

Matter 4 – Employment

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

40. 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?

- 1.1 The 19.4ha of strategic B8 land proposed in Strategic Policy DS3 is inadequate and does not reflect the evidence base comprising the sub-regional HEDNA [EB2.1]. EB2.1 identifies a strategic B8 need across the sub-region (six Local Planning Authority areas) of 606ha, between 2021 and 2041, and 709ha between 2021 and 2050. The provision of 19.4ha by the draft Plan represents just 3.2% of this wider need (to 2041). Thus, the proposed provision too low to make any meaningful contribution to the identified need.
- 1.2 We understand that the sub regional authorities are preparing a paper to align the findings of the Coventry and Warwickshire HEDNA and the West Midlands Strategic Employment Sites Study (WMSESS), which will disaggregate the needs of the sub-region applying an agreed methodology. We understand from the Planning Manager at North Warwickshire Council that this paper, and the WMSESS are due to be published in mid-September. Given these timescales, alongside the scale of need and high levels of growth predicted over the initial 10-year period (2021-31) [EB7.1] we consider it essential for the Plan to address this matter now, and allocate additional land accordingly. This is further compounded by the extent of Green Belt land within the LPA and the absence of other land that could meet strategic needs once they are finalised through this additional work, in the period to 2031 and beyond.
- 1.3 This is required in the interest of soundness as per paragraph 35 of the National Planning Policy Framework which requires plans to be positively prepared – “providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs”. The submitted Plan, does not.
- 1.4 If this opportunity is missed, there is a real concern that the strategic B8 need to 2041 will not be met.

41. 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?

2.1 We do not consider that enough regard has been had to market signals and market intelligence as per the advice within the PPG. The market signals that indicate strong demand and take up are evident from the fact that three of the four allocated sites within the Submission plan benefit from planning permission, and the other is currently being prepared. Moreover, the Faultlands site is no longer referenced as an allocation since this is complete and occupied, leaving no sites (according to the Council's employment trajectory), available for future occupiers post 2029.

2.2 In February 2023 the County Council reported on the strength of the market locally in Coventry and Warwickshire - <https://business.warwickshire.gov.uk/february-2023/news-in-brief/coventry-warwickshire-industrial-market-reaches-new-highs>

"The leasing of Industrial space in the Coventry Market enjoyed a record year in 2022 due to a number of landmark deal activity for units greater than 100,000 square feet, according to commercial property platform CoStar."

and

"the strong performance partly reflected key larger sites coming online that had been allocated in local plans, including SEGRO plc Coventry Gateway, Tritax Symmetry Rugby and Baytree Logistics Properties Faultlands Farm. These lettings to DHL, Rhenus Logistics and Maersk all represented FDI (foreign direct investment) from Germany and Denmark.

Sustainability was a focus of the Baytree developed Rhenus Campus on the edge of Nuneaton, where Rhenus Warehousing preleased a combined total of 981,000sqft in September 2022 at two units. This is across the road from where Hello Fresh took on the Goodman Nuneaton 230 newbuild unit to house its Beehive operation in 2020."

and

"Coventry and the north of the county sit in the so-called 'logistics golden triangle' and this strategic location gives 3PLs access to 90% of UK population within four hours, providing a strong rationale for locating here. This area accounted for a record 18% share of UK industrial leasing activity in 2022, up markedly on the 10-year average of 13%, according to CoStar. According to James Breeze of CBRE, quoted in The Economist reckons the transport of goods accounts for about half a typical company's supply-chain expenses. Warehouse rental is a mere 6% so a prime location like the Coventry market will help reduce trucking costs.

2.3 *The success of the Coventry market over last year was also recently underlined by agents Avison Young, who published data on their national industrial team transactions. The agency achieved lettings of over 9m sqft, with over half of those deals being made in the Coventry & Warwickshire and West Midlands market."*

42. 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?

- 3.1 We consider the trajectory for strategic employment allocations is realistic. As shown in the table below, 3 of the 4 strategic employment allocations benefit from planning permission and the other is being prepared for submission. In respect of the Coventry Road allocation, we refer to paragraph 5.29 of EB.10 which states that, “Based on discussions with the agent for the site promoter in June 2023, we understand that an outline planning application is under preparation, with potential for up to 22,000 sqm of employment floorspace”

| Strategic Employment Allocation | Site Name | Size (ha) | Planning Permission being prepared | Planning Permission granted |
|---------------------------------|-------------------------|-----------|------------------------------------|----------------------------------|
| SEA2 | Wilsons Lane | 19.09 | | ✓ Outline granted March 2023 |
| SEA3 | Prologis Extension | 3.58 | | ✓ Full granted April 2024 |
| SEA4 | Coventry Road, Nuneaton | 9.59 | ✓ | |
| SEA6 | Bowling Green Lane | 19.89 | | ✓ Outline granted August 2023 |

Figure 1: Status of strategic employment allocations

- 3.2 The Council’s revised trajectory (appendix C of suggested main modifications) demonstrates that the allocations will be exhausted by 2029 and the period thereafter will be supplied by windfall development only. Thus, there be no new supply of strategic employment land for the last 10 years of the plan period (2029 – 2031). This is a significant failing of positive plan making.
- 3.3 Paragraph 4.4 of CD15 refers to the potential of these sites to accommodate larger B8 units which could contribute to strategic B8 needs. However, these sites have been allocated expressly to meet the needs of local industry and non-strategic warehousing. The Council have an obligation to meet their local and strategic employment needs with collaboration between neighbouring authorities. The draft Plan does not provide for the future needs of local and non-strategic warehousing post 2029 and is doing nothing at all to provide for the future needs of strategic B8 warehousing. As set out in our Matter 2, Issue 1 statement, we dispute the Council’s claim that the Faultlands site, now complete, will contribute anything towards the sub-regional strategic B8 need of 606ha to 2041.

43. 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?

- 4.1 As above, the revised employment trajectory (appendix C of suggested main modifications) confirms that all strategic employment allocations to serve local and

non-strategic warehousing will be delivered by March 2029. This means that the Council will not have any supply post 2029 to serve the last 10 years of the plan period. This is not positive plan making. New allocations should be made to fulfil projected demand post 2029.

- 4.2 The Faultlands development, proposed to meet the Council's only contribution towards the sub-regional need of 606ha set out in EB7.1 is now complete and occupied, with no further land available. As such, the supply of land identified by the draft Plan to meet this particular need has already been exhausted before the Plan is adopted.
- 4.3 We have learnt from the Forward Planning Manager at North Warwickshire that the WMSESS and sub-regional HEDNA addendum paper (to align the findings of both studies and disaggregate the sub-regional need between the authorities) should be published in mid-September.
- 4.4 Given the immediacy of the evidence and the opportunity available for the Council to deal with this matter now, we consider deferral of this matter via a Plan review would be unjustified and ineffective. In the interests of positive plan preparation, the Council must seek to meet its strategic B8 contribution in full, alongside any unmet need from neighbouring areas with new strategic employment allocations.
- 4.5 Nuneaton and Bedworth are well connected to the strategic road network and have a large pool of potential labour to contribute effectively to the identified need.

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

- 5.1 The 2018 Study is out of date, and not reflective of the significant changes within the strategic B8 market over the last 5 years, notably the rate of take up, the move towards on shoring, the rapid rise in on line spend which has catapulted the requirement for larger footprints. However what remains an ongoing concern is that within the 2018 Study, page 124 cites

"Respondents suggested that one of the main limitations to their future growth was a lack of suitable land/accommodation in the area. This was equalled only by a lack of staff/skills."

- 5.2 On page 126 the Study reports

"When asked if they could expand on their current site, 36 of 52 businesses surveyed said they could not, and 23 (of these 36) said they also couldn't find anything in the wider Coventry and Warwickshire area. Businesses that are unable to expand on their current site most commonly state that they have limited space to do so and then when looking at other space in the area they are struggling to find anything else suitable."

45. 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?

- 6.1 The draft Plan is making no contribution to the sub regional need for strategic B8 warehousing of 606ha to 2041 identified in EB2.1.
- 6.2 Policy DS3 refers to provision for 19.4ha of employment land for strategic B8 warehousing. The Council are suggesting that this is being met through the Faultlands development. However, the Faultlands site was consented in 2020 and is now complete and occupied by Rhenus Logistics. Therefore, it cannot be responding to sub-regional strategic warehousing needs identified in the HEDNA 2022. The Faultlands site was identified in the last plan (and prior to the 2022 HEDNA) and allocated to meet local and non-strategic warehousing needs. To this end, the Plan is not meeting its strategic B8 commitment of 19.4ha in Policy DS3.
- 6.3 Moreover, the provision in Policy DS3 is wholly disproportionate to the overall identified need for strategic B8 warehousing for the Coventry & Warwickshire functional economic market area (FEMA). EB2.1 identifies a need of 606ha for the FEMA covering the period to 2041. The provision of 19.4ha by the draft Plan represents just 3.2% of this wider need.
- 6.4 As detailed under question 43, collaboration of the sub regional authorities is continuing and a paper aligning the findings of the WMSESS and sub-regional HEDNA is expected in mid-September. This paper will establish how much employment land each local authority will need to try and accommodate within its boundaries.
- 6.5 It is well known that Coventry City Council will struggle to meet its strategic warehousing need, within its administrative boundaries since it has previously had to rely on adjoining authorities (including Nuneaton and Bedworth) to meet some of its needs.
- 6.6 For these reasons we consider Nuneaton and Bedworth's draft Plan and provision for 19.4ha is premature. The Plan should wait for the sub regional needs to be disaggregated and then seek to meet its needs in full, with new site allocations, as required by the NPPF.
- 6.7 The Borough's strategic road network is within the Green Belt, which is of principle importance to strategic employment occupiers. Additional sites to meet strategic employment needs will most likely be needed on Green Belt land as a result. Changes to the Green Belt can be made only through the plan-making process (NPPF, paragraph 145), and it is our view that the Council should consider the need to meet sub-regional strategic warehousing needs as an exceptional circumstance and plan for this now.
- 6.8 We fear that if the Plan proceeds without any provision for strategic B8 needs, it will set a serious precedent for limiting economic growth and investment in strategic warehousing across the FEMA, and increase the pressure on the other sub regional authorities.
- 6.9 Nuneaton & Bedworth is well connected to the strategic road network with access to a large pool of potential labour. It is therefore considered to be well placed to provide

for future strategic warehousing needs. The proposed contribution of 19.4ha is insignificant, wholly inadequate and complete – thus unavailable.