

Rugby Borough Council Local Plan Examination

**Written Statement on behalf of
A.C. Lloyd Holdings Ltd. and the Trustees of
Sir Thomas White Charity**

Matter 2: Overall Development Needs

January 2018



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1. Introduction

- 1.1. This Statement is submitted to the Rugby Borough Local Plan Examination on behalf of A.C. Lloyd Holdings Ltd. and the Trustees of Sir Thomas White Charity in respect of land north of Ansty Business Park. This site was put forward by A.C. Lloyd as an additional strategic employment site for inclusion in the Local Plan at the Publication Draft stage.
- 1.2. The Inspector has raised specific questions about the proposed employment land provision put forward in the Local Plan under 'Issue 2b: Employment Land'. This Statement seeks to address the Inspector's questions in his 'Matters, Issues and Questions' to inform discussions as the examination hearings.
- 1.3. This Statement should be read along side the corresponding Statement submitted by AC Lloyd and the Trust to Matter 3.

2. Inspector's Matters and Issues

2.1. The Inspector has set out his key questions with regard to each matter to be discussed at the examination. With regard to the employment land, the following two questions are raised:

1. *Has the RBLP been positively prepared and is justified, effective and consistent with national policy in relation to its proposal to provide 110 hectares of employment land between 2011 and 2031? In particular:*
 - a. *What is the basis for the 110 ha of employment land planned for in Policy DS1? Is it justified in the light of available labour demand and supply forecasts for the plan period?*
 - b. *How does it relate to the jobs growth estimates used to inform the overall level of housing provision proposed in the plan? What is the relationship between housing and employment land provision?*
 - c. *How does the planned level of provision compare with past and recent take-up rates for employment land in the borough of Rugby? Are the remaining commitments and allocations sufficient to meet the likely future demand for B Use Class floorspace in the borough?*
2. *To what extent does the planned provision assist in meeting the sub-regional employment land requirements of Coventry and Warwickshire functional economic market area, including:*
 - a. *The shortfall in Coventry's employment land supply for the period 2011-2031?*
 - b. *The need for further strategic employment sites to support the economic growth ambitions contained in the Coventry and Warwickshire LEP Strategic Economic Plan?*

2.2. The Inspector's questions are considered in turn below.

Employment Land Provision

- 2.3. Rugby Borough Council is seeking to provide 110 ha of employment land to meet the needs of the Borough as set out at draft 'Policy DS1: Overall Development Needs'. As set out in the supporting text to this policy at Paragraph 4.8, the employment land target is based on the GL Hearn Employment Land Study published in May 2015. This report had come to the conclusion that 6-8 hectares of employment land should be provided per annum or 100-130 hectares over the remaining plan period (2015-2031).
- 2.4. A.C. Lloyd has made submissions in relation to the general employment land provision separately in relation to its land interests at Coton Park East and we therefore do not propose to repeat those again here.

- 2.5. Of note however is that the ELS Study excludes consideration of the development needs arising from Coventry or the wider sub-region.
- 2.6. The central concern of these particular representations is in relation to the extent that the local plan provision assists in meeting both Coventry's and the sub-regional employment land requirements, including strategic sites which are contributing to the needs of the wider sub region i.e. Ansty and Prologis Park Ryton.
- 2.7. Firstly it is noteworthy that the Rugby Local Plan does not include any new land allocations to meet sub regional needs.
- 2.8. It is argued by the authority in the Employment Land Background Paper dated July 2017 (Examination library reference LP17 Section 5) that no new sites are required because Rugby has already more than met its sub regional requirement through the existing sites at Prologis Park Ryton and Ansty. These total 97 ha (gross) and it is submitted that they satisfy Rugby's requirement to support Coventry's needs which is 45 ha as contained in the Coventry and Warwickshire Employment Land Memorandum of Understanding (July 2016).
- 2.9. What the above approach fails to recognise is the speed of take up of these sites and the continuing high demand for strategic employment land across the sub region and wider West Midlands. As recognised at para 5.5 of the Employment Land Background Paper, both Prologis Park Ryton and Ansty Park are now for the most part either developed or fully committed. Ansty has one remaining plot which is understood to be under offer for owner occupation and is expected to be built out in 2018. Prologis Park Ryton Sites A and B are completed with the last remaining unit under construction and pre-let to JLR. Site C (the last 2 plots) is currently the subject of a detailed planning application and construction is due to commence in 2018. It is to be noted that nearly all of the land on these 2 sites has been taken up since 2013 which shows the current strength of demand. It is therefore clear that the Rugby Local Plan, as drafted, will fail to provide any strategic land for the remaining 13 years of the plan period post 2018. Whilst The Local Plan may have met the MOU requirement, we consider that it should still provide opportunities for strategic employment land beyond 2018.

Sub-Regional Employment Land Requirements

- 2.10. A number of sub-regional employment land studies have highlighted a severe shortage of land to meet strategic employment land requirements across the sub-region. These provide a compelling evidence base of the need for additional strategic land to be identified through Local Plans:

Coventry and Warwickshire Strategic Employment Land Study (Atkins October 2014) (Examination library Reference LP14)

- 2.11. This report commissioned by the LEP was intended to provide an evidence base for the Strategic Economic Plan as well as for the revision of Local Plan's in the LEP area. It sets out a clear case for additional strategic employment land and of note states at para 5.39 that the areas around Coventry and to the north of the LEP area would particularly benefit from the provision of new employment opportunities. With regard to the role of Strategic Sites, it specifically references Ansty Park at para 7.14 as offering significant potential to play a strategic employment role. At the time the report was written Ansty Park had plenty of spare capacity but that has since been taken up.

Coventry and Warwickshire Employment Land Use Study (CBRE August 2015) (Examination library Reference LP15)

- 2.12. Following on from the Atkins Study the LEP commissioned a further study to provide an up to date objectively assessed need for employment land in the LEP area. The executive summary of this report (Pages 2-8) provides some stark conclusions which are summarised below [with our highlights]:

- **Take up of employment land has accelerated strongly as the economy has moved out of recession** with take up across the Midlands exceeding the pre-recession peak in 2014 at 11.08 million sq ft (1.03m sq m), with momentum continuing in 2015;
- **Growth has been strong across the main components of employment land** demand in the CWLEP area – in advanced manufacturing, particularly the automotive sector, and in logistics
- As a result, **existing supply of accommodation is now at a critical level** with less than two years supply available across the area, much of it in smaller, ageing and unsuitable units;
- **Future projections of demand have increased since previous assessments.** Using the different Government recommended methodologies future demand to 2031 ranges from 353 ha (sectorial), through 405 to 570 ha (demographic/labour market) to 637 to 660 ha (take up). It is recommended that the LEP plan for the higher end of this range;
- By contrast **the current employment land stock and immediate pipeline is exceptionally low.** Only 64 ha is available on 'oven ready' sites which can meet current occupier demand. A further 93 ha may come forward on secondary sites with development potential. However future supply is reliant on new major strategic sites being brought forward at Coventry and Warwickshire Gateway and extensions to Bermuda Park. Even then these sites only total around 330 ha, below

the bottom end of the forecast range and significantly below the recommended range based on take up.

- **It is therefore necessary to consider whether and when additional strategic sites can be identified. Such sites would ideally be located in the Coventry Travel to Work Area** to meet local labour market needs and promote sustainable travel patterns with new household growth;
- CWLEP and its partners have ambitious plans for the area building on the very positive growth of key sectors in recent years which has driven the take up of land on high quality sites. These **sites are now close to being exhausted and future growth will be constrained unless currently proposed sites are delivered and future sites are identified.**

- 2.13. Of particular note from the study is the very sharp decline in available supply which has occurred in the last 5 years (see chart on Page 4 of the Executive Summary). This trend has continued since the study was published in 2015 and the shortage is now more acute than ever.

West Midlands Strategic Employment Sites Study (PBA/JLL September 2015) (Examination library Reference OTH1)

- 2.14. This evidence base report was commissioned by the West Midlands Local Authority Chief Executives to consider the value attributed to strategic employment sites and their role in the plan making process.
- 2.15. The study identified the area covering Coventry, Rugby and Warwickshire, as one of the areas of highest demand for strategic land. At the time of the study it was noted at Paragraph 4.91 that the immediate supply in this area looked good but that the longer term supply is risky. In fact since this report was published much of the immediate supply has been taken up (as per earlier evidence in relation to Ansty and Ryton) and therefore the need for additional land is again very clear. In relation to the role of strategic sites, it states in the conclusions at Para 6.9 that the case for such sites remains strong. It notes that such designations may include new land, extensions to existing sites, or both, and that locationally these are often likely to be at out of town sites around the edges of the conurbations.

Updated Strategic Economic Plan (Coventry and Warwickshire LEP August 2016) (Examination library Reference OTH2)

- 2.16. The Updated Strategic Economic Plan (SEP) published by the LEP in August 2016 sets out ambitious jobs growth targets aiming to employ an additional 94,500 people by 2030 in the local economy. The SEP notes at Para 2.4.1 that high quality sites are close to being exhausted and future growth will be constrained unless currently proposed sites are delivered and future sites are

identified. It is recognised that the future supply is reliant on new major strategic sites being brought forward, particularly for the development of R&D centres. One of the key objectives of the SEP is to establish Coventry and Warwickshire as a global centre for R&D in Advanced Manufacturing and Engineering and this will only happen if land is available to enable local companies to grow and to attract further inward investment in this important employment sector.

Evidence Base Conclusions

- 2.17. AC Lloyd consider that the above evidence base provides clear reasons why the Local Plan is not sound in this aspect and fails to fully contribute towards this urgent need for sub-regional strategic employment land, and missing the opportunity to plan for the continued growth of Rugby and the wider sub-region. The Plan has therefore not been positively prepared in this respect and will ultimately fail to meet its own stated objective to *“ensure that all businesses, whether large or small, can locate and operate in Rugby through the provision of a varied portfolio of employment land”*.
- 2.18. No new strategic land has been built into the employment land supply and this oversight is likely to further exacerbate the shortage of strategic land and thereby constrain economic growth of the wider sub-area. The Rugby Local Plan is not making a sufficient contribution to, and is therefore not effective in, meeting the strategic priorities of the CWLEP.

3. Conclusions

- 3.1. In order to make this aspect of the Local Plan sound, positively prepared and effective, it is considered that additional strategic employment land should be identified to meet the clear need for such sites and to support the growth agenda of the LEP. The direction for such growth is dealt with separately in our submission paper for Matter 3.