

Coventry Local Plan Review

Regulation 19

Proposed Submission (Publication) Stage Representation Form

(guidance note below)

Ref:

(For official use only)

Name of the Plan
to which this
representation
relates:

**Coventry Local Plan Review – Regulation 19 Proposed
Submission (Publication)**

Please return to Coventry City Council in writing or electronically by 23:59 03 March 2025 email to planningpolicy@coventry.gov.uk, via our consultation portal <https://coventrycitycouncil.inconsult.uk/system/home> or by post to Planning Policy Team, PO Box 7097, Coventry, CV6 9SL

Please refer to the following data protection/privacy notice:
www.coventry.gov.uk/planningpolicyprivacynotice

Please also note that that a copy of your representation(s) will be made available to the Planning Inspectorate and to the person appointed by the Secretary of State to conduct the examination (i.e. the Inspector) and the Programme Officer. and that your representation(s) will be 'made available' in line with the Regulations (The Town and Country Planning (Local Planning) (England) Regulations 2012 – Regulations 20, 22 and 35). This includes publication on Coventry City Councils website (personal details will be redacted in line with the Privacy Notice).

This form has two parts:

Part A – Personal Details: need only be completed once.

Part B – Your representation(s).

Please fill in a separate sheet for each representation you wish to make.

Part A

1. Personal Details*

2. Agent's Details (if applicable)

**If an agent is appointed, please complete only the Title, Name and Organisation (if applicable) boxes below but complete the full contact details of the agent in 2.*

Title	Miss	
First Name	Stacey	
Last Name	Green	
Job Title	Planning Manager	
(where relevant)		
Organisation	Stoford Developments	
(where relevant)		
Address Line 1	26-28 Ludgate Hill	
Line 2	Birmingham	
Line 3		
Line 4		
Post Code	B3 1DX	
Telephone Number		
E-mail Address		

Part B – Please use a separate sheet for each representation

Name or Organisation:

3. To which part of the Local Plan Review does this representation relate?

Paragraph Policy

4. Do you consider the Local Plan Review is:

(1) Legally compliant	Yes	x	No	
(2) Sound	Yes		No	x
(3) Complies with the Duty to co-operate	Yes		No	x

Please tick as appropriate.

5. Please give details of why you consider the Local Plan Review is not legally compliant or is unsound or fails to comply with the Duty to Co-operate. Please be as precise as possible. If you wish to support the legal compliance or soundness of the Local Plan Review or its compliance with the duty to co-operate, please also use this box to set out your comments.

Objections to Policy DS1 and JE2

- 1.1 We object to criteria 1.b and 1.c. of Policy DS1 in respect of employment land provision. Criterion 1.b. plans for a minimum of 60 ha of employment land to meet local needs within the city's administrative boundary between 2021 - 2041. This 60ha comprises:
- completions between 2021 – 2024 (25.4ha),
 - commitments (6.2ha) and
 - allocations (28.6ha) (not including Baginton Fields).
- 1.2 Criterion 1.c. plans for 25ha to be provided at Baginton Fields, to contribute to sub regional need in Coventry and Warwickshire.
- 1.3 None of the allocations made within the revised Local Plan are new allocations. All of the allocations were previously made for a Plan period that extended to 2031. The revised Plan extends to 2041, with no new allocations being proposed, despite a new evidence base (Coventry and Warwickshire HEDNA 2022, WESESS 2024, and the CW Alignment Paper 2024 all confirming an increased need for employment land at Coventry (and Warwickshire).

i. Are the recorded completions accurate?

The completions between 1st April 2021 and 31st March 2024 are cited as 25.4ha. However, the completions data provided in the Council's annual monitoring reports for the last 3 years (2021/22, 2022/23 and 2023/24) total 21.02ha (accounting for losses). Thus, a difference of 4.38ha in completions. We request that this error be rectified and the supply / residual need figure be updated accordingly.

ii. What sites comprise the committed supply?

We also query the committed supply figure of 6.2ha in Table 5.1. It is unclear which sites comprise the commitments.

iii. Implications of the supply on the Plan Period

- 1.4 The Plan refers to a local employment land requirement (use classes B2 and B8) of 105ha between 2021 and 2041, which equates to a need of 5.25ha per annum. Table 5.1 of the Plan provides the class B2 and B8 local employment land (B2 and B8) supply components for Coventry. When the correct completions figure (using AMR data) is counted within the supply (i.e. supply reduced by 4.38ha as set out above), the Council's B2/B8 local employment land supply totals 55.82ha and not the figure of 60.2ha in Table 5.1 of the Plan. This equates to a supply of just 10.6 years from 2021 and means that there will be a complete absence in supply for the last years of the plan period (2031-2041).
- 1.5 For this reason, we object to the reallocation of Baginton Fields as a sub-regional strategic employment site. With there being an absence of supply from 2031 onwards, it is unclear why the Local Plan proposes to utilise Baginton Fields – a site that is sustainably located within the City's administrative area and close to residential areas to facilitate local job opportunities – but is being proposed now to serve strategic employment needs, and not contribute towards the 105ha requirement of Coventry itself.
- 1.6 The decision to not allocate Baginton Fields towards meeting local needs, means that the Local Plan supply (stated as being 60.2ha) (Table 5.1) is some 45ha short of the City's requirement. If Baginton Fields were retained as a site for local employment purposes this would add 25ha of land to the supply, decrease the shortfall in supply to 20ha (from 45ha) and add a further 4.7 years to the supply (to a total of 15.3 years). This is significant. Given the origin of need, the remaining shortfall of 20ha should then be met on new allocated within the City and / or, on sites closest to Coventry within adjoining authorities. Historically, the City Council have worked effectively with their neighbours and non-strategic and strategic, unmet needs from the City have been met close to the City within the Local Authority areas of Rugby, Warwick and Nuneaton and Bedworth at Ansty Park, Prologis Park Ryton, Prologis Park Keresley and the Coventry airport site.
- 1.7 Aside from its scale at 25ha, there does not appear to be good reason for the reassignment of Baginton Fields, from a local needs site to a sub-regional strategic employment site. This site is in the heart of Coventry, within walking distance of potential labour and occupies a school which is currently seeking permission to extend (PL/2025/0000308/FUL). There are also restrictive planning policy

requirements on the site including the need to safeguard the Sowe Valley River corridor and Stonebridge Meadows Local Nature Reserve, and compensatory provision for the King Henry VIII School playing fields. Given the need to work around the onsite school and the nature reserve, the configuration of the residual land is considered more appropriate for smaller units to meet local employment needs and is unlikely to support the needs of strategic site occupiers.

Strategic Site Requirements

- 1.8 The West Midlands Strategic Employment Sites Study 2024 (WMSESS) identifies a need for 1 or 2 strategic employment sites of c.25ha (for E(g)/B2 uses) or c.50ha (for B8/mixed uses) in Opportunity Area 7: M6 / A45 / A46 / M45 Coventry & Rugby. This Opportunity Area covers Coventry City and much of Rugby Borough. It extends marginally into Nuneaton and Bedworth Borough and Warwick District.
- 1.9 The Coventry and Warwickshire Alignment Paper 2024 advises that the residual strategic site need for Area 7 is up to 84ha, and this is across the area of the M6/A45/A46/M45 Coventry and Rugby. The requirements will be met through the preparation of Local Plans.
- 1.10 In terms of Local Plan progress, Nuneaton and Bedworth are at examination with their Local Plan and the Inspector has stated in his initial findings (reported in the Post Hearing Letter dated 14th November 2024) that the Plan may be capable of being found sound via main modifications. Since this Plan is likely to be found sound and be adopted in mid-late 2025, Nuneaton and Bedworth are at least 5 years away from being able to assist with strategic needs or now assist in any shortfall (i.e. the 45ha arising from Coventry).
- 1.11 Warwick District and Stratford-on-Avon District are currently consulting on their Preferred Options (Regulation 18) Joint Local Plan which proposes site options to meet strategic employment needs identified in the WMSESS 2024. Opportunity Area 8 identified in the WMSESS extends exclusively across Warwick District and Stratford on Avon District and it is most appropriate for the South Warwickshire Plan to respond to and seek to accommodate needs identified in this area.
- 1.12 Rugby Borough is considered most able to assist in meeting the strategic employment needs of Opportunity Area 7. The Borough sits squarely within the Opportunity Area and its Local Plan is yet to reach Preferred Options (Regulation 18). Thus, Rugby is located appropriately to respond to the sub-regional needs of Opportunity Area 7 and at an appropriate stage of plan making to meaningfully assist in meeting these needs, and any unmet local employment need.
- 1.13 In a report prepared for Rugby's Cabinet meeting on 4th March 2025, Rugby Council acknowledge that *"Coventry City Council does not have land to allocate further large employment sites... Therefore, it is proposed that the 84ha/294,000m2 required in opportunity area 7 to 2045 should be accommodated in Rugby Borough."*
- 1.14 The residual strategic sites need figure of 84ha is calculated after commitments (in Appendix 3 of the WMSESS and Appendix 1 of the Coventry and Warwickshire Alignment Paper) are deducted. This includes 25ha at Baginton Fields. However, for the reasons above, we believe this site is far better suited to meet local needs and

should remain as such in the emerging Plan and thus not be deducted as a component of strategic supply.

- 1.15 Importantly, if Baginton Fields is reassigned to meet local needs, (for the reasons we have outlined above) its contribution to meeting strategic needs should be omitted and the residual need for Opportunity Area 7 increased (from 84ha). For Opportunity Area 7 this means that the residual 'strategic sites' need should be increased from 84ha to 109ha (+25ha). As Rugby Borough Council acknowledge, the City does not have large employment sites available to meet strategic needs, and we consider therefore, that this should be met in Rugby Borough.
- 1.16 For the reasons above we recommend that Baginton Fields (25ha) be included as a local needs site and that criterion 1.b. of Policy DS1: Overall Development Needs plan for a minimum of 85ha of employment land to meet local needs within the city's administrative boundary (i.e. the 60ha currently referenced within DS1, plus the 25ha arising from Baginton Fields). The need for criterion c would consequently fall away.
- 1.17 Notwithstanding this change, we note that a shortfall in local employment land of 20ha would remain (i.e. the requirement is 105ha and the updated supply would be 85ha). As above, Rugby Borough is best placed to assist in meeting this unmet local need (in addition to Strategic needs).
- 1.18 The Council's Duty to Cooperate Statement states that "*Coventry has made its partner authorities aware through the Duty to Co-operate discussions that it is unable to accommodate a 45 hectare shortfall... but this currently remains an outstanding issue that has not yet been resolved. In part this is because most partner authorities are at earlier stages of plan preparation*". Having regard to Rugby's Cabinet Paper for its meeting on the 4th of March we note that there is not a single mention of Rugby assisting Coventry's unmet local needs. Therefore, whilst we support the intentions of criterion 3 of Policy DS1, to date, this unmet need remains unresolved, and Rugby Council do not appear to be taking any share of this. A Memorandum of Understanding between Coventry and Rugby must be progressed to progress this matter.
- 1.19 We support criterion 4 of Policy DS1 which allows for an early review of the Plan (either wholly or partially) if required, in certain circumstances, including, through the Duty to Co-operate, where the unmet employment needs of the city are proven to be undeliverable within the Local Plans of Warwickshire authorities.
- The Strategic Sites Need is higher than 84ha for Opportunity Area 7*
- 1.20 Our representations thus far have been based on the 'claimed' 84ha residual strategic site need, referenced in the revised Local Plan and set out in within the Alignment Paper 2024.
- 1.21 Stoford, together with our expert consultants, Marrons, consider there are serious flaws in the WMSESS 2024 and subsequent Alignment Paper 2024 that mean that the strategic employment needs for Coventry and Warwickshire are significantly higher. Our reasoning for this is set out succinctly in the appended report,

commissioned by Stoford, and prepared by Marrons Economics which provides a technical Review of WMSESS 2024 and the Alignment Paper 2024.

- 1.22 In short, Marron's assessment demonstrates that the residual strategic sites need across Coventry and Warwickshire should be increased by a further **+448.7ha and 528.7ha** simply to account for errors in the calculation of need.
- 1.23 Marron's also note that the Alignment Paper 2024 identifies a need for strategic sites across Coventry and Warwickshire that align relatively closely with the HEDNA figure from 2022 – and the HEDNA also forms part of the Local Plan evidence base.
- 1.24 The Alignment Paper 2024 calculates a residual strategic sites need from a gross figure, by deducting sites with planning permission. Whilst this is acceptable in principle, the Alignment Paper 2024 includes sites within this supply of land, that artificially inflate it and should not be counted as commitments/supply.
- 1.25 For example, WMSESS deducts from the overall strategic need, two large sites within Coventry and Warwickshire that are for a specific occupier/use. These being the JLR reserved site (adopted Core Strategy) in Stratford-on-Avon (100ha) and Battery Manufacturing facility at Coventry Airport (124.7ha). These sites will not assist in meeting the WMSESS modelled need for general employment uses and should not have been taken off the overall strategic need.
- 1.26 The Alignment Paper 2024 also deducts 64ha from the overall strategic site need for WMSESS Opportunity Area 7 (Coventry and Rugby). This is because of planning permission having been granted for the site known as Padge Hall, even though this site falls outside of the identified opportunity area (7) for Coventry and Rugby. Moreover, this site is intended to meet the needs of a specific occupier relocating from Hinckley (as stated within the planning application material), and again, the occupiers' need will not have been factored into the WEMSESS modelling. It is incorrect for the Alignment Paper to therefore deduct 64ha from the Opportunity Area 7 overall needs as a consequence of this planning permission.
- 1.27 Full details of our concerns and the need for higher strategic growth for Coventry and Warwickshire is contained in Marron's Technical Review of the WMSESS and Coventry and Warwickshire HEDNA – WMSESS Alignment Paper (appended).

6. Please set out the modification(s) you consider necessary to make the Local Plan Review legally compliant and sound, in respect of any legal compliance or soundness matters you have identified at 5 above. (Please note that non-compliance with the Duty to Co-operate is incapable of modification at examination). You will need to say why each modification will make the Local Plan Review legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

1. Correct the error in recorded completions set out in the Plan. The completions between 1st April 2021 and 31st March 2024 are cited as 25.4ha. However, the completions data provided in the Council's annual monitoring reports for the last 3 years (2021/22, 2022/23 and 2023/24) total 21.02ha (accounting for losses). Thus, a difference of 4.38ha in completions. The Council's B2/B8 local employment land supply totals 55.82ha and not the figure of 60.2ha.

2. Retain Baginton Fields (25ha) as a local needs. Accordingly, criterion 1.b. of Policy DS1: Overall Development Needs should be amended to plan for a minimum of 85ha of employment land to meet local needs within the city's administrative boundary (i.e. the 60ha currently referenced within DS1, plus the 25ha arising from Baginton Fields). The need for criterion c would consequently fall away.
3. Re-examine the committed supply figure of 6.2ha in Table 5.1 of the Plan. It is unclear which sites comprise the commitments.
4. Continue Duty to Co-operate discussions with Rugby Borough Council to assist in meeting the local employment shortfall and progress a Memorandum of Understanding.
5. Recognise and rectify the errors in the strategic employment needs evidence base (namely the WMSESS 2024 and subsequent Alignment Paper 2024) and plan for higher strategic employment needs in Opportunity Area 7 via the Duty to Co-operate with Rugby Borough Council.

Please note: In your representation you should provide succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.

After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues they identify for examination.

6. To which part of the Sustainability Appraisal (SA) report does this representation relate?

Paragraph

N/A

Please add any further comments relating to the SA report in the box below

N/A

(Continue on a separate sheet /expand box if necessary)

7. If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing session(s)?

☐

No, I do not wish to participate in hearing session(s)

☒

Yes, I wish to participate in hearing session(s)

Please note that while this will provide an initial indication of your wish to participate in hearing session(s), you may be asked at a later point to confirm your request to participate.

8. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:

We are a developer with land interests in Coventry and Warwickshire and have concerns how the evidence base is being interpreted and applied.

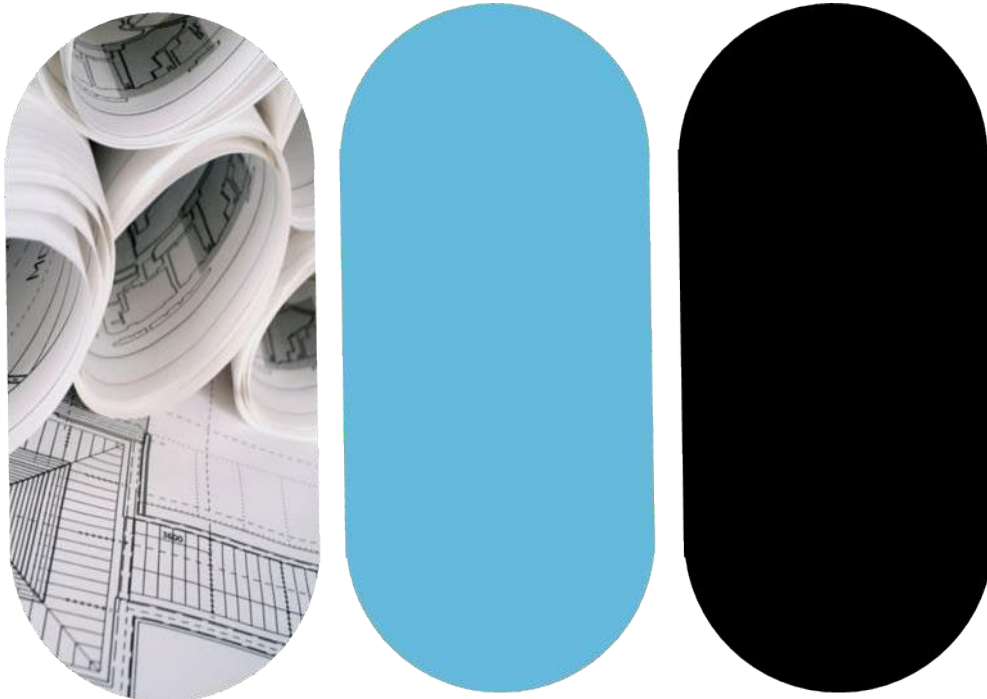
Please note the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Inspector has identified the matters and issues for examination.



 Part of Shakespeare Martineau

STOFORD PROPERTIES LTD

Technical Review of West Midlands Strategic Employment Sites
Study (WMSESS) and Coventry and Warwickshire HEDNA –
WMSESS Alignment Paper





CONTENTS

1. Introduction and key conclusions3

2. Review of West Midlands Strategic Employment Sites Study 2024 (WMSESS) 10

3. Review of Coventry and Warwickshire HEDNA – WMSESS Alignment Paper (Alignment Paper).....25

4. Conclusions.....32

APPENDICIES

Appendix 1 Stoford Analysis of the Net Developable Areas of Existing Commitments



1. INTRODUCTION & KEY CONCLUSIONS

- 1.1 This Note has been prepared by Marrons Economics on behalf of Stoford Properties Ltd. The purpose of the note is to provide a critical review of two recently prepared reports, the West Midlands Strategic Employment Sites Study 2023/24 (hereafter referred to as WMSESS) and the Coventry and Warwickshire HEDNA (Housing and Economic Development Needs Assessment) – WMSESS Alignment Paper 2024 (hereafter referred to as Alignment Paper).
- 1.2 The note also compares the findings of these two reports with previously prepared evidence, with a particular focus of logistic floorspace need.

Key Findings of WMSESS and Alignment Paper

- Within the West Midlands there is 0.45 years supply of manufacturing floorspace, and 1.16 years of strategic logistics floorspace – the WMSESS acknowledges there to be a considerable shortage in supply at present.
- **The WMSESS finds a need for strategic sites >25ha across the West Midlands Study Area of 1,920ha – 2,282ha (2022-2045). Of this figure road based need equates to 1,555ha to 1,848ha and rail based 365ha to 433ha.**
- In meeting residual need the WMSESS assumes 30% of supply will be required by the manufacturing sector, and 70% logistics.
- The WMSESS accounts for commitments totalling 1,007ha of road based, and 298ha rail based. **Residual road based need after accounting for this supply therefore totals between 549ha and 841ha (rail based residual 67ha to 135ha)**
- The WMSESS identifies a series of Opportunity Areas within which residual need could be met – Opportunity Area 7 contains Coventry and Rugby, which combined with OA 5 and 8 broadly equate to Coventry and Warwickshire.
- After accounting for strategic commitments of 655/656ha across Coventry and Warwickshire the WMSESS identifies a residual need of between 200ha to 275ha, of which 75ha to 150ha of residual need is identified for OA 7 (Rugby and Coventry).
- The Alignment Paper goes on to deduct two further sites in Coventry and Rugby totalling 68ha – reducing the **residual need within OA7 (Rugby and Coventry) to between 9ha and 84ha to 2045 (136 to 311ha across C&W)**. Note, a separate Alignment Paper Addendum has been published which seeks to



correct an error in the Alignment Paper's rebasing of strategic sites need, the effect of which is to increase residual needs by around 30ha across Coventry and Warwickshire (albeit this is not explicitly stated within the Addendum).

- In addition the Alignment Paper identifies non-strategic sites needs of 572ha by 2045 across Coventry and Warwickshire, reducing to a residual need of 328ha (68ha within Rugby reducing to 63ha and 122ha within Coventry reducing to 62ha).
- In respect of rail freight, the WMSESS acknowledges that finding a new rail freight interchange will be challenging, and should one not be found, the residual rail freight need (**+67ha to +135ha**) will transfer to a road based need – preferable as a satellite site to an existing RFI.

- 1.3 By way of comparison the Coventry and Warwickshire HEDNA, 2022, identified general industrial needs of 622ha by 2041, in addition to 551ha of strategic B8 need. By 2050 it forecast general industrial need of 902ha by 2050, in addition to 735ha of strategic B8 need. General industrial need within Rugby totalled 150.5ha by 2041, and 218.2ha by 2050. The HEDNA did not account for supply.
- 1.4 Evidence prepared by Marrons and LSH (submitted by Stoford Properties Ltd in early 2024 to RBC) demonstrated a need of between 547ha and 1,190ha within Rugby Borough alone over the period to 2050, significantly exceeding the aforementioned need.
- 1.5 The above summary presents the output as characterised by the WMSESS and Alignment Paper. Both assessments contain inconsistencies, as well as some fairly generic assumptions which have been applied to the wider West Midlands study area, and filtered down to the sub regional areas.
- 1.6 We attempt to summarise those most critical issues to the assessments of need below, but provide further detail in the following sections of this note.

Key Concerns/ Limitations of WMSESS

1. Study area wide (regional) assumptions applied, which have then been disaggregated to broad sub areas, and functional economic markets, without consideration of regional market disparities – for example a generic 70/30 split has been assumed between logistics and manufacturing demand, which fails to recognise the operational requirements of each sector which may favour



specific localities.

2. There is a significant disparity between the evidence presented in the WMSESS and Alignment Paper, compared with the C&W HEDNA in respect of both strategic and non-strategic needs. A detailed critique is appended but these largely can largely be explained as:

a) Scenarios – inconsistent application of assumptions:

- i. Suppressed demand – only appears to have been included within the net absorption scenario, despite the completions scenario (WMSESS preferred scenario) also be based on past trends (and constrained by suppressed demand), as would arguably the MDST scenario. Very crudely this would add a further **+446ha to 2,099 ha** to overall need across the West Midlands Study Area (data is not available to establish the uplift within Coventry and Warwickshire alone)

Separately, in calculating the low range of suppressed demand the WMSESS has incorrectly applied an annual need figure rather than the figure extrapolated over the study period. It is not clear of the implications of this error on the report's findings.

- ii. 5 year margin – it is appropriate to incorporate a 5 year margin for flexibility, however the WMSESS only applies this to the MDST and Completions scenarios, whilst excluding it from the net absorption scenario.

b) Completion trends – inconsistent results compared to C&W HEDNA. Difficult to quantify because of lack of detail published.

- c) 25% downward adjustment to strategic sites need (>25ha) – the premise being that 25% of strategic floorspace can be met on non-strategic sites (i.e <25ha). However whilst a generic 25% deduction was made in the WMSESS, a local upward adjustment for strategic floorspace on non-strategic sites was made in the Alignment Paper, amounting to only 10-13% of need. As a consequence, some **+130ha to 210ha** of need across Coventry and Warwickshire has been lost between the WMSESS and the Alignment Paper.



- d) Recycled site assumption reducing need by c.20% - significantly greater than the difference between gross and net completions (indicative of re-use) amounting to c.8%.
 - e) Reliance on supply designated for specific operator/ use not modelled within need assessment. Of the 655/656ha of identified supply relied upon in the WMSESS to meet Coventry and Warwickshire's needs, some **+224.7ha** is intended to meet need not modelled within the WMSESS (paragraph 10.60).
3. A generic plot ratio of 0.35 on the gross developable area (i.e 35% of the site will be built out) has been assumed in the WMSESS in determining road based need, whilst accepting that rail based delivery is better suited to a plot ratio of 0.25 ¹.

This does not appear to account for the increased levels of infrastructure required on larger strategic sites, as well as for example BNG requirements. Furthermore, it is clear that the plot ratio assumption has been applied to the gross developable area. Evidence prepared by Stoford's (appended to this Report) demonstrates that the net developable area is significantly smaller – reducing the amount of floorspace that can be achieved on each site. As such this is a significant generic assumption which has huge ramifications to the calculation of need. If for example a plot ratio of 0.25 were assumed, reflecting that assumed for strategic rail freight, it would increase road based need across the WMSESS study area from the range of 1,555ha – 1,848ha to a figure of between 2,177ha – 2,587ha. This one change to the assumption, which is considered to better reflect an average across a range of strategic sites, would require an additional 500ha to 700ha to be found across the study area. An equivalent calculation based on the assessed strategic need within Coventry and Warwickshire (835ha to 1,017ha) would indicate an additional **+333ha to 406ha** would need to be found.

Key Concerns/ Limitations of Alignment Paper

1. The Paper rebases residual need 2022 – 2045 back to a start year of 2021. In doing so it makes a pro rata adjustment to residual need, and then deducts

¹ Paragraph 10.2 of WMSESS



completions which occurred in 2021. However, in making a pro rata adjustment to residual need the Alignment Paper also extrapolates the strategic supply figure (of 655ha 2022 – 2045) by virtue of the fact that it underpinned the residual need calculation. A subsequent Alignment Paper Addendum seeks to correct part of this calculation but is still flawed in so far as it does not rebase gross need. The correct method would be to pro rata gross need, and then deduct completions that occurred in 2021. This has the effect of increasing residual need from the stated 177ha – 359ha to 207ha – 390ha, an additional **+30ha of residual need** over that quoted. Gross strategic sites need increases from 833 – 1,015ha as reported in the Alignment Paper to 893 – 1,076ha (+60ha of gross need).

2. As detailed above, whilst the WMSESS made a downward adjustment to strategic floorspace need of 25% to account for strategic needs which might be met on non-strategic sites, the Alignment Paper only provides for an upward adjustment to non-strategic needs of 148ha within C&W, some **+130ha to 210ha** short of the 25% equivalent upward adjustment required to balance the calculation.
3. There is a clear discrepancy in the level of non-strategic needs calculated within the C&W HEDNA and the latest figures within the Alignment Paper, despite both seemingly drawing upon past completions – however insufficient detail is provided to recreate the calculation.
4. No explanation of where the non-strategic supply figures used in the Alignment Paper's calculations have been derived, or what sites they encompass.
5. The Alignment Paper carries forward the WMSESS supply figures, which include 2 x sites within C&W which do not assist in meeting modelled need (JLR and Battery Manufacturing sites = 224.7ha). As such the strategic supply figure for Coventry and Warwickshire of 656ha² should be reduced by **+224.7ha**.
6. The Alignment Paper goes on to make a further supply reduction for Padge Hall Farm, despite this site not falling within an opportunity area. Further the site is intended to meet the needs of an occupier relocating from Hinckley – as with the JLR site, the Padge Hall Farm site does not seek to meet WMSESS

² As set out in Appendix 1 of the Alignment Paper



modelled need. Residual need should therefore be increased by **+64ha** to exclude Padge Hall Farm from the supply calculations. As such the residual strategic need of between 9 – 84ha identified in paragraph 4.10 of the Alignment Paper should be increased by +64ha.

Implications to Identified Future Industrial Need

1.7 The key implications of the above analysis are as follows:

1. The WMSESS and Alignment Paper appear to significantly underestimate the need for strategic floorspace, as well as non-strategic floorspace (within Coventry and Warwickshire).
2. Neither of the preferred strategic need scenarios build in suppressed demand – estimated to increase demand by between **+446ha and +2,099ha** over the period to 2045 (figure not available for C&W in isolation).
3. Whilst the WMSESS makes a 25% downward adjustment to strategic needs (assumed to be met on non-strategic sites). Within C&W the Alignment Paper does not make a full compensatory adjustment leaving an unaccounted shortfall of between **+130ha and +210ha** of strategic needs.
4. Reliance on a plot ratio of 0.35 (applied to the gross developable area) may constrain growth if sites are not capable of being developed at such a high plot density. A sensitivity test using a plot ratio of 0.25 (as applied to strategic rail freight) demonstrates that within C&W the need for additional sites would increase by between a further **+333ha and +406ha**.
5. The Alignment Paper, and Alignment Paper Addendum make an incorrect pro rata adjustment to the WMSESS Study Period. The correct method would first increase gross strategic needs across C&W over the period 2021 – 2045 by a further **+60ha**, and residual strategic needs by a further +30ha. This residual uplift is broadly acknowledged in the Alignment Paper, albeit it still continues to contain an error in its calculation of gross needs.
6. The Alignment Paper's calculation of non-strategic needs within C&W appears inconsistent with those in the 2022 HEDNA – noting that insufficient detail is provided to recreate the calculation.

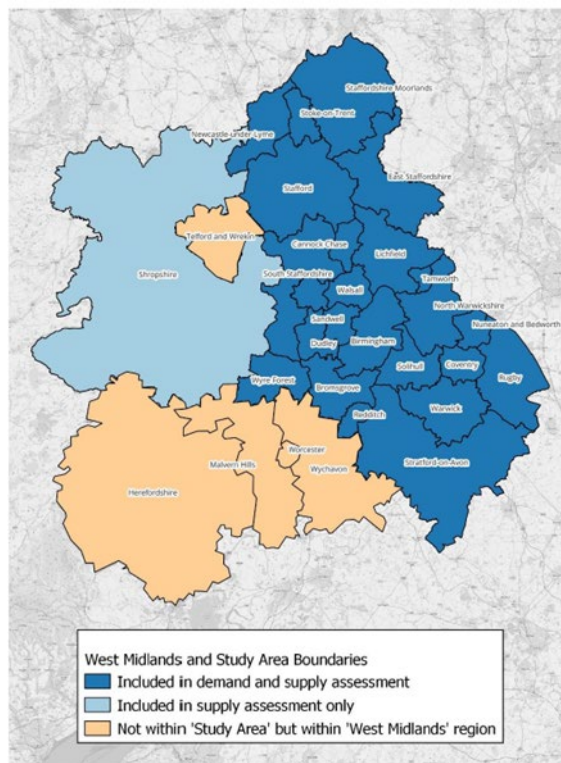


7. The WMSESS and Alignment Paper incorrectly assume that the JLR site and Battery Storage Site will help to meet modelled needs (despite accepting that they will not in para 10.60 of WMSESS). This would have the effect of reducing supply within C&W by **+224.7ha** (and increasing residual need by the same amount).
 8. The Alignment Paper also assumes a site intended for an occupier relating from Hinckley and Bosworth (Padge Hall Farm) will assist in meeting modelled need. Excluding this site, for the same reasons given paragraph 10.60 of the WMSESS would reduce identified supply in the Alignment Paper by **+64ha** (and increase residual need by the same amount).
- 1.8 In the context of the residual strategic need identified within Coventry and Warwickshire totalling 136ha to 311ha by 2045, and 9ha to 84ha across Opportunity Area 7 (Rugby and Coventry) the levels of additional residual need identified above are significant, and raise doubt over the robustness of the evidence, or at the very least a real risk that adopting the levels suggested in the Alignment Paper will significantly constrain economic growth.
- 1.9 Adjusting the calculations within Coventry and Warwickshire simply to account for errors in the calculation of need (balancing the 25% adjustment for strategic need on non-strategic sites (+130ha to +210ha); and applying the correct pro-rata adjustment to 2021 (+30ha), as well as excluding supply that will not assist in meeting modelled need (+288.7ha) would increase residual needs by a further +448.7ha and 528.7ha. Providing for suppressed need and/ or a more realistic plot ratio would further increase residual strategic need.

2. REVIEW OF WEST MIDLANDS STRATEGIC EMPLOYMENT SITES STUDY 2024 (WMSESS)

- 2.1 The Study, commissioned by Dudley Council, with the client group comprising the West Midlands study area local planning authorities and West Midlands combined authority, as shown below.

Figure 2.1. West Midlands Study Area



Source: Fig 2.1 WMSESS

- 2.2 The WMSESS brief is said to be as follows:

- Determine and appraise current provision and need identified in the 2021 Study (West Midlands Strategic Employment Sites Study 2021)
- Update on committed sites
- Identify the need for large scale strategic logistics and manufacturing sites (acknowledging that past take up rates alone are not necessarily reliable indicators of future need)
- Acknowledge locally identified EDNA needs and advise where sites can meet both local and regional need simultaneously



- Address modern industry requirements, qualitative and quantitatively
- Provide recommendations on the overall number and type of strategic sites required in the study area and in relation to identified opportunity areas within the study area.
- Review criteria for selection of strategic sites
- Advise on phasing and priority broad locations/ corridors for new strategic sites
- The work should be informed by engagement with key stakeholders
- Additional policy advice should be provided regarding the take-up of land for non strategic uses and on the practical mechanism for identifying, allocating and delivering strategic employment sites.

2.3 The key parameters of the scope include the definition of strategic units for manufacturing and logistics, exceeding 100,000 sq ft (9,300 sqm) and a site area typically exceeding 25ha. The rationale given is that this was the threshold typical of generating sufficient value to support the delivery of enabling infrastructure (paragraph 11.14).

2.4 **Policy and evidence review** – the WMSESS includes a review of relevant policy documents, as well as evidence base documents including the Coventry and Warwickshire sub-regional employment market signals study 2019, the South East Midlands Warehousing and Logistics Study 2022, and the Leicester and Leicestershire Strategic Distribution Study 2021. Critically the WMSESS does not appear to review the findings of the Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA) 2022 which included an assessment of strategic logistics (B8) need totalling 551ha to 2041 and 735ha to 2050. However, the C&W HEDNA WMSESS Alignment Paper addresses the output of the WMSESS in the context of C&W, as we detail later.

2.5 **Market dynamics** – in assessing the market the WMSESS reports that 33.5% of total strategic floorspace in the West Midlands (5.4m sq m) is in B2 (manufacturing) use, whilst 66.5% (10.8m sq m) is in B8 (logistics) use. The WMSESS does not appear to provide this analysis across the three broad (sub) areas of Greater Birmingham; Coventry & Warwickshire; and Staffordshire (as set out in Table 4.1).

2.6 Whilst Table 4.5 does subsequently assess recent take up on manufacturing floorspace by local authority, this does not necessarily translate to occupier demand. Notwithstanding it is important to note that over 50% of manufacturing take up in



recent years has been in the Birmingham sub-market of the region. There are therefore clear sub-regional differences in the extent of demand from manufacturing and logistics influenced by differing operational requirements.

- 2.7 Table 4.3 assesses the overall change in strategic floorspace over the 10 year period to 2022 within each of the three broad areas within the region. This shows that whilst by volume of floorspace both Birmingham and Staffordshire broad areas individually have a greater share of the market than Coventry and Warwickshire, Coventry and Warwickshire has experienced the greatest rate and volume of growth over the 10 years to 2022 (+1.2m sq m). The 41% rate of growth experienced is almost double that experienced by either Birmingham or Staffordshire, and the increased strategic floorspace growth within Coventry and Warwickshire over this 10 year period amounts to 45% of growth across the whole region.
- 2.8 Further, when comparing to the equivalent table summarising recent take up of logistics floorspace (Table 4.7) it is clear that over the 5 year period to 2022 Birmingham has been the key focus for growth in manufacturing, whilst the majority of floorspace growth in logistics has been in Coventry and Warwickshire.
- 2.9 Note that there is a notable illogical difference in the level of strategic floorspace change reported over the 10 year period 2012 – 2022 (Table 4.3) totalling +2,848,217 sq m across the West Midlands, compared with a figure of +3,035,292 sq m over the shorter 5 year period 2018 – 2022 (Tables 4.5 & 4.7 combined). This is likely a result of the 10 year calculation assessing net change, compared to the 5 year figures reflecting gross take up, but this is not immediately clear from the report.

Table 2.1 Summary of gross take up by broad area 2018- 2022

Broad Area	Manufacturing 2018-22 (sq m)	Logistics 2018- 22 (sq m)	Total Take Up 2018-22 (sq m)
Birmingham	317,420 (30%)	746,066 (70%)	1,063,486
Coventry and Warwickshire	196,738 (16%)	1,014,971 (84%)	1,211,709
Staffordshire	79,068 (10%)	681,029 (90%)	760,097
West Midlands Total	593,226	2,442,066	3,035,292

Source: WMSESS Table 4.5 and 4.7

- 2.10 The WSMESS provide a review of years supply, measured by current available floorspace (>100,000 sq ft), and compared to average annual take up. Notwithstanding the fact that past take-up could in itself be constrained through a lack of supply, the analysis indicates (Table 4.8) that across the West Midlands there is



0.45 years supply of manufacturing floorspace, and 1.16 years of strategic logistics floorspace. Paragraph 4.58 concedes that this points to a considerable short term under supply.

- 2.11 Rent for strategic logistics floorspace have been consistently higher in the Coventry broad area, compared to the other two broad areas, and UK average. Coventry's logistic rental average stood at £8 per sq ft in 2022, after consistent growth since 2014. The WMSESS considers that the significant rate of rental growth is reflective of high demand and a shortage of supply. A similar comparison of manufacturing rents across each of the three broad areas were lower than the UK average, noting that Coventry broad area remained the strongest of the three (£7.25 per sq ft in 2022), demonstrating the relative demand for floorspace, and noting a similar trajectory of growth since 2014.
- 2.12 The WMSESS concludes its assessment of market dynamics by referencing that vacancy rates are at an all time low, with rents consistently increasing over the past 10 years, indicative of strong demand, with current availability of supply limited to 0.99 years, which helps to emphasise the seriousness of the situation and the need to plan for greater levels of strategic floorspace, and the extent of suppressed demand which may exist.
- 2.13 **Commitments and allocations** – the WMSESS identifies a series of commitments by local authority totalling 1,305 ha (based upon sites >25ha and extensions of strategic sites) as at April 2022. However, this figure is significantly skewed by a number of large sites, including three sites which collectively comprise over 500ha - including 298ha at the West Midlands (Rail Freight) Interchange (South Staffs); 100ha Jaguar Land Rover (Stratford on Avon) (which whilst allocated does not benefit from planning permission); and 127ha for battery manufacturing at Coventry Airport. These sites have the effect of distorting the overall supply position.
- Within the Coventry broad area identified strategic commitments, as detailed in Section A3 of the WMSESS total 655.1ha, and are as follows (as at April 2022):



Figure 2.2 Coventry and Warwickshire Extract from Appendix A3.Commitments, of WMSESS

LPA	Status	Site	Use	Land ha	Floorspace (sq m)	Phasing
Coventry	Allocation	Land at Baginton Fields & SE of Whitley Business Park	Mixed B1, B2, B8	25		5-10 yrs
Rugby	Outline pp/ partial full pp	Tritax Symmetry, Land North of Coventry Road	Mixed	46.2	186,500	0-5 yrs
Rugby	Outline pp/ partial full pp	Prospero Ansty	B2	49.4	160,000	0-5 yrs
Rugby	Outline pp with res matters	Former Peugeot Site C (Prologis Park)	Mixed	16.7	45,275	0-5 yrs
Rugby	Outlined pp	Rugby Radio Station	Mixed B1, B2, B8	16	106,000	0-5 yrs
Rugby	Full pp	Coston Park East	B8	8.7	26,421	0-5 yrs
North Warwickshire	Allocation	Land at Mira	B2	42		0-10 yrs
North Warwickshire	Allocation	West of Birch Coppice (extension)	Mixed B1, B2, B8	5.1	25,000	0-5 yrs
North Warwickshire	Allocation	Playing fields South of A5, Dordon	Mixed B1, B2, B8	3.5	17,500	0-5 yrs
North Warwickshire	Full pp	Former B Station Site - Prologis Park Hams Hall	B2/ B8	8.9	45,000	0-5 yrs
Nuneaton and Bedworth	Full pp	Faultlands	B2/ B8	26	92,904	0-5 yrs
Nuneaton and Bedworth	Outline pp	Meadow off Pilgrims Walk (extension Prologis Park)	B2/ B8	5.9		0-5 yrs
Stratford on Avon	Allocated	Jaguar Land Rover	B2	100		0-10 yrs
Warwick	Outline pp	Gateway South, Land to South & west of Coventry Airp	B2/ B8	177	337,421	0-10 yrs
Warwick	Outline pp	Coventry airport	B2	124.7	513,470	0-10 yrs
Total				655.1		

2.14 However, it is clear that many of these commitments relate to either B2 or a mix of B class uses, with only 8.7ha of committed pure B8 floorspace. Of the remainder there is 316.1ha of committed B2 floorspace, and 330.3ha of committed mixed use floorspace – meaning that committed logistics floorspace across the entire Coventry and Warwickshire broad area totals at most 339ha, however it is reasonable to assume a proportion of this will be occupied by B2 manufacturers.

2.15 Indeed the reliance on allocations such as JLR in meeting general B2 needs is misplaced, given that the site will serve JLR's needs. This point is noted in respect of the JLR site, as well as the battery manufacturing site at Coventry Airport in paragraph 10.60 of the WMSESS. However, the WMSESS does not go on to exclude those sites from its supply calculations. Because of this the WMSESS appears to over inflate supply by 224.7ha from these two sites alone.

Establishing future need

2.16 The WMSESS goes on to undertake a series of forecast scenarios as set out below:

2.17 **Traffic growth & replacement demand model (need for sites)** – accounting for both growth build and various replacement build scenarios (low, central and high) the WMSESS considers there to be a need to 2045 for between 1,993ha – 2,868 ha of strategic sites. The WMSESS tests within these figures a series of rail served scenarios, the mid point being 23%, equating to 458ha of rail served sites by 2045. Accounting for the 207ha at West Midlands Interchange the WMSESS indicates a shortfall in rail served supply of 161ha by 2045.



- 2.18 **Completions (need for sites)** – strategic floorspace completions data over the 11 year period between 2011/12 and 2021/22 totals 3,935,475 sq m, averaging 357,770 sq m per annum and 102ha (plot ratio 0.35). Extrapolated over the period 2022 – 2045 this equates to 2,351 ha across the West Midlands.
- 2.19 It is important to note that these figures are supply constrained, and as such do represent the market demand over this period.
- 2.20 **Net Absorption (need for sites)** - WMSESS confirms, drawing on data from CoStar, that average net absorption for large scale industrial and warehouse units between 2011 and 2022 across West Midlands was 328,293 sq m per annum, equivalent to 94 ha. Over the period 2022 – 2045, projected forward this equates to 2,157 ha. Importantly para 9.4 acknowledges that net absorption masks gross demand for new stock.
- 2.21 The WMSESS anticipates that that manufacturing demand will be steady whilst population growth, changing business functions and shopping habits will continue as drivers for e-commerce. It considered that the demand rate post pandemic is now stabilising towards the pre pandemic rate. In the longer term (post 2030 to 2040) it considers that there is uncertainty on where demand will stabilise with potential levelling off of online retailing but it considers that this would need to be reviewed in future evidence base updates. Some caution should be expressed over the reliance upon past trends.
- 2.22 **Need for Sites, Conclusion and Requirements by type and size** – the WMSESS considers the following the above calculations there is a need for adjustment to account for:
- suppressed demand;
 - margin for flexibility;
 - relationship between strategic units and strategic sites; and
 - recycling of sites.
- 2.23 The WMSESS calculations assume a plot ratio of 0.35 for road based and 0.25 for rail based services, which is considered reasonable. Rightly however it considers that there may be instances where these ratios are lower taking into account specific landscape issues or accommodating biodiversity net gain. The consequence of this being that the numbers presented within the WMSESS in respect of the needs for



sites (ha) may be light. However, the WMSESS does not undertake a sensitivity test of plot ratios. By way of example the road based ratio does not appear to account for the increased levels of infrastructure required on larger strategic sites, as well as for example BNG requirements. Furthermore, it is clear that the plot ratio assumption has been applied to the gross developable area. Evidence prepared by Stoford's (appended to this Report) demonstrates that the net developable area is significantly smaller – reducing the amount of floorspace that can be achieved on each site. As such this is a significant generic assumption which has huge ramifications to the calculation of need. If for example a plot ratio of 0.25 were assumed, reflecting that assumed for strategic rail freight, it would increase road based need across the WMSESS study area from the range of 1,555ha – 1,848ha to a figure of between 2,177ha – 2,587ha. This one change to the assumption, which is considered to better reflect an average across a range of strategic sites, would require an additional 500ha to 700ha to be found across the study area. An equivalent calculation based on the assessed strategic need within Coventry and Warwickshire (835ha to 1,017ha) would indicate an additional **+333ha to 406ha** would need to be found.

- 2.24 Suppressed demand – the WMSESS measures this through the rate of availability of floorspace. The WMSESS tests this based on a low scenario (assuming availability of 5%) and a high scenario, as advocated by Savills research (assuming availability of 8%).
- 2.25 The WMSESS favours incorporating availability based upon the low scenario – however, given the intended nature of the exercise in forecasting future demand for strategic floorspace, it would seem reasonable to base calculations on what is termed the high scenario, but is Savills preference given their knowledge of the market.
- 2.26 The average annualised suppressed demand is rolled forward over the planned period (multiplied by 23) to provide a 'top-up' of:
- 1.6 million sq. m or 446ha of need under the 'Low' scenario (5% availability) and
 - 7.3 million sq.m or 2,100 ha under the 'High' scenario (8%)
- 2.27 The WMSESS only considers suppressed demand in the context of a net absorption based forecast, however it is important to recognise that these figures are in equally as relevant to a forecast based upon past completions.



- 2.28 As stated above the WMSESS favours the calculation of suppressed need equating to 446ha. Had it incorporate the high scenario (2,100ha) this would add a further 1,654ha of need.
- 2.29 Notwithstanding, it is clear that an error has crept into the WMSESS in respect of the application of the favoured low scenario (+446ha). Reference to Table 10.1 confirms that the low scenario equates to suppressed demand of 1,562,523 sq m, whereas the level of suppressed demand applied to the net absorption low scenario in Table 10.3 totals only +319,379 sq m. This figure is in fact the annualised level of suppressed demand associated with the high scenario as set out in Table 10.1. As a consequence the total floorspace associated with the low scenario in Table 10.3 should equal 9.1m sq m, and the equivalent land take shown in the proceeding Table 10.4 should total 2,604ha, as opposed to 2,249 ha.
- 2.30 Margin for flexibility – the WMSESS incorporates a margin for flexibility equivalent to 5 years of completions in the study area equivalent to 1.8 million sq m. Based upon a plot ratio of 0.35 we calculate this to total 514ha.
- 2.31 The WMSESS goes on to present a summary of its various need scenarios as set out in the extracted tables below. As detailed above, an error has crept into the net absorption low scenario, whereby an incorrect suppressed demand has been applied – as a consequence the need associated with this scenario, and shown in Figure 2 (Table 10.4) below should, we believe, total 2,604ha as opposed to the reported figure of 2,249ha.
- 2.32 Table 10.3 WMSESS (extract below) sets out the floorspace calculations underlying the above, and it is clear that whilst a margin of flexibility has been applied to the MDST and Completions scenarios, it has not been applied to the net absorption scenarios. Similarly, whilst the net absorption scenarios account for suppressed demand, the completions scenario does not (despite the fact that it is similarly derived from past trends). The allowance for a margin of flexibility and separately suppressed demand are complementary and do not in any way double count – it is therefore unclear why the analysis would appear to exclude these elements from certain scenarios.

Table 2.3 Extracted Summary of Forecast Strategic Floorspace Needs 2022 – 2025 (sq m)

Table 10.3 Summary of Forecast Strategic Floorspace Needs 2022-45 (sq.m)

	MDST Central Scenario			Completions	Net Abs. /SD - High	Net Abs. /SD - Low
	Road (B8 only)	Rail (B8 only)	Road and Rail + 30% B2 Adjustment			
Forecasted Need (2022-45)	6,977,000	1,605,000	11,156,600	8,228,720	7,550,730	7,550,730
Suppressed Demand					7,345,723	319,379
5-year Margin			1,788,852		N/A	N/A
Total			12,945,452	10,017,572	14,896,454	7,870,109
Road-based Need*			10,485,816	8,114,233	12,066,128	6,374,788
Rail-based Need*			2,459,636	1,903,339	2,830,326	1,495,321

*Based on the MDST model road to rail split of 81% / 19%

Source: Icen Analysis

2.33 Notwithstanding, the WMSESS goes on to recommended a narrower range comprising the Completion Scenario at the low end, and the Traffic growth/ replacement demand central Scenario at the upper end. The WMSESS discounts both absorption scenarios, with the high net absorption scenario dismissed as ‘likely to overestimate the nature of the strategic sector requirement, particularly when combined with the shorter term exceptional demand influence associated with the pandemic’. However, it is our understanding that the net absorption scenario assessed net absorption over the period 2011 – 2022, and paragraph 9.6 of the WMSESS concedes that the difference in net absorption over the period 2011 – 19 and 2011 – 22 is not significant. By the WMSESS’s own analysis the pandemic would appear to have had little influence on need identified through the net absorption scenario.

2.34 It is not clear whether the error associated with the low net absorption scenario would have influenced the decision to exclude it, albeit the rationale given was that it sat below the completion trend. In this respect it is important to note that use of the net absorption scenarios would negate the need to apply a downward recycling adjustment as we refer to late within this note, as net absorption accounts for the overall change in floorspace.

2.35 The WMSESS considers that whilst it forecasts strategic floorspace (units greater than >9,000 sq m), its focus is on strategic sites (>25ha). It considers that there are a number of considerations to take into account in reconciling the modelled forecasts,



including 1) not all strategic units are located on strategic sites, 2) most strategic sites contained some smaller, non strategic units, and 3) some need can be met by recycling existing brownfield sites.

- 2.36 **Relationship between strategic units and strategic sites** – the WMSESS draws on CoStar data in assessing the proportion of strategic units located on non strategic sites (36% since 2000). The WMSESS concedes, based on shareholder feedback in paragraph 10.29 that because of the high demand and shortage of supply, an increasing amount of strategic units are being built on sub optimal, non strategic sites.
- 2.37 Despite this it goes on to make a reduction of 35% (paragraph 10.30) to the forecast strategic floorspace need for strategic sites. Separately, the WMSESS makes a positive adjustment of +10% to provide for smaller units on strategic sites. As a consequence Table 10.8 appears to make a net reduction of 25%.
- 2.38 Notwithstanding the rationale behind this adjustment, it is essential that an equal and compensatory upward adjustment is made to non-strategic site needs – however as we detail below the Alignment Paper does not make such an adjustment, instead only increasing non-strategic need by c.10 – 13%, whereas an upward adjustment would be required to full account for need.
- 2.39 **Recycling of sites** - The WMSESS confirms a need to replace older stock, which it considers is an important driver of demand, and that those existing strategic sites yield opportunities for redevelopment. It considers that newer stock will have a 40+ year lifespan, but the majority of current stock needs replacing approximately every 30 years. As such it considers that stock built pre 2015 (at the end of the study period 2045) will need replacing.
- 2.40 As a consequence the WMSESS assumes an adjustment of 20% which applies to all large units on strategic and non-strategic sites in respect of the MDST scenario, albeit it goes on to note that there is considered to be a greater probability of on-site recycling at strategic sites – there is only 4.2 million sq m of strategic floorspace location on existing strategic sites. Furthermore, of this figure only 2.7m sq m was built prior to 2015 – the cut-off date implied by WMSESS.
- 2.41 Despite this the 20% downward adjustment made by the WMSESS amounts to 2.2 million sq m, more than half of the current strategic floorspace on strategic sites. In addition, and in respect of the MDST scenario, the WMSESS makes a further



recycling adjustment of 234ha (we approximate this to 819,000 sq m, and bringing the total assumed to be recycled to c.3m sq m – 75% of all strategic floorspace on strategic sites). In respect of the Completion Scenario, the WMSESS makes a downward recycling adjustment of 390 ha (we approximate this to total 1,365,000 sq m).

- 2.42 The implausibility of this adjustment is demonstrated by a comparison of the gross completed strategic floorspace as reported in the WMSESS over the period 2011-2022 (3.9m sq m), and net absorption over the same period (3.6m sq m – paragraph 9.6). Net absorption represents net additional floorspace, and as such the difference in these numbers amounts to the amount of recycled floorspace – some 300,000 sq m, or 8%.
- 2.43 The following table, an extract of Table 10.8 of the WMSESS summarises the above calculations based upon the two recommended scenarios.
- 2.44 In respect of the MDST scenario, after making an initial deduction for recycled sites of 20% resulting in a need of 3,354 ha, the WMSESS makes a further 25% reduction on the assumption that 25% of strategic floorspace will be met on non-strategic sites (<25ha). A further recycling downward adjustment is made of 190ha resulting in a residual need for strategic floorspace on strategic sites (>25ha) of 1,848 ha. This figure is then apportioned between rail and road.
- 2.45 In respect of the equivalent Completions Scenario, the forecast need figure is reduced by 25% to account for the assumption that 25% of strategic floorspace will be met on non-strategic sites. A further downward adjustment of 390 ha is made on the assumption that this need will be met on recycled sites, leaving a residual need of 1,555 ha. As above, this figure is apportioned between road and rail.
- 2.46 As detailed above there appears to be no rationale for not applying the suppressed demand calculation to the Completions scenario (when it has been applied to the net absorption scenario), which would have the effect of increasing need within this scenario by between 446ha and 2,099ha – substantially increasing stated need.



Table 2.4 Supply Demand Balance Summary (Ha) Extract from Table 10.8 WMSESS

	MDST	Completions
Forecasts needs 2022 – 2045 with adjustments and margin	3,354	3,080
Strategic sites (downward) adjustment (25%)	2,516	2,310
Brownfield recycling adjustment	2,282	1,920
Adjusted Road Need	1,848	1,555
Adjusted Rail Need	433	365
Commitments Road	1,007	1,007
Commitments Rail	298	298
Road Shortfall	841	548
Rail Shortfall	135	67
Shortfall (ha)	977	615

2.47 The need analysis undertaken within the WMSESS raises a number of key concerns, which can be summarized as follows:

- Use of completions data, without accounting for suppressed demand
- Preference for a lower availability rate in calculating suppressed demand, than advocated by market evidence (5% as opposed to 8%).
- Clear errors within the suppressed demand calculations, and subsequent impact on the demand scenario
- Inconsistent use of the flexible margin, with no rationale as to why it would not also apply to the net absorption scenarios
- Downward adjustment (of 25%) to account for strategic floorspace on non-strategic sites, the result of which would compound market supply issues, resulting in exactly the issues faced by the market resulting in occupiers locating in sub-optimal sites.
- Illogical adjustment for recycled sites, amounting to 20% of need – with no explanation as to the source of this assumption, which far exceeds that experienced in the market from a comparison of gross completions and net absorption (8%). Notwithstanding, an increase in the rate of recycled sites would require a properly functioning market with adequate levels of vacant/ available space to ensure continuity in business operations, as acknowledged in para 1.10, 7.17 and 10.34. In order for that to be achieved sufficient allowance would need to be built into each scenario to provide for suppressed demand, which is presently excluded from the WMSESS calculations other than the net absorption scenarios.
- Finally, the assumptions underlying the assessment of need appear to have been undertaken at a study area level (i.e. West Midlands) meaning it is difficult to



extrapolate need across individual functional economic markets within the West Midlands, without assuming the same underlying assumptions, including for example the mix of need for logistics and manufacturing sites.

- 2.48 The WMSESS makes a series of assumptions and adjustments, which at each stage have the effect of substantially reducing strategic floorspace needs. No sensitivity analysis is undertaken to test the impact of each assumption, and the risk of underestimating need – the effect of which would be to exacerbate existing market pressures.
- 2.49 The WMSESS and Alignment Paper are both technical assessments yet do not contain the detailed underlying data informing many of the assumptions. As such it is difficult to establish the provenance of many of the assumptions, and where clear issues exist, why they have occurred.
- 2.50 In establishing the current shortfall in supply, the WMSESS deducts commitments totalling 1,305 ha. For the reasons identified above, this figure potentially over inflates supply through the inclusion of a number of large sites intended for occupation by known operators (such as JLR) or for a specific purpose (battery manufacturing for example), meaning they are not available to the open market, and there need falls outside of that reflected in the WMSESS methodology. We address commitments relating to the Coventry and Warwickshire functional economic market later within this note.
- 2.51 In meeting the shortfall in supply the WMSESS goes on to set out the requirement for additional sites. In respect of rail based need the WMSESS considers that in the medium term the West Midlands Interchange will fulfil need, at least until 2030, albeit it confirms that if a further rail freight interchange does not materialise then the residual rail need will need to be met at road based sites with good accessibility to existing strategic rail freight interchanges, known as satellite sites. Based upon the WMSESS calculations this would amount to be 67ha and 135ha of need (albeit with an appropriate plot ratio adjustment).
- 2.52 In respect of road based need the WMSESS identifies a need for between 548ha and 841ha (notwithstanding the concerns we raise above). Based upon a need for sites >50ha the WMSESS considers there to be a requirement for between 11 and 17 sites, albeit noting that site size will vary, influencing the number of sites required.



- 2.53 The WMSESS also considers that around 30% of supply will be required by manufacturing and 70% by logistics, based on ratios of stock, take up and market sentiment, equating to around 500-600ha of manufacturing need, and 1,100 to 1,300 ha of logistics need (before accounting for commitments). In respect of the quoted committed supply (1,007ha road based), 418ha comprise strategic manufacturing sites.
- 2.54 Paragraph 10.60 rightly concedes that a significant portion of the supply is earmarked for specific use (JLR 100ha, and Coventry Airport 127ha for battery manufacturing only). The WMSESS rightly points out that these demands would not be reflected in any modelled need from past trends, but are rather inward investment.
- 2.55 This, it considers, reduces the general B2 supply to 191ha and as such the residual need in manufacturing rises to around 300-400ha. Whilst we agree with this assertion, the two sites combined appear to total 224.7ha, which should instead be deducted from the supply figure. It is also important to note that both sites are located within the Coventry and Warwickshire functional economic market area. Critically, and despite the WMSESS conceding that they should not form part of the supply calculations in addressing identified strategic need, paragraph 12.20 sets out the assumptions in determining the residual need and includes both sites in the total stated supply of 1007ha. Furthermore, the Alignment Paper continues to assume that both sites will contribute to supply against stated need.
- 2.56 Paragraph 10.64 goes onto deal with logistics need/ supply, however it refers to an overall logistics need of 676ha to 994ha. This differs to the range of 1,100 to 1,300ha given in paragraph 10.56, and appears to be written in error. Notwithstanding paragraph 10.64 refers to a broad supply of 589ha (of which 30% may be required for manufacturing). The WMSESS concludes that there is a considerable shortfall in space following several years of high demand.
- 2.57 In recommending the quantum and distribution of additional sites, the WMSESS outlines the potential for 13-23 sites totalling between 575ha and 975ha of supply. It states in paragraph 12.21 that this compares to a road based shortfall of up to 841ha. The figure of 841ha appears to be derived by deducting what was considered to be a committed road based supply of 1,007ha (which as stated above includes the two sites which should have been excluded from the supply calculation), from the road based need of 1,848 ha (note the slight discrepancy in quoted need figure relative to



Table 10.8 of the WMSESS).

- 2.58 Notwithstanding our stated concerns over the calculation of need, the WMSESS conceded in chapter 10 (paragraph 10.60) that two of the committed sites will not meet modelled need, and as such should be excluded, reducing supply by 224.7ha. This has the effect of increasing the shortfall from 841ha to 1,066 ha – meaning that the WMSESS falls short of allocating sufficient needs through the sites/ locations identified.
- 2.59 Within Area 7 covering Coventry and Rugby the WMSESS identifies a need for between 1-2 for B8/ mixed use (totalling 50 – 100ha) and 1-2 sites for B2 use (totalling 25 – 50ha). However, the Coventry Airport battery manufacturing site totals 124.7ha, which should be excluded from the supply calculations, therefore adding a further equivalent supply requirement to Area 7.
- 2.60 Importantly paragraph 12.24 confirms that the results of opportunity area analysis are indicative and not intended to pre-empt any Local Plan processes.
- 2.61 We undertake a more detailed review of the implications to Coventry and Warwickshire, and specifically Rugby in the following section drawing on the C&W HENDA Alignment Paper.

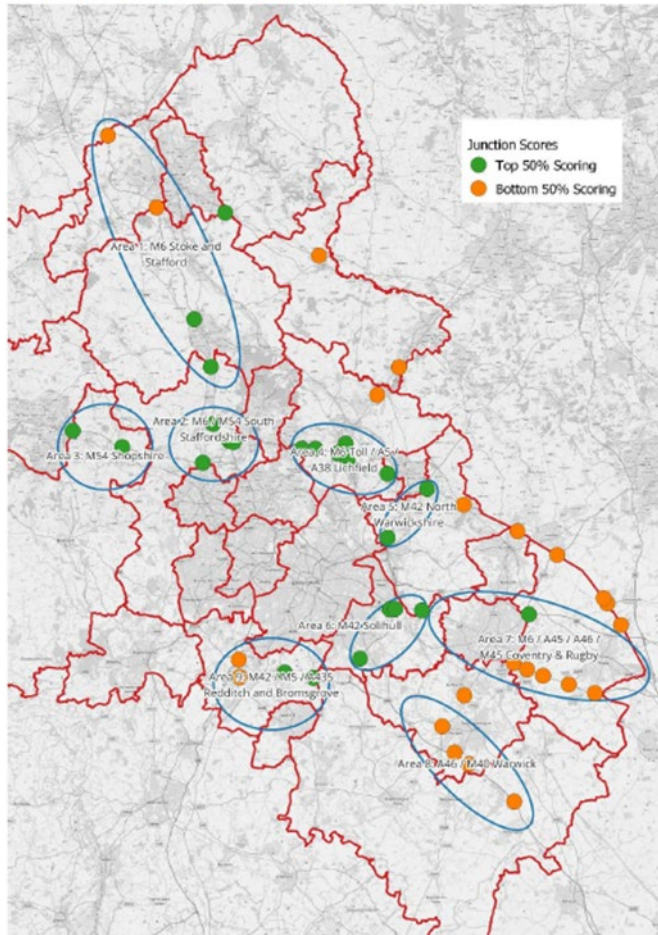


3. REVIEW OF COVENTRY AND WARWICKSHIRE HEDNA – WMSESS ALIGNMENT PAPER (ALIGNMENT PAPER)

- 3.1 The Alignment Paper, published in September 2024, was commissioned by Rugby Borough Council (RBC) on behalf of the Coventry and Warwickshire local planning authorities (Rugby, Coventry, North Warwickshire, Nuneaton & Bedworth, Warwick and Stratford-on-Avon). It is intended to consider the relationship between the employment land need recommendations in the WMSESS and the Coventry and Warwickshire Housing and Economic Development Needs Assessment (C&W HEDNA) 2022.
- 3.2 The Alignment Paper gives the WMSESS primacy, given its pan regional coverage, and the overlap between large manufacturing requirements and strategic site requirements; and more detailed consideration given to need based factors and opportunity areas.
- 3.3 The Alignment Paper is said to address overlap between the two assessments, and provide aligned outputs on employment land needs over a consistent time scale.
- 3.4 The HEDNA concluded upon a need for 621.9ha for general industrial (non strategic) to 2041 (increasing to 901.8ha to 2050). The equivalent figures for RBC were 150.5ha and 218.2ha respectively. Separately, a need for strategic B8 development totalling 551ha to 2041 (increasing to 735ha to 2050) was identified across Coventry and Warwickshire (the HEDNA did not distribute this need).
- 3.5 The WMSESS identifies a number of areas of opportunity where strategic employment sites should be considered. Three areas of opportunity fall within Coventry and Warwickshire as follows:
 - Area 5 - M42 - North Warwickshire
 - Area 7: M6 / A45 / A46 / M45 - Coventry, Rugby, Nuneaton and Warwick
 - Area 8: A46 / M40 - Warwick and Stratford-on-Avon

Figure 3.1 Extract from WMSESS – Opportunity Areas

Figure 1.1 WMSESS Road Opportunity Areas



- 3.6 The Alignment Paper confirms that each Opportunity Area was apportioned a proportion of the residual strategic site needs for both B8 and manufacturing occupiers (after accounting for commitments).
- 3.7 Across the three Opportunity Areas, the WMSESS identifies a residual need of between 200 and 375ha. Of this range, so 150 – 300 was identified for strategic B8/ mixed use, whilst 50 – 75ha was identified for B2 use. This is summarised in the following table extract.



Table 3.1 WMSESS Recommended Additional Strategic Site Provision 2022 – 2045

Opportunity Area	Type of Site	Indicative additional strategic site requirement at B8/mixed c.50ha - B1/B2 dedicated c.25ha	Indicative land need 2022-45
Area 5: M42 North Warwickshire	B8/Mixed	1-2	50-100
	B2	0	0
Area 7: M6 / A45 / A46 / M45 Coventry & Rugby	B8/Mixed	1-2	50-100
	B2	1-2	25-50
Area 8: A46 / M40 Warwick & Stratford	B8/Mixed	1-2	50-100
	B2	1	25
Total			200 - 375

Source: Table 2.4 of Alignment Paper

- 3.8 Within Area 7, encompassing parts of Coventry and Rugby the WMSESS identifies a residual need of between 50 – 100ha of B8/ mixed need, and 25-50ha of B2 need 2022 – 2045.
- 3.9 The Alignment Paper then seeks to re-align the WMSESS study period (2022 – 2045) to that of the C&W HEDNA (2021 – 2045). It does this, by making a pro-rata adjustment to the residual supply, and then deducting a completion of 30ha that occurred in 2021/22.
- 3.10 It is not entirely clear why this is necessary, particularly as the year 2021/22 forms part of the past completion/ net absorption calculation in the WMSESS. Nonetheless, the calculation itself does not make sense.
- 3.11 Firstly there is an error in the pro rata calculation in Table 3.2. The average need per annum of 7.4 – 13.9, is said to be based on a pro rata of the residual need of 200 – 375ha over a 23 year period (2022 – 2045) which actually equates to 8.7 – 16ha. This is subsequently addressed in an Alignment Paper Addendum (Table 3.2). This confirms that the rebased strategic residual need 2021 – 2045 totals between 209 – 391ha, an increase of 32ha above that set out in the Alignment Paper.
- 3.12 However, in correcting this calculating in the Alignment Paper Addendum, Table 3.3 appears to make an incorrect calculation by deducting supply of 30ha to the gross



need calculation. It is not clear why this is applied in this way.

- 3.13 A more transparent method of calculating rebased need over the extended period from 2021 would first be to establish gross need (rather than residual need) within C&W over the period 2022 – 2045. Over the period 2022 – 2045 the WMSESS considers there to be commitments totalling 656ha after which there is determined to be a residual need of 200 -375ha. As such, , it can be deduced that the WMSESS determined there to be a gross strategic need of between 856 and 1,031ha over the period 2022 – 2045. A pro rata of this figure (37ha to 45ha) would suggest the gross need over the period 2021 – 2045 (an additional year) would total between 893 - 1,076ha across C&W, not the figure of 833 – 1,015ha set out in the Alignment Paper or the revised figure of 835 – 1,017ha as reported in the Alignment Paper Addendum. As a consequence gross strategic sites need is +60ha greater than that reported in the Alignment Paper.
- 3.14 After accounting for planned reported supply of 656ha within the WMSESS and deducting the additional completion of 30ha reported by the Alignment Paper for 2021 (albeit the Alignment Paper Addendum raises doubt over whether this should be included), a corrected gross need figure of between 893ha – 1,0776ha reduces to a residual need of 207 – 390ha, some +30ha above that reported in the Alignment Paper (being 177 - 359ha – Table 3.2). Whilst this is similar to the residual need reported in the Alignment Paper Addendum of 209 – 391ha, importantly it corrects a miscalculation of gross need within the Alignment Paper/ Addendum's calculation over the period 2021 – 2045.
- 3.15 It is also important to note that the WMSESS reduced strategic needs to be accommodated on strategic sites >25ha by 25% - a blanket assumptions over the WMSESS study area which assumed that the remaining 25% of strategic needs could be met on non-strategic sites. However, in adjusting for this within the non-strategic site calculations in the Alignment Paper, a local adjustment is made – adding only an additional 148ha to non-strategic sites (to account for strategic need) by 2045.
- 3.16 Assuming the strategic needs to be met on strategic sites within Coventry and Warwickshire (quoted in the Alignment Paper as totalling 833 – 1,015ha) amount to 75% of total strategic need, the WMSESS assumed that 25%, between some 278ha and 358ha of strategic needs would be met on non-strategic sites.
- 3.17 By making a local adjustment of only 148ha the Alignment Paper has not fully



provided for the element of strategic needs which the WMSESS considered would be suited to non-strategic sites. As a consequence it would appear that the assessment has lost between 130ha and 210ha of strategic need in its calculation which has not been unaccounted for.

Non-Strategic Needs

- 3.18 Separately, the Alignment Paper assesses non-strategic site needs. It does this by applying the average gross completion trends for the period 2011/12 – 2023/24 (2022/23 for SoA). This method compares to the 2022 HEDNA which used gross completions data for 2011/12 – 2019/20.
- 3.19 The C&W Alignment Paper identifies a non-strategic sites need of 424ha (2021 – 2045). These figures are adjusted to account for strategic units located on non-strategic sites (a further 148ha as explained above), increasing need to 572ha across C&W, of which 68ha is within Rugby. The equivalent figure to 2041 totals 492ha, and to 2050 670ha across C&W (and 58.4ha within Rugby to 2041, increasing to 82.1ha by 2050).
- 3.20 By way of comparison the C&W HEDNA identified non-strategic needs of 621.9ha 2021 – 2041, and 901.8 over the period 2021 – 2050. The difference in reported non-strategic need between the Alignment Paper and HEDNA is more pronounced in Rugby where the C&W HEDNA identified a need 2021 – 2041 of 150.5ha and over the period 2050 218.2ha.
- 3.21 It is difficult to square the revised calculation of non-strategic needs in the context of the previously published HEDNA – which ostensibly is based on the same calculation underpinned by past completion trends coupled with a margin for flexibility. However, insufficient evidence is published in the Alignment Paper to establish the raw completions data which underpins the calculation.
- 3.22 As a consequence the Alignment Paper identifies an overall strategic and non strategic need as follows:
- 1,325 – 1507ha (2021 – 2041)
 - 1,405 – 1,587ha (2021 – 2045)
 - 1,503 – 1,685ha (2021 – 2050)
- 3.23 However, for the reasons identified above, the need figures identified in the Alignment



Paper appear deficient. Over the period to 2045 the identified need appears to be at least 30ha short based on a correction to the calculation of rebasing need starting in 2021 and incorporating past completions in 2021/22 (see paragraph 3.15).

- 3.24 Furthermore, between the deduction of 25% of strategic need within the WMSESS to account for what it considers can be met on non-strategic sites (as opposed to the WMSESS focus on strategic sites >25ha), and inclusion of a local adjustment amounting to only 10 – 13% of strategic needs, there exists an element of strategic need which has been lost in the calculation totalling between 130ha and 210ha of strategic need which is unaccounted for.

Supply

- 3.25 The Alignment Paper compares identified need with supply for both non strategic and strategic sites, based upon completions, commitments and allocations.

Non Strategic Supply

- 3.26 In respect of non strategic sites the Alignment Paper converts hectares to floorspace based upon a plot ratio of 0.4. Where the Alignment Paper assesses mixed use sites with an element of offices, it acknowledges that it fails to account for the fact that office uses could occupy the site and assumes that 100% of the site is available for industrial use.
- 3.27 Table 4.1 of the Alignment Paper summarises the total supply of non-strategic sites across Coventry and Warwickshire to total 244ha, of which 5ha is identified in Rugby and 60ha within Coventry itself.
- 3.28 Based upon the Alignment Paper's calculation of non-strategic needs, after accounting for supply, there would exist a residual non-strategic need across C&W amounting to 248ha in 2045 (53ha Rugby), 328ha by 2045 (63ha Rugby) and 426ha by 2050 (75ha Rugby). It is not clear where the supply figures have been derived, as they are not detailed in the Alignment Paper, WMSESS or HEDNA.

Strategic Supply

- 3.29 The Alignment Paper draws upon reported commitments within the WMSESS totalling 656ha (noting the total of the sites listed in the WMSESS totals 655ha). This it considers results in a residual need of between 200 – 375ha (to 2045).



- 3.30 The Alignment Paper makes a further supply adjusted netting off two sites which were not included in the WMSESS, namely Padge Hall Farm (Watling Street) in Rugby totalling 64ha, and Lyons Park – Lyons 106, Coventry estimated to total 2ha. As a result residual need is reduced to 136 – 311ha across C&W, and within the Opportunity Area 7 (encompassing Rugby and Coventry) residual need is reduced from the WMSESS recommendation of 75 – 150ha to 9 – 84ha.
- 3.31 However, it is important to note that the Alignment Paper attributes Padge Hall Farm to Opportunity Area 7, despite the site not lying within it – it is simply said to align most closely to it. Furthermore, Padge Hall is a cross boundary site (RBC, NBBC and HBBC) with the stated intended occupier relocating from Hinckley. The site therefore clearly serves the needs of the neighbouring functional economic market within which HBBC is located and should not be included within a supply calculation which seeks to meet Coventry and Warwickshire’s functional economic market needs. The needs which Padge Hall seeks to meet fall outside of those calculated within the WMSESS. It should not therefore be treated as being capable of meeting needs identified within the WMSESS.
- 3.32 Furthermore, as detailed in the WMSESS (para 10.60) it is also appropriate to exclude both the JLR allocation of 100ha within Stratford Upon Avon and the battery manufacturing site as Coventry Airport (124.7ha). Both sites falls within Coventry and Warwickshire’s functional economic market, and should be excluded from the WMSESS’s calculation of supply (totalling 655ha) given its statement in paragraph 10.60. As such it is considered that strategic supply capable of meet identified needs within the WMSESS is actually closer to 432.3ha (i.e. excluding JLR, battery manufacturing site, and Padge Hall Farm).
- 3.33 Given Coventry Airport’s location within Opportunity Area 7 it would seem appropriate to increase residual strategic needs within this opportunity area by a further 124.7ha to account for the fact that the battery manufacturing site will not meet WMSESS ‘modelled need’ based upon past trends (paragraph 10.60 WMSESS).



4. CONCLUSIONS

- 4.1 This Note has been prepared by Marrons Economics on behalf of Stoford Properties Ltd. The purpose of the note is to provide a critical review of two recently prepared reports, the West Midlands Strategic Employment Sites Study 2023/24 (hereafter referred to as WMSESS) and the Coventry and Warwickshire HEDNA (Housing and Economic Development Needs Assessment) – WMSESS Alignment Paper 2024 (hereafter referred to as Alignment Paper). A subsequent Alignment Paper Addendum has also been published.

Key Findings of WMSESS and Alignment Paper

- Within the West Midlands there is 0.45 years supply of manufacturing floorspace, and 1.16 years of strategic logistics floorspace – the WMSESS acknowledges there to be a considerable shortage in supply at present.
- **The WMSESS finds a need for strategic sites >25ha across the West Midlands Study Area of 1,920ha – 2,282ha (2022-2045). Of this figure road based need equates to 1,555ha to 1,848ha and rail based 365ha to 433ha.**
- In meeting residual need the WMSESS assumes 30% of supply will be required by the manufacturing sector, and 70% logistics.
- The WMSESS accounts for commitments totalling 1,007ha of road based, and 298ha rail based. **Residual road based need after accounting for this supply therefore totals between 549ha and 841ha (rail based residual 67ha to 135ha)**
- The WMSESS identifies a series of Opportunity Areas within which residual need could be met – Opportunity Area 7 contains Coventry and Rugby, which combined with OA 5 and 8 broadly equate to Coventry and Warwickshire.
- After accounting for strategic commitments of 655/656ha across Coventry and Warwickshire the WMSESS identifies a residual need of between 200ha to 275ha, of which 75ha to 150ha of residual need is identified for OA 7 (Rugby and Coventry).
- The Alignment Paper goes onto deduct two further sites in Coventry and Rugby totalling 68ha – reducing the **residual need within OA7 (Rugby and Coventry) to between 9ha and 84ha to 2045 (136 to 311ha across C&W)**. Note, a separate Alignment Paper Addendum has been published which seeks to correct an error in the Alignment Paper's rebasing of strategic sites need, the effect of which is to increase residual needs by around 30ha across Coventry and Warwickshire.



- In addition the Alignment Paper identifies non-strategic sites needs of 572ha by 2045 across Coventry and Warwickshire, reducing to a residual need of 328ha (68ha within Rugby reducing to 63ha and 122ha within Coventry reducing to 62ha).
- In respect of rail freight, the WMSESS acknowledges that finding a new rail freight interchange will be challenging, and should one not be found, the residual rail freight need **(+67ha to +135ha)** will transfer to a road based need – preferable as a satellite site to an existing RFI.

4.2 The above summary presents the output as characterised by the WMSESS and Alignment Paper. Both assessments contain inconsistencies, as well as some fairly generic assumptions which have been applied to the wider West Midlands study area, and filtered down to the sub regional areas.

Strategic Sites

4.3 The key implications of the above analysis in respect of strategic sites are as follows:

1. The WMSESS and Alignment Paper appear to significantly underestimate the need for strategic floorspace, as well as non-strategic floorspace (within Coventry and Warwickshire).
2. Neither of the preferred strategic need scenarios build in suppressed demand – estimated to increase demand by between **+446ha and +2,099ha** over the period to 2045 (figure not available for C&W in isolation).
3. Whilst the WMSESS makes a 25% downward adjustment to strategic needs (assumed to be met on non-strategic sites). Within C&W the Alignment Paper does not make a full compensatory adjustment leaving an unaccounted shortfall of between **+130ha and +210ha** of strategic needs.
4. Reliance on a plot ratio of 0.35 on gross developable site areas may constrain growth if sites are not capable of developing at that plot density. A sensitivity test using a plot ratio of 0.25 (as applied to strategic rail freight) demonstrates that within C&W the need for additional sites would increase by between a further **+333ha and +406ha**.
5. The Alignment Paper, and Alignment Paper Addendum make an incorrect pro



rata adjustment to the WMSESS Study Period. The correct method would increase gross strategic needs across C&W over the period 2021 – 2045 by a further **+60ha**, and residual strategic needs by a further **+30ha**. This uplift is broadly acknowledged in the Alignment Paper, albeit it still continues to contain an error in its calculation of gross needs.

6. The WMSESS and Alignment Paper incorrectly assume that the JLR site and Battery Manufacturing Site will help to meet modelled needs (despite accepting that they will not in para 10.60 of WMSESS). Exclusion of these two sites would have the effect of reducing supply within C&W by **+224.7ha** (and increasing residual need by the same amount).
7. The Alignment Paper also includes a site intended for an occupier relocating from Hinckley and Bosworth (Padge Hall Farm), however this will not assist in meeting WMSESS 'modelled need'. Excluding this site, for the same reasons given in paragraph 10.60 of the WMSESS would reduce identified supply in the Alignment Paper by **+64ha** (and increase residual need by the same amount).

4.4 The following table summarise the strategic sites residual need position to 2045 as set out within the WMSESS and associated Alignment Paper, alongside the upward adjustments required to address issues relating to 'need' raised within this note, and downward adjustments to 'supply' due to issues raised.

Table 4.1 Strategic Sites Residual Need and Recommended Upward Adjustments

	Para Ref	West Midlands (2022 – 2045)	Coventry & Warwickshire (2021 – 2045)	Coventry & Rugby (2021 – 2045)	Rugby (2021 – 2045)
Residual Strategic Sites Need (ha)	-	548-841 ³	136-311 ⁴	9-84 ⁵	n/a
Upward Adjustments to Residual Strategic Needs (ha)					
Accounting for suppressed demand (calculation only made at regional level)	2.26	+446 to +2,099			
Adjusting for more realistic plot ratio (0.25)	2.23	+500 to +700	+330 to +406ha	n/a	n/a
Correcting the allowance for strategic need on non strategic sites	3.17	n/a	+130 to +210ha	n/a	n/a
Rebasing of study period (correcting calculation in Alignment Paper Addendum)	3.14		+30ha	n/a	n/a

Note: n/a data not available for this geography

4.5 The following table sets out the supply position as reported in the WMSESS and associated Alignment Paper, alongside downward adjustments required to discount those sites which will not meet the WMSESS modelled need (as accepted in

³ Para 14.12 WMSESS

⁴ Para 4.11 Alignment Paper

⁵ Para 4.11 Alignment Paper



paragraph 10.60 of the WMSESS).

Table 4.2 Strategic Sites Residual Need and Recommended Upward Adjustments

	Para Ref	West Midlands	Coventry and Warwickshire	Coventry and Rugby	Rugby
Stated Supply Commitments (Appendix A1 Alignment Paper)	-	1,007ha (table 2.4)	656ha (	162	137
Additional Supply Commitments/ Completions (Alignment Paper)	See note	-	96	70	64
Adjustments to Supply (ha)					
Remove JLR (SoA); and Battery Manufacturing (Coventry)	2.54	224.7	-224.7	-124.7	-
Remove Padge Hall Farm Rugby	3.34	-	-64	-64	-64

Note: additional supply includes 30ha completions in 2021⁶ (Coventry AMR shows 4.04h of this at Whitley Way BP, remainder N Works); 64ha Padge Hall Farm Rugby; and 2ha Lyons Park Coventry⁷

- 4.6 In the context of the residual strategic need identified within Coventry and Warwickshire totalling 136ha to 311ha by 2045, and 9ha to 84ha across Opportunity Area 7 (Rugby and Coventry) the levels of additional residual need (resulting from need additions/ or supply deductions identified above are significant, and raise doubt over the robustness of the evidence, or at the very least a real risk that adopting the levels suggested in the Alignment Paper will significantly constrain economic growth.
- 4.7 Adjusting the calculations within Coventry and Warwickshire simply to account for errors in the calculation of need (balancing the 25% adjustment for strategic need on non-strategic sites **(+130 to +210ha)**; and applying the correct pro-rata adjustment to 2021 **(+30ha)**, as well as excluding supply that will not assist in meeting modelled need **(+288.7ha)** would increase residual needs by a further **+448.7ha and 528.7ha**. Providing for suppressed need and/ or a more realistic plot ratio would further increase residual strategic need.

Non Strategic Site

- 4.8 The Alignment Paper's calculation of non-strategic needs within C&W appears inconsistent with those in the 2022 HEDNA – noting that insufficient detail is provided to recreate the calculation.
- 4.9 The Alignment Paper identifies non-strategic sites needs of 572ha by 2045 Coventry and Warwickshire, reducing to a residual need of 328ha (68ha within Rugby reducing to 63ha and 122ha within Coventry reducing to 62ha).

⁶ Table 3.2 Alignment Paper

⁷ Para 4.12 Alignment Paper



- 4.10 As a consequence the Alignment Paper identifies an overall gross strategic and non strategic need across Coventry and Warwickshire as follows, however it is important to note that the calculation does not grow strategic needs beyond 2045:
- 1,325 – 1507ha (2021 – 2041)
 - 1.405 – 1,587ha (2021 – 2045)
 - 1,503 – 1,685ha (2021 – 2050)
- 4.11 By way of comparison the C&W HEDNA identified non-strategic needs of 901.8 over the period 2021 – 2050, with a further 735ha of strategic B8 need identified over the same period (meaning total need (excl strategic B2) totalled 1,686ha to 2050).
- 4.12 The difference in reported non-strategic need between the Alignment Paper and HEDNA is more pronounced in Rugby where the C&W HEDNA identified a need 2021 – 2050 of 218.2ha. The non-strategic need over the same period in the Alignment Paper totals only 79.5ha.
- 4.13 It is difficult to square the revised calculation of non-strategic needs in the context of the previously published HEDNA – which ostensibly is based on the same calculation underpinned by past completion trends coupled with a margin for flexibility. However, insufficient evidence is published in the Alignment Paper to establish the raw completions data which underpins the calculation.

Comparison to Previous Assessments

- 4.14 By way of comparison we also compare the WMSESS/ Alignment Paper recommendations to the previous HEDNA 2022, as well as scenarios presented by Marrons/ Stoford in its submission to the Rugby Local Plan representations in January 2024.
- 4.15 To enable comparison the figures shown below are based on a study period 2021 – 2050 – with the exception of the WMSESS strategic site needs calculation which is only assessed over the period to 2045. To enable comparison with the previous HEDNA strategic B8 figure we have also shown as a dwelling per annum figure.



Table 4.3 Summary of Gross Need Calculations (2021 – 2050)

	Coventry & Warwickshire	Rugby
WMSESS/ Alignment Paper		
WMSESS Gross Strategic Sites Need	835-1,017ha (to 2045)/ 35 to 42ha pa	n/a
Alignment Paper Non Strategic Sites Need	670ha	79.5ha
HEDNA 2022		
HEDNA 2022 Strategic B8 Need	735ha (25ha pa)	n/a
HEDNA 2022 Non Strategic Need	901.8ha	218.2ha
Marrons/ Stoford – January 2024		
Past Completions 2014 – 2023 (AMR)	n/a	547ha
Lambert Smith Hampton Forecast of Demand	n/a	1,190ha
Deloitte Sector Based Forecast	n/a	2,212ha

4.16 Neither the HEDNA nor the more recent WMSESS Alignment Paper appear to recognise the significant demand for industrial floorspace in Rugby, reflecting in the analysis of past trends, and the forecasts by LSH of local market demand.

Unmet Need from Surrounding Local Authorities

4.17 In addition to the above analysis it is apparent following Coventry's publication of its Local Plan regulation 19 consultation that it is only able to meet 60ha of local (non strategic needs), leaving a residual unmet local need of 45ha (to 2041), increasing based on the local need figures within the Alignment Paper to an unmet need of 61.8ha by 2045 and 97.8ha by 2050. Given that neither Nuneaton and Bedworth of Warwick/ Stratford upon Avon are planning to meet Coventry's needs in their respective submitted Local Plans, it will be left to Rugby to address this shortfall.

4.18 Further, and In respect of strategic needs Coventry has identified one site, Baginton Fields totaling 25ha which is already accounted for in the WMSESS/ Alignment Paper strategic supply calculations. As such it will be left to Rugby to meet the residual strategic need of 84ha identified within the Alignment Paper, a figure which is considered to significantly underestimate need based upon the above analysis.



Appendix 1 Stoford Analysis of the Net Developable Areas of Existing Commitments

	Local Planning Authority	Site	Land Area (ha) - as per Appendix A1 of alignment paper	Stoford NDA (ha)
1	Coventry	Land at Baginton Fields and South East of Whitley Business Park	25	15
2	Rugby	Tritax Symmetry, Land North of Coventry Road	46.2	33.28
3		Prospero Ansty	49.4	33
4		Former Peugeot Factory Site C (Prologis Park)	16.7	8.7
5		Rugby Radio Station	16	8.4
6		Coton Park East	8.7	4.9
7	North Warwickshire	Land at Mira	42	39.3
8		West of Birch Coppice, Dordon	5.1	3.06
9		Playing fields South of A5, Dordon	3.5	2.1
10		Former B Station Site - Prologis Park Hams Hall (DC2, 3 & 4)	8.9	8.48
11	Nuneaton and Bedworth	Faultlands	26	18.5
12		Meadow Off Pilgrims Walk	5.9	3.53
13	Stratford-on-Avon	Jaguar Land Rover	100	70
14	Warwick	Gateway South, Land to south and west of Coventry Airport	177.7	92
15		Coventry Airport	124.7	80
Total			655.8	420.15

	Local Planning Authority	Site	Allocation / Planning Permission	Description	Decision Date	Land Area (ha) - as per Appendix A1 of alignment paper	Stoford NDA (ha)	Landscape/ SuDS/ Infrastructure area (ha)	Use Class	GIA sqm	GIA sqft	Notes
1	Coventry	Land at Baginton Fields and South East of Whitley Business Park	Allocated	Employment Type: B1b&c, B2 & B8		25	15		Mixed			No planning applications. We assume 60% NDA as site is not occupier specific. Local Plan states "This site will help to create an employment hub for the south east corner of Coventry which could help support the longer term expansion of Jaguar Land Rover at Whitley, support the sustainable growth of its supply chain or provide a stand-alone inward investment opportunity."
2	Rugby	Tritax Symmetry, Land North of Coventry Road	Allocated site with outline planning permission (R16/2569). Parts of site with full planning permission (R20/1026 & R21/0790 & R22/0803)		Outline - 3/11/20	46.2	33.28		Mixed			The parametres plan accompanying the outline application states that the total deveopable area is 33.28ha.
			R20/1026 Full	Full planning application for the erection of 2 logistics units development comprising a total of 30,435 sqm (327,599 sq.ft.) (measured GEA) of Class B8 floorspace of which 1,817.2 sq.m (measured GIA) (19,560 sq. ft.) comprises Class E(g)(i) ancillary office floorspace (measured GIA) with associated infrastructure including lorry parking, landscaping including permanent landscaped mounds, sustainable drainage details, sprinkler tank pump houses, gas and electricity substations, temporary construction access from Coventry Road, temporary marketing suite and temporary stockpile area for additional soil disposal.	04.05.2021							Unit 1 building and parking boundary – building extends marginally to the south of the parameters plan developable boundary, and 2 van parking bays and edge of the service yard exceed the parameters boundary to the north east corner, and Unit 2 parking boundary – 16 van parking bays associated with Unit 2 extend outside of the parameters plan developable boundary.
			R21/0789	Erection of 50,965 square metre building (GEA, floorspace) within Class B8 with ancillary office; ancillary structures; with associated access roads; servicing yard; car parking and cycle shelter and compound; external plant and access details for the continuation of the spine road north of Northampton Lane; landscaped embankments with landscaping details; the provision for a noise attenuating fence on top of the embankment; security fencing. Approval of reserved matters (access, appearance, layout, scale and landscaping) relating to R16/2569	11.11.2021							Permission not being implemented.
			R21/0790 Reserved Matters	Erection of a building within Class B8 with ancillary office; ancillary structures; with associated landscaping & landscape bund; access roads; servicing yard; car parking and cycle shelter and compound; external plant; acoustic fencing; security fencing. Approval of reserved matters (access, appearance, landscaping, layout and scale) relating to R16/2569. (Alternative scheme).	01.06.2022							Application relates to eastern part of zone D only and NDA is 6.07Ha. In total zone D has permission for a maximum developable area of 16.89ha
			R22/0803 Reserved Matters	Erection of two buildings within Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelter; external plant and access details for the continuation of the spine road north of Northampton Lane and the access road to the east of the site; landscaping details; security fencing. Approval of reserved matters (access, appearance, layout, scale and landscaping) relating to R16/2569.	24.02.2024							Zone C - two buildings for Iron Mountain. Complies with parameter plan.
			R23/0397 Reserved Matters	Erection of one building within Use Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelters; external plant and access; landscaping details; security fencing. Approval of reserved matters access, appearance, layout, scale and landscaping, relating to r16/2569. (Unit 7)	02.08.2023							Complies with parameters plan.
			R23/0877	Erection of two buildings within Class B8 with ancillary office; ancillary structures including gatehouses; with associated access roads; servicing yards; car parking and cycle shelters; external plant and access; landscaping details; security fencing. Approval of reserved matters access, appearance, layout, scale and landscaping, relating to R16/2569. Units 5 & 6 (Alternative scheme to that approved by R23/0398 to amend haunch height, ridge height, roof form and elevations of Unit 5)	24.10.2023							Complies with parameters plan.
3	Rugby	Prospero Ansty	Outline Planning Permission (R19/1540). Parts of site with Full Planning Permission (R19/1512). Under Construction or with Reserved matters (R21/0784)	Erection of two buildings within Class B2 with ancillary office.	15.06.2021	49.4	33		B2			Red line application site is 65.27ha. Circa 33ha is NDA from outline parameter plan. Note that outline allows for 160,000sqm B1a, B1b, B1c & B2, 20,000sqm B1a & B1b, 250sqm Retail (A1/A3) and 4,500 for hotel.
			R19/1512	Erection of building and use for purposes within Class B1(a) (Offices) of the Town and Country Planning (Use Classes) Order 1987 (as amended), together with ancillary research and development facilities (Use Class B1(b)), staff gym and studio, associated surface and multi-storey car park, cycle parking, access road, service areas, external plant and machinery, drainage, attenuation ponds, landscaping, demolition of existing buildings, ground remodelling and associated works	03.07.2020							
			R21/0784	Erection of three commercial units (Use Class B2) and associated works, including supporting infrastructure, landscaping and re-profiling works for the remainder of Plot 1 (application for approval of reserved matters relating to access, appearance, landscaping, layout and scale against outline planning permission R19/1540 dated 15th June 2021)	29.10.2021							Buildings in plot 1. Limited alterations are required to the approved Parameters Plan to accommodate the completion of Plot 1 (as proposed by this development). This REM application is therefore submitted in parallel with a Non-Material Amendment application, to the landscape parameters plan.
4	Rugby	Former Peugeot Factory Site C (Prologis Park)	Outline Planning Permission with Reserved Matters (R16/2561 & R17/2019)	Outline planning application for redevelopment of the southern part of the former Peugeot Works site for Class B2 (general industry) & Class B8 (warehouse, storage & distribution) uses, together with ancillary offices, gatehouses, car parking, associated road infrastructure and landscaping, including importation of material to raise ground levels (REVISED SCHEME TO R14/2236 WITH NEW ACCESS)	05/10/17	16.7	8.7		Mixed			Have used details from REM application as this covers whole site that benefits from outline consent.
			R17/2019	Application for Reserved Matters for Units DC8 & DC9 relating to appearance, landscaping, layout, and scale, including ancillary car parking, loading areas, gatehouse, associated road infrastructure, sprinkler tanks and pump house, against outline planning permission R16/2561 (for the redevelopment of the southern part of the former Peugeot Works site for Class B2 (general industry) & Class B8 (warehouse, storage & distribution) uses, together with ancillary offices, gatehouses, car parking, associated road infrastructure and landscaping, including importation of material to raise ground levels (REVISED SCHEME TO R14/2236 WITH NEW ACCESS)).	14.03.2018							NDA measured on landsight as buildings and associated infrastructure is complete. Plans and application documents provide sqm for buildings only.
5	Rugby	Rugby Radio Station	Allocated Site with Outline Planning Permission (R11/0699)	Urban extension to Rugby for up to 6,200 dwellings, ...31 hectares (up to 106,000sq.m) of commercial and employment space (B1, B2 and B8)	21.05.2014	16	8.4		Mixed			2 no. applications in employment part of the allocation. R22/0380 for B1/B8 unit. R19/1301for David Lloyd gym. NDA calculated by Stoford by removing gross area of David Lloyd site (2ha) as not a B class use and then applying 60% gross to net ratio to remaining site area (14ha).
6	Rugby	Colton Park East	Allocated site with full planning permission (R22/0551)	Application for full planning permission for storage and distribution floorspace (Class B8 use).	17th Feb 23	8.7	4.9	Mixed		21,890 sqm warehouse 1,398 sqm office 37 sqm gatehouse 23,225 sqm total	235,622 sqft warehouse 15,047 sqft office 400 sqft gatehouse 251,069 sqft total	Estimate 4.9ha NDA from site plan (includes building, car parking, service yard and road).
7	North Warwickshire	Land at Mira	Allocated PAP/2022/0423	B2	Resolution to grant at cttee on 05.02.2024	42	39.3		Mixed			Red line site boundary within North Warks is 63ha. Parameter plan states NDA as 39.3ha.
8	North Warwickshire	West of Birch Coppice, Dordon	Allocated	B1/B2/B8		5.1	3.06		Mixed			No applications. Stoford estimate the NDA based on 60% gross to net.
9	North Warwickshire	Playing fields South of A5, Dordon	Allocated	B1/B2/B8		3.5	2.1		Mixed			No applications. Stoford estimate the NDA based on 60% gross to net.
10	North	Former B Station Site - Prologis	Outline planning permission (PAP/2016/0399)	Demolition of existing buildings and redevelopment of site for industrial/distribution uses (Use Class B2/B8) including ancillary offices and associated parking, highway infrastructure, ground engineering works, drainage and landscaping	10.04.2018	8.9	8.48		Mixed			

	Local Planning Authority	Site	Allocation / Planning Permission	Description	Decision Date	Land Area (ha) - as per Appendix A1 of alignment paper	Stoford NDA (ha)	Landscape/ SuDS/ Infrastructure area (ha)	Use Class	GIA sqm	GIA sqft	Notes
10	Warwickshire	Park Hams Hall (DC2, 3 & 4)	PAP/2018/0034 REM	Approval of reserved matters application for erection of four employment units (use class B2/B8) together with ancillary offices, service yards, car parking and on-plot landscaping (PAP/2016/0399)	10.04.2018							Reserved matters approval given for 4 buildings (DC1, Dc2, Dc3 and DC4). Appendix 1 refers to DC2, 3 & 4 only and therefore the gross and net of the site relate to these buildings only. The NDA for the 3 buildings is included on the reserved matters areas schedule.
11	Nuneaton and Bedworth	Faultlands	Allocation and full planning permission (034901 & 038406 & 038687)	Redevelopment of existing land for up to 92,904 sq.m of B2 (General industrial) and B8 (Storage and distribution) floorspace	034901 - 04 Nov 2020 038406 - 19 Jan 2022 038687 - 27 May 2022	26	18.5	7.5	Mixed	Phase 1 - 19,455 Phase 2 - 71,835	Phase 1 - 209,414 Phase 2 - 773,226	Landscape areas taken from landsight ordance survey mapping as buildings are built. No details of GDA and NDA in planning app's.
12	Nuneaton and Bedworth	Meadow Off Pilgrims Walk	Outline planning permission (038023)	Erection of industrial units for (either Class Use B2 - General Industry or Class Use B8 - Storage and Distribution) to include ancillary offices (Class Use E formally B1a)	27.07.2022	5.9	3.53		Mixed			NDA taken from parameter plan accompnayng the outline application.
			039751 REM	Application for approval of reserved matters relating to layout, scale, appearance and landscaping for two industrial/distribution units following outline approval 038023	12.02.2024							Two REM application submitted concurrently (039751 and 039750). 039751 is REM for a 2 unit scheme and 039750 a REM for a single unit scheme.
			039750 REM	Application for approval of reserved matters relating to layout, scale, appearance and landscaping for one industrial/distribution units following outline approval 038023	12.02.2024							Two REM application submitted concurrently (039751 and 039750). 039751 is REM for a 2 unit scheme and 039750 a REM for a single unit scheme.
13	Stratford-on-Avon	Jaguar Land Rover	Allocated	No applications	NA	100	70		B2			Gaydon Lighthorne Heath SPD includes illustrative masterplan of site which includes some GI but majority of is developable land. We assume 70% NDA as this site is occupier specific (for JLR).
14	Warwick	Gateway South, Land to south and west of Coventry Airport	Outline planning permission (W/18/0522)	Comprehensive redevelopment of land South of Coventry Airport, comprising demolition of existing structures and the erection of new buildings to accommodate general industrial uses (Use Class B2) and storage and distribution (Use Class B8)	07.10.2019	177.7	92	85 for community park	B2/B8 plus replacement sports ground / facilities	343,741		NDA and GIA figures relate to B2 and B8 uses only.
			W/21/1527	REM for Plot 4A	28.01.2022	NA			B8 with ancillary offices	25,189		Total GIA comprising : 21,884 sqm main hub/warehouse 1,866sqm ancillary offices, 152 sqm Security Office, 798 sqm for the Drivers Facilities and 489 sqm for the VMU. Gross area for REM 12ha.
			W/22/0679	REM for Plots 4B & 4C	28.10.2022	NA			B8 with ancillary offices	33,545		Two industrial units. Gross area for REM 6.8ha.
			W/22/1704	REM for Plot 3A	30.01.2023	NA			B8 with ancillary offices	55,771		One building . Gross area for REM 12ha.
15	Warwick	Coventry Airport	Outline planning application with all matters reserved apart from access. W/21/1370	Development of battery manufacturing facility with ancillary battery recycling capability including landscaping, car parking, access and associated works	30.03.2022	125	80	35	B2	529,648	5,700,600	9.5ha of the red line site boundary on the outline app comprises land outside the allocation comprising road connections. Therefore Stoford consider the gross site area is 115ha opposed to 125 as stated in the HEDNA. No RM applications.
	Total:					655.8	316.87					