

Nuneaton and Bedworth Borough Council

Borough Plan Review (2021 - 2039)



NBBC's MIQ responses to Block 2

Matter 4

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Matter 4 - Employment

Issue 1: Whether the strategic policies regarding employment make sufficient provision for employment land throughout the plan period.

Q40. Is the amount and type of employment land set out in Strategic Policy DS3 soundly based and does it accord with the evidence and national planning policy and guidance? Given that the sub-regional HEDNA identifies a lower figure for employment land within the Borough, what evidence is the Council relying on and why is this evidence preferred/considered to be more robust?

Answer

40.1 Yes, the amount and type of employment land is determined from the following evidence documents:

- Nuneaton and Bedworth Housing and Economic Development Needs Assessment (HEDNA) (2022) [EB6].
- Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) (2022) [EB7.1].
- Towards a Housing Requirement for Nuneaton & Bedworth (2022) [EB8].
- Review of Nuneaton and Bedworth Employment Land Portfolio (2023) [EB10].

40.2 The Nuneaton and Bedworth HEDNA identifies a need for 82.5 ha of employment land in the Borough covering the specific Local Plan period to 2039.

- 40.3 The Coventry and Warwickshire HEDNA identifies a local employment need for Nuneaton and Bedworth of 47.7 ha. Within this, the figure for general industrial needs was based on projecting forward completions data and total employment completions over a 7-year period (2011-19). The period examined was determined by the availability of consistent data across the sub-region. In addition, the sub-regional HEDNA identifies a need for 606 ha of strategic B8 warehousing across the sub-region to 2041. Subsequent to the publication of the HEDNA, the figure was revised to a base need of 436 ha to 2041, which with the inclusion of a 5 year margin equates to provision of 551 ha (rather than 606 ha) to 2041.
- 40.4 Towards a Housing Requirement for Nuneaton and Bedworth ('TAHR'), is intended to be read alongside the sub-regional HEDNA to provide more specific consideration of both housing and employment needs in the Borough. TAHR has regard to the sub-regional HEDNA but additionally takes account of local considerations and the latest data, with a view to informing the level of provision of employment land within the Borough Plan Review. TAHR sets out that:
- The NBBC HEDNA took account of more recent completions looking at data to 2020/21, whereas the sub-regional HEDNA considered data only to 2019. The NBBC HEDNA projected forward a 5 year completions trend (2016-21) whereas the sub-regional evidence considered a 7 year period (2011-19). The NBBC HEDNA omits earlier supply side constraints reflecting the period when the Council did not have an adopted Local Plan and land was constrained by the green belt and issues with limited power supply.
 - The NBBC HEDNA considered all industrial and warehousing development, whereas the completions trend in the sub-regional HEDNA sought to remove completions related to strategic B8 development which was treated separately. The NBBC HEDNA recognised that the Borough would have to contribute to meeting strategic B8 warehousing and distribution needs.

- 40.5 The Review of Nuneaton and Bedworth Employment Land Portfolio (2023) further disaggregates local employment land from strategic B8 need. The Review establishes an overall local need of 63.1 plus an additional replacement provision for existing employment sites losses of 5.35 ha. The indicative provision for strategic B8 needs is calculated as 19.4 ha which acts as a contribution to the sub-regional figure of 551 ha.
- 40.6 The 82.5 ha employment land need over the plan period reflects a gross need for employment land, before consideration is given to supply through completions since the beginning of the plan period, existing commitments, and proposed allocations.
- 40.7 The employment land to meet the supply is determined by information found in Employment Land Review [EB10] document. As part of the review of the Borough Plan, it was considered necessary to assess the progress made on existing allocated sites as well as assess the quality and potential contribution of existing employment areas. The Review considers the progress of development on the allocated sites, and the expected progress – informed by engagement, where appropriate, with site promoters/developers.
- 40.8 The Review identifies the Faultlands site as contributing towards meeting the strategic B8 need (Para 6.36). Employment allocations within this Plan, as with many others, however, provide flexibility for different forms of employment development to come forwards in respect to market demand.
- 40.9 The report identifies an amount of windfall based on historical data. The Council considers a windfall allowance for employment is realistic given that the employment need is based on gross completions data. The windfall provision essentially relates to expected quantum of employment development expected to take place on existing employment sites over the plan period. It is anticipated that existing employment sites will continue to contribute towards meeting the employment need. In particular, through the provision of smaller units for businesses that do not require the allocation of large employment sites. Making provision for this is important to support investment and regeneration in them.

40.10 The Council considers the Nuneaton and Bedworth HEDNA to be more robust as it uses the more up to date completions data. The Coventry and Warwickshire HEDNA was constrained due to having to use a timeframe for which consistent data was available for all the FEMA authorities. The NBBC HEDNA was also able to concentrate on a period where there was an emerging/adopted Local Plan and so negate earlier supply constraints that were a particular problem to the Borough. The Nuneaton and Bedworth HEDNA and ELR also identify an indicative figure of 19.4 ha for strategic B8 needs as a contribution towards the overall sub-regional B8 need. The figure is based on the completions data in determining the need and is consistent with the sub-regional HEDNA growth period. The establishment of an evidenced derived local contribution to the B8 need allows the Council to plan positively in contributing to meet the need on an interim basis, pending publication of further evidence regarding need and supply.

Q41. Has the evidence base supporting the proposed level of employment land been prepared in accordance with advice within the PPG? In particular, has it had sufficient regard to market signals and market intelligence?

Answer

41.1 Yes, the proposed level of employment land is determined from the following evidence documents:

- Nuneaton and Bedworth Housing and Economic Development Needs Assessment (HEDNA) (2022) [EB6].
- Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) (2022) [EB7.1].
- Towards a Housing Requirement for Nuneaton & Bedworth (2022) [EB8].
- Review of Nuneaton and Bedworth Employment Land Portfolio (2023) [EB10].

41.2 The documents use a range of techniques to calculate supply which are in accordance with PPG Para 2a-027:

- Sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- Demographically derived assessments of current and future local labour supply (labour supply techniques)
- Analysis based on the past take-up of employment land and property and/or future property market requirements.
- Consultation with relevant organisations and studies of business trends.

41.3 In terms specifically of market signals, the sub-regional HEDNA included a review of Commercial Property Market Dynamics in Section 3 and engagement with local surveyors, Holt Commercial. The consultants, Iceni,

have also separately met and engaged with other local agents including through the C&W Chamber of Commerce.

- 41.4 An updated view of market dynamics was undertaken as part of the preparation of EB10 in Summer 2023 alongside engagement with a number of local commercial agents and developers.
- 41.5 The HEDNAs use a range of modelling techniques to determine the level of employment land. The Coventry and Warwickshire HEDNAs considered employment land requirements across Coventry and Warwickshire. The Nuneaton and Bedworth HEDNA, Towards a Housing Requirement and the Employment Land Review look more specifically at Nuneaton and Bedworth. To do so, the documents have modelled employment land needs utilising a range of different forecasting techniques alongside market signals and local intelligence and an understanding of the merits of different approaches in drawing conclusions. This approach of triangulating different approaches and testing findings is consistent with the PPG.
- 41.6 Regarding office space, requirements tend to be closely linked to employment levels. Accordingly, labour demand modelling is identified as providing the best representation of future needs for office floorspace.
- 41.7 Conversely it is recommended that labour demand should not be used for industrial/logistics need, because of the weak relationship between employment trends and future floorspace requirements and the influence of replacement demand / replacement of older space on development needs. The HEDNA explains that this is due to the requirements of modern working methods which require less labour, and requirements for modern premises (such as those with sufficient height and power to facilitate automation).
- 41.8 Data from the Valuation Office Agency (VOA) is explored to establish industrial and warehouse need. The VOA trends for net floorspace changes in Nuneaton and Bedworth and throughout the sub-region have been positive. However, neither the VOA or labour demand models are able to differentiate the strategic need from local industrial / warehouse requirements.

- 41.9 The HEDNAs identify completions data as the most reliable source of information to determine future industrial needs. Completions data allows for the differentiation of strategic from the local need whilst capturing market signals. As a result, the completions data is likely to be the best representation of market needs for industrial / warehousing floorspace particularly for the short/medium-term.
- 41.10 Comparing the completions data with other sources/ modelling approaches, monitoring by authorities suggests far higher levels of development have been achieved and therefore may be required in the future. The combination of completions data with market intelligence sources show there are expected to be higher levels of development in the borough than identified in other sources of information; and planning on the basis of this (rather than alternative approaches) represents positive planning.

Q42. The employment trajectory (Appendix C) shows that all of the strategic employment allocations will be delivered by 2029? Is this trajectory realistic and supported by evidence?

Answer

42.1 The trajectory is informed by the following documents:

- Review of Nuneaton and Bedworth Employment Land Portfolio (2023) [EB10].

42.2 The adopted Borough Plan (2011-2031) released a significant amount of land from the Green Belt to accommodate employment land need. The sites are predominantly greenfield with few constraints to overcome. Progress has been made on the allocations and some are able to support development in the short-term. It is reasonable that the extant allocations will contribute towards growth in the borough.

42.3 To understand the progress made on existing allocations the Council commissioned the evidence document 'Review of Nuneaton and Bedworth Employment Land Portfolio'. The review considers the current progress of development on the allocated sites, and the expected progress – informed by engagement, where appropriate, with site promoters/developers which was undertaken in preparing the report. The findings of the report informed the trajectory. The table below sets out the progress on strategic allocations.

Expected Delivery	Site	Area	Notes
2023-24	SEA1 - Faultlands	26	Under construction at time of submission the site is expected to be recorded as completed in the next published AMR.
2023-24	SEA5 - School Lane /	2.06	Under construction

	Longford Road 37021		
2024-25	Bayton Road 039332	5.4	Under construction
2024-25	SEA3 - Prologis extension	3.5	<p>The site received outline consent for 25,000 sqm in July 2022 (038023). The intension is that delivery of the development will be occupier led rather than speculative build.</p> <p>RM application 039751 two industrial/distribution units - Conditional approval Feb 2024</p> <p>RM application 039750 one industrial/distribution units - Conditional approval - Feb 2024</p>
2026-27	SEA2 - Wilsons Lane	19.09	<p>L&Q Estates submitted a cross-boundary planning application in 2020 (to NBBC and Coventry City Council) for the demolition of existing buildings and the erection of up to 73 dwellings and 55,750 sqm of employment/commercial floorspace (comprising of 50,000 sqm of B8 use including 2,500 ancillary E(g)(i) office and 5,750 sqm of B2/B8/E(g)(iii) floorspace including 300 sqm ancillary E(g)(i) office. The employment component of the site is 19.09 ha in size.</p> <p>Following refusal the appeal was allowed with no conditions.</p>

2027-28	SEA6 - Bowling Green Lane	19.89	The submission of the outline application provides evidence of progress towards bringing forward development of the site. It is controlled by an experienced developer which has delivered other commercial schemes in Warwickshire, providing confidence regarding the potential for development in the short-to-medium-term.
2028-29	SEA4 - Coventry Road	9.59	Outline planning (039979) application (with access for approval) for up to 23,000 square metres of flexible Class E(g)(iii), B2 and B8 floorspace including associated engineering and ground modelling works, landscaping, sustainable drainage system and associated works. Potential to support employment development in the medium term

42.4 Drawing on the findings of the employment land review each site was initially allocated to a five-year period (i.e., 2022-2027, 2027-2032 or 2032-2037). The trajectory sets out the potential for sites to contribute to delivery, however the build-out of sites will be subject to both occupier demand and market conditions.

42.5 The year of delivery is indicative, on this basis, and was informed by information from updated monitoring reports and further progress with applications. The Council considers that the trajectory aligns with PPG Paragraph: 019 Reference ID: 3-019-20190722 in which the existence of planning permission can be a good indication of the availability of sites.

Q43. All of the strategic employment allocations included in the Plan are brought forward from the adopted plan. Given this, is there a need to include new strategic employment allocations in the Plan? If not, why not?

Answer

43.1 The employment land need is determined from the following documents:

- Nuneaton and Bedworth Housing and Economic Development Needs Assessment (HEDNA) (2022) [EB6]
- Towards a Housing Requirement for Nuneaton and Bedworth (2022) [EB8]
- Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) (2022) [EB7.1]
- Review of Nuneaton and Bedworth Employment Land Portfolio (2023) [EB10].

43.2 The evidence need in the various HEDNAs uses data collected to March 2021 and so the employment land need starts April 2021.

43.3 The sources of supply to meet the need is informed by the Employment Land Portfolio Review. The Review assesses the following sources of supply:

- Employment land completed in 2021/22 (April 2021 onwards)
- Sites with an extant planning permission;
- Existing floorspace where there is evidence of an excess vacancy level;
- Vacant plots within existing employment areas;
- Extant employment land allocations; and
- Windfall allowance.

43.4 Taking into consideration these sources, the supply to meet the need is as follows:

Source of Supply	Land (ha)
2021/22 Completions	0.87
Extant Planning Permissions, April 2022	35.9
Reuse of Vacant Floorspace	0
Vacant Plots within Employment Areas	2.99
Extant Allocations, April 2022	52.15
Windfall Allowance	15.1
Total Supply	107.0

- 43.5 In quantitative terms, the available supply exceeds the needs position identified. A core reason for this is that the majority of employment allocations in the previous Borough Plan had not been delivered prior to the current plan period (starting in 2021), and most still remain to be completed now.
- 43.6 Of the 6 employment allocations in the 2019 Borough Plan, EMP1 (Faultlands) and EMP6 (Longford Road Bedworth) are included within the supply as sites with extant planning permission. Faultlands reserved matters applications for the site were approved in Spring 2022 and the site was under construction in October 2022. The remaining employment allocations are included as extant allocations, with progress as set out in the table above.
- 43.7 The evidence shows there is a sufficient supply of employment land in the Borough with the potential supply of 107 ha exceeding the minimum need for 87.85 ha.

Q44. Has the employment strategy had regard to the Coventry and Warwickshire Sub-Regional Market Signals Study 2018? If not, why not? Is this document being reviewed? If so, when is an update to it likely to be published?

Answer

44.1 The local authorities within the Coventry and Warwickshire FEMA, Warwickshire County Council and the Coventry & Warwickshire LEP commissioned the Coventry and Warwickshire Sub-Regional Market Signals Study to undertake an analysis and assessment of the market for employment land within the sub-region. There are no plans immediate plans to review the document. The Study made several recommendations which are presented in the table below:

Study Recommendations	NBBC Response
Allocation of significantly more / new employment land across the sub-region.	Subsequent to the report NBBC has allocated over 80 ha of new employment land. Other authorities across the sub-region have similarly adopted local plans which allocated new employment land since the report was written.
Landowners may well not progress development in the hope that planning policy may change. This “hope value” needs to be removed as a possibility, potentially through the introduction of more stringent planning permissions / conditions / controls that prevent any further change of use.	This issue has been considered through EB10 which has reviewed the progress of allocations in the Borough. Progress on allocations indicate that this concern has not materialised and they are expected to be developed for employment purposes. Planning permissions are conditioned accordingly.

Study Recommendations	NBBC Response
<p>Current allocations are based on evidence produced as part of the Local Plan process; the Employment Land Reviews' methodology (as currently set by Government Guidance) over recent years has been seen to produce figures which are too low to meet actual demand and do not appear to adequately capture market dynamics.</p>	<p>Employment land need is determined in accordance with government guidance. Particular regard has been paid to analysis based on the past take-up of employment land and property and/or future property market requirements (market signals). The Plan's evidence base uses completions/take-up data and includes a margin in calculating industrial needs, addressing these issues.</p>
<p>Land allocations must be prioritised / more nuanced across the range of "B" land use classes. Consideration should be given to using the "site categorisations" set out in the Report.</p>	<p>The report recommends the categorisation of sites in accordance with their size and location. The Council does not consider this to be realistic as not all sites will perform in accordance with the suggested categorisation and would unnecessarily constrain market activity. The Council prefers to rely on monitoring data and respond with a review of employment land if necessary, as per the requirements set out in BPR Policy DS8 Review.</p>
<p>There is also a view that local planning policies lag behind the market and the level of proposed development land is aligned with housing growth as opposed to the level of commercial market demand.</p>	<p>The HEDNAs conclude there is a weak relationship between labour supply (housing) and the amount of employment land needed. Employment land need is informed</p>

Study Recommendations	NBBC Response
	by completions data projected over economic forecasts for industrial uses. The PPG encourages analysis of market signals, including the take-up and availability of land; analysis of economic forecasts to identify potential changes in demand; and consultation in assessing demand.
The focus on economic growth and priorities set out above, should therefore be reviewed more regularly than has been the case over recent years (say every three years) to ensure that the needs of businesses in the area are always being recognised and addressed.	The Plan is based on recent employment land evidence. Policy DS8 makes provision for a review (either wholly or partly) if there is clear evidence that the Borough's need or employment need has changed significantly since the adoption of the Borough Plan Review. The NPPF requires the policies in local plans to be reviewed at least once every five years.
<p>More stringent policy criteria around the restriction of certain sites to specific employment:</p> <ul style="list-style-type: none"> • Restrict new B8 allocations / or insist that new B8 development is more mixed and diverse. • The quality / characteristics of different types of Employment – B1/B2 v B8 (manufacture v logistics) 	The Council does not think restricting B8 allocations accords with PPG Para 2a-031 which specifically addresses how to assess need and allocate land for logistics. The logistics/ distribution sector; 'Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power

Study Recommendations	NBBC Response
	<p>capacity and access to appropriately skilled local labour’.</p> <p>The study notes that ‘Whilst planning policy distinguishes between industrial (Use Class B2) and distribution (Use Class B8), in market terms a clear distinction is not always possible or feasible. This is due to the requirements of manufacturers often including the need for substantial distribution floorspace, as an integral part of their operation’.</p>
<p>Introduce “use it or lose it” criteria in certain circumstances, with permissions lapsing if appropriate employment development is not commenced within a defined period</p>	<p>Once planning permission has been granted, there is usually three years from the date of the decision notice to start the works. The Council has reviewed progress/ deliverability of extant allocations as part of the plan preparation process through EB10.</p>
<p>The Geography / Sustainability of sites – making sure the right sites are allocated with consideration to the highway network.</p>	<p>The site allocations are situated in close proximity to the highway network.</p>
<p>There could be a small number of instances where employment uses going forward are wholly inappropriate, in the majority of cases the development of some form of sequential test could be explored, that considers a number of criteria, before agreeing to an</p>	<p>Policy E2 – Existing employment estates - Proposals on protected employment sites for non-employment uses must demonstrate how they meet the certain tests before non-</p>

Study Recommendations	NBBC Response
alternative, particularly a non-employment use.	employment uses are permitted, addressing the issues identified.
Consideration should also be given to improving / expanding existing estates, rather than a change of use, and in circumstances where the existing permission is for a specific “B” category, then a change to all / any form of “B-use” could be the “base position”, before any other uses are considered	Policy E2 states the redevelopment and/or expansion of existing employment sites, for use class E(g)(ii) and B use classes will be supported.

Q45. Does the Plan make sufficient provision for B8 strategic warehousing to the end of the plan period having regard to the fact that no new employment allocations are proposed? Paragraph 6.46 of the plan refers to the strategic B8 need being met by the Faultlands development. Given that the Faultlands development is not an allocated site (it is stated that it was removed due to the site being under construction), how is the Plan meeting the strategic B8 need identified in Strategic Policy DS3?

Answer

- 45.1 Core Document [CD1] and Evidence Base Documents [EB6], [EB7.1] and [EB10] are applicable to this response.
- 45.2 The Nuneaton and Bedworth Housing and Economic Development Needs Assessment (HEDNA) (2022) and Employment Land Review identify an indicative and minimum figure of 19.4 ha for strategic B8 needs. The figure is based on the completions data in determining the need and is consistent with the sub-regional HEDNA growth period. It is set out in Table 4 within the Plan.
- 45.3 The Borough Plan Review plan period is determined by the evidence base and covers 2021-2039. Informed by the Employment Land Review, the provision of SEA1 Faultlands meets the indicative need for strategic B8 as confirmed in Strategic Policy DS5 – Employment allocations. The Employment Land Review, confirms reserved matters applications for the site were approved in Spring 2022. The site was under construction in October 2022 for strategic B8 development, with 1 million sq.ft delivered as two warehouses for 3PL provider Rhenus Warehousing Solutions. Council monitoring confirms the site will be recorded as complete in the 2024 Authority Monitoring Report. As the site was completed three years after the employment land need was established (using data to March 2021), and within the plan period, the site forms part of the committed supply. Table 5 of the Plan sets out the commitments and includes the 26 ha Faultlands site.
- 45.4 The sub-regional HEDNA approach identifies a gross requirement for strategic B8 development of 551 ha. Existing commitments and extant allocations can

be subtracted from this (both within the Borough and the wider sub-region). It is not the amount of new land that will need to be brought forward in plans – to calculate this existing consents or local plan allocations would first need to be discounted to consider what additional provision is necessary.

- 45.5 The West Midlands Strategic Employment Site Study (WMSESS) identifies need and sources of supply throughout the West Midlands. It is anticipated that the study will be able to confirm sites in the sub-region that contribute towards meeting strategic B8 need. On establishing the amount of new employment land required, the Study will offer direction as to where suitable areas for strategic development in the sub-region could be located.
- 45.6 In acknowledgement that the WMSESS has not yet been published, the Council has suggested a main modification to Strategic Policy DS7 – Review, which inserts a reference to the strategic employment land need being reviewed, if necessary, following publication, by the Council, of a West Midlands Strategic Employment Land Needs Study. In anticipation of publication of the WMSESS the Council has instigated a Call for Sites exercise, concentrating on employment land sites. The Council has also instigated a meeting with neighbouring authorities who may have areas of common interest regarding strategic employment land.
- 45.7 The Council consider that a contribution has been made towards strategic B8 need through the Faultlands site. The indicative contribution is evidence based as it determined by the same methods as those which establish the need at the sub-regional level. The sub-region has a healthy supply of sites which will deliver in the short to medium term. There is further work required at the regional and sub-regional level to establish commitments and allocations, which is ongoing. The Council has contributed towards strategic B8 needs through the identification of a level of need and identifying supply to meet the need. The Council has been further proactive in identifying potential sites and working with neighbouring authorities to address the requirements strategic B8 in the sub-region.