



Coventry & Warwickshire
Local Enterprise Partnership

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Responses by Coventry and Warwickshire LEP (CWLEP) to MIQ,s

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Introduction

General comments

- i. This submission seeks to update previous representations made by the LEP that refer the supply of employment land across the LEP operating area (Part 1 of this submission). It also seeks to respond to the specific MIQ's posed by the Inspector (part 2 of this submission).
- ii. The Coventry and Warwickshire LEP's (CWLEP) contribution on land supply issues is essentially aimed to be a sub-regional perspective. While we comment on specific aspects of the Local Plan such comments flow from the need to secure employment land across the whole CWLEP area to meet market requirements.

Part 1:Market Update and overview

1.1 As set out in its previous submissions it is essential that there is a sufficient supply of employment land to support the performance and growth of the local economy over the life of this and other Local Plans . This has a quantitative and qualitative dimension. This general objective is emphasised in the CWLEPs updated Strategic Economic Plan (CWSEP) ¹, and more recently in the SEP for the West Midlands Combined Authority WMCA)² . It should be noted that the CWLEP, Warwickshire County Council and 6 of the 7 local CW authorities, including Rugby BC are either members or non -constituent members of the WMCA and as

¹ Updated Strategic Economic Plan. August 2016.CWLEP.(OTH/02)

² WMCA Strategic Economic Plan. -Making our Mark.2016

such subscribe to the overall aims, ambitions and objectives to grow and develop the region.

1.2 Both the CWLEP and the WMCA has expressed a desire to see additional strategic employment land identified to facilitate the achievement of the ambitious economic growth targets in these approved SEP strategies. Although the WMCA does not have land use planning powers it is working closely with its constituent and non-constituent members to grow and restructure the West Midlands economy. The WMCA SEP anticipates and commits the region to achieving an increase of some 500,000 new jobs in the region by 2030.³

1.3. The overall property market and the demand for employment space continues at high levels of demand across parts of Coventry and Warwickshire The performance has to date been supported by a supply of employment land available in key market locations-around urban areas and close to key transport corridors. However there are now “signals” that this demand is not being met across all sectors and parts of the commercial market .In particular the sub region continues to be a focus for the expansion and development of the automotive industry and its supply chain. In addition the distribution and general manufacturing sectors continue to require new opportunities in well-located locations particularly around the main urban areas. The demand for new premises from these sectors has been high .

1.4. A recent example of this buoyant strategic employment land market is evidenced by the rapid uptake and commitments to develop the sub regional growth site known as Coventry and Warwickshire Gateway, a large allocation that spans the boundaries of Coventry City and Warwick District on the south side of the Coventry and is allocated in both recently adopted Local Plans. The site is divided into two broad development parcels .A planning consent has been granted on the part known as Gateway North a 60 acre parcel of land fronting the A45 trunk road .This site is now heavily committed in advance of construction and it is estimated that only some 3 ha of the site remains available to the general market .The most recent commitment was announced in December 2017 when the Government awarded the bid by CWLEP and partners for the “Faraday Challenge” an £80m development project for a National Battery Manufacturing Development Facility to support UK battery technology for the automotive sector. This will take up a part of the Gateway site alongside other commitments. This investment illustrates the on-going potential of the sub region to attract investment and the necessity of having a pool of well-located development sites available to provide for this type of requirement.

³ WMCA SEP Page 24.

1.5 There is evidence that the market is not fully catering for all sectors and types of businesses. Evidence collected by the LEP and others⁴ indicates that there are shortages of particular types of land to facilitate growth and development of business. An example is the growing evidence that while requirements continue to increase, many smaller and medium businesses (SME's) are finding that there is a shortage of existing suitable premises and that the new stock of employment land being added to the market by new land releases is not either available or affordable to many types of businesses. The sub region has also lost a significant supply of employment land to other more valuable land uses such as housing and this supply of generally cheaper employment space has not been replaced by a similar type of land suited to the needs of small and medium enterprises.

Updated Strategic Land Supply Pipeline

1.6. The flow of new employment land through the planning process is an important consideration when looking at overall supply in the context of plans that run to 2031.

Appended Table 1 gives an updated estimate of the current and emerging strategic employment land “development pipeline “ which shows the flow of land across all local planning authority areas in the CWLEP area .It categorises the overall supply by using both planning status and the known major issues and constraints to estimate the likely timing and availability of major employment land allocations emerging via the local plan review process .It then seeks to group this flow of new land by anticipated timing.

1.7. This analysis explains in part why overall levels of provision collectively in the local plans can broadly match the estimated requirements for employment land over the plan period to 2031, but at the same time there is evidence of shortages to meet immediate requirements.

From this broad temporal analysis a number of factors are evident.

- The existing pool of immediately available sites still relies heavily on established previous plan allocations that are in many cases part complete or near complete.
- The size of sites in the “oven ready “category is relatively small in scale .
- There is an absence of large allocations (over 25Ha) that can fulfil a sub-regional role and are likely to be attractive to major inward investors.
- There remains some uncertainty about the timing of some major new employment allocations because of major infrastructure requirements. Some of these allocations (*Eastern Green& Long Marston for example,*) are part of larger mixed-use schemes which need major investment and the priority to release the employment elements of these sites is not always clear. These sites area focus for current work to improve the flow of sites on to the market.

⁴ For example CW Growth Hub property registers and data from Coventry City and Warwickshire CC business support teams.



- Many of the new allocations are targeted at the high quality sector of the market and are seeking occupiers and tenants able to pay premium prices. As noted above this reinforces the mismatch in parts of the market between the supply of land and the type of needs. Again work is currently underway to try and obtain a better understanding of this inefficiency in the land market.

1.8. As noted a key issue across the CWLEP area has been the persistent shortage of new employment sites that are immediately available to the market, so called “oven ready employment land “. While we consider the overall supply of employment land generally matches various global estimates of the likely future employment land requirements, over recent years delays in bringing forward various local plans has led to a shortfall in the supply of immediately available land. This has been noted in various regional analysis and in our view persists .

1.9 However ,In the past few months considerable progress has been made on all local plans and recently the Plans for Coventry and Warwick have been adopted that should help, in part, to address the short term supply and bring forward some important employment sites notably those previously classified as Green Belt.

Current Actions to address employment

1.10. The CWLEP works closely with all Local Authorities in Coventry and Warwickshire on both housing and employment issues and seeks to advocate the introduction of changes and actions to address problems. It recognises that the characteristics of the forward planning process make it difficult to introduce short term solutions to established problems. This local plan examination along with others due in 2018 offers an opportunity to emphasise the wider impact of the current situation and the need for urgent actions to address current and emerging problems.

1.11. There are a number of current initiatives being conducted by the LEP and the local authorities seeking to address a number of the problems identified. These include

- A joint study currently being commissioned to examine current Market Signals and changes in the employment land market. This also will include an analysis of “the match” between existing allocations and the characteristics of current market demand.
- Work by the LEP to examine the potential to develop a general(template) set of policies aimed at providing “affordable employment land” across its operating area
- A review of land suitable for large scale Inward Investment employment opportunities . Work ,planned for completion in 2018 is being undertaken in conjunction with the Birmingham and Solihull LEP and the Black Country LEP to jointly examine what can be done to address the perceived shortage and lack of



choice in locations capable of attracting major inward investment to the West Midlands.

- The local authorities supported by both the County Council and the LEP have resolved to undertake background work necessary to produce a joint spatial planning framework for the whole of the CWLEP area. However progress on this initiative has been constrained by the need to complete the current cycle of local plans

Part 2 .Response to Inspectors MIQ's-Issue 2b:Employment Land .

1.Has the RBLP been positively prepared and is it justified, effective and consistent with national policy in relation to the proposal to provide 110ha of employment land 2011-2031?

2.1 In its previous submissions the CWLEP has welcomed the overall spatial vision that underpins the plan.in it's early versions the plan was generally welcomed and recognised as an overall sustainable development strategy. The main concern of the LEP has occurred with the recent introduction of a change from previous proposals and the decision to move away from proposals that are seen as compatible with a long term development strategy that supports economic growth and expansion around the southern and south east fringes of the Coventry urban area.

2.2 We note the methodology that underpins the employment calculation is in line with other local plans in Coventry and Warwickshire .The LEP has previously highlighted in these and other local plan submissions concerns about an over reliance on demographic based statistical projections and the need for more detailed qualitative analysis of employment markets . It has called for a more detailed “fine grained “approach to the analysis of employment requirements better matching the range of types of land required and providing more choice in the market place. Government guidance in the form of the NPPG and the national planning practise guidelines (NPPG)⁵ sets out methodologies to achieve this and the CWLEP continues to seek opportunities to advocate a more disaggregated approach in line with the Governments recommended methodology.

1a. What is the basis for the 110ha of employment land planned for policy DS1.Is it justified in the light of available labour demand and supply forecasts?

2.3 As we understand it the 110 ha figures derives from a demographic based forecast of likely job growth for the RBC area. This produces a net land requirement of 79 Ha .The Council has added to this an additional “flexibility factor” of around 31 ha which is added to

⁵ NPPPG Para030.Ref ID2a-030

the margin of the demographic requirement .The CWLEP has welcomed this flexible approach to the quantitative calculation.

2.4.However we have some concerns about the allocation process for these levels of provision and the lack of analysis and evidence about the targeting of the allocations towards current and future needs of various sectors of the market .The provision of employment land in the draft plan is concentrated in relatively small number of large allocations mainly on the periphery of Rugby .The proposals are well related to main infrastructure or planned infrastructure. However the timing of when some of these sites may be available and capable of implementation is not clear .

2.5. As set out in our previous representations, we have some concerns about how well the proposed allocations will meet current and future needs, particularly those related to the growing requirements of small and medium sized business already operating in Coventry and Warwickshire. We welcome and acknowledge the policy framework in DS7 for Coton Park East where it is intended that this 7.5 Ha allocation is targeted at smaller units (between 5-50,000sq ft.). We remain unclear how this ambition is to be implemented or whether the owners of the land are willing to accept this restriction on the type of provision.

1b. How does it relate to job growth estimates used to inform the overall level of housing provision in the plan? What is the relationship between housing and employment land provision?

2.6 The relationship between housing growth and employment growth is highly complex and works across overlapping market area, travel to work areas and local authority boundaries .We have noted in our previous representations that around the borders of the Rugby Borough area there are a number of current major employment areas(for example DIRFT and Magna Park) and indeed significant proposals to expand and further develop these areas .This has not been acknowledged in the Local Plan strategy and we believe some consideration of the likely impact of these proposals should have been carried out in order to better judge the effectiveness of the strategy proposed.

1c. How does the planned level of provision compare with past and recent take up rates for employment land in the Borough? Are the remaining commitments and allocations sufficient to meet likely future demand for floorspace in the borough?

2.7 As set out in Part 1 of this representation, there is a growing body of evidence that suggests that the current levels of provision in this and other Local Plans may not be sufficient to meet all future sub regional level needs across the plan period to 2031.This seems particularly true of the very largest sites suitable to attract inward investment and very small sites suitable to meet the expansion needs of a wide range of small businesses. Data collected by the CWLEP from local authority monitoring work indicates that take up of employment land since 2014 has been consistently high across the three year period and

has been running at around 67-75 ha per year(all sites including small sites) being taken up from existing supply⁶.

2. To what extent does the planned provision assist in meeting the sub regional employment land requirements of the C&W functional economic marketing area including;

a. The shortfall in Coventry's employment land supply for 2011-2031.

2.8 We have concerns that the overall provision of employment land requirement generated by Coventry City Council will not be well matched to the current provision in the RBCLP .In part this is related to the type and characteristics of current and likely future requirement .In addition, there is a spatial dimension, in that the proposed distribution of existing and proposed new employment sites are not closely related to the Coventry Travel to Work Area. As was emphasised in the report produced by CBRE for the LEP in 2015 the most effective way to address this overall sub regional requirement would be to locate further major provision in the Coventry TTWA where it would maximise benefits to the local labour market, take advantage of the supply chain and pick up on the benefits of strategic infrastructure already in place⁷.The first steps towards this objective are contained in the Coventry Local Plan proposal to include Walsgrave Hill Farm as a housing allocation in its adopted local plan ⁸.

b. The need for further strategic employment sites to support the economic growth contained in the CWLEP Strategic Economic Plan.

2.9. As noted above both the CWSEP and the SEP for the WMCA contain ambitious economic growth targets .To achieve these will require a “Step Change “ above current levels of performance in both employment growth and the housing growth required to accommodate the needs of an expanding region. In 2017, the WMCA received the recommendations of its Land Commission⁹ which in part was established to examine how this steep increase in growth can be accommodated .This quote from the Commission's report captures the challenge;

“Ensuring a good supply of employment premises -in the right place, at the right price at the right time and to the right specification -is essential to the growth of businesses in the W Midlands and the achievement of the employment targets in the SEP. Although much of the focus has been on housing the evidence seen suggests that the shortfall of employment space is at least as pressing as the shortage of land for new homes ,possibly more so .” WMLC :Final Report para5.20.

Issue 3a:Overall Development Strategy

⁶ Figures are unpublished and draft figures from monitoring by each individual C&W lpa.

⁷ CBRE Land Study 2015 (LP15)

⁸ Coventry City Local Plan .Allocation H.2:3 Walsgrave Hill Farm

⁹ WMCA Land Commission -Recommendations

1.e Is the reliance on large scale development through extensions to Rugby and a new settlement justified as the most appropriate of achieving sustainable development, the supply of new homes and the economic growth of the area? If not what are the alternatives?

2.10. As we previously noted the LEP considers that the overall spatial strategy set out in the Publication local plan (September 2016 LP01) represents regressive step when compared to the strategy in the Preferred Options Draft (Dec 2015). The revised proposals are less sustainable and relate poorly to both housing need and employment land requirements across the sub region .The development and success of recent major growth to the immediate south and south east of the City of Coventry ,involving major developments in Warwick District ,Coventry City and Rugby Borough is testament to the attractiveness of this general locational “arc “ of development that runs from the University around the airfield and related developments and extends to and beyond the Ansty and Ryton strategic employment areas .This broad area is well equipped with a basic infrastructure framework capable of upgrade and improvement. It is the basis of the CWLEP’s case that this general area, notwithstanding its Green Belt status should continue to be a focus for growth building on existing infrastructure and investing in new infrastructure.

2.11.We are aware that the area around the fringes of Coventry including Walsgrave/Ansty is located in the Green Belt .We consider that there are” exceptional circumstances” that can be used to make a case for the release of this land .This was done for the original proposal in the preferred options draft .Across the so called ARC of development large areas of Green Belt have been released in both Warwick and Coventry Districts and the recently adopted Coventry City plan emphasises the growth potential in Policy DS2 (6) of the southern fringes of the city.

2.12. We have also noted that the absence of any employment content for the Lodge Farm new settlement This given the relative isolation of the site is unlikely to enhance the sustainability of the proposals or contribute to the creation of a viable new community.

1 f. Does the development strategy provide for the unmet housing and employment land requirements of Coventry in a way that is reasonable to do so consistent with achieving sustainable development?

2.13 As noted above ,the research study commissioned by the CWLEP in 2015¹⁰ highlighted the possible need for further additional major allocations to meet long-term needs. The Study goes on to make it clear that the best broad location for additional growth would be somewhere within the Coventry TTWA where it would provide maximum benefits in terms of meeting the needs of the local labour market, the promotion of sustainable travel and best match household growth in the sub region¹¹.The CWLEP has consistently supported this recommendation. This was in part why the CWLEP supported the overall development

¹⁰ CWLEP, Employment Land Use Study. August 2015 CBRE.(LP15)

¹¹ CBRE .See section conclusions and Review of findings, page 55.(LP15)

strategy set out in the publication draft and which contained the proposal for an extension at Walsgrave Hill Farm .The LEPs submission recognised a range of additional benefits that flow from the proposal. The area is served by a high grade infrastructure network with potential to undertake phased development of infrastructure to run alongside the phased provision of both housing and employment growth.

1 g. Is the selection of Lodge Farm justified as the most appropriate location for a new settlement in preference to the preferred option site at Walsgrave Hill Farm or other options? What is the evidence to support this?

2.14. See comments above .

1 j. To what extent do the proposed allocations in Policy DC4 and the available supply at employment sites identified in ED1 provide for long term strategic and local employment land requirements of the borough and the wide sub region in terms of location, quality and quantity .

2.15. A central theme in all the representations by the CWLEP to date on this Plan review and indeed other Local Plans in Coventry and Warwickshire has been the general view that current proposals in the Local Plans do not fit well with either the need for both long term and local employment land requirements .

2.16. There is a growing body of evidence based around the maintenance of high take up levels to suggest that overall allocations may be inadequate to meet future needs and crucially to provide choice for a wide range of current and future employment requirements .The market generally is changing and in turn the requirements are changing .As noted the plan policies generated in this Plan do not appear to have not drawn heavily on detailed or fine grained analysis .However it must be acknowledged that this observation is not confined to this particular draft Plan .

2.18. The supply of land identified in ED1 is as we have previously noted out of date and does not reflect the current position in terms of the supply still likely to be available at the time of adoption of this plan .We believe this needs to be updated .There is evidence of growing levels of demand from local businesses for employment space that is not being met by current allocations .During the calendar year 2017 the CWLEP has received over 73 “unsatisfied “ inquiries from local businesses wanting to either expand or relocate established business .Many of these are SME type business

2.19 . The development pipeline analysis set out in Part 1 Appendix .Table 1 of this submission also illustrates the apparent shortage of larger opportunities suited to attract significant inward investment including overseas investment .As also noted this problem appears to exist over a wider geographical area

1 k. Is there a need to consider additional land allocations of employment land at Ansty and Ryton given their role as sub regional employment sites and the limited remaining supply of undeveloped land at both sites.

2.20. Based on all the comments we have made to date we would support the allocation of additional land allocations at both of these locations or within the broad zone or arc identified around the southern and south east fringes of the urban area.. The cumbersome nature of the Plan review process means that an early “in principle” recommendation to undertake such alterations to this strategy would be likely to lead to a shorter term solution to meeting sub regional growth as opposed to leaving this to a subsequent review of the Plan or subject to further study .

2.21.Both locations have proven ability to attract inward investment and we understand that there is potential to provide additional phased infrastructure solutions at these locations to enhance the attractiveness of the general locations .The recent announcement in relation to the redevelopment of the Rolls Royce facility near Ansty demonstrates the attractiveness of the area and its proven capability to accommodate further growth.

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