
Employment Land Need Assessment Nuneaton & Bedworth

Report on behalf of Arbury Estate

Employment Land Need Assessment

Nuneaton & Bedworth



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Appendices

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1. Executive Summary

1.1.1. Nuneaton & Bedworth's portfolio of employment land is insufficient for a number of reasons:

- It will not provide continuity of supply over the Plan Period with sites either no longer available, having been delivered already, or at a relatively advanced stage of delivery, being carried over allocations from the adopted Local Plan. It is a real possibility that there will be no employment land remaining for the majority of the plan period.
- It does not provide any strategic scale employment opportunities, which are vital to the delivery of regeneration and economic growth, as is made clear within the evidence base, and of which there is a severe and increasing shortage across the West Midlands, including within Nuneaton & Bedworth.
- It does not take account of the forthcoming regional and sub-regional quantitative review of employment land requirements which is being undertaken, and therefore significantly underestimates the amount of employment land needed.
- It also does not acknowledge the fact that in due course, there is likely to be a significant additional need generated by Coventry which cannot be met within the City's boundaries (previously the sub-regional local plans were reviewed in a coordinated manner so as to address this issue).
- The HEDNA is subject to a number of methodological issues which leads to an underestimation of demand in the Borough. Notwithstanding the failure to account for sub-regional and regional needs, on a purely local basis, Savills' modelling suggests that the HEDNA underestimates Nuneaton & Bedworth's land requirement by 28.5 ha.¹
- By underestimating the amount of demand at a local level, and not accounting for any additional sub-regional or regional component of demand, the Plan fails to take the opportunity to address sub-regional disparities and drive economic growth in Nuneaton & Bedworth by maximising inward investment.
- This is contrary to the thrust of national and regional policy and strategy, as well as the economic growth strategies of both Warwickshire and Nuneaton & Bedworth which seek to reduce disparities and drive growth.

1.1.2. Five sites have been identified within Arbury's ownership which have potential to make a valuable

¹ Please note, we reserve our position to assess the overall requirement for Nuneaton & Bedworth in light of the regional and sub-regional quantitative reviews which are ongoing.

contribution to the supply of employment land within the Borough:

- Land south of HSG2 – 50 ha
- Land west of A444 – 51 ha
- Court Farm – 26.5 ha
- Land East of Coventry Road – 10 ha
- Land South of EMP4, Coventry Road – 7 ha

1.1.3. The sites are all very well-related to the A444 corridor (and M6 beyond), the established Bermuda Business Park, Faultlands, and existing allocations at Coventry Road and Bowling Green Lane and therefore offer the opportunity for growth and expansion of employment uses in this established and successful location, with excellent linkages to the wider sub-region and region.

1.1.4. They are therefore capable of contributing to meeting a range of local, sub-regional and regional needs by virtue of their scale and location.

1.2. Economic Policy & Strategy

1.2.1. Key themes throughout economic policy and strategy are:

- *The importance of the freight and logistics sector* in driving economic growth nationally, regionally and locally, and in delivering on the levelling up agenda (and accordingly the need to ensure that sufficient land is delivered through the planning system in the right places to meet occupier needs – such as the A444 Corridor).
- *The vital role that a sufficient supply of high quality and strategic scale employment land* has to play with significant shortages identified at a regional and sub-regional level recognised to be hindering economic growth.
- *Levelling up - The ongoing need to address the disparities that exist* within the country, region, sub-region and county and a recognition that future investment should be focused on those areas which are lagging behind, such as Nuneaton & Bedworth.
- *Devolution - a 'devolution revolution'* is proposed in order to implement the levelling up agenda with a focus on devolution at a Mayoral Combined Authority or county level (Warwickshire has already begun responding to this with a draft levelling up strategy).

1.2.2. Nuneaton & Bedworth lags behind the UK, and Coventry & Warwickshire overall on a number of indicators and should therefore be a particular area of focus for investment. The provision of sufficient employment land in Nuneaton & Bedworth, in both qualitative and quantitative terms, to facilitate economic growth and create high quality employment opportunities, and to address this imbalance is a vital component of 'levelling up' at a County-wide and sub-regional level.

1.2.3. **The provision of sufficient land for employment uses (including sites specifically suitable for logistics development) within locations such as Nuneaton & Bedworth which is both a focus for occupier demand, and for levelling up, is therefore fully in line with policy and strategy at all levels.**

1.3. Manufacturing & Logistics Sector Overview

1.3.1. There are a number of growth drivers (including the long term structural shift towards e-commerce) which are supporting significantly increased demand for industrial and logistics floorspace, well above the long term average. The need to build in supply chain resilience, housing growth, and a growth in the amount of freight are all important factors which are also generating increased demand. Requirements are for larger buildings and, this combined with increased demand, means that larger scale sites are required, and that sites are being taken up much quicker than envisaged on allocation (as evidenced by the rapid take up of Faultlands).

1.3.2. The logistics sector in particular is subject to a number of misconceptions – the sector makes a vital and significant contribution to the national (and local) economy and offers a diverse range of high quality, well-paid employment opportunities, many of which are within office-based roles given the significant office component included within larger industrial and logistics units (for example Rhenus's logistics campus at Faultlands).

1.4. National & Regional Market Context

1.4.1. Market conditions, both nationally and regionally, have been characterised by significantly increased, record breaking, levels of take up against a shortage of supply of premises. This is reflected in the very low vacancy rates being experienced which are some considerable way below that required for market equilibrium, to enable market 'churn' and facilitate the proper functioning of the property market. Occupiers seeking larger or more modern premises will therefore not be able to relocate, which will have a knock-on effect as smaller, lower grade and more affordable premises are not freed up and smaller companies and new businesses are therefore not able to find space. Ultimately, investment is lost and economic growth is hindered.

1.4.2. The severe shortage of premises means that occupiers must rely on 'build to suit' opportunities in order to satisfy requirements. Therefore, there is a clear and ongoing need for deliverable sites which are capable of accommodating a range of larger unit sizes and are well-located to meet the needs of both the manufacturing and logistics sectors in the West Midlands. Nuneaton & Bedworth is an important component of the regional market, being ideally placed to take advantage of regional demand drivers given its excellent accessibility and connectivity.

1.5. Property Market Area Assessment

1.5.1. Within the PMA, gross take up has been very strong over the last five years, and has significantly increased over the last 24 months, being well above the long run average. **Take up within Nuneaton & Bedworth has been severely limited by a lack of supply**, particularly for larger scale units which are a key component of the market. The strength of demand when high quality sites become available has been clearly demonstrated by the rate at which Faultlands has been taken up.

1.5.2. There is a very limited choice of units available to meet immediate occupier requirements within the PMA. **There are no larger units available within Nuneaton & Bedworth, and only a very limited selection of units at the smaller size ranges.**

1.5.3. Given the extremely limited selection of units, it is essential that a sufficient supply of immediately

deliverable sites is available. The supply of land within the PMA is heavily focused at Coventry Gateway which is the only strategic scale site available (given that Faultlands is no longer available). The only sites in the pipeline capable of addressing the need for strategic employment land are Bagington Fields in Coventry and HORIBA MIRA (which will not meet the urgent need within the West Midlands, being within the East Midlands region).

1.5.4. Specifically in relation to Nuneaton & Bedworth, the proposed portfolio of employment land is deficient for a number of reasons:

- **There is no available or pipeline provision of strategic scale employment sites, of which there is an acknowledged urgent need regionally within the West Midlands, and as forthcoming evidence will likely demonstrate, also within the sub-region.**
- **The majority of sites are smaller scale and so cannot cater for the increasing demand for larger units and plots.**
- **The sites proposed to be allocated are either no longer available (having already been delivered), or good progress is being made in terms of bringing them forward through the planning process, with delivery likely within short timescales (potentially prior to adoption of the new local plan).**

1.5.5. Given the strength of demand for both logistics and manufacturing premises within the Borough, and the importance of securing economic growth in order to progress the levelling up of the sub-region, Nuneaton & Bedworth should be a focus for new employment floorspace over the forthcoming plan period. However, it is a very real possibility that **the Borough could have little or no available employment land for the majority of the Plan Period without significant further allocations.**

1.6. Regional & Sub-Regional Evidence Base

1.6.1. There is a **longstanding and growing need for strategic employment land** to address the severe shortfall regionally. The case for additional strategic employment land regionally continues to grow stronger as demand increases at a rate which is not matched by supply. Additional sites are urgently required in accessible locations within the West Midlands region which can address this growing need.

1.6.2. There is a similar situation within the Coventry & Warwickshire sub-region with a severe shortage of land identified as **hindering economic growth** and a particular requirement for additional sites to serve Coventry and Nuneaton & Bedworth in order to **maximise economic regeneration benefits**. Since the publication of the sub-regional evidence base, the land supply position has changed significantly with many sites now unavailable and other sites in the pipeline now being delivered through the planning system. However, there remains a severe shortage of land and premises.

1.6.3. There is also likely to be a significant amount of land required (yet to be confirmed) within the sub-region specifically required to meet **Coventry's needs**. Nuneaton and Bedworth is ideally placed to meet the needs of Coventry, being located adjacent and with excellent linkages.

1.7. Nuneaton & Bedworth Evidence Base Review & Demand Estimation

1.7.1. The HEDNA's preferred past completions method results in an underestimate of 'true' future market demand as a supply-measure is used to estimate future demand. The 5-year completions trend represents a supply-constrained Industrial & Logistics (I&L) market and does not take account of 'suppressed demand' nor of current and future I&L demand driver such as growth in e-commerce, housing growth, the effects of Covid-19 and Brexit, as well as future freight growth.

1.7.2. **Savills' demand estimate of 109 ha represents a significant uplift on the 80.5 ha estimate within the HEDNA.**

1.7.3. Even on the basis of purely local needs (notwithstanding the significant additional demand which should be accounted for based on sub-regional and regional requirements), the **current evidence base underestimates the land requirement over the plan period by around 28.5 ha.**

1.7.4. It is clear from the analysis undertaken of policy and evidence base documents that the Borough is ideally placed in market and socio-economic terms to meet an additional need for land within the sub-region/region. *We reserve our position to evaluate the wider sub-regional need and the quantitative implications for Nuneaton & Bedworth's employment land requirement at a later stage.*

2. Introduction

2.1.1. Savills is instructed by the Arbury Estate to review the need for employment land in Nuneaton & Bedworth Borough.

2.1.2. Nuneaton & Bedworth experiences high levels of demand for logistics floorspace due to its location within the 'golden triangle' and excellent accessibility to the national motorway network, and also from the manufacturing sector with strong linkages to sub-regional supply chains. In addition to the need for floorspace to serve the Borough, there is also a need at a sub-regional and regional level for high quality employment land, and particularly for strategic scale sites. It is also unlikely that Coventry will be able to meet its needs within its boundary and this will generate a further requirement for employment land across the sub-region. Nuneaton & Bedworth is ideally placed to contribute to meeting these requirements, which, in the case of the sub-regional and regional need, we understand are in the process of being quantified.

2.1.3. There is a very clear opportunity, by provision of a high quality portfolio of employment land which can meet a range of requirements, to meet the strong market demand for additional manufacturing and logistics floorspace in the Borough, sub-region and West Midlands, whilst simultaneously helping to address the levelling up agenda and delivering inward investment and economic growth to Nuneaton & Bedworth where it is most needed. The industrial and logistics sectors underpin economic growth and make a significant contribution to the economy in terms of Gross Value Added and provision of a range of high quality employment opportunities. Under provision of new employment land within Nuneaton & Bedworth will lead to investment, and the associated economic benefits, being diverted elsewhere within the sub-region and region.

2.1.4. Arbury Estate is a major landowner within the Borough, with a total of c. 4,500 acres in its ownership, as well as the historic Hall and grounds. The Estate has a strong vested interest in the long term future of Nuneaton & Bedworth, with sustainable economic growth a key priority. The Estate has an excellent track record of delivering high quality development within the Borough. Faultlands (EMP1) is one recent example, where construction is now underway to enable delivery of c. 980,000 sq. ft of Grade A floorspace for a new logistics campus across two buildings on behalf of Rhenus. Discussions are also progressing well in relation to Coventry Road, which is owned in part by Warwickshire County Council, (EMP4) where the intention is to submit an application later this year.

2.1.5. Five sites have been identified within Arbury's ownership which have potential to make a valuable contribution to the supply of employment land within the Borough to meet both local and sub-regional and/or regional needs:

- Land south of HSG2 – 50 ha
- Land west of A444 – 51 ha
- Court Farm – 26.5 ha
- Land East of Coventry Road – 10 ha
- Land South of EMP4, Coventry Road – 7 ha

2.1.6. All of the sites are located along the A444 corridor which is a focus for investment, offering excellent

linkages to the wider sub-region and region. The sites are suitable for a range of employment uses and can provide units at a variety of scales to meet a full spectrum of occupier demand.

2.1.7. The remainder of this report is structured as follows:

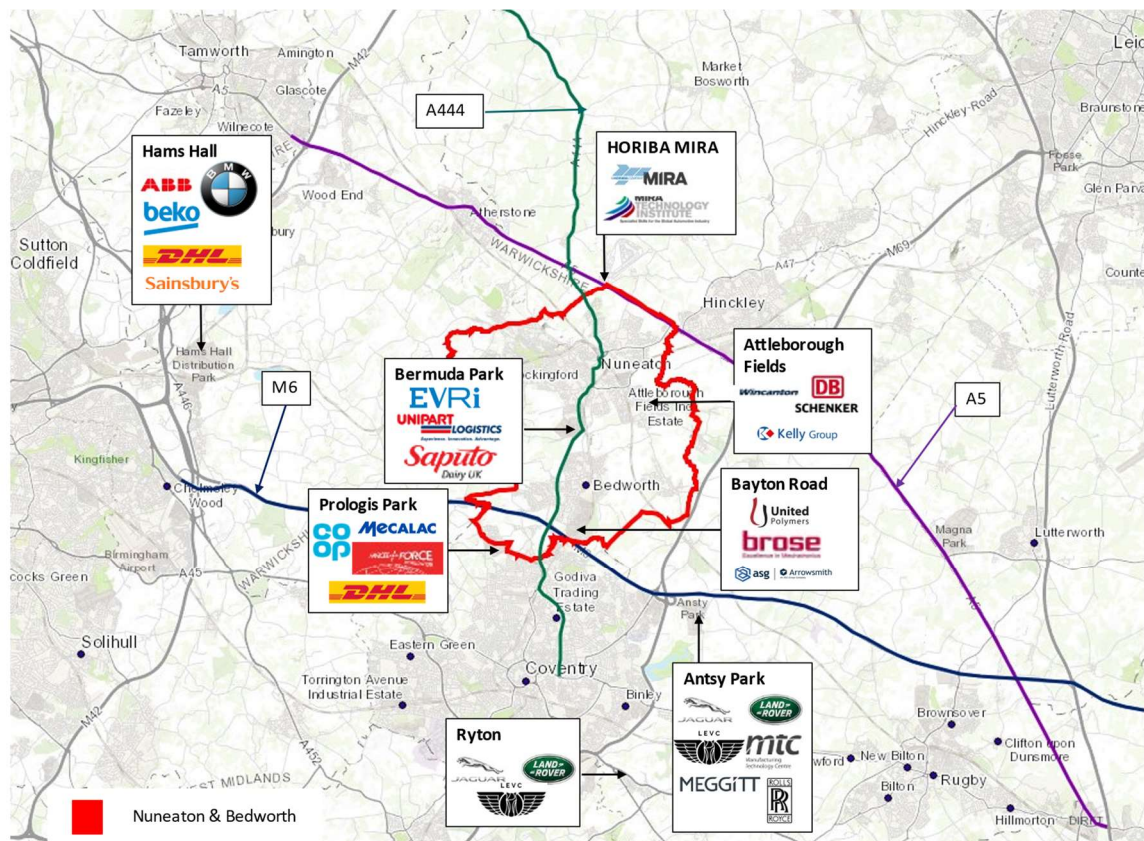
- An overview of Nuneaton & Bedworth and the sites being promoted by Arbury Estate is provided at **Section 3**;
- A review of economic policy and guidance at national, regional and local level is provided at **Section 4**;
- Trends and growth drivers within the industrial and logistics sectors, and implications for the property market, are described at **Section 5**;
- Market dynamics including the supply and take up of premises at a national and regional level are considered at **Section 6**;
- A quantitative and qualitative review of the supply of land and premises within the Property Market Area (which has been defined as the Coventry & Warwickshire sub-region) is set out at **Section 7**;
- The regional and sub-regional evidence base is reviewed at **Section 8**;
- The Nuneaton and Bedworth employment land evidence base is reviewed at **Section 9**;
- Savills Supressed Demand Model has been used to derive the need for employment land over the local plan period and the outputs of this exercise are summarised at **Section 10**;
- Conclusions are set out at **Section 11**.

3. Location & Context

3.1.1. A brief overview of the Borough in terms of its key locational and socio-economic characteristics and a review of the sites being promoted, has been undertaken in order to set the context for the remainder of the assessment.

3.1.2. The Borough is located within the West Midlands and within the Coventry & Warwickshire sub-region. As shown at **Figure 3.1**, the M6 runs through the Borough with Junction 3 falling within Nuneaton & Bedworth. The A444 provides a key transport route north-south linking Coventry & Nuneaton via Junction 3, and the A5 to the north provides linkages to the M1 and M42. The Borough therefore has excellent accessibility to sub-regional and regional markets and supply chains.

Figure 3.1: Nuneaton & Bedworth Context Plan



Source: Promap/Savills

3.1.3. The Borough is within the central area of the UK which would be considered prime for logistics occupiers known as the 'golden triangle' due the high proportion of the UK's population which can be reached within a 4 hour

HGV drive-time. The sub-region also has a strong manufacturing heritage and is home to a very successful and growing advanced manufacturing sector with key sub-sectors including automotive, aerospace, rail and motorsport, with a number of high profile occupiers as illustrated above.

3.1.4. As a result of its excellent accessibility, central location, and strong linkages to sub-regional supply chain companies, Nuneaton & Bedworth is a focus for both industrial and logistics occupier demand.

3.1.5. Key existing employment locations within Nuneaton & Bedworth include:

- Bermuda Park - a mixed use business and leisure park being located on the A444 with excellent linkages to Coventry and the M6. Recent development activity has included Goodman's speculatively constructed Nuneaton 230 which was let to Hello Fresh in 2020 for their UK flagship production and distribution facility. Occupiers include RS Components, Unipart, Saputo Dairy UK (formerly Dairy Crest), St Gobain, Hermes and XPO. There is no land remaining here.
- Bayton Road Industrial Estate, Exhall – a mixed use estate in close proximity to Junction 3 of the M6 incorporating units across a range of sizes and uses. Occupiers include Brose (automotive components and systems), Staircraft Head Office (timber manufacturing), United Polymers (distribution) and ABM (automotive components). There is no vacant land available here although there is potential for infill development through intensification.
- Prologis Park Keresley (Coventry) – a 2 million sq. ft manufacturing and logistics park south of the M6 which is home to a range of occupiers including Co-Op, Gefco, DHL, Royal Mail and Mecalac. There is only one plot remaining here which is subject to a live planning application.
- Attleborough Fields Industrial Estate - located to the east of Nuneaton and comprises a range of units. Notable occupiers include DB Schenker Ltd and Wincanton's Nuneaton Fulfilment Centre.
- Hemdale Business Park – located to the north of Attleborough Fields Industrial Estate and comprising a range of smaller scale premises.

3.1.6. Market dynamics are reviewed in more detail at **Section 7** but overall, there is a shortage of high quality, modern premises across all size ranges, with the majority of stock being secondary in nature and therefore not able to meet the requirements of modern occupiers in terms of configuration, eaves height, yard size. This impacts on productivity, and also on take up as occupiers either remain in existing sub-optimal units, or relocate outside of Nuneaton & Bedworth. Where new units, or deliverable build to suit opportunities, have become available, these have seen very strong demand. This is demonstrated by the recent letting of c. 980,000 sq. ft of speculative floorspace prior to completion to Rhenus at Faultlands for their new UK logistics campus.

3.1.7. Despite the sub-region as a whole performing well in relation to the UK in terms of a range of economic indicators, Nuneaton & Bedworth lags behind by most measures and as a consequence sub-regional and county-level strategies² focus on 'levelling up' the sub-region by encouraging economic growth and regeneration within the Borough, as well as other deprived locations principally to the north of the sub-region.

3.1.8. There is a very clear opportunity to meet the strong market demand for additional manufacturing and

² See Section 4.

logistics floorspace in this location, whilst simultaneously helping to address the levelling up agenda and delivering economic growth to Nuneaton & Bedworth where it is most needed. The under provision of new employment land within Nuneaton & Bedworth will lead to economic growth being diverted elsewhere within the sub-region and region.

3.2. Arbury Employment Sites

3.2.1. Five sites have been identified within Arbury Estate's ownership which are well-suited for employment use and are capable of meeting a range of local, sub-regional and, in the case of the larger sites (Land South of HSG2, Land West of A444 and Court Farm), also the need for strategic scale employment land. The sites are set out below at **Figure 3.2** and their location is shown at **Figure 3.3**.

Figure 3.2: Arbury Estate Proposed Employment Sites

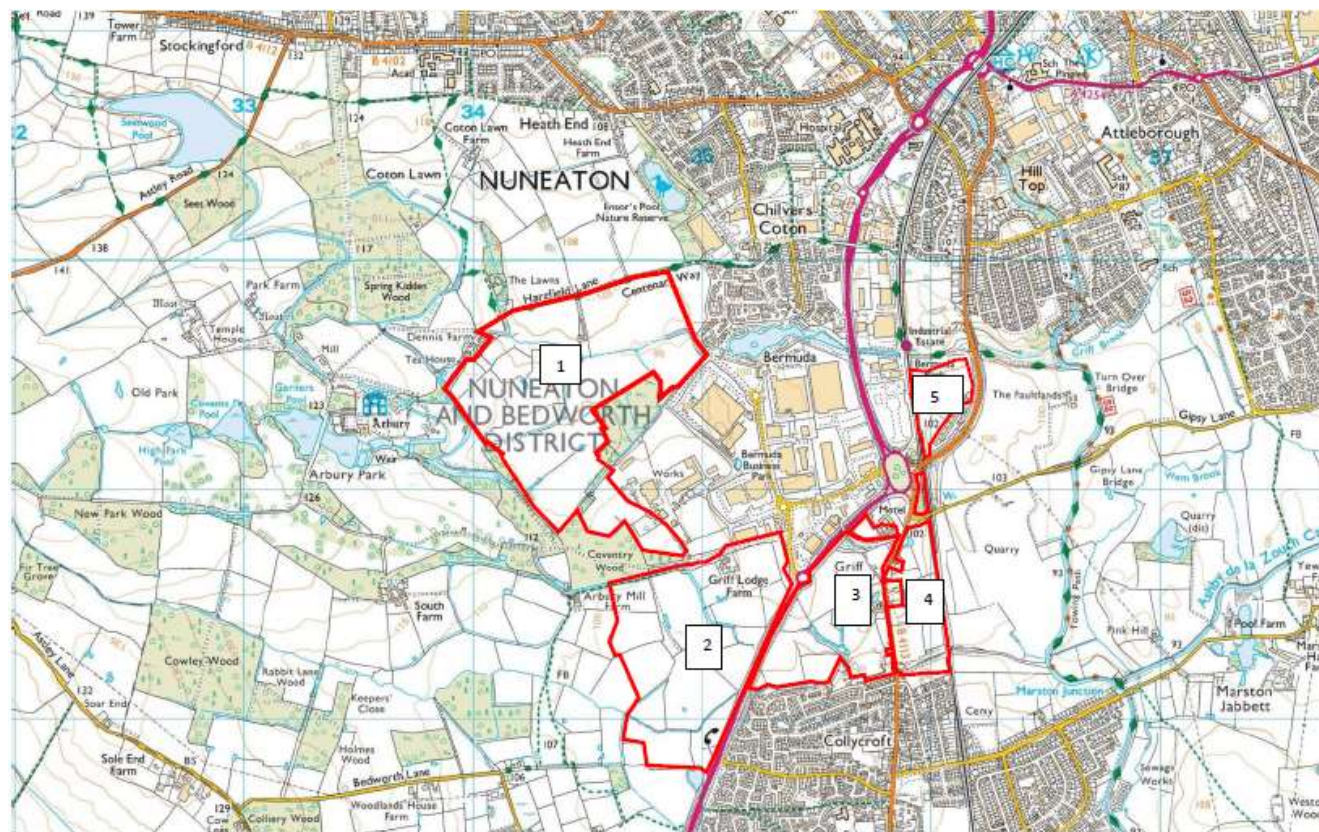
Reference	Site Name	Size (approx.)
1	Land south of HSG2	50 ha (123.5 ac)
2	Land west of A444	51 ha (126 ac)
3	Court Farm	26.5 ha (65.5 ac)
4	Land East of Coventry Road	10 ha (24.5 ac)
5	Land south of EMP4, Coventry Road	7 ha (17 ac)

3.2.2. The sites are all very well-related to the A444 corridor (and M6 beyond), the established Bermuda Business Park, Faultlands, and existing allocations at Coventry Road and Bowling Green Lane and therefore offer the opportunity for growth and expansion of employment uses in this established and successful location, with excellent linkages to the wider sub-region and region. The sites would be well-placed to deliver a range of industrial & logistics units to meet both local and sub-regional/regional market demand.

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Figure 3.3: Arbury Estate Proposed Employment Sites



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4. Economic Policy & Guidance

4.1.1. Within this section, we have reviewed the key economic policies and strategies at national, regional, sub-regional and local level which are relevant to the provision of land to meet the needs of the manufacturing and logistics sectors.

4.1.2. We have analysed the following reports which are reviewed in detail at **Appendix 1** with key points summarised below:

- National Planning Policy Framework (February 2019)
- The Industrial Strategy White Paper (November 2017)
- Levelling up the United Kingdom (2022)
- The Future of Freight: a long-term plan (June 2022)
- The Midlands Engine Strategy (March 2017)
- The Midlands Engine Vision for Growth (September 2017)
- Midlands Connect Strategic Transport Plan (February 2022)
- Midlands Engine Independent Economic Review (2020)
- West Midlands Combined Authority Strategic Economic Plan (WMCA SEP) (June 2016)
- West Midlands Revised Draft Spatial Investment Delivery Plan (SIPD) (2019)
- Coventry & Warwickshire Local Enterprise Partnership Strategic Economic Plan and Update (CWLEP SEP) (2014 and 2016)
- Warwickshire Economic Growth Strategy 2020-2025
- A Countywide Approach to Levelling up in Warwickshire (Draft, 2022)
- Nuneaton & Bedworth Economic Development Strategy (October 2016)

4.1.3. At a national level, there is a focus on supporting economic growth. The **National Planning Policy Framework** makes clear that the needs of all sectors, including logistics in suitably accessible locations must be taken into account. The location of Nuneaton & Bedworth within the 'golden triangle' and with excellent accessibility to the national motorway network means that it offers one of the best locations for logistics users within both the sub-region, and indeed the UK and the portfolio of employment land included within the Local Plan should therefore maximise the opportunities that this provides in terms of inward investment and economic growth.

4.1.4. **The Industrial Strategy White Paper** reinforces the importance of economic growth based on improvements in productivity, with a particular focus more recently in the **Levelling Up White Paper** on ensuring this is targeted at those areas which lag behind currently in order 'level up' the Country. Nuneaton & Bedworth is one such area which lags behind nationally, regionally, and within Coventry & Warwickshire and will therefore be a focus for growth and investment. A 'devolution revolution' is also proposed in order to implement the levelling up agenda with a focus on devolution at a Mayoral Combined Authority or county level (Warwickshire has already begun responding to this with a draft levelling up strategy).

4.1.5. The importance of the logistics sector is at the forefront of government strategy as made clear by the recent publication of the **Future of Freight Plan**. It is recognised that the sector underpins economic growth across all

sectors, including manufacturing, and is ideally placed to support the level up agenda, being geographically dispersed nationally and providing a range of high quality employment opportunities as well as other economic benefits. The planning system is identified as a key constraint to growth of the sector and planning reform is proposed to ensure that sufficient sites are made available in appropriate locations to meet the needs of logistics occupiers. **“local planning authorities are unable to understand the needs of a changing and innovative freight and logistics sector, leading to increased complexity, cost and time for promoters bringing forward schemes that are in the national interest.”**

4.1.6. The needs of the freight sector and the economic benefits that it can generate are also recognised with the **Midlands Connect Strategy** and **Midlands Engine Strategy** and **Vision for Growth** and the continuing importance of this pan-regional strategy is emphasised within the Levelling Up white paper.

4.1.7. Nuneaton & Bedworth is currently covered by two overlapping Local Enterprise Partnership (LEP) strategies – the West Midlands Combined Authority (WMCA) (Nuneaton & Bedworth is a non-constituent member) and Coventry & Warwickshire. Overall, the **WMCA SEP** identifies a need for **500,000 new jobs** in the period to 2030, an increase on the sum of the three individual SEPs which form part of the WMCA area. The WMCA SEP identified an **urgent need to identify additional major strategic sites** for employment development, and for such sites to be an asset for the WMCA as a whole.

4.1.8. The stated objectives of the **West Midlands Revised Draft Spatial Investment Delivery Plan** (SIDP) include **supporting the delivery of a competitive portfolio of employment sites** (Objective 4) and in relation to this objective, it is stated that Coventry and Warwickshire “...have been the fastest growing economic areas in the country and have significant scope to build on this”.

4.1.9. The **Coventry & Warwickshire LEP SEP** states that ‘*The availability of employment sites is fundamental to improving the competitive edge of Coventry and Warwickshire, to attract new investors and retain local businesses in support of economic sectors and wider business growth.*’ (page 29) and that, “*The scarcity of available land in the short-term has the potential to damage the economic prospects of the area by preventing investment opportunities to be fully secured. Indeed there is the risk that potential investors would be forced to consider alternative locations outside of Coventry and Warwickshire.*” (SEP update, page 24). Furthermore, that “*it is crucial that the future supply of employment land, both in terms of size and location, and the subsequent supply of units, can respond to the demands of investors*” (SEP update, page 25).

4.1.10. Whilst additional sites have come through the planning system since the publication of the SEP and SEP Update, a number have already been taken up in whole or part as will be discussed further at **Section 7**.

4.1.11. The A444 north-south corridor is identified as being critical to the economic activity in the sub-region and the improvement of accessibility along this corridor is a priority for the LEP (page 29).

4.1.12. Maximising economic growth and levelling up Warwickshire nationally, as well as within the county itself are key objectives within both the **Warwickshire Economic Growth Strategy 2020 – 2025** and the draft **Levelling Up in Warwickshire** strategy. Nuneaton & Bedworth is proposed to be a focus for investment in light of the socio-economic disparities which exist between the Borough and the remainder of the county.

4.1.13. At a local level, the **Nuneaton & Bedworth Economic Development Strategy (2016 - 2031)** also recognises the vital role that a sufficient supply of employment land has to play in delivering economic growth: ***“Nuneaton and Bedworth Borough is an economy which has a strong manufacturing and logistics base. It is situated well to support industry due to its geographical location and skills base within the wider FEA. However, a lack of new land for employment prevents significant new investment and additionally a path dependent economy has been created.”***³

4.1.14. Key themes throughout economic policy and strategy are:

- The importance of the freight and logistics sector in driving economic growth nationally, regionally and locally, and in delivering on the levelling up agenda (and accordingly the need to ensure that sufficient land is delivered through the planning system in the right places to meet occupier needs).
- The vital role that a sufficient supply of high quality and strategic scale employment land has to play with significant shortages identified at a regional and sub-regional level hindering economic recognised to be hindering economic growth.
- The ongoing need to address the disparities that exist within the country, region, sub-region and county and a recognition that future investment should be focused on those areas which are lagging behind, such as Nuneaton & Bedworth.

³ Nuneaton & Bedworth Economic Strategy, page 25

5. Manufacturing & Logistics Sector Overview

5.1.1. The key trends in the manufacturing and logistics sectors are reviewed below, together with their implications for the characteristics and amount of demand for both land and premises.

5.1.2. It is important to note that, whilst the sectors can be assessed separately, as a general principle manufacturing and logistics are inextricably linked within a supply chain - from supply of raw materials to manufacturing and component supply, to delivery of products to consumers. Efficient logistics is at the heart of efficient manufacturing, hence the focus currently on reducing supply chain risk - it is estimated that in the UK the freight and logistics sector is supporting nearly £400 billion in manufacturing sales across the UK and globally.⁴

5.1.3. The image below, provides a visual representation of some of the major trends driving growth in the Industrial & Logistics (I&L) sectors. Alongside e-commerce, there are several other growth drivers at play as illustrated below. Combined, these growth drivers are resulting in unprecedented demand.

Figure 5.1: Growth Drivers



Source: Savills

5.2. Economic Contribution

5.2.1. The Industrial & Logistics (I&L) Sector is a significant employer of at least 3.8 million people in England and it is estimated that it produces £232 billion of GVA (£127 billion of which is estimated to be attributable to the logistics sector)⁵. Over the last 10 years the logistics component of the I&L sector has grown by 26% compared to only 14% across the economy as a whole (Figure 5.2).

⁴ Ibid, paragraph 2.3

⁵ Future of Freight Plan (page 6)

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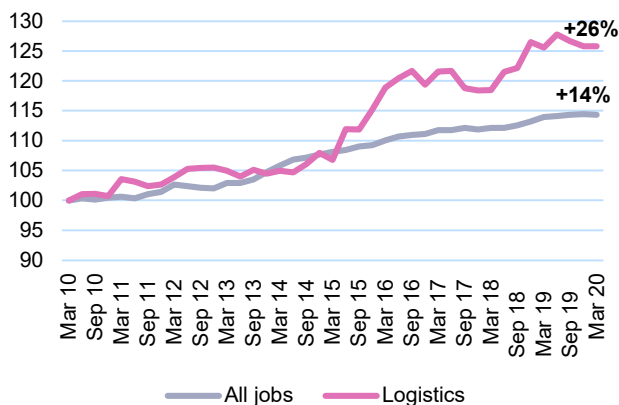
Nuneaton & Bedworth



5.2.2. Notwithstanding its importance in terms of employment and GVA contribution, the logistics sector in particular is subject to a number of misconceptions about average pay levels, skills required and types of spaces provided.

5.2.3. Average pay is higher than the UK average. Data from the Office for National Statistics (ONS) shows annual wages above average at +£4,600 for Manufacturing and +£4,900 for Logistics (**Figure 5.3**). Wages in the logistics component of the sector are performing particularly strongly above average, with wages between 2019 and 2020 having increased more than in other sectors (+6% growth in logistics vs +4% average growth).

Figure 5.2 Jobs Growth in England (2010-20)



Source: ONS, *Workforce Jobs by Industry and Region*

Figure 5.3 Average annual salary (2020)

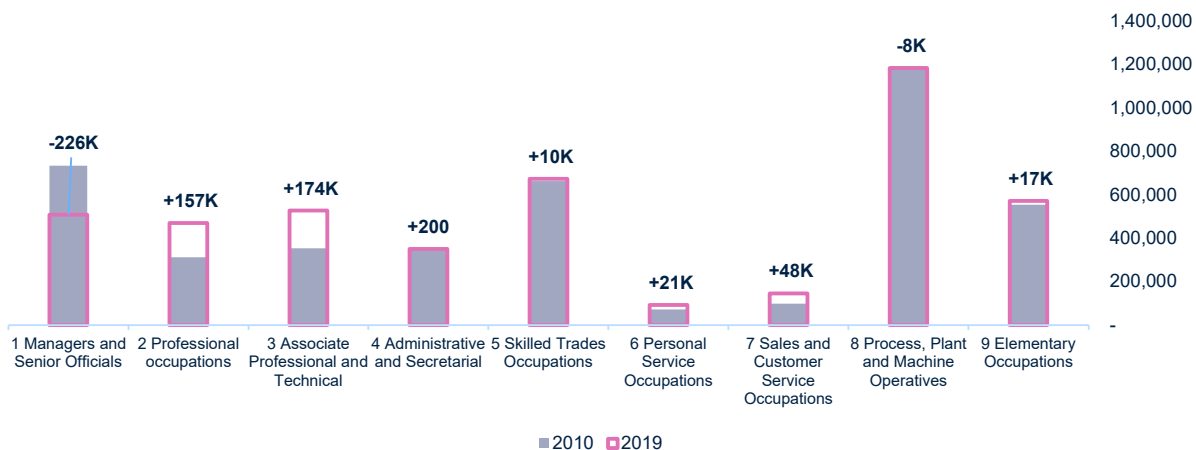


Source: ONS ASHE

5.2.4. I&L jobs have also become increasingly diverse over the last decade. **Figure 5.4** shows the change in the share of occupations in I&L in 2010 and 2019. Whilst at the beginning of the decade we see a much more polarised distribution, with a higher share of managers at one end of the spectrum and more routine occupations at the other end, today we see a higher share of Professional and Associate Professional and Technical roles, typically associated with higher-skilled engineering and technological professions in response to increase automation and robotics in the sector and more advanced supply chain processes.

5.2.5. These office-based roles are increasingly co-locating alongside production and logistics uses as it is convenient for these people to be closer to the operations they control and analyse. (For example, the Rhenus logistics campus at Faultlands will include 6,204 sq. m (66,780 sq. ft) of new Grade A office space).

Figure 5.4 Occupational Distribution in Manufacturing, Transport & Storage



Source: ONS APS, Savills 2020

5.3. Manufacturing Sector Trends

5.3.1. The UK manufacturing sector, led by the advanced manufacturing sector, has witnessed a renaissance over the last decade. Despite the long-term structural decline in traditional manufacturing industries in the UK, which has been ongoing since the 1970s, when manufacturing contributed 25% of UK GDP, the UK is currently the ninth largest manufacturing nation in the world⁶.

5.3.2. The growth in manufacturing has been dominated by 'cleaner' manufacturing. The market is increasingly moving towards 'advanced manufacturing', driven by the UK's R&D capabilities. The Government's aim is to rebalance the economy from low value, mass production manufacturing to high value, advanced manufacturing and engineering. There has been a shift in production from low to high productivity goods; improvements in automation and technology; increased investment in R&D, and a more integrated global economy. Key sectors are automotive, electronics, aerospace, textiles, food and drink, and pharmaceuticals.

5.3.3. Manufacturers increasingly see the benefit of having R&D closer to the end customer. More development on the collaborative and focused technology parks can therefore be expected. Provision of high quality facilities in appropriate locations, with links to educational establishments, is vital to ensure that investment can be attracted.

5.3.4. The manufacturing sector has been impacted by Brexit, the Covid-19 lockdowns, and continues to experience supply chain issues as a result of the ongoing war in Ukraine. The cost of living crisis will also impact in the short term on demand for products. However, despite these factors, long term trends are positive.

5.3.5. Recent disruptions have highlighted the fragility of global supply chains and have reinforced the trend of

⁶ MAKE UK 2022

on-shoring: the repatriation of manufacturing, particularly for critical components, to reduce the length of supply chains (and thereby risk of interruption in the supply of key components), more easily maintain control of quality, and ensure key industries maintain their intellectual property and production capacities against international competition. These are recognised as being not of only commercial interest but of national security concern.

5.3.6. The West Midlands has been traditionally strong in the automotive sector, with a 33% share of vehicle output in the UK and a strong presence of major vehicle manufacturers (OEMs). The main hub of activity has traditionally been around Coventry, which continues to play a key role in the sector with the ongoing development of niche and specialist areas of the sector. 30% of regional motor sport activity is located within the Coventry and Warwickshire sub-region. Coventry & Warwickshire has a very well established and successful advanced manufacturing sector with particular strengths (in addition to the automotive sector), aerospace, rail sectors, digital & creative technologies ('Silicone Spa') and medical technologies. The sub-region is a major UK centre of low and zero carbon green transport technologies.

5.3.7. Key R&D and advanced manufacturing assets include:

- University of Warwick;
- Coventry University;
- Manufacturing Technology Centre at Ansty (Robotics and Automation, Digital and Additive Manufacturing, Metrology and Visualisation and Virtual Reality)
- Coventry & Warwickshire is home to 2 of the UK 7 Advanced Manufacturing Catapult Centres, located at the Manufacturing Technology Centre (MTC) and WMG at the University of Warwick.
- Occupiers including Aston Martin, Bosch, BMW, Fanuc, Tenneco Federal Mogul, GE, Grupo Antolin, Jaguar Land Rover, Parker and Siemens.
- The Institute of Advanced Manufacturing and Engineering is a collaboration between Coventry University and Unipart Manufacturing Group to create the UK's first 'Faculty on the Factory Floor.'

5.4. Logistics Sector Trends

5.4.1. This review of the logistics sector draws on Savills' recent publication for BPF "Levelling-up – The Logic of Logistics".⁷ Not only has the sector been outperforming other commercial sectors in the UK for some time, but it is also critical national infrastructure that supports the functioning of our economy and the way we live our lives. There are a number of factors which are combining to generate a significantly increased demand for logistics floorspace across the UK but focused in the most accessible locations with excellent access to the motorway network, (such as Nuneaton & Bedworth).

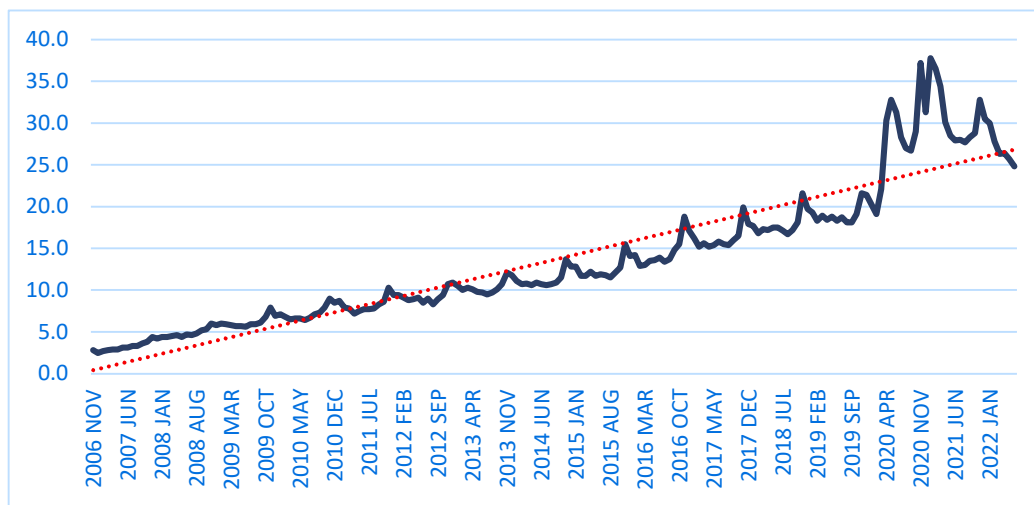
Growth of on-line retail

5.4.2. E-Commerce has revolutionised the sector and the impacts are increasingly felt as the proportion of on-line sales continues to increase over the long term. **This is a long term trend which has accelerated as a result of the pandemic, but was already very well established beforehand.** Statistics collected by the ONS from

⁷ Savills and BPF (2022), *Levelling-up – The Logic of Logistics*

November 2006 show that the share of internet sales has consistently increased over time (**Figure 5.5**). It was at 19% before the onset of the Covid-19 pandemic. During the pandemic, due to lockdowns and restrictions this figure considerably increased to almost 38% in January 2022. It currently stands at 25.3% as of July 2022⁸, a significant margin over the pre-Covid level.

Figure 5.5 Internet Sales as a % of Retail Sales, 2006-2022



Source: ONS

5.4.3. While the proportion of online retailing has softened slightly as the UK economy opens up, most commentators are of the opinion that the **pandemic has generated a step-change** in the level of on-line retail, changing consumer behaviours and spending patterns, and that this trend is unlikely to be reversed. On-line retailing is expected to continue to grow from a higher base than before the pandemic due to behavioural changes such as increased home working and continued demand for rapid parcel deliveries. Both businesses and consumers have invested time and resource into adapting to on-line retailing which means that it is now much easier and more accessible than was previously the case. Forrester Research, a respected source of future online retail projections, estimate that online retail will continue to grow steadily to 37% in 2025.

5.4.4. These factors mean that the acceleration of the trend towards e-commerce will result in a **long-term economic restructuring** as short-term increases in market penetration are maintained.

5.4.5. The growth in online shopping has significant implications for future demand, given that e-commerce requires around 3 times the logistics space of traditional bricks-and-mortar retailers. It has been estimated that every additional €1bn (£739,480,449) of online sales results in on average an additional 77,000 sq. m (828,821 sq. ft.) of demand for warehouse space. The continuing growth in on-line sales will therefore generate a significant additional requirement for new warehouse space, purely to meet the demands of the online sector in the UK.

⁸ ONS (2022), Internet sales as a percentage of total retail sales (ratio) (%)

Growth in Freight

5.4.6. Considerable growth is also forecast across all freight modes (**Figure 5.6**) which will increase demand for logistics space in the future. Freight arriving and leaving the UK needs to be sorted, packaged and distributed via a network of freight handling infrastructure (i.e. ports, airports, rail freight interchanges and motorways) and appropriately located premises (including National and Regional Distribution Centres) in order to reach end customers.

Figure 5.6 Projected growth in freight by Mode



Source: DfT, MDS Transmodal, Boeing, Savills

Supply Chain Resilience

5.4.7. Brexit and Covid-19, and more recently the ongoing war in Ukraine, have highlighted the level of interconnectedness of international supply chains and their fragility when one or more links break. Companies have started building up greater resilience in their operating models by moving operations either back to the UK (re-shoring) or closer by (near-shoring) as a means to minimise future supply-chain-induced disruptions.

5.4.8. According to a survey carried out in July 2020 by the Institute for Supply Management, 20% of firms are planning to, or have already started to near-shore or re-shore. These findings are corroborated by a survey carried out by Savills which found that over 80% of respondents expected the Covid pandemic to either 'greatly increase' or 'somewhat increase' on-shoring. This is likely to lead to higher domestic inventory requirements, further increasing long-term demand for I&L space.

Figure 5.7 Near-shoring/Re-shoring

Near-shoring definition	Re-shoring definition
Transferring a business operation to a nearby country as opposed to a more distant one (i.e. off-shoring)	Moving a business that had gone overseas back to the country from which it had originally relocated

Source: Savills

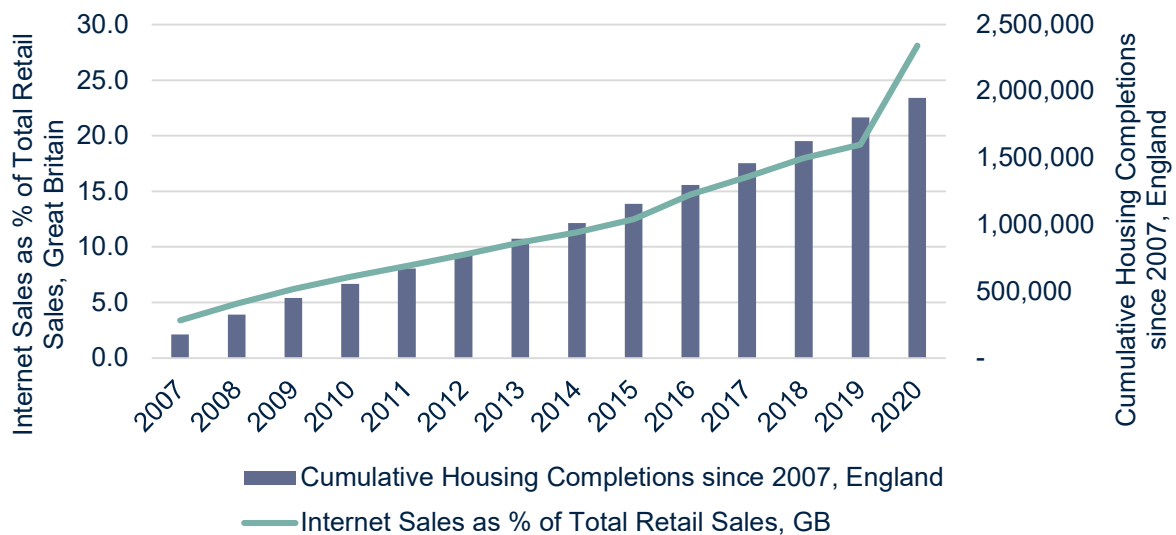
5.4.9. Increases in demand and occupancy could also arise due to higher levels of stockpiling. For example, businesses may find it too risky to have a single warehouse serving their customer base compared to a multiple stocking solution. Therefore, instead of concentrating in one location, some firms might seek to spread their inventory

over different regions, but in smaller spaces.

Housing Growth

5.4.10. Housing growth is also an important factor driving growth in the logistics sector. As shown in **Figure 5.8**, housing growth at the national level has broadly tracked the growth in online retailing before the onset of the Covid-19 pandemic, during which time online retailing has spiked even higher. Online retailing relies on increased choice for the consumer and also increased delivery speeds to a location of people's choosing. This means that more inventory is required to be located nearer to the general population which has been increasing. This in turn has meant that increasing amounts of warehouse space is required, both by online retailers but also traditional bricks and mortar retailers, who are adapting their supply chains to compete.

Figure 5.8: Internet Sales as a % of all Retail Sales and Dwelling Completions since 2007



Source: ONS, MHCLG, Savills

5.5. Property Market Implications

5.5.1. Key implications of these trends for the industrial and logistics property market are:

Increased demand

5.5.2. Significantly increased levels of occupier demand within the logistics sectors as a result of a variety of growth drivers and increasing manufacturing occupier demand.

Larger Unit Sizes

5.5.3. Increase in unit size (and plot size) required by the logistics sector, and the faster absorption of sites: The

growth of the on-line retail sector as well as a continuing shift away from manufacturer/suppliers delivering direct to their customers and the emergence of Regional Distribution Centres and National Distribution Centres, which dominate the large distribution warehouse market, and which have seen a continuing rise in the average size of buildings, has led to an increase in plot sizes necessary to meet modern occupier requirements.

5.5.4. The average size of B2 buildings transacted within the United Kingdom has also increased considerably in recent years, rising from 156,779 sq. ft in 2008 to 303,816 sq. ft in 2022, highlighting the shifting occupier demand towards larger sized units.

Higher Buildings

5.5.5. The long-term trend has been an increase in eaves heights provided to allow greater occupier flexibility and to maximise building efficiency/cubic capacity (i.e. increased racking capacity, mezzanine floors). This has implications for the location of new logistics development.

Demand for highly accessible locations

5.5.6. The growth of the on-line retail sector has led to a rapid growth in demand for floorspace for larger, often bespoke distribution facilities, in highly accessible locations, as online retailers seek out well-located sites that allow them to compete on fulfilment times.

Growth of Build to Suit

5.5.7. Manufacturers are increasingly seeking built-to-suit units as a large proportion of the second hand stock on the market is not capable of accommodating modern occupier requirements.

R&D focus

5.5.8. Increased demand from the manufacturing sector for high quality premises with excellent linkages to educational and training facilities and from companies within key growth sectors.

5.6. Conclusion

5.6.1. The manufacturing and logistics sectors are inextricably linked, with the supply and transportation of parts and goods around the world and the UK essential to the operation of almost every other sector (and directly to us the consumer). The sectors offer a range of high quality, varied and well-paid job opportunities and are of vital importance to the UK economy, as well as being a critical part of the country's national infrastructure. There are a number of factors at play which continue to drive significant growth.

5.6.2. Both manufacturers and logistics occupiers are now seeking **larger buildings** and correspondingly larger plots of land, to support bespoke and increasingly efficient facilities. **Excellent accessibility and connectivity** has become increasingly important to occupiers within both sectors as businesses seek to increase efficiencies and drive down fuel costs. This translates in the UK to central locations immediately accessible to the national road network

with **excellent linkages** to labour force and markets, as well as existing supply chain companies, R&D capabilities, and skills base in the case of manufacturers. **Nuneaton & Bedworth is able to meet all these criteria and therefore experiences very high levels of occupier demand from both manufacturing and logistics occupiers.**

5.6.3. The ongoing strength of demand and increasing lack of supply in prime locations, such as Nuneaton & Bedworth, (see **Sections 6 & 7** below), together with a trend towards larger units (and therefore plots) in order to meet the changing needs of occupiers has resulted in the rapid take up of strategic sites; often much faster than envisaged at the time of consent/allocation (as clearly evidenced by Faultlands, see paragraph 7.3.6). This should be seen in the context of the length of time that it can take to promote such sites through the planning system (which is often very significant) and has direct implications for the sufficiency of supply over the period of the local plan, as well as the appropriateness of using historic completions trends to predict future needs.

5.6.4. In order to maximise the economic potential of the manufacturing and logistics sectors (and to enable lower costs for consumers on the basis of increased efficiencies), it is vital for the property market to provide the appropriate accommodation to meet the needs of companies seeking efficiency and cost savings.

5.6.5. In the logistics sector, developers are increasingly having to respond to a more sophisticated and demanding client base, providing users with reliability and flexibility in their product. Their requirements are therefore highly diverse, dependent on type and scale of use. It is therefore particularly important that **a range of different sites** are available which offer flexibility in terms of scale and configuration of unit.

6. National & Regional Market Context

6.1.1. In order to provide the market context for the proposals, this section reviews the market dynamics for large industrial and warehousing units (defined as being of 9,290 sq. m/100,000 sq. ft and above) at a national and regional level. Data has been sourced from Savills' national internal database of transactions and supply of premises over 9,290 sq. m (100,000 sq. ft).

6.2. UK Take up

6.2.1. Take up is analysed as a key market indicator. Take-up is often used as a surrogate for demand but that can be misleading, particularly where land supply or availability of buildings is constrained. Take-up is, in effect, the minimum manifestation of demand and supply, but take-up will be constricted in circumstances where demand (in quantitative terms) exceeds supply and (in qualitative terms) where the nature of demand (location, use, scale, quality) is not capable of being met by the actual supply of employment land and buildings available. As will be considered below, this is an acute problem nationally and regionally.

6.2.2. Whilst the dominant sector is take-up by distribution warehouses (B8) the statistics used below include industrial (B1c / B2) uses.

6.2.3. There continues to be **record breaking and increasing levels of take up** nationwide. Over the course of H1 2022, take-up reached a new record of 28.6 million sq. ft, exceeding the H1 average by 90%. The trend is illustrated at **Figure 6.1** below.

6.2.4. **Demand is from a more diverse occupier base** rather than being driven heavily by the on-line retail sector as has happened in recent years. Online retailer take-up has fallen to 18% of take-up (by floorspace) in H1 2022. Third party logistics occupiers (3PLs) accounted for 25% of total take-up and there has also been a resurgence in demand from the manufacturing and automotive sector, who have taken 7 million sq. ft. so far in 2022, which is 11% more than the whole of 2021.

6.2.5. As illustrated by **Figure 6.2**, occupier preference continues to be for the **best quality units** (Grade A units have accounted for 86% of all space transacted so far in 2022). Build-to-suit take-up has accounted for 54% of all of the space transacted so far in 2022, the highest proportion ever recorded. There has been a fall in take-up of second-hand units which accounted for just 21% of take-up over H1, proportionally the lowest level ever recorded. This is demonstrated in **Figure 6.4** below. Whilst the fall in demand for second-hand units is partly a supply issue, these units have lower Environmental, Social, and Governance (ESG) credentials and, given the rising running costs, occupiers are increasingly gravitating towards new buildings with the most up-to-date ESG features.

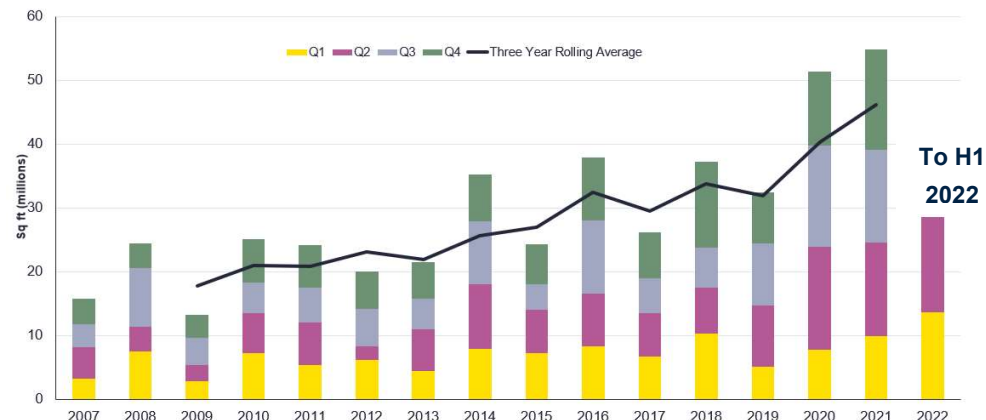
6.2.6. During the first half of this year, units of over 500,000 sq. ft. accounted for the greatest proportion of take-up demonstrating that demand for the largest units, which has been increasing over the course of the last 18 months, remains strong. This was followed by units within the 100,000 to 200,000 sq. ft size band which accounted for 28% of take up. The trend is shown at **Figure 6.3** below.

Employment Land Need Assessment

Nuneaton & Bedworth

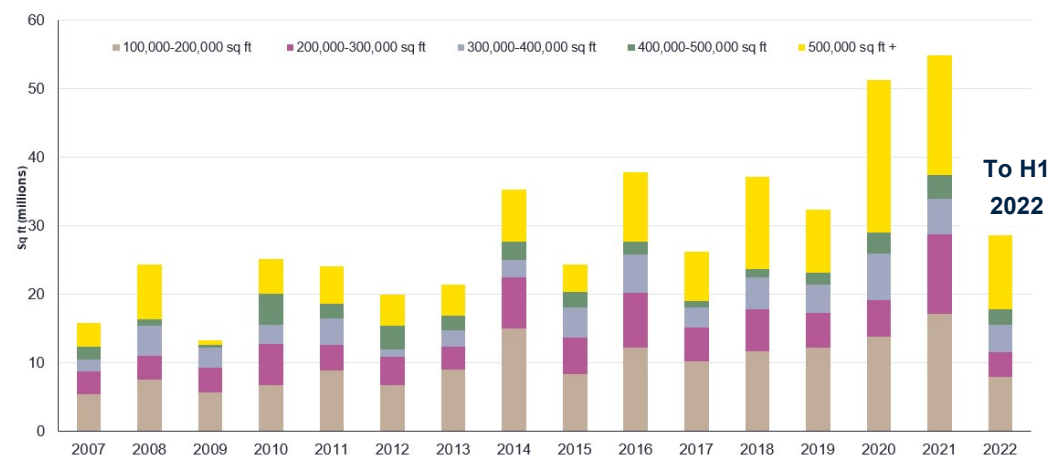


Figure 6.1: UK Take-up



Source: Savills Research

Figure 6.3: UK Take-up by Size



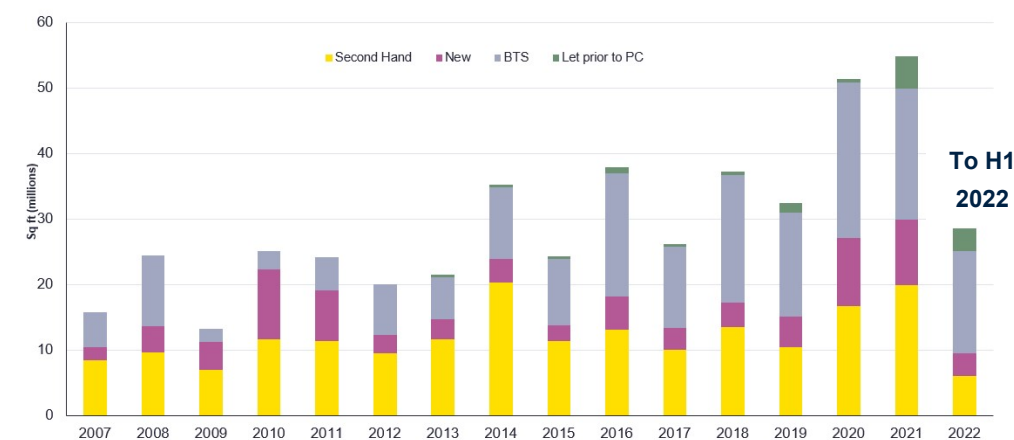
Source: Savills Research

Figure 6.2: UK Take-up by Grade



Source: Savills Research

Figure 6.4: UK Take-up by Specification



Source: Savills Research

6.3. UK Supply

6.3.1. Supply continues to fall and currently stands at 18.4 million sq. ft across 98 separate units (**Figure 6.5**). There remains a particularly severe shortage of supply of the best quality Grade A space, which is currently at 8.3 million sq. ft. down from 19.7 million sq. ft. prior to the onset of Covid-19 in Q1 2020, and of larger units. The lack of supply is reflected in vacancy rates which are just 3.01%, some considerable way below the level necessary for market equilibrium (generally accepted to be c. 8.0%).

Figure 6.5: UK Supply and Vacancy



Source: Savills Research

6.3.2. Overall, supply of premises remains very constrained and does not match demand in relation to the size or quality of units available.

6.4. West Midlands Market Overview

6.4.1. Nuneaton and Bedworth sits within the West Midlands and plays a key role in the regional market for industrial and logistics premises. The location and excellent motorway network in the region mean that the vast majority of the UK population can be reached within a 4-hour drive time from a well-connected site (close to a motorway junction), and the region is therefore an important sub-set of the national logistics market and a key focus for demand for companies seeking to serve it. The concentration of population in the urban areas of the West Midlands region means that there is also strong demand for sites located within or close to the major urban areas, which meet the need for 'last-mile distribution'; distributing goods to their final destination.

6.4.2. Nuneaton & Bedworth is ideally placed to take advantage of these regional demand drivers, given the accessibility to Junction 3 of the M6 and connectivity to the urban areas of Nuneaton, Bedworth and Coventry.

6.4.3. Whilst logistics makes up the majority of demand - approximately two thirds of regional take up of large industrial and warehousing buildings (over 9,290 sq. m/100,000 sq. ft) - manufacturing also still has an important role to play in the region; c. a third of total take-up long term average trend.

6.4.4. The West Midlands continues to have a competitive advantage in the sector based on:

- accessibility, a central location in the UK, with an extensive supply chain infrastructure;
- affordable land and property, with close proximity to regional airports; compared to major hubs close to major international airports and ports in the south-east;
- retained skills in the market suited to this sector (but a need to improve the higher level skill base);
- a strong research base including universities, private institutions, commercial R&D and engineering facilities
- potential labour pool generated through the existing high level education and research institutions in the advanced manufacturing end of the sector; albeit there remains a severe shortage of specialist engineers;
- being home to a number of global manufacturers.

6.4.5. Demand from the manufacturing sector has been, and will continue to be, focused around the urban areas, where a skilled workforce, highly regarded educational establishments and established supply chains are present. Proximity to customers is generally the most important locational driver for manufacturers. It is therefore essential that appropriate high-quality supply is available to satisfy this demand.

6.4.6. Key sectors in the West Midlands include automotive and aerospace. In recent years, growth in the region has particularly been driven by the automotive sector, and specifically by Jaguar Land Rover's (JLR's) expansion and investment in the region. This has generated significantly increased demand, both directly from JLR and indirectly from the extensive supply chain network and associated logistics operations. Largely as a result of the growth in the sector, a significant element of take up in the West Midlands is from manufacturers and the automotive sector (over and above levels seen nationwide).

6.4.7. The region therefore continues to experience very high demand from both the logistics and manufacturing sectors (both direct and via supply chain companies) which is culminating in a critical shortage of employment land and premises.

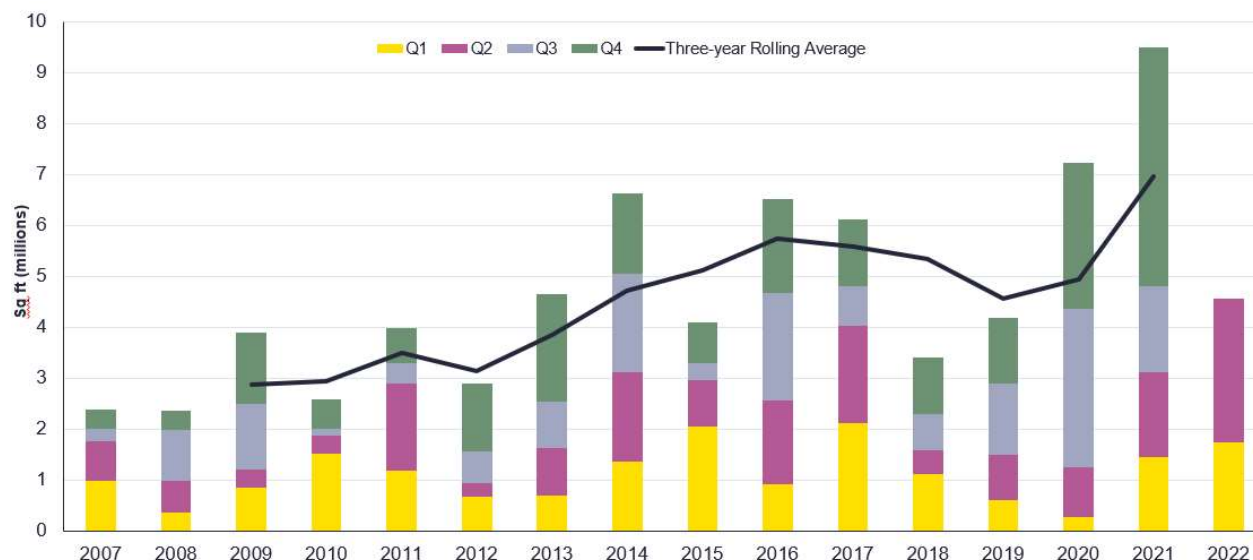
6.4.8. Take-up in the West Midlands has been the highest level ever recorded for H1 2022 reaching 4.57 million sq. ft. across 18 transactions (see **Figure 6.6**).

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Figure 6.6: West Midlands take-up



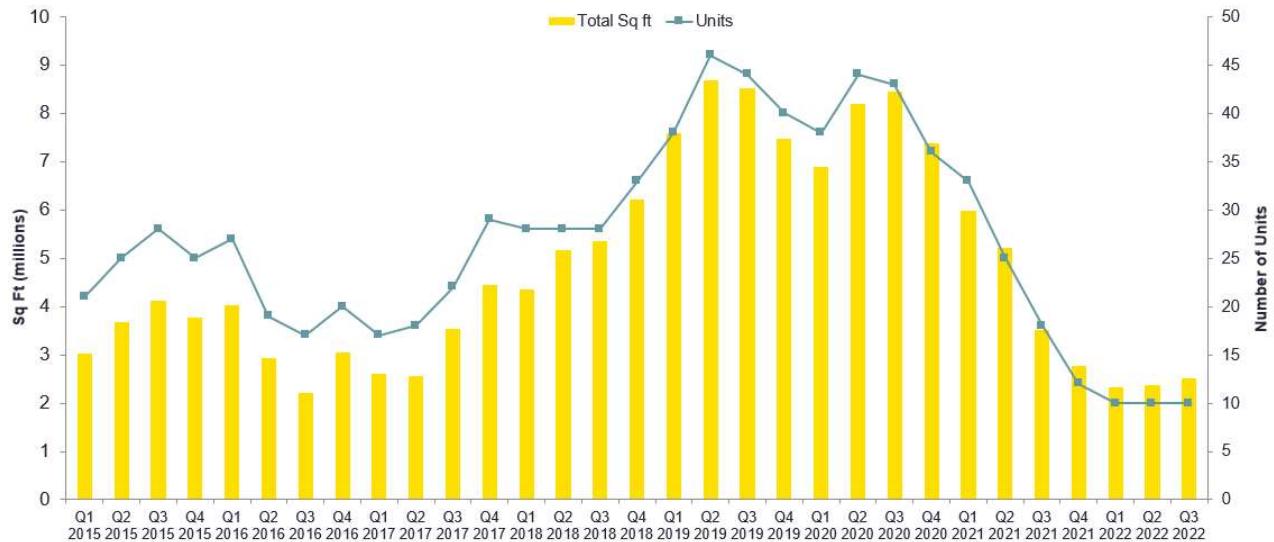
Source: Savills Research

6.4.9. Transactional activity continues to centre around better quality space. In terms of specification, 21% of space transacted in 2022 to date has been second-hand space, 51% has been build-to-suit space, 10% has been new speculatively developed space, and 18% has been speculatively developed space let before practical completion.

6.4.10. The 100,000 to 200,000 sq. ft size band has been the most active so far in 2022 by deal count, accounting for 10 deals. This was followed by 3 deals within the 200,000 to 300,000 sq. ft. size band and 3 within the 300,000 to 400,000 sq. ft size band. There has been one deal within the 400,000 to 500,000 sq. ft. size band and one deal over 500,000 sq. ft. The largest unit transacted in Q2 2022 was Iron Mountain committing to a unit of 675,000 sq. ft. at Symmetry Park, Rugby.

6.4.11. The record levels of take-up continue to put pressure on supply as illustrated at **Figure 6.7**. There is now just 2.51 million sq. ft. available, across 10 units, a 29% decrease in the past 12 months. The strong level of activity has resulted in regional vacancy rates falling to 2.77%, a decrease of 138 bps compared to a year ago.

Figure 6.7: West Midlands supply



Source: Savills Research

6.5. Conclusions

6.5.1. Market conditions, both nationally and regionally, have been characterised by significantly increased, record breaking, levels of take up against a shortage of supply of premises. This is reflected in the very low vacancy rates being experienced which are some considerable way below that required for market equilibrium, to enable market 'churn' and facilitate the proper functioning of the property market. Occupiers seeking larger or more modern premises will therefore not be able to relocate, which will have a knock-on effect as smaller, lower grade and more affordable premises are not freed up and smaller companies and new businesses are therefore not able to find space. Ultimately, investment is lost and economic growth is hindered.

6.5.2. The severe shortage of premises means that occupiers must rely on 'build to suit' opportunities in order to satisfy requirements. Therefore, there is a clear and ongoing need for deliverable sites which are capable of accommodating a range of larger unit sizes and are well-located to meet the needs of both the manufacturing and logistics sectors in the West Midlands. Nuneaton & Bedworth is ideally placed to take advantage of regional demand drivers given its excellent accessibility and connectivity.

7. Property Market Area Assessment

7.1.1. In order to review the market dynamics which will drive the need for additional employment land within the Borough, it is first necessary to define the Property Market Area (PMA), being the area which broadly contains those locations which will compete with sites within Nuneaton & Bedworth for occupier requirements.

7.2. Property Market Area Definition

7.2.1. Occupiers do not follow local authority boundaries when looking for new premises but are guided by factors such as accessibility to markets, suppliers and labour force. Manufacturing occupiers generally have a relatively small area of search when looking for new premises. There is often a desire to retain existing skilled labour force, as well as maintaining supply chain linkages within the local area. Logistics businesses seeking larger premises from which to serve a regional or sub-regional hinterland, will start with a much wider search area focused along key freight routes. Each requirement is unique and driven by the business model of the occupier.

7.2.2. In this instance, the sub-region is the most logical assessment area. Nuneaton & Bedworth sits within the well-established Coventry & Warwickshire Functional Economic Market Area (FEMA) and has very strong economic linkages with the surrounding sub-region. This has been recognised within multiple employment land studies and reviews over a number of years. In this context, in order to inform our assessment of the need for additional land within Nuneaton & Bedworth, we have therefore reviewed the market dynamics within Coventry and Warwickshire Sub-Region, being those local authorities which form part of the Coventry & Warwickshire Local Enterprise Partnership area (the whole of Warwickshire, plus Coventry and Hinckley & Bosworth).

7.2.3. Whilst the sites being promoted are likely to accommodate a range of unit sizes, and indeed some of the promoted land will be well-suited to provide smaller-scale industrial and logistics floorspace, a significant proportion is envisaged to be within larger units of 9,290 sq. m and above due to the strength of demand for units of this size in the sub-region. Take up and supply of units and land to accommodate units of 9,290 sq. m and above has therefore been analysed.

7.3. Demand

7.3.1. Take-up of units within the PMA has been assessed using Savills' internal database of transactions⁹. As noted in **Section 6**, take up is a surrogate for demand but becomes less reliable when there is a restricted supply, as is the case within much of the market area. As summarised at **Figure 7.1** (below) there has been a total of **1,028,584 sq. m** of floorspace taken up over the last five years (H2 2017 – H1 2022 inclusive).¹⁰ This equates to an average of **205,717 sq. m per annum** over the five year period (8 transactions per annum on average). Take up has significantly increased since 2020, with take up over the second half of 2021 and the first half of this year being

⁹ Savills Research collects and analyse data on key indicators (relating to units of 9,290 sq. m and above) including take-up, supply of built stock, development pipeline, and speculative development. The supply and take up database is updated on a monthly basis coordinating input from local agency teams around the UK and cross referencing nationwide and regional databases and constant monitoring of news releases.

¹⁰ Please note that this is gross take up so does not take account of any floorspace losses over the period.

almost double the five year average.

Figure 7.1: Take-up (2017 – 2022)

Year	Take-up (sq. ft)	Take up (sq. m)	Average Unit Size (sq. ft)	Average Unit Size (sq. m)	Number of Transactions
H2 2017 - H1 2018	1,726,133	160,363	215,767	20,045	8
H2 2018 - H1 2019	1,290,716	119,911	215,119	19,985	6
H2 2019 - H1 2020	1,631,760	151,595	233,109	21,656	7
H2 2020 - H1 2021	2,320,010	215,536	290,001	26,942	8
H2 2021 - H1 2022	4,102,971	381,178	227,943	21,177	18
Five year total	11,071,590	1,028,584			
Three year total	8,054,741	748,310			
Five year average per annum (H2 2017 - H1 2022)	2,214,318	205,717	235,566	21,885	9
Three year average per annum (H2 2019 - H1 2022)	2,684,914	249,437	244,083	22,676	11

7.3.2. The average size of unit taken up has been 21,438 sq. m over the last five years, although there have been examples of much larger units being taken up where opportunities have been available. Over the five year period, 29% of transactions have been of speculatively constructed units, equating to 26% of floorspace. **Occupier demand is heavily focused on the highest quality, most modern floorspace.** Three quarters of transactions and 80% of floorspace taken up in the sub-region has been of the highest quality, Grade A, floorspace.

7.3.3. Examples of notable transactions within the sub-region includes:¹¹

- Rhenus has taken c. 91,045 sq. m at Faultlands across two units for a new UK logistics campus (September 2022)¹²
- Iron Mountain has taken 92,527 sq. m at Symmetry Park, Rugby across four build to suit units, the largest of which being 62,710 sq. m (June 2022)
- CEVA Logistics agreed a pre-let of the speculative unit DC9 (30,729 sq. m) at Prologis Park Ryton in May 2022 with no further land remaining;
- Lyons 106, Lyons Park, Coventry – food manufacturer GH Guenther has taken a 9,848 sq. m speculative unit with no further land remaining (April 2022)
- DHL has committed to take a 27,871 sq. m build to suit unit at SEGRO's Coventry & Warwick Gateway (April 2022)
- HelloFresh leased Nuneaton 230, a speculatively constructed unit at Bermuda Park of 21,403 sq. m (July 2020).

¹¹ Not an exhaustive list.

¹² Please note that this deal is in addition to the take-up figures as it falls outside the assessment period.

7.3.4. Take up of units of all sizes within Nuneaton & Bedworth has been severely limited by a lack of available supply and is predominantly characterised by secondary units at smaller size ranges. Examples of take up at the smaller size ranges has included:

- Exhall 3 (January 2022) - Event Support Team Ltd leased Exhall 3 in School Lane, adjacent to Bayton Road Industrial Estate, comprising 2,525 sq. m of speculatively constructed manufacturing/distribution space.
- Unit 2A Longford Road Industrial Estate (March 2022) - George Wilson Industries Ltd leased this recently refurbished unit comprising 2,281 sq. m of industrial/logistics space.
- Unit D1, Loades Ecoparc, Exhall (December 2021) - Alliance Transport Technologies Ltd leased a new unit of 520 sq. m.
- Prologis Park, Keresley (October 2020) - UK Flooring Direct leased a refurbished 5,258 sq. m unit.
- Vespa Point, Keresley (January 2020) - Network Rail leased a speculatively constructed 3,670 sq. m unit.

7.3.5. Where opportunities have become available, there has been good levels of occupier demand. This is clearly demonstrated by the rapid take up of Faultlands where two speculative units have been let prior to completion to a single occupier.

Case Study: Faultlands

7.3.6. This site was promoted by Arbury through the Local Plan, with work commencing on the promotion in 2008 with the preparation of an initial Vision Document. An outline planning application was submitted in 2017 and permission was granted in 2020. The site was sold by Arbury to AXA/Baytree in 2020 who have subsequently obtained reserved matters planning permission, serviced the site and commenced construction of speculative units. A significant amount of resource has been necessary across a period of 14 years in order to bring this site forward for development.

7.3.7. Take up of the site has then been extremely rapid and much faster than envisaged at the time of its allocation. The units have been successfully let in very short timescales, equating to a take -up rate of 26 ha or 91,045 sq. m, in a single year.

7.3.8. The length of time necessary to promote and service employment sites, particularly those of strategic scale, compared to the speed of take up seen in prime locations such as Nuneaton & Bedworth, has clear implications for the sufficiency of supply over the Plan Period.

7.4. Supply

Building Supply

7.4.1. The supply of buildings over 9,290 sq. m (100,000 sq. ft) has been assessed as at September 2022. A plan showing the location of the buildings is provided at **Appendix 2** and a schedule of units is included at **Figure 7.2**. The assessment includes buildings of all grades. There is only **133,617 sq. m** available in **five units**. Of these,

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three are speculative units under construction (one of which is under offer), one is a recently constructed second-hand Grade A unit, and one is a Grade B second-hand unit.

7.4.2. There are **no buildings available within Nuneaton & Bedworth** of 9,290 sq. m. Expanding the criteria to include units of 2,323 sq. m and over (25,000 sq. ft) reveals that the shortage of stock in the Borough is not limited to larger units. Supply of smaller units is focused at Exhall Gate where ten speculative units, totalling 7,182 sq. m will be available for occupation in Q2 2023. Outside this scheme there are only two further units are available within the Borough: Unit 1 Chase Point (currently undergoing refurbishment, and due for completion and occupation from Q3 2022) and the Former Highfield Road Engineering, Pool Road Industrial Estate which comprises a refurbished distribution unit of 2,345 sq. m and smaller unit of 194 sq. m.

7.4.3. This represents a **very constrained supply position** both in the PMA, and specifically within Nuneaton & Bedworth, in terms of built stock (or units under construction) available to meet an immediate occupier requirement, particularly in the context of the extremely high and increasing levels of take up within the sub-region. The critically low level of floorspace available means that occupiers must consider Build to Suit options, and the supply of unconstrained, 'oven-ready' sites is therefore very important. The supply of sites within the PMA is considered below.

Figure 7.2: Building Supply (9,290 sq. m plus)

Ref	Unit	Location	Developer	sq. ft	Size (sq. m)	Comments/Use
1	Apollo 2, Ansty	J2, M6	Canmoor	172,644	16,039	Speculative unit B2/B8 unit available Q4 2022.
2	Unit 1 Griffen Park, Desford	Desford (M1/M69)	Griffen	126,627	11,764	Speculative under construction.
3	Bardon Hill (Units 5/6)	J22, M1	Harworth	118,329	10,993	Speculative unit under construction. Under offer.
4	Unit 2, Mountpark II Bardon	J22, M1	N/A	359,305	33,380	Grade A secondhand unit built in 2021. Assignment or sub-lease - tenant break in 2036.
5	Rugby 661, Central Park, Rugby	J1, M6	N/A	661,351	61,441	Secondhand Grade B unit on 14.1 ha plot.
Total				1,438,225	133,617	

Land Supply

7.4.4. The supply of land within the PMA has been assessed as at September 2022, to include those sites which could accommodate a requirement for a unit of 9,290 sq. m (100,000 sq. ft) or above and have planning permission for B2/B8 use, or are located within an established existing employment area where employment use would be permitted. A schedule of sites is provided below and an accompanying plan is included at **Appendix 3**.

7.4.5. There is a total of **12 sites** with planning permission across the sub-region with capacity to provide a total of **897,451 sq. m** of floorspace for 'big sheds' of 9,290 sq. m and above. Kenilworth Gateway is under offer in its entirety and is therefore not making a contribution to the supply.

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7.4.6. There are only **two sites available to meet an occupier requirement within Nuneaton & Bedworth**. Wilsons Lane was granted outline planning permission in May 2022 for 50,000 sq. m of B8 floorspace on a 13.10 ha plot and 5,750 sq. m of E(g)/B2/B8 use on a smaller plot of 2.64 ha. The final plot at Prologis Park, Keresley has recently been granted planning permission for 25,000 sq. m of B2/B8 use. As evidenced by take up at Faultlands, these sites could be taken up very rapidly.

7.4.7. Supply is **heavily focused at Coventry Gateway** which accounts for 41% of floorspace capacity within the sub-region and is the only site within the sub-region with sufficient remaining land to be able to contribute to meeting the regional need for strategic employment sites.

7.4.8. Sites which are only suited to smaller units which have not been included within the analysis, but will contribute to the supply within the PMA include Alcester Employment Park (Stratford upon Avon) and Houlton, Rugby (Rugby Radio Station).

Figure 7.3: Available Land Supply (9,290 sq. m plus)

Ref.	Scheme Name	LPA	Developer / Owner	Total Floorspace Capacity for 'big sheds' (sq. m)	Max Unit Size (sq. m)	Permitted Use
1	Wilsons Lane, Coventry (Nuneaton & Bedworth), J3 M6	Nuneaton & Bedworth	L&Q	50,000	50,000	B8
2	Plot K, Prologis Park, Keresley	Nuneaton & Bedworth	Prologis	25,000	15,973	B2/B8
3	SEGRO Park, Coventry Gateway	Warwick	SEGRO	315,870	92,903	B8 (limited B2)
4	Kenilworth Gateway (Thickthorn)	Warwick	Barwood	31500	tbc	E(g)/B2
5	Stratford 46, Stratford upon Avon (A46)	Stratford upon Avon	IMP	30,009	27,870	E(g)B2/B8
6	Whitmore Park, Coventry	Coventry		23,660	tbc	E(g)/B8
7	A45 Eastern Green, Coventry	Coventry		52,500	tbc	E(g)B2/B8
8	Symmetry Park, Rugby	Rugby	Tritax	96,258	74,322	B8
9	Plots 5, 6, 7, Prospero, Ansty (Rugby)	Rugby	Rolls Royce	62,679	37,161	E(g)/B2
10	Bardon III, Hinckley & Bosworth	Hinckley & Bosworth	Wood Farm Holdings	89,200	tbc	B2/B8
11	Hinckley Park, Hinckley & Bosworth (J1, M69)	Hinckley & Bosworth	IMP	41,806	41,806	E(g)/B2 (application in for B8)
12	Griffen Park, Desford, Leicester	Hinckley & Bosworth	Griffen	78,969	47,381	B2/B8
Total				897,451		

Pipeline Supply

7.4.9. Sites within the pipeline which can accommodate a unit of 9,290 sq. m plus have also been reviewed and

are summarised at **Figure 7.4** below. An accompanying plan is included at **Appendix 4**. An allocation does not guarantee delivery of floorspace within a set timescale. This depends on a variety of predominantly commercial factors (and also planning risk), and these sites therefore have varying degrees of risk attached to their delivery.

7.4.10. There are **six sites** in the pipeline with a total gross area of **112 ha** and an estimated floorspace capacity for larger units of **347,296 sq. m**. *The allocation of 100 ha at Gaydon has been excluded from this analysis given that it is purely to meet the expansion needs of Jaguar Land Rover at this site, and does not therefore contribute to the general supply of land within the sub-region.*

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Figure 7.4: Pipeline Supply (9,290 sq. m plus)

Ref	Scheme Name	Local Authority	Planning Status	Size (ha)	Floorspace Capacity (sq. m) ¹³	Big Sheds B8 capacity	Max Unit Size (sq. m)	Use
1	Coventry Road, Nuneaton	Nuneaton & Bedworth	Allocation/ Draft Allocation	9.0	22,139	9,290	9,290	E(g)/B2/B8
2	Bowling Green Lane	Nuneaton & Bedworth	Allocation (26ha)/ Draft Allocation (19ha)	19.0	66,500	66,500	tbc	E(g)/B2/B8
3	Land at Baginton Fields	Coventry	Allocation	25.0	87,500	87,500	tbc	B2/B8
4	Southern Manufacturing Sector, MIRA (A5)	North Warwickshire	Allocation	42.0	139,354	139,354	tbc	E(g)/B2
5	Land to the west of Birch Coppice, Dordon	North Warwickshire	Allocation	5.1	17,850	17,850	tbc	B2/B8
6	Land at Stratford Road, Warwick	Warwick	Allocation/ application awaiting determination	11.7	31,942	26,802	16,666	B1/B2/B8
Total				112	365,285	347,296		

7.4.11. There are two sites in the pipeline within Nuneaton & Bedworth:

- Coventry Road – 9 ha of land allocated for E(g)/B2/B8 uses and part of the Arbury Estate. Pre-application discussions are underway and indicative masterplan proposals demonstrate capacity for 22,139 sq. m of floorspace, which will predominantly comprise smaller units due to the site's configuration, with capacity to accommodate one unit of 9,290 sq. m. It is proposed to submit an application later this year.
- Bowling Green Lane – 26 ha of land is allocated at the north west quadrant of Junction 3 of the M6. However, there are on-site constraints, including overhead powerlines, and the emerging Local Plan includes a reduced employment area of 19 ha.

7.4.12. There is a further proposed allocation within Nuneaton & Bedworth of 2 ha at Longford Road which falls outside the search criteria used here. Planning permission was granted in December 2021 for development of 6,953 sq. m of B1 (light industry) (now falls under Class E), B2 (general industry) and B8 (storage and distribution) uses. This site is likely to be delivered relatively quickly now that planning has been secured, and notwithstanding this, it is of a small scale and therefore does not have potential to accommodate employment development of a strategic

¹³ Red = 35% density conversion

scale.

7.4.13. Sites of strategic scale in the pipeline are limited to HORIBA MIRA (manufacturing use only and within the East Midlands) and Land at Baginton Fields, Coventry (adjacent to Whitley Business Park).

7.5. Conclusions

7.5.1. Take up within Nuneaton & Bedworth has been severely limited by a lack of supply, particularly for larger scale units which are a key component of the market. The strength of demand when high quality sites become available has been clearly demonstrated by the rate at which Faultlands has been taken up. Gross take up within the PMA has been very strong over the last five years, and has significantly increased over the last 24 months, being well above the long run average.

7.5.2. There is a very limited choice of units available to meet immediate occupier requirements within the PMA. **There are no larger units available within Nuneaton & Bedworth, and only a very limited selection of units at the smaller size ranges.**

7.5.3. Given the extremely limited selection of units, it is essential that a sufficient supply of immediately deliverable sites is available. The supply of land at a sub-regional level is heavily focused at Coventry Gateway which is the only strategic scale site available in the sub-region (given that Faultlands is no longer available). The only sites in the pipeline capable of addressing the sub-regional need for strategic employment land are Baginton Fields in Coventry and HORIBA MIRA (which will not meet the urgent need within the West Midlands, being within the East Midlands region).

7.5.4. Specifically in relation to Nuneaton & Bedworth, the proposed portfolio of employment land is deficient for a number of reasons:

- There is no available or pipeline provision of strategic scale employment sites, of which there is an acknowledged urgent need regionally within the West Midlands, and as forthcoming evidence will likely demonstrate, also within the sub-region.
- The majority of sites are smaller scale.
- The sites proposed are either no longer available, or good progress is being made on in terms of bringing them forward through the planning process, with delivery likely within short timescales (potentially prior to adoption of the new local plan).

It is a very real possibility that the Borough could have little or no available employment land for the majority of the Plan Period without significant further allocations.

8. Regional and Sub-regional Evidence Base

8.1.1. Nuneaton & Bedworth is an important component of the regional and sub-regional property market and is well-placed to help meet a sub-regional and regional need, in addition to needs arising locally. As will be discussed below there is a long standing and growing need for additional high quality sites within both the West Midlands and Coventry & Warwickshire, and particularly those of strategic scale.

8.2. Regional Policy & Evidence Base

8.2.1. The vital role of strategic employment sites in attracting inward investment and contributing to meeting economic objectives within the region is well-established.

8.2.2. The presumption that it is essential to provide regionally significant, high quality employment sites in order to attract the necessary inward investment to ensure economic regeneration and support the restructuring and diversification of the economy toward higher value, knowledge intensive industries has been a **consistent thread** running through regional economic policy for the last forty years, dating back as far as the West Midlands County Structure Plan (1982 and 1986).

8.2.3. The thread has continued via various policy documents including PPG10: Strategic Planning Guidance for the West Midlands (1988) which identified a number of 'Premium Employment Sites' and RSS11: Regional Spatial Strategy for the West Midlands (2004) which replaced Premium Employment Sites with a combination of Major Investment Sites, Regional Investment Sites and Regional Logistics Sites in order to address the need for strategic employment land within the region. The RSS Phase 2 Revision (2007), although never formally adopted, continued to focus on linking new economic growth with population and housing growth with employment sites of regional importance.

8.2.4. In some cases, the designations were carried forward through local development plans. Demonstrating the important role that strategic employment sites have played to date, every site proposed within the RSS has now come forward for employment use (examples including Hams Hall, Ansty, Peddimore, and i54).

8.2.5. Whilst regional policy has been revoked, many of the same issues remain, as well as the requirement for strategic sites to address them. The case for strategic employment sites has strengthened further over recent years. As described above at **Section 5**, overall market trends are for increasingly larger units, with a consequent requirement for larger plots of land to meet occupier demand.

8.2.6. There is therefore an established and growing need for sites of scale, to address the long-standing economic issues within the region, and to maximise inward investment by ensuring that:

- a range of occupier requirements at different scales can be accommodated within the same site and across different geographical locations;
- there is continuity of supply, taking into account the increasing plot size requirements of end users;
- sites are of sufficient scale to enable flexibility around configuration and layout of units; and that

- there is sufficient market choice through geographic distribution of sites within the region.

8.2.7. Scale is also important in ensuring viability and deliverability of high-quality employment land. Sufficient floorspace is required in order to fund the often very significant upfront costs involved in promotion and servicing of strategic sites. The delivery of a large scale, strategic employment site requires a significant amount of on-site and off-site infrastructure, together with promotion costs (design, planning, technical surveys etc.) in order to enable the delivery of serviced plots. The nature and cost of the infrastructure will vary from site to site but in order to fund these upfront costs, a certain critical mass of development is required.

8.2.8. A larger site also enables: the maximisation of the economic opportunity; the flexibility to accommodate a range of uses and requirements and allow expansion for occupiers over time; an increase in job generation and GVA; and an increase in potential revenues.

8.2.9. There is a growing body of evidence which makes clear the urgent need for additional strategic-scale sites in the West Midlands to facilitate future economic growth, including the targets set out within the WMCA Strategic Economic Plan.

8.2.10. A number of the sites being promoted respond to the need for additional strategic employment land regionally being of sufficient scale, in a location experiencing significant occupier demand, and with excellent connectivity to the wider sub-region and region via the M6.

8.2.11. We have analysed the following reports in this section:

- West Midlands Strategic Employment Sites Study (Peter Brett Associates and JLL, September 2015);
- West Midlands Land Commission – Final Report (February 2017);
- West Midlands Strategic Employment Sites Study (May 2021)

West Midlands Strategic Employment Sites Study (Peter Brett Associates and JLL, September 2015)

8.2.12. This study was commissioned by the West Midlands Chief Executives to consider the relevance of providing strategic employment sites of the scale and nature of those set out in the former West Midlands Regional Spatial Strategy. The report considered the current supply and demand of strategic sites (defined as those sites of at least 25 ha) across the region.

8.2.13. Based on guidance in the National Planning Policy Framework (NPPF) relating to housing land, the Study recommended that there should be a five year deliverable supply of employment land and an identified developable supply for at least a further 10 years (15 years supply in total).

8.2.14. The report concluded that there was a severe supply shortage of large industrial sites, particularly in those areas which see the highest demand (including much of the Coventry & Warwickshire Local Enterprise Partnership (CWLEP) area). It was noted that in many cases, the supply was constrained by the Green Belt. The potential supply was highly dependent on relatively few sites, which face a significant level of planning uncertainty (i.e. Birmingham International Gateway in North Warwickshire).

West Midlands Land Commission – Final Report (February 2017)

8.2.15. The Commission concluded that developing the new homes and employment space needed to support delivery of WMCA SEP's growth targets presented a significant challenge and would require a step change in the number of sites brought forward for development and the pace at which they are developed.

8.2.16. It was concluded that there was a **significant shortfall of employment land**, and that *“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 West Midlands and the achievement of the employment targets in the SEP”*. (paragraph 5.20)

8.2.17. Recommendations included **“A strategic review of the Green Belt in recognition of the fact that it will not be possible to meet the requirements for new development land through brownfield development alone.** [our emphasis].

West Midlands Strategic Employment Site Study (May 2021)

8.2.18. This Study was commissioned by Staffordshire County Council, on behalf of The Black Country Local Enterprise Partnership (BCLEP), CWLEP, Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) and Stoke-on-Trent & Staffordshire LEP. The Study updates the West Midlands Strategic Employment Sites Study which was produced by Peter Brett Associates (PBA) and Jones Lang Lasalle (JLL) on behalf of the West Midlands Local Authority Chief Executives in 2015. It should be noted that, whilst being recently published, the Study is based on data from 2018/2019.

8.2.19. For the purposes of the Study, a strategic site is defined as:¹⁴

“... sites over 25ha which could attract nationally or internationally mobile business activity; and sites which meet the strategic needs of the region in relation to specific growth sectors (e.g. Life Sciences) which are economic priorities but do not require extensive land take and will therefore be under the above 25ha threshold.”

8.2.20. The Study concludes that there is **7.41 years supply** of allocated strategic sites within the region.

8.2.21. It is noted that a significant element of the supply (equivalent to 2.47 years' supply) is accounted for by West Midlands Interchange¹⁵. This scheme is limited to B8 use and will focus on a specific area of the market, being those occupiers seeking the largest, rail linked/connected units. **At the time of the Study, there was less than five years capacity within the region if this site was excluded.**

8.2.22. The Study does not seek to quantify the additional land requirement but econometric forecasting at a

¹⁴ WMSESS, paragraph 1.18

¹⁵ ibid, paragraph 6.11

regional level is recommended as a future stage (we understand that this is now being prepared). In conclusion, it is stated that:¹⁶

“...on the basis of the ‘past trends’ approach based on completions 2015-18 that has been adopted it is clear, as was the case in 2015, that there is a very limited supply of available, allocated and/or committed sites across the Study Area that meet the definition of ‘strategic employment sites’, and an urgent need for additional sites to be brought forward to provide a deliverable pipeline, noting the very substantial lead-in times for promoting and bringing forward such sites.”

8.2.23. There are a number of areas which have been acknowledged by the authors as outside the scope of the WMSESS:

- The Study has not sought to assess the supply on a qualitative basis and has therefore not considered issues such as deliverability, site constraints or market factors which may impact on the contribution that sites make to supply.¹⁷
- It has also not considered the actual net developable area of the allocated sites, many of which will include significant areas of landscaping or other undevelopable areas within their boundaries.¹⁸
- As already noted, supply and take-up information within the Study is also now historic.

8.2.24. In response to these shortcomings, Savills undertook a review of the WMSESS in 2021 which concluded that the supply of strategic sites had fallen from 7.41 years to **5.65 years** across the region.¹⁹ **Excluding West Midlands Interchange, there was only 3.97 years’ supply within the region**, compared to 4.99 years at the time of the WMSESS.

8.2.25. The supply position is likely to underestimate the shortage given that historic take up does not reflect future increases due to structural changes in the market. A qualitative assessment also demonstrates that the true level of supply is likely to be less when issues of deliverability are reviewed, and a number of the sites are restricted in terms of sector or use.

8.2.26. The need for additional land to be allocated to meet the regional requirement for strategic sites is therefore **even more urgent** than concluded by the WMSESS in both quantitative and qualitative terms.

8.3. Sub Regional Need

8.3.1. The need for additional strategic sites is also recognised at a sub-regional level, as well as a strong requirement for additional land to meet demand at a range of scales. The portfolio of sites being promoted are fully aligned to the identified requirements and insufficiencies. The following documents have been reviewed:

¹⁶ *ibid*, paragraph 6.12

¹⁷ WMSESS, paragraph 6.7

¹⁸ *ibid*, paragraph 6.8

¹⁹ Study date - August 2021

- Coventry & Warwickshire Strategic Employment Land Study (On behalf of the Coventry & Warwickshire LEP, Atkins, October 2014);
- Employment Land Use Study (On behalf of the Coventry & Warwickshire LEP, CBRE, August 2015);
- Coventry & Warwickshire Sub-Regional Market Signals Study (July 2019)

8.3.2. While the evidence base is somewhat historic, the issues identified remain and, as has been demonstrated by the Property Market Assessment at **Section 7**, the relative supply position sub-regionally remains extremely constrained.

Strategic Employment Land Study (Atkins, October 2014)

8.3.3. This study was commissioned by the CWLEP to provide a robust evidence base to assist with the preparation of the LEP's Strategic Economic Plan. The objective of the study was to assess the employment land needs of the sub-region and consider the need for employment sites of strategic significance.

8.3.4. The key conclusions of the study were:

- The existing supply of employment land was both quantitatively and qualitatively deficient;
- There was a compelling need for one or more sites of sub-regional significance;
- There was strong latent demand for employment space which could be harnessed if appropriate sites of sufficient quality were available.
- There was support for new land to be allocated in most deprived areas, such as **Nuneaton & Bedworth** and it is stated that "Areas around Coventry and to the north of the LEP area would particularly benefit from the provision of new employment opportunities that could contribute to local regeneration objectives." (paragraph 5.39).

CWLEP Employment Land Use Study (August 2015)

8.3.5. This study was also commissioned by CWLEP to provide an up-to-date assessment of need. Future projections of demand to 2031 ranged from 353 ha (sectoral forecast), to 405 – 570 ha demographic/labour market model) up to 660 ha (take-up forecast). The recommended appropriate range was 500-660 ha for the purposes of planning and it was recommended that the LEP plan for the higher end of this range (CBRE, p. 56). A significant shortfall was identified and it was therefore recommended that additional sites are allocated in the Coventry Travel to Work Area.

8.3.6. Key conclusions of the report included:

- There is a significant shortage of sites within the sub-region that can adequately meet forecast demand through to 2031.
- The supply of immediately deliverable sites is exceptionally low.
- Future supply relies on new major strategic sites being brought forward at Coventry & Warwickshire Gateway and Bermuda Park but even including these sites, supply is insufficient, below the bottom end of the forecast range (c. 330 ha).

- There is an urgent need for additional supply of good quality and well located land in the Coventry Travel to Work Area (**including Nuneaton & Bedworth**), to accommodate short to medium term demand.
- The scarcity of available land in the short term has the potential to damage the economic prospects of the area by preventing investment opportunities being delivered.
- Future growth will be constrained unless currently proposed sites are delivered and future sites are identified.

8.3.7. The CBRE report demonstrated a clear need for additional strategic employment sites to serve the sub-region, ideally to be located in the Coventry Travel to Work Area (including Nuneaton & Bedworth), in order ensure that future growth of the sub-region is not constrained.

Coventry & Warwickshire Sub-Regional Market Signals Study (July 2019)

8.3.8. This Study was jointly commissioned by the six Local Authorities within the Coventry and Warwickshire Housing Market Area (comprising Coventry City Council, North Warwickshire Borough Council, Nuneaton & Bedworth Borough Council, Rugby Borough Council, Stratford-upon-Avon District Council and Warwick District Council), along with Warwickshire County Council and the Coventry & Warwickshire Local Enterprise Partnership, to undertake an analysis and assessment of the market for employment land within the sub-region.

8.3.9. Recommendations included:

- The allocation of significantly more/new employment land across the sub-region to provide more choice and assist with affordability;
- Current employment land requirements are based on Employment Land Review methodologies which underestimate the actual market need/demand and a different approach is therefore required.
- Land allocations should be prioritised/nuanced across the range of employment use classes.
- Employment land reviews should be worked up in parallel with strategic economic growth strategies, examining the key sectors and economic drivers for the sub-region and plans to develop these going forward.
- Prioritise accessible, suitably serviced and well-connected sites.
- Recommendations in relation to public sector interventions which could support viability of employment development at smaller scales.

8.3.10. Subject to sufficient land, the study found that the largest units were viable and being delivered by the market. However, units of 50,000 sq. ft and below were not being delivered due to viability challenges and this was impacting on occupiers of smaller out-dated units within the sub-region.

Coventry Land Supply Position

8.3.11. Coventry City Council has yet to commence its local plan review but it is likely that when the evidence base is prepared, there will be a significant unmet need for employment land which cannot be accommodated within the City's boundary. There was an unmet need of 241 ha over the current local plan period (2011-2031) and in

recognition of the significant shortfall of land to meet Coventry's needs, a Memorandum of Understanding (MoU) was prepared between the five Warwickshire Local Authorities and the CWLEP and set out the distribution of the outstanding employment land requirement for the City, including 26 ha in Nuneaton & Bedworth.

8.4. Conclusion

8.4.1. There is a longstanding and growing need for strategic employment land to address the severe shortfall regionally. The case for additional strategic employment land regionally continues to grow stronger as demand increases at a rate which is not matched by supply. Additional sites are urgently required in accessible locations within the West Midlands region which can address this growing need.

8.4.2. There is a similar situation within the Coventry & Warwickshire sub-region with a severe shortage of land identified as hindering economic growth and a particular requirement for additional sites to serve the Coventry TTWA and Nuneaton & Bedworth in order to maximise economic regeneration benefits.

8.4.3. Since the publication of the sub-regional evidence base, the land supply position has changed significantly with many sites now unavailable and other sites in the pipeline now being delivered through the planning system. Sites which have been taken up include Faultlands, Rugby Gateway, South West Rugby (Symmetry Park), Ansty, Whitley South, Lyons Park, Prologis Park Ryton, and others are which are being delivered and are under offer. Despite sites being delivered through the planning pipeline, there remains a severe shortage of land and premises given extremely strong and increasing demand across the sub-region

8.4.4. There is also likely to be a significant amount of land required (yet to be confirmed) within the sub-region specifically required to meet Coventry's needs. Nuneaton and Bedworth is ideally placed to meet the needs of Coventry, being located adjacent and with excellent linkages.

9. Nuneaton & Bedworth Evidence Base Review

9.1. Introduction

9.1.1. This section reviews the employment evidence that has been used to inform Nuneaton & Bedworth's (N&B) Preferred Options Local Plan (2022). The key employment evidence document, which is the focus of our review, is Icen's 2022 Housing & Economic Development Needs Assessment (HEDNA). A number of methodological weaknesses are identified, which has resulted in an underestimation of future I&L demand in N&B.

Icen (2022) Housing & Economic Development Needs Assessment (HEDNA)

9.1.2. The HEDNA assesses future development needs for housing and employment across N&B covering the period 2021 to 2039.

9.1.3. The HEDNA's preferred methodology for estimating future I&L demand in N&B is past completions. Its approach is briefly outlined below.

Past Completions

9.1.4. The past completions method looks at completions in N&B using the Council's development monitoring data between 2011/12 and 2020/21. The HEDNA looks at net completions, which takes account of losses excluding conversions between industrial uses²⁰.

9.1.5. This equates to 1,273 sqm p.a. for industrial uses and 12,225 sqm p.a. for warehousing uses, if the five-year completions trend is used (2016-17-2020/21), and 2,471 sqm p.a. for industrial uses and 14,777 sqm p.a. for warehousing uses if the ten-year completions trend is used (2011/12-2020/21).

9.1.6. The HEDNA notes that its preferred approach is the projection based on the 5-year completions trend, *"reflecting some evidence of supply-side constraints in the earlier part of the period (as identified in the Borough's previous evidence base)"*²¹. This equates to 243,000 sqm of future I&L need in N&B between 2021 and 2039.

9.1.7. To this, the HEDNA adds a 5-year margin to provide flexibility and a choice of sites, but based on the 10-year completions trend (equating to 86,200 sqm)²².

9.1.8. Overall, the HEDNA estimates future I&L need in N&B to be 329,200 sqm. This is converted to land requirements using a 50% plot ratio for industrial uses and 40% plot ratio for warehousing uses²³, equating to **80.5 ha**, and summarised in **Figure 9.1** below.

²⁰ Nuneaton & Bedworth HEDNA (2022), para 9.28, p.90

²¹ Ibid, para 9.40, p.92

²² Ibid, para 9.41. p.92

²³ Ibid

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Figure 9.1 N&B HEDNA Future I&L Demand Estimates, 2021-39

	Industrial	Warehousing/Distribution	Total
5-Year Completion Trend (sqm)	22,900	220,100	243,000
5-Year Margin (based on 10-Year Completion Trend) (sqm)	12,400	73,900	86,200
Total Floorspace (sqm)	35,300	293,900	329,200
Total Ha	7.1	73.5	80.5

Source: Savills (2022); N&B HEDNA (2022) Table 9.10

Savills Observations

9.1.9. Savills consider the HEDNA to have a number of methodological issues which have led to it underestimating future I&L demand as we discuss below.

Completions vs Net Absorption

9.1.10. The HEDNA's measure of take-up is based on past completion trends (what Savills refer to as net deliveries), rather than actual take-up of floorspace space (what Savills refer to as net absorption).

9.1.11. The leading demand measure of floorspace is "net absorption", which indicates the quantum of net floorspace occupied over a period of time (i.e. move-ins minus move-outs) based on leasing deals. Development completions on the other hand is a supply measure (rather than a demand measure) which calculates new floorspace delivered. While new floorspace can be delivered on existing sites through redevelopment and intensification, it mainly depends on new employment sites being made available (allocated) for development via the planning system. For this reason, net absorption is a more accurate reflection of demand than historic completions.

9.1.12. In essence, by using historic take-up as a measure of future demand, the Council and its consultant are advancing a case that the Council's ability, or willingness to allocate land, is a true measure of market demand. This approach does not have regard to market signals and therefore is not considered in compliance with the NPPF and NPPG.

The HEDNA Doesn't Account for Suppressed Demand

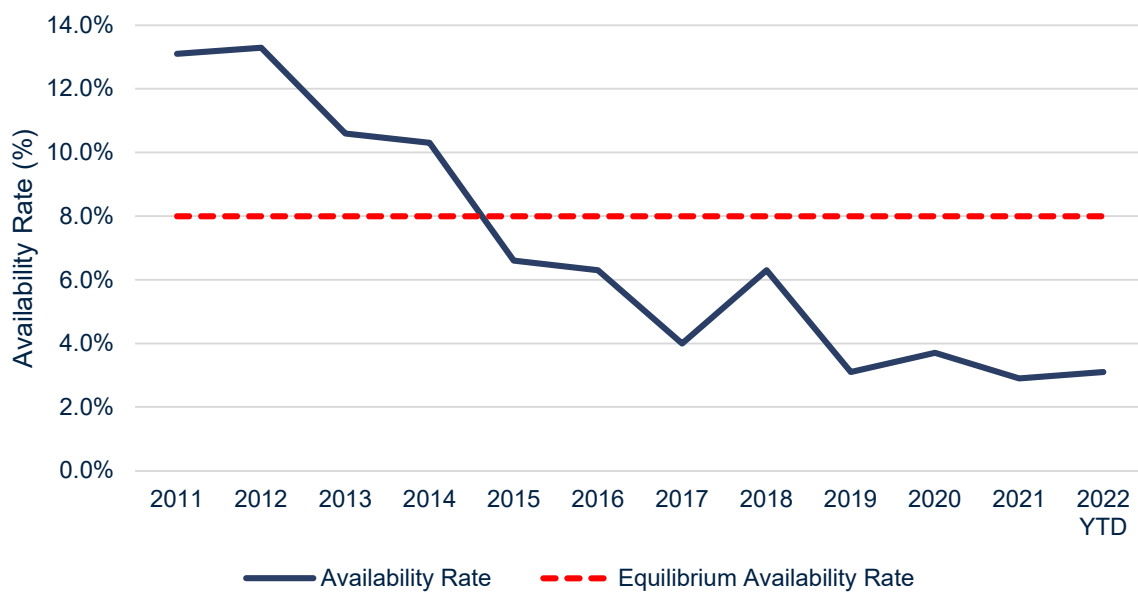
9.1.13. When supply, as signalled by floorspace availability, is low, demand is 'suppressed' as prospective tenants can't find space in a market. 8% is typically referred to as the equilibrium level at a national level when supply and demand are broadly in balance.²⁴ Below this level available supply becomes tight and rents increase as strong occupier demand compete for limited available stock.

9.1.14. As shown in **Figure 9.2** below, N&B has experienced availability levels below 8% consistently since 2015, with availability currently at just 3.1%. By merely projecting forward historic change in I&L floorspace, the HEDNA has taken no account of demand that has been lost from N&B due to supply constraints and therefore presents a demand profile based on a supply constrained historic trend (or 'suppressed demand'). In fact, the HEDNA notes

²⁴ as sourced in publications such as the Greater London Authority's Land for Industry and Transport SPG (2012)

that the 5-year completions trend used reflects “some evidence of supply-side constraints in the earlier part of the period (as identified in the Borough’s previous evidence base)”²⁵, but no adjustments are made to correct for this, except for using a 5-year margin of flexibility based on the 10-year completions trend. While we agree with providing a buffer to allow for flexibility, this is not the same as accounting for suppressed demand.

Figure 9.2 N&B Availability Rate, 2011-2022 YTD



Source: Savills (2022); CoStar (2022)

Using a supply-constrained trend period does not account for I&L growth drivers

9.1.15. By using a supply-constrained 5-year completions trend, the **HEDNA’s future demand estimates are not taking account of current and future growth drivers of the I&L sector.**

9.1.16. As reviewed at **Section 5**, these include online retailing growth; increase in re-shoring due to Brexit and other supply chain pressures; the growth in UK freight handled, and housing growth (between 2001 and 2020, the number of homes in N&B grew by 18%)²⁶.

9.2. Conclusion

9.2.1. The HEDNA’s preferred past completions method results in an underestimation of ‘true’ future market demand as a supply-measure is used to estimate future demand. The 5-year completions trend represents a supply-constrained I&L market and does not take account of ‘suppressed demand’ nor of current and future I&L demand

²⁵ Ibid, para 9.40, p.92

²⁶ MHCLG (2021): Table 125: Dwelling stock estimates by local authority district,

driver such as growth in e-commerce, housing growth, the effects of Covid-19 and Brexit, as well as future freight growth.

10. Nuneaton & Bedworth Demand Assessment

10.1. Introduction

10.1.1. The purpose of this chapter is to estimate Industrial & Logistics (I&L) land demand across Nuneaton & Bedworth (N&B). This assessment does not include consideration of demand arising at sub-regional and regional level which will be in addition to the demand generated by purely local requirements. We reserve our position to review the overall requirement for Nuneaton & Bedworth in light of these additional requirements at a later date.

10.1.2. Based on Savills demand methodology, over an 18-year plan period, we estimate N&B I&L demand to be **109 ha** of land, compared to just 80.5 ha set out within the HEDNA.

10.2. Savills Estimate of Future I&L Demand

10.2.1. We present below Savills' full methodology for estimating future I&L demand. Our methodology is considered to address the issues we raised against the HEDNA's methodology discussed in **Section 9**. Our methodology is NPPG-compliant as it builds upon historic take-up (demand), adjusting past trends for historic supply shortages and the subsequent loss in demand. We refer to this as 'suppressed demand' which is added to the historic demand trend as a top-up. We also factor in future e-commerce growth which is a key growth driver for the sector.

Step 1: Estimating demand over the Local Plan period

10.2.2. We assume an 18-year plan period, consistent with the HEDNA.

Step 2: Estimation of historic demand

10.2.3. This is based on the average annualised net absorption for N&B. This is estimated at 116,800 sq. ft. per annum between 2011 and 2021. Savills considers net-absorption to be the leading measure of demand for floorspace as it indicates the quantum of net floorspace occupied over a period of time (i.e. move-ins minus move-outs) based on leasing deals.

Step 3: Estimation of suppressed demand

10.2.4. The rationale for accounting for suppressed demand is that when sufficient supply isn't available, demand cannot be accommodated. This is the top-up figure to be added to the historic demand trend to account for years when the market was supply constrained.

10.2.5. Supply and demand are inextricably linked across all commercial property sectors. Put simply, if demand exceeds supply rents typically rise more quickly as occupiers vie for limited available stock. This can have a number of wider implications. For example, new companies aren't able to move into a market area, nor are existing companies able to find new space if their floorspace needs change, for instance due to expansion. It may also happen that some existing local companies get priced out of the market as they can't afford the increasing rents. As a result, companies have to locate to areas that are not ideal in terms of serving their customer base, thereby increasing travel times and the costs of doing business, not to mention environmental impacts. The lack of supply may also mean companies

are forced to occupy space that is not entirely suitable for their operational needs impacting productivity.

10.2.6. We describe a market where supply doesn't keep up with demand as being 'supply-constrained'. Limited supply in a strongly performing market, such as the I&L sector, means that demand cannot be fully satisfied, typically resulting in strong rental growth. N&B's I&L rents have increased by 49% since 2011, indicating new supply has struggled historically to keep pace with the strong demand. This is more than double the rate of inflation over the same period²⁷.

10.2.7. At the national level the market equilibrium level, where supply and demand are broadly in balance and rents are more stable, is around 8% availability. This benchmark rate is found in a number of prominent publications such as the GLA's Land for Industry and Transport Supplementary Planning Guidance (SPG).

10.2.8. If one studies real rental growth (i.e. rental growth adjusted for inflation) over the past decade at the national level and observes its relationship to availability, it becomes clear that I&L rents begin to grow strongly when availability is below 8%. This relationship is clearly illustrated in **Figure 10.1** below. When availability was above 8% between 2009 and 2014 real rental growth (net of inflation) was either negative or only slightly positive. This enabled demand to be accommodated as sufficient supply was available.

10.2.9. However, since 2014, as availability dipped below 8% and has stayed below this level ever since at the national level, real rents have grown strongly year-on-year. During this period net absorption has been lower than the 2009-2014 period despite the I&L sector going from strength to strength. This clearly shows the suppressing nature tight availability (below 8%) has had on I&L demand nationally.

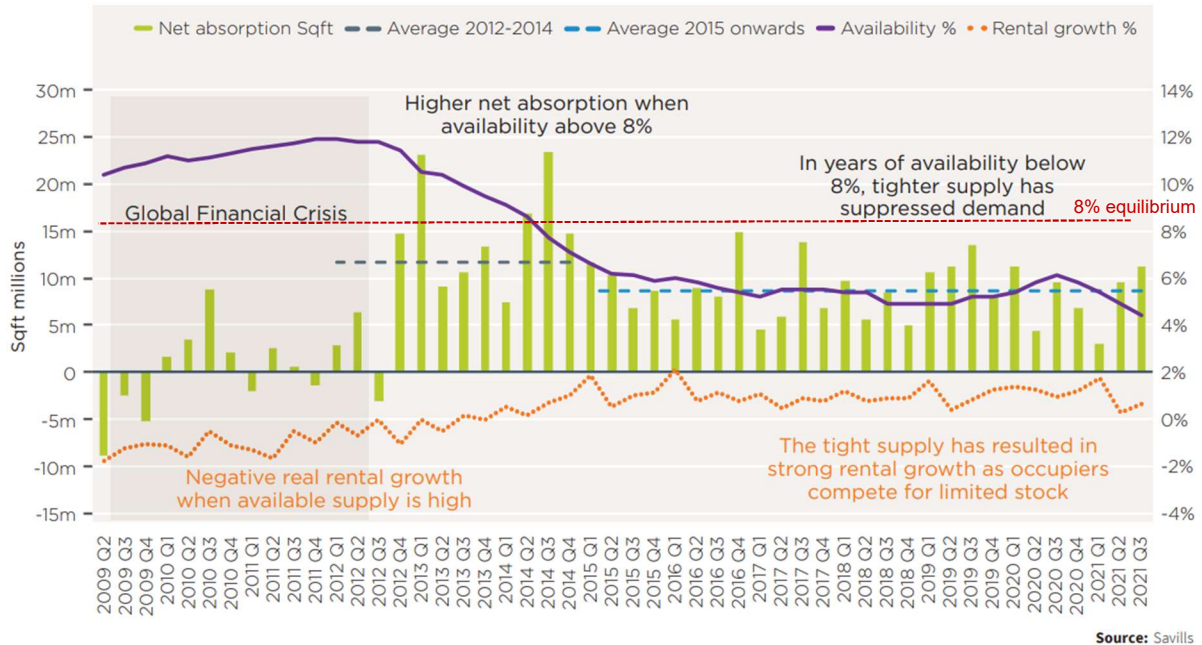
²⁷ Based on OBR's GDP Deflator inflation over the same period at 22%

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Figure 10.1 Historic Net Absorption (Sq.ft.), Availability (%) and Real Rental Growth (%) in England



Source: CoStar, OBR, Savills

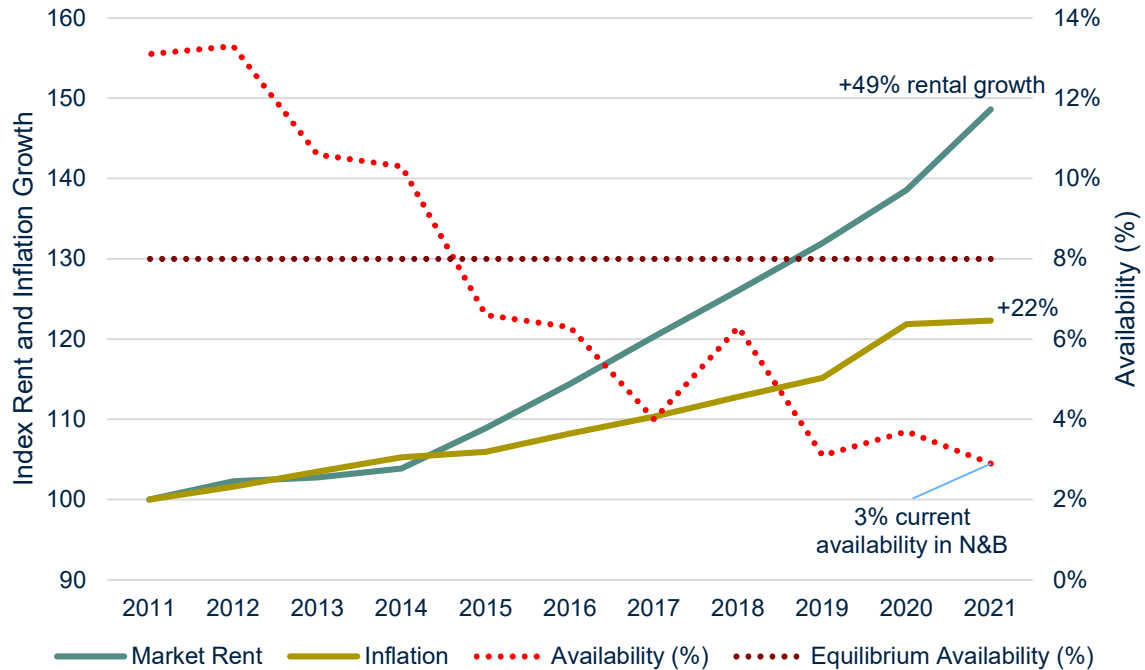
10.2.10. This relationship is also present in N&B. **Figure 10.2** shows that rents have started to grow well above inflation 2015 onwards, when the market availability dropped below the 8% equilibrium level.

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Figure 10.2 Growth in N&B Market Rent vs Inflation (2011-2021) and Historic Availability (%)



Source: Costar, OBR, Savills

10.2.11. The individual steps for calculating N&B's suppressed demand are as follows:

- Step 3a: For years where availability has been below the 8% equilibrium threshold, we calculate the quantum of floorspace necessary to achieve 8% availability (Column "Av. To EQ (sqft)" in **Figure 10.3**, calculation F);
- Step 3b: We then take the average of the ratio between net absorption and available floorspace for every year over the past decade (Calculation E averages 27% based on Column "Net Absorption / Availability");
- Step 3c: We apply this average to the estimated floorspace required to reach 8% availability in each year where the market is below the 8% availability threshold to estimate each period's suppressed demand (Calculation F*E in Column "Suppressed Net Absorption (sqft)");
- Step 3d: We calculate average suppressed net absorption over the past decade. This gives the annualised suppressed demand figure to be used as a top-up to the historic trend. The estimated average suppressed demand figure for N&B is 47,600 sqft per annum since 2011
- **Figure 10.3** shows the relevant calculations.

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Figure 10.3 Suppressed Demand Calculations within the N&B

	A	B	C=(A*B)	D	D/C	F=(8%-B)*A	F+E
Years	Inventory (sqft)	Availability (%)	Availability (sqft)	Net Absorption (sqft)	Net Absorption / Availability	Av. To EQ (sqft)	Suppressed Net Absorption (sqft)
2021	8,619,254	2.9%	249,958	259,251	103.7%	439,582	119,194
2020	8,577,177	3.7%	317,356	66,588	21.0%	368,819	100,006
2019	8,220,736	3.1%	254,843	141,735	55.6%	402,816	109,225
2018	8,199,423	6.3%	516,564	29,043	5.6%	139,390	37,796
2017	8,199,423	4.0%	327,977	22,761	6.9%	327,977	88,932
2016	8,124,320	6.3%	511,832	38,428	7.5%	138,113	37,450
2015	8,043,536	6.6%	530,873	227,371	42.8%	112,610	30,534
2014	7,981,832	10.3%	822,129	74,636	9.1%	- 183,582	-
2013	7,979,084	10.6%	845,783	222,710	26.3%	- 207,456	-
2012	7,979,084	13.3%	1,061,218	-	-17.9%	- 422,891	-
2011	7,979,084	13.1%	1,045,260	189,564	37.5%	- 406,933	-
				392,026			

E=Average
Suppressed Demand=Average

Source: Savills, CoStar

- Step 3e: The final step requires adding the combined annualised historic (116,800 sq.ft. per annum) and suppressed demand (47,600 sq.ft. per annum) figures totalling 164,400 sq.ft. per annum, and multiplying this by the number of years in the plan period (164,400 sq.ft. x 18 years). This gives a total floorspace demand of 3 million sqft over a 18-year period.

Step 4: Adjusting for increases in online retail

10.2.12. As discussed in the evidence base review above, there are a number of factors driving future growth in demand for I&L uses which are not captured by historic trend-based projections. Attempting to factor them all in is a challenging exercise prone to errors and overestimation due to the uncertainty around major events such as Brexit and the risk of double counting the impacts of different growth factors. The strongest growth drivers are population growth and the move to online shopping, which the Covid-19 pandemic has accelerated. We consider demand arising from population growth to be largely captured by increases in online sales which are a function of household spending and household growth. For this reason, in our work we focus on the move to online shopping.

10.2.13. In order to estimate future increases in I&L demand linked to e-commerce growth, we first need to establish the share of demand that has historically been linked to e-commerce and then determine how much higher this is likely going to be in the future. The sectors which are typically linked to e-commerce are Retail, Transport and Warehousing and Wholesale. Across N&B these sectors account for 33% of leasing demand, as shown in **Figure 10.4**. If we assume that this share remains the same to the end of the plan period, 33% of projected future demand

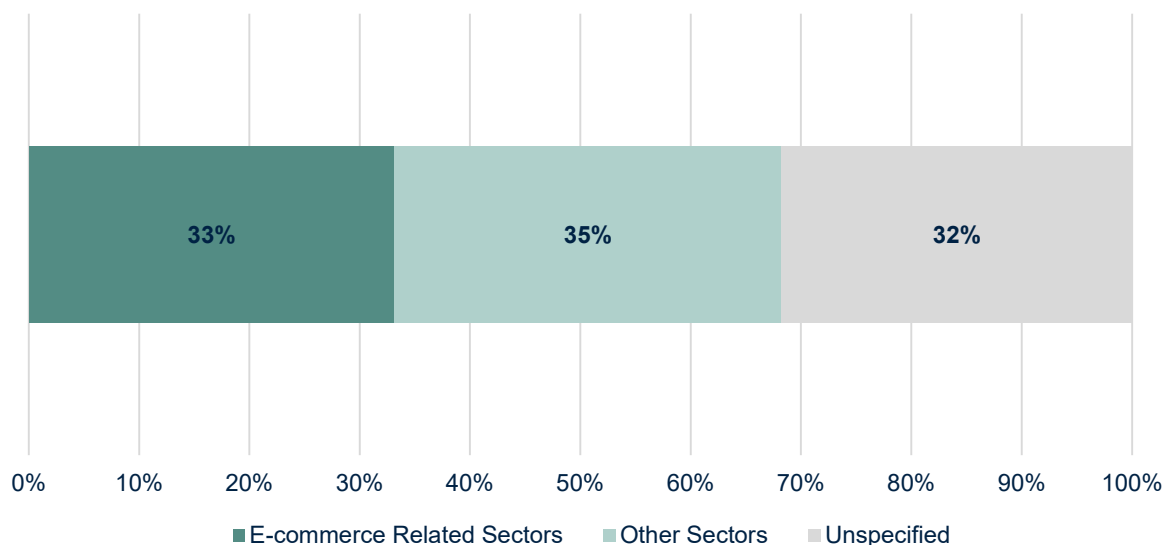
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corresponds to 979,000 sq.ft. (33% * 3 million sqft) over the plan period.

Figure 10.4 N&B Leasing Activity by Sector, 2011-2021



Source: Savills (2022); CoStar (2022)

10.2.14. We have considered Forrester's²⁸ online retail forecasts for the UK to 2025 and compared the annual increase in online spending over this period to that seen over the last 10 years. As shown in **Figure 10.5**, between 2011 and 2019 online retail sales increased at an average rate of £5.95 billion per annum. 2020 marked a departure from the historic trend, bringing total online sales above £100 billion, up from £79 billion in 2019 (a £26 billion annual increase). If we accept that 2020 and 2021 were exceptional years due to the Covid-19 pandemic and exclude them from our calculations, and focus on the period between 2022 and 2025, online sales growth is predicted to average £9.86 billion per annum. This suggests a 66% uplift from the 2011-2019 trend.

Figure 10.5 UK Online Sales Forecasts (£ million)

Year	£ million	Change (£ million)	
2011	£29,946	+\$4,337	2011-2019 Average Annual Increase +\$5,950 million
2012	£34,417	+\$4,471	
2013	£38,908	+\$4,491	
2014	£43,905	+\$4,997	
2015	£49,212	+\$5,307	
2016	£56,549	+\$7,338	

²⁸ A prominent retail forecasting house

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2017	£64,505	+£7,955	
2018	£72,014	+£7,509	
2019	£79,157	+£7,143	
2020	£104,827	+£25,670	<i>Excluded from calculations as these were atypical years due to the Covid-19 pandemic</i>
2021	£122,831	+£18,003	
2022	£134,005	+£11,174	<i>2022-2025 Average Annual Increase +£9,860 million (+66% uplifted compared to 2011-2019)</i>
2023	£143,267	+£9,262	
2024	£152,722	+£9,455	
2025	£162,271	+£9,549	

Source: Forrester, Savills

10.2.15. Applying this 66% uplift to the historic and suppressed demand from e-commerce sectors yields a future demand of 1.6 million sq.ft. over the plan period. This equates to an uplift of 643,400 sq. ft. (**Figure 10.6**).

Figure 10.6 Adjusting for Current and Future Increases in Online Retail within N&B

Demand	Annual (sq. ft)	Over Plan Period (sq. ft)
E-commerce related (33% of historic + suppressed)	54,400	979,000
E-commerce related after 66% uplift	90,100	1,622,400
E-commerce demand uplift	35,700	643,400

Source: Savills

Step 5: Adding a buffer

10.2.16. While we agree with adding a buffer to account for flexibility and future changes in growth drivers, we consider a 5 year buffer, as used in the HEDNA, to be too large when applied on top of suppressed demand. We therefore have added a 3-year buffer on to the annualised historic and suppressed demand estimate of 164,400 sq.ft. p.a. This accounts for an additional 493,100 sq. ft. (164,400 sq. ft per annum x 3 years).

Step 6: Savills Estimate of Future I&L Demand across the PMA

10.2.17. Adding the 3-year buffer and e-commerce uplift to the combined historic and suppressed demand estimates yields a total demand of **4.1 million sq. ft** over an 18-year plan period, as summarised in **Figure 10.7**.

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Figure 10.7 Summary of Future Demand (over Plan Period) within the PMA

Adjustment Type	Adjustment (sqft) (over plan period)	Total (over plan period)
Historic Demand (Net Absorption) Over 18 years		2,102,700
Suppressed Demand Over 18 years	+ 856,000	2,958,700
Ecommerce Uplift	+ 643,400	3,602,100
Buffer	+ 493,100	4,095,300

Source: CoStar, Savills

10.2.18. The above floorspace figures are translated into land requirements using a plot ratio of 35%.

10.2.19. As discussed, the HEDNA assumes a 50% plot ratio for industrial uses and 40% plot ratio for warehousing uses. Based on our professional experience and examples of recent developments from across the country, we consider a 40%, and even more so a 50% plot ratio to be too high and not reflective of modern I&L occupier requirements which typically command a ratio in the region of 30-40%. This is because I&L occupiers are moving towards larger building footprints and requiring lower site coverage to allow for adequate yard space, cross-docking, sustainable urban drainage, and strategic landscaping.

10.2.20. Using plot ratios that are too high inevitably leads to an underestimation of employment land needs. We have reviewed a number of recent proposals for industrial parks across the country - summarised at **Appendix 5**. Gross plot ratios have been calculated after taking into account the net developable area of a site excluding roads, landscaping and service areas. The analysis shows that appropriate plot ratios for the estimation of future I&L land need are in the region of 30-35% of gross development land.

10.2.21. Applying a 35% plot ratio to the estimated floorspace demand of 4.1 million sq. ft. translates into a future land requirement of **109 ha across N&B** over the 18-year plan period.

10.3. Conclusion

10.3.1. Savills' 109 ha demand estimate represents a significant uplift on the 80.5 ha estimate within the HEDNA.

10.3.2. It is important to note that neither of these figures take account of the significant additional demand which should be accounted for based on sub-regional and regional requirements, the evidence base for both of which is in the process of being reviewed and updated to provide quantitative estimations of demand. A considerable proportion of this need should be met by Nuneaton & Bedworth given the key role that the Borough plays within the sub-regional property market and the socio-economic benefits of doing so.

10.3.3. Notwithstanding this point, even on the basis of purely local needs, the **current evidence base underestimates the land requirement over the plan period by around 28.5 ha**. Please note, as stated we reserve our position to assess the overall requirement for Nuneaton & Bedworth at a later date, in light of the regional and

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sub-regional quantitative reviews which are ongoing.

11. Conclusions

11.1.1. Nuneaton & Bedworth's portfolio of employment land is insufficient for a number of reasons:

- It will not provide continuity of supply over the Plan Period with sites either no longer available, having been delivered already, or at a relatively advanced stage of delivery, being carried over allocations from the adopted Local Plan. It is a real possibility that there will be no employment land remaining for the majority of the plan period.
- It does not provide any strategic scale employment opportunities, which are vital to the delivery of regeneration and economic growth, as is made clear within the evidence base, and of which there is a severe and increasing shortage across the West Midlands, including within Nuneaton & Bedworth.
- It does not take account of the forthcoming regional and sub-regional quantitative review of employment land requirements which is being undertaken, and therefore significantly underestimates the amount of employment land needed.
- It also does not acknowledge the fact that in due course, there is likely to be a significant additional need generated by Coventry which cannot be met within the City's boundaries (previously the sub-regional local plans were reviewed in a coordinated manner so as to address this issue).
- The HEDNA is subject to a number of methodological issues which leads to an underestimation of demand in the Borough. Notwithstanding the failure to account for sub-regional and regional needs, on a purely local basis, Savills' modelling suggests that the HEDNA underestimates Nuneaton & Bedworth's land requirement by 28.5 ha.²⁹
- By underestimating the amount of demand at a local level, and not accounting for any additional sub-regional or regional component of demand, the Plan fails to take the opportunity to address sub-regional disparities and drive economic growth in Nuneaton & Bedworth by maximising inward investment.
- This is contrary to the thrust of national and regional policy and strategy, as well as the economic growth strategies of both Warwickshire and Nuneaton & Bedworth which seek to reduce disparities and drive growth.

11.1.2. Given the strength of demand for both logistics and manufacturing premises within the Borough, and the

²⁹ Please note, we reserve our position to assess the overall requirement for Nuneaton & Bedworth in light of the regional and sub-regional quantitative reviews which are ongoing.

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importance of securing economic growth in order to reduce disparities and support the levelling up of the sub-region, Nuneaton & Bedworth should be a focus for new employment floorspace over the forthcoming plan period. A range of additional sites should be allocated in order to address these deficiencies, maximise inward investment into the Borough and ensure that the levelling up agenda is delivered.

Appendices

Appendix 1.0 Policy & Strategy Review

1. Appendix 1: Policy & Strategy Review

1.1. National Policy & Strategy

National Planning Policy Framework (February 2019)

1.1.1. The National Planning Policy Framework (NPPF) was updated in February 2019. Economic development continues to be central to national policy. Local planning authorities should help create conditions for businesses to invest, expand and adapt and should place significant weight on the need to support economic growth and productivity.³⁰ Planning policies should have regard to Local Industrial Strategies and other local policies for economic development and regeneration³¹.

1.1.2. The locational requirements of different sectors should also be taken into account, specifically including storage and distribution operations at a variety of scales, and in suitably accessible locations.³²

The Industrial Strategy White Paper (November 2017)

1.1.3. The White Paper is the UK Government's strategy for economic growth and was produced in light of the UK's exit from the European Union. The key objective is to improve living standards and economic growth by reducing disparities within the UK (and with the UK and the rest of Europe) increasing productivity and driving growth across the whole country. The aim of the Strategy is *'that by 2030 we will have transformed productivity and earning power across the UK to become the world's most innovative economy and the best place to start and grow a business, with upgraded infrastructure and prosperous communities across the country.'*³³ Much of the subject of this White Paper (particularly around devolution) has now been updated by the Levelling Up White Paper which is considered below.

1.1.4. The Industrial Strategy White Paper is based upon five foundations of productivity: ideas; people; infrastructure; business environment; and places. Four 'Grand Challenges' are identified, with the aim of putting the UK at the forefront of the industries of the future (page 34):

- Put the UK at the forefront of the artificial intelligence and data revolution;
- Maximise the advantages for UK industry from the global shift to clean growth;
- Become a world leader in shaping the future of mobility; and
- Harness the power of innovation to help meet the needs of an ageing society.

1.1.5. Particularly relevant in relation to the economy of the West Midlands is the third challenge, which relates to the way in which people, goods and services are moved around and the changes being driven by innovations in

³⁰ NPPF, 2019, paragraph 80

³¹ Ibid. paragraph 81

³² Ibid. paragraph 82

³³ Industrial Strategy White Paper, 2017 – page 241

engineering technology and business models. For example, electrification and automation of road vehicles. The region is at the forefront of new technologies in the automotive sector.

1.1.6. The Strategy announced the launch and roll out of Sector Deals (partnerships between Government and industry aiming to increase sector productivity) in life sciences, construction, artificial intelligence and the automotive sector. This builds upon previous successes, such as the Government's backing of the UK aerospace sector.

1.1.7. In order to help de-centralise the UK economy and reduce regional disparities, the Strategy also proposed to agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities and guide use of local and national funding. Regional collaboration, such as the Midlands Engine, is identified as being increasingly important to increase skilled labour, drive market competition and help promote the UK on the World Stage (page 225).

1.1.8. The West Midlands is very well placed to take advantage of the proposals in the Strategy, being home to a strong advanced manufacturing sector, which is the focus of the Government's Strategy for industrial growth. The automotive and aerospace sectors particularly are well-placed to take advantage of the additional (albeit not new) funding available via Sector Deals.

Levelling Up the United Kingdom (February 2022)

1.1.9. The document sets out history and analysis of the causes of economic and social disparities across the UK and plans to address and narrow these differences are introduced (a number of which are existing policies). The White Paper argues that a "fundamental rewiring" of the system of decision-making, locally and nationally, is required to address geographical disparities. The Paper includes 12 targets, or "missions" linked to policy objectives, with an end date of 2030. The 12 missions are under four objectives which are summarised at **Figure 1.1** overleaf. There are also key targets and policies, designed to help meet these objectives.

1.1.10. The Paper argues that **fragmentation** of policy making is one reason that previous attempts at levelling up have been unsuccessful and sets out a focus on devolution at County and Unitary level: *any future devolution deals should be agreed over a sensible FEA and/or a whole county geography, with a single institution in place across that geographic footprint.*³⁴ **The point is illustrated very clearly when considering strategy relevant to Coventry & Warwickshire which is currently covered by two LEPs.** Whilst the strengths and benefits of Local Enterprise Partnerships (LEPs) are recognised, the Government is encouraging the integration of LEPs and their business boards into Mayoral Combined Authorities (MCAs) and County Deals, where these exist. Where a devolution deal does not yet exist, LEPs will continue to be supported in the short term at least.

1.1.11. Negotiations on 'trailblazer deeper devolution deals' with the West Midlands and Greater Manchester Combined Authorities will be opened which will then act as a blueprint for other areas. It is also proposed to recast the geography of the MCAs where necessary. Whilst the full implications are not yet certain, Warwickshire has published a draft Levelling Up Strategy (see paragraph 6.6.12 below) and reportedly begun discussions regarding devolution with Government. The importance of co-ordination at a County and sub-regional level in relation to

³⁴ Levelling up the United Kingdom White Paper, 2022 – page 137

economic growth is therefore clear within this emerging framework and a coordinated approach to provision of sufficient employment land is a vital component.

1.1.12. Pan-regional partnerships such as Midlands Engine are recognised as having an important role to play in levelling up and the White Paper confirms that they will continue to be supported.

Appendix Figure 1.1: Levelling Up the UK Summary

Objective one: Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.

- Living standards – foster a growing private sector to raise productivity, pay and living standards across the UK.
- R&D – boosting research and development spending, focusing on areas outside of south-eastern England.
- Transport infrastructure – improving transport connectivity outside London.
- Digital connectivity – improving connectivity, including by rolling out high-speed gigabit-capable broadband.

Objective two: Spread opportunities and improve public services, especially in those places where they are weakest

- Education – improve primary school literacy
- Skills – improve skills
- Health – reduce health disparities
- Wellbeing – improved wellbeing

Objective three: Restore a sense of community, local pride and belonging, especially in those places where they have been lost

- Pride in place – includes policies to support regeneration, communities, green spaces and cultural activities.
- Housing – the aim is to increase home ownership and improve housing quality.
- Crime – safer neighbourhoods

Objective four: Empower local leaders and communities, especially in those places lacking local agency

- Local leadership – a “devolution revolution” across England.

Source: House of Commons Library Research Briefing 22nd February 2022

Future of Freight: a long-term plan (June 2022)

1.1.13. The Future of Freight Plan is government and the sector's joint response to the future challenges identified to ensure the sector remains cost efficient, resilient and valued by society, in light of its growing importance.

*"It is a vital pillar of the UK economy, contributing £127 billion gross value added (GVA) through more than 200,000 enterprises. The sector enables UK prosperity, health, wellbeing and security by maintaining the smooth flow of goods into, out of, and across the country."*³⁵

*"The sector can make a significant contribution to levelling up and strengthening the union as a geographically distributed employer supporting economic activity across the UK. And the sector is the gateway for UK plc to imports, exports and global markets, making it is central to strengthening the UK's global impact."*³⁶

*"It is estimated that in the UK the freight and logistics sector is supporting nearly £400 billion in manufacturing sales across the UK and globally. To succeed in the global economy it is essential that the freight and logistics costs of business are competitive."*³⁷

*"...our network of warehouses has evolved from places focused on storage and inventory to vital hubs supporting efficient aggregation, disaggregation, and distribution of goods."*³⁸

1.1.14. The plan marks a step-change in collaboration between the sector and government, with a jointly agreed vision, set of priorities, actions, and themes to meet the future challenges. The joint vision is for a freight and logistics sector that is:³⁹

- **Cost-efficient** - Supporting the sector to deliver globally competitive costs and support the broader UK economy with access to low-cost goods transport.
- **Reliable** - Facilitating the sector delivering consistently good performance for its customers, providing reliable access to the goods that businesses and consumers need.
- **Resilient** - Bolstering the freight network's capacity to anticipate absorb, resist or avoid disruption and recover when disruption does occur. Maintaining the smooth flow of goods throughout.
- **Environmentally sustainable** - Achieving a net zero freight and logistics sector by 2050, whilst supporting broader environmental objectives of air quality and noise reduction.
- **Valued by society** - Ensuring freight is valued by the public and decision makers across sectors reflecting its critical importance to the wider economy, and the lives of everyone in the UK.

1.1.15. Government and industry have agreed that the most urgent challenges are in five priority areas and have

³⁵ Future of Freight Plan (page 6)

³⁶ Ibid.

³⁷ Ibid, paragraph 2.3

³⁸ Ibid, paragraph 3.11

³⁹ Ibid, page 7

committed to delivering actions for a stronger future for freight in each of them:

- **A National Freight Network** - Lack of visibility and understanding of the freight network as a cross-modal system by the sector, government, and freight end-users limits joined up decision making in the public and private sectors.
- **Transition to Net Zero** – enhance investment certainty and to harness cross-modal efficiencies and synergies
- **Planning** – the industry is not equipped to properly engage with planning processes, and local planning authorities are unable to understand the needs of a changing and innovative freight and logistics sector, leading to increased complexity, cost and time for promoters bringing forward schemes that are in the national interest.
- **People & Skills** - Immediate and future skills shortages across the sector could undermine resilience of UK supply chains. Negative perceptions need to be addressed and employment and training options improved.
- **Data & Technology** - Greater awareness of the sector amongst innovators and greater sector awareness of innovations. Accelerating the adoption of currently available solutions within the sector and developing the future pipeline in line with real-world needs.

1.1.16. The Plan will support key levelling up missions, including by ensuring that “the planning system provides appropriate support to enable logistics developers seeking to grow operations in all regions of the country to locate them where they need to be – near to the strategic road and rail network and close to an employment market.”⁴⁰ Proposed actions in relation to the identified planning challenges are:⁴¹

- *Collaborating to support a programme of engagement with local planning authorities;*
- *Reviewing and amending Planning Practice Guidance;*
- *Publishing a freight specific call for evidence to understand what is working well and what requires improvement in planning;*
- *Engaging with a consultation on updated guidance for Local Transport Plans;*
- *Engaging with the review of National Networks National Policy Statement; and*
- *Engaging with the Department for Levelling Up, Housing and Communities programme of changes to the planning system.*

1.2. Pan-regional Strategy

The Midlands Engine Strategy (March 2017)

1.2.1. The Midlands Engine Strategy, published by the UK Government, builds on the Industrial Strategy and sets out a collective ambition for economic growth and prosperity, highlighting how the region can build upon existing business sectors and areas of opportunity. The strategy is clear that **the Midlands is essential to national economic success**, accounting for over a fifth of the UK’s manufacturing capacity. The Strategy sets out the actions

⁴⁰ Ibid, paragraph 2.14

⁴¹ Ibid, page 9

that the Government is taking to address productivity barriers across the region and sets out five key objectives: improving connectivity; strengthening skills; supporting enterprise and innovation; promoting the Midlands nationally and internationally; and, enhancing quality of life.

1.2.2. It was announced as part of the Strategy that the Government was making £392 million available via the Local Growth Fund (2015 – 2021) and a further £4 million to support the operation of the Midlands Engine Partnership. This included £42.44 million for Coventry and Warwickshire LEP including £11 million funding to support skills in Coventry and Warwickshire. The programme is still delivering **significant outputs for the sub-region**.

The Midlands Engine Vision for Growth (September 2017)

1.2.3. The Vision for Growth is the Midlands Engine Partnership's response to the Midlands Engine Growth Strategy and sets out five priorities for investment that will enable the Midlands to contribute to the UK's Industrial Strategy and drive Britain's post-Brexit growth. The stated ambition is to match or exceed the national average GVA per head by 2030. Five packages are outlined which will enable a step-change in productivity across the Midlands (see **Figure 1.2** overleaf).

1.2.4. In relation to logistics (within the third package), it is stated that the Midlands Engine will continue to explore how to increase employment and business opportunities in logistics and freight, maximising the export and import capabilities of the region's assets which can help to rebalance the economy and relieve congestion at Heathrow.

Appendix Figure 1.2: Midlands Engine Vision for Growth Packages

Connect the Midlands (maximising new technologies; delivering the Midlands Connect Transport Strategy; accelerating HS2; securing funding for rail, road and smart connectivity package; becoming the UK's transport innovation test bed; and maximising the potential of the international airports).

Invest in Strategic Infrastructure (invest in long-term energy security; create a 5G testbed; **increase logistics and freight capabilities**; use HS2 as a catalyst for growth).

Grow International Trade & Investment (grow trade and investment in new markets; expand the Midlands Engine Trade & Investment Programme; explore the potential of an International Free Trade Zone; create a regional subvention fund to attract large events and conferences).

Increase Innovation & Expertise (create an environment where the strengths identified by the Science & Innovation Audit can be maximised to benefit the whole region; develop the SIA Investment Programme; create a Midlands Management & Leadership Institute; secure National Initiatives, Sector Deals and Industrial Strategy Challenge Fund Investments); progress UK supply chain initiatives).

Shape Great Places (promote the Midlands; secure strategic sectoral relocations; unlock housing growth enabling the building of at least 600,000 new homes within 15 years)

Midlands Connect Strategic Transport Plan (February 2022)

1.2.5. Midlands Connect is a partnership of local stakeholders working with the Department for Transport and its key delivery bodies and forms the transport component of the Midlands Engine for Growth. It is recognised that improving transport connectivity between the towns and cities in the Midlands is essential to ensuring that productivity across the region is improved in line with the Midlands Engine Strategy.

1.2.6. The 2022 Strategic Plan is a refresh of the 2017 strategy which aimed to build on HS2 as a transformational investment in rail and to complement this with wider investment in road and rail, alongside digital connectivity. This plan is centred around three grand challenges **Fairer, Greener, and Stronger**. To respond to these challenges three overarching objectives have been set: levelling-up and strengthening the region and UK; decarbonising transport and adapting to climate change; and driving resilient economic growth.

1.2.7. The needs of the freight industry are a vital component of the plan, with an emphasis placed on improving infrastructure to support the transport and logistics sector. This includes a proposed scheme to introduce a new grade separated crossing at Nuneaton. This new infrastructure could provide a key new connection for freight traffic between Leicester, Coventry and the south of England.

Midlands Engine Independent Economic Review (2020)

1.2.8. The primary focus of the review was on productivity. Challenges identified for the Midlands economy

include a need to improve its productivity performance and respond effectively to 'grand challenges' of Artificial Intelligence, an ageing society, clean growth and the future of mobility. Closing the productivity gap between the Midlands and the Rest of England (minus London) would result in an additional £20 billion per annum. Levels of productivity are not equal across the Midlands with some areas (Coventry & Warwickshire, Greater Birmingham & Solihull, and Leicester & Leicestershire) having above average productivity, with lower levels elsewhere such as the Marches and Shropshire. The automotive sector is a notable exception to the trend, having above average levels of productivity.

1.2.9. Infrastructure and business environment, including the availability of sites and premises, is identified as a key barrier to growth. It is noted that **there is a limited supply of grow-on space and large scale industrial premises** in some locations.

1.3. West Midlands Strategy

West Midlands Combined Authority Strategic Economic Plan (WMCA SEP) (June 2016)

1.3.1. Nuneaton and Bedworth is a non-constituent member of the West Midlands Combined Authority (WMCA). The WMCA Strategic Economic Plan (WMCA SEP) brings together the SEPs of the three component LEPs (Greater Birmingham and Solihull; Black Country; and, Coventry and Warwickshire). The WMCA SEP complements and supports the LEPs' individual SEPs, focusing on areas of strategic importance across the area and/or of sufficient scale to warrant attention at a combined authority level. The WMCA will deliver a £8 billion investment programme over a 30 year period in order to deliver the SEP Vision.

1.3.2. Overall, the WMCA SEP identifies a need for **500,000 new jobs** in the period to 2030, an increase on the sum of the three individual SEPs. This target has been incorporated to close the productivity gap with the rest of the country three years sooner than the individual LEP targets would achieve. A **5% increase in productivity** is targeted over the 30 year period. The first priority for the WMCA SEP is to harness the biggest concentrations of high value manufacturing business in Europe and their supply chains. Other priorities include maximising the growth benefits from HS2. The WMCA SEP aims to use the momentum of HS2 to improve connectivity with in the UK Central growth corridor.

1.3.3. The WMCA SEP identified an **urgent need to identify additional major strategic sites** for employment development, and for such sites to be an asset for the WMCA as a whole.

West Midlands Revised Draft Spatial Investment Delivery Plan (SIDP) (2019)

1.3.4. The Spatial Investment Delivery Plan is being prepared by the WMCA and aims to co-ordinate and focus the investment to deliver the spatial priorities set out in statutory development plans. Whilst it is not a statutory development plan, the WMCA and the local authorities have agreed that the SIDP should:

- set out clear joint ambition and vision for regional employment and housing growth;
- identify key growth areas and corridors for new employment and housing growth;
- within these areas, identify priority sites for investment and corridor delivery plans;

- include strategic principles to guide development in particular related to design and quality act as the basis for planned investment by WMCA and other partners; and
- set out operating principles for housing and land funds⁴².

1.3.5. The stated objectives of the SIDP include **supporting the delivery of a competitive portfolio of employment sites** (Objective 4) and in relation to this objective, it is stated that Coventry and Warwickshire “...have been the fastest growing economic areas in the country and have significant scope to build on this”. Antsy Park and Whitley South (both now complete) as well as the expansion of the MIRA Technology Park are identified as key strategic sites within local plans across the area.⁴³

1.4. Sub-regional & County-level Strategy

Coventry & Warwickshire Local Enterprise Partnership Strategic Economic Plan (CWLEP SEP)

1.4.1. The Coventry and Warwickshire Local Enterprise Partnership (CWLEP) published its Strategic Economic Plan (SEP) in March 2014 and an updated version in 2016. The aim of the Strategic Economic Plan (SEP) is to improve the competitiveness of the sub-regional economy. The vision for the sub-region is:

*“Coventry & Warwickshire is recognised as a global hub for knowledge-based industries, leading the way in advanced manufacturing & engineering and digital sectors. Building on its central location, **employment sites**, distinctive businesses, innovation and cultural assets and highly talented workforce, by 2025 Coventry & Warwickshire will be a high performing economy with our innovative businesses competing internationally, growing and providing better paid employment opportunities for all of our residents across both our rural and urban areas.” [our emphasis]*

1.4.2. The SEP states that **‘The availability of employment sites is fundamental to improving the competitive edge of Coventry and Warwickshire, to attract new investors and retain local businesses in support of economic sectors and wider business growth.’** (page 29). Therefore, a key part of the first theme/programme, ‘Unlocking our Growth Potential’, is the provision of sufficient high quality employment land. Bermuda Park is identified as one of the top 5 priorities in terms of meeting the job growth targets of the LEP (page 3). Bermuda Park is also identified as one of thirteen ‘Prioritised Employment Sites’ where the LEP will work to support future development (page 10 and 23). The sites are principally located along the well-established north-south travel to work corridor from Hinckley – Nuneaton – Coventry – Leamington Spa – Warwick.

1.4.3. It is proposed to support priority capital infrastructure projects in order to stimulate and accelerate business investment around the identified key employment sites; support sector-specific site developments and facilitate wider economic growth (page 25). **The A444 north-south corridor is identified as being critical to the economic activity in the sub-region and the improvement of accessibility along this corridor is a priority for the LEP** (page 29).

1.4.4. The disparities in the sub-region are recognised, with Nuneaton and Bedworth having relatively fewer

⁴² Revised Draft Spatial Investment Delivery Plan (WMCA, 2019, page 12)

⁴³ Spatial Investment and Delivery Plan – Revised Draft (WMCA, February 2019), page 16

employment opportunities than the rest of the CWLEP area, and it is stated that ***“It is these disparities which highlight the need for improved transport connectivity and employment growth sites to account for both an expansion in employment opportunities and to address issues of underemployment.”*** (SEP, page 27). The SEP update also noted the inequalities in the sub-region. Proposals within the SEP update include the Urban Core strategic programme which **focuses investment on these areas of greater need** (Coventry and Nuneaton & Bedworth), including the town and city centres and the A444 growth corridor, to which the sites all relate (CWLEP SEP update 2016, page 24).

1.4.5. Despite strong economic growth in the sub-region, a significant output gap (£460.2 million in 2014) was identified at the time of the SEP update. The main sectors that were expected to contribute to the required GVA growth were Automotive, Construction, ICT, Architecture/Civil Engineering and Logistics.

1.4.6. It is recognised in the updated SEP that there has been high levels of take up on high quality employment sites and that these are close to being exhausted, which will lead to future growth being constrained and investment being lost to other areas unless proposed sites are delivered **and** future sites are identified (page 25). A particular need for strategic sites is identified.

1.4.7. It is stated that, ***“The scarcity of available land in the short-term has the potential to damage the economic prospects of the area by preventing investment opportunities to be fully secured. Indeed there is the risk that potential investors would be forced to consider alternative locations outside of Coventry and Warwickshire.”*** (page 24). Furthermore, that ***“it is crucial that the future supply of employment land, both in terms of size and location, and the subsequent supply of units, can respond to the demands of investors”*** (page 25).

1.4.8. As reviewed at **Section 7**, the supply of employment land has significantly reduced since this time and the need for new major strategic employment sites to be identified and delivered in order to drive economic competitiveness, job creation and economic growth is now **even more urgent** than at the time of the SEP update.

Warwickshire Economic Growth Strategy 2020 – 2025 (Draft)

1.4.9. Whilst overall, the county performs strongly in comparison to national averages, a key challenge for economic growth is the level of disparities seen with Warwickshire itself. For example, Warwick is ranked as one of the most economically competitive authorities in the UK, whereas Nuneaton & Bedworth is ranked as one of the least competitive.⁴⁴ Similarly, Gross Value Added (GVA) per head of population in Nuneaton and Bedworth is just one third that of Warwick District.

1.4.10. It is acknowledged that the county therefore needs to continue to build on and maximise its economic

⁴⁴ Warwick District is the 37th most economically competitive local authority area out of 379 areas nationally according to the recent UK Competitiveness Index produced by the University of Cardiff and Nottingham Business School – and the highest-ranking area in the whole of the West Midlands. In contrast, Nuneaton and Bedworth is ranked 300th nationally – and the worst-ranking area in the West Midlands.

strengths, whilst also addressing areas of under-performance in order to fulfil our full potential.

1.4.11. Key priorities for the county are:

- 1) **Maximising the county's economic strengths** – building on our particular strengths in relation to automotive technology, advanced manufacturing, digital creative, video game development and tourism.
- 2) **A green and sustainable economy** – helping enable and support our businesses to transition to the low carbon economy.
- 3) **Supporting business growth** – proactively helping businesses start, grow and scale and providing the right environment and support to enable this to happen consistently.
- 4) **A well and appropriately skilled population** – skills activity closely aligned with the needs of businesses, now and into the future; working to build a strong pipeline of diverse talent to support our future economic growth.
- 5) **Inclusive Growth** – ensuring that all residents – particularly our more vulnerable – have the support and opportunity to benefit from economic growth in the county.
- 6) **A network of diverse and vibrant places** – celebrating our diversity, supporting growth across all areas, securing the future of our town centres and tackling areas of disadvantage and lower economic performance.
- 7) **A connected county** – ensuring we have the right physical and digital infrastructure to facilitate and enable future economic growth.

A Countywide Approach to Levelling up in Warwickshire (Draft, 2022)

1.4.12. The aim of this document is to set out a countywide approach to Levelling Up in Warwickshire. Whilst the majority of the county performs well and above the national average, it is recognised that there are some significant disparities, with other areas underperforming.

1.4.13. Bringing the weakest-performing areas of Warwickshire's economy up to the level of the strongest, would grow the county's economy by £3bn a year.

1.4.14. Places within the Lower Super Output Areas (LSOAs) in the 20% most deprived nationally, against the Index of Multiple Deprivation, will be a focus for Levelling up in Warwickshire. The vast majority of these areas are within Nuneaton & Bedworth. Levelling up objectives are:

- 1) Improve educational attainment and adult skills in priority places, as the key enabler of levelling up
- 2) Develop an inclusive, high performing economy for all, including by **bringing the worst performing areas economically up to the county average**, then target matching the best performing areas in the county, focusing on the key priority sectors in Warwickshire and future growth potential, but ensuring benefits are spread and accessible to all.
- 3) Improve healthy life expectancy at birth across the county by 5-years by 2035
- 4) Focus on town centre regeneration in priority towns in every district and borough.
- 5) Improve access to gigabit-capable broadband and 4G coverage, and 5G connectivity, across the county, with a particular focus on Stratford-on-Avon and North Warwickshire.

- 6) Deliver against the Government target to reduce homicide, serious violence and neighbourhood crime levels by 10% in the worst affected areas, with a particular focus on Nuneaton and Bedworth.
- 7) Improve access to affordable housing, especially in Stratford-on-Avon.
- 8) Improve transport connectivity in Stratford-on-Avon and North Warwickshire.

Nuneaton & Bedworth Economic Development Strategy (2016 - 2031)

1.4.15. The Strategy's Mission Statement is ***"To boost opportunities within the Borough of Nuneaton and Bedworth through a strong, diverse business offer and skills base which enables residents to reach their full potential."***

1.4.16. The Strategy's Vision is that the Borough ***"proactively supports and encourages entrepreneurship and business development in all sectors of the economy to raise the quality of life and opportunities of our residents."***

1.4.17. The vital role that a sufficient supply of employment land has to play in delivering the mission and vision is clear: ***"Nuneaton and Bedworth Borough is an economy which has a strong manufacturing and logistics base. It is situated well to support industry due to its geographical location and skills base within the wider FEA. However, a lack of new land for employment prevents significant new investment and additionally a path dependent economy has been created."***⁴⁵

1.4.18. The strategy includes nine objectives for economic growth.

- 1) To support investment in the Borough and wider sub region by working with the landowners and agents that have employment land allocations in the Borough Plan to make sure the sites come forward.
- 2) To support existing employers within the Borough by recognising that the needs of medium and large businesses differ from those of small and micro sized enterprises.
- 3) To positively support the diversification of the local economy to assist with broadening the employment opportunities available to residents along with the employment structure of them.
- 4) To have a joined up corporate approach towards Economic Development where the needs of the business are prioritised.
- 5) To become more commercially aware and aid businesses through a more streamlined, multi-faceted approach to doing business, including enhanced marketing and networking.
- 6) To identify opportunities for growth or productivity improvements, and ensure suitable funding is sought when this becomes available.
- 7) Work effectively with partner organisations, taking a pragmatic approach to engagement, and adding value to initiatives that partners are leading.
- 8) To continue to review and understand the local economy and its relationship with the wider functional economic area and the national and wider than national economy.
- 9) To expand the visitor economy, taking advantage of the existing opportunities that exist in the area, and linking in with the wider sub-region

⁴⁵ Nuneaton & Bedworth Economic Strategy, page 25

1.4.19. In relation to Objective one, as reviewed at Section 7, **the vast majority of available land within the Borough (and the sub-region) has now been taken up or is being delivered and it is therefore essential that a sufficient future supply is identified to support economic growth.**

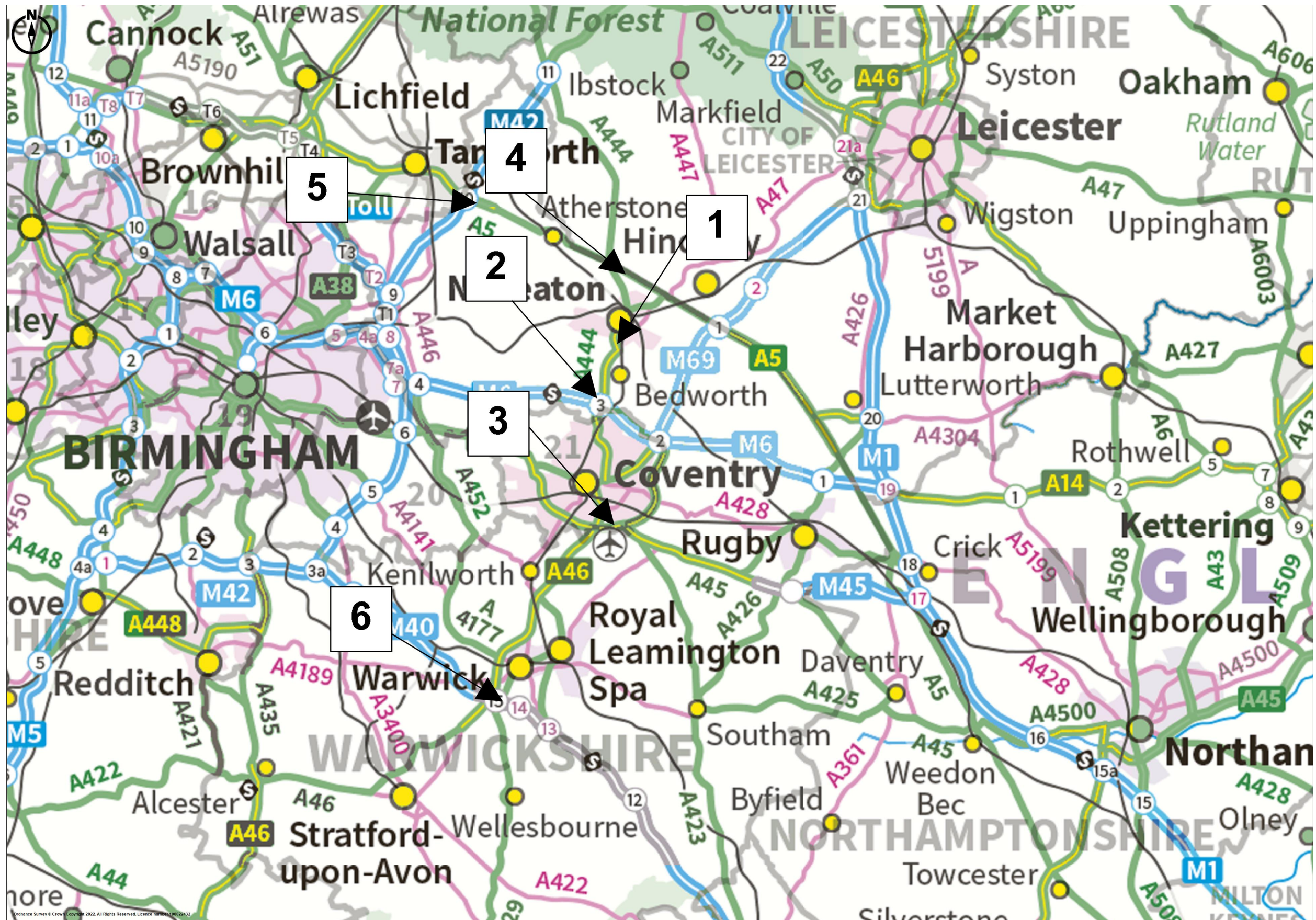
Appendix 2.0 Building Supply Location Plan



Appendix 3.0 Land Supply Location Plan



Appendix 4.0 Pipeline Supply Location Plan



Appendix 5.0

Plot Ratios

Employment Land Need Assessment

Nuneaton & Bedworth



Plot Ratio Case Studies

Local Authority	Site Name	Plot Ratio (%)
Blaby	Optimus Point Plot 80	31%
Bristol	Ocado, St Modwen Park, Avonmouth	36%
Buckinghamshire	Symmetry Park Aston Clinton	31%
Central Bedfordshire	Symmetry Park Biggleswade	30%
Charnwood	Unit 2, Rowena Park - Rothley	33%
Harborough	Symmetry Park, Lutterworth opt.1	29%
Mid Sussex	GAL at St Modwen Park Gatwick	34%
Newport	Amazon, St Modwen Park, Newport	26%
North Kesteven	St Modwen Park, Lincoln	32%
North Northamptonshire	West End, Raunds, Northamptonshire	29%
North Warwickshire	St Modwen Park, Tamworth	26%
North Warwickshire	Land North East of Sewage Works, Atherstone	36%
North Warwickshire	BIFT - Plot 7, Birch Coppice Business Park	34%
Oadby and Wigston	Wigston Industrial Estate	34%
Swindon	Symmetry Park Swindon	30%
Uttlesford	Land north of Taylor's Farm, Takeley Street	29%
Warrington	Mountpark Warrington Omega II	36%
Warrington	The Quadrant South	34%
West Leicestershire	Mountpark Bardon 2	35%
		Average plot ratio = 32%

Source: Savills

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Employment Land Need Assessment

Nuneaton & Bedworth

