



Employment (Jobs and Economy)

Background Paper

November 2024



Contents

1 Introduction and policy context	3
2 Suggested approach at Issues and Options stage	5
3 The evidence base	10
4 Employment Policy Evolution	14
5 Conclusion.....	17

1 Introduction and policy context

Employment policies within the Coventry Local Plan 2017 were prepared to help guide, inform and consider development proposals for the creation or removal of employment uses across Coventry. The Jobs and Economy section of the Local Plan 2017 contains seven policies, which cover a range of themes within the sphere of economy and employment.

The Local Plan Review process seeks to review all policies and considers if any require updating or bringing in line with changes within the sector or following updates to national policy. At regulation 18 consultation, feedback was sought on the employment chapter of the Local Plan and how best to ensure policies remain fit for purpose.

Paragraph 20 of the December 2023 NPPF references the need to establish strategic policies which make sufficient provision for employment provision:

“Strategic policies should set out an overall strategy for the pattern, scale and design quality of places (to ensure outcomes support beauty and placemaking), and make sufficient provision for: a) housing (including affordable housing), employment, retail, leisure and other commercial development;”

Chapter 6 provides more detail on policies which help to create a strong and competitive economy. Paragraph 85 states:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt.”

At the time of writing the Government had consulted on changes to the NPPF, released in July 2024. These proposed changes indicated that planning policies should set criteria for, or identify, strategic sites for local and inward investment, including sites for freight and logistics, gigafactories and digital infrastructure. It also proposes that planning policies should recognize and allow for expanded and new logistics facilities across a range of scales. The Regulation 19 Plan has been prepared under the December 2023 NPPF, however, regard has been had to any potential forthcoming changes which might have implications for plan-making.

Development proposals for change into or out of employment use across Coventry are subject to policies contained within the Jobs and Economy chapter of the Local Plan. Whilst the core policies in this context are contained within this chapter, other Local Plan policies are of relevance, particularly Policies DS1, DS2, DS3 and DS4, as well as Policy H3.

2 Suggested approach at Issues and Options stage

The first stage of the Local Plan Review process was undertaken in summer 2023 when the 'Regulation 18' ('Issues and Options') consultation was held between 18th July and 29th September. It should be noted that at this time the NPPF was the version published on 20th July 2021, and it was this version under which the consultation documents had been prepared.

Jobs and Economy Chapter of the Local Plan

This section focuses upon the review of the Jobs and Economy section of the Local Plan, the questions asked through the Issues and Options consultation, and the responses to these. It should be noted that overall levels of growth in relation to employment are addressed separately in the Growth Needs background paper.

Definition of 'employment'

Q12: Do you have any comments on our proposals to introduce a new policy which defines our definition of 'employment' for planning policy purposes?

Context / summary of responses: This question related to the creation of a new policy which clearly defines employment. This was considered following the deletion of Class B1 and the introduction of new Class E uses. There was broad agreement for this approach and respondents felt that any definition should be consistent across the sub-region to enable consistency of monitoring within the FEMA. Others suggested that a new policy is not needed and that any definition could be included within explanatory text.

Policy JE1: Overall Economy and Employment Strategy

Q13: Do you have any comments on our proposals that Policy JE1 could be strengthened in line with our proposals?

Context / summary of responses: This question related to strengthening the policy to reflect the One Coventry Plan and Climate Change Strategy and around enhancing support of more green infrastructure and the green industry. There was overall support for the changes, with comments around the need to be clear about the types of development covered and to be proportionate about the requirements being sought, so as to not compromise viability.

Q14: Do you have any comments, or local evidence which might be helpful in assisting us develop standards for new employment sites?

Context / summary of responses: This was a follow on to question 13. Comments focused on the need to locate employment and housing close to each other to encourage sustainable travel and have commonality of employment uses in the same location.

Policy JE2: Provision of Employment Land and Premises

Q15: Do you have any comments on the supply of employment land?

Context / summary of responses: The question asked related to the growth figures provided by the HEDNA. Comments included the need to continue to work with neighboring authorities and that SOCG and MoU need updating. Comments also stated that supply is constrained and some employment sites need protecting, also that some allocated sites do not yet have planning permission.

Q16: We are always keen to understand the employment land needs from local businesses and residents. Therefore, do you have:

- a. A site you wish to promote? Please provide as much detail as you can, using the Call for Sites form at Appendix 1*
- b. A site you would like us to investigate? Please provide as much detail as you can*
- c. Another suggestion or comment – please provide detail*

Context / summary of responses: This was asking for any sites that promoters may wish to us to consider through the Local Plan process. Several sites were submitted to us and are discussed in the HELAA.

Q17: Do you have any comments on our proposed changes to part 3 of Policy JE2?

Context / summary of responses: This question related to the removal of the 58ha rolling supply as set out in the adopted Local Plan 2017. All comments supported this approach.

Policy JE3 Non-employment uses on Employment Land

Q18: Do you have any comments on our proposed changes to JE3 Part 1a?

Context / summary of responses: Policy JE3 relates to non-employment uses on employment land. The consultation suggested that, given the Government changes to the definition of 'employment' the policy is now too restrictive and should now reflect a new local definition (see Q12). The consultation also proposed that marketing should not be required if a site is clearly not suitable for employment use in line with specific criteria. Overall support for the changes, with one comment relating to the need to have clear guidelines in relation to marketing criteria. Other comments included the need to use market signals to protect existing allocations and brownfield land should be prioritized.

Q19: Do you have any other comments regarding policy JE3?

Context / summary of responses: This question offered the opportunity for further issues to be raised on policy JE3. Comments included the need to define employment in policy and to be clear about what definition of employment is being used. Also comments around the need to allow offices outside defined centres to be redeveloped to non-employment uses without the need to comply with part 2 of the policy.

Policy JE4: Location of Office Development

Q20: Do you have any comments on our suggestions for proposed changes to Policy JE4?

Context / summary of responses: Policy JE4 relates to the location of office development. The consultation proposed that the policy should be updated to reflect national use class order change, and to remove the reference to Impact Assessments as this is no longer part of national policy. It was also proposed to remove permitted development rights from major office developments, not to have to require offices to be close to primary routes on the highway network, and to change reference from 'large scale' to 'major'. Comments included the need for Policies JE3 and JE4 to be consistent and more multi-tenanted space needs to be provided. Some comments were around the impact of locational requirements in sustainable locations could rule out some key sites.

Policy JE5: Location of R&D, Industrial and Storage / Distribution Development

Q21: Specifically in terms of general industrial, storage and distribution matters (not research and development which we consider separately), do you consider that the wording of policy JE5 is still up to date?

Context / summary of responses: Policy JE5 currently focuses on Industrial and Storage, along with Research and Development. The consultation proposed that the policy is split given the differing needs of the sectors. Comments broadly supported the validity of the current wording and agreed that the policy should be split.

Q22: In terms of research and development needs do you think the wording of Policy JE5 is still relevant, or do you think we need to recognize it as a separate issue? What evidence do you have which can help us better understand the needs of the sector?

Context / summary of responses: In terms of the element of policy JE5 which focuses on Research and Development the consultation proposed that the needs of the sector might not be met by current policy and requested more information on understanding locational and operational needs of the sector. There was support for the proposal to create a separate policy and that flexibility is needed for repurposing of existing facilities to support R&D.

Q23: Are there other sectors we should be considering in being able to support their specific needs? What are these needs, and do you have any information and evidence which would help us understand and accommodate these?

Context / summary of responses: This question invited comment on other sectors of the wider employment topic. Comments made included the need to address HGV parking and overnight facilities EV charging and the broader location of Coventry in the Logistics 'golden triangle'.

Policy JE6: Tourism / Visitor Related Development

Q24: Do you have any comments on our suggestion that policy JE6 should treat tourism as a main town centre use?

Context / summary of responses: Policy JE6 relates to tourism / visitor related development. Broad support for this approach, with comments indicating that there is a need to ensure there is no exclusion of tourist attractions.

Q25: Do you have any other comments or suggestions relating to tourism and Policy JE6, including evidence if this is applicable?

Context / summary of responses: This question supplemented Q24 above in case there were other comments people might have. No comments were received.

Policy JE7: Accessibility to Employment Opportunities

Q26: Do you have any comments on our view that this policy [JE7] remains up to date?

Context / summary of responses: Policy JE7 relates to accessibility to employment opportunities. Comments were in support of the changes, with some suggesting that contributions be limited only to transport infrastructure.

3 The evidence base

The Council commissioned DLP Planning to undertake an Employment Land Review. The review provides an assessment of existing employment sites across Coventry which have helped to inform employment land policy by assessing the quality and utilisation of existing employment sites and whether and to what extent these should be safeguarded. The review also assesses the current pipeline employment land supply against the needs identified in the Housing and Economic Development Needs Assessment (HEDNA, 2022) for the plan period to 2041. It identifies whether any additional employment land allocations are required to meet these forecast needs. The study is published as part of the suite of evidence documents for the Regulation 19 Draft Submission Consultation.

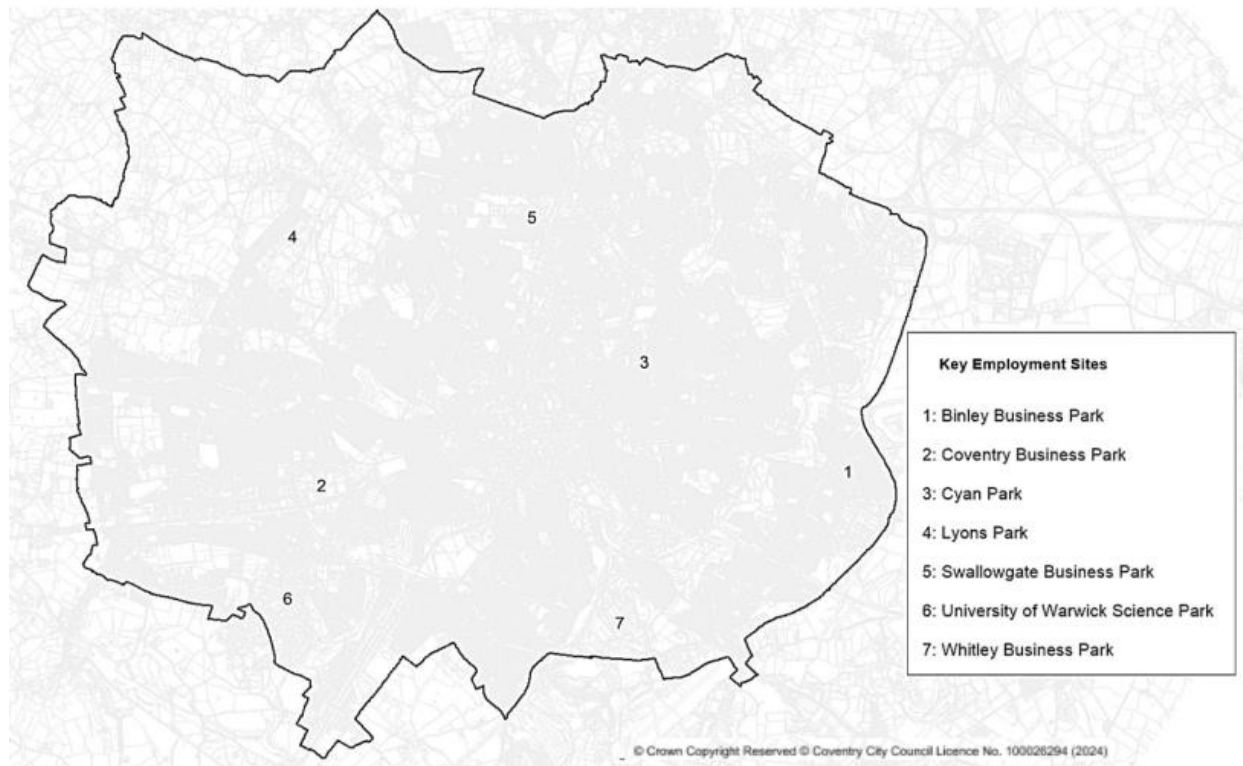
The Growth Needs background paper sets out how we have set growth need figures in line with the evidence base. It also discusses the West Midlands Strategic Employment Sites Study and alignment paper. This Employment Background paper discusses how we have shaped Employment Policy in general.

The ELR provides several policy recommendations based on the extensive analysis and stakeholder feedback from the Regulation 18 consultation. These recommendations include:

- *Updating local policies to reflect current market conditions and the latest quantitative and qualitative employment needs identified in the HEDNA (2022).*
- *Enhancing infrastructure to support existing and new employment sites, focusing on accessibility, utilities, and public transport links to ensure sites are attractive to potential occupants and can sustain future growth.*
- *Collaborating with neighbouring authorities to meet regional employment needs, particularly for strategic B8 uses, to manage land availability constraints and foster effective joint working.*
- *Safeguarding high-quality employment sites by identifying and defining Key Employment Sites, which should be protected for continued employment use due to their strategic importance, existing demand, and minimal investment needs.*
- *Considering the potential for mixed-use developments to balance employment*

and housing needs, ensuring that employment sites can coexist with residential areas where appropriate and supporting policies that limit the conversion of employment land to other uses.

Fig 1: Key Employment Sites



In respect of specific policies as set out in the Regulation 18 Local Plan Review consultation, this report's recommendations are as follows:

- *Strengthening Policy JE1 (Overall Economy and Employment Strategy) to promote the inclusion of green infrastructure and sustainability measures, and periodically reviewing employment land needs and usage to adjust to economic shifts.*
- *Updating Policy JE2 (Provision of Employment Land and Premises) to reflect the current supply and pipeline of employment land, ensuring a strategic approach to allocating and safeguarding employment sites.*
- *Revising Policy JE3 (Non-employment Uses on Employment Land) to include stricter criteria for key employment sites, requiring marketing evidence before considering their redevelopment for non-employment uses.*

- *Addressing specific feedback on Policy JE4 (Location of Office Development) to promote sustainable transport links and align new offices with climate goals.*
- *Separate policies for R&D, industrial, and storage/distribution (Policy JE5) to address their distinct locational and operational requirements, ensuring that R&D uses are supported in suitable employment land locations.*
- *Incorporating recommendations for Policy JE6 (Tourism/Visitor Related Development) to align with the NPPF, supporting tourism as a main town centre use and leveraging Coventry's heritage and university presence.*
- *Strengthening Policy JE7 (Accessibility to Employment Opportunities) by fostering partnerships with local training providers and integrating it with major employment projects.*

DLP also produced an addendum to the ELR specifically based around the Office Market in Coventry. The Coventry Office Market Study analyses the existing evidence base on office market trends at a regional and national level and provides a clear picture of the challenges and opportunities within the office sector. By analysing current and potential future trends, the study has helped provide evidence to inform decisions about employment-related policies within the Coventry Local Plan review. The policy recommendations from the study were:

- *Alongside considering the overall future need figure and how this might be met, it is recommended that policies within the emerging Local Plan Review also provide adequate support to enable the refurbishment of existing offices which are in appropriate, accessible locations, in order to encourage enhanced levels of quality and energy efficiencies.*
- *Policies should also allow for the delivery of more flexible office spaces, including those with adaptable internal arrangements and shared facilities, which are increasingly in demand and would assist with meeting the needs of smaller start-up businesses and SMEs, including those in research and development associated with the Universities.*
- *In respect of emerging Policy JE4 (Location of Office Developments), the findings of this study support the continued focus of office development within the city centre (or other defined centres) including at the Friargate site. Although as noted above some reduction in the floorspace delivered as part of the future*

phases of this scheme may be acceptable to provide flexibility and best respond to market demand, whilst also ensuring that identified future needs are still being met.

- It is also recommended that Policy JE4 continues to provide sufficient flexibility in the policy wording to enable office floorspace development to come forward in other sustainable locations outside the Friargate allocation site, if necessary.*

There are clear indications that the committed supply at Friargate, while potentially subject to revision in terms of the quantitative and qualitative characteristics of additional floorspace to be provided, would remain an appropriate focus for office-based activities with a reasonable prospect of securing sufficient supply to balance overall demand for office floorspace. However, future potential sources of sustainable 'windfall' supply should nonetheless be encouraged. This would provide an appropriate and flexible response at a time of increased uncertainty in the property market particularly for office floorspace.

The importance of flexibility and support for the re-use of existing stock will be enhanced if the spatial concentration of office-related activities is enhanced in Coventry relative to the FEMA as a whole.

Whilst it is not considered necessary to identify a specific office floorspace/land need figure within Policy JE4, it is recommended that an overall 'employment land' need figure, as derived from the HEDNA, is included in Policy JE2 so that monitoring against this target can be undertaken.

Based on pipeline commitments and historic completions, it is not considered that there is sufficient justification at the present time for introducing an Article 4 direction in the city to restrict the conversion of offices to residential developments under permitted development rights. However, this is something that should continue to be monitored. It is possible that such conversions could be beneficial for enabling the repurposing of older office stock, the regeneration of which for continued office use may not be financially viable.

4 Employment Policy Evolution

Policy JE1: Overall Economy and Employment Strategy

The Policy has been updated to be more reflective of the One Coventry Plan, the Economic Development Strategy and the Climate Change Strategy including the need to support sustainable and green technology.

References to the CWLEP have been deleted as this body no longer exists, and instead broader references to partnerships is included as this provides more resilience to future change.

Reference to the Friargate Business District has been removed in regard to offices as Friargate remains an allocation but its emphasis is proposed to be changed to be mixed use. The reference to tourism has been broadened to encompass a range of uses. In order to protect a sustainable balance of uses in the city a hook to the Employment Land Review is provided to ensure that good quality and high performing employment locations are protected.

Supporting text has been updated to provide an updated definition of 'employment' for the application of policy. For the purposes of employment supply and monitoring it is proposed this now relates to Class E Part g plus B2 and B8, and for decision making that this relates to Class E Part g Classes B2, B8 and other uses serving an employment purpose.

Policy JE2: Provision of Employment Land and Premises

The overall growth figures have been updated in line with the HEDNA but do not include the figure for strategic B8 which needs to be considered separately across the sub-region in line with the HEDNA recommendations and HEDNA Addendum Paper.

The table of allocations has been updated to reflect the latest position, which reflects allocations delivered or amended since the adoption of the 2017 plan. The reference to the rolling supply is deleted as this no longer reflects national policy.

The Employment Land Review and Offices Addendum 2024 sets out the Key Employment Sites for protection. These are existing sites which serve an important function to the wider employment land supply within Coventry and have a level of protection through policy above that of other employment sites.

The policy wording remains up to date. Minor changes have been made which remove references to the Area Action Plan, instead cross referencing to the new City Centre section of the plan.

Policy JE3: Non-Employment Uses on Employment Land

The wording of the policy itself is considered up to date. However, the context for its application has changed to provide an updated definition of 'employment' for the application of policy. For the purposes of employment supply and monitoring it is proposed this now relates to Class E Part g (I to iii) plus B2 and B8, and for decision making that this relates to Class E Part g (I to iii), Classes B2, B8 and other uses serving an employment purpose.

Policy JE4: Location of Office Development

A reference to type of office development has been introduced to ensure flexibility within the market. Whist Friargate remains the primary location, other locations may also be appropriate in line with the criteria set out in policy as it is important that there is a degree of flexibility to address changing needs of this sector. An additional Point 6 has been added to encourage and support flexibility of design so that internal layouts can be adapted to meet the needs of changing business models for example space which can be sub divided to accommodate small start-ups, SMEs and so on. Reference to the Impact Test has been removed as this no longer reflects national policy.

Policy JE5: Location of R&D, Industrial and Storage/Distribution Development

The policy has been split, as the needs of the storage and distribution sector differs from that of research and development. This policy focuses on storage and distribution (use class B8) and wording remains unchanged except for the additional point 4, parking and overnight facilities to reduce the impact upon lorry parking on roadsides in other inappropriate unserved locations, and in terms of electric charging and consolidation this brings the policy in line with the updated transport policies.

Policy JE6: Tourism/Visitor Related Development

The policy has been amended to accord with the Economic Development Strategy and to support the aims and objectives of Destination Coventry. Specific references to locations have been removed to allow for flexibility across the city and encourage further tourism and visitor related development.

Policy JE7: Accessibility to Employment Opportunities

It is considered that this policy remains up to date with an amendment to replace the CIL reference with 'developer contributions' to ensure resilience of terminology.

Policy JE8: Location of Research and Development (R&D)

It is considered that the wording of this policy remains up to date but has been separated from the combined policy (JE5 of the 2017 Local Plan) to provide clarity and recognise that R&D and Industrial and warehousing are different in nature and therefore applications assessed and decisions made should be based on unique policy wording for each sector.

5 Conclusion

As part of reviewing employment policies, a number of requirements for updates have been identified. The plan review proposes to remove areas of repetition to core plan policies in order that the policy requirements are clearly defined, whilst additional clarity is provided to reflect national changes and changes across the sector in recent years. Given those ongoing changes within the sector, Local Plan policies have been updated to reflect:

- The Use Classes Order
- Seek to clarify the correlation between employment and E Part g (I to iii)
- Reflect feedback raised during the Regulation 18 Consultation.

Employment and economic policies remain an important role in the planning policy landscape and whilst the sector has experienced a range of changes in recent years, the fundamental tenet of employment policy within the Local Plan Review is largely fit for purpose.