESS concludes that there is a considerable shortfall in space following several years of high demand.

2.57 In recommending the quantum and distribution of additional sites, the WMSESS outlines the potential for 13-23 sites totalling between 575ha and 975ha of supply. It states in paragraph 12.21 that this compares to a road based shortfall of up to 841ha. The figure of 841ha appears to be derived by deducting what was considered to be a committed road based supply of 1,007ha (which as stated above includes the two sites which should have been excluded from the supply calculation), from the road based need of 1,848 ha (note the slight discrepancy in quoted need figure relative to

Table 10.8 of the WMSESS).

2.58 Notwithstanding our stated concerns over the calculation of need, the WMSESS conceded in chapter 10 (paragraph 10.60) that two of the committed sites will not meet modelled need, and as such should be excluded, reducing supply by 224.7ha. This has the effect of increasing the shortfall from 841ha to 1,066 ha – meaning that the WMSESS falls short of allocating sufficient needs through the sites/ locations identified.

2.59 Within Area 7 covering Coventry and Rugby the WMSESS identifies a need for between 1-2 for B8/ mixed use (totalling 50 – 100ha) and 1-2 sites for B2 use (totalling 25 – 50ha). However, the Coventry Airport battery manufacturing site totals 124.7ha, which should be excluded from the supply calculations, therefore adding a further equivalent supply requirement to Area 7.

2.60 Importantly paragraph 12.24 confirms that the results of opportunity area analysis are indicative and not intended to pre-empt any Local Plan processes.

2.61 We undertake a more detailed review of the implications to Coventry and Warwickshire, and specifically Rugby in the following section drawing on the C&W HENDA Alignment Paper.

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

3.1 The Alignment Paper, published in September 2024, was commissioned by Rugby Borough Council (RBC) on behalf of the Coventry and Warwickshire local planning authorities (Rugby, Coventry, North Warwickshire, Nuneaton & Bedworth, Warwick and Stratford-on-Avon). It is intended to consider the relationship between the employment land need recommendations in the WMSESS and the Coventry and Warwickshire Housing and Economic Development Needs Assessment (C&W HEDNA) 2022.

3.2 The Alignment Paper gives the WMSESS primacy, given its pan regional coverage, and the overlap between large manufacturing requirements and strategic site requirements; and more detailed consideration given to need based factors and opportunity areas.

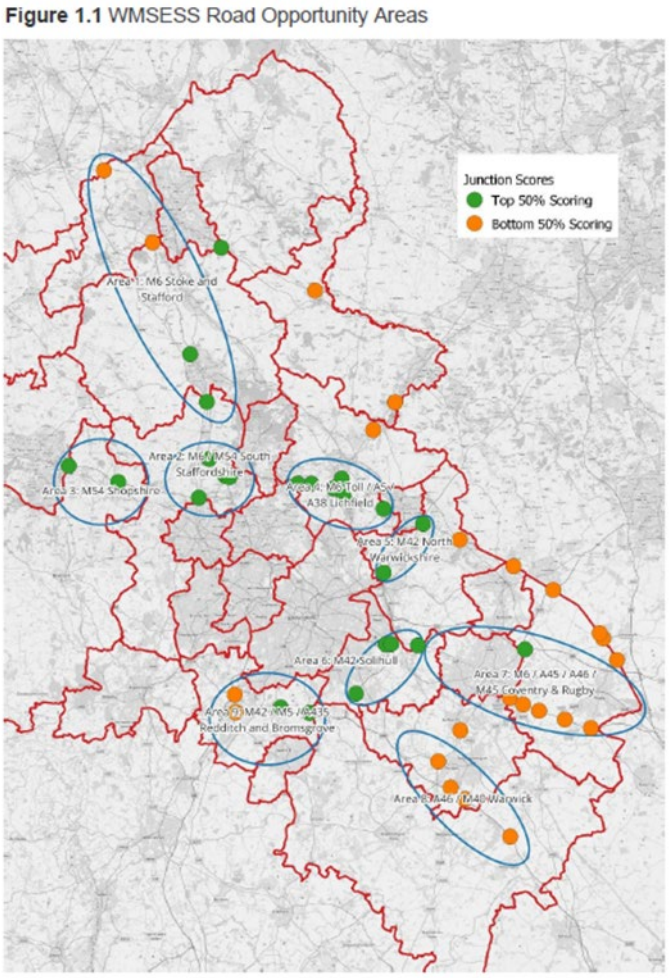
3.3 The Alignment Paper is said to address overlap between the two assessments, and provide aligned outputs on employment land needs over a consistent time scale.

3.4 The HEDNA concluded upon a need for 621.9ha for general industrial (non strategic) to 2041 (increasing to 901.8ha to 2050). The equivalent figures for RBC were 150.5ha and 218.2ha respectively. Separately, a need for strategic B8 development totalling 551ha to 2041 (increasing to 735ha to 2050) was identified across Coventry and Warwickshire (the HEDNA did not distribute this need).

3.5 The WMSESS identifies a number of areas of opportunity where strategic employment sites should be considered. Three areas of opportunity fall within Coventry and Warwickshire as follows:

- Area 5 - M42 - North Warwickshire
- Area 7: M6 / A45 / A46 / M45 - Coventry, Rugby, Nuneaton and Warwick
- Area 8: A46 / M40 - Warwick and Stratford-on-Avon

Figure 3.1 Extract from WMSESS – Opportunity Areas



3.6 The Alignment Paper confirms that each Opportunity Area was apportioned a proportion of the residual strategic site needs for both B8 and manufacturing occupiers (after accounting for commitments).

3.7 Across the three Opportunity Areas, the WMSESS identifies a residual need of between 200 and 375ha. Of this range, so 150 – 300 was identified for strategic B8/ mixed use, whilst 50 – 75ha was identified for B2 use. This is summarised in the following table extract.

Table 3.1 WMSESS Recommended Additional Strategic Site Provision 2022 – 2045

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

Source: Table 2.4 of Alignment Paper

3.8 Within Area 7, encompassing parts of Coventry and Rugby the WMSESS identifies a residual need of between 50 – 100ha of B8/ mixed need, and 25-50ha of B2 need 2022 – 2045.

3.9 The Alignment Paper then seeks to re-align the WMSESS study period (2022 – 2045) to that of the C&W HEDNA (2021 – 2045). It does this, by making a pro-rata adjustment to the residual supply, and then deducting a completion of 30ha that occurred in 2021/22.

3.10 It is not entirely clear why this is necessary, particularly as the year 2021/22 forms part of the past completion/ net absorption calculation in the WMSESS. Nonetheless, the calculation itself does not make sense.

3.11 Firstly there is an error in the pro rata calculation in Table 3.2. The average need per annum of 7.4 – 13.9, is said to be based on a pro rata of the residual need of 200 – 375ha over a 23 year period (2022 – 2045) which actually equates to 8.7 – 16ha. This is subsequently addressed in an Alignment Paper Addendum (Table 3.2). This confirms that the rebased strategic residual need 2021 – 2045 totals between 209 – 391ha, an increase of 32ha above that set out in the Alignment Paper.

3.12 However, in correcting this calculating in the Alignment Paper Addendum, Table 3.3 appears to make an incorrect calculation by deducting supply of 30ha to the gross

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

3.13 A more transparent method of calculating rebased need over the extended period from 2021 would first be to establish gross need (rather than residual need) within C&W over the period 2022 – 2045. Over the period 2022 – 2045 the WMSESS considers there to be commitments totalling 656ha after which there is determined to be a residual need of 200 -375ha. As such, , it can be deduced that the WMSESS determined there to be a gross strategic need of between 856 and 1,031ha over the period 2022 – 2045. A pro rata of this figure (37ha to 45ha) would suggest the gross need over the period 2021 – 2045 (an additional year) would total between 893 - 1,076ha across C&W, not the figure of 833 – 1,015ha set out in the Alignment Paper or the revised figure of 835 – 1,017ha as reported in the Alignment Paper Addendum. As a consequence gross strategic sites need is +60ha greater than that reported in the Alignment Paper.

3.14 After accounting for planned reported supply of 656ha within the WMSESS and deducting the additional completion of 30ha reported by the Alignment Paper for 2021 (albeit the Alignment Paper Addendum raises doubt over whether this should be included), a corrected gross need figure of between 893ha – 1,0776ha reduces to a residual need of 207 – 390ha, some +30ha above that reported in the Alignment Paper (being 177 - 359ha – Table 3.2). Whilst this is similar to the residual need reported in the Alignment Paper Addendum of 209 – 391ha, importantly it corrects a miscalculation of gross need within the Alignment Paper/ Addendum's calculation over the period 2021 – 2045.

3.15 It is also important to note that the WMSESS reduced strategic needs to be accommodated on strategic sites >25ha by 25% - a blanket assumptions over the WMSESS study area which assumed that the remaining 25% of strategic needs could be met on non-strategic sites. However, in adjusting for this within the non-strategic site calculations in the Alignment Paper, a local adjustment is made – adding only an additional 148ha to non-strategic sites (to account for strategic need) by 2045.

3.16 Assuming the strategic needs to be met on strategic sites within Coventry and Warwickshire (quoted in the Alignment Paper as totalling 833 – 1,015ha) amount to 75% of total strategic need, the WMSESS assumed that 25%, between some 278ha and 358ha of strategic needs would be met on non-strategic sites.

3.17 By making a local adjustment of only 148ha the Alignment Paper has not fully

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

Non-Strategic Needs

3.18 Separately, the Alignment Paper assesses non-strategic site needs. It does this by applying the average gross completion trends for the period 2011/12 – 2023/24 (2022/23 for SoA). This method compares to the 2022 HEDNA which used gross completions data for 2011/12 – 2019/20.

3.19 The C&W Alignment Paper identifies a non-strategic sites need of 424ha (2021 – 2045).These figures are adjusted to account for strategic units located on non-strategic sites (a further 148ha as explained above), increasing need to 572ha across C&W, of which 68ha is within Rugby. The equivalent figure to 2041 totals 492ha, and to 2050 670ha across C&W (and 58.4ha within Rugby to 2041, increasing to 82.1ha by 2050).

3.20 By way of comparison the C&W HEDNA identified non-strategic needs of 621.9ha 2021 – 2041, and 901.8 over the period 2021 – 2050. The difference in reported non-strategic need between the Alignment Paper and HEDNA is more pronounced in Rugby where the C&W HEDNA identified a need 2021 – 2041 of 150.5ha and over the period 2050 218.2ha.

3.21 It is difficult to square the revised calculation of non-strategic needs in the context of the previously published HEDNA – which ostensibly is based on the same calculation underpinned by past completion trends coupled with a margin for flexibility. However, insufficient evidence is published in the Alignment Paper to establish the raw completions data which underpins the calculation.

3.22 As a consequence the Alignment Paper identifies an overall strategic and non strategic need as follows:

- 1,325 – 1507ha (2021 – 2041)
- 1.405 – 1,587ha (2021 – 2045)
- 1,503 – 1,685ha (2021 – 2050)

3.23 However, for the reasons identified above, the need figures identified in the Alignment

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

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

Supply

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

Non Strategic Supply

3.26 In respect of non strategic sites the Alignment Paper converts hectares to floorspace based upon a plot ratio of 0.4. Where the Alignment Paper assesses mixed use sites with an element of offices, it acknowledges that it fails to account for the fact that office uses could occupy the site and assumes that 100% of the site is available for industrial use.

3.27 Table 4.1 of the Alignment Paper summarises the total supply of non-strategic sites across Coventry and Warwickshire to total 244ha, of which 5ha is identified in Rugby and 60ha within Coventry itself.

3.28 Based upon the Alignment Paper's calculation of non-strategic needs, after accounting for supply, there would exist a residual non-strategic need across C&W amounting to 248ha in 2045 (53ha Rugby), 328ha by 2045 (63ha Rugby) and 426ha by 2050 (75ha Rugby). It is not clear where the supply figures have been derived, as they are not detailed in the Alignment Paper, WMSESS or HEDNA.

Strategic Supply

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

3.30 The Alignment Paper makes a further supply adjusted netting off two sites which were not included in the WMSESS, namely Padge Hall Farm (Watling Street) in Rugby totalling 64ha, and Lyons Park – Lyons 106, Coventry estimated to total 2ha. As a result residual need is reduced to 136 – 311ha across C&W, and within the Opportunity Area 7 (encompassing Rugby and Coventry) residual need is reduced from the WMSESS recommendation of 75 – 150ha to 9 – 84ha.

3.31 However, it is important to note that the Alignment Paper attributes Padge Hall Farm to Opportunity Area 7, despite the site not lying within it – it is simply said to align most closely to it. Furthermore, Padge Hall is a cross boundary site (RBC, NBBC and HBBC) with the stated intended occupier relocating from Hinckley. The site therefore clearly serves the needs of the neighbouring functional economic market within which HBBC is located and should not be included within a supply calculation which seeks to meet Coventry and Warwickshire's functional economic market needs. The needs which Padge Hall seeks to meet fall outside of those calculated within the WMSESS. It should not therefore be treated as being capable of meeting needs identified within the WMSESS.

3.32 Furthermore, as detailed in the WMSESS (para 10.60) it is also appropriate to exclude both the JLR allocation of 100ha within Stratford Upon Avon and the battery manufacturing site as Coventry Airport (124.7ha). Both sites falls within Coventry and Warwickshire's functional economic market, and should be excluded from the WMSESS's calculation of supply (totalling 655ha) given its statement in paragraph 10.60. As such it is considered that strategic supply capable of meet identified needs within the WMSESS is actually closer to 432.3ha (i.e. excluding JLR, battery manufacturing site, and Padge Hall Farm).

3.33 Given Coventry Airport's location within Opportunity Area 7 it would seem appropriate to increase residual strategic needs within this opportunity area by a further 124.7ha to account for the fact that the battery manufacturing site will not meet WMSESS 'modelled need' based upon past trends (paragraph 10.60 WMSESS).

4. CONCLUSIONS

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

Key Findings of WMSESS and Alignment Paper

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

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

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

Strategic Sites

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

1. The WMSESS and Alignment Paper appear to significantly underestimate the need for strategic floorspace, as well as non-strategic floorspace (within Coventry and Warwickshire).

2. Neither of the preferred strategic need scenarios build in suppressed demand – estimated to increase demand by between **+446ha and +2,099ha** over the period to 2045 (figure not available for C&W in isolation).

3. Whilst the WMSESS makes a 25% downward adjustment to strategic needs (assumed to be met on non-strategic sites). Within C&W the Alignment Paper does not make a full compensatory adjustment leaving an unaccounted shortfall of between **+130ha and +210ha** of strategic needs.

4. Reliance on a plot ratio of 0.35 on gross developable site areas may constrain growth if sites are not capable of developing at that plot density. A sensitivity test using a plot ratio of 0.25 (as applied to strategic rail freight) demonstrates that within C&W the need for additional sites would increase by between a further **+333ha and +406ha**.

5. The Alignment Paper, and Alignment Paper Addendum make an incorrect pro

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

6. The WMSESS and Alignment Paper incorrectly assume that the JLR site and Battery Manufacturing Site will help to meet modelled needs (despite accepting that they will not in para 10.60 of WMSESS). Exclusion of these two sites would have the effect of reducing supply within C&W by **+224.7ha** (and increasing residual need by the same amount).

7. The Alignment Paper also includes a site intended for an occupier relocating from Hinckley and Bosworth (Padge Hall Farm), however this will not assist in meeting WMSESS 'modelled need'. Excluding this site, for the same reasons given in paragraph 10.60 of the WMSESS would reduce identified supply in the Alignment Paper by **+64ha** (and increase residual need by the same amount).

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

Table 4.1 Strategic Sites Residual Need and Recommended Upward Adjustments

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

Note: n/a data not available for this geography

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

[3] Para 14.12 WMSESS
[4] Para 4.11 Alignment Paper
[5] Para 4.11 Alignment Paper

paragraph 10.60 of the WMSESS).

Table 4.2 Strategic Sites Residual Need and Recommended Upward Adjustments

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

Note: additional supply includes 30ha completions in 2021[6] (Coventry AMR shows 4.04h of this at Whitley Way BP, remainder N Warks); 64ha Padge Hall Farm Rugby; and 2ha Lyons Park Coventry[7]

4.6 In the context of the residual strategic need identified within Coventry and Warwickshire totalling 136ha to 311ha by 2045, and 9ha to 84ha across Opportunity Area 7 (Rugby and Coventry) the levels of additional residual need (resulting from need additions/ or supply deducations identified above are significant, and raise doubt over the robustness of the evidence, or at the very least a real risk that adopting the levels suggested in the Alignment Paper will significantly constrain economic growth.

4.7 Adjusting the calculations within Coventry and Warwickshire simply to account for errors in the calculation of need (balancing the 25% adjustment for strategic need on non-strategic sites **(+130 to +210ha)**; and applying the correct pro-rata adjustment to 2021 **(+30ha)**, as well as excluding supply that will not assist in meeting modelled need **(+288.7ha)** would increase residual needs by a further **+448.7ha and 528.7ha**. Providing for suppressed need and/ or a more realistic plot ratio would further increase residual strategic need.

Non Strategic Site

4.8 The Alignment Paper's calculation of non-strategic needs within C&W appears inconsistent with those in the 2022 HEDNA – noting that insufficient detail is provided to recreate the calculation.

4.9 The Alignment Paper identifies non-strategic sites needs of 572ha by 2045 Coventry and Warwickshire, reducing to a residual need of 328ha (68ha within Rugby reducing to 63ha and 122ha within Coventry reducing to 62ha).

[6] Table 3.2 Alignment Paper
[7] Para 4.12 Alignment Paper

4.10 As a consequence the Alignment Paper identifies an overall gross strategic and non strategic need across Coventry and Warwickshire as follows, however it is important to note that the calculation does not grow strategic needs beyond 2045:

- 1,325 – 1507ha (2021 – 2041)
- 1.405 – 1,587ha (2021 – 2045)
- 1,503 – 1,685ha (2021 – 2050)

4.11 By way of comparison the C&W HEDNA identified non-strategic needs of 901.8 over the period 2021 – 2050, with a further 735ha of strategic B8 need identified over the same period (meaning total need (excl strategic B2 totalled 1,686ha to 2050).

4.12 The difference in reported non-strategic need between the Alignment Paper and HEDNA is more pronounced in Rugby where the C&W HEDNA identified a need 2021 – 2050 of 218.2ha. The non-strategic need over the same period in the Alignment Paper totals only 79.5ha.

4.13 It is difficult to square the revised calculation of non-strategic needs in the context of the previously published HEDNA – which ostensibly is based on the same calculation underpinned by past completion trends coupled with a margin for flexibility. However, insufficient evidence is published in the Alignment Paper to establish the raw completions data which underpins the calculation.

Comparison to Previous Assessments

4.14 By way of comparison we also compare the WMSESS/ Alignment Paper recommendations to the previous HEDNA 2022, as well as scenarios presented by Marrons/ Stoford in its submission to the Rugby Local Plan representations in January 2024.

4.15 To enable comparison the figures shown below are based on a study period 2021 – 2050 – with the exception of the WMSESS strategic site needs calculation which is only assessed over the period to 2045. To enable comparison with the previous HEDNA strategic B8 figure we have also shown as a dwelling per annum figure.

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

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

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

Unmet Need from Surrounding Local Authorities

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

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

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

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

	Local Planning Authority	Site	Allocation / Planning Permission	Description	Decision Date	Land Area (ha) - as per Appendix A1 of alignment paper	Stoford NDA (ha)	Landscape/ SuDS/ Infrastructure area (ha)	Use Class	GIA sqm	GIA sqft	Notes
1	**Coventry**	Land at Baginton Fields and South East of Whitley Business Park	Allocated	Employment Type: B1b&c, B2 & B8		25	15		Mixed			No planning applications. We assume 60% NDA as site is not occuper specific. Local Plan states "This site will help to create an employment hub for the south east corner of Coventry which could help support the longer term expansion of Jaguar Land Rover at Whitley, support the sustainable growth of its supply chain or provide a stand-alone inward investment opportunity."
2	**Rugby**	Tritax Symmetry, Land North of Coventry Road	Allocated site with outline planning permission (R16/2569). Parts of site with full planning permission (R20/1026 & R21/0790 & R22/0803)		Outline - 3/11/20	46.2	33.28		Mixed			The parametres plan accompanying the outline application states that the total deveopable area is 33.28ha.
			R20/1026 Full	Full planning application for the erection of 2 logistics units development comprising a total of 30,435 sqm (327,599 sq.ft.) (measured GEA) of Class B8 floorspace of which 1,817.2 sq.m (measured GIA) (19,560 sq. ft.) comprises Class E(g)(i) ancillary office floorspace (measured GIA) with associated infrastructure including lorry parking, landscaping including permanent landscaped mounds, sustainable drainage details, sprinkler tank pump houses, gas and electricity substations, temporary construction access from Coventry Road, temporary marketing suite and temporary stockpile area for additional soil disposal.	04.05.2021							Unit 1 building and parking boundary – building extends marginally to the south of the parameters plan developable boundary, and 2 van parking bays and edge of the service yard exceed the parameters boundary to the north east corner; and Unit 2 parking boundary – 16 van parking bays associated with Unit 2 extend outside of the parameters plan developable boundary.
			R21/0789	Erection of 50,965 square metre building (GEA, floorspace) within Class B8 with ancillary office; ancillary structures; with associated access roads; servicing yard; car parking and cycle shelter and compound; external plant and access details for the continuation of the spine road north of Northampton Lane; landscaped embankments with landscaping details; the provision for a noise attenuating fence on top of the embankment; security fencing. Approval of reserved matters (access, appearance, layout, scale and landscaping) relating to R16/2569	11.11.2021							Permission not being implemented.
			R21/0790 Reserved Matters	Erection of a building within Class B8 with ancillary office; ancillary structures; with associated landscaping & landscape bund, access roads; servicing yard; car parking and cycle shelter and compound; external plant; acoustic fencing; security fencing. Approval of reserved matters (access, appearance, landscaping, layout and scale) relating to R16/2569. (Alternative scheme).	01.06.2022							Application relates to eastern part of zone D only and NDA is 6.07Ha. In total zone D has permission for a maximum developable area of 16.89ha
			R22/0803 Reserved Matters	Erection of two buildings within Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelter; external plant and access details for the continuation of the spine road north of Northampton Lane and the access road to the east of the site; landscaping details; security fencing. Approval of reserved matters (access, appearance, layout, scale and landscaping) relating to R16/2569.	24.02.2024							Zone C - two buildings for Iron Mountain. Complies with parameter plan.
			R23/0397 Reserved Matters	Erection of one building within Use Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelters; external plant and access; landscaping details; security fencing. Approval of reserved matters access, appearance, layout, scale and landscaping, relating to r16/2569. (Unit 7)	02.08.2023							Complies with parameters plan.
			R23/0877	Erection of two buildings within Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelters; external plant and access; landscaping details; security fencing. Approval of reserved matters access, appearance, layout, scale and landscaping, relating to R16/2569. Units 5 & 6 (Alternative scheme to that approved by R23/0398 to amend haunch height, ridge height, roof form and elevations of Unit 5)	24.10.2023							Complies with parameters plan.
3	**Rugby**	Prospero Ansty	Outline Planning Permission (R19/1540). Parts of site with Full Planning Permission (R19/1512), Under Construction or with Reserved matters (R21/0784)	Erection of two buildings within Class B2 with ancillary office.	15.06.2021	49.4	33		B2			Red line application site is 65.27ha. Circa 33ha is NDA from outline parameter plan. Note that ouline allows for 160,000sqm B1a, B1b, B1c & B2, 20,000sqm B1a & B1b, 250sqm Retail (A1/A3) and 4,500 for hotel.
			R19/1512	Erection of building and use for purposes within Class B1(a) (Offices) of the Town and Country Planning (Use Classes) Order 1987 (as amended), together with ancillary research and development facilities (Use Class B1(b)), staff gym and studio, associated surface and multi-storey car park, cycle parking, access road, service areas, external plant and machinery, drainage, attenuation ponds, landscaping, demolition of existing buildings, ground remodelling and associated works	03.07.2020							
			R21/0784	Erection of three commercial units (Use Class B2) and associated works, including supporting infrastructure, landscaping and re-profiling works for the remainder of Plot 1 (application for approval of reserved matters relating to access, appearance, landscaping, layout and scale against outline planning permission R19/1540 dated 15th June 2021)	29.10.2021							Buildings in plot 1. Limited alterations are required to the approved Parameters Plan to accommodate the completion of Plot 1 (as proposed by this development). This REM application is therefore submitted in parallel with a Non-Material Amendment application, to the landscape parameters plan.
4	**Rugby**	Former Peugeot Factory Site C (Prologis Park)	Outline Planning Permission with Reserved Matters (R16/2561 & R17/2019)	Outline planning application for redevelopment of the southern part of the former Peugeot Works site for Class B2 (general industry) & Class B8 (warehouse, storage & distribution) uses, together with ancillary offices, gatehouses, car parking, associated road infrastructure and landscaping, including importation of material to raise ground levels (REVISED SCHEME TO R14/2236 WITH NEW ACCESS)	05/10/17	16.7	8.7		Mixed			Have used detais from REM application as this covers whole site that benefits from outline consent.
			R17/2019	Application for Reserved Matters for Units DC8 & DC9 relating to appearance, landscaping, layout, and scale, including ancillary car parking, loading areas, gatehouse, associated road infrastructure, sprinkler tanks and pump house, against outline planning permission R16/2561 (for the redevelopment of the southern part of the former Peugeot Works site for Class B2 (general industry) & Class B8 (warehouse, storage & distribution) uses, together with ancillary offices, gatehouses, car parking, associated road infrastructure and landscaping, including importation of material to raise ground levels (REVISED SCHEME TO R14/2236 WITH NEW ACCESS)).	14.03.2018							NDA measured on landinsight as buildings and associated infrastructure is complete. Plans and application documents provide sqm for buildings only.
5	**Rugby**	Rugby Radio Station	Allocated Site with Outline Planning Permission (R11/0699)	Urban extension to Rugby for up to 6,200 dwellings…31 hectares (up to 106,000sq.m) of commercial and employment space (B1, B2 and B8)	21.05.2014	16	8.4		Mixed			2 no. applications in employment part of the allocation. R22/0380 for B1/B8 unit. R19/1391for David Lylod gym. NDA calculated by Stoford by removing gross area of David Lloyd site (2ha) as not a B class use and then applying 60% gross to net ratio to remaining site area (14ha).
6	**Rugby**	Coton Park East	Allocated site with full planning permission (R22/0551)	Application for full planning permission for storage and distribution floorspace (Class B8 use).	17th Feb 23	8.7	4.9	Mixed		21,890 sqm warehouse 1,398 sqm office 37 sqm gatehouse **23,325 sqm total**	235,622 sqft warehouse 15,047 sqft office 400 sqft gatehouse **251,069 sqft total**	Estimate 4.9ha NDA from site plan (includes building, car parking, service yard and road).
7	**North Warwickshire**	Land at Mira	Allocated PAP/2022/0423	B2	Resolution to grant at cttee on 05.02.2024	42	39.3		Mixed			Red line site boundary within North Warks is 63ha. Parameter plan states NDA as 39.3ha.
8	**North Warwickshire**	West of Birch Coppice, Dordon	Allocated	B1/B2/B8		5.1	3.06		Mixed			No applications. Stoford estimate the NDA based on 60% gross to net.
9	**North Warwickshire**	Playing fields South of A5, Dordon	Allocated	B1/B2/B8		3.5	2.1		Mixed			No applications. Stoford estimate the NDA based on 60% gross to net.
10	**North**	Former B Station Site - Prologis	Outline planning permission (PAP/2016/0399)	Demolition of existing buildings and redevelopment of site for industrial/distribution uses (Use Class B2/B8) including ancillary offices and associated parking, highway infrastructure, ground engineering works, drainage and landscaping	10.04.2018	8.9	8.48		Mixed			

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

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

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

Context

2. Policy S3 of the Preferred Options Consultation Local Plan relates to the Council's Strategy for employment land. It aims to meet Rugby Borough's need for employment land in the period 2024 – 2045 (21 years), and in so doing identifies that 4.4ha of office floorspace will be delivered, along with 284ha of industrial and general employment floorspace. In total therefore the Preferred Options Local Plan is providing for a total of 288.4ha of employment land.

3. The Council's Development Needs Topic Paper (March 2025) summarises the evidence informing this figure. The calculation of industrial need can be summarised as follows:

    a. The West Midlands Strategic Employment Sites Study (WMSESS, 2024) identified a need within Opportunity Area (OA) 7 (broadly comprising Rugby and Coventry), after commitments, for 84ha of land for strategic floorspace >9,000 sq m) over the period 2022 – 2045. Added to this is commitments of 201ha, suggesting a strategic industrial need of 285ha.
    b. The Development Needs Topic Paper then subtracts completions between 2022 – 2024 totalling 67.5ha, reducing the strategic need figure to 217ha over the period 2024 – 2045.
    c. In respect of smaller sites, the Development Needs Topic Paper refers to a need for 66.3ha (with reference to the Alignment Paper) over the period 2024 – 2045.
    d. The combined total gross industrial need over the period 2024 – 2045, as set out in the Development Needs Topic Paper, therefore totals 284ha.

4. The key sources of evidence are as follows:

HEDNA 2022

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

WMSESS 2024

6. Separately, the Council along with other West Midlands local authorities have prepared the WMSESS (West Midlands Strategic Employment Sites Study 2023/24). The purpose of this study was to inform the extent of strategic employment floorspace (manufacturing and logistics) over the central West Midlands economy.

7. The WMSESS assesses a number of high level scenarios to determine future strategic sites need, concluding in paragraph 10.23 that the 'completions trend' model is the preferred lower end of the range and the 'traffic growth/ Replacement demand central scenario' provides the upper end of the range. It goes on to state that historic completion rates appear not to have met demand, and even with a margin (of flexibility – amounting to 5 years of supply) may continue to fail to do so. As such it considers need forecasted under the completions model to be a minimum requirement.

8. Paragraph 10.25 recommends a need for large units of between 3,080 ha (completions plus margin) to 3,980ha across the WMSESS study area. Further adjustments are made to this range, which this note does not seek to address in detail, other than to flag that they have the effect of significantly reducing overall need, placing potentially significant constraints on the future supply of large scale strategic sites.

9. Rugby falls within Opportunity Area (OA) 7, which also encompasses Coventry. The gross strategic need is not identified for each OA within the WMSESS, rather it appears to provide an indicative summary of residual need, which for OA7 is said to comprise between 1 – 2 B8 mixed use sites; and 1 – 2 Eg) B2 sites, which collectively would require between 75 – 150ha of additional employment land. The Development Needs Topic Paper refers to a net figure of 84ha, which broadly relates to the reduction of the WMSESS figure to account for the 64ha commitment at Padge Hall Farm – however it should be noted that this site does not fall within OA7[1], and should not therefore be included, and was a planning permission granted in the main, for a specific occupier (accepted by the Council within their March 2023 Committee Report). Within that Report, officers advised that the needs of a Hinckley based occupier for a unit of just under 600,000sqft were being met through the application. Such needs are arising from outside of the West Midlands, and the Coventry and Warwickshire area. They will not have been factored into the evidence base that underpins the Local Plan and summarised in this Paper.

10. After accounting for commitments (including Padge Hall Farm), as detailed in paragraph 1.31 of the Development Needs Topic Paper, this would indicate that the WMSESS considered there to be a strategic sites need within OA7 of 285ha (2022 – 2045). The WMSESS does not provide an explanation of how this level of need sits within the range detailed in Section 10 of the WMSESS.

11. It is also important in this respect to note by its own admission the WMSESS 'apportionment strategy' was intentionally simplistic and high level[2].

[1] Paragraph 4.10 HEDNA WMSESS Alignment Paper
[2] Paragraph 1.31 WMSESS

12. As a means of comparison, it is possible using data within the WMSESS, specifically Tables 4.5 and 4.7[3], and 8.1[4] of the WMSESS to establish based on past strategic floorspace completions and take up within Rugby and Coventry specifically (those two authorities primarily making up OA7). This shows that over the 11 year period 2011 – 2021/22 total strategic site completions across Coventry and Warwickshire stood at 645,489 sq m. Extrapolating this figure over a 21 year plan period (plus 5 year margin), at a plot ratio of 0.35 would suggest a need for strategic industrial sites of 436ha. By way of comparison a review of take up over the period 2018 – 2022, of strategic floorspace, across both authorities totals 582,637 sq m. Extrapolating this figure over a 21 year plan period (plus 5 year margin), at a plot ratio of 0.35 suggests a strategic need of 866ha within OA7.

13. The critical point being, both figures significantly exceed the level of strategic sites need that has been attributed to OA7 within the WMSESS, suggesting that the level of strategic sites growth provided for within the WMSESS (for OA7) will have the effect of significantly constraining supply.

C&W HEDNA – WMSESS Alignment Paper (November 2024

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

Past Completion Trends

15. It is important to note that much of the Council's evidence does not appear to be based upon the latest completions trends. The HEDNA, for example assesses trends to 2019, and the WMSESS to 2021/22. Whilst the Alignment Paper states that completions trends to 2023/24 have been used, no detail is provided, and the output is lower than that resulting from the HEDNA based trends, despite Rugby experiencing higher levels of completions in recent years.

16. Furthermore, and despite the Preferred Options Local Plan having a start year of 2024, all of the evidence is based upon a study period commencing in 2021/ 2022. As a result the Council, within its Development Needs Topic Paper, has netted off completions which have occurred in the intervening period.

17. This is an important issue, because on the one hand the Council has not applied the latest completions data (most apparently in respect of strategic need) in determining future need – despite those completions more properly reflecting the state of the modern logistics market, yet

[3] Extracts in Appendix 1
[4] Extract in Appendix 2.

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

18. A more transparent and logical approach would be to assess need based upon latest completions data – the more recent AMR being 2023/24.

19. The following table below summarises completions, as sourced from the Council's AMRs over the past 10 years – the data shown reflects total completions (in land area) for B2, B8 and mixed use employment sites (duplicates have been removed).

Table 1 Employment Land Completions - Rugby

	B2/ B8 and mixed use completions (ha)
2023/24	48.6
2022/23	28.6
2021/22	2.1
2020/21	0.4
2019/20	31.1
2018/19	1.4
2017/18	3.3
2016/17	51.5
2015/16	4.1
2014/15	29.7
Total ha	**200.8**

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

20. **Extrapolating completions over the past 10 years within Rugby, over the 21 year plan period (plus a further 5 year margin) would suggest a need within Rugby for 522ha of industrial / mixed use employment land.**

21. **This level of need, based upon past long term trends (pre and post COVID) is significantly higher than that proposed by the Council (284ha over same time period as summarised in paragraph 3d above).** In part this is because the Council's evidence does not factor in the most recent completion data within its needs calculation, but it is also clear that the use of the indicative apportionment of strategic sites within the WMSESS has the effect of suppressing need in areas which have traditionally shown high demand.

22. **Indeed, reference to past completions and take up calculations drawn from data within the WMSESS confirms that an extrapolation of those figures would suggest a strategic industrial need of between 436ha and 866ha[5] over the 21 year plan period.**

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

23. **The critical point being that at present the Council is planning on a level of employment land supply significantly below what past trends would suggest.**

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

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

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

	Local Authority	2018	2019	2020	2021	2022	Total
Birmingham	Birmingham City	9,826	36,787	12,614	-	9,522	68,749
	Bromsgrove	0	-	-	-	-	-
	Dudley	12,620	0	23,790	-	-	36,410
	Redditch	0	-	-	-	-	-
	Sandwell	-	-	34,339	-	17,769	52,108
	Solihull	-	92,716	-	-	-	92,716
	Wolverhampton	16,395	-	13,045	-	-	29,440
	Wyre Forest	-	37,996	-	-	-	37,996
	Birmingham Total	38,841	167,499	83,788	0	27,292	317,420
Coventr	Coventry	12,546	-	-	-	22,689	35,235
	North Warwickshire	38,495	14,941	-	-	24,109	77,545
	Nuneaton and Bedworth	-	-	-	-	-	-
	Rugby	40,923	-	-	15,399	-	56,322
	Stratford-On-Avon	-	-	-	-	-	-
	Warwick	-	-	-	-	27,636	27,636
	Coventry Total	91,965	14,941	0	15,399	74,434	196,738
Staffordshire	Cannock Chase	-	-	-	-	-	-
	East Staffordshire	-	-	-	15,937	15,937	31,875
	Lichfield	-	13,782	-	10,127	-	23,910
	Newcastle-under-Lyme	-	10,639	-	-	-	10,639
	South Staffordshire	-	-	-	-	-	-
	Stafford	-	-	-	-	-	-
	Stoke-On-Trent	-	-	-	12,645	-	12,645
	Tamworth	-	-	-	-	-	-
	Staffordshire Moorlands	-	-	-	-	-	-
	Stafford Total	0	24,421	0	38,710	15,937	79,068
		130,806	206,862	83,788	54,108	117,663	593,227

Source: CoStar and Iceni Analysis (2023)

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

	Local Authority	2018	2019	2020	2021	2022	Total
Birmingham	Birmingham Core	97,622	72,896	66,726	32,342	18,886	288,472
	Bromsgrove	-	34,041	-	-	10,380	44,420
	Dudley	12,620	-	23,790	-	-	36,410
	Redditch	-	-	-	10,554	-	10,554
	Sandwell	-	-	34,339	43,849	17,769	95,957
	Solihull	-	114,522	24,351	-	-	138,873
	Walsall	-	10,966	14,307	-	-	25,273
	Wolverhampton	42,709	-	13,045	12,357	-	68,111
	Wyre Forest	-	37,996	-	-	-	37,996
	Birmingham Total	152,951	270,421	176,558	99,102	47,035	746,066
Coventry	Coventry	32,114	15,991	61,877	47,593	91,084	248,658
	North Warwickshire	81,973	14,941	29,841	59,089	68,441	254,285
	Nuneaton and Bedworth	-	-	21,403	-	91,141	112,544
	Rugby	50,245	25,926	62,140	29,191	74,921	242,422
	Stratford-On-Avon	-	-	-	-	9,887	9,887
	Warwick	28,831	48,185	-	14,653	55,507	147,175
	Coventry Total	193,163	105,043	175,261	150,526	390,981	1,014,971
Stafford	Cannock Chase	-	34,882	49,362	14,971	13,134	112,348
	East Staffordshire	-	-	-	25,534	58,096	83,630
	Lichfield	29,910	37,008	40,603	30,507	12,774	150,802
	Newcastle-under-Lyme	-	10,639	-	9,610	-	20,249
	South Staffordshire	-	-	-	85,748	-	85,748
	Stafford	-	-	84,946	-	-	84,946
	Staffordshire Moorlands	0	0	0	0	0	0
	Stoke-On-Trent	-	10,081	38,615	12,645	17,179	78,520
	Tamworth	52,189	-	-	12,597	-	64,786
	Stafford Total	82,099	92,610	213,526	191,612	101,183	681,029
		428,213	468,074	565,345	441,240	539,199	2,442,066

Source: CoStar and Iceni analysis (2023)

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

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

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

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

Source: Local Authority Monitoring Data and CoStar (2023)

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

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Rugby Employment Need and Demand Assessment

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Title: Rugby Employment Need and Demand Assessment.

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1. INTRODUCTION

1.1 This Employment 'Need' and 'Demand' Assessment ('the Report') has been prepared by Marrons (a trading name of Shakespeare Martineau LLP) on behalf of Stoford Properties Limited ('Stoford').

1.2 The purpose of the Report is to assess, based on current evidence, the extent of both 'need' and 'demand' for industrial and logistics uses in Rugby, and to consider whether allocated supply is appropriate to meet identified requirements. The differences between 'need' and 'demand' are as follows:

- **Need:** refers to the minimum amount of employment floorspace or land 'needed' to meet expected economic growth in an area. Objectively assessed figures are reached by projecting forward past economic, commercial and/or demographic trends using a range of different tools and techniques.
- **Demand:** refers to the level of market appetite to occupy or invest in commercial floorspace within an area. There is no industry-accepted approach to reach a single objectively assessed figure, but a range of commercial 'signals' (e.g. rent, vacancy, take up, delivery) can be brought together to provide an indication.

1.3 This is captured in the report structure which is set out below:

- **CONTEXT:** What does planning policy say about industrial and logistics floorspace in Rugby?
- **NEED:** Is there an objective 'need' for more industrial and logistics floorspace in Rugby?
- **DEMAND:** Is there 'demand' for more industrial and logistics floorspace in Rugby?
- **SUPPLY:** Is there appropriate industrial and logistics supply in Rugby to meet identified 'need' and 'demand'?

1.4 The main messages from the Report are presented in a conclusion, which also acts as a Non-Technical Summary.

2. CONTEXT

What does planning policy say about industrial and logistics floorspace in Rugby?

2.1 This chapter provides an overview of relevant national, regional and local policies related to industrial and logistics uses. This represents the starting point for understanding the opportunity for industrial and logistics floorspace in Rugby.

National Policy Context

National Planning Policy Framework (2024)

2.2 The National Planning Policy Framework (NPPF) is a material planning consideration in decision-making, and since its introduction, has emphasised the central role that economic development plays within the planning system.

2.3 At the heart of the NPPF is the principle of achieving sustainable development which is defined through achieving *"economic, social and environmental objectives"*. These objectives are intended to be pursued in mutually supportive ways.

2.4 The economic objective is particularly relevant in this context. It seeks *"to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure".* This establishes a clear expectation that planning should proactively enable economic development.

2.5 Reflecting this, the NPPF encourages local planning authorities to approach development proposals in a positive and creative manner. Decision-makers are expected to work collaboratively with applicants to secure development that improves the economic conditions of their area rather than adopting a narrow regulatory stance.

2.6 This is reinforced in Section 6 of the NPPF, '*Building a strong, competitive economy'*. This confirms that planning policies and decisions should help create

the conditions in which businesses can invest, expand and adapt.

2.7 Paragraph 85 confirms that significant weight should be placed on the need to support economic growth and productivity. It encourages local authorities to recognise local strengths, address structural weaknesses, and plan positively for the economic challenges of the future.

2.8 Paragraph 87 makes explicit reference to the storage and distribution sector, acknowledging its growing importance to the national economy. It notes that the locational requirements should be considered when making planning decisions.

2.9 In December 2025 a new draft NPPF was published for consultation. This similarly provides support for the storage and distribution sector setting out the following:

"To support business investment and employment, development plans should, at the most appropriate level… Allocate sites to implement the economic vision and strategy and meet existing and anticipated needs over the plan period, paying particular regard to facilitating development to meet the needs of a modern economy… This includes, where a need exists or is anticipated, making provision for… storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain (including 'last mile' deliveries), transport innovation and decarbonisation" (p.39).

2.10 It also states that substantial weight should be given to the economic benefits of commercial developments which allow businesses to invest, expand and adapt - especially where this supports: (a) the economic vision and strategy for an area, (b) the implementation of the Government's Industrial Strategy, (c) *"improvements in freight and logistics" (p.40)*, and/or (d) reflects proposals for Industrial Strategy Zones and AI Growth Zones.

2.11 It sets out that proposals for freight and logistics should:

"a. Have good access to transport networks (including via sustainable transport modes where possible) appropriate to the type of development; b. Be sited and designed to limit environmental impacts (such as through the co-location or intensification of facilities to limit vehicle movements, and sensitive building

design and landscaping). The impact on local residents or other neighbouring uses should be acceptable, taking into account proposed mitigation, especially where night-time activity will be required; and c. Provide sufficient and secure parking for lorries or other vehicles to cater for the anticipated use" (p.41).

National Planning Practice Guidance (2025)

2.12 The National Planning Practice Guidance (NPPG) requires local authorities to prepare a robust evidence base to understand existing business needs, which encompass functional market areas.

2.13 It provides guidance on how to ensure sufficient land exists to support future growth by outlining the need for a *"housing and economic land availability assessment*", which is to identify *"a future supply of land which is suitable, available and achievable for housing and economic development uses over the plan period'*.

2.14 The NPPG states that a *"housing and economic land availability assessment"* should:

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

2.15 The guidance also confirms the critical role the logistics industry plays "*in enabling an efficient, sustainable, and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities* - something that has been brought into sharp focus during the COVID-19 pandemic.

2.16 Importantly, the guidance also recognises that the logistics industry "*has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial uses)*."

2.17 The guidance confirms that strategic logistics facilities with a national or regional remit are likely to require significant amounts of land, good access to strategic

transport networks, sufficient power capacity and access to appropriately skilled local labour.

2.18 Policy-making authorities are encouraged to engage with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies.

2.19 Local authorities are also required to assess the extent to which land and policy support is required for other forms of logistics requirements, including 'last mile' facilities serving local markets.

Local Policy Context

2.20 Rugby Borough Council has decided to proceed with a full update of its Adopted Local Plan (2011 – 2031). This decision followed, amongst other things, new evidence of future needs for homes and employment land, particularly warehousing uses.

2.21 The Adopted Local Plan (Adopted June 2019) identified a requirement to deliver 208 ha of employment land over the Local Plan period, which included 98 ha to address Coventry's unmet needs. Within Rugby, identified need totalled 110ha and was based upon employment evidence prepared in 2015.

2.22 The Adopted Plan identifies that in addition to meeting the quantitative need for employment land in Rugby, a proportion of this land must meet a qualitative demand for employment sites that provide for smaller units (5,000-50,000 sq ft.).

2.23 Rugby Borough Council's Local Plan Review is informed by various technical reports, including the Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) (2022) and the West Midlands Strategic Employment Sites Study (WMSESS) (2024). These are explored in more detail in the next chapter.

2.24 Using these as a basis, the Proposed Submission Local Plan (2025-2042) (January 2026) sets out the following strategy for employment land:

- 19,761.3 sqm of use class E(g)(i) and (ii) office floorspace (approx. 3.95

hectares).

- 1,034,000 sqm (approx. 287 hectares) of floorspace for use classes B2, E(g)(iii) and B8.

2.25 New floorspace for B2, E(g)(iii) and B8 is to be delivered in the following locations:

- Prospero Ansty and Ansty Park: 26,663 sqm.
- Coton Park East: 26,421 sqm.
- Padge Hall Farm: 137,730 sqm.
- Houlton Remaining Employment Land: 15,000 sqm.
- Employment Planning Permissions (Small Sites): 13,429.4 sqm.
- Crowner Fields Farm, Ansty: 275,000 sqm.
- Coton Park East: 115,000 sqm.
- South West Rugby Phase II: 60,000 sqm.
- Ansty Park North: 75,000 sqm.
- Land at Walsgrave Hill: 290,000 sqm.

2.26 This is similar to the Preferred Option Consultation Local Plan (2024-2045) (March 2025) which set out the following strategy for employment land:

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

2.27 The proposed allocations for the delivery of the B2, E(g)(iii) and B8 have however changed significantly. It was to be delivered in the following locations:

- Prospero Ansty and Ansty Park: 26,663 sqm.
- **Symmetry Park, Thurlaston: 83,541 sqm.**

- Coton Park East: 26,421 sqm.
- Padge Hall Farm: 136,350 sqm.
- Employment Planning Permissions (Small Sites): 14,012 sqm.
- Crowner Fields Farm, Ansty: 275,000 sqm.
- Coton Park East: 115,000 sqm.
- South West Rugby Phase II: 130,000 sqm.
- Ansty Park North: 75,000 sqm.
- **Prologis Park West and Mountpark: 350,000 sqm.**

3. NEED

Is there an objective 'need' for more industrial and logistics floorspace in Rugby?

3.1 This chapter provides commentary on objectively assessed 'need' for industrial and logistics uses in Rugby. 'Need' refers to the minimum amount of employment land to plan for based on past economic, commercial and/or demographic trends.

Proposed Submission Local Plan (2025-2042)

3.2 Policy S3 of the Proposed Submission Local Plan (2025-2042) sets out Rugby Borough Council's *Strategy for Employment Land.* It aims to meet the borough's employment land 'need' between 2025 and 2042 which translates to a 17-year period.

3.3 As set out in the preceding chapter, Policy S3 identifies that 19,761.3 sqm or **3.95 ha** of E(g)(i) and (ii) **office** floorspace will be delivered, alongside 1,034,000 sqm or **287** hectares of B2, E(g)(iii) and B8 **industrial and logistics** floorspace.

3.4 These figures derive from several documents, including:

- The Coventry and Warwickshire Housing and Economic Development Needs Assessment ('HEDNA') (2022):
  - Considers the 'need' for housing and employment land across Coventry and Warwickshire.
- The West Midlands Strategic Employment Sites Study ('WMSESS') (2024).
  - Assesses the 'need' for 'strategic' employment land across the West Midlands.
- The HEDNA and WMSESS Alignment Paper ('Alignment Paper') (2024).
  - Addresses the overlaps between the HEDNA and WMSESS to provide aligned recommendations on employment land.
- The HENDA and WMSESS Alignment Paper Addendum ('Alignment Paper Addendum') (2025).
  - Summarises the issues from the review of representations made

regarding the Alignment Paper.

- The Rugby Office Needs Assessment Update (2025).
    - Assesses and updates the findings of the HEDNA in relation to office space 'need'.

'Strategic' employment land in this context refers to sites larger than 25 ha, typically accommodating units over 100,000 sq ft or 9,300 sqm.

3.5 The *Rugby Development Needs Topic Paper* (December 2025) ('the Topic Paper') brings all this evidence together and sets out how the figures in Policy S3 have been reached. In relation to 'strategic' B2, E(g)(iii) and B8 industrial and logistics, it sets out the following:

- The WMSESS identifies a 'need' for 134 ha[1] of strategic employment land between 2022 and 2045 for 'Opportunity Area 7' which broadly comprises Rugby and Coventry. This is adjusted to **116.5 ha** to take into account the Preferred Submission Local Plan timeframe (2025-2042).
- Total commitments of **201 ha** are then added to this figure leading to a combined strategic 'need' figure of **317.5 ha**. This includes the 137 ha of commitments identified in the Alignment Paper and a further 64 ha at Padge Hall Farm which falls outside of 'Opportunity Area 7'.
- Completions between 2022 and 2025 are then subtracted from the combined strategic 'need' figure. These equate to **91.35 ha** leading to a final gross strategic 'need' figure of **226.15 ha** or **791,525 sqm**[2].

3.6 In relation to 'smaller' B2, E(g)(iii) and B8 industrial and logistics sites, the Topic Paper sets out the following:

- The Alignment Paper identifies a 'need' for **60.8 ha** of smaller industrial sites when adjusted to the Preferred Submission Local Plan timeframe (2025-2042).
- Completions totalling **2.65 ha** between 2021 and 2025 are then subtracted from the figure giving a final gross 'need' figure of **58.15 ha** or **232,600 sqm**.

3.7 The 'strategic' and 'smaller' figures are added together to set out a 'gross' need

[1] This incorporates 84 ha from the original study and a further 50 ha from an errata note.
[2] 116.5 ha + 201 ha – 91.35 ha = 226.15ha

for **284 ha** or **1,024,125 sqm** of B2, E(g)(iii) and B8 industrial and logistics floorspace.

3.8 An additional **2.5 ha** or **10,000 sqm** of B2, E(g)(iii) and B8 industrial and logistics floorspace is then added to this to take into account 'unmet need' in neighbouring Coventry. Coventry's total 'unmet need' equates to 9 ha or 36,000 sqm, but it is argued that some of this can be met elsewhere in the Functional Economic Market Area (FEMA).

3.9 **This leads to a total requirement of 1,034,000 sqm or 287 hectares of B2, E(g)(iii) and B8 industrial and logistics floorspace/land in line with Policy S3 of the Proposed Submission Local Plan (2025-2042).**

3.10 More detail on the evidence underpinning these figures is provided below, followed by critical reflection.

HEDNA (2022)

3.11 The first piece of employment evidence compiled was the Coventry & Warwickshire HEDNA, which considered the 'need' for housing and employment land across the Coventry & Warwickshire FEMA.

3.12 In relation to employment, it determined there to be a general industrial 'need' of 150.5 ha between 2021 and 2041 within Rugby. It also identified a further 551 ha of 'need' for strategic B8 sites across Coventry & Warwickshire, but did not apportion this to specific authorities.

3.13 These figures are underpinned by an assessment of past trends over the period 2011-2019, and as such no account is taken of the significant change experienced across the industrial and logistics industry during and following the COVID-19 pandemic.

3.14 The Topic Paper states that this document does not form *"the evidential basis for new employment land needs"* (p.10) in Policy S3 but is relevant to understanding the overall approach. It also informs the Alignment Paper which as previously set out has informed the 'need' figures in the Proposed Submission Local Plan (2025-2042).

WMSESS (2024)

3.15 More prominent is the WMSESS, which has directly underpinned the 'need' figures set out in the Proposed Submission Local Plan (2025-2042). This was prepared with other West Midlands authorities to inform the extent of 'strategic' employment land to plan for across the region.

3.16 The WMSESS assesses several high-level scenarios to determine future strategic employment land 'need'. It concludes that the 'completions trend scenario' is the preferred lower end of the range, and the 'traffic growth/replacement demand central scenario' provides the upper end of the range.

3.17 Within this it recognises that historic completion rates do not appear to have met regional 'demand', and even with a 'safety margin' (amounting to five years of supply) may continue to fail to do so. As such it considers 'need' forecasted under the 'completions trend scenario' to be a minimum requirement.

3.18 Across these two scenarios a gross 'need' of between 3,080 and 3,980 ha of strategic employment land is identified across the West Midlands. Further adjustments are made to this range, which this Report does not seek to address in detail, other than to flag that they significantly reduce overall 'need' potentially placing constraints on future supply.

3.19 As previously noted, the WMSESS places Rugby into what is calls 'Opportunity Area 7' which also incorporates Coventry. The gross strategic 'need' is not identified for the Opportunity Areas, but an indicative residual 'need' is identified for each. In 'Opportunity Area 7' this comprises:

- Between 1 and 2 B8 mixed use sites.
- Between 1 and 2 E(g) B2 sites.
- These collectively require between **75-159 ha** of additional employment land.

3.20 The Topic Paper underpinning the Proposed Submission Local Plan (2025-2042) refers to a 'need' for **84 ha** from the WMSESS (part of the 134 ha previously set out), which broadly relates to the reduction of the 159 ha figure

to take into account land at Padge Hall Farm.

3.21 After accounting for commitments (including Padge Hall Farm), the WMSESS sets out a strategic site 'need' within 'Opportunity Area 7' of **285 ha** (2022-2045) in total.

3.22 This apportionment of strategic 'need' by Opportunity Area is, by its own admission, simplistic and high level[3]. There is no clear discussion or justification for how this process has been undertaken.

3.23 To highlight this, it is possible using data within the WMSESS[4] to establish strategic 'need' figures based on past strategic floorspace completions and take up within Rugby and Coventry. To illustrate:

- Between 2011-2022[5] total strategic site completions across Rugby and Coventry stood at 645,489 sqm. Extrapolating the annual average over a 17-year plan period plus five-year margin at a plot ratio of 0.35 would suggest a strategic 'need' for **369 ha** in 'Opportunity Area 7'.

- Similarly, a review of take up of strategic floorspace over the period 2018-2022[6] across Rugby and Coventry totals 582,637 sqm. Extrapolating the annual average figure over a 17-year plan period plus five-year margin at a plot ratio of 0.35 suggests a strategic need of **732 ha** within 'Opportunity Area 7'.

3.24 The critical point being, both figures significantly exceed the level of strategic sites 'need' that has been attributed to 'Opportunity Area 7' within the WMSESS. This suggests that the level of 'need' for the area has been understated which will likely constrain supply in the area.

Alignment Paper (2024)

3.25 The Alignment Paper is intended to bring together the findings of the HEDNA and WMSESS. In addition to drawing out the conclusions of the WMSESS in respect of strategic 'need', it summarises the 'need' for local or 'smaller'

[3] Paragraph 1.31 WMSESS
[4] Tables 4.5, 4.7, and 8.1
[5] Data covers 11 years
[6] Data covers five years

industrial sites (<9,000 sq m) and 'big box' 'need' on non-strategic sites.

3.26 There are various inconsistencies with the approach taken in the Alignment Paper relative to the WMSESS, which we do not seek to address within this Report, but lead to inconsistencies in output.

3.27 For example, the Alignment Paper concludes there to be a 'need' for smaller industrial sites totalling **68 ha** (2021-2045) in Rugby. This is significantly lower than the **150.5 ha** provided in the HEDNA over a shorter timeframe (2021-2041), however no detail is provided within the Alignment Paper to allow a clear understanding of the differences in approach.

Alignment Paper Addendum (2025)

3.28 The Alignment Paper Addendum ('the Addendum') was published in November 2025 and responds to representations made relating to the Alignment Paper and Preferred Option Consultation Local Plan (2024-2045).

3.29 Most significantly, it identifies that the amount of available land at Coventry Gateway South was overstated by around 90 ha in the WMSESS due to the presence of a substantial country park on the site. The site sits within Coventry and 'Opportunity Area 7'.

3.30 Updating the work in line with this reduces the total WMSESS commitments and increases the strategic sites shortfall by 90 ha. The Addendum suggests that this creates a potential requirement for *"up to **two** additional B8/mixed use sites of a notional **50 ha**".*

3.31 It states that it is *"not straightforward to update the apportionment exercise undertaken within the WMSESS"* but suggests it would be appropriate for 'Opportunity Area 7' to take at least one of these additional sites equating to up to 50 ha. It sets out that the other site could be considered elsewhere in Coventry & Warwickshire or the wider region.

3.32 This conclusion is recognised in the Topic Paper which incorporates the recommended **50 ha** figure into its total commitment figure of **201 ha** after prorating it to the Proposed Submission Local Plan (2025-2042) period as previously discussed.

3.33 While this aligns with the recommendations of the Addendum, it is considered that the *full* 90 ha or *"two additional B8 mixed use sites of a national 50 ha"* should be accounted for within the Proposed Submission Local Plan (2025-2042). This is because the Coventry Gateway South site sits within 'Opportunity Area 7' and was originally allocated in response to identified 'need' in this specific area.

3.34 While Coventry also sits within 'Opportunity Area 7', meaning it is suitable to accommodate a portion of the shortfall, the Addendum was published *following* the submission of Coventry City Council's Proposed Submission Local Plan (2022-2030) to the Inspector which is currently under examination. This means that there will be limited or no opportunity to identify alternative sites.

3.35 As previously discussed, Coventry also already has a total 'unmet need' equating to 9 ha or 36,000 sqm which Rugby Borough Council has made a partial allowance for. This exacerbates Coventry's shortfall further. Rugby has the most similar market characteristics to Coventry making it well-placed to address this.

Critical Analysis

3.36 The evidence presented above illustrates that the employment evidence base underpinning Policy S3 of the Proposed Submission Local Plan (2025-2042) is highly complex and largely out-of-date. It is difficult to follow and makes a broad range of assumptions that reduce overall 'need' significantly. We consider that it therefore likely underestimates true 'need' in Rugby.

3.37 To illustrate, the HEDNA assesses past trends to 2019 and the WMSESS to 2022. Whilst the Alignment Paper states that completions trends to 2023/24 have been used, no detail is provided, and the output is lower than resulting from the HEDNA despite Rugby experiencing higher levels of completions in recent years.

3.38 Furthermore, and despite the Proposed Submission Local Plan (2025-2042) having a start year of 2025, all the evidence is based upon a study period commencing in 2021/2022. As a result, Rugby Borough Council has netted off completions which have occurred in the intervening period. This is an important issue because:

- On the one hand, Rugby Borough Council has not applied the latest completions data in determining future 'need' even though these completions better reflect the state of the modern logistics market.

- On the other hand, it has drawn upon past recent completions as a means of netting off 'need' which itself does not reflect current demand.

Whilst this might be an understandable approach if it were undertaken during the proposed Local Plan period, these calculations are made *prior* to the Local Plan period commencing.

3.39 A simpler and more appropriate approach to calculating employment land 'need' in Rugby would be to use localised and up-to-date completions and/or take up data – this is a more common and accepted approach as per the NPPG.

3.40 The Addendum disagrees with this and notes that *"it is inappropriate to focus narrowly on individual districts and assume that the pattern of past supply… is necessarily replicated".*

3.41 This is not necessarily true as most employment land studies focus on individual boroughs or districts. Even if it were, as a minimum the apportionment of regional 'need' from the WMSESS should be sense checked and considered against localised trends.

3.42 The Addendum goes on to state that *"the WMSESS recognises that there is a wider market geography, that other areas have historically had greater supply constraints and overall the preparation of plans informed by the WMSESSS should support enhanced overall industrial provision".*

3.43 While this is the case, as the next chapter illustrates, levels of market 'demand' and interest are not uniform across the West Midlands. Places like Rugby and Coventry are more attractive to occupiers than other parts of the region. In these locations localised commercial trends should strongly influence regional apportionments of 'need'.

3.44 To illustrate the impact of using both up-to-date and more localised data we have analysed both past completion and take up data for Rugby.

Completions Approach

3.45 Table 3.1 below summarises completions over the past ten years in Rugby as set out in Rugby Borough Council's Annual Monitoring Reports[7]. It shows total completions in land area for B2, B8 and mixed-use employment sites with duplicates removed.

3.46 Extrapolating average annual completions over the 17-year plan period (plus a further five-year margin) suggests a 'need' for **c414 ha** of B2, B8 and mixed-use employment land between 2025 and 2042.

Table 3.1 Employment Land Completions in Rugby (B2, B8 and Mixed Use) (Ha) (Duplicates Removed)

Year	Completions (Ha)
2015/16	4.14
2016/17	51.52
2017/18	3.25
2018/19	1.35
2019/20	31.12
2020/21	0.435
2021/22	0
2022/23	30.55
2023/24	48.56[8]
2024/25	17.12
Total	**188.045**

Source: Rugby Borough Council Annual Monitoring Reports Note: R&D and 'Pure' Office Removed.

3.47 This level of need, based upon past long-term trends (pre and post COVID), is significantly higher than the **287 ha** figure set out in the Proposed Submission

[7] Rugby Borough Council Annual Monitoring Reports
[8] Latest Annual Monitoring Report notes that two sites were omitted from 2023/2024 report (Unit 17 Europark and 6 Paynes Lane). These have been added to the previously reported 2023/2024 figure.

Local Plan (2025-2042). This is because the Council's evidence does not factor in the most recent completion data within its 'needs' calculations.

3.48 This difference highlights that the indicative apportionment of strategic sites within the WMSESS has the effect of suppressing 'need' in areas like Rugby which have traditionally shown high levels of completions.

3.49 Indeed, as previously set out (see Paragraph 3.23), reference to past completions data ***within the WMSESS itself*** confirms that an extrapolation of those figures would suggest a strategic 'need' of **369 ha** in 'Opportunity Area 7' over the 17-year plan period including a five-year margin.

Take Up Approach

3.50 Similarly, Table 3.2 below sets out industrial and logistics take up trends in Rugby over the past ten years based on CoStar data.

Table 3.2 Industrial and Logistics Floorspace Take Up (Sqm)

Year	Take Up Sqm
2016	106,747
2017	177,910
2018	57,417
2019	36,807
2020	84,316
2021	85,038
2022	210,105
2023	125,533
2024	85,889
2025	158,368
Total	**1,128,130**

Source: CoStar

3.51 Extrapolating the annual average over the 17-year plan period, and allowing for

a five-year margin, suggests a need for **c2.5m sqm** of industrial and logistics floorspace between 2025 and 2042. This translates to c**709 ha** at a plot ratio of 0.35, which is again significantly highly than the **287 ha** figure set out in the Proposed Submission Local Plan (2025-2042).

3.52 As previously set out (see Paragraph 3.23), past take up data ***set out in the WMSESS itself*** suggests a strategic 'need' of **732 ha** within 'Opportunity Area 7' if extrapolated over the 17-year Local Plan period including a five year margin.

3.53 Note that these figures use a plot ratio of 0.35 ha. This is considered conservative as recent changes such as Biodiversity Net Gain (BNG) requirements, the need for larger areas for HGV circulation, and ESG-compliant features such as solar panels and advanced mechanical systems will likely lead to lower plot ratios.

Addendum

3.54 Interestingly, the Addendum dismisses the importance of using up-to-date data. It sets out that the heightened completions and take up levels seen during the COVID-19 years were short lived and that *"the industrial and logistics market has returned to a pre-pandemic trend"*.

3.55 It also argues that the high levels of completions and take up were driven by *"one-off factors"* such as Brexit, COVID-19 and the Suez Canal Crisis driving short-term stock holding. It states that these factors created a "t*emporary uplift in demand that does not represent a longer-term trend"* and that the *"surge in activity driven by Brexit and the pandemic has largely subsided".*

3.56 As set out in the next chapter, the effects of Brexit and COVID-19 are *not* considered to be *"one off factors"* - rather they have created structural changes in the industrial and logistics market. Businesses continue to retain stock on-shore in response to regulatory reforms, and the elevated levels of e-commerce stimulated during the pandemic have been largely maintained as evidenced by the Addendum's own data.

3.57 These trends are expected to persist, alongside rising demand for data centres driven by the rapid growth of Artificial Intelligence and other emerging technologies. Agents from LSH are buoyant about market prospects and note

that recent changes in national take up are influenced by genuine *"temporary"* factors such inflation. Tariffs and tax increases have also had an impact, but businesses are expected to adapt over time.

3.58 It is also important to note that Iceni use 'net absorption' data to back up these assertions rather than take up data. This is a very volatile metric and is highly influenced by the delivery of new stock.

3.59 As set out the next chapter, Rugby, in particular, has seen significant new stock come onto the market which will take some time to be taken up. This has led to negative 'net absorption' figures in 2025, but as set out in Table 3.2, take up has remained strong over this period. Agents at LSH are positive about the prospects of this new stock being take up as set out in the next chapter which will likely lead to positive net absorption moving forward.

Focus On: Coventry Regulation 19 Proposed Submission Local Plan (2024)

The Coventry Regulation 19 Proposed Submission Local Plan (2024) also draws on the WMSESS (2024) and Alignment Paper (2024) when considering strategic employment 'need'. As discussed, this identifies a residual 'need' for 84 ha of strategic employment land across 'Opportunity Area 7' covering Rugby and Coventry.

This 84 ha figure is calculated after commitments are deducted, including 25 ha at Baginton Fields in Coventry. The 'achievability' and 'availability' of this site can, however, be questioned. This is because:

- It has been allocated for ten years and has not come forward to date.
- It can only be accessed from the south and will require new infrastructure to be delivered over third-party land.
- It is owned by multiple parties making delivery complex.
- It comprises sports pitches which present an obstacle to development.

Conversations with local agents suggest that there is limited appetite to bring the site forward. Given this, it may be that the 'need' for industrial and logistics uses is underestimated in Coventry similarly to Rugby.

Despite this, the Rugby Development Needs Topic Paper (2025) sets out that Coventry *only* has an 'unmet need' equal to 9 ha or 36,000 sqm of B2, E(g)(iii) and B8 industrial and logistics floorspace as previously discussed. The Rugby Proposed

Submission Local Plan (2025-2042) therefore makes an allowance for 2.5 ha or 10,000 sqm of this. The evidence presented above, however, suggests 'unmet need' is likely to be higher than stated *and* that Rugby could accommodate more of this 'unmet need' than is currently does.

Other authorities are less able to meet this 'need':

- Nuneaton and Bedworth are at examination with their Local Plan and the Inspector has stated in his initial findings (reported in the Post Hearing Letter dated 14th November 2024) that the Plan may be capable of being found sound via main modifications. Since this Plan is likely to be found sound and be adopted in mid-late 2025, Nuneaton and Bedworth are at least five years away from being able to assist with strategic needs or now assist in any shortfall.
- Warwick District and Stratford-on-Avon District are currently consulting on their Preferred Options (Regulation 18) Joint Local Plan which proposes site options to meet strategic employment needs identified in the WMSESS (2024). 'Opportunity Area 8' identified in the WMSESS extends exclusively across Warwick District and Stratford on Avon District and it is most appropriate for the South Warwickshire Plan to respond to and seek to accommodate needs identified in this area.

4. DEMAND

Is there 'demand' for more industrial and logistics floorspace in Rugby?

4.1 This chapter provides an overview of 'demand' trends for industrial and logistics uses at national, regional and local scales. 'Demand' refers to the level of market appetite to occupy or invest in commercial floorspace within an area.

National Market Trends

4.2 The national industrial and logistics sector has undergone a structural transformation over the past decade driven by a broad range of factors. It has seen record levels of investment, delivery and take up.

4.3 This is shown in Figure 4.1 below which illustrates that take up of 'big box' industrial and logistics units (over 100,000 sq ft) has increased progressively over time with significant peaks during the COVID-19 pandemic.

4.4 LSH's latest Industrial & Logistics Market Update (2026) also shows that take up has increased year-on-year for the past three years to 40.2m sq ft with further take up predicted.

4.5 This activity has been driven by the following factors among others:

- E-Commerce: The growth of online retail continues to reshape consumer behaviour, increasing the need for distribution and fulfilment centres. Retailers require strategically located distribution facilities to enable fast delivery and manage returns efficiently.

- On-Shoring: Global supply chain disruptions and geopolitical uncertainties have prompted some businesses to bring production closer to home creating demand for additional industrial space. On-shoring reduces reliance on overseas manufacturing and mitigates risks associated with long lead times.

- Stockpiling: Some businesses are holding larger inventories to safeguard against supply chain disruptions and ensure continuity of supply. This approach requires additional warehouse capacity for bulk storage. Stockpiling strategies are particularly prevalent in sectors such as food,

pharmaceuticals and essential goods.

- Robotics & Automation: Advancements in robotics and automation are changing warehouse operations, enabling higher throughput and efficiency. These technologies often require purpose-built industrial facilities with greater floorspace, higher ceilings, and advanced infrastructure.

- Digital Services: The expansion of streaming services, gaming and cloud-based platforms has driven demand for data storage and processing capacity. Data centres have become critical infrastructure, requiring large-scale, secure, and energy-efficient facilities.

- Housing Growth: The expansion of residential developments creates a parallel need for construction materials, home goods, and local delivery infrastructure. As housing growth accelerates, so does the requirement for logistics hubs to serve these communities efficiently.

- Artificial Intelligence (AI): AI adoption across sectors from finance to healthcare requires significant computing power and low-latency networks. This is driving demand for hyperscale data centres and edge computing facilities often located near major population hubs.

- Urban Food Logistics: The growth of online food delivery and evolving consumer preferences have increased demand for flexible kitchen and storage facilities. Delivery-only kitchens, often referred to as dark kitchens, require well-located industrial units with efficient layouts and proximity to urban markets.

- Defence: The UK has pledged to increase defence spending over the coming years which is also being replicated across Europe. Increased defence budgets will drive substantial growth in industrial and logistics infrastructure. Defence manufacturing demands highly specialised facilities, ranging from research labs and logistics hubs to high-power computing and data centres.

- 'Chinese Dragons': there has been a substantial increase in Chinese related logisitics activity across the UK industrial and logistics market through 2025 and into 2026. Growth is being delivered by well capitalised businesses with long term strategic intent. Key brands and occupiers include, Shein, Temu,

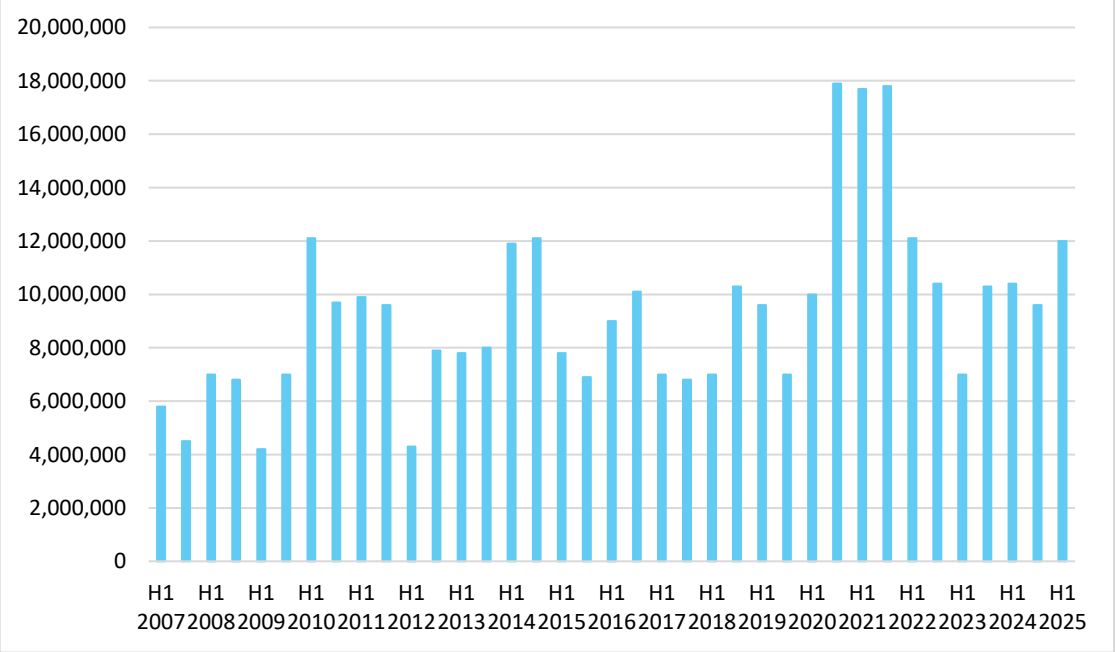
Cainiao, BYD, SF Express & Super Smart Service.

4.6 While 'big box' take up has been steadier over the last few years, vacancy rates have remained *below* 8%[9] - this is generally considered to be the 'market equilibrium level' where 'demand' and supply are broadly in balance and rents remain stable.

4.7 When vacancy rates are below this 'equilibrium level', rents can rise and restricted supply can limit churn and movement within the market place. Markets with vacancy rates below 8% are therefore generally considered to be constrained.

4.8 As set out in the latest the LSH Industrial & Logistics Market Update (2026) the current national vacancy rate is also predicted to go down. It also notes that there are significant pockets of scarcity particularly relation to 'Extra Large Big Box' units. The Midlands remains a core location for take up against this national back drop.

Figure 4.1 'Big Box' Industrial and Logistics Take Up (2007-2025)



Source: Savills (2025)

4.9 As set out in the preceding chapter, the steadier take up levels observed over

[9] Savills Big Shed Briefing (July 2025)

the last two years reflect the tumultuous economic conditions the country is currently facing. These include the introduction of tariffs, warfare, inflation and changes brought about by the country leaving the European Union. LSH anticipate that take up will recover over time as inflationary pressures ease providing more supply comes onto the market.

4.10 It is important to note that the sector trends set out above are not only influencing the scale of 'demand' but also the nature of 'demand'. For example:

- Automation has allowed goods to be stored vertically on taller racks which has enabled businesses to store and distribute goods more efficiently. Many occupiers now place more importance on building volume than floorspace and look for units where sufficient height is provided for internal stacking and installation of automated machinery.

- The rapid growth of e-commerce has shifted the traditional distribution network. Previously goods entered the supply chain via a national distribution centre before passing to a regional distribution centre to distribute to end users. E-commerce and the arrival of same/next day delivery has disrupted this approach and created demand for a range of new spaces including e-fulfilment, final mile, urban logistics and micro logistics hubs among others. The floorspace and locations requirements of these uses are set out below:

  - National Distribution Centres: 500,000 sq ft; Motorway location; Connection to ports.

  - Regional Distribution Centres: 250,000-500,000 sq ft; Motorway location; Access to urban area.

  - E-Fulfilment Centres: 100,000-250,000 sq ft; Motorway/trunk roads; Edge of urban area.

  - Final Mile Hubs: 50,000-150,000 sq ft; Trunk roads; Edge of urban area.

  - Urban Logistics Hubs: 5,000-10,000 sq ft; Main Road network; Periphery of urban area.

  - Micro Logistics Hubs: 1,000-2,000 sq ft: Local servicing routes; Within

urban area.

- The introduction of new policies such as the Minimum Energy Performance Standards (MEES) alongside investor pressure is pushing larger occupiers to look for energy efficient buildings that meet policy and Environmental and Social Governance (ESG) standards. Developers are responding by integrating new forms of heating and power generation (e.g. solar to heat recovery) alongside a range of other adaptations.

Regional Market Trends

4.11 At a regional level, the East and West Midlands are part of the Golden Logistics Triangle which represents the largest cluster of logistics and warehousing occupiers in the country. This location is highly attractive to occupiers as 90% of Great Britain's population can be reached from the area in under a four-hour drive.

4.12 They are also part of the nationally and internationally important Midlands Automotive Cluster. This is responsible for over 35% of all automotive employment in the country and 40% of all exports. Relevant businesses include Jaguar Land Rover, Jaguar, Tata, SAIC Motors, JCB and Denso among others.

4.13 This strategic location, alongside a historic legacy of manufacturing, means that the East and West Midlands are *the* most in-demand locations in the country for logistics and industrial occupiers. In total, the combined region has over 1 billion sq ft of industrial space, of which 520 million sq ft represents 'big box' units over 100,000 sq ft[10].

4.14 This attractiveness is reflected in Avison Young's latest Big Box Bulletin[11], which sets out the growth of 'big box' occupier activity. This shows that in 2025:

- Around 3,650,745 sq ft of 'big box' floorspace was taken up in the West Midlands.
- Around 7,039,805 sq ft of 'big box' floorspace was taken up in the East Midlands.

[10] CoStar (2026)
[11] Avison Young Big Box Bulletin (Q4 2025)

Combined this represents almost **48%** of total take up across the country reflecting the size and attractiveness of the market.

4.15 The lower levels of take-up in the West Midlands relative to the East Midlands is primarily driven by a scarcity of industrial land, driven by the presence of a large amount of green belt designations. In this context, 'demand' remains high for readily developable industrial land.

4.16 These high levels of 'demand' have led to rising rents across the region, with achieved headline rents hitting in excess of £10.00 psf in Rugby and Coventry for 'big box' units with new rents driving towards £12.00 psf. For example, at Panattoni Coventry they are currently in the process of delivering a new speculatively developed single sided unit extending 538,193 sq ft at a guide rent of £12.50 psf. Some of the most notable recent deals observed across the region are set out in Table 4.1 and Figure 4.1 below.

4.17 Despite these trends, it is important to note that the East and West Midlands cover a large area and that some locations are more in-demand that others as referenced in the preceding chapter.

4.18 This point is demonstrated with Prologis who secured record commitments at DIRFT near Daventry for over 2 million sq ft of pre-lets in 2025 with the most notable leasing transaction being a 1,290,000 sq ft bespoke unit for Marks & Spencer.

4.19 The rest of this chapter considers sub-regional data to explore which locations are experiencing the highest levels of 'demand'.

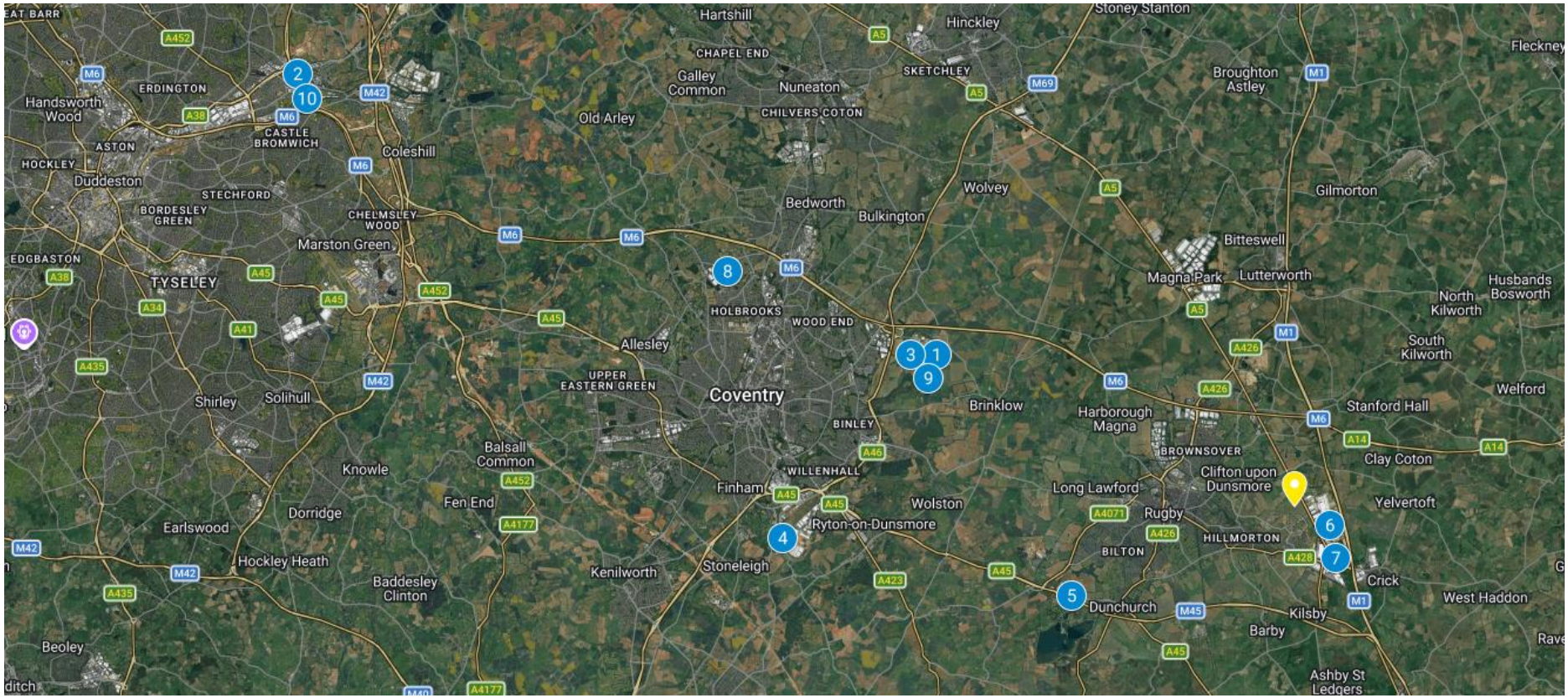
Table 4.1 Notable Industrial and Logistics Deals East and West Midlands 100,000 sq ft + (2025)

Date	Address	Grade	Size (Sq ft)	Tenant	Sector	Terms
2025 Q4	Apollo 4 Ansty Park, Coventry	New Build Spec	172,407	Daals	Retail / Wholesale	£10.50 psf 10-year term 5-year break 12 months' rent free
2025 Q4	Midpoint 105, Birmingham	Existing Refurbished	105,506	Fortune Packaging	Manufacturing	£9.50 psf 10-year term 5-year break Rent free conf
2025 Q4	Apollo 6 Ansty Park, Coventry	New Build Spec	269,882	JD.com	3rd Party Logistics	£10.50 psf 10-year term 5-year break
2025 Q4	SPC 220 Segro Park, Coventry	New Build Spec	219,485	DP World	3rd Party Logistics	£9.70 psf 10-year term 13 months' rent free Rent free conf
2025 Q3	Unit 5 Symmetry Park, Rugby	New Build Spec	390,694	Iron Mountain	3rd Party Logistics	£9.85 psf 15-year term 13 months' rent free
2025 Q3	Prologis DIRFT, Daventry	Build to Suit	1,290,000	Marks & Spencer's	Retail / Wholesale	Confidential Terms
2025 Q3	Prologis DIRFT, Daventry	Build to Suit	278,000	Laura James	Retail / Wholesale	£10.50 psf 12-year term 12 months' rent free

2025 Q3	DC 105 Prologis Park, Coventry	Existing Refurbished	104,885	Eurofit	Automotive	£10.25 psf 11 year term Rent free confidential
2025 Q2	Apollo 5 Ansty Park, Coventry	New Build Spec	301,591	Daals	3rd Party Logistics	£10.50 psf 10-year term Break in year 7 Rent free confidential
2025 Q2	DC6 Prologis Park Midpoint	New Build Spec	163,754	Top Cloud	Retail / E-Commerce	£10.25 15-year term 18 months' rent free

Source: LSH (2026)

Figure 4.1 Notable Industrial and Logistics Deals East and West Midlands 100,000 sq ft + (2025)



Source: LSH (2026) Key: Yellow = Subject site; 1 = Apollo 4 Ansty Park, Coventry; 2 = Midpoint 105, Birmingham; 3 = Apollo 6 Ansty Park, Coventry; 4 = SPC 220, Segro Park, Coventry; 5 = Unit 5 Symmetry Park, Rugby; 6 = Prologis DIRFT, Daventry; 7 = Prologis DIRFT, Daventry; 8 = DC105 Prologis Park, Coventry; 9 = Apollo 5 Ansty Park, Coventry; 10 = DC6 Prologis Park Midpoint, Birmingham.

Sub-Regional Market Trends

4.20 These national and regional trends have had significant implications for industrial and logistics 'demand' at the sub-regional scale. This is defined as the Coventry & Warwickshire FEMA in line with the HEDNA (2022), incorporating the Local Authorities of Rugby, Coventry, Warwick, Stratford, Nuneaton & Bedworth and North Warwickshire.

Market Size

4.21 Across Coventry & Warwickshire, the industrial and logistics market is made up of over 100m sq ft of floorspace across c2,600 units. Total floorspace has grown by around +20.2m sq ft or +25% over the last decade.

4.22 Coventry, Rugby and North Warwickshire have the largest industrial and logistics markets in the sub-region, boasting over 58m sq ft of floorspace which makes up 58% of all stock. In contrast, Warwick and Nuneaton & Bedworth both have significant but smaller markets totalling 25.2m sq ft of floorspace or 25% of all stock. Stratford-upon-Avon has the smallest commercial market compared to all other areas across the market.

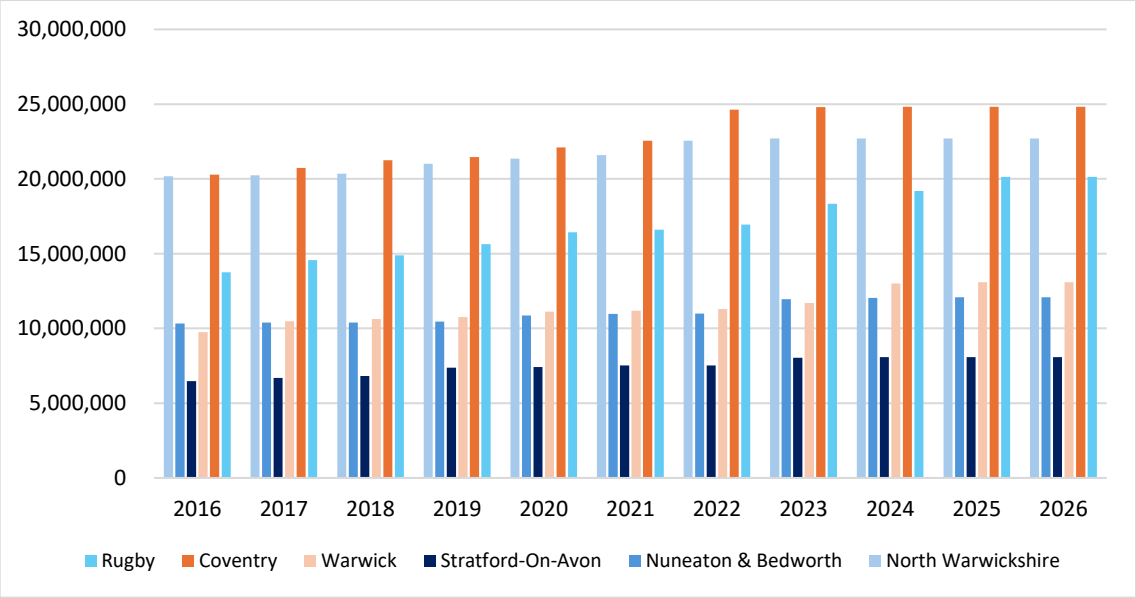
4.23 Over the last ten years the total amount of industrial and logistics floorspace has grown significantly across all geographies, with Rugby and Coventry seeing the most significant change - +6.4m and +4.5m sq ft respectively.

Table 4.2 Coventry & Warwickshire Industrial and Logistics Market (2026)

Area	Total Properties (2026)	Total Floorspace (Sq ft) (2026)	Total Floorspace Growth (Sq ft) (2016-2026)
Coventry & Warwickshire	2,583	100,927,143	20,152,247
Rugby	329	20,141,869	6,387,459
Coventry	784	24,828,394	4,540,197
Warwick	401	13,092,841	3,334,158
Stratford-upon-Avon	349	8,081,689	1,607,081
Nuneaton & Bedworth	423	12,078,086	1,750,174
North Warwickshire	299	22,704,264	2,533,318

Source: CoStar (2026)

Figure 4.2 Coventry & Warwickshire Industrial and Logistics Floorspace Change (2026)



Source: CoStar (2026)

4.24 Across each area there are several key industrial and logistics clusters which are concentrated in the following locations:

- **Rugby:** Over the past decade, industrial and distribution floorspace has increased by +46% in Rugby. Rugby contains a series of well-defined industrial and logistics clusters concentrated around its strategic road connections, particularly the M1, M6 and A5 corridors. Key employment locations include Prologis Park Ryton, Tritax Symmetry Park Rugby, Ansty Park, Shilton Industrial Estate, Stepnell Park, Somers Road Industrial Estate, Parkfield Business Park, Wood Street (GE Steam Power), Webb Ellis Industrial Park, Avon Industrial Estate, Great Central Way, Glebe Farm Industrial Estate, Midland Trading Estate, Swift Valley Industrial Estate, Prologis Park (Rugby Central Park), and Euro Park.

- **Coventry:** Over the past decade, industrial and distribution floorspace has increased by +22% in Coventry. Coventry contains a series of well-established industrial and employment clusters, concentrated around key transport corridors and long-standing manufacturing hubs. The principal areas include Coventry Business Park, Binley Industrial Estate, Charter Avenue Industrial Estate, Maguire Industrial Estate, Templar Industrial Park, Earl Place Business Park, Stonebridge Industrial

Estate (Coventry Airport), Seven Stars Industrial Estate, Pilot Business Park, Bilton Industrial Estate, Abbey Industrial Estate, Cross Point Business Park, Coventry Logistics Park, Aldermans Green Industrial Estate, Alpha Business Park, Napier Street Industrial Estate, Bishopsgate Business Park, Central City Industrial Estate, Pargon Park, Relton Mews Industrial Estate, Foleshill Enterprise Park, Blue Ribbon Park, Holdbrook Park Industrial Estate, Lythalls Lane Industrial Estate, Little Heath Industrial Estate, Stone Brook Way, Rowleys Green Industrial Estate, Banner Park, Longford Industrial Estate, Prologis Park, and Lyons Park.

- **Warwick:** Over the past decade, industrial and distribution floorspace has increased by +34% in Warwick. Warwick's industrial activity is focused across a series of established employment clusters, including Tournament Fields, Budbrooke Industrial Estate, Wedgenock Industrial Estate, St George's Business Park, Cape Industrial Estate, Heathcoat Industrial Estate, Sydenham Industrial Estate, Althorpe Industrial Estate, Dalehouse Lane Industrial Estate, Princes Drive Industrial Estate, Segro Business Park, Middle Mark Business Park (Coventry Airport), and Holly Farm Business Park.

- **Nuneaton & Bedworth:** Over the past decade, industrial and distribution floorspace has increased by +17% in Nuneaton & Bedworth. Nuneaton & Bedworth's industrial footprint is shaped by a series of sizeable and long-established employment areas, most notably Prologis Park (Keresley End), Gallagher Business Park, Amphion Park, Grovelands Industrial Estate, Bayton Road Industrial Estate, Haunchwood Park Industrial Estate, Bermuda Park Industrial Estate, Hazell Way Industrial Estate, Eden Business Park, Pool Road Industrial Estate, Attleborough Fields Industrial Estate, Trident Business Park, Hemdale Business Park, and Whitacre Road Industrial Estate.

- **North Warwickshire:** Over the past decade, industrial and distribution floorspace has increased by +13% in North Warwickshire. North Warwickshire's industrial base is anchored by a series of strategically located employment areas, including Arley Industrial Estate, Station Road Industrial Estate, Colehill Trading Estate, Triennium Industrial Park, Lakeside Industrial Park, Fairview Industrial Estate, Hams Hall Distribution Park, Kingsbury Business Park, Carlyon Road Industrial Estate, Innage Park, Birch Coppice Business Park, and St Modwen Park Tamworth,

- **Stratford-upon Avon:** Over the past decade, industrial and distribution floorspace has increased by +25% in Stratford-upon-Avon. Stratford-upon-Avon's industrial activity is concentrated across several employment locations, including Shipston Business Village, Meon Vale Business Park, Long Marston Business Park, Brook Business Park, Waterloo Industrial Estate, Wellesbourne Distribution Park, Banbury Road (Aston Martin HQ), Western Road Industrial Estate, Bidavon Trading Estate, Adams Way, Arden Forest Industrial Estate, Studley Common, Earlswood Trading Estate, Kineton Road Industrial Estate, Holywell Business Park, and Blue Lias Industrial Estate.

Unit Sizes

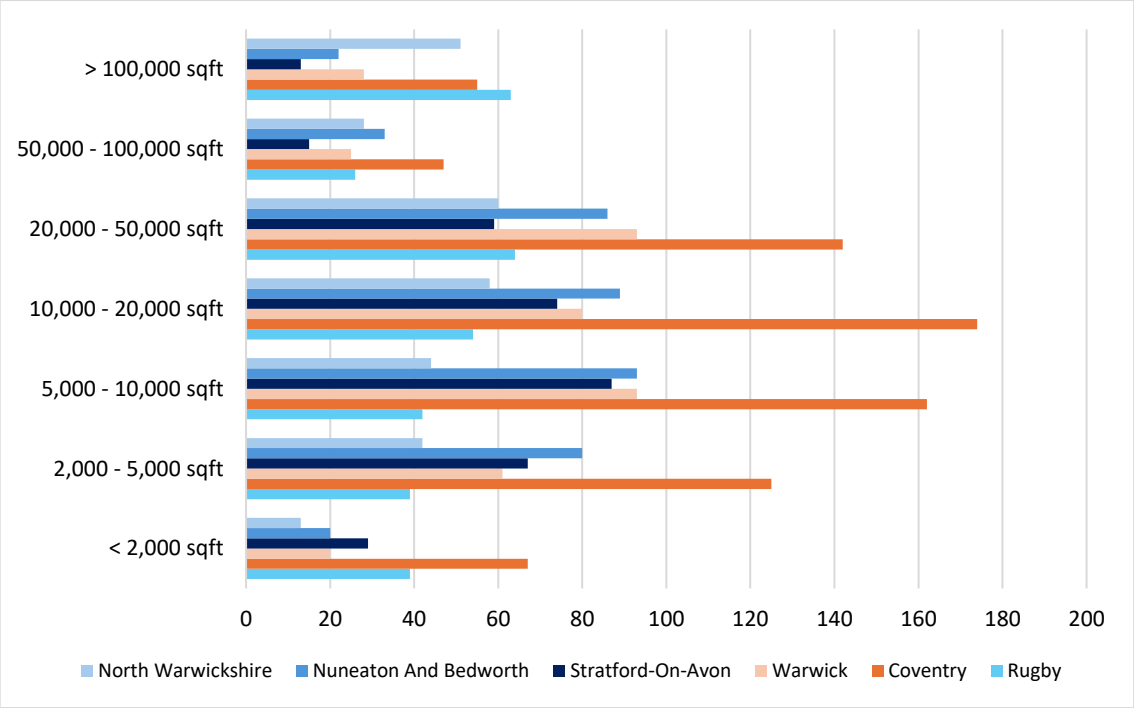
4.25 Across Coventry & Warwickshire, the most common unit size band is for smaller units between 5,000 and 10,000 sq ft (20%), and medium sized 10,000-50,000 sq ft units (40%).

4.26 In Coventry, the most common unit size band is for units sized 10,000-20,000 sq ft (174 units), closely followed by smaller units sized 5,000-10,000 sq ft (162 units) and medium sized units sized between 20,000-50,000 sq ft (142 units). This is similar in Nuneaton & Bedworth, Stratford-On-Avon, and Warwick, which all have comparable characteristics.

4.27 In Rugby, there is a broader mix of medium and larger sized units (10,000-20,000 sq ft & 20,000-50,000 sq ft), with a significant volume of strategic 'big box' units sized 100,000+ sq ft (63 units). Rugby has the most strategic 'big box' units compared with any of the other local authority within Coventry & Warwickshire.

4.28 North Warwickshire has a very similar breakdown of size bands as Rugby, having an even mix of smaller/medium sized units, as well as a large volume of strategic 'big box' units (51 units).

Figure 4.3 Coventry and Warwickshire Industrial and Logistics Market - Units by Size Band (2026)



Source: CoStar (2026)

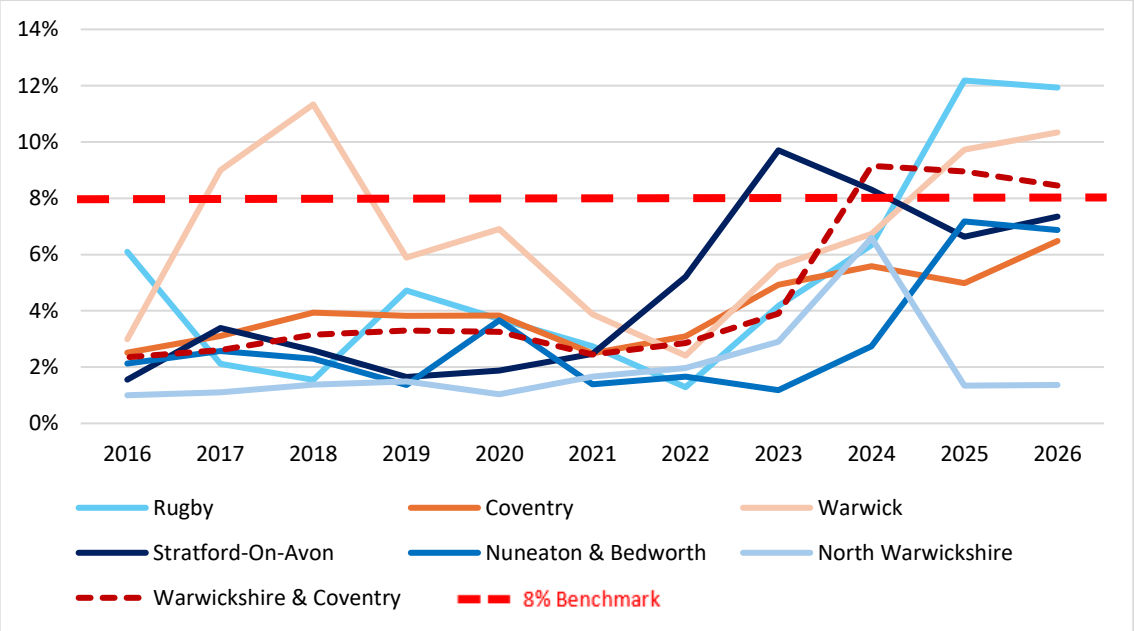
Unit Availability

4.29 Over the last ten years Coventry & Warwickshire's industrial and logistics market has consistently had vacancy rates below the 8% 'equilibrium level'. This illustrates that the market has been highly constrained over this period with limited options available for both existing and new occupiers.

4.30 Across the last two years vacancy rates have risen slightly and now sit at the 8% 'equilibrium level' where 'demand' and supply are broadly in balance. This is largely due to an increase in vacancy rates in both Rugby and Warwick where they have risen to 12% and 10% respectively.

4.31 While the recent uptick in vacancy rates in these locations may appear significant, they are still considered relatively low. Over ten years Rugby's vacancy rates have averaged 5% highlighting a constrained market.

Figure 4.4 Coventry and Warwickshire Industrial and Logistics Market - Vacancy Rates (2016-2026)



Source: CoStar (2026)

4.32 Rather than illustrating a fundamental market weakness, recent changes reflect the introduction of a significant amount of new stock onto the market.

4.33 It is anticipated that much of this stock will be taken up over the short-to-medium term, reducing vacancy rates, given the strength of market interest in the area. Only a small amount of floorspace will need to be taken up for the Coventry & Warwickshire's overall vacancy rate to tip below the 'equilibrium level'.

4.34 This lag between delivery and take up is considered normal. Industrial agents at LSH note that it typically takes around 12 months from practical completion for units to be taken up once they are made available on the market.

4.35 It is also noted that recent delivery in Rugby and Warwick has been for 'big box' units which disproportionately effect vacancy rates which are driven by available floorspace rather than available units.

4.36 Recently there has been an increasing focus on built to suit opportunities particularly for larger scale units which aligns with a significant reduction in the speculative pipeline and also new serviced development opportunities.

4.37 In relation to Rugby specifically, industrial agents at LSH are confident that new stock will be taken up based on observed levels of market interest. Specific commentary on the Rugby logistics market is set out below in addition to current vacant available units (100,000 sq ft +)

Rugby Unit Availability

4.38 Rugby's industrial and logistics market has grown significantly over the last two decades years in line with the rapid expansion of the logistics sector nationally and the strong location and employment benefits that this centrally located area offers. It remains one of the most popular industrial areas in the UK.

4.39 In the 1990's Kingspark Developments with various institutional funds developed out greenfield land around Brownsover between Rugby town centre and Junction 1 of the M6 with units ranging from 50,0000-350,000 sq ft. These remain popular and well let although now offer more dated and smaller accommodation as the logistics sector has evolved.

4.40 Notable developments in the early 2000's have included Prologis' development of the Central Park site adjacent to the motorway junction where larger units have been provided initially with the relocation of publisher Pearson Group from Magna Park Lutterworth to new bespoke premises. This was followed by Roxhill and SEGRO securing the Rugby Gateway site of 111 acres in 2013 and securing planning for 1.8m sq ft of new development. The scheme which sits adjacent to Junction 1 of the M6 was fully let within three years with notable occupiers including Hermes (Evri), DHL, H&M and Amazon.

4.41 To the south of Rugby town centre Tritax have successfully developed out their Symmetry Park site which extends 170 acres. The first phase was successfully pre-let to Iron Mountain taking 1,000,000 sq ft across four units in March 2024. Tritax then speculatively developed out a further three units extending 391,000 sq ft (Unit 5), 338,000 sq ft (Unit 6) and 170,000 sq ft (Unit 7). Unit 5 was let to again to Iron Mountain in July 2025, the remaining available units are guiding c. £10.25 psf. Phase 2 can provide design and build opportunities for 1.4 million sq ft with the ability to accommodate a range of sizes and configurations.

4.42 Occupier and developer interest remains very strong for Rugby and the surrounding area given its locational appeal with excellent access to the M45,

M6 and M1 motorways. A limited pipeline of new stock is currently under construction in the area. French owned Barjane Developments are currently delivering Rugby 106 extending 106,196 sq ft which will be available from April 2026 guiding at £12.00 psf. In addition, on land to the south of Central Park, JD.com & Newlands Developments are currently delivering Rugby 251 extending 250,400 sq ft with practical completion in August 2026 guiding £11.50 psf. Within the Borough there is limited land to offer new larger bespoke facilities which is the focus of most active logistics companies.

4.43 LSH have provided a summary of available units in Rugby with commentary on their likelihood of being taken up (see Table 4.3 below). This highlights that vacancy rates are expected to fall soon as these units become occupied.

Table 4.3 Summary of current availability in Rugby 100,000 sq ft +

Unit	Sq ft	Grade	Status	Developer	Rent (sq ft)
Rugby 673, Castle Mount Way, Rugby	673,270	Existing Refurbished	Available Occupied	Sunrise (Sainsburys sublet)	£9.75
Comments: Rugby 673 is the largest void in Rugby and is currently occupied by Sainsburys who are looking to sublet or assign the unit, the lease expires July 2033 with a tenant break in July 2028. The unit is well located directly adjacent to Junction 1 of the M6 motorway. The unit offers a good quality fitted industrial accommodation specification includes 12m eaves, 40 dock & 2 level access doors, up to 40m yard depth, 4 MVA power. Units of this size are limited across the Midlands market, in addition the unit is fitted with lighting, sprinklers and racking allowing for quick occupation and operation with reduced costs.					
Unit 6 Symmetry Park	338,064	New Build Spec	Available Vacant	Tritax Symmetry	£10.25
Comments: Symmetry Park delivered by Tritax extends170 acres with 1.9m sq ft of existing floor space and the ability to deliver a further 1.4m sq ft on Phase 2. The unit provides an institutional Grade A specification having been delivered speculatively in Q1 2025. The specification includes 15m eaves height, 30 dock & 4 level access doors, 50m yard depth and a BREEAM 'Excellent' rating. The unit is well located with direct access to the A45 and an 8-minute journey time to Junction 17 of the M1. LSH expect this unit to be let in 2026.					
Rugby 251	250,400	New build Spec	Under Construction	JD /Newlands	£11.50

Comments: Rugby 251 is currently under construction due to reach practical completion in August 2025; the unit is being delivered by JD.com & Newlands Developments and will provide institutional Grade A industrial accommodation. The property was formally launched to the market in February 2026.

The unit benefits from excellent transport links located close to Junction 1 of the M6. The specification includes 15m eaves height, 24 dock & 3 level access doors, 50m yard depth, 1.25 MVA power and targeting a 'BREEAM' excellent rating. Given the size, specification and lack of competition in Rugby, LSH expect the unit to be let in 2026 to a strong covenant on a long-term lease.

Rugby 220	220,263	Existing Refurbished	Under Refurbishment	BX	£9.50

Comments: Rugby 220 is currently under refurbishment and provides a good quality existing cross docked facility within the 'Golden Triangle' 5 minutes' drive time to Junction 1 of the M6.

The unit's specification includes 2 yards 45m & 48m, 12m clear eaves height, 19 dock doors, 7 level access doors, sprinklers. The unit provides a discount off prime rents and offers one of the only cross dock facilities in the Midlands. The access to the unit is poor and the unit is gable end loading which will not be preferential for all occupiers.

Unit 7 Symmetry Park	170,473	New Build Spec	Available Vacant	Tritax Symmetry	£10.25

Comments: Symmetry Park delivered by Tritax extends170 acres with 1.9m sq ft of existing floor space and the ability to deliver a further 1.4m sq ft on Phase 2.

As of February 2026, LSH understands this unit is under offer to Noatum Logistics. The unit provides an institutional Grade A specification having been delivered speculatively in Q1 2025. The specification includes 15m eaves height, 20 dock & 2 level access doors, 50m yard depth and a BREEAM 'Excellent' rating. The unit is well located with direct access to the A45 and an 8-minute journey time to Junction 17 of the M1.

Rugby 106, Central Park Drive	106,196	New Build Spec	Under Construction	Barjane	£12.00

Comments: Rugby 106 is currently under construction and being delivered by Barjane, the unit is due to reach practical completion in April 2026. The unit has excellent transport links and is located 1 minute drive time to Junction 1 of the M6.

The unit provides Grade A industrial accommodation speculatively delivered, the specification includes 14m eaves height, 8 dock doors & 2 level access doors, 50m yard depth, 600 kVA power supply and target BREEAM 'Outstanding' rating. LSH expects this unit to let well given limited competing buildings of similar quality in Rugby and key locations nearby.

1 Cosford Lane	162,066	Existing	Available Occupied	EQT	£8.75 (passing)

Comments: 1 Cosford Lane provides older existing industrial accommodation located on a well-established popular Swan Valley Industrial Estate. The property is available by way of sub-let or assignment until May 2027. The landlord may consider surrender and granting of a new longer-term lease. The unit benefits from a good specification including, cross dock loading provision, dual yards 45m & 34m, 18 dock level doors, 4 level access doors, eaves 10 to 12m, lighting and sprinklers.					
Cosford Point	98,064	Existing Refurbished	Under Refurbishment	Farran Investments	£8.95
Comments: Cosford Point offers good quality refurbished industrial accommodation located on Swan Valley Industrial Estate. The unit available for occupation in Q2 2026. Specification includes 6.5m – 12m eaves heights, 11 dock doors, 3 level access doors, 45m service yard. The unit offers a cheaper option for occupiers compared to prime stock, the varying eaves height won't suit all occupiers.					

4.44 In addition to this, LSH has provided a list of active requirements covering the West Midlands and wider Midlands. This illustrates the level of interest in the area, and it is expected that several of these will translate to new deals in due course. The list is set out in Table 4.2 with highlights in the bullets below:

- Super Smart Service are currently looking for a new warehouse in the Midlands with a preference for Cannock and surrounds. LSH understand this is for the Shein contract, the occupier was looking for a short-term option of around 12-18 months seeking c. 300,000 sq ft of space. This requirement has now evolved into a longer-term solution of 500,000 sq ft plus, the preferred options have been identified.

- Tik Tok Shop UK currently have a 500,000 sq ft Midland's requirement which is currently out to multiple 3PL's for tendering. With an expected commitment during 2026 as the next phase of their planned expansion.

- CBRE are currently acting for Uniqlo who currently have a 750,000 – 1,000,000 sq ft requirement in the Midlands.

- GXO and Bleckmann currently have c. 750,000 sq ft confidential customer led Midland's requirements.

- Colliers are currently acting for Halfords who have a 700,000 sq ft active search in the Midlands.

- LSH understands Noatum Logistics are currently looking for a new industrial unit of c.200,000 sq ft in Rugby. We understand through market intelligence they are under offer again on Unit 7 Symmetry Park which extends 170,473 sq ft. Noatum were previously under offer on this unit in Q4 2025 prior to it falling through.

- Colliers are currently acting for Selco Builders Warehouse who are looking for a unit extending initially around 250,000 sq ft with an occupation date of summer 2026. They have looked at a number of units in the Midlands including Rugby 251. We understand the requirement has now reduced to circa 200,000 sq ft of space with two existing options having been shortlisted. The project is now at board level for approval.

- DHL currently have a contract led requirement, preferred location Coventry and surrounds. Their requirement is around 250,000 sq ft, LSH understands they are currently awaiting feedback from the customer which is expected soon.

- Nippon Express Ltd a global logistics company have been out viewing in recent months and are looking in the Midlands for a unit of c. 200,000 sq ft.

- CBRE have a number of requirements across the midlands acting for their corporate clients which include ID Logistics, Maersk and Amazon these range from 50,000 – 400,000 sq ft +

Table 4.4 West Midlands and Surrounds Notable Active Requirements (2025/2026)

Occupier	Floorspace Requirements (sq ft)	Location	Date Registered	Timescale
Wareing & Company obo client	120,000 – 150,000	Midlands	February 2026	Timescale Q1 2027
Knight Frank obo client	150,000 – 250,000	West Midlands	February 2026	Timescale Q4 2026
BNP obo Nissian	150,000 – 300,000	Midlands	January 2026	Timescale Q4 2027
Colliers obo Selco	200,000 – 250,000	Midlands	January 2026	Timescale summer 2026
Avison Young obo client	150,000 – 220,000	Midlands	January 2026	Timescale Q3 2026

DHL	c. 250,000	Midlands	January 2026	Timescale 2026
CBRE obo client	175,000 – 300,000	Midlands	January 2026	Timescale 2026
Savills obo client	200,000 – 300,000	Midlands	January 2026	Timescale Q4 2026
TC Group obo client	100,000 – 150,000	Midlands	January 2026	Timescale Q2 2026
Bulleys obo client	100,000 – 200,000	West Midlands	January 2026	Timescale Q3 2026
JLL obo client	80,000 – 110,000	Midlands	January 2026	Timescale Q2 2026
Avison Young obo Super Smart Service	c. 500,000	West Midlands	January 2026	Timescale 2026
Bond Wolfe obo client	40,000 - 90,000	West Midlands	January 2026	Timescale Q1 2026
Colliers obo Halfords	c. 700,000	Midlands	December 2025	Timescale 2026
Top Cloud	200,000	Midlands	December 2025	Timescale 2026
Arcese Transport	200,000 - 250,000	Midlands	December 2025	Timescale 2026
Nippon Express	c. 200,000	Midlands	November 2025	Timescale 2026
Cushman obo client	150,000 - 200,000	Midlands	November 2025	Timescale Q2 2026
3PL RE obo client	100,000	West Midlands	November 2025	Timescale 2026
3PL RE obo client	100,000 - 200,000	West Midlands	November 2025	Timescale Q3 2026
Harris Lamb obo client	100,000 - 200,000	Midlands	November 2025	Timescale Q1 2026
Newmark obo client	60,000 - 110,000	Midlands	November 2025	Timescale Q1 2026
Knight Frank obo client	60,000 - 70,000	Midlands	November 2025	Timescale Q1 2026

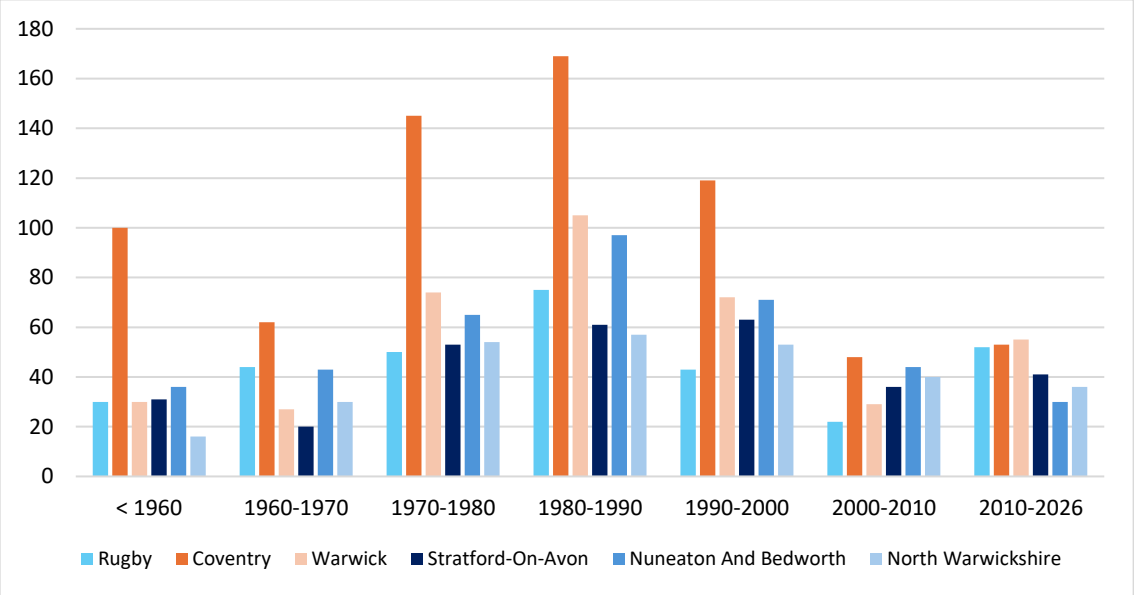
Unit Quality

4.45 Figure 4.5 shows that Coventry & Warwickshire's relatively low vacancy rates persist despite the fact that 62% of industrial and logistics units were built before the 1990s. By borough this translates to the following:

- Rugby: 63%
- Coventry: 68%

- Warwick: 60%
- Stratford-Upon-Avon: 54%
- Nuneaton & Bedworth: 62%
- North Warwickshire: 55%

Figure 4.5 Coventry and Warwickshire Industrial and Logistics Market - Age of Stock (2015-2026)



Source: CoStar (2026)

Unit Take Up

4.46 Over the past decade over 45.8m sq ft of industrial and logistics floorspace has been taken up in Coventry & Warwickshire as shown in Table 4.5. This has been highest in Rugby by some margin reflecting its attractiveness and relative market size compared to other boroughs. Rugby has seen c12.4m sq ft taken up, followed by Coventry with c10.7m and North Warwickshire with c9.7m sq ft.

4.47 Similarly, Rugby has the highest average take up per annum over the last decade at c1.2m sq ft. This underlines earlier points about the likelihood of vacant stock being taken up over the short-to-medium term. Rugby is followed by Coventry with c1.1m sq ft and North Warwickshire with c970k sqm.

4.48 Warwick, Nuneaton & Bedworth and Stratford-upon-Avon have all also seen positive take up figures over the last decade, but these are more modest than the other geographies in the Coventry & Warwickshire area.

Table 4.5 Coventry & Warwickshire Industrial and Logistics Take Up (2016-2026)

Area	Total Deals	Total Floorspace Let (Sq Ft)	Average Floorspace Let P/A (Sq ft)	Average Unit Size Let (Sq Ft)	Average Net Absorption P/A (Sq ft)
Coventry & Warwickshire	1,811	45,853,038	4,583,504	31,237	1,852,843
Rugby	216	12,368,017	1,236,802	57,259	549,862
Coventry	584	10,653,256	1,065,326	33,906	398,769
Warwick	352	6,006,673	600,667	17,064	233,740
Stratford-On-Avon	232	3,040,591	304,059	13,106	131,937
Nuneaton & Bedworth	225	4,082,911	408,291	18,146	117,152
North Warwickshire	202	9,683,590	968,359	47,939	421,382

Source: CoStar (2026) Note: Early take up data presented for Rugby excludes 2025 records and is presented in sqm rather than sq ft.

4.49 From a floorspace perspective, Table 4.5 shows that the average unit size let is higher in Rugby and North Warwickshire than the other geographies at 57,529 sq ft and 47,939 respectively over the last decade. This likely reflects a larger proportion of 'big box' units in these areas as previously discussed.

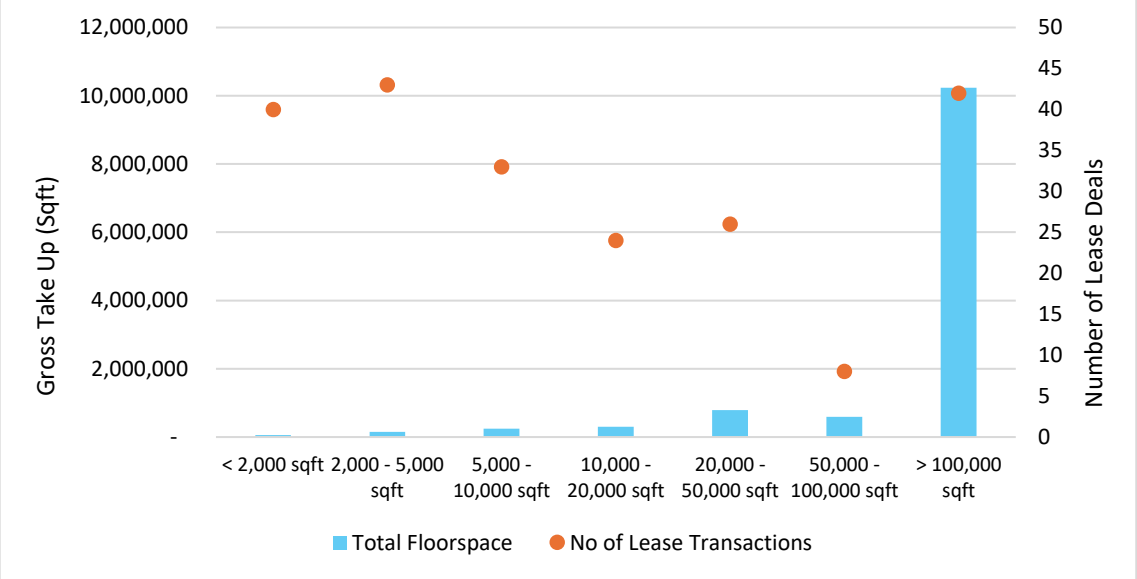
4.50 The average unit size let in Warwick, Nuneaton & Bedworth and Stratford-upon-Avon is, in contrast, much smaller at 17,064 sq ft, 18,146 sq ft and 13,106 sq ft respectively over the last decade. These areas serve more 'local' industrial markets compared to Rugby, North Warwickshire and Coventry which play a more strategic role

4.51 Focusing on Rugby specifically, Figure 4.6 shows most floorspace that has been taken up has been within 'big box' units. Deals in this category equate to over 10.2m sq ft which translates to almost 82% of all floorspace taken up in the borough over the last

decade. This was achieved over c40 deals meaning the average unit size taken up within this category was more than 250,000 sq ft.

4.52 This is important to note because 'big box' units take longer to let, but once they are let, they have a disproportionate impact on vacancy rates. A small level of activity related to 'big box' units can lead to a big swing in vacancy rates as previously set out.

Figure 4.6 Rugby Industrial and Logistics Market - Gross Take Up by Size Category (2016-2026)



Source: CoStar (2026)

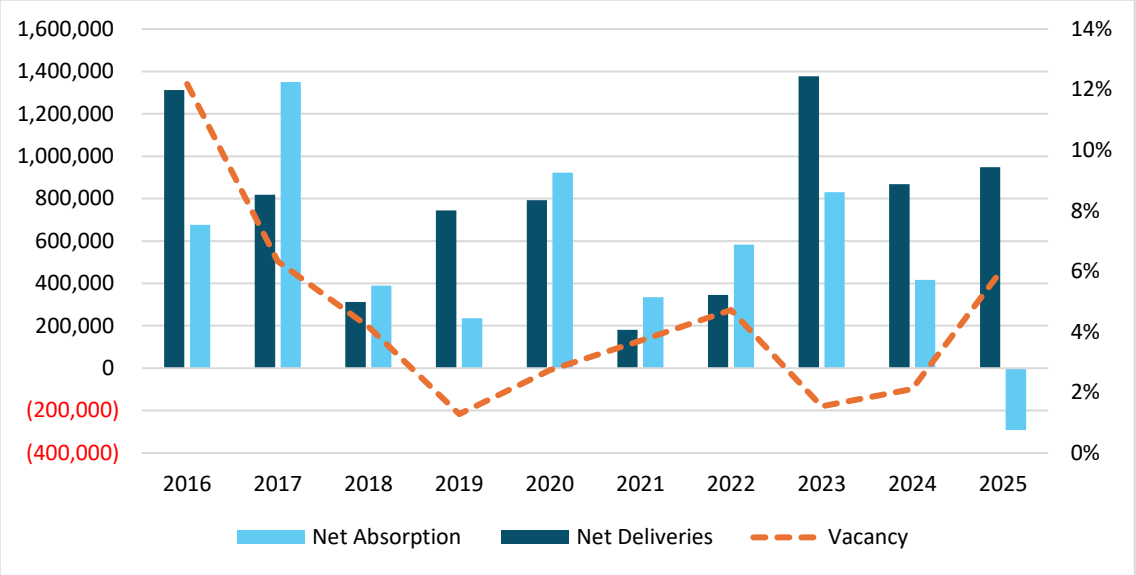
4.53 Net absorption, which is considered a 'truer' indicator of 'demand', has averaged 1,852,843 sq ft per annum across Coventry & Warwickshire over the past decade. Net absorption can be defined as follows

- The net change in occupied space within a market over a given period, calculated as the amount of space leased minus the space vacated. It serves as a strong indicator of 'demand' because it reflects actual tenant activity and space utilisation rather than just availability, showing whether businesses are expanding, contracting, or holding steady in real terms.

4.54 As shown in Table 4.3, Rugby has seen the highest levels of net absorption in Coventry & Warwickshire over the last decade at 549,862 sq ft per annum illustrating high levels of 'demand'. This again underlines earlier points made

about the likelihood of vacant stock being taken up.

Figure 4.7 Rugby Industrial and Logistics Market - Net Absorption Per Annum (2016-2025)



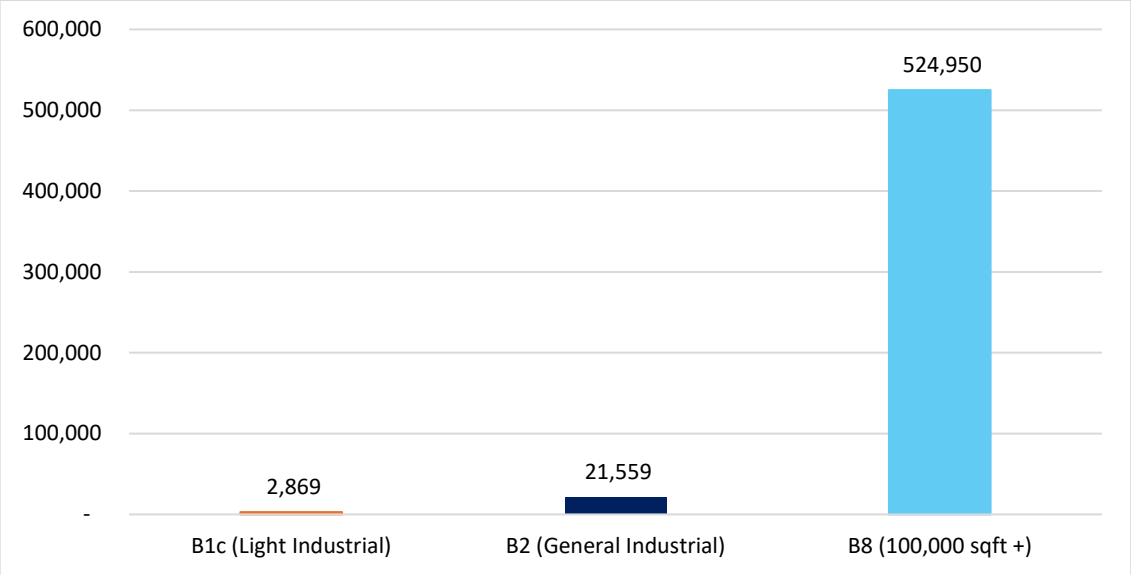
*Source: CoStar (2026) *Please note we have excluded 2026 as there was no data available.*

4.55 This is explored in more detail in Figure 4.7. This shows that net absorption has been positive in Rugby ever year over the last decade. The only year where it has been negative was last year reflecting over 3.2m sq ft of new industrial and logistics stock coming onto the market over the last three years.

4.56 As set out earlier in this chapter, this is considered a short-term blip as take up may have been dampened due to the impacts of inflation, tariffs and policy changes. Agents at LSH note that net absorption is expected to recover as inflation falls and business adjust to new policy regimes.

4.57 Apart from Rugby, Table 4.3 shows that average net absorption has also been high in Coventry and North Warwickshire at 398,769 sq ft and 421,382 sq ft respectively over the last decade. The other boroughs have seen more modest net absorption levels in line with the size of their markets.

Figure 4.8 Rugby Industrial and Logistics Market - Average Annual Net Absorption by Category (i.e. B1C, B2, B8) (2016-2026)



Source: CoStar (2026)

Unit Rents

4.58 A combination of low rents and high levels of continued 'demand' have caused industrial and logistics rents to increase significantly across Coventry & Warwickshire over the last decade. This is set out in Figure 4.9 which shows significant increases across all geographies.

4.59 Average rents are highest in Warwick at £10.27 psf followed by North Warwickshire (£9.27 psf), Rugby (£9.25 psf), Coventry (£8.98 psf), Nuneaton & Bedworth (£8.94 psf) and Stratford-Upon-Avon (£8.62 psf). These figures are, however, averages and mask some of the top leasing deals that have been agreed in recent years, including the following:

- Vulcan, Coventry owned by Tritax was let in Q1 2026 to British Garden Centres at a rent of £12.00 psf. The unit is an existing refurbished unit extending 81,774 sq ft.

- Apollo 5 Ansty Park, Coventry was let to Daals in Q2 2025 at a rent of £10.50 per sq ft. The unit extends 301,591 sq ft and provides brand new speculative built industrial accommodation.

- Unit 5 Symmetry Park, Rugby was to Iron Mountain in Q3 2025 at a rent of £9.85 per sq ft. The unit provides brand new speculatively built accommodation extending 390,694 sq ft.

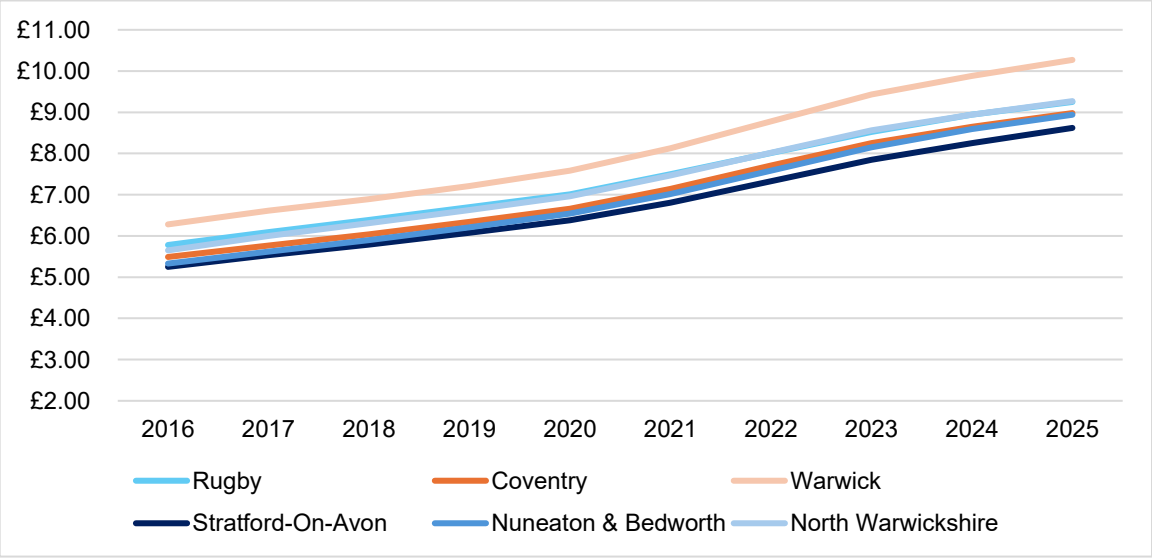
- Unit E Spa Park, Leamington Spa delivered by Northern Trust was let to HeliosX Holdings at a rent of £11.00 psf in Q4 2025. The unit extends 50,995 sq ft and provides brand new speculatively built accommodation.

- Hams 38, Coleshill owned by Marchmont was let to Bunzl in Q3 2025 at a rent of £10.95 per sq ft. The unit extends 38,670 sq ft and provides existing refurbished industrial accommodation.

- DC2 Prologis Park Hams Hall, Coleshill delivered by Prologis was let to FIEGE Logistics at a rent of £9.95 per sq ft in Q3 2025. The unit extends 261,147 sq ft and provides brand new speculatively built industrial accommodation.

- Unit G Precision Park, Leamington Spa delivered by Canmoor was let to Backstreet International Merchandise in Q1 2025 at a rent of £10.25 psf. The unit extends 29,165 sq ft and provides brand new speculatively built accommodation.

Figure 4.9 Coventry & Warwickshire Industrial and Logistics Market - Achieved Rents (2016-2026)



Source: CoStar (2026)

Suppressed Demand

4.60 As the analysis above shows, Coventry & Warwickshire's industrial and logistics market has experienced availability rates at or below 8% over the last decade. This sustained shortage suggests the area has been subject to 'suppressed demand' - where businesses are willing to take space but cannot because suitable premises are unavailable. It means that recorded take-up and net absorption figures likely underestimate true 'demand', as companies have been unable to expand or relocate.

4.61 The implications of this are significant. When supply fails to keep pace with 'demand', competition for space intensifies, rents rise, and incentives narrow. Businesses unable to secure premises may delay investment, accept suboptimal accommodation or relocate outside the area.

4.62 These local dynamics reflect a wider national issue as highlighted in the British Property Federation's report *Levelling Up - The Logic of Logistics*. This document demonstrates that 'suppressed demand' is a structural constraint that has shaped the country's industrial and logistics market for more than a decade.

4.63 It sets out that vacancy rates have remained at or below 8% since 2011. This persistent undersupply means historic take-up figures significantly understate real occupier requirements. According to the report, true 'demand' is at least 29% higher than recorded as many deals have never materialised because space was unavailable.

4.64 The report notes that the consequences of this imbalance have been profound - it states that rents for logistics space have risen by +61% since 2011, more than twice the rate of inflation, as occupiers compete for scarce stock. Choice has diminished, and pre-let or build-to-suit arrangements have become the norm with around half of large-unit transactions occurring before completion.

4.65 Crucially, the report argues that calculations of 'need' do not truly reflect market requirements. It notes that traditional approaches based on historic completions alone fail to capture 'suppressed demand' and therefore underestimate future requirements.

5. SUPPLY

Is there appropriate industrial and logistics floorspace supply in Rugby to meet identified 'need' and 'demand'?

5.1 This chapter provides commentary on the supply position for industrial and logistics uses in Rugby. Supply refers to the amount, type and quality of land and/or premises to meet identified 'need' and 'demand'.

Employment Land Supply

5.2 This report shows that there is clear 'need' and 'demand' for additional industrial and logistics floorspace in Rugby.

5.3 From a 'need' perspective, the Proposed Submission Local Plan (2025-2042) and Topic Paper (December 2025) identify a requirement for 1,034,000 sqm or 287 hectares of B2, E(g)(iii) and B8 industrial and logistics floorspace/land between 2025 and 2042. This draws on a range of technical documents including the HEDNA (2022), WMSESS (2024) and Alignment Paper (2024).

5.4 While these figures might be considered a reasonable 'minimum' to plan for, they likely underestimate true 'need' in Rugby. This is because the evidence base underpinning them is highly complex, largely out-of-date and makes a broad range of assumptions that reduce overall 'need' significantly.

5.5 A simpler, more 'traditional' and up-to-date analysis of completions and take-up data in Rugby shows a different picture. Between 2025 and 2042 they suggest a 'need' for 414 ha and 709 ha respectively which is much higher than planned for in the Proposed Submission Local Plan (2025-2042).

5.6 Such analysis highlights the sensitivity of employment 'need' calculations and illustrates that different approaches can yield significantly different figures. It also highlights the risk of 'false precision' in employment 'need' studies and emphasises the importance of presenting 'need' figures as a range.

5.7 From a 'demand' perspective, analysis illustrates that Coventry & Warwickshire has seen significant industrial and logistics floorspace growth over the last decade. This has been accompanied by strong net absorption and comparatively low vacancy rates over the last decade which has driven significant rental growth.

5.8 This is set out below, which also highlights that 'demand' within Coventry & Warwickshire is highest in Rugby, Coventry and North Warwickshire specifically:

- Industrial and logistics floorspace in Coventry & Warwickshire has increased by + 20,152,247 sq ft over the last decade with the highest gains seen in Rugby (+6,387,459 sq ft), Coventry (+4,540,197 sq ft), and North Warwickshire (+2,533,318 sq ft).

- Take up of industrial and logistics floorspace has been strong over the last ten years in Coventry & Warwickshire totalling +45,835,038 sq ft or +4,583,504 sq ft on average per annum. This has again been highest in Rugby (+12,368,017 sq ft or 1,236,802 sq ft per annum), closely followed by Coventry (+10,653,256 sq ft or 1,065,326 sq ft per annum), and North Warwickshire (+9,683,590 sq ft or 968,359 sq ft per annum).

- Net absorption has been positive over the last ten years in Coventry & Warwickshire with an average of +1,852,843 sq ft per annum. Again, the highest levels have been in Rugby (+549,862 sq ft per annum), followed by North Warwickshire (+421,382 sq ft per annum), and Coventry (+398,769 sq ft per annum).

- Over the past decade Coventry & Warwickshire's industrial and logistics vacancy rates have remained at or below 8% across the area indicating a constrained market. They have edged up in recent years reflecting the introduction of new stock to the market. In Rugby vacancy rates have averaged 5% over the past ten years, followed by 4% in Coventry, and 2% in North Warwickshire.

- These dynamics have led to significant increases in rental values over the last decade in Coventry & Warwickshire. Average values now sit at £9.28 psf which is +39% higher than in 2016. These changes have been similar across Rugby (+38%), Coventry (+39%) and North Warwickshire (+39%).

5.9 These figures show high levels of 'demand' despite a significant amount of new stock coming to the market in recent years, particularly in Rugby.

5.10 When this 'demand' position is considered against the limitations of the 'need' calculations, as well as the ambitions set out in both the West Midlands Growth

Plan (2024) and Rugby Economic Development Strategy (2025), it is clear that Rugby Borough Council could plan for higher levels of industrial and logistics growth.

5.11 It is not uncommon for Local Planning Authorities (LPAs) to introduce commitments above the 'need' position where they are (a) seeking to accelerate economic growth beyond historic trends, and (b) responding to local 'demand' signals. The Proposed Submission Local Plan (2025-2042) does not currently do this but there is a clear opportunity to do so.

5.12 From a supply perspective, the Proposed Submission Local Plan (2025-2042) allocates almost exactly 1,034,000 sqm or 287 hectares of B2, E(g)(iii) and B8 employment land across the following sites:

- Prospero Ansty and Ansty Park: 26,663 sqm.
- Coton Park East: 26,421 sqm.
- Padge Hall Farm: 137,730 sqm.
- Houlton Remaining Employment Land: 15,000 sqm.
- Employment Planning Permissions (Small Sites): 13,429.4 sqm.
- Crowner Fields Farm, Ansty: 275,000 sqm.
- Coton Park East: 115,000 sqm.
- South West Rugby Phase II: 60,000 sqm.
- Ansty Park North: 75,000 sqm.
- Land at Walsgrave Hill: 290,000 sqm.

5.13 On the basis that the true level of 'need' is likely to be underestimated in the Proposed Submission Local Plan (2025-2042), this position represents a potential supply deficit.

5.14 Even if the identified 'need' was more accurate, it is uncommon for an LPA to only allocate the exact amount of land required as there is it is not certain that

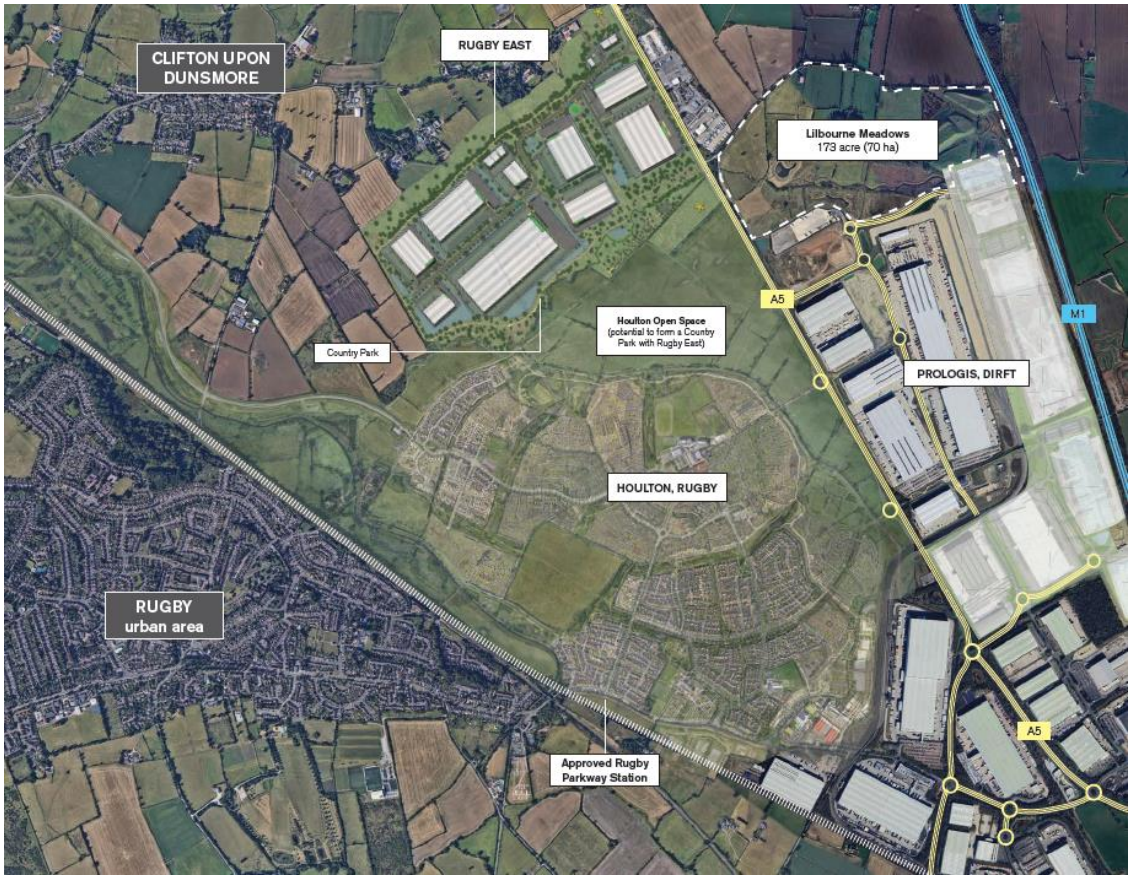
every allocated site will come forward.

5.15 For these reasons, it is considered that the Proposed Submission Local Plan (2025-2042) allocates insufficient employment land. Additional sites therefore need to be identified. One option includes Stoford's site to the north of Houlton, which is also known as Rugby East as set out below.

Rugby East

5.16 Stoford has been promoting Rugby East ('the Site') through the Rugby Local Plan Review process. As shown in Figure 5.1 below, the 135 ha Site is located on the edge of Rugby's urban area and adjacent to the sustainable urban extension at Houlton where 6,000 new homes are under construction.

Figure 5.1: Rugby East Location



Source: Stoford

5.17 Located adjacent to the A5, the Site has the potential to serve as a new strategic employment location. It is within walking and cycling distance of the approved

Rugby Parkway Railway station, which is due to open in 2029, and is directly connected to DIRFT.

5.18 Stoford have developed a clear vision and aspiration for the Site incorporating the following:

- A mix of industrial and logistics units totalling c320k sqm that complement and provide different options to DIRFT.
- 60 ha of additional parkland connecting to the Houlton Open Space.
- 1-2 acres of land for gypsy and traveller provision offering up to 15 pitches.
- Delivery of a new roundabout junction providing direct accessibility to the A5.
- Provision of a sustainable travel hub providing active travel connectivity to the new Rugby Parkway Station.

Figures 5.2 and 5.3 below illustrate this vision in more detail.

Figure 5.2 Rugby East Unit Configuration

Figure 5.3 Rugby East Country Park

5.19 The Site has previously been considered by Rugby Borough Council following a Call for Sites Exercise. Comments are provided on the site in the Rugby Borough Stage 1 Housing and Economic Land Availability Assessment (2025) ('Stage 1 Assessment'), Rugby Borough Stage 2 Site Options Assessment (2025) ('Stage 2 Assessment') and, lastly, the Rugby Borough Stage 3 Sustainability Appraisal (2025) ('Stage 3 Assessment').

5.20 The Site was identified as potentially suitable in both the Stage 1 and 2 Assessments, but was ultimately not taken through to the Proposed Submission Local Plan (2025-2042) following the Stage 3 Assessment.

5.21 While the Stage 3 Assessment considered the Site as potentially suitable, it was assessed as less suitable than other sites based on a range of sustainability factors including accessibility, air quality, biodiversity, communities, economy, landscape, transport and water among others. It was, however, close to being included within the 'Preferred Option' as the text below illustrates:

*"Focusing on the possibility of **allocating one further strategic site**, attention focuses on a choice between: A) Prologis Park West… and **B) Land north of Houlton, namely Site 130**. These are notably different propositions, and… both are taken forward for further detailed consideration through the appraisal".*

5.22 Ultimately Prologis Park West was selected and included in the Preferred Option Consultation Local Plan (2024-2045) over the Site for several reasons as set out by Stoford in their May 2025 Representations.

5.23 Given how close the Site was to being included in the Preferred Option Local Plan (2024-2045), however, it is likely to be suitable for allocation in the context of 'need' being underestimated in the Proposed Submission Local Plan (2025-2042).

5.24 To consider this in more detail, the Site has been assessed against the criteria set out in Table 5.1 below. These criteria are typically used in employment land reviews to determine which sites to allocate. They reflect the requirements of investors and occupiers when considering sites and premises.

5.25 The criteria also align with the 'suitability' pillar of the NPPG guidance which states that supply should only be considered where 'available', 'achievable' and

'suitable'. It is assumed that the site is both 'available' and 'achievable'.

Table 5.1 Site Assessment Criteria

	Description	Scale
Size	Larger sites are in short supply and can accommodate a wide range of business sizes and types. This allows colocation and agglomeration benefits to be realised. They should therefore be prioritised from an employment land perspective.	5 = Strategic site (> 20 ha) 4 = Large site (15-20 ha) 3 = Medium site (10-15 ha) 2 = Small site (5-10 ha) 1 = Local site (<5 ha)
Access to Strategic Road Network	Access to the Strategic Road Network (SRN) is important for the operation of industrial and logistics businesses. It also provides benefits from a labour market perspective.	5 = Immediately adjacent to SRN 4 = Proximate to SRN (1-5 mins drive) 3 = Close to SRN (5-10 mins drive) 2 = Accessible to SRN (10-15 mins drive) 1 = Far from SRN (>15 mins drive)
Distance to Train Station	Sites in close proximity to train stations are easily accessible to workers. They provide a more sustainable commuting modes compared to cars.	5 = Adjacent to train station (1-5 mins walk/cycle) 4 = Proximate to train station (5-10 mins walk/cycle) 3 = Close to train station (10-20 mins walk/cycle) 2 = Accessible to train station (20-30 mins walk/cycle) 1 = Far from train station (>30 mins walk/cycle)
Proximity to Labour Market	Proximity to a potential workforce is an important consideration for occupiers given the challenges involved in attracting the right talent.	5 = Within major settlement 4 = Adjacent to major settlement (1-5 mins drive) 3 = Close to major settlement (5-15 mins drive)

		2 = Accessible to major settlement (15-20 mins drive) 1 = Some distance from major settlement (>20 mins drive)
Compatibility of Surrounding Uses	Industrial and logistics uses can be 'noisy neighbours' if not managed and mitigated appropriately. Close proximity to residential uses can therefore be problematic.	5 = Significant distance or separation from residential clusters (>2km) 4 = Good distance or separation from residential clusters (1-2km) 3 = Reasonable distance or separation from residential clusters (0.5-1km) 2 = Some distance or separation from residential clusters (0.25-0.5km) 1 = Limited distance or separation from residential clusters (<0.25km)

5.26 The analysis is presented below:

- **Size: 5/5:**
    - The Site is 135 ha meaning it can accommodate a broad mix of units ranging from 'big box' units through to smaller 'traditional' industrial units.
- **Access to Strategic Road Network: 5/5:**
    - The Site sits directly on the A5 and is under five minutes' drive from Junction 18 of the M1. This, in turn, links to some of the most important motorways in the country including the M6 and M25 among others.
- **Distance to Train Station: 3/5:**
    - The Site is expected to connect to the forthcoming Rugby Parkway Station via new and existing active travel routes. It is estimated that it will take c12 minutes to cycle and 40 minutes to walk. A sustainable travel hub is expected to be provided on-site to encourage cycling.
- **Proximity to Labour Market: 4/5:**

- The Site sits on the edge of the forthcoming Houlton Urban Extension and is around a five-minute drive to the edge of Rugby. This will provide a resident workforce and promote high levels of self-containment as people will be able to live and work locally.

- **Compatibility of Surrounding Uses: 3/5:**

  - While the Site is close to the Houlton Urban Extension, it will be largely separated by Houlton Open Space. A country park is also expected to be provided on-site to create a 'buffer zone' between neighbouring activities. Other nearby uses include other industrial sites (Eddie Stobart and Rugby Truck Stop) which are highly compatible.

5.27 This assessment demonstrates that the Site is a highly suitable employment site and, in the context of 'need' being underestimated in the Proposed Submission Local Plan (2025-2042), it is our view that it should be allocated in the final Rugby Local Plan (2025-2042).

5.28 Notwithstanding this assessment, it is important to note the following in relation to the Site:

- It is close to DIRFT providing an opportunity to create a 'hub and spoke' model. DIRFT can be used to transfer goods by rail ('hub') before being moved out to neighbouring Rugby East ('spoke') for storage or processing. This would free up space at DIRFT terminal warehouses allowing for additional in- and out-flow of goods.

- It is one of the few strategic sites that is adjacent to the town of Rugby itself. Analysis undertaken by Turley suggests that other allocated sites are more likely to provide employment to those living in neighbouring boroughs, while Rugby East is likely to accommodate Rugby-based workers. Analysis of those living in the town of Rugby illustrates higher than average levels of unemployment claimants versus other parts of the borough highlighting the potential positive impact Rugby East could have on the local economy.

- There is a critical need for gypsy and traveller accommodation in Rugby with the latest assessment identifying a need for 94 pitches over the Local Plan

Period. The Site has the potential to offer 1-2 acres of land for these uses potentially accommodating up to 15 pitches. Stoford has also committed to making an off-site contribution instead should better locations exist elsewhere in the borough.

6. CONCLUSION

6.1 The purpose of this report is to assess, based on current evidence, the extent of both 'need' and 'demand' for industrial and logistics uses in Rugby. The differences between 'need' and 'demand' are as follows:

- **Need:** refers to the minimum amount of employment floorspace or land 'needed' to meet expected economic growth in an area. Objectively assessed figures are reached by projecting forward past economic, commercial and/or demographic trends using a range of different tools and techniques.
- **Demand:** refers to the level of market appetite to occupy or invest in commercial floorspace within an area. There is no industry-accepted approach to reach a single objectively assessed figure, but a range of commercial 'signals' (e.g. rent, vacancy, take up, delivery) can be brought together to provide an indication.

The report also considers whether allocated supply is appropriate to meet identified 'need' and 'demand'.

6.2 The report is structured around the following questions:

- **NEED:** Is there an objective 'need' for more industrial and logistics floorspace in Rugby?
- **DEMAND:** Is there 'demand' for more industrial and logistics floorspace in Rugby?
- **SUPPLY:** Is there appropriate industrial and logistics supply in Rugby to meet identified 'need' and 'demand'?

NEED: Is there an objective 'need' for more industrial and logistics floorspace in Rugby?

6.3 From a 'need' perspective, the Proposed Submission Local Plan (2025-2042) and Rugby Development Needs Topic Paper (December 2025) identify a requirement for 1,034,000 sqm or 287 hectares of B2, E(g)(iii) and B8 industrial and logistics floorspace/land between 2025 and 2042. This draws on a range of

technical documents, including:

- The Coventry and Warwickshire Housing and Economic Development Needs Assessment ('HEDNA') (2022):
    - Considers the 'need' for housing and employment land across Coventry and Warwickshire.
- The West Midlands Strategic Employment Sites Study ('WMSESS') (2024).
    - Assesses the 'need' for 'strategic' employment land across the West Midlands.
- The HEDNA and WMSESS Alignment Paper ('Alignment Paper') (2024).
    - Addresses the overlaps between the HEDNA and WMSESS to provide aligned recommendations on employment land.
- The HENDA and WMSESS Alignment Paper Addendum ('Alignment Paper Addendum') (2025).
    - Summarises the issues from the review of representations made regarding the Alignment Paper.

6.4 Critical analysis of the evidence base illustrates that it is highly complex and largely out-of-date. It is difficult to follow and makes a broad range of assumptions that reduce overall 'need' significantly. Key concerns include the following:

- The HEDNA and WMSESS set out 'need' projections based on past trends to 2019 and 2022 respectively. This means that they do not take into account the significant changes experienced across the industrial and logistics market during and following the COVID-19 pandemic.

- The Alignment Paper's 'need' projections are based on more up-to-date trends, but no detail is provided on how figures are reached. Final 'need' figures are also lower than in the HEDNA despite Rugby experiencing higher levels of completions than in the past.

- The WMSESS sets out 'need' projections for the whole of the West Midlands and apportions overall figures to 'Opportunity Areas', including Rugby and Coventry ('Opportunity Area 7'). This apportionment is, by its own admission, simplistic and high level. There is no clear justification or discussion about how this process has been undertaken. Up-to-date evidence suggests that

the apportionment to Rugby and Coventry is understated which will likely to constrain supply in the area.

6.5 Due to these concerns, it is considered that a simpler approach to calculating employment land 'need' in Rugby should be taken. This should ideally use localised and up-to-date completions and/or take up data. Such an approach is more common and accepted as per National Planning Practice Guidance (NPPG).

6.6 The Alignment Paper Addendum disagrees with this and notes that *"it is inappropriate to focus narrowly on individual districts and assume that the pattern of past supply… is necessarily replicated"*.

6.7 This is not strictly true as most employment land studies focus on individual boroughs or districts with a consideration of functional market areas. Even if it were, as a minimum the apportionment of regional 'need' in the WMSESS should be sense checked and considered against recent localised trends.

6.8 To illustrate the impact of using both up-to-date and more localised data, an assessment of recent past completion and take up data has been undertaken for Rugby. This suggests the following:

- Completions Approach: Need for **c414 ha** of B2, B8 and mixed-use employment land between 2025 and 2042.
- Take Up Approach: Need for **c709 ha** of B2, B8 and mixed-use employment land between 2025 and 2042.

6.9 Such analysis highlights the sensitivity of employment 'need' calculations and illustrates that different approaches can yield significantly different figures. It also highlights the risk of 'false precision' in employment 'need' studies and emphasises the importance of presenting 'need' figures as a range.

6.10 Given the difference between these figures and those in Proposed Submission Local Plan (2025-2042), it also suggests that the indicative apportionment of strategic sites within the WMSESS has the effect of suppressing 'need' in areas like Rugby which have traditionally shown high levels of completions and take up.

6.11 Bringing all of this together, **it is considered that Rugby should be planning for between 414 and 709 ha of B2, E(g)(iii) and B8 industrial and logistics floorspace over the Local Plan period (2025-2042)** based on up-to-date completions and take up data. The *minimum* should be above the 414 ha figure as Rugby should incorporate a portion of the 'unmet need' from Coventry. It is Marrons' view that it should incorporate the full 9 ha shortfall set out in the Coventry Regulation 19 Proposed Submission Local Plan (2024) given Rugby's proximity and similar market characteristics.

6.12 In this context, it is important to note that there are concerns related to allocated sites in the Coventry Regulation 19 Proposed Submission Local Plan (2024). The 'achievability' and 'availability' of the allocated 21 ha Baginton Field site, for example, can be questioned because:

- It has been allocated for ten years and has not come forward to date.
- It can only be accessed from the south and will require new infrastructure to be delivered over third-party land.
- It is owned by multiple parties making delivery complex.
- It comprises sports pitches which present an obstacle to development.

This may therefore mean that the 9 ha shortfall will be higher than referenced (c30 ha).

6.13 It is also important to note that the Alignment Paper Addendum (2025), which was recently published, sets out that the amount of available land at Coventry Gateway South was overstated in the WMSESS by around 90 ha due to the presence of a substantial country park on the site. This increases the total shortfall by 90 ha in 'Opportunity Area 7'.

6.14 The Alignment Paper Addendum suggests that this creates a potential requirement for *"up to **two** additional B8/mixed use sites of a notional **50 ha**"* and sets out that 'Opportunity Area 7' should take at least one. It sets out that the other site could be considered elsewhere in Coventry & Warwickshire or the wider region.

6.15 It is, however, Marrons' view that the *full* 90 ha or *"two additional B8 mixed use sites of a national 50 ha"* should be accounted for within the Proposed Submission Local Plan (2025-2042). This is because the Coventry Gateway

South site sits within 'Opportunity Area 7' and was originally allocated in response to identified 'need' in this specific area.

6.16 While Coventry also sits within 'Opportunity Area 7', meaning it is suitable to accommodate a portion of the shortfall, the Addendum was published *following* the submission of Coventry City Council's Proposed Submission Local Plan (2022-2030) to the Inspector which is currently under examination. This means that there will be limited or no opportunity to identify alternative sites.

6.17 Interestingly, the Alignment Paper Addendum dismisses the importance of using up-to-date data as Marrons has recommended in this document. It sets out that the heightened completions and take up levels seen during the COVID-19 years were short lived and that *"the industrial and logistics market has returned to a pre-pandemic trend"*.

6.18 It also argues that the high levels of completions and take up were driven by *"one-off factors"* such as Brexit, COVID-19 and the Suez Canal Crisis driving short-term stock holding. It states that these factors created *a "temporary uplift in demand that does not represent a longer-term trend"* and that *the "surge in activity driven by Brexit and the pandemic has largely subsided"*.

6.19 Marrons and LSH do not consider these to be *"one off factors"* - rather they have created structural changes in the industrial and logistics market. Businesses continue to retain stock on-shore in response to regulatory reforms, and the elevated levels of e-commerce stimulated during the pandemic have been largely maintained as evidenced by the Addendum's own data.

6.20 These trends are expected to persist, alongside rising demand for data centres driven by the rapid growth of Artificial Intelligence and other emerging technologies. LSH are buoyant about market prospects and note that recent changes in national take up are influenced by genuine *"temporary"* factors such inflation. Tariffs and tax increases have also had an impact, but businesses are expected to adapt over time.

6.21 It is also important to note that the Alignment Paper Addendum uses 'net absorption' data to back up these assertions rather than take up data. This is a very volatile metric and is highly influenced by the delivery of new stock.

6.22 To illustrate, Rugby has seen significant new stock come onto the market over the last few years which will take some time to be occupied. This has led to negative 'net absorption' figures in 2025, but overall take up has remained strong over this period. Agents at LSH are positive about the prospects of this new stock being take up and it is expected that net absorption will become positive as this occurs.

DEMAND: Is there 'demand' for more industrial and logistics floorspace in Rugby?

6.23 From a 'demand' perspective, analysis illustrates that Coventry & Warwickshire has seen significant industrial and logistics floorspace growth over the last decade. This has been accompanied by strong take up and comparatively low vacancy rates which has driven significant rental growth.

6.24 This is set out below, which also highlights that 'demand' within Coventry & Warwickshire is highest in Rugby, Coventry and North Warwickshire specifically:

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- Over the past decade Coventry & Warwickshire's industrial and logistics vacancy rates have remained at or below 8% across the area indicating a

constrained market. They have edged up in recent years reflecting the introduction of new stock to the market. In Rugby vacancy rates have averaged 5% over the past ten years, followed by 4% in Coventry, and 2% in North Warwickshire.

- These dynamics have led to significant increases in rental values over the last decade in Coventry & Warwickshire. Average values now sit at £9.28 psf which is +39% higher than in 2016. These changes have been similar across Rugby (+38%), Coventry (+39%) and North Warwickshire (+39%).

6.25 These figures show high levels of 'demand' despite a significant amount of new stock coming to the market in recent year, particularly in Rugby.

6.26 When this 'demand' position is considered against the limitations of Rugby's 'need' calculations, as well as the ambitions set out in both the West Midlands Growth Plan (2024) and Rugby Economic Development Strategy (2025), it is clear that Rugby Borough Council could plan for higher levels of industrial and logistics growth.

6.27 It is not uncommon for Local Planning Authorities (LPAs) to introduce commitments above the 'need' position where they are (a) seeking to accelerate economic growth beyond historic trends, and (b) responding to local 'demand' signals. The Proposed Submission Local Plan (2025-2042) does not currently do this, it simply carries forward figures from its evidence base, but there is a clear opportunity to do so.

SUPPLY: Is there appropriate industrial and logistics floorspace supply in Rugby to meet identified 'need' and 'demand'?

6.28 From a supply perspective, the Proposed Submission Local Plan (2025-2042) allocates almost exactly 1,034,000 sqm or 287 hectares of B2, E(g)(iii) and B8 employment land in line with the 'need' figures set out in the Rugby Development Needs Topic Paper (December 2025) previously discussed. The allocated sites are as follows:

- Prospero Ansty and Ansty Park: 26,663 sqm.

- Coton Park East: 26,421 sqm.
- Padge Hall Farm: 137,730 sqm.
- Houlton Remaining Employment Land: 15,000 sqm.
- Employment Planning Permissions (Small Sites): 13,429.4 sqm.
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- Coton Park East: 115,000 sqm.
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- Ansty Park North: 75,000 sqm.
- Land at Walsgrave Hill: 290,000 sqm.

6.29 On the basis that the true level of 'need' is likely to be underestimated in the Proposed Submission Local Plan (2025-2042), this position represents a potential supply deficit of between -127 ha and -422 ha based on the 414 and 709 ha 'need' figures previously referenced. This is notwithstanding earlier comments regarding Baginton Field and Coventry Gateway South in neighbouring Coventry.

6.30 Even if the identified 'need' was more accurate, it is uncommon for an LPA to *only* allocate the exact amount of land required as there is it is not certain that every allocated site will come forward.

6.31 For these reasons, it is considered that the Proposed Submission Local Plan (2025-2042) allocates insufficient employment land. Additional sites therefore need to be identified which provide more than 127 ha of B2, E(g)(iii) and B8 employment land.

6.32 One option includes Stoford Property Limited's ('Stoford') site to the north of Houlton, which is also known as Rugby East ('the Site').

6.33 Rugby East is 135 ha Site located on the edge of Rugby's urban area and adjacent to the sustainable urban extension at Houlton where 6,000 new homes are under construction. Located adjacent to the A5, the Site has the potential to

serve as a new strategic employment location. It is within walking and cycling distance of the approved Rugby Parkway Railway station, which is due to open in 2029, and is directly connected to DIRFT.

6.34 Stoford have developed a clear vision and aspiration for the Site incorporating the following:

- A mix of industrial and logistics units totalling c320k sqm that complement and provide different options to DIRFT.
- 60 ha of additional parkland connecting to the Houlton Open Space.
- 1-2 acres of land for gypsy and traveller provision offering up to 15 pitches.
- Delivery of a new roundabout junction providing direct accessibility to the A5.
- Provision of a sustainable travel hub providing active travel connectivity to the new Rugby Parkway Station.

6.35 The Site has previously been considered by Rugby Borough Council following a Call for Sites Exercise. Comments are provided on the site in the Rugby Borough Stage 1 Housing and Economic Land Availability Assessment (2025) ('Stage 1 Assessment'), Rugby Borough Stage 2 Site Options Assessment (2025) ('Stage 2 Assessment') and, lastly, the Rugby Borough Stage 3 Sustainability Appraisal (2025) ('Stage 3 Assessment').

6.36 The Site was initially identified as potentially suitable in both the Stage 1 and 2 Assessments, but was ultimately not taken through to the Proposed Submission Local Plan (2025-2042) following the Stage 3 Assessment.

6.37 Given how close the Site was to being included in the Preferred Option Local Plan (2024-2045), however, it is likely to be suitable for allocation in the context of 'need' being underestimated in the Proposed Submission Local Plan (2025-2042).

6.38 To consider this in more detail, the Site has been assessed against a set of criteria that are typically used in employment land reviews to determine which sites to allocate. They reflect the requirements of investors and occupiers when

considering sites and premises.

6.39 The results of this analysis are presented below. More detail on the criteria and scoring used is presented in Table 5.1 within the main body of the report:

- **Size: 5/5:**
    - The Site is 135 ha meaning it can accommodate a broad mix of units ranging from 'big box' units through to smaller 'traditional' industrial units.
- **Access to Strategic Road Network: 5/5:**
    - The Site sits directly on the A5 and is under five minutes' drive from Junction 18 of the M1. This, in turn, links to some of the most important motorways in the country including the M6 and M25 among others.
- **Distance to Train Station: 3/5:**
    - The Site is expected to connect to the forthcoming Rugby Parkway Station via new and existing active travel routes. It is estimated that it will take c12 minutes to cycle and 40 minutes to walk. A sustainable travel hub is expected to be provided on-site to encourage cycling.
- **Proximity to Labour Market: 4/5:**
    - The Site sits on the edge of the forthcoming Houlton Urban Extension and is around a five-minute drive to the edge of Rugby. This will provide a resident workforce and promote high levels of self-containment as people will be able to live and work locally.
- **Compatibility of Surrounding Uses: 3/5:**
    - While the Site is close to the Houlton Urban Extension, it will be largely separated by Houlton Open Space. A country park is also expected to be provided on-site to create a 'buffer zone' between neighbouring activities. Other nearby uses include other industrial sites (Eddie Stobart and Rugby Truck Stop) which are highly

compatible.

6.40 This assessment demonstrates that the Site is a highly suitable employment site and, in the context of 'need' being underestimated in the Proposed Submission Local Plan (2025-2042), it is our view that it should be allocated in the final Rugby Local Plan (2025-2042).

6.41 Notwithstanding this assessment, it is important to note the following in relation to the Site:

- It is close to DIRFT providing an opportunity to create a 'hub and spoke' model. DIRFT can be used to transfer goods in by rail ('hub') before being moved out to neighbouring Rugby East ('spoke') for storage or processing. This would free up space at DIRFT terminal warehouses allowing for additional in- and out-flow of goods.

- It is one of the few strategic sites that is adjacent to the town of Rugby itself. Analysis undertaken by Turley suggests that other allocated sites are more likely to provide employment to those living in neighbouring boroughs, while Rugby East is likely to accommodate Rugby-based workers. Analysis of those living in the town of Rugby illustrates higher than average levels of unemployment claimants versus other parts of the borough highlighting the potential positive impact Rugby East could have on the local economy.

- There is a critical need for gypsy and traveller accommodation in Rugby with the latest assessment identifying a need for 94 pitches over the Local Plan Period. The Site has the potential to offer 1-2 acres of land for these uses potentially accommodating up to 15 pitches. Stoford has also committed to making an off-site contribution instead should better locations exist elsewhere in the borough.

Concluding Statement

6.42 Overall, the evidence presented in this report demonstrates that Rugby's current assessment of industrial and logistics 'need' likely understates the true scale of future requirements while 'demand' signals point to a resilient and constrained market with capacity for stronger economic growth. The combination of underestimated 'need', sustained market 'demand' and an insufficient supply

pipeline indicates a clear policy opportunity for Rugby Borough Council to plan more positively for employment land provision.

6.43 It is considered that, in total, Rugby should be planning for between 414 and 709 ha of B2, E(g)(iii) and B8 industrial and logistics floorspace over the Local Plan period (2025-2042) based on past trends. The minimum should ideally be *above* the 414 ha figure to take into account 'unmet need' in neighbouring Coventry. Even if the minimum stayed at 414 ha, it would lead to a significant shortfall in supply in Rugby meaning additional B2, E(g)(iii) and B8 employment land needs to be identified.

6.44 In this context, Rugby East represents a highly suitable and strategically located site that can help address emerging gaps in supply, support regional economic ambitions, and deliver wider social and environmental benefits. Incorporating this site would strengthen the Local Plan's ability to meet both current and long-term economic challenges while enhancing Rugby's role as a key industrial and logistics hub within the West Midlands.

Marrons

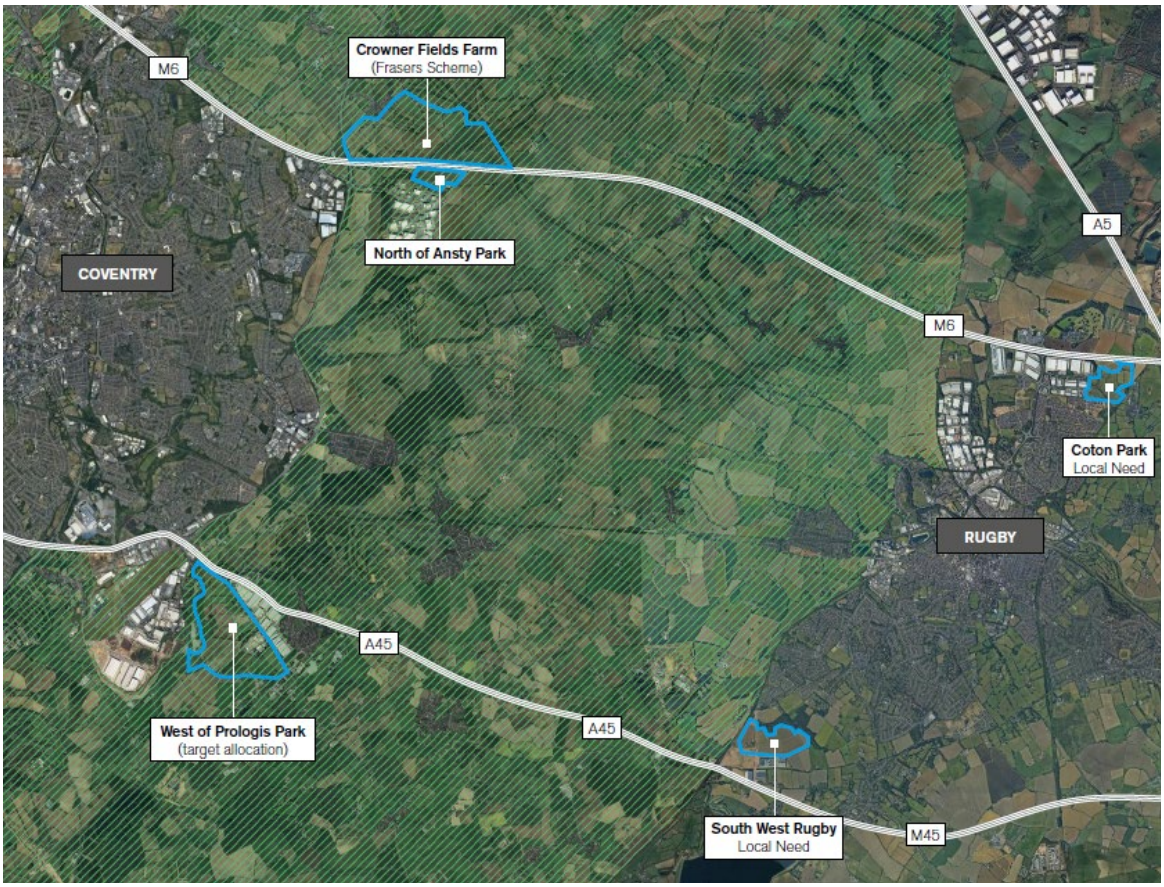
Labour Catchment Analysis

Rugby East

August 2025

1. Three of the five employment sites that Rugby Borough Council (RBC) is proposing to allocate through its emerging Local Plan are located to the far west of the borough, close to the boundary with Coventry[1].

Figure 1: Proposed Employment Allocations in Rugby Borough



2. One of these proposed allocations, at **Crowner Fields Farm** – to the north of the M6 – is the subject of a live planning application that has a resolution to grant[2]. The Economic Benefits Statement submitted by the applicant emphasises that the project '*will employ lots of workers*

[1] Rugby Borough Council (March 2025) Rugby Borough Local Plan: Preferred Option Consultation Document, Policy S7

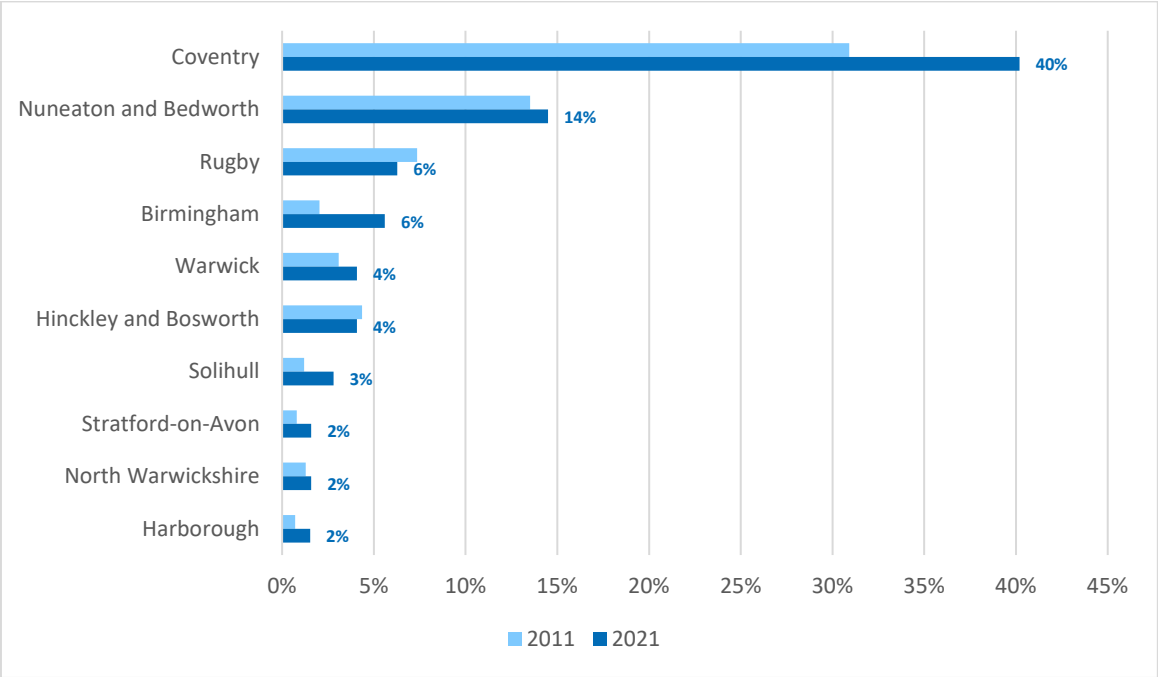
[2] Planning application reference R23/1027

Turley

from Coventry and Nuneaton and Bedworth, especially in entry-level jobs', thus helping to '*tackle the significant levels of deprivation in both areas*'[3].

3. Land directly to the south of this site is also proposed to be allocated, northwardly expanding an established employment area in **Ansty Park**. The supporting statement submitted by its promoters, during last year's Call for Sites, does not consider the specific areas from which labour will be drawn[4]. It is though reasonable to assume that this will broadly mirror existing trends in Ansty Park, with the latest Census finding that some 40% of the individuals then working in this area lived in Coventry[5]. Only 6% lived in the borough of Rugby, roughly as many as travelled from Birmingham and less than half the number that commuted from Nuneaton and Bedworth to the north. While these trends will have undoubtedly been influenced by the COVID-19 pandemic – which was ongoing when the latest Census took place in March 2021 – they are notably consistent with the findings of the prior Census of March 2011, which similarly found that workers were predominantly drawn from Coventry.

Figure 2: Main Places of Residence for Individuals Working at Ansty Park (2011/21)



Source: Census 2011; Census 2021; Turley analysis

4. Similar trends can be seen in the established employment area that adjoins the third of the allocations proposed to the west of the borough, at **Prologis Park Ryton**[6]. Some 42% of those working here at the last Census were Coventry residents with only 9% living in Rugby borough, as many as lived in Birmingham or Nuneaton and Bedworth. This area's relationship with Coventry

[3] Quod (September 2023) Economic Benefits Statement – Frasers Campus, Rugby, Warwickshire, paragraph 5.18

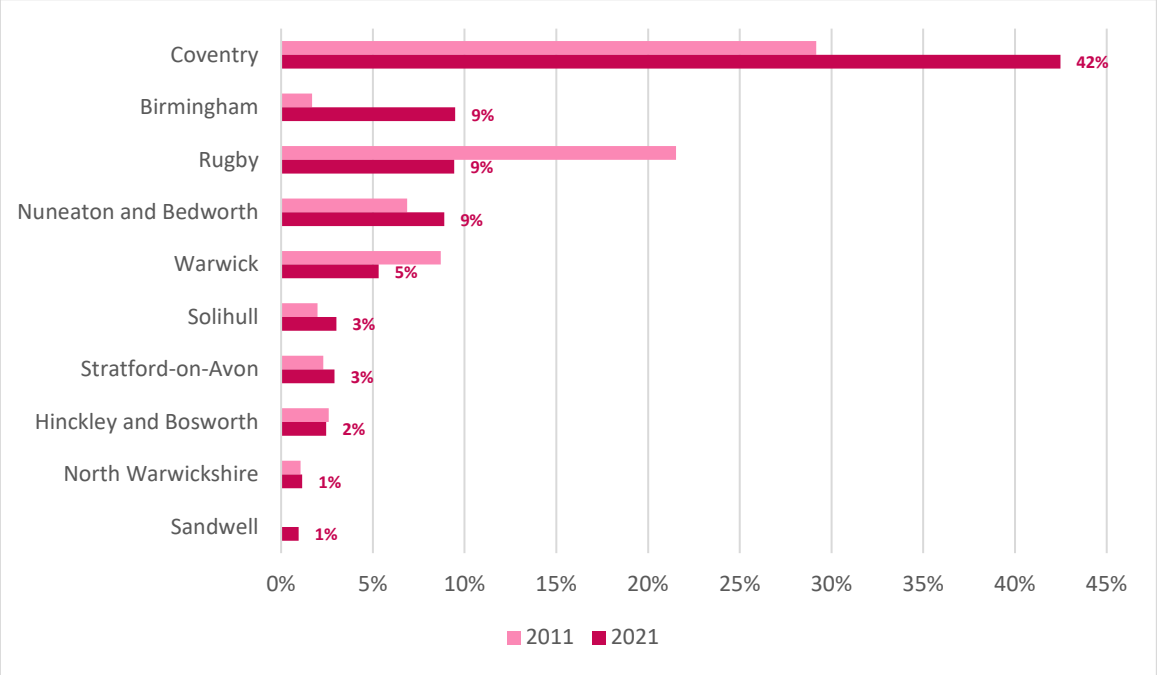
[4] AC Lloyd (January 2024) Site Supporting Statement: Land North of Ansty Park

[5] Based on the output area that contained Ansty Park (E00158822) and seemingly few, if any, other employment locations

[6] Defined here by amalgamating five output areas that cover Prologis Park Ryton plus the immediately surrounding area (E00158938; E00158939; E00158940; E00158941; and E00158942)

has clearly strengthened since 2011, likely as a result of development that has more than trebled the number of people working in this location[7]. The proportion of jobs held by residents of Rugby borough has contrastingly more than halved, from 22% to only 9%.

Figure 3: Main Places of Residence for Individuals Working at Prologis Park Ryton (2011/21)



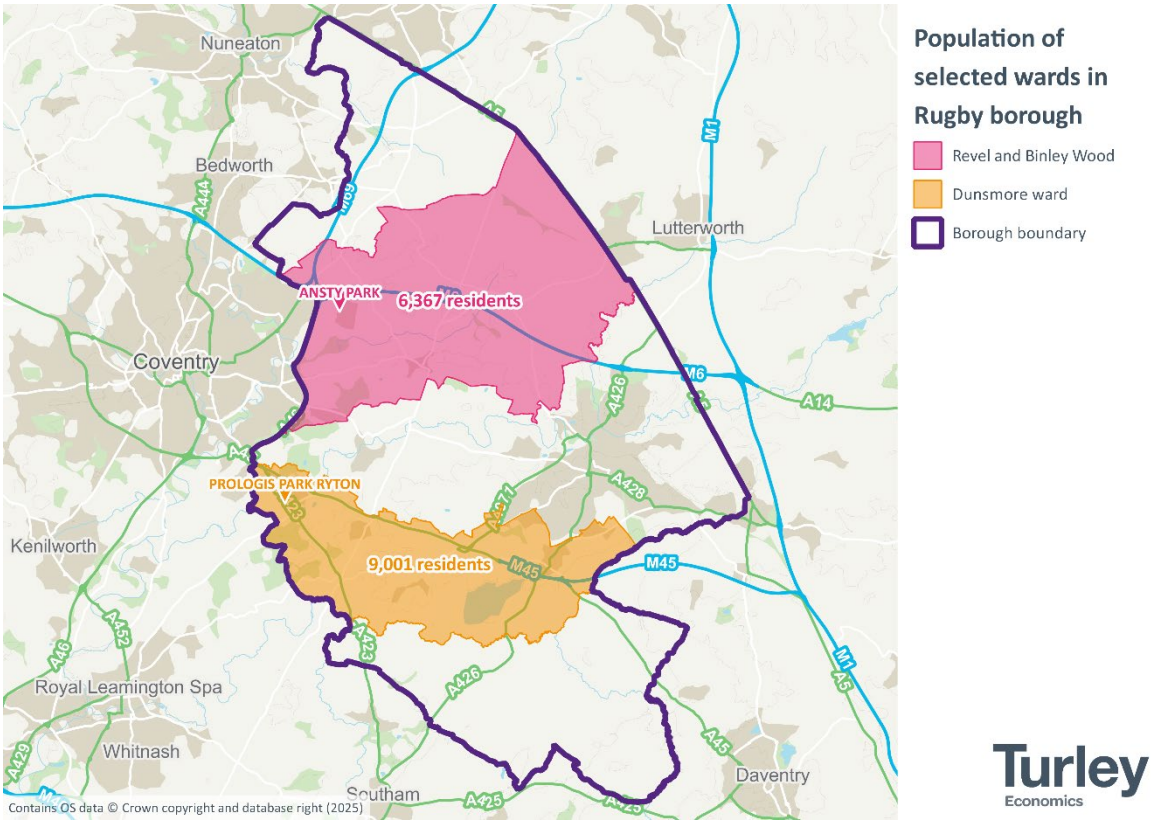
Source: Census 2011; Census 2021; Turley analysis

5. These trends are likely to be a reflection of the relatively small number of the borough's residents living close to either site. Official estimates suggest that only around 9,000 people live in the Dunsmore ward that contains Prologis Park Ryton, as of 2022, with even this likely to have been inflated by a definition that stretches to include Dunchurch on the edge of Rugby town[8]. Fewer still (c.6,370) live in Revel and Binley Woods, the ward that contains Ansty Park and straddles the M6.

Figure 4: Population of Selected Wards in Rugby Borough (2022)

[7] Only 655 reported themselves to be working in this area at the 2011 Census, rising to 1,992 by 2021

[8] Office for National Statistics (2024) Population estimates – small area (2021 based) by single year of age – England and Wales



Source: Office for National Statistics

6. The residents living in these areas are also less likely to be out of work, since the number of adults currently claiming benefits due primarily to their unemployment equates to a smaller share of the most recently estimated population, compared to the borough as a whole[9].

Table 1: Claimants as Proportion of Population in 2022

	Claimants aged 16+ in July 2025	Residents aged 16+ in 2022[10]	Claimants as proportion of adult population
Rugby borough	**2,090**	**93,585**	**2.2%**
Dunsmore ward	120	7,273	1.6%
Reven and Binley Wood ward	65	5,468	1.2%

Source: Office for National Statistics; Turley analysis

7. Those residing in the ten wards that broadly form Rugby town are contrastingly *more* likely to be claiming unemployment benefits than is typical in the borough, with its 1,610 claimants

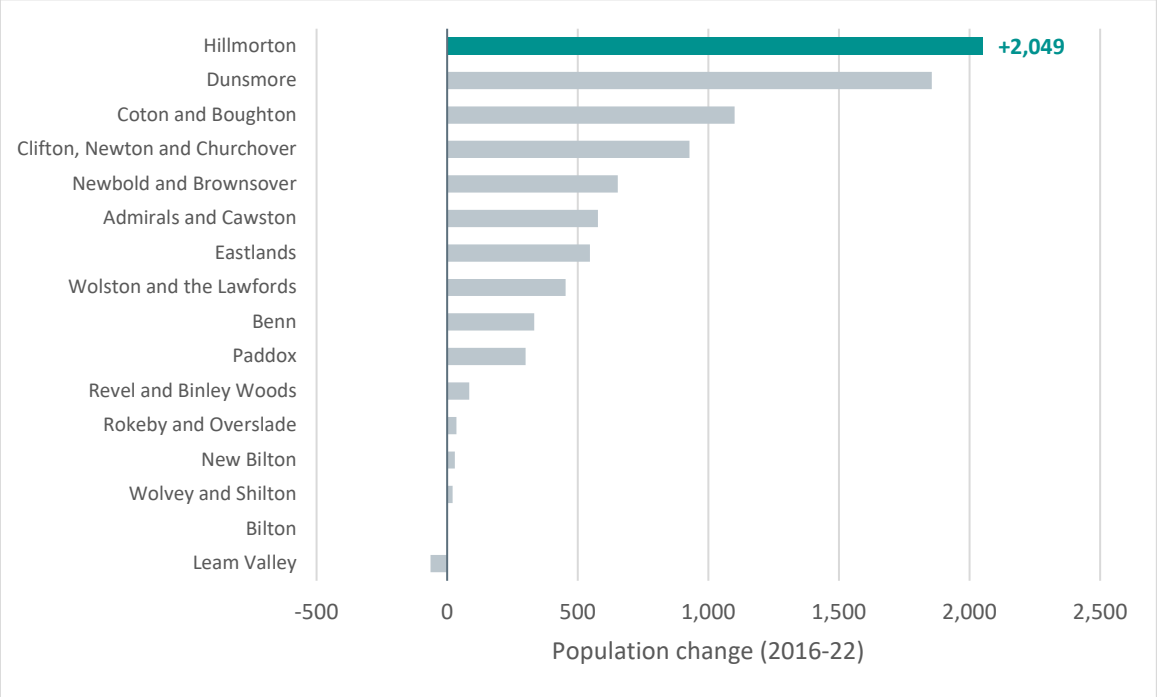
[9] Office for National Statistics (July 2025) Claimant count by sex and age

[10] The latest year for which population estimates are available at ward level

equivalent to 2.4% of the most recently estimated adult population[11]. There are over three times as many such claimants living in this area as in the rest of the borough combined (1,610/480).

8. This is highly relevant to Stoford's ongoing promotion of land at **Rugby East**, since its proximity to the town makes it better placed to create employment opportunities for the borough's residents when compared to allocations that have been proposed further west. The site lies at the edge of an area that was estimated to have been home to some 84,239 people in 2022, circa 8,640 of whom lived particularly close in the Hillmorton ward that it sits within. This has notably ranked amongst the fastest growing wards of all in Rugby borough, with Figure 5 showing that no other added more than its 2,049 new residents since construction of the Houlton urban extension began in 2016[12].

Figure 5: Population Change by Ward (2016-22)



Source: Office for National Statistics; Turley analysis

9. This is without even accounting for further homes that are believed to have been completed since 2022, when the population was last officially estimated at ward level. Once complete, however, this development of some 6,200 homes could be expected to accommodate circa **14,920 people**, based on the average size of existing households in Rugby town[13]. Circa **7,690 could be in employment**, again based on local trends recorded by the 2021 Census, which also suggests that such individuals will be more likely than their counterparts elsewhere in the

[11] Office for National Statistics (2024) Population estimates – small area (2021 based) by single year of age – England and Wales; Office for National Statistics (July 2025) Claimant count by sex and age. Rugby town defined in both cases by amalgamating the following wards: Admirals and Cawston; Benn; Bilton; Coton and Boughton; Eastlands; Hillmorton; New Bilton; Newbold and Brownsover; Paddox; and Rokeby and Overslade

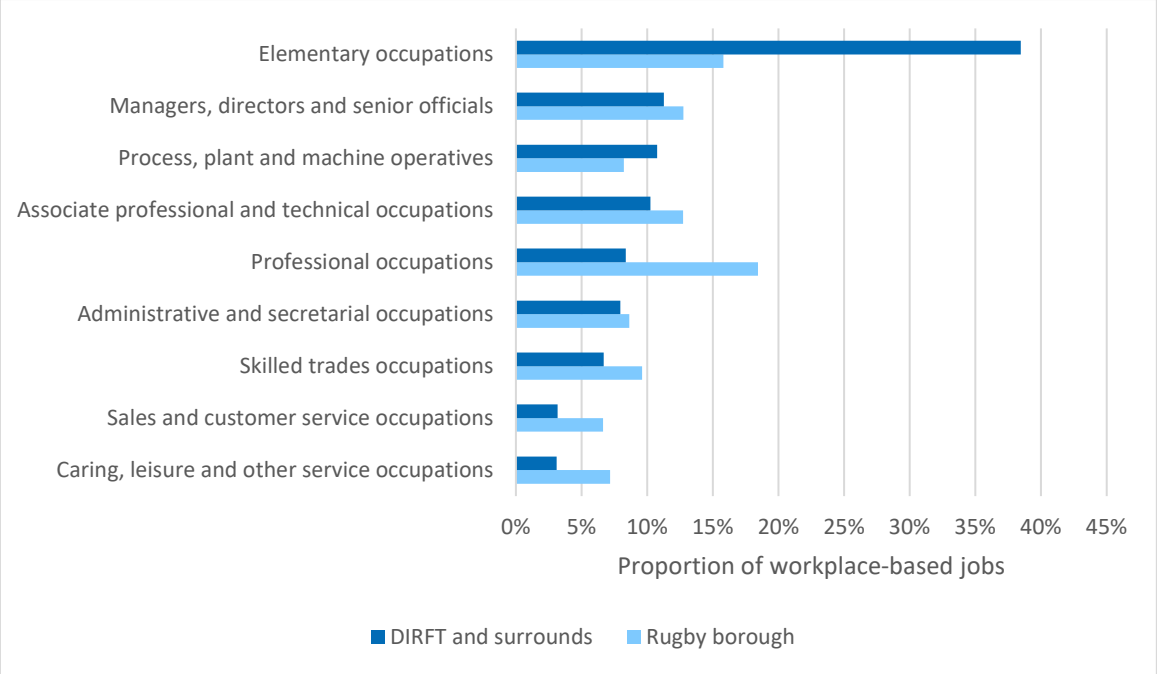
[12] https://www.rugby.gov.uk/w/ground-breaking-for-first-homes-at-houlton

[13] Recorded by the 2021 Census

borough to either walk or cycle to work or use public transport[14]. They will ultimately form a labour force that is more likely to be retained within Rugby borough if employment opportunities are available close by, on sites like the one being promoted by Stoford.

10. While it is located just over the administrative boundary in West Northamptonshire, DIRFT – to the east of the site – proves that residents of Rugby town do indeed take up such jobs when they are available. Circa 2,700 residents reported themselves to be working there as of the 2021 Census, equivalent to some 10% of all who were not then working from home[15]. Residents therefore appear to have been attracted by the range of jobs available at DIRFT, which differed from those that were otherwise on offer in Rugby borough as shown by Figure 6 below[16]. It can be seen to have offered a particularly large number of elementary and operative roles, emphasising the importance of also considering the types of jobs that could be created on sites that are to be allocated.

Figure 6: Profile of Roles at DIRFT vs. Rugby Borough (2021)



Source: Census 2021; Turley analysis

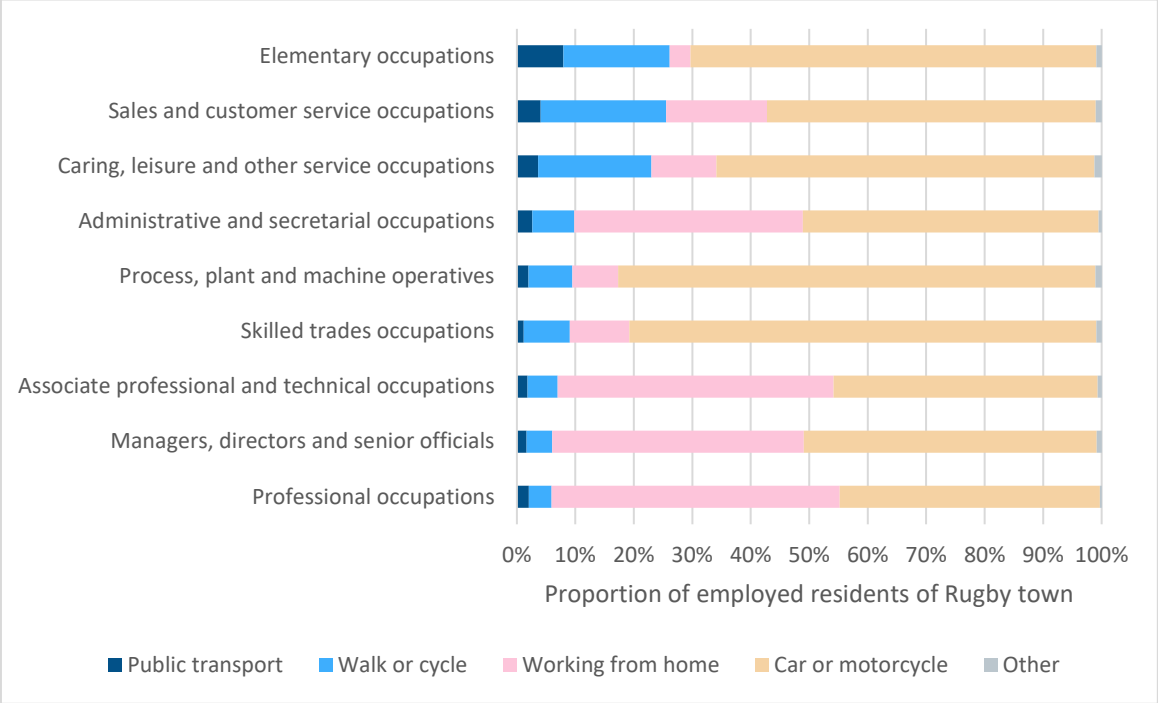
11. This also has the potential to influence the mode of travel to work, since the residents of Rugby town working in elementary roles were also the most likely to walk, cycle or use public transport.

Figure 7: Method of Travel to Work for Residents of Rugby Town by Occupation (2021)

[14] The 2021 Census found that employed residents of Rugby town were twice as likely to walk or cycle to work, compared to those living elsewhere in the borough (10/5%). They were also three times more likely to travel by train or bus (3/1%).

[15] Necessarily based on output areas that have been best fit to the wards used to represent Rugby town in this note

[16] DIRFT has here been defined using middle super output areas (MSOAs) that extend to cover a larger area, meaning that jobs in the surrounding villages are also unavoidably counted



Source: Census 2021

Contact
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August 2025

STON3010

INVESTING IN RUGBY BOROUGH

Delivering Employment Development

Rugby East

DELIVERY DOCUMENT

May 2025

STOFORD

A5
HOULTON, RUGBY
Sustainable Urban Extension
DIRFT
(Daventry International Rail
Freight Terminal)
A5
A5
RUGBY EAST
EDDIE STOBART
Truck Stop
M1

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1

DELIVERY PLAN

This delivery document details the key deliverables that comprise Stoford's proposals for land known as 'Rugby East'.

Rugby East represents an opportunity for an exemplary employment park on the A5, sustainably located and an extension to Rugby's urban area. It will provide 'doorstep employment opportunities' for Rugby's largest allocation to date, Houlton.

Rugby East will deliver:

- 135 ha. of strategic employment land, with potential to deliver a first phase of 66ha.
- An extensive Country Park, providing 60 ha, connecting to existing provisions at Houlton, via a footpath network.
- A5 improvements to provide access, and to improve the safety of existing junctions.
- A sustainable travel hub, that supports a fully integrated public transport strategy.
- Support to the delivery of Rugby Parkway Station.
- Provision of land to accommodate Gypsy and Traveller pitches or provision off site if required.
- Provide a mix of unit sizes, meeting the needs of small and medium sized businesses, in addition to logistics - supporting the national offering at DIRFT.

OUR VISION

To **deliver** an **exemplary employment park** on the A5 that will be **well-connected** to the **strategic road network**, approved **Rugby Parkway Railway Station** and **Houlton** by a **range of transport** options, **enhance** the **green infrastructure** network and deliver **significant economic benefits** whilst addressing the **need** for strategic and/or local **employment land** in Rugby Borough and wider economic area.

CLIFTON UPON DUNSMORE

RUGBY EAST

A5

M1

Lilbourne Meadows
173 acre (70 ha)

Houlton Open Space
(potential to form a Country Park with Rugby East)

Country Park

PROLOGIS, DIRFT

HOULTON, RUGBY

RUGBY
urban area

Approved Rugby Parkway Station

Rail Freight Terminal

2

SITE & CONTEXT

Rugby East is a greenfield, non 'Green Belt' site, immediately adjacent to the Rugby Urban Area. The site is located on the A5, and connected via this strategic highway, to DIRFT and J18 M1. The site offers an opportunity to serve together with DIRFT, a 'hub and spoke' relationship, advancing the position of Rugby on the national and international economic stage.

Located and connected to the Borough's largest new community at Houlton, Rugby East connects via cycle and pedestrian links to the new approved Rugby Parkway rail station. Bus diversions are also part of our integrated public transport strategy, coming together at our on site Sustainability Travel Hub. Whilst currently agricultural fields, the site currently offers no public access.

However once developed, new public footpaths will extend into the site, connecting it to the open space at Houlton. Our 60 ha Country Park (equivalent to 100 football pitches) will be an exciting resource for residents of Houlton and Clifton on Dunsmore.

Context Plan

Illustrative Masterplan

Schedule of Accommodation

Total GIA	-	**3,451,646 ft²**	**(320,666 m²)**
Site Area	-	333.59 acres	135.00 ha
Net Developable Area	-	146.04 acres	59.10 ha
Site Density GIA	-		23.75%
Plot 100			
Unit 111 GIA	-	**18,283 ft²**	**(1,699 m²)**
Unit 112 GIA	-	**18,283 ft²**	**(1,699 m²)**
Plot Area	-	2.09 acres	0.84 ha
Unit 120 GIA	-	**10,518 ft²**	**(977 m²)**
Plot Area	-	0.96 acres	0.39 ha
Unit 130 GIA	-	**300,589 ft²**	**(27,925 m²)**
Plot Area	-	12.02 acres	4.86 ha
Unit 140 GIA	-	**537,966 ft²**	**(49,978 m²)**
Plot Area	-	19.93 acres	8.06 ha
Plot 200			
Unit 210 GIA	-	**354,433 ft²**	**(32,928 m²)**
Plot Area	-	14.00 acres	5.67 ha
Unit 220 GIA	-	**271,220 ft²**	**(25,197 m²)**
Plot Area	-	11.68 acres	4.73 ha
Plot 300			
Unit 311 GIA	-	**18,506 ft²**	**(1,719 m²)**
Unit 312 GIA	-	**18,506 ft²**	**(1,719 m²)**
Unit 313 GIA	-	**21,577 ft²**	**(2,005 m²)**
Plot Area	-	3.34 acres	1.35 ha
Unit 320 GIA	-	**87,885 ft²**	**(8,165 m²)**
Plot Area	-	4.03 acres	1.63 ha
Unit 330 GIA	-	**413,873 ft²**	**(38,450 m²)**
Plot Area	-	18.60 acres	7.53 ha
Unit 340 GIA	-	**1,005,317 ft²**	**(93,396 m²)**
Plot Area	-	41.34 acres	16.73 ha
Plot 400			
Unit 410 GIA	-	**250,186 ft²**	**(23,243 m²)**
Plot Area	-	11.87 acres	4.80 ha
Unit 420 GIA	-	**124,504 ft²**	**(11,567 m²)**
Plot Area	-	6.19 acres	2.50 ha

Potential Development Floor Space - 3,451,646 sqft / 320,666m²

- Bus Stops
- Pedestrian / Cycle Links
- Sustainable Travel Hub
- Green Infrastructure / BNG offsetting
- Locks Lane
- Junction Improvements
- Indicative Pedestrian Link to Clifton-upon-Dunsmore
- Tree Planting
- Health and Wellbeing Area/ Outdoor Gym
- Sustainable Drainage Ponds
- Land to meet Local Plan policy requirements
- Proposed Main Access

3

COUNTRY PARK

Rugby East will deliver 60 ha of additional parkland, connected to and complimenting the Houlton open space.

The Country Park will enable other residents from over 6,000 new homes to walk and cycle to the parkland and enjoy:

- **WALKING AND CYCLE TRAILS**
- **HABITAT CREATION**
- **AREAS DEDICATED TO FITNESS AND WELLBEING**
- **AREAS FOR PEACE AND MINDFULNESS**
- **COMMUNITY ORCHARD**

Rugby East - Country Park

- Proposed Main Access
- Existing Site Access
- SUDS zone
- Pedestrian/Cycle Links and running loop
- Accessible open space and BNG offsetting/ habitat creation
- Hillmorton Lane (Locks Lane)
- Country Park Visitor Parking
- Land to meet Local Policy requirements

4

GYPSY & TRAVELLER PROVISION

There is a critical need for gypsy and traveller accommodation in Rugby Borough with the latest assessment (Gypsy and Traveller Accommodation 2025) identifying a need for 94 pitches (between April 2024 and March 2042).

The Preferred Options Local Plan allocates 46 new pitches, including provision within new employment allocations.

Rugby East could provide 1 to 2 acres of land for gypsy and traveller provision with space for up to 15 pitches, which will contribute significantly to the requirement. Alternatively, an off site financial contribution and/or land to meet this policy requirement can be offered. The masterplan shows two indicative locations for the site which have been identified to offer:

- **CONVENIENCE FOR RESIDENTS**
- **SAFETY FOR RESIDENTS**
- **VISUAL AND ACOUSTIC PRIVACY**
- **SCOPE FOR SOCIAL INTEGRATION WITH THE LOCAL COMMUNITY**

CONVENIENCE FOR RESIDENTS

The pitches will benefit from a dedicated point of access which is convenient to the A5 and other major roads. Bus services, local shops, health services and schools at Houlton are within walking / cycling distance of the site via an existing footpath (Locks Lane) that will be enhanced by Stoford, via a Section 106 contribution, making for a safe and convenient route. New residents will have access to an expansive area of green space as the site sits alongside Houlton's strategic open space.

SAFETY FOR RESIDENTS

The gypsy and traveller site will be located to enable flat pitches and outside of areas of flood risk. The site will provide on-site services for necessary utilities and sufficient size to allow adequate outdoor amenity space and privacy for residents and accommodate necessary on-site facilities.

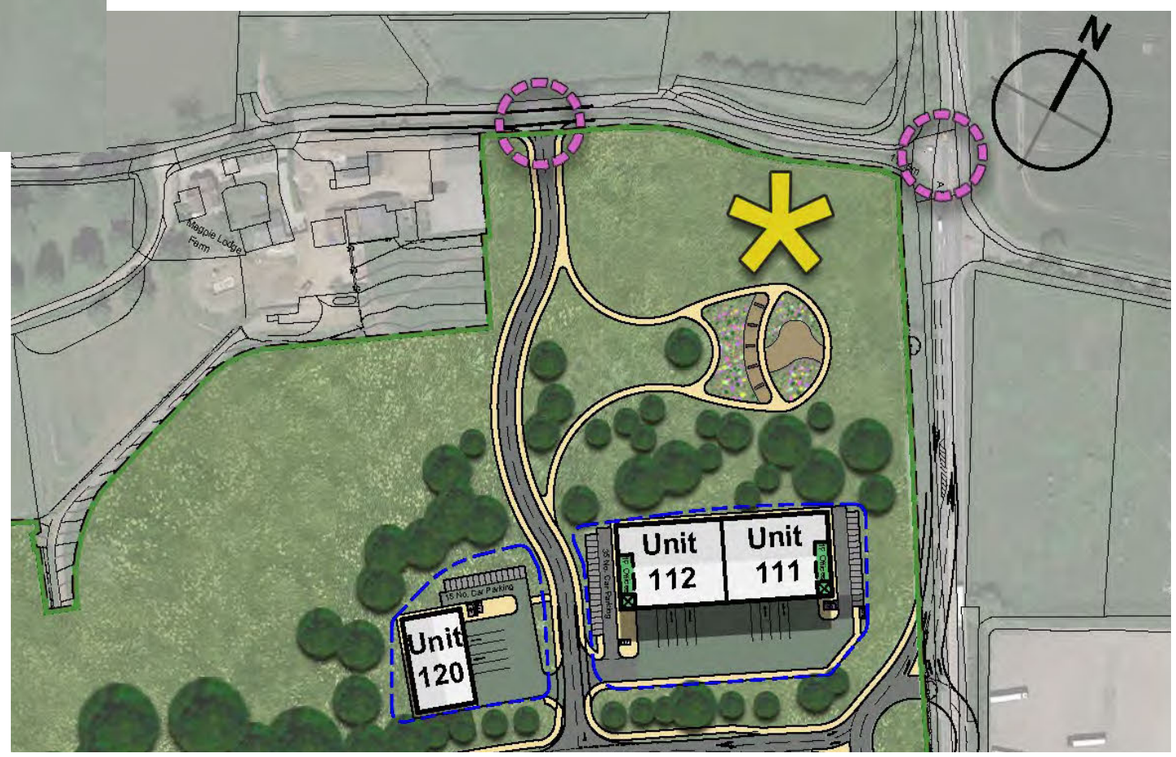
VISUAL AND ACOUSTIC PRIVACY

The gypsy and traveller site will be appropriately screened with hard and soft landscaping to protect the visual and acoustic privacy of its residents.

SCOPE FOR SOCIAL INTEGRATION WITH THE LOCAL COMMUNITY

The proximity and accessibility of Houlton promotes integrated co-existence between the site and the local community.

- Existing Access
- Hillmorton Lane (Locks Lane)
- BNG/Habitat Creation
- Vehicular restriction (agricultural access only)
- Land to meet Local Policy requirements



Two locations within the masterplan that could deliver a gypsy and traveller site

5

ACCESS & PROPOSED HIGHWAY IMPROVEMENTS

The employment floorspace would take access off the A5, via a new roundabout junction. There is a current access for pedestrians and cyclists, known as Hillmorton Lane (Locks Lane). It is proposed that the current access junction connecting Clifton upon Dunsmore with the A5 will be downgraded, so that whilst remaining an option, vehicular traffic will be encouraged from Clifton upon Dunsmore, to join the A5 via routing into Rugby East. This provides safer connections to the A5 via the new roundabout.

The scheme provides for direct access onto the A5 and therefore the routing of HGVs can be managed and avoid travelling via residential areas to access and leave the site.

Further technical work is underway to explore the capacity of junctions beyond the immediate A5 connection, including Gibbet Hill and Junction 18 of the M1. The A5 Partnership for example is a key stakeholder group and once an improvement scheme for Gibbet Hill has been agreed by those stakeholders, the delivery of Rugby East has the potential to make financial contributions towards its delivery.

We will analyse the capacity of M1 Junction 18, in consultation with National Highways, Local Authorities and the M1, Junction 18 forum. The phased delivery of Rugby East can assist in ensuring floorspace is commensurate with programmed improvements.

Gibbet Hill

Junction 18, M1

Access and Highway Improvement Plan

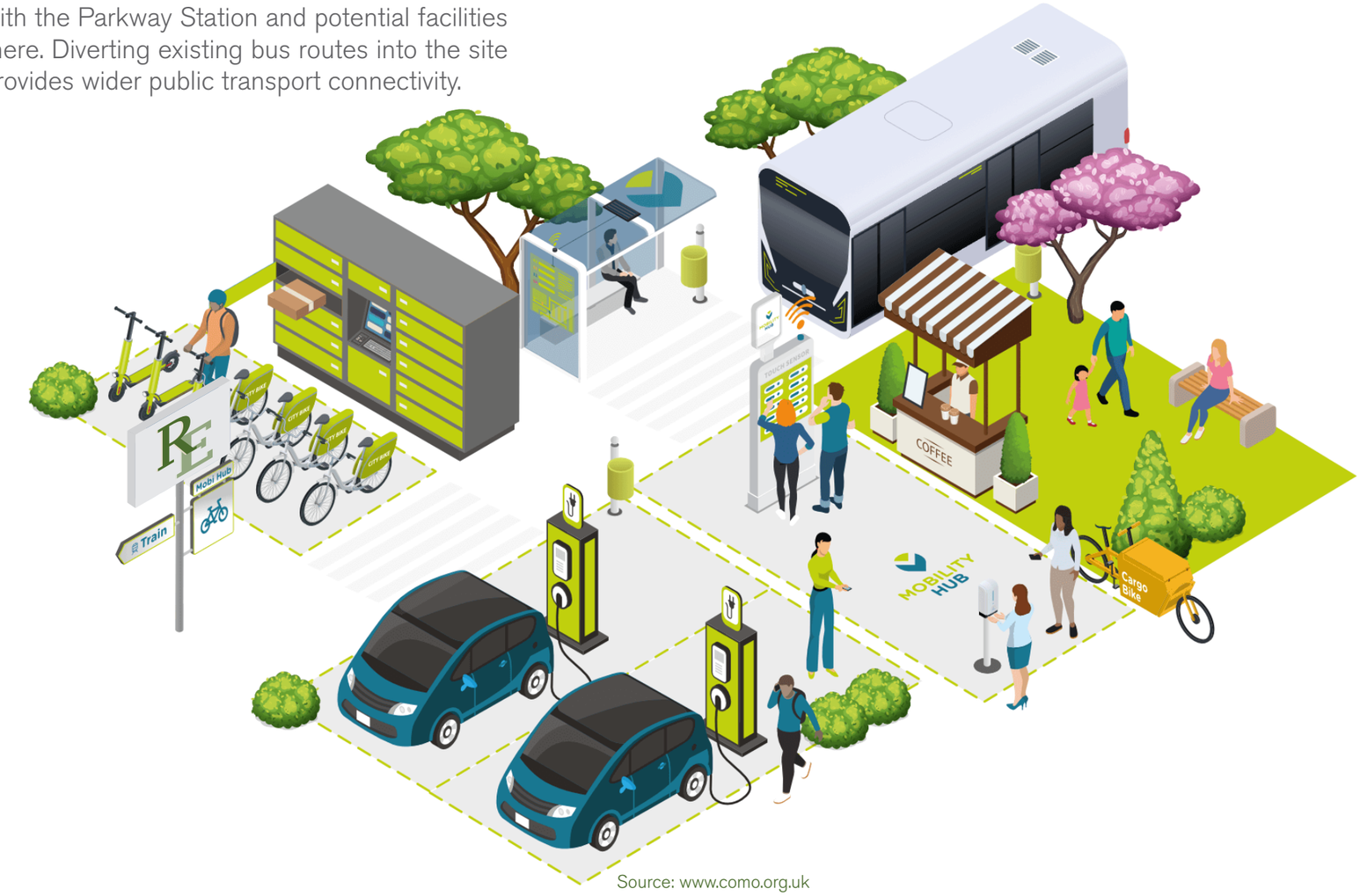
6

SUSTAINABLE TRAVEL MODES

Rugby's new approved Parkway Station will be conveniently located to serve Rugby East. Our proposed site is accessible by cycle, e-scooter / bike and bus from the Parkway, and walking routes are available via existing and new footpaths.

With over 6,000 new homes directly adjacent, the sustainability of our site is unrivalled at this scale, providing residents with access to local jobs.

Our proposed sustainable travel hub provides convenient access for charging bikes and scooters, which can be offered in connection with the Parkway Station and potential facilities there. Diverting existing bus routes into the site provides wider public transport connectivity.



Source: www.como.org.uk

Site Connectivity

7

UNIT MIX

We have identified opportunities for a range of unit sizes within our masterplan. These have the potential to offer “move on space” or local need opportunities for small and medium sized businesses.

Stoford have experience of delivering floorspace like this, at Spa Park (Warwick District), Middlemarch Business Park, (Coventry) and have successfully attracted a variety of occupiers.

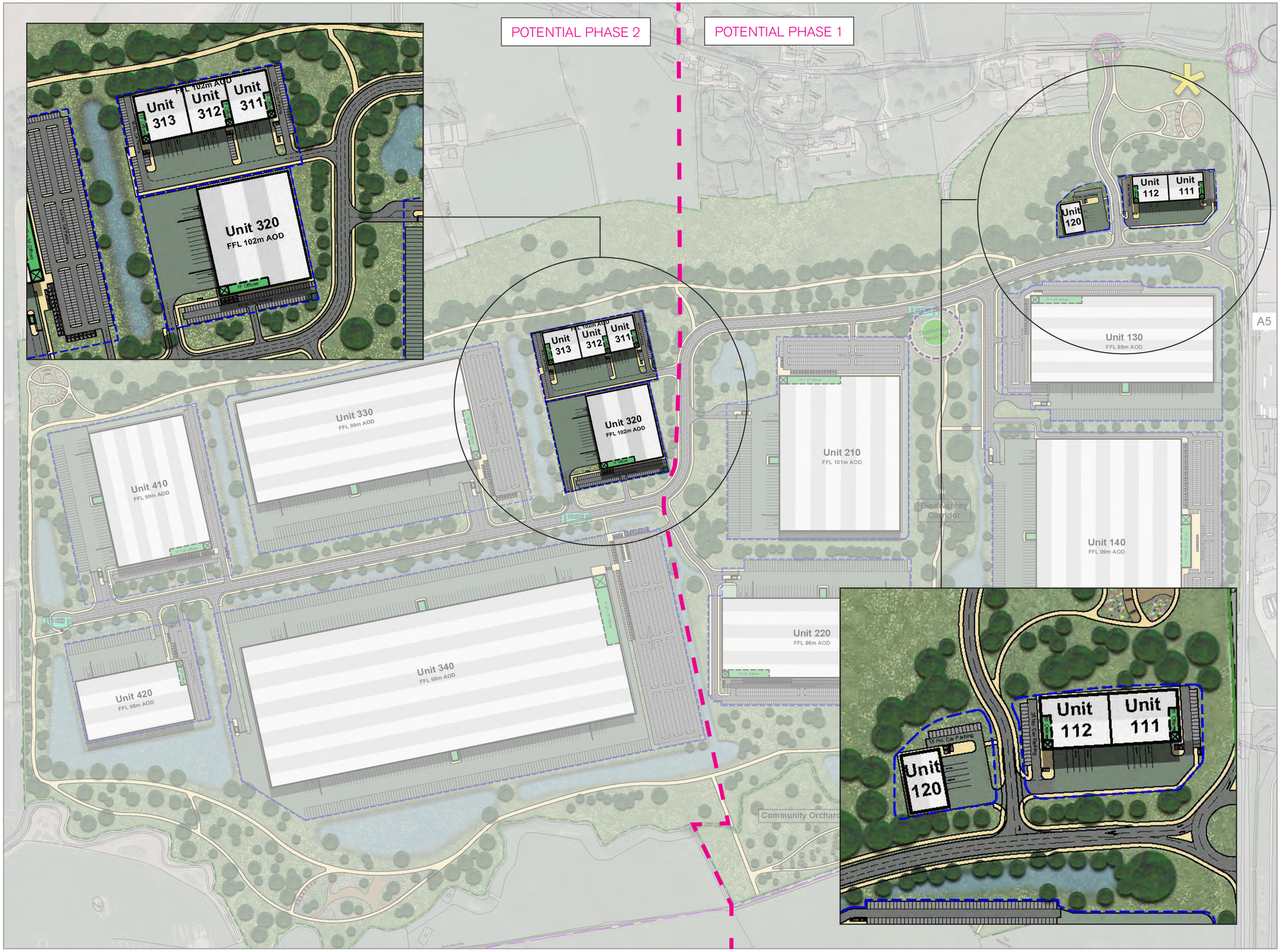
In addition, Rugby East offers the ability to attract larger footprints in manufacturing and logistics, with national and international companies seeking to cluster at this prime location, a stones throw from the UK DIRFT facility.

The delivery of the Rugby East scheme can be achieved over phases. This image illustrates how those phases could come forward however these are not fixed and would be agreed through a phasing plan. The phasing plan would be prepared in collaboration with the Council as part of a policy allocation requirement. This would ensure that the Council could manage the supply of land if required, and the scheme respond to the market demand for floorspace including opportunities that arise from specific occupiers including SMEs.

Spa Park | Leamington Spa | 40,000 sqft

Pets at Home | Stafford | 670,348 sqft

Severn Trent | Coventry | 253,000 sqft



To include the provision of smaller units:

Plot 100	sqft	sqm
Unit 111	18,283	3,699
Unit 112	18,283	3,699
Plot Area	2.09 acres / 0.84 ha	

Plot 120	sqft	sqm
Unit 120	10,518	977
Plot Area	0.96 acres / 0.39 ha	

Plot 300	sqft	sqm
Unit 311	18,506	1,719
Unit 312	18,506	1,719
Unit 313	21,577	2,005
Plot Area	3.34 acres / 1.35 ha	
Unit 320	87,885	8,165
Plot Area	4.03 acres / 1.63 ha	

8

GREEN ENERGY

Climate change and wellbeing is at the fore of people's minds, in the press, and in Government thinking. In the UK, there is just one major piece of legislation driving a more sustainable way of living; The Climate Change Act 2008 amended 2019, which committed the UK to `Net Zero Carbon by 2050'.

The construction of the built environment is the core of our business, and we acknowledge the considerable responsibility we have in achieving this goal. We are committed to helping protect our environment and carry out our business in a sustainable manner.

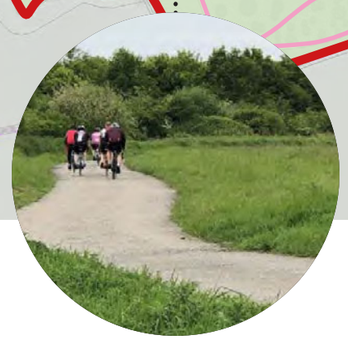
We aim to lead by example with our contracting partners setting high standards for us all to achieve, whilst proactively advising occupiers on how to become net carbon zero when planning new developments - whether that's installing on-site power generation through PV panels, bio-diverse planting schemes, or alternative ways of powering their vehicle fleets.

There are a lot of claims around Net Zero Carbon and sustainability, it is our approach to ensure that all of our achievements in this field are measurable by nationally recognised standards, and all of our information is presented in a clear auditable manner. When we say we are achieving Net Zero Carbon, we are transparent as to how this is achieved.

We know this is not just simply a tick box exercise, and we are already making good progress, however, there is always more we can do. We are keen to show the market that developers can do their bit to help make the world a better place to live.

Key takeaways for Rugby East are therefore:

- The roof of the building is designed to allow for full coverage of PV panels. This requires careful coordination with rooflights due to restrictions from insurers.
- There will be the opportunity for ancillary estate wide facilities to be run off PV and battery systems which are run by the management company. These could power lighting, E-Bikes, personal mobility etc.
- The principles of the buildings is that they are designed to be efficient with their use of power and creation and use of heat and therefore it would not be beneficial or viable to extend this to a wider district heating system. We can however future proof the scheme designs to enable future connection should a scheme be introduced.
- All of our base buildings are net zero carbon in operation, with the PV panels powering the electric demands. The system is enabled to allow for occupiers to increase the PV coverage to meet their requirements, subject to National Grid permissions.
- The scheme density could be impacted by no build areas required for the efficient operation of wind turbines. Therefore, their use in proximity to a large scale employment scheme is not suitable. There is also a significant visual impact associated with wind turbines which would be impossible to mitigate due to their need to be located at the highest point on the site
- Green roofs to the offices and ancillary buildings such as gatehouses (where they sit outside of the production space).
- We minimise the carbon in construction by using materials with a lower carbon footprint, such as steel with high recycled content, cladding systems with circular life, and concrete with recycled aggregates.



Indicative Parameters Plan - Green Energy will be integrated within the Built Form

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Rugby Borough Council

Local Plan Representations in respect of Land Promotion at Rugby East

March 2026

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1. S1 - Settlement Hierarchy

1.1. We support the settlement hierarchy and the position of Rugby as the main focus for growth. However, we object to the failing of the Local Plan to then allocate employment land in accordance with that hierarchy and the depiction of the urban area/settlement boundaries on the policies map.

1.2. The Council have made provision for 11,729 houses against a need of 10,812. Around 76% of the supply (existing and new) is focused in and around Rugby as the Borough's only town and most sustainable location. This approach largely aligns with the settlement hierarchy at Policy S1. Yet the spatial strategy for employment land is largely at odds with this.

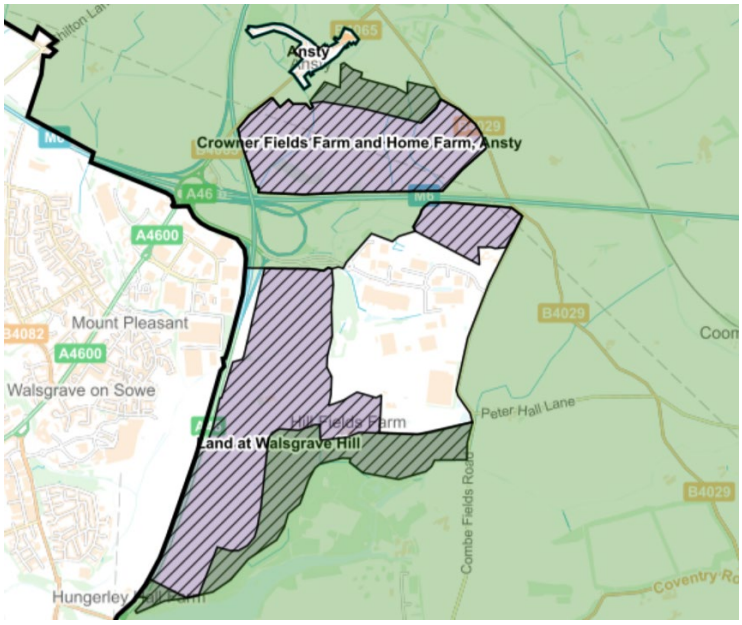
1.3. The Council's strategy for employment land is to deliver 1,034,000m2 of new industrial and warehousing floorspace between 2025-2042 which equates to approximately 287 hectares. Nearly 80% of the new supply (815,000m2) is located on the edge of Coventry in the Green Belt [1]. This does not follow the principles of the settlement hierarchy or seek to provide jobs close to existing and proposed housing. Instead, the employment allocations on the edge of Coventry are located closest to Ansty which is at the bottom (third tier) of the settlement hierarchy and classified as a 'other rural settlement' due its distinct lack of services and facilities.

1.4. Moreover, given that the unmet needs of Coventry City (cited as 9ha by Coventry City Council) are for industrial land on smaller sites, Rugby's employment strategy with a focus of strategic sites on the edge of Coventry will not assist in meeting this unmet need, and nor does it support the case for exceptional circumstances to the justify significant Green Belt releases around Coventry.

1.5. Further, we disagree with Coventry City's position on unmet need for industrial land at 9 ha/36,000 sqm and consider the unmet needs of the City to be higher. Stoford have made this point in their representations to Coventry's emerging Local Plan.

1.6. The settlement hierarchy permits 'only limited development' to its most rural settlements including the village of Ansty and does not direct any to its open countryside. Yet, as can be seen on the extract below, taken from the Proposed Submission Local Plan Policies Map, all strategic employment allocations are allocated in the open (Green Belt) countryside and neither relate well to Ansty as the closest urban area within the borough. Thus, the allocations do not align with the settlement hierarchy underpinning this Plan.

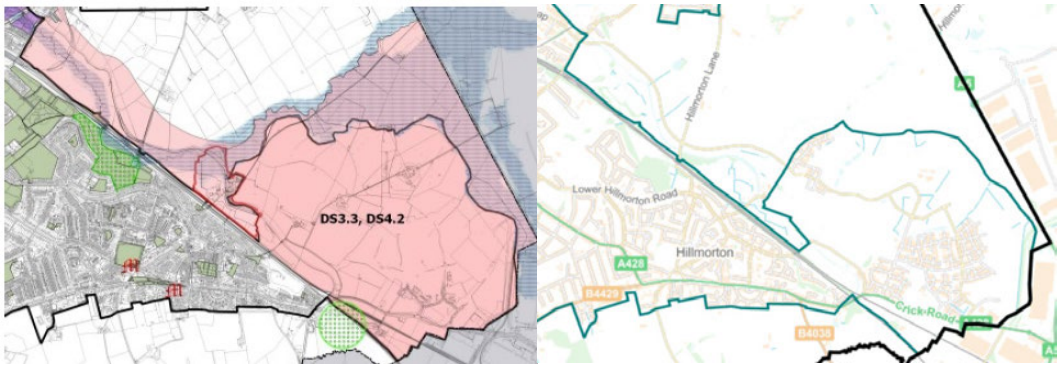
[1] The new supply of 815,000m2 includes 'Land at Walsgrave Hill' (290,000m2), 'Crowner Fields Farm and Home Farm, Ansty' (275,000m2) and 'North of Ansty Park' (75,000m2).



Extract (above) from the Regulation 19 Local Plan Policies Map – illustrating Ansty North, Crowner Fields Farm and Home Farm, and Walgrave Hill employment allocations, alongside the village of Ansty.

1.7. In contrast, as is shown on the Proposed Submission Policies Map extract below, Houlton falls within the settlement boundary of Rugby Town, which is at the top of the settlement hierarchy as the main focus for new homes and employment. Thus, our promotion site at Rugby East, as a natural extension to Houlton would fully accord the settlement hierarchy.

1.8. Notwithstanding this, we note that Proposed Submission Local Plan Policies Map does not show the full extent of the Houlton allocation set out in the adopted Local Plan Policies Map of 2019. Extracts of both are below.

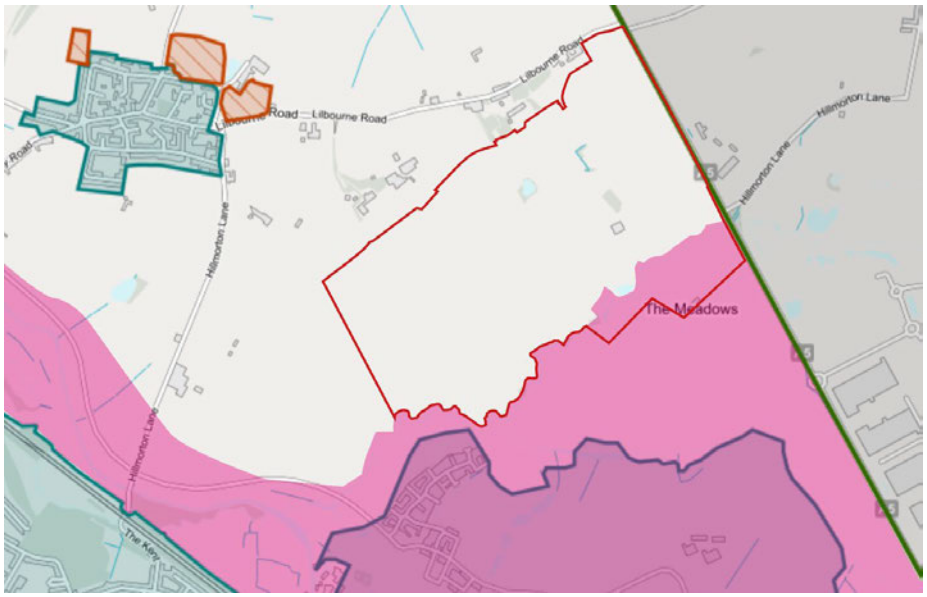


Extract (above left) Adopted Rugby Local Plan Proposals Map illustrating the allocation at Houlton shaded in pink, and (above right) the Regulation 19 Local Plan Policies Map illustrating the settlement boundary now proposed.

1.9. Whilst the boundary of the urban area of Houlton is included in the settlement boundary of Rugby Town, the entire allocation (the pink shaded area) is not. We object to this. The area shaded pink, includes key elements of Houlton, including the strategic open space, sports pitch provision and footpath network that serves those new residents. This can be seen on the extract from the adopted Rugby Local Plan Proposals Map (above) and the extract below, taken from the Houlton website which also reflects the consented outline planning application area for Houlton too.

Extract (above) taken from the https://my.houltonrugby.co.uk/ website) illustrating the extent of the consented outline planning application boundary for Houlton.

1.10. When the correct boundaries of Houlton are applied it is clear to see how our promotion site at Rugby East can provide a natural extension to this, and offer doorstep job opportunities via an existing, sustainable walking link. The Plan below is annotated to show boundaries of the Rugby Radion Station site (now known as Houlton) from the adopted Local Plan (shaded pink) and the red line boundary of Rugby East. The emerging Policies Map should be corrected to reflect the area shaded in pink, carried across from the adopted Local Plan.



Extract of Houlton from the adopted Rugby Local Plan Proposals Map (pink shading), and the extent of our promotion site - Rugby East, edged red.

1.11. Once complete, Houlton will provide home to some 16,000 residents compared to the village of Ansty, which has small population of c.300 residents. The allocation of Rugby East would be accessible to a far greater number of local Rugby residents, by a range of modes (cycle, walking, bus, rail, in addition to motorised vehicles) than the current Green Belt allocations are/will be. The settlement hierarchy within Policy S1 seeks to focus future growth on those locations i.e. Rugby Town which includes Houlton, with the services and facilities necessary to support them, and for them to be sustainable.

1.12. **Changes we seek to be made to the Local Plan**

When overlaid onto the draft Policies Map, the natural extension to Houlton, that Stoford's promotion site Rugby East presents, is evident. This Plan annotated above shows the adopted Local Plan allocation land (shaded pink) and the red line boundary of Rugby East. The emerging Policies Map should be corrected to reflect the area shaded in pink, carried across from the adopted Local Plan. If subsequently allocated, the settlement boundary would then also extend around Rugby East.

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2. S3 Strategy for Employment Land

2.1. Stoford objects strongly to the strategy for employment land within Policy S3. Our objections address two critical components of plan making – that of development need (employment) and that of Green Belt and the decision of the Council to allocate all of its strategic employment sites within this designation, without demonstrating exceptional circumstances that are justified.

2.2. The following **five key points** are made in response to Policy S3.

1. The Strategy is based upon a level of need which we do not consider to be sufficient. The level of need that the Local Plan seeks to be meet is 287ha. We have submitted a number of reports to the Local Plan review process that critique the methodology, assumptions and results of the components of the evidence base that underpins the suggested level of need. These have evolved as each stage of the Local Plan also develops the position on need. Our current view is that there the employment need (B2/B8 E(g)(iii) is between 414ha (completion trend based) and 709 ha (take up trend based).

   We object to the strategy for meeting this need, which is primarily through the allocation of 335.27ha of Green Belt land for employment uses (Ansty North, Crowners Fields Farm and Walsgrave Hill – as listed within Policy S3). This represents 82% of the new employment land allocated area (gross). The following four key points are made in respect of the strategy meeting the employment land need, being primarily focused on Green Belt release. The first of which is the level of need, detailed within **paragraphs 2.4 to 2.16**.

2. The decision to allocate Green Belt land is not consistent with the presumption in favour of sustainable development, as required in the NPPF. (**paragraphs 2.17 to 2.25 below, cover this point.)**

3. The approach to release Green Belt, which underpins the strategy for employment land is not a result of:

   i) effective strategic planning across LPA boundaries; and
   ii) The employment allocations at Policy S3 harm the purposes of the Green Belt and exceptional circumstances do not exist to justify their release from the Green Belt through the Local Plan (Policy S3). **(paragraphs 2.26 to 2.66 below, cover this point)**

4. The employment land strategy is not informed by a Sustainability Appraisal (December 2025) (SA) that meets the **relevant legal requirements** as required by the NPPF para 33. Whilst there is an SA available, this fails the tests of para. 33. The SA concludes (in commentary prepared by RBC rather than the authors of the SA) that a scenario that results in extensive Green Belt release, is an appropriate strategy in their outlined case for the preferred Plan approach at para 7.3.1 – 7.3.3 of the SA. It is our view that the SA should conclude with the preferred approach being Scenario 3. Scenario 3 is an alternative option to Green Belt release on this scale. Para 33 of the NPPF states that '*Significant adverse impacts on these objectives should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued*.' [our emphasis] The SA and Local Plan preferred approach fails to do this. (**paragraphs 2.67 to 2.78 below, cover this point).** Notwithstanding this, if the Inspectors accept our points

regarding the shortfall of supply to address the 90ha miscalculation arising from strategic site commitments in the WMSESS, then additional land will be needed in any event. In such cases, a non Green Belt alternative - Land North of Houlton, would be the preferred approach, given it has been tested as a growth scenario in the SA process.

5. The employment land growth scenarios in the SA are **not justified or effective** (**paragraphs 2.67 to 2.78 below**, **cover this point**)

2.3. Each of the above **five key points** are explored below in greater detail over the following pages.

Key Point 1
The Strategy is based upon a level of need for B2, E(g)(iii) and B8 which we do not consider to be sufficient. The level of strategic and non strategic need that the Local Plan seeks to meet is 287ha (gross).

2.4. Marrons, on behalf of Stoford have prepared a number of reports that we have submitted to the Council as part of our promotion of land at Rugby East. These reports have been submitted as part of the formal consultation process (i.e., the Regulation 18 Issues and Options in 2024, the Preferred Options Consultation in May 2025) and as additional evidence has become available – e.g. in response to the WMSESS 2024 and the Alignment Paper.[2] These reports are appended again for ease at **Appendix 1,2 and 3** and are accompanied by a more recent report (**Appendix 4)** that has taken account of the Development Needs Topic Paper 2025, the Regulation 19 Submission Local Plan, in addition to the HEDNA, WMSESS, Alignment Paper and Alignment Paper Addendum 2025.

2.5. Therefore, the Marrons report of February 2026, at **Appendix 4**, r**epresents our most current position.** Fundamentally, it has been very difficult to now pin point a level of employment need (using the Council's evidence base) that the Plan should be providing for, because of the revisions made to the evidence and the Addendums that have corrected mistakes by the authors along the way. It is our view that the Inspector(s) examining this Plan will have equal difficulty.

2.6. Amongst the flaws are:

i. The WMSESS did not apportion gross strategic needs across opportunity areas. Instead, by relying on residual needs (with commitments netted off), it makes the evidence base less transparent and legible.

ii. Corrections to the WMSESS that have been made since publication (responding to points - but not all) raised in representations to Local Plans across the Study area for example (Stoford made this point in our representations to the Rugby Local Plan Preferred Option in May 2025). As a result, the Alignment Paper Addendum has made one correction based on the miscalculation of 90ha of land arising from the Coventry Gateway Site. However, in our view, further corrections should be made – (*See Appendix 5 to our May 2025 representations – and within this, Appendix 1 analyses the WMSESS strategic supply*). Without such further detailed interrogation of the Strategic Supply of sites, that are

[2] West Midlands Strategic Employment Sites Study 2024, and Coventry and Warwickshire Alignment Paper 2024

claimed to equal 655.8ha across Coventry and Warwickshire (whereas our assessment equates to 420.15ha) there will be a shortfall against the strategic needs.

iii. Despite acknowledging the over stated supply of land within the OA7 of 90ha, the Alignment Paper Addendum recommends that up to two additional B8/mixed use sites of a notional 50ha are identified (beyond those in the existing WMSESS) and yet only adds one 50ha additional requirement to the OA7 area. Given that the 90ha miscalculation in supply arises in this area, the clear and rational location for meeting the 90ha over stated figure, is also within OA7. The flaw is compounded further by the apportionment of the needs to a shorter Plan Period, reducing them from the end date of 2045 (WMSESS), to that of 2042.

2.7. The Marrons Report at para 6.29 (March 2026, **Appendix 4**) concludes that there is a range of potential needs that should be reflected in the Local Plan, and all are higher than the Council's reported need of 287ha. This is a clear demonstration that the Plan is failing to take account of the PPG (ref. 027 ID 2a-027-20190220), given the range of needs cited by Marrons are based on data that includes completions and take up based approaches to calculating needs, that form part of market signals.

2.8. It is acknowledged that all sources of evidence used by the Council and the aforementioned supporting reports, use evidence of past completion trends to project forward, the recommended needs. However it is the way in which these completion trends are used that gives rise to our objections (para 3.38 **Appendix 4**). In the case of Strategic Needs, these stem from the WMSESS and are based on an Opportunity Area (OA7) which extends primarily over Rugby and Coventry (**see also 3.21-3.24 Appendix 4**). Strategic Needs for OA7 are also only represented in the WMSESS (and corrected within the Alignment Paper Addendum Table 2.2) as residual (i.e. 125-200ha), and not as a gross strategic figure.

2.9. Marrons then use the data within the WMSESS and Development Needs Topic Paper to calculate that the WMSESS **strategic** needs (using WMSESS completions data) as a gross figure for OA7 would be 369ha (2025-2042) (para 3.23 and 3.49, Marrons 2026, **Appendix 4**).

2.10. Marrons highlight importantly, that the WMSESS and Development Needs Topic Paper 2025 do not take account of past completions trends for the most recent period. Extrapolating average annual completions over the 17 year plan period with a further five year margin, suggests a 'need' of c414ha of B2/B8 employment land between 2025 and 2042. (Table 3.1 Marrons 2026).

2.11. Putting these figures into the following tables show the range of shortfall and therefore undersupply within the emerging Rugby Local Plan.

	Proposed level of need (combined smaller sites and strategic sites) 2025-2042
Rugby Submission Local Plan **(gross figures, prior to deducting any committed supply)** 2F [3]	287 ha

[3] 284ha as set out within the Development Needs Topic Paper 2025 and the SA 2025 (para 5.2.14). Policy S3 identifies 287ha, allowing for 2.5ha to meet Coventry's unmet needs.

Completions Trend using Rugby AMRs from 2015/16 to 2024/253F [4]	414 ha
Shortfall assessed against recent completions trends (414ha minus 287ha)	**127ha**

If we only look at strategic needs (unless otherwise stated), the figures below compare as follows:

	Proposed level of strategic need for OA7 (unless otherwise stated) (2025-2042)
Rugby Submission Local Plan, **strategic** residual need [5]	116.5 ha
Rugby Submission Local Plan, gross (**all**) need [6]	226.15ha
Completions Trend for OA7 using WMSESS data from 2011 to 2021/2022 [7]	369 ha
Take Up Trend using WMSESS data for OA7 from 2018 to 2026 [8]	732ha
Take Up Trend using CoStar data for Rugby from 2016 to 2025/6 [9]	709ha
Shortfall (difference between 116.5ha and the above trends) – using CoStar (Rugby) as the upper level	**252.5 to 592.5ha**
Shortfall (difference between 226.15ha and the above trends) – using CoStar (Rugby) as the upper level	**142.85 to 482.85ha**

2.12. Given that Rugby have decided to meet all of the OA7 shortfall (para 3.22 of Development Needs Topic Paper 2025), it would follow that it would also meet all of the above calculated shortfall. This is particularly relevant given that Rugby is the last of the LPAs within the OA7 to reach this stage of the Local Plan review process. Coventry and Nuneaton & Bedworth (part of this area is within OA7) are both further advanced and neither are proposing to meet the OA7 needs. Indeed, as we will come onto later in these representations, Coventry has stated in its Proposed Submission Plan (2024) that it was unable to meet 45ha of its own needs. [10] It states that it will look to work with other LPAs adjacent to it, to meet this requirement. Rugby's Local Plan remains the only Local Plan at a stage where such account can be taken of the adjacent authority shortfall.

2.13. To conclude, the evidence within the WMSESS, the Alignment Paper, the Addendum (in terms of acknowledging the 90ha error in strategic site supply) and the Council's Annual Monitoring

[4] As referenced by Marrons, 2026, para 3.46 (**Appendix 4**)
[5] Para 3.42 of RBC Development Topic Paper – comprising 84ha plus 50ha, apportioned to 2042
[6] Para 3.24 of RBC Development Topic Paper - 226.15ha (116.5ha + 201ha commitments – 91.35ha completions)
[7] As referenced by Marrons, 2026, para 3.49 (Appendix 4)
[8] As referenced by Marrons, 2026, para 3.23 (Appendix 4)
[9] As referenced by Marrons, 2026, para 3.51 (Appendix 4)
[10] In Main Modifications Coventry has reduced this shortfall to 9ha, by relying on claimed windfall allowances, which we object to and are yet to be examined by the Inspectors for that Plan. Coventry's Plan and Main Modifications also does not acknowledge the adjustment in residual strategic needs from 84ha to accommodating any of the 90ha error that is stated in the Alignment Paper Addendum

Reports supports the conclusions within the Marrons Report (2026) (**Appendix 4**) that identifies the actual need for employment land is at least 414ha and could be as high as 709ha (most recent Rugby data, above). Thus, with a shortfall ranging from 127ha to 482.85 ha, (gross deliverable supply figures).

2.14. **The critical point is that the Council is planning on a level of employment land that is significantly below what past trends would suggest. It is also important to remember that using completions trends can limit our lens to only looking backwards – which is why levels of take up are also so important to consider too and why the higher levels of take up based requirements highlighted in the above table, should not be dismissed too quickly.**

2.15. **In markets where supply has been restricted we can see examples of the following, (Appendix 4):**

- **persistently below average vacancy- para 4.29;**
- **schemes of 1.8msqft being fully let within 3 years- para 4.40;**
- **take up in Rugby, exceeding levels in Coventry – para 4.46-4.47 – despite having less concentration of and access to labour;**
- **highest levels of net absorption – para 4.54**

and these are all evidence of the Council's previous planning for levels of need (that are below those we have outlined) and illustrate that market signals, as required within the PPG and NPPF, are being ignored.

2.16. Stoford object to the Council's decision to allocate significant land within the Green Belt for employment development, when there are non-Green Belt alternatives available (para 147, NPPF). This represents the second strand to our case, (alongside an insufficient employment land need/supply) in support of an allocation at Rugby East.

Key Point 2
The decision to allocate Green Belt land is not consistent with the presumption in favour of sustainable development as required by the NPPF.

2.17. The NPPF 2024 sets out the Government's planning policies for England and how these should be applied to plan making to provide for development in a sustainable manner. 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;* [our emphasis]

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 areas* ***6****, 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* ***7****; 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."*

2.18. The need to promote sustainable patterns of development is also required by NPPF paragraph 148 when Green Belt releases are necessary for development. The decision of the Council to allocate Green Belt land when this is not necessary is inconsistent with the presumption in favour of sustainable development.

Conflict with NPPF Para. 11a and Para. 148

2.19. The employment allocations in the Green Belt under Policy S3, namely 'Crowner Fields Farm, Ansty', 'Ansty Park north' and 'Land at Walsgrave Hill, herein referred to as 'Walsgrave Hill' do not promote sustainable patterns of development.

2.20. These allocations are not within walking / cycling distance of a railway station, are poorly connected by public transport and are far from a district or local centre (see SA and Stage 2 Site Assessment within the Local Plan evidence base). The Stage 2 Site Assessment (December 2025) confirms this and scores both Walsgrave Hill and Ansty Park North poorly with a public transport accessibility rating of 1 (out of 6). The A46 west of Walsgrave Hill is a busy dual carriageway which provides limited opportunity for pedestrians and cyclist to cross. There is an existing bridleway linking Walsgrave Hill via an overbridge across the A46 to Farber Road in Coventry, which we understand will be retained, however, the opportunities for increased connectivity are severely limited. Moreover, there are no sustainable connections to Rugby's residents and in any case, the distances to the closest settlements are too long to achieve model shift. The sustainable connectivity of Ansty Park north from Coventry is also poor.

2.21. As a result, all three sites will be heavily reliant on travel by private car and this will not help to address climate change agendas. These allocations will further fail to support the presumption in favour of sustainable development because they will unnecessarily remove land from the Green Belt, (noting that no additional land is being replaced) and therefore, allocations in the Green Belt will most certainly not improve the environment as NPPF paragraph 11a requires.

2.22. As noted earlier in these representations, the adopted Rugby Local Plan (2019) directs the majority of growth to Rugby town with a small proportion of housing growth to six Main Rural Settlements in the Green Belt. Employment sites within Rugby's Green Belt in the 2019 Plan were directed only to previously developed sites comprising the former Peugeot Site in Ryton and former Rolls Royce site in Ansty known as Ansty Park. The adopted Local Plan (para 4.29) states:

"Rugby town is the most sustainable location for growth in Rugby Borough and this plan therefore seeks to maximise the potential of the urban area and land immediately adjacent to it to accommodate growth."

2.23. This statement is just 7 years old, and there have been no changes of any significance that warrant such a radical change of spatial strategy – Rugby town and the areas immediately adjacent to it, remain the most sustainable locations for growth. The Settlement Hierarchy in the Proposed Submission Plan proves that the Council continue to consider Rugby town as the most sustainable location for growth, yet the strategy for employment land is contrary to this.

2.24. The urban growth focus of Rugby's adopted Plan has allowed the Sustainable Urban Extension of Houlton to progress plans for 6,200 new homes. Employment at the Stoford site, Rugby East, would align with planned (and partly built) mixed use development, with associated infrastructure at Houlton including an upgraded footpath which offers a link to our site. It would provide doorstep job opportunities for Rugby's residents, including those at Houlton.

2.25. Conversely, with the Local Plan locating the majority of new employment land within the Green Belt and not balancing this with sufficient land within and adjacent to the Rugby urban area, the Council has not aligned planned housing and infrastructure growth, with new job opportunities. This approach does not support a sustainable pattern of development as required by paragraph 11 of the NPPF.

Key Point 3 (i)
The approach to releasing Green Belt land to meet the majority of employment land supply is not a result of effective strategic planning across LPA boundaries

2.26. Paragraph 24 of the NPPF requires effective strategic planning across local planning authority boundaries to address key spatial issues. The strategic employment needs of OA7 (set out within the WMSESS) extend across Rugby Borough and Coventry City (in the main) and constitute a key spatial issue which warrants effective strategic planning across these authorities.

2.27. However, there is no evidence to prove that the Councils' within OA7 have worked together, via a Duty to Cooperate Statement, Memorandum of Understanding, or other means of agreement. Indeed, the Coventry Local Plan Examination website lists SOCG between Coventry and North Warwickshire, Warwick and Stratford on Avon Districts, but no such consideration between Coventry and Rugby. Despite both Councils having a fundamental role in addressing the OA7 shortfall, there is a stark absence in them transparently taking agreed responsibility for it.

2.28. There has also been no collaborative working between the LPAs to determine whether Green Belt releases on the Coventry / Rugby boundary constitute an appropriate strategy for meeting strategic employment needs. At the very least one would expect that the effects of the proposed allocations on the Green Belt (and the purposes of land being included within it) would have been tested to inform the proposed strategy and be part of the Sustainability Appraisal.

2.29. For these reasons, the Local Plan fails to meet the requirements of para. 24 of the NPPF.

Key point 3ii
The employment allocations at Policy S3 harm the purposes of the Green Belt and exceptional circumstances do not exist to justify their release from the Green Belt through the Local Plan (Policy S3). Furthermore, we object to the removal of Prologis Park Ryton and Ansty Park from the Green Belt, and their designation as grey belt. Within this section of our representations, we cover the harm to the Green Belt that each employment allocation gives rise to, and we critique the Council's claimed exceptional circumstances.

2.30. Current national policy on Green Belt is set out in the NPPF 2024 with the aim and purposes set out at para 142 and 143.

Land at Walsgrave Hill

2.31. The land at Walsgrave Hill allocation constitutes a previous draft allocation in Rugby's Local Plan for 1,500 homes and 55ha of employment land in Rugby's Green Belt, immediately east of the A46, at the border of Coventry. At this time the site was known as Walsgrave Hill Farm (WHF). Within the following paragraphs we explore the Green Belt purposes that this land fulfils, with regard to the current evidence base, but also the comments of the 2019 Local Plan Inspector.

2.32. The site was withdrawn by Rugby Borough Council at the Publication stage of the now adopted Plan. Rugby Borough Council's Matter 3a Statement to the 2019 Local Plan Examination referred to deliverability issues relating to Walsgrave Hill. The A46 enabling works were one issue (which we note are now subject to confirmed National Highways funding and works are now anticipated to commence in summer 2026); however the other reason the Council cited, in their Matters Statement (para 1.66) was the extent of the potential impact on the adjacent Coombe Abbey both in relation to historic and nature designations. Reference within Appendix 3, para 1.17 of the Council's Housing Background Paper (LP11) for the adopted Local Plan refers to Historic England objections to the Walsgrave Hill site at that time, for employment and housing development. The Background Paper states (in Appendix 3, para 1.17):

> *"a meeting was held with Historic England on the 29th June 2016 where concern was raised again about the potential impact of development would have on the Capability Brown Registered Parks and Garden, which was viewed as being of national significance"*
>
> And at para 1.18
>
> *"Natural England's consultation response highlighted that the Walsgrave Hill Farm site is directly adjacent to Coombe Pools Site of Special Scientific Interest which is noted for breeding birds and as a Country Park with managed access, which could have suffer potential adverse effects from development in close proximity of the designated site. Natural England requested that work is undertaken to understand the impact of the site on the adjacent SSSI designation. Natural England also advised that the site appeared to include areas of Grade 2 and Grade 3a Best Most Versatile land."*

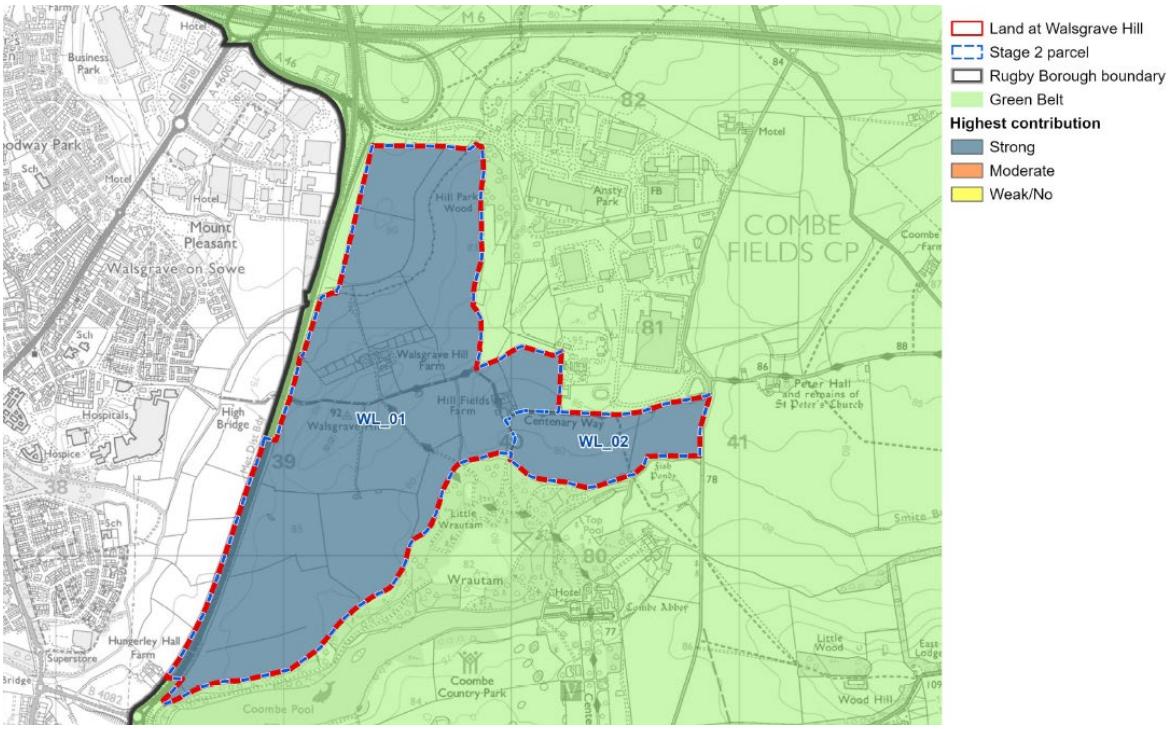
These matters of historical and natural significance, at both at a local and national level, have not diminished in the last 10 years, and it is not therefore justified to bring forward this allocation again.

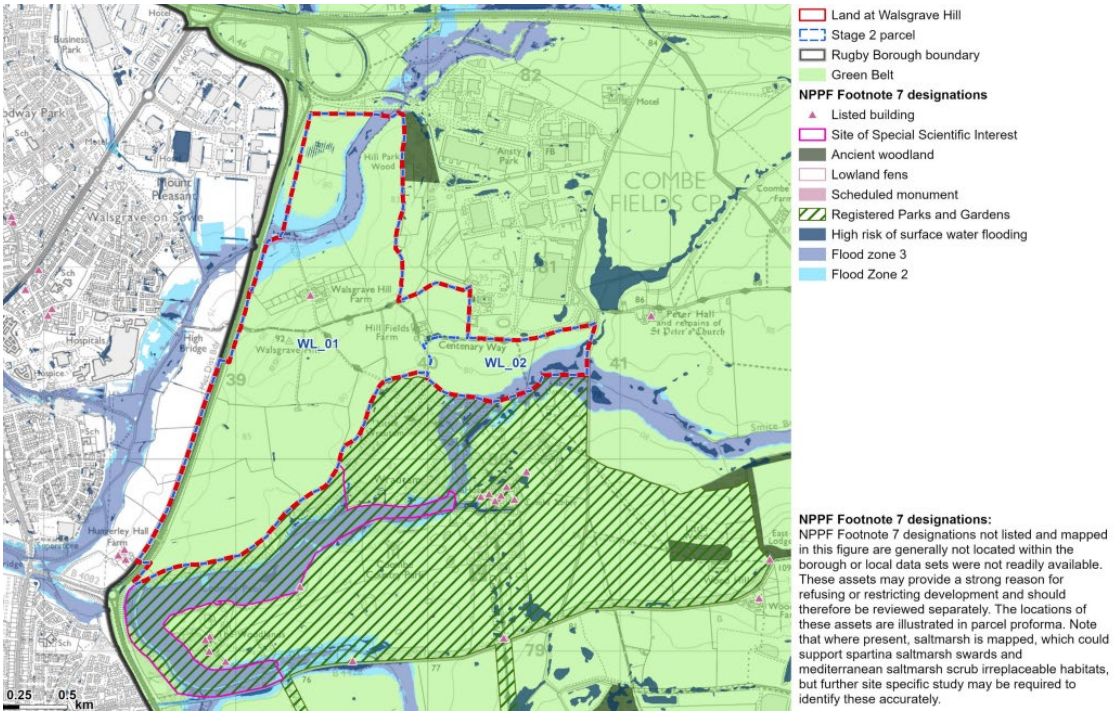
2.33. The decision of the Council to withdraw the Walsgrave Hill site from the emerging Local Plan in 2019 was endorsed by the Local Plan Inspector who commented on the draft allocation in his final report (March 2019). Of particular importance he noted:

"The NPPF establishes that Green Belt boundaries should only altered in exceptional circumstances and that regard should be had to their permanence in the long term, using physical features likely to be permanent[50]. The A46 on the east side of the city represents a strong, clearly defined boundary. The sites promoted on the edge of Coventry, including WHF, would breach this boundary extending Coventry into the countryside on the eastern side of the A46, causing significant harm to the purposes of the Green Belt in this location in checking the unrestricted sprawl of Coventry and safeguarding the countryside from encroachment. The fact is that Rugby's apportionment of the unmet housing needs of Coventry can be met in sustainable locations outside the Green Belt and on smaller scale sites at the MRSs, which I conclude under Issue 5 would not lead to unacceptable harm to the purposes of the Green Belt" (para.72).

2.34. The Inspector also noted in his report at para 73 that, in addition to the harm to the Green Belt, the impacts on Coombe Park, a Grade 2* registered park and garden, which provides the setting for Coombe Abbey, a Grade 1 listed building, and to Coombe Pools Site of Special Scientific Interest weigh heavily against the Walsgrave Hill Farm site in assessing the case for exceptional circumstances.

2.35. The Walsgrave Hill allocation (site no.121) has been assessed in the Council's Green Belt Contribution Study 2025 across 2 parcels (see plan extract below, figure 2.29 from the Study).





2.36. Unsurprisingly, parcel WL_01, representing most of the site (179.17ha) contributes strongly to purposes A and C of the Green Belt - 'to check the unrestricted sprawl of large built-up areas' and 'assist in safeguarding the countryside from encroachment', and contributes moderately to purpose B 'to prevent neighbouring towns merging into one another'. Therefore, the parcel does not have the potential to be grey belt land.

Purpose A	Purpose B	Purpose C	Purpose D	Purpose E	Grey Belt
Strong	Moderate	Strong	Weak / No	Equal	No

2.37. The Green Belt Contribution study notes that:

> *"There is a combination of features creating a strong boundary between the settlement [Coventry city] and parcel. The A46 and woodland bands within the corridor to the west create a strong boundary to Coventry"* (p.106, Green Belt Contribution Study 2025).

Further, in respect of the parcel's contribution to purpose A the Study states that:

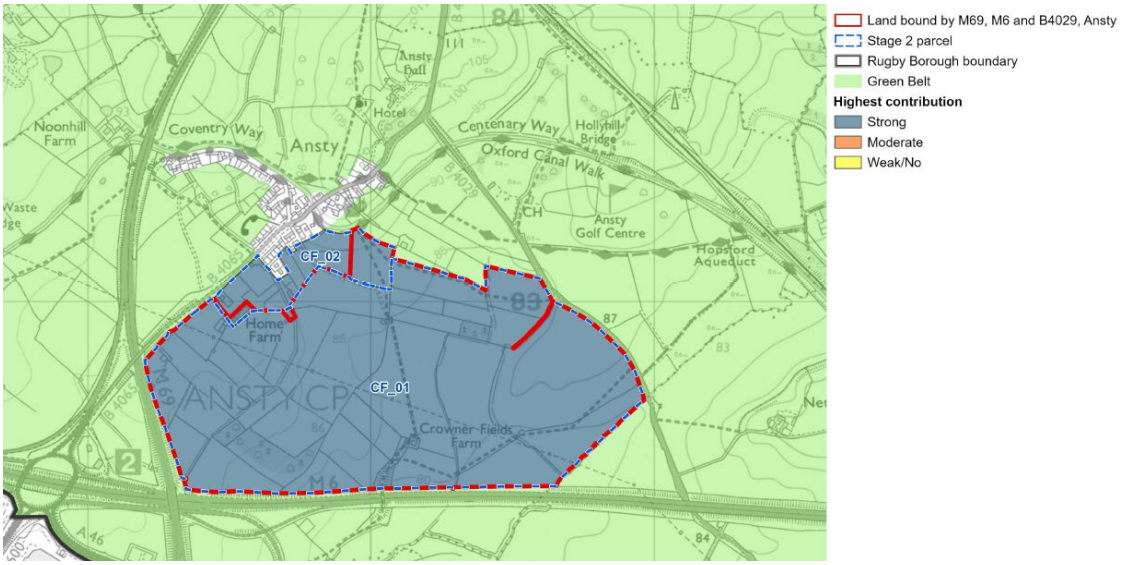
> *"Development of land in the parcel would have an incongruous impact on the urban pattern. The parcel forms a large part of a gap between Coventry and the industrial estate at Ansty Park, and any development would weaken the gap between the settlement and industrial estate and be incongruous with the urban pattern. The A46 also forms a strong feature, and development would breach this boundary and so would be incongruous" (p107, Green Belt Contribution Study 2025).*

2.38. The Council's latest Green Belt evidence supports the Inspector's findings in 2019 and continues to prove that the **release of land at Walsgrave Hill would cause significant Green Belt harm,** which, together with the heritage and environmental harm it would cause to Coombe Park, Coombe Abbey and Coombe Pools SSSI, weighs heavily against the Walsgrave Hill site in assessing the case for exceptional circumstances.

2.39. The fact is that the employment needs of Opportunity Area 7 (WMSESS), local needs, and Rugby's apportionment of the unmet employment needs of Coventry can be met in sustainable locations outside the Green Belt, such as Rugby East.

Crowner's Fields Farm and Home Farm

2.40. The allocation at Crowner's Fields Farm and Home Farm (109ha) (site 95) has been assessed in the Council's Green Belt Contribution Study 2025 (parcel CF_01) (see plan extract below).

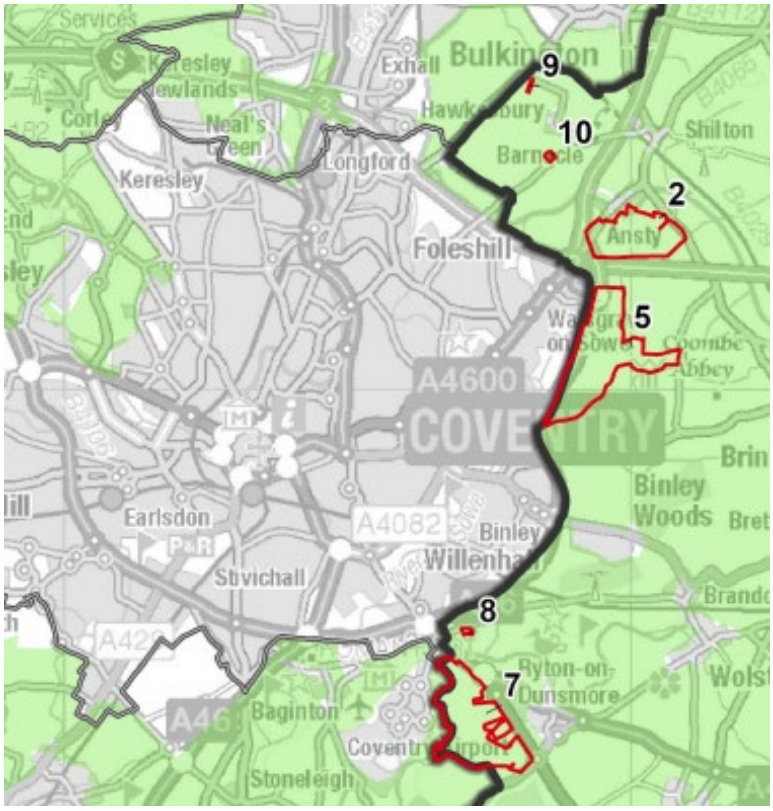


2.41. Like Walsgrave Hill, the site contributes strongly to purposes A and C of the Green Belt, and moderately to purpose B. The site does not constitute 'grey belt' in accordance with the NPPF.

Purpose A	Purpose B	Purpose C	Purpose D	Purpose E	Grey Belt
Strong	Moderate	Strong	Weak / No	Equal	No

2.42. Since the allocation at Crowner's Fields Farm and Home Farm benefits from an extant planning permission for up to 275,000 sqm of floorspace, its release from the Green Belt is largely inevitable and its contribution to Green Belt purposes going forwards, is therefore limited. However, given the scale of the site and its proximity to Walsgrave Hill, this reinforces the importance of preventing further outward sprawl from Coventry and encroachment into the Countryside.

2.43. Figure 1.1 from the Green Belt Contribution Study 2025 illustrates this point, highlighting the overall cumulative impact that Land at Walsgrave Hill has, when considered alongside Crowners Field Farm and Home Farm. This extract also fails to show Ansty Park North and the existing Ansty Park too, which further compounds the sprawl of Coventry into the Green Belt.



Above, Figure 1.1 Green Belt Contributions Study 2025, illustrating allocations (2 and 5) at Crowners Fields Farm and Walsgrave Hill Farm (NB Ansty Park North is not shown above)

2.44. It is important to remember that the existing employment sites in Rugby's Green Belt and close to Coventry's border, have been built on previously developed land only, comprising Prologis Park Ryton (former Peugeot plant) and Ansty Park (former Rolls Royce site). Those developed sites are now considered as Grey Belt.

Ansty Park North

2.45. This allocation has not been assessed by the Council within the Green Belt Contribution Study Stage 2 Site Contribution Assessment, unlike the other Green Belt Allocations.

Exceptional circumstances do not exist to justify the proposed Green Belt employment allocations

2.46. On Green Belt changes, paragraph 145 of the NPPF states:

> *"Once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified through the preparation or updating of plans. Strategic policies should establish the need for any changes to Green Belt boundaries, having regard to their intended permanence in the long term, so they can endure beyond the plan period."*

Paragraphs 146 and 147 then state:

> *"Exceptional circumstances in this context include, but are not limited to, instances where an authority cannot meet its identified need for homes, commercial or other development through other means. If that is the case, authorities should review Green Belt boundaries in accordance with the policies in this Framework and propose alterations to meet these needs in full, unless the review provides clear evidence that doing so would fundamentally undermine the purposes (taken together) of the remaining Green Belt, when considered across the area of the plan.*

Before concluding that exceptional circumstances exist to justify changes to Green Belt boundaries, the strategic policy-making authority should be able to demonstrate that it has examined fully all other reasonable options for meeting its identified need for development." [our emphasis]

2.47. Stoford believe that Rugby Council has failed to properly consider the suitability of the Rugby East site (Land north of Houlton), which, if assessed properly, would eliminate the need for an employment land strategy which relies so heavily on Green Belt land and could be allocated to balance this out. Thus, the Plan and its proposed strategy for employment land (Policy S3) is considered unjustified and unsound.

2.48. The Council's Green Belt – Exceptional Circumstances Topic Paper 2025 (herein referred to as 'Green Belt Topic Paper') sets out the Council's case for exceptional circumstances. It is assumed that these exceptional circumstances are underpinning the strategy for employment land at Policy S3, however there is no supporting text in the Regulation 19 Plan, nor any reference to exceptional circumstances to confirm this.

Existing employment land at Ansty Park and Prologis Park Ryton

2.49. Between paragraphs 2.2 – 2.4 of the Green Belt Topic Paper, the Council set out their exceptional circumstances to remove the existing industrial estates of Ansty Park and Prologis Park Ryton from the Green Belt. This matter was considered and dismissed by the Local Plan Inspector in 2019 on the basis that exceptional circumstances did not exist to remove land from the Green Belt at either site.

"I have considered whether there is a justification for excluding either or both sites from the Green Belt to allow for their expansion or a greater concentration of employment development within their existing developed boundaries. However, the Green Belt serves an important role at both Ansty Park and Prologis Ryton in preventing coalescence with Coventry. This, combined with my conclusions above that the Plan makes adequate provision for employment land, do not support a case for exceptional circumstances to remove land from the Green Belt at either site (paragraph 268, Report on the Examination of the Rugby Borough Local Plan 2011-2031, 27th March 2019).

2.50. Whilst we acknowledge that national planning policy on Green Belt has changed since the adopted Local Plan was examined in 2019, and the developed sites are now considered by the Council to be grey belt, we disagree with their proposed removal. The elements of the NPPF with regards to the Green Belt role and preventing coalescence, have not changed.

2.51. It is not clear why this is 'necessary' against paragraph 148 of the framework when these sites are not needed to meet the borough's employment needs, or an apportionment of unmet need from Coventry City. Further, in the context of decision making, whilst the development of commercial development on grey belt land is no longer considered to be inappropriate, this is subject to new development meeting criteria a, b and c of para 155:

a. The development would not fundamentally undermine the purposes (taken together) of the remaining Green Belt across the area of the plan;
b. There is a demonstrable unmet need for the type of development proposed;
c. The development would be in a sustainable location, with particular reference to paragraphs 110 and 115 of this Framework[57].

2.52. Whilst the Council consider that these sites should be removed from the Green Belt for consistency with the proposed allocations in the Green Belt (para 24, Green Belt Topic Paper), we consider this would be contrary to proper plan-making set out in national policy, since it is

not 'necessary', and more importantly, has the potential to undermine the decision making process on future applications at these sites. It also undermines the surrounding Green Belt land, and engages para 155a, above.

Considering the proposed Green Belt employment allocations collectively and whether they comprise exceptional circumstances

2.53. The Council's strategy for employment land at Policy S3 proposes to remove the following sites from the Green Belt for employment development:

1. Ansty Park North, site 14 for 75,000m2 of floorspace (site area 36.94ha);
2. Walsgrave Hill, site 121 for 290,000m2 of floorspace (site area 201.83ha); and
3. Crowner Fields Farm and Home Farm, Hinckley Road, Ansty, site 95 for 275,000m2 of floorspace (site area 112.18ha).

2.54. The WMSESS advises that additional strategic employment sites are required within Opportunity Areas, including Opportunity Area 7, which relates to this Local Plan. Para 14.32 of the WMSESS summarises, and para 5.50 covers in more detail, the criteria for strategic sites.

2.55. There is no bias in support of development closer to Coventry City fringes, opposed to Rugby's urban area. Sites over 25ha; with access to power, broadband and labour, away from incompatible uses, and can deliver high bay warehousing (in excess of 20m high) and with good connections to the strategic highways network are available.

2.56. Therefore, allocating Green Belt land within Opportunity Area 7 is not necessary, (because non Green Belt land is available within Rugby Borough). It would only be necessary if growth increases significantly, giving rise to exceptional circumstances and where all non-Green Belt options are exhausted.

2.57. The Council sets out their 'in-combination' exceptional circumstances to justify the removal of the strategic employment sites from the Green Belt, between paragraph's 2.28 and 2.106 of the Green Belt Topic Paper. The Council state, at paragraph 2.83 of the Topic Paper that "*the exceptional circumstances case is based on the economic and sustainability advantages of the Green Belt site options, together with the disadvantages of the non-Green Belt options*".[our emphasis]. **We believe that the Council's position of giving weight to 't*he disadvantages of the non-Green Belt options'* goes beyond what is required at para 147 and 148 of the NPPF.**

2.58. Paragraph 2.82 makes it clear that the basis of the Council's exceptional circumstances case is not the absence of non-Green Belt options. Our view is that the process taken by the Council has arrived at exceptional circumstances, contrary to the process that is first required in para 147-148 NPPF.

2.59. The first column of the table below sets out in brief, the Council's exceptional circumstances case. The second column of the table sets out Stoford's position on each of these and explains why these factors do not collectively, or individually, amount to exceptional circumstances.

Council's in-combination exceptional circumstances case based on their Green Belt Topic Paper 2025	Stoford's view on each of the Council's circumstances
The need for employment land at Coventry (para's 2.30 – 2.34). • Coventry has a larger centre of labour than Rugby • Unemployment in Coventry and persons claiming out of work benefits in Coventry is higher than Rugby borough • Coventry has a far higher scale of employment deprivation than Rugby borough	National planning policy requires Local Plans to plan positively for balanced economic growth within their area and promote a sustainable pattern of development whilst improving the environment. National policy does not support a strategy that seeks to export all its strategic employment growth away from an authority's main settlement because its residents are statistically in less 'need'. This is not considered to be a valid planning reason. The proposed strategy, resulting in a concentration of strategic employment land on the edge of Coventry supports, primarily, the economic growth of Coventry, on Green Belt land in unsustainable locations. The concentration of land on the edge of Coventry also prevents Rugby town, the opportunity to prosper and build on its own strengths. Whilst unemployment and deprivation levels are higher in Coventry than Rugby, the Borough is not immune to these issues, and the Plan has a duty to create the right environment, with land available in sustainable places to benefit its own residents. The second largest employment allocation at Crowner's Fields Farm and Home Farm is consented for 275,000sqm of floorspace for the Frasers Group. This HQ project is expected to create a net gain of almost 8,000 operational jobs and generate almost 500 construction jobs over a 6-year period. Owing to this, the draft allocation here is almost certain and the process of its allocation considered a formality. For this reason, the Plan will be contributing significantly to the 'need' for employment land at Coventry. This diminishes the need for all strategic employment sites to be located on the edge of Coventry. Stoford commissioned a report at the Preferred Options stage – appended to these representations (**Appendix 5**), that examined the then draft allocations and their labour catchments. Whilst this report included an assessment of the former draft allocation at Prologis Mountpark Ryton, as opposed to Walsgrave Hill, the siting of land adjacent to Coventry's boundary clearly was a strategy

	that linked to Coventry's labour pool and not that of Rugby.
The commuting consequences of a 'beyond the Green Belt outer edge approach' (para's 2.35 – 2.45) • Large employment sites in Rugby borough will draw a significant proportion of their workforce from Coventry as the largest population and labour centre in the FEMA. • There is already significant and growing competition for the limited labour pool at Rugby. • Site allocations outside the Green Belt away from the edge of Coventry would create significant long distance car commuting to these sites. • Locating a significant proportion of the new employment land close to the Coventry urban fringe would minimise the need for long-distance commuting.	A potential shortage of labour in Rugby, due to strong competition is not justification for allocating all strategic employment sites on the edge of Coventry. This is because labour markets are dynamic and adjust over time. National planning policy actively encourages a strong, competitive market and does not seek Local Plans to avoid competition for labour. The consented allocation at Crowner's Fields Farm will create almost 8,000 new jobs and draw a significant proportion of its workforce from Coventry. This reduces the 'need' for further large employment sites on the edge of Coventry. We consider that a one-sided approach to the distribution of development near Coventry will be damaging to the economic prosperity of Rugby Town and its communities. Since the Council are planning for most of its housing in and around Rugby, this approach would also create a commuting imbalance. The urban extension of Houlton has delivered c.1,903 new houses to date and is expected to deliver a further 3,060 houses by the end of the Plan period totalling 4,963 houses with a population at this time of c.12,000 residents. This is a substantial resident labour force that will continue to grow until the development is complete (6,200 homes consented). Much of the workforce at DIRFT reside in Houlton and commute across to West Northamptonshire. An employment allocation next to Houlton at Rugby East would reduce the need to commute to the neighbouring authority for work. The edge of Coventry allocations are poorly served by public transport, disconnected from Coventry and Rugby railway stations and have poor pedestrian and cycle connectivity. In contrast, Rugby East adjacent to the settlement boundary of Rugby Town benefits from active travel links to Rugby and its suburbs including Houlton and will be within walking/cycling distance of the new Rugby Parkway Station. There are also opportunities to divert existing bus services into the site and include a shuttle service for local employees in the same way as at DIRFT. Thus, an allocation at Rugby East provides greater

	opportunities for walking and cycling, shorter trips and linked trips. The Rugby Parkway Station at Houlton will also provide an opportunity for the residents at Coventry and Rugby to access jobs at Rugby East within just 15 and 10minutes, respectively. The benefits of the station were recognised by the Local Plan Inspector in 2019 who notes that "*The delivery of a Parkway Station at Houlton and other measures identified in Rugby's draft sustainable transport strategy should also support a reduction in dependence on the car and a shift to sustainable modes of travel*" (para 81).
Diversification, agglomeration and clustering opportunities and other benefits of sites at the Coventry urban fringe sites ((para's 2.30 – 2.34) • There is greater potential for manufacturing uses on the Coventry urban fringe in comparison to Rugby. • Greater potential for diversification, agglomeration and clustering at the Coventry urban fringe sites in comparison to sites closer to Rugby.	The Council's strategy for strategic employment land favours a single-location approach – on the edge of Coventry. However, national policy expects choice and flexibility in supply and a spatial strategy that supports economic resilience. National policy also requires the specific locational requirements of different sectors to be addressed. As it stands, the proposed strategic employment strategy provides an over concentration of sites on the edge of Coventry and does not provide a balanced supply of land. As noted above, the Crowner's Fields Farm and Home Farm site is consented for 275,000sqm of floorspace for the Frasers Group new headquarters. This development close to Ansty Park includes office, distribution / warehouse facilities and concept research and development facilities. Thus, this substantial (consented) allocation supports the Council's aim of diversifying inward investment set out in its Economic Strategy 2025 – 2035. However, to avoid an over concentration of uses on the edge of Coventry, in the knowledge that Crowner's Fields Farm will be delivering knowledge-based development here, the spatial strategy should balance its supply and allocate land away from Coventry's urban edge and explore the potential support of logistics-based clustering. Rugby East is well placed to support this approach, which will improve flexibility and deliverability. With regards to the context of Rugby East on the doorstep of Daventry International Rail

	Freight Interchange (DIRFT), which offers rail freight connectivity, our site can offer the same, if not better, opportunities for clustering and provide a satellite site for DIRFT, and space for B2 uses as well as logistics uses. In addition, given the relationship of Rugby East to DIRFT, Rugby East can provide the same clustering and agglomeration benefits as the proposed expansion sites in the Green Belt - to support higher-skilled jobs and expansion in high value-added industries. Moreover, the location of jobs at Rugby East, opposed to the draft allocations in the Green Belt are more accessible by sustainable means of travel and would better serve Rugby's residents opposed to Coventry's.
Constraints at non Green Belt sites including Site 130 Land north of Houlton have been fully examined but are not reasonable alternatives. Noted constraints at Land north of Houlton: • Lacks proximity to existing manufacturers and research institutes, universities and labour pools in comparison to Green Belt sites. • Concerns about commuting patterns. • Site is dependent on the delivery of a scheme at the A426/A5 Gibbet Hill junction. • Harm to Grade II listed Dunsmore House and less potential to mitigate for heritage impacts compared to harm that would be caused to Coombe Abbey as a result of development at Walsgrave Hill.	It is accepted that the Council has undertaken a Stage 2 Assessment of sites submitted as part of the Council's Call for Sites process. However, we consider there are several errors relating to the assessment of our site north of Houlton. Rugby East can provide provision for 8 G&T pitches the same as Walsgrave Hill Public open space adjacent and accessible to residents of Houlton and Rugby and would extend the open space at Houlton once built out. Opportunities for active travel and public transport – given proximity to Rugby urban area, Houlton urban expansion and Rugby Parkway Station. The Council highlights that developing land north of Houlton is dependent upon the delivery of improvements to Gibbet Hill. However it is notable that neighbouring authorities are allocating land on/close to the A5 e.g. the extension of Magna Park at Harborough, DIRFT IV within West Northamptonshire. These authorities are not seeing the A5/Gibbet Hill as a blocker to development. It is also significant that the Frasers Group HQ at Crowner Fields Farm was consented (and proposed as a draft allocation) without certainty of A46 improvements (that were only approved by the DCO process in February 2026) and conditioned to that effect.

	To understand this further, Stoford held a meeting with National Highways officers and we were advised that Rugby East, if allocated, presents an opportunity to 'unlock the A5'. Gibbet Hill is a national priority and the highest priority of 3 schemes on the A5 that are earmarked to receive funding this Spring. Further developer contributions arising from the development of Rugby East, alongside aforementioned sites in neighbouring authorities can assist further. Stoford were advised by National Highways that an absence in National Highways infrastructure should not be a reason for Council's not allocating sites. Rather, allocations will assist National Highways to build a business case to lobby and secure funding. The allocation of a strategic employment site provides long-term certainty of demand on the strategic road network, which in turn strengthens the business case for intervention at the affected junction. While the Local Plan cannot guarantee delivery of improvements by National Highways, an allocation materially increases the likelihood that the scheme will be prioritised within future investment programmes and provides a clear policy basis for phased delivery and developer contributions.

Table 1: Councils Green Belt exceptional circumstances case in column 1 and Stoford responses in column 2.

2.60. For all the reasons set out in column 2 of the table above, Stoford do not consider that the circumstances amount to exceptional circumstances to warrant changes to the Green Belt.

2.61. As detailed above, the Plan Inspector, in 2019 confirmed that exceptional circumstances did not exist to justify the release of significant areas of Green Belt land for development that was not required to meet local or sub regional employment or housing needs. This included the land at Walsgrave Hill. The same argument applies this time around since Green Belt land is not required to meet local employment needs or the employment needs of OA7 set out in the WMSESS.

2.62. The WMSESS was careful not to be specific in directing strategic needs to any one Local Planning Authority. At para 1.31 the WMSESS states that the apportionment strategy was intentionally simplistic and high level. The WMSESS apportions strategic needs to Opportunity Areas (OA). These cover a wider geography and stretch beyond Coventry and in the case of OA7 comprises Rugby Borough and Coventry City together with a small part of both Nuneaton and Bedworth Borough and Warwick District.

2.63. Secondly the approach of allocating the majority of strategic land within the Green Belt is not based on evidence. The WMSESS evidence demonstrates that strategic employment needs can be met anywhere within this Opportunity Area and does not display any bias in support of development closer to Coventry City fringes, opposed to Rugby's urban area.

2.64. The strategic employment needs of OA7 do not constitute 'unmet needs from Coventry' – rather, they are strategic needs arising from a Study that looked at the needs arising from a broad location. Para 11 NPPF is not engaged.

2.65. There is no requirement for the strategic employment sites to be located in the Green Belt, close to Coventry City when the OA7 is expansive and covers a large proportion of non-Green Belt land where there are reasonable alternatives available. The Council has not tested a Scenario for growth (either in terms of distribution, nor to meet a higher level of need), that would comprise options adjacent to the Rugby urban area, alongside any residual needs, in the Green Belt where exceptional circumstances are demonstrated.

2.66. Thus, given that exceptional circumstances do not exist, the strategic employment allocations in the Green Belt and the strategy at Policy S3 are contrary to the NPPF.

2.67. For all the reasons provided in our representations we consider the Plan to be unjustified and inconsistent with national policy. The Plan does not present an appropriate strategy for employment land or take proper account of the reasonable alternatives. The employment strategy for growth does not enable the delivery of sustainable development and is inconsistent with the policies of the Framework. As such, the Plan fails the tests of soundness in respect of (b) justified and (d) consistent with national policy.

2.68. The Plan could be made sound if non-Green Belt allocations are made to address the strategic employment needs of OA7 including the allocation of land north of Houlton (Rugby East). Until such time, we strongly object to policy S3 and the allocations at policy S7 of the Plan.

Key point 4
The employment land growth scenarios in the SA are not justified or effective

2.69. Local Plans should be informed throughout their preparation by a Sustainability Appraisal that meets the relevant legal requirements[18] (NPPF, para. 33).In line with the Regulations, a Sustainability Appraisal must be published for consultation alongside a draft plan that presents an appraisal of "the plan and reasonable alternatives" with a particular focus on appraising "significant effects" (Regulation 12(2)).

2.70. The Issues and Options Plan in 2024 identified 8 potential locations for strategic employment growth. These high-level options were not appraised in the SA Scoping Report accompanying the Issues and Options Plan, were not tested in the Interim SA Report 2025 supporting the Preferred Options Plan, but have following representations, been retrofitted into the final SA on page 8, that accompanies the Submission Plan. Policy S3, in terms of the spatial strategy for distributing employment land towards Green Belt remains unchanged.

2.71. Paragraph 2.4.3 of the SA makes reference to the now shortened plan period, which has reduced from 20 years at Preferred Options stage, to 17 years (i.e. 15 years from adoption) within the Submission Plan. This decision is poorly justified, with reference to there being limited opportunities for identifying larger scale developments. The Council have chosen to plan to meet the housing requirements set out in the Standard Method, as it did in 2025. The key change appears to be the correction of data arising from the WMSESS, where it is acknowledged that 90ha of land was miscalculated, and given this arose from OA7, which directly ties into Rugby and Coventry, the Council have chosen to accommodate only 50ha of

that figure (required for the period to 2045), and to reduce it proportionately further, via shortening the Plan period to 2042.

2.72. Reference is made within the SA to two further considerations that suggest a need for the Council to remain open to higher growth. The examples cited are the unmet need for strategic sites airing from Coventry (claimed to be 9ha – however Stoford have objected to this within the Coventry examination), and at least one of Coventry's sites (25ha at Baginton Fields) is not deliverable. Further, it is suggested within the SA at para 5.2.15 that growth may be higher, because the WMSESS looks to 2045 rather than 2042. We support this view, and also would add, noting;

> *'there is a strong case to suggest that the entire opportunity area 7 apportionment from the WMSESS should be provided for in Rugby'* (SA, para 5.2.13)

then rather than just 50ha being added to the Plan's employment land requirement, the entire 90ha (arising from the author's acknowledged errata) should be provided in Rugby.

2.73. We disagree with the statement at para 5.2.27 that states there is *'little strategic case'* to plan to 2045, or to meet the full strategic need of OA7 to 2042 or seeking to provide for unmet needs Coventry in full. This is not a justified statement. WMSESS (as corrected by the errata) states that there is an unmet need for strategic sites in OA7 of 174ha (84ha plus 90ha (errata)). The Development Needs Topic Paper states just 116.5ha of this strategic need will be met (para 3.21). Almost 60ha of strategic need would be unaccounted for (using WMSESS stated figures – which we have outlined already, are in our view, not calculated correctly). The failure to provide for this scale of land in our view, *does warrant a strategic case* that would underpin a higher scale of growth.

2.74. At para 5.2.28 of the SA, consideration is given to the distribution of strategic employment sites to deliver the full area 7 strategic need. At 5.2.29 of the SA it is stated that WMSESS recommended the provision of 2-3 larger B8/mixed use sites of 50ha, and 1-2 smaller B1/B2 sites. This is incorrect. An extract from the published WMSESS is below (pre the Errata being identified)

Table 14.1 Indicative Site Distribution by Opportunity Area (Ha)

	Notional supply – years (hatching=current committed supply)					Market rank	Indicative phasing	Indicative additional strategic site requirement at B8/mixed c.50ha - E(g)/B2 c.25ha	Narrative – market rank / performance, scale (no. LPA), site supply, SRFIs, Green Belt
Opportunity Area	Type	0-5	5-10	10-15	15-20				
Area 7: M6 / A45 / A46 / M45 Coventry & Rugby	B8/ Mixed					A	C/D	1-2	Large OA. Highest existing supply. High demand location. Part GB constrained OA. Supply requirement later in study period.
	E(g)/B2						C/D	1-2	Highest existing supply although Coventry Airport is a single occupier site that may shorten supply period. Further supply at Ansty Park. Potential to attract further investment.

2.75. The Alignment Paper Addendum then seeks to update and correct the WMSESS in light of the error that arose from Coventry Gateway South which leads to a further 90ha being added to the requirement.

2.76. The Alignment Paper Addendum states:

Para 2.5

"Whilst it is not within the scope of this work to fully update the findings of the WMSESS report, the impact on the Coventry and Warwickshire authorities has been considered below".[our emphasis]

Para 2.6

"Reducing the B8/Mixed supply in Area 7 by 90ha, to reflect the incorrectly inclusion of the country park at Coventry Gateway South, takes the Area 7 B8/Mixed supply from 322ha to 232ha." [our emphasis]

Para 2.9

"*In the context of an additional 90ha of additional residual need, there is a potential requirement for* ***up to two additional B8/Mixed sites of a notional 50ha*** *to be apportioned to meet the highest end of the needs range"*

2.77. It is clear that taking the recommendation of para 2.9 of the Alignment Paper Addendum, that adding 2 additional B8 sites to the Table 14.1 extract, would give rise to 3-4 additional B8/Mixed use strategic sites being needed, and not the 2-3 sites that the SA refers to.

2.78. The SA lists Padge Hall Farm, Crowner Fields Farm and Walsgrave Hill as being the 3 sites that are 50+ ha and in the Council's view would satisfy the WMSESS need. Notwithstanding the above point relating to the requirement for an additional two sites (taking the total to 4), two of these sites (Padge Hall Farm and Crowner Fields Farm) were consented on the basis of specific needs, presented in their planning applications and are not reflective of the strategic needs in WMSESS.

2.79. In respect of the WMSESS recommendation for **two B2** sites of 25ha+, the SA acknowledges that Ansty Park North (18.75ha) will contribute towards this, but the other two allocations that fit this criteria – South West Rugby and Coton Park East, will primarily deliver **B8** uses (para 5.2.32).

2.80. The reference to Stoford's site, Rugby East – which is known as Land north of Houlton within the SA, being '*less favoured'*, is noted at para 5.2.35. Here it states that a major factor weighing against the allocation of our site, is its location being away from Coventry and the predominant delivery of B8. Firstly, allocating a strategic employment site immediately adjacent to Rugby's largest urban extension (Houlton) and which can clearly meet employment needs of Rugby residents, must weigh heavily in the case for development within the Rugby Local Plan? Also, the Council's presumption that the site will deliver primarily B8 is unfounded. Stoford have promoted the site for B2/B8 uses, and in any event, it is noted that a further B8 site is needed, as a result of errors within the original WMSESS. Within the scenarios tested at 6.3.1 of the SA, none include testing for growth that includes planning an additional site, to those already within the Submission Plan, as a growth option that would meet the revised WMSESS findings.

2.81. **Changes we seek to be made to the Local Plan**

Stoford's promotion site, Rugby East should be allocated as a site and listed within Policy S3 as one of the new allocations under S7. The extent to which the site is allocated, can be discussed. For example, Stoford have explored within the previously submitted Delivery

Document (**Appendix 6**), a phased allocation of land. This may be an option should the Council/Inspectors accept a shortfall in the employment land being delivered through Policy S3, as being a figure that is less than the Stoford site area.

Stoford do firmly believe that it is inappropriate for Crowners Field Farm in its entirety, to be counted as a 'new supply' site or a commitment towards the Local Plan requirement. Given this accounts for 1/3 of the requirement, and it was consented for a specific end user, whose needs were not modelled into the evidence base and whose needs were so crucial to the Very Special Circumstances Case being successful. Our starting position is that the site should not count at all. The Inspectors may take a view that a proportion of the floorspace could satisfy the some of the modelled WMSESS need, however we have no evidence available within the public domain to be able to support this.

Land at Padge Hall Farm should be removed from the supply of sites (or adjusted) for similar reasons.

Land at Walsgrave Hill should not be allocated unless Exceptional Circumstances, following an allocation process that conforms with the NPPF para 147 and 148 has been undertaken and is accepted by the Inspector examining this Plan. In the event that Exceptional Circumstances are found to be justified, the role of this site in terms of meeting **Rugby's** needs must be fully justified.

Coton Park East is not regarded as being deliverable to the extent of floorspace that is allocated within Policy S3, given the site constraints. This figure should be revised and preferably, the site be allocated for residential use, given our position that it is unsuitable for employment related development.

The evidence base must be updated (i.e. the Alignment Paper Addendum) to fully acknowledge and recommend, that the shortfall of 90ha across OA7 arising from the Error noted in the Addendum, is to be added to the quantum of land to be met though new strategic site allocations within OA7.

3. CL2 Renewable Energy and Low Carbon Technology

3.1. We note that parts of our Rugby East site (land north of Houlton, site 130) have been identified as suitable for wind turbine development.

3.2. As a recognised strategic employment site that has been deemed as potentially suitable for future employment uses, an allocation for wind turbines on Rugby East would prejudice delivery of this site in the future. Other sites that are less sustainable, have less development potential and weaker connectivity to the strategic road network should be favoured for wind turbines instead of Rugby East.

3.3. Our proposals at Rugby East offer a multitude of sustainability measure to address climate change, including but not limited to PV panels, energy efficient buildings, net zero carbon in operation and an abundance of green infrastructure.

Changes we seek to be made to the Local Plan

3.4. The annotation on the proposals map should be removed with regards to wind turbine development on site 130. This is not a use for which the landowner is willing to enter into.

4. S4 Sites for Gypsies and Travellers

4.1. We support the principles of policy S4 and understand the need for new pitches in the Borough to assist in meeting the shortfall in provision identified in the Gypsy and Traveller Accommodation Assessment 2025. However, we disagree with the allocation of pitches proposed as part of the Walsgrave Hill employment allocation under Policy S7 because exceptional circumstances do not exist to justify the release of this site from the Green Belt in the first instance.

4.2. Land north of Houlton (Rugby East) can provide 1 – 2 acres of land for gypsy and traveller provision, in an accessible location off the A5, with walkable links to key services and facilities.

4.3. Any site at Rugby East would provide adequate provision of on-site services for water supply, power, drainage, sewage and waste disposal, and its scale would allow for adequate outdoor amenity space, privacy and necessary on-site facilities.

4.4. Alternatively, an offsite financial contribution and / or land to meet this policy requirement can be offered.

5. Policy S5 Countryside Protection

5.1. We object to criterion B of policy S5 which delineates the extent of the Green Belt in the Borough on the policies map and effectively removes land from the Green Belt for the employment sites at Crowner Fields Farm, Ansty Park North and Walsgrave Hill. As set out in our representations, exceptional circumstances do not exist to justify the release of the employment allocations from the Green Belt.

5.2. We also object to the principle of Policy S5, and criterion A which limits development outside of the settlement boundaries. This policy is contrary to the emerging NPPF Policy S5 criterion J, which applies to employment development where it is well related to an existing settlement, or it is for storage and distribution uses. Stoford's site at Ruby East satisfies both elements of criterion J within the draft NPPF Policy S5. This is a clear direction of travel for the Government in recognising the locational requirements of industrial and logistics operators, noting that these locations are often outside of settlements. This blanket approach towards countryside protection within the Submission Local Plan is not appropriate.

Changes we seek to be made to the Local Plan

5.3. The policy is not justified or effective, and given the Development Management Policies within the merging NPPF, will be superfluous to requirements.

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6. Policy S7 Employment Allocations

6.1. Policy S7 proposes the following allocations for employment. We have taken the information from the table within Policy S7 and inserted additional columns comprising notes (whether the site is greenfield, Green Belt etc.); and we have converted the amount of floorspace using the 0.35 plot ratio (as referenced in the Development Needs Topic Paper) to demonstrate how much actual land is needed to serve that amount of floorspace. Finally, we list the actual size of the allocation as per the Local Plan Appendices. Gross areas allocated will be larger than bet and this is to be expected (i.e. that there is a difference) because of matters such as strategic landscaping and infrastructure, outside of regular plot densities. It also helps in assessing the deliverability of the site when considering the ratio of floorspace to green infrastructure, its viability, the policy implications of certain densities and how achievable such a development quantum might be given certain site constraints.

	Notes	**Floorspace Allocated** (net – sqm)	**Floorspace Needed (on a 0.35 ratio)** (hectares)	**Gross Areas Allocated in draft Plan appendices** (hectares)
Crowner Fields Farm **(Frasers)**	Green Belt Release, with planning permission, VSC, end occupier	275,000	78.6	112.18
Coton Park East	Greenfield site, former residential allocation	115,000	32.9	35.97
South West Rugby Phase 2	Greenfield site, former reserve site at SW Rugby (Tritax Symmetry)	60,000	17.1	40.7
Ansty Park North *(ring fenced for R&D and B2 uses)*	Green Belt release, adj to Ansty Park, adj to J2 M6	75,000	21.2	21.2
Land at Walsgrave Hill	Green Belt release, adj to Ansty Park and A46, includes a country park extension of 75ha	290,000	82.9	201.8
New Allocations		**815,000sqm**	**232.7 ha**	**411.85 ha**

Crowners Fields Farm

6.2. Page 144 of the Submission Plan sets out the site area for this allocation, the volume of floorspace and the development requirements. This allocation is not a new employment land allocation as is stated in para 1.35 of the Local Plan. It is a site for which planning permission for a specific end user has already been made. It fundamentally should not form part of the supply of sites being used to balance the employment land needs of Rugby (or indeed OA7). The site is within the Green Belt and as part of the case made by the applicants – the Frasers

Group, they prepared and it was accepted by the Council, that there were Very Special Circumstances (VSC) for the site to be granted planning permission.

6.3. The need for the site was stated as being 'urgent' by the Applicants in their submission material. This was part of their VSC case. It was not a floorspace requirement therefore that was to be satisfied through the plan making process – which is naturally lengthier and will not be resolved for some time to come. It is also not the case that this level of need is a need upon which the Local Plan's level of need is established. **The 'allocation' is some 275,000sqm – almost one third of the suggested level of need within the Local Plan**, and it has arisen from an occupier from outside of Coventry and Warwickshire, and indeed the West Midlands. It cannot therefore be justified or effective for the Local Plan to count the Crowners Field Farm site as a such a significant component of the new employment land supply, and count it in its entirety towards meeting the Local Plan requirement that stems from a West Midlands based assessment.

6.4. The site should not form part of the land supply. A VSC case was made and accepted by the Council for this site, and in our view the site should remain as a development site for a specific end user, within the Green Belt. It is not a site for which exceptional circumstances are evident, to support its release within the Local Plan process.

6.5. Unlike the benefits offered by the Stoford promotion site at Rugby East – (see Appended Delivery Document - **Appendix 5**), the Crowners Fields site does not offer a Country Park, or open space within walking and cycle distance of a Rugby settlement akin to Houlton – some 6,000 new homes. The site does not include provision for, nor offer to make a financial or off-site contribution towards Gypsy and Traveller provision. The site is also being developed for the needs of a specific end use – the Fraser Group, and therefore unlike Rugby East, does not offer opportunities for smaller/medium sized businesses to locate on site, a need which is acknowledged as needing to be met within the Council's evidence base.

Coton Park East

6.6. Page 139 sets out the site area for this allocation, the volume of floorspace and the development requirements. The Local Plan states that the site area is 35.97ha, within which 115,000sqm of employment floorspace will be delivered. However, at a plot ratio of 0.35, this would require 32.9ha of land, leaving just 3ha for landscape improvements. Page 114 also advises that the site should deliver 0.75ha of land for the expansion of the Rugby Free School. This would leave just 2.25ha of land for structural landscaping, Biodiversity Net Gain. In short, the site area will not enable the delivery of 115,000sqm of floorspace as is stated. The allocation is not achievable in the parameters of the text at page 139.

6.7. Moving on to site constraints, this also gives rise to further significant concerns regarding the deliverability of this employment land allocation. As a former residential allocation, it is notable that it has failed to deliver new homes. This is despite the Borough seeing record levels of delivery (AMR 2024) where the annual requirement for homes of 664 dwellings per annum, has been exceeded every year since the Local Plan was adopted in 2019. The developability of the site must be brought into question.

6.8. Whilst it is noted within the Stage 2 Site Assessment that the site has relatively strong public transport accessibility, National Highways have not provided any comments on the site. Being located in the north of the Borough, traffic leaving the site will have the potential to route via

Gibbet Hill. The allocation makes no reference to the site offering mitigations for impacts on this known highway concern.

6.9. On site, the challenges continue with the site having significant slopes which will require an earthworks exercise that will result in further ecological mitigation, in order to deliver the plateaus that employment floorspace requires from a site.

6.10. Overall, our view is that the site is more suited towards residential use (which can utilise the sloping nature of the site) and benefit from proximity to the school whilst allowing for its expansion. It is not a suitable employment allocation, and will not be effective in delivering the 115,000sqm that the Local Plan policy S7 states.

South West Rugby

6.11. Following a review of the Council's Stage 2 Site Assessment report, and given that the site is currently Safeguarded, we offer no objections to this draft allocation. However we do note that the site has been reduced in developable area to accommodate the buffer with Cawston Spinney. We also note that the site scores the same as the Stoford promotion site at Rugby East, on Public Transport Accessibility Levels, and yet is allocated for development within the Plan.

Ansty Park North

6.12. Page 143 of the Local Plan provides details of this 21.2ha allocation. It is confusing that the allocation area has reduced from 36.94ha listed within the Preferred Options Plan, albeit the volume of expected floorspace at 75,000sqm remains the same.

6.13. We note in respect of the Ansty Park North site, is no longer listed within the Stage 2 Site Assessment.

6.14. Ansty Park represented a redevelopment of previously developed land. Notwithstanding the successful delivery of the business park to date, however the proposed extension to Ansty Park, by way of this allocation, requires the release of Green Belt. Within the adopted Local Plan, Ansty Park was allocated to redevelop a brownfield site and meet needs arising from Coventry – they were the exceptional circumstances. Extending Ansty Park within this Local Plan could potentially meet some of the unmet need arising from Coventry - which the Council advise is 9ha. This is different to the strategic needs for sites over 50ha within the WMSESS OA7. The site is allocated for research and development uses/B2 only, and may contribute towards the need for 1-2 sites of 25ha or more, serving B2 requirements.

Walsgrave Hill

6.15. Page 146-147 details the Walgrave Hill site, which is allocated within policy S7. Our responses to other policies within the Plan set out our objections with regards to this site. In summary, for the purpose of policy S7 these are:

i. The site is within the Green Belt and exceptional circumstances are not justified to release this site, as a means of meeting the need for employment land
ii. The location of the site serves Coventry. This is evidenced by our report (**Appendix 5**) that explored how previous allocations on the edge of Coventry at Ansty and the former Prologis Park Ryton site, served Coventry residents. The representations to the Coventry Local Plan and Matters Statement by promoters Segro, are clear in their acknowledgment

of this site supporting the shortfall of employment land in Coventry (i.e. those promoters see the site as meeting Coventry's needs and its shortfalls). This Local Plan however is for the Borough of Rugby. It is failing Rugby's residents by not providing them with accessible, sustainable employment opportunities.

iii. The site was previously allocated in draft (within the now adopted Plan), but withdrawn by the Council, and the decision to do so was supported by a Planning Inspector citing the matters of not only highways (which we accept are now being progress by virtue of the DCO having been granted in February 2026), but, matters relating to ecology and heritage. **These remain unchanged.**

iv. Reference is made to a potential very light rail route within the scheme, which is positioned to boost its sustainability credentials, however there is no funding in place for this or delivery timeframes. It should have no bearing and be given no weight in this allocation.

v. Despite the WMSESS criteria seeking sites that are capable of delivering high bay warehousing, this allocation refers to the setting of maximum height parameters, given the sensitivity with landscape and seeking to reduce visual prominence, and reference to the national park and gardens, historic farmsteads, heritage assets of Coombe Abbey and so forth, add further 'red flags; to this allocation as the prime employment site within the Plan.

vi. Even with this significant site, the Rugby Submission Local Plan falls short of allocating the full extent of the 90ha shortfall in supply, (that the WMSESS incorrectly counted), and has resulted in the Alignment Paper Addendum stating that there is a need for at least two additional B8 mixed use sites.

Changes we seek to be made to the Local Plan

6.16. Stoford's promotion site, Rugby East should be allocated as a site and listed within Policy S3 as one of the new allocations under S7. The extent to which the site is allocated, can be discussed. For example, Stoford have explored within the submitted Delivery Document (**Appendix 6**), a phased allocation of land. This may be an option should the Council/Inspectors accept a shortfall in the employment land being delivered through Policy S3, as being a figure that is less than the Stoford site area.

6.17. Stoford do firmly believe that it is inappropriate for Crowners Field Farm in its entirety, to be counted as a 'new supply' site or a commitment towards the Local Plan requirement. Given this accounts for 1/3 of the requirement, and it was consented for a specific end user, whose needs were not modelled into the evidence base and whose needs were so crucial to the Very Special Circumstances Case being successful. Our starting position is that the site should not count at all. The Inspectors may take a view that a proportion of the floorspace could satisfy the some of the modelled WMSESS need, however we have no evidence available within the public domain to be able to support this.

6.18. Land at Padge Hall Farm should be removed from the supply of sites (or adjusted) for similar reasons.

6.19. Land at Walsgrave Hill should not be allocated unless Exceptional Circumstances, following an allocation process that conforms with the NPPF para 147 and 148 has been undertaken and is accepted by the Inspector examining this Plan. In the event that Exceptional Circumstances are found to be justified, the role of this site in terms of meeting Rugby's needs must be fully justified.

6.20. Coton Park East is not regarded as being deliverable to the extent of floorspace that is allocated within Policy S3, given the site constraints. This figure should be revised and

preferably, the site be allocated for residential use, given our position that it is unsuitable for employment related development.

6.21. The evidence base must be updated (i.e. the Alignment Paper Addendum) to fully acknowledge and recommend, that the shortfall of 90ha across OA7 arising from the Error noted in the Addendum, is to be added to the quantum of land to be met though new strategic site allocations within OA7.

7. E2 Employment Development

7.1. We object to this policy which limits the development of employment floorspace in locations that are outside of settlement boundaries. Where land is not protected by designations such as those listed within para 11g footnote 7 of the NPPF, then the Plan and planning policies should be:

> '*flexible enough to accommodate needs not anticipated in the plan, and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances'* paragraph 86 e of the NPPF advises.

Furthermore, policies and decisions should:

> *'recognise and address the specific locational requirements of different sectors. This includes making provision for:*
>
> a. *clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);*
> b. *storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and*
> c. *the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.' (NPPF, Para 87)*

7.2. The policy does not permit the development of employment floorspace outside of settlement boundaries (except for where it satisfies four very specific criteria). This approach is restrictive and not consistent with paragraph 86 or 87 of the NPPF. It does not acknowledge and facilitate the expansion or modernisation of other industries as cited above, and it does not support economic growth and resilience. By way of example, the 2019 Adopted Plan could not have foreseen the Covid 19 pandemic, and the accelerated impacts that had on the need for floorspace and the growth in logistics. It is imperative that the policy is amended to allow for flexibility and the demand of the market, particularly where locations may not be readily available elsewhere within the Borough.

7.3. The draft NPPF 2025 is strengthening its support for economic growth by applying the presumption in favour of sustainable development for major storage and distribution development outside of settlements, through policies S5, E2 and E3. The revised NPPF will be in place by the examination and adoption of this Plan and it is entirely inappropriate for this Policy to be inconsistent with the NPPF in such a significant way. The Council should amend Policy EC2 to reflect the emerging national policy direction to ensure the Plan remains positively prepared and consistent with national policy.

Changes being sought to the Plan

7.4. Delete E2E, which is contrary to the emerging NPPF Policy S5 and the positive direction of travel being advanced by the Government with regards to industrial and logistics floorspace.

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8. I5 New Railway Stations

8.1. Stoford strongly support Policy I5 and criterion A, which states that the 'Land as shown on the policies map is safeguarded to support the delivery of the proposed Nuneaton Parkway and Rugby Parkway railway stations.' The Rugby Parkway scheme has progressed to an advanced stage (with all land acquired, outline planning permission granted, outline design accepted by Network Rail and Network Change now complete. Warwickshire County Council are now focused on investor/developer partner market engagement to secure funding for the station. Paragraph 9.17 of the Proposed Submission Plan should be updated to reflect the fact that Rugby Parkway station has been granted outline planning permission.

8.2. We are supportive of the Rugby Parkway Station because it provides a critical non car-based opportunity to access rail, and this connects to the town centre station (Rugby), along with neighbouring stations at Coventry for example. Encouraging Rugby residents to use the train as opposed to the private car, for means of accessing work, or leisure will significantly help to address the climate change agenda within the Borough.

8.3. In particular, it will support journeys for residents of Houlton - the borough's largest sustainable urban extension that is currently under construction and where significant numbers of residents already reside. It will also facilitate people travelling to this part of the Borough, where they may then pick up connections to work at DIRFT, and there is the significant opportunity for the Council to facilitate more job opportunities in this location, through the allocation of new employment floorspace at Rugby East.

8.4. However, at present, no additional development with the potential connectivity offered by Rugby East, is being proposed within the Local Plan. This is contrary to the emphasis of the NPPF that requires plan making to promote sustainable patterns of development when allocating sites.