

**RUGBY BOROUGH COUNCIL LOCAL
PLAN 2011-2031**

**EMPLOYMENT LAND BACKGROUND
PAPER
JULY 2017**



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1. Introduction

- 1.1 This background paper has been produced to support the submission of the Rugby Borough Local Plan 2011-2031. The purpose of the paper is to outline the evidence and options considered in developing the economic strategy and allocation of employment land within the Local Plan.
- 1.2 This paper seeks to summarise the development of the employment land evidence base and how this has been used to inform the preparation of the Local Plan. It combines content from previous background papers (Preferred Options and Publication Draft consultations) with updated evidence as a result of changes such as monitoring of employment land supply and consideration of additional site proposals for employment development.
- 1.3 The paper takes the following structure and sets out:
- The process that has led to the identification of employment needs;
 - An up-to-date Rugby Borough employment land supply, including details of recent completions;
 - Commentary on the assessment of proposed land allocations, as well as omission sites that have been submitted to the Council for consideration but not proposed as allocations;
 - Consideration of sub-regional employment land needs and supply, and the Coventry & Warwickshire Employment Land MoU;
 - The implications of other considerations, in addition to quantitative employment need, on the overall employment land target for Rugby Borough.
- 1.4 The primary piece of evidence in support of employment site allocations and economic development management policies in the Local Plan is the Rugby Employment Land Study (ELS) (May 2015) produced for the Council by consultants GL Hearn. It is this piece of evidence that the background paper refers most frequently to.
- 1.5 The Rugby ELS sets out the basis of the functional economic market area (FEMA) within which Rugby Borough sits. It explains that due to high levels of self-containment of commuting and a recognised housing market area, the core sub-region of the Coventry & Warwickshire local authorities provides a suitable 'best-fit' for the FEMA. This is reinforced by the administrative geographies of the sub-region, including the Coventry & Warwickshire LEP.
- 1.6 The evidence base used to inform employment development in the Local Plan remains robust and up-to-date. Inevitably however, since publishing background papers that informed previous consultation stages on the Local Plan, changes have occurred to the status of employment land provision in Rugby Borough. This

background paper presents an up-to-date position particularly in relation to employment land in supply. It also addresses the sub-regional approach to employment land provision in the context of the Coventry and Warwickshire Employment Land Memorandum of Understanding agreed in July 2016.

1.7 This Paper should be read alongside the evidence that it refers to, namely:

- GL Hearn Rugby Employment Land Study (May 2015);
- Atkins Coventry & Warwickshire LEP Strategic Employment Land Study (October 2014);
- CBRE Coventry & Warwickshire LEP Employment Land Study (June 2015);
- The Coventry & Warwickshire Employment Land Memorandum of Understanding (July 2016);
- GL Hearn Coventry & Warwickshire Updated Assessment of Housing Need (September 2015);
- LUC Sustainability Appraisal of the Preferred Option and Publication Draft of Rugby Borough Local Plan.

1.8 Each of these documents is available on the evidence base pages of the Council's website.

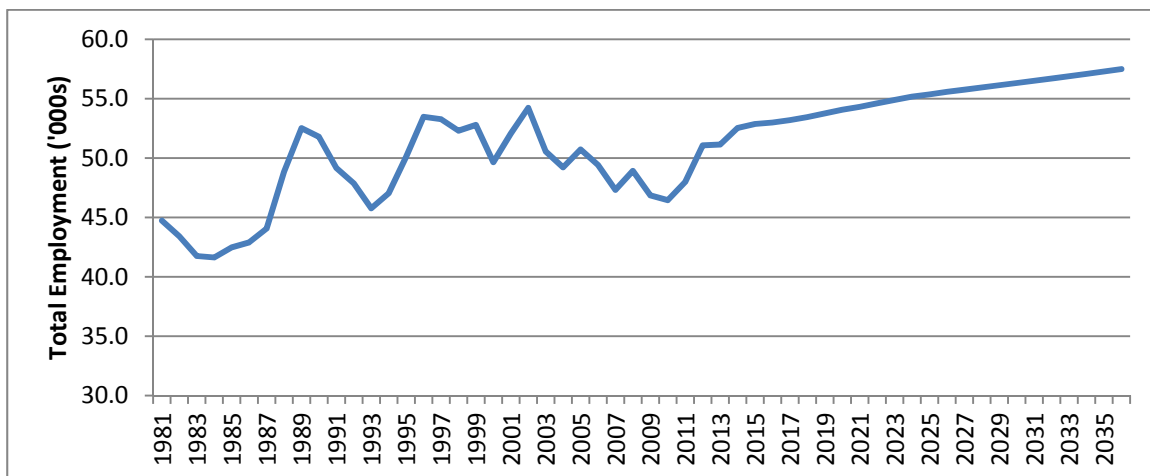
2. Employment Needs

2.1 Planning practice guidance recommends the use of three different methods to estimating demand for employment land and thus working out the quantitative and qualitative need for employment / economic development floor space in B Use Class sectors. These three approaches involve the use of: labour demand forecasts; labour supply scenarios; and, past take-up / past completions data. All three of these approaches have been considered in the Council's most recent evidence on employment land need and supply, contained within the Rugby ELS (Examination Library Ref LP12).

2.2 The following discussion assesses each approach in turn, noting that each one has benefits and limitations to its use in producing final recommendations of how best to plan for the quantitative and qualitative employment needs of the borough.

Labour Demand Forecast – Jobs Growth

2.3 The Employment Land Study provides a forecast of total jobs growth (in both B use class and non-B use class sectors) for Rugby Borough to 2036. This is shown in the chart below (GL Hearn ELS 2015, p.66). For the Local Plan period (2011-31) it can be seen that total employment growth in Rugby would be 8,500 jobs from 48,000 in 2011 to 56,500 in 2031.



2.4 It is important however to note that this overall picture was based on a projection of very strong jobs growth from 2011-13 as the UK economy returned to growth following periods of recession. This issue will be further discussed in the following Labour Supply section of this paper, regarding the Strategic Housing Market Assessment (2015) update report.

The forecast of 8,500 total employment growth has been converted into a forecast for how much of this jobs growth would be full time equivalent (FTE) only, based

on the proportion of full and part time jobs in Rugby by employment sector. This gives a figure of 7,100 FTE jobs growth to 2031. The FTE jobs growth figure has been further analysed to forecast how many of these will be in B use class jobs, by modelling the composition of employment in key sectors, i.e. the proportion of jobs in a certain sector that is likely to take place on B1a/b, B1c, B2, or B8 floorspace. This gives a figure of **6,729 FTE B use class jobs growth** from 2011-31.

2.5 This total figure of 6,729 is broken down by B use class categories and shows jobs growth (or decline where a minus figure) in five year periods across the 2011-31 plan period (GL Hearn ELS 2015, p.70):

Use Class	2011-16	2016-21	2021-26	2026-31	2011-31 Total
B1a/b	309	341	241	185	1,077
B1c	262	-60	-76	-90	35
B2	651	322	233	121	1,327
B8	2,471	577	674	568	4,290
Total B Class Jobs	3,693	1,181	1,071	784	6,729

2.6 At the time of writing, the ELS used the most up-to-date employment density data, which was the HCA Employment Densities Guide 2nd Edition (2010), to apply to the jobs growth forecast in order to produce a labour demand employment land requirement (in hectares). The HCA Employment Densities Guide was subsequently updated in November 2015.

2.7 In fact, as the ELS explains at paragraph 6.27 (p.72), the exact density figures used to determine the land requirements for labour demand were tailored to account for specific characteristics of Rugby's employment market, such as a growing demand for high-bay warehousing amongst B8 provision, and to provide consistency across all B uses by converting each density figure to Gross External Area (GEA). This explains why the figures used in the Rugby ELS are slightly higher than those in the HCA Guide as shown by the table below. It should also be remembered that the figures provided in the HCA Guides are merely indicative.

	HCA Guide 2 nd Edition (2010)	HCA Guide 3 rd Edition (2015)	Rugby Employment Land Study (p.70)
B1a / B1b	10-12sqm NIA	10-12sqm NIA	14sqm GEA
B1c	47sqm NIA	47sqm NIA	49sqm GEA
B2	36sqm GIA	36sqm GIA	38sqm GEA
B8	70-80sqm GEA	70-95sqm GEA	80sqm GEA

2.8 It is therefore considered that the updated version (November 2015) of the HCA Employment Densities Guide has minimal impact on the employment density

figures used in the Rugby ELS, which have subsequently informed the calculation of land requirements to meet forecast jobs growth.

2.9 The table below (GL Hearn ELS 2015, p.71) shows the land requirements by B use class that are derived from applying employment densities and plot ratios to the forecast jobs growth for Rugby Borough. These land requirements are to meet jobs growth in the local plan period 2011-31:

RUGBY BOROUGH 2011-31	FTE JOBS GROWTH	FLOORSPACE REQUIREMENT (SQM)	PLOT RATIO	LAND REQUIREMENT (HA)
B1a/b: Offices and R&D	1,077	18,900	0.3	6
B1c: Light Industrial	35	3,700	0.4	1
B2: General Industrial	1,327	58,800	0.4	15
B8: Storage and Distribution	4,290	283,000	0.5	57
TOTAL	6,729	364,400	N/A	79

2.10 The ELS further recommends that it would be prudent to include a 20 hectare margin of additional land for allocation. A margin would principally allow for further market choice of sites and cover small scale losses of other employment land, which have averaged just over 1 hectare per year over the previous five year period. This suggested margin also takes into consideration past take-up rates of employment sites over the five year period prior to the study, which at 4 hectares per annum equates to a 20 hectare margin. Addition of such a margin to the jobs growth land requirement would result in a need for 99 hectares in total.

Labour Supply – Resident labour force

2.11 This approach considers how the resident labour force in Rugby Borough may be expected to grow over the plan period, based on the level of new housing growth proposed in the Local Plan. The ELS was written whilst work was ongoing to determine the objectively assessed housing need (OAN) for Rugby Borough. Scenarios for three different levels of housing growth, ranging from 453dpa to 660dpa, and taken from former iterations (2013 and 2014) of the Coventry & Warwickshire Strategic Housing Market Assessment (SHMA) and the adopted Rugby Borough Core Strategy housing target, were used to determine labour supply implications for the local plan period.

2.12 Following further housing need work for the Coventry & Warwickshire local authorities, completed in September 2015 (i.e. after publication of the Rugby ELS), the figures used in the above scenarios were superseded by a new demographic based OAN for Rugby of 480dpa, based on 2012 sub-national population

projections (SNPP), and including an uplift of 16 dwellings per annum to address affordability issues. This OAN figure equates to a plan period housing need of 9,600 dwellings and constitutes the 'Rugby need' (i.e. not including any unmet need from Coventry) part of the housing target within the Local Plan submission version.

2.13 The updated SHMA (2015) considers the alignment of housing and employment growth by looking at the impact of Rugby's OAN on labour force and jobs growth (Table 26, p.71). Here it is explained that a Rugby housing need derived from the 2012 SNPP would be expected to deliver a growth of approximately 6,000 additional people in the resident labour force and that this would equate to supporting a very similar number of additional jobs due to Rugby's adjustment factor (considering commuting patterns, 'double jobbing' and employment rates) being virtually equivalent to a 1:1 ratio (0.98).

2.14 It is important to note however that growth of around 6,000 in labour supply is for the period 2014-31 and not the entire plan period of 2011-31. The 2015 SHMA goes on to state (para.4.64, p.77 and Table 29) that an indicative figure regarding the scale of employment growth for Rugby from 2011-31 would be 8,600 jobs This aligns closely with the labour demand forecast in the Rugby ELS, based on 2014 Cambridge Econometrics data, which is slightly lower at 8,500 additional jobs growth forecast.

Past take-up

2.15 Planning practice guidance states that local plans should make an assessment of the likely change in jobs numbers based on past trends of employment development as well as future forecasts of jobs growth (see previous Labour Demand section). The Rugby ELS records employment development completions data on strategic sites for the five year period (2009-14) prior to completion of the study. This uses RBC monitoring data as its source and is shown at Table 16, p.77 of the ELS.

2.16 Past take-up data for 2009-14 shows that for Rugby's local employment market, an average of four hectares per annum was delivered in this period. This figure is in line with the Rugby completions and past trends projection reported in the Coventry & Warwickshire LEP Strategic Employment Land Study (Atkins, 2014, pp.30-31).

2.17 It should be noted that past take-up data referred to above excludes completed development on the two strategic sites of Ansty Park and Prologis Ryton. These large sites in the west of the Borough and close to the Borough boundary with Coventry, contribute to the employment land supply for the City of Coventry. Further detail of this arrangement, including completions data for these sites, is discussed in Section 5 of this paper.

2.18 However, it is considered that projecting forward a rate of four hectares per annum for the remainder of the plan period would not account for longer term levels of past employment development, in particular pre-2008 recession levels, nor would it provide sufficient flexibility in market choice for employment locations around the local Rugby area. Furthermore this level of take-up would not be consistent with more recent levels of take-up from 2015-17.

2.19 Development at locations attractive to the market such as Central Park and Rugby Gateway has largely been completed during this time which displays a clear market demand for a rate of take-up above the four hectares per annum seen from 2009-14. The Rugby ELS therefore recommends between 6-8 hectares per annum should be planned for during the remainder of the plan period following the publication of the ELS from 2015-31.

3. Employment Land Supply

3.1 Land in supply to meet strategic employment needs for Rugby Borough in the local plan period 2011-31 can be split into the following categories:

- Completions since 2011;
- Committed development, including under construction or still available to market;
- Core Strategy allocations and proposed Local Plan allocations.

3.2 At the time of the publication of the Rugby ELS, the following employment development completions had occurred covering the first four years of the plan period, 2011-2015.

SITE	AREA (ha)
Central Park Zone B	1.5
Central Park - Zone C, Plot 1	2.4
Rugby Gateway (Zone 1)	5.06
TOTAL	8.96

3.3 These exclude completions in Table 16, p.77 of the ELS that were delivered between 2009-11 as although these completions can be used (and indeed are used in the ELS) for calculating average take-up over preceding years, they occurred before the beginning of the local plan period and would therefore not contribute to the delivery of employment targets, or alignment with housing growth targets, for the plan period of 2011-31.

3.4 Past take-up rates then increased between publication of the ELS and submission of the local plan, in other words covering monitoring data over the period 2015-17. The primary reason for this was the extent of completions at the Rugby Gateway site, in particular skewed by a single plot size (Gateway RG5) of 16 hectares delivering approximately 25,000 sqm floorspace. Completions for the period 2015-17 are shown in the table below:

SITE	AREA (ha)
Rugby Gateway (Zone 2)	6.13
Rugby Gateway (Zone 4)	4.14
Rugby Gateway (Zone 5)	16.02
Central Park - Zone C, Plot 3	2.54
TOTAL	28.83

3.5 Despite the level of completions, in overall hectares of land take, from 2015-17 being a higher rate than previous years, especially considering the very low level of completions from 2011-15, it is not considered that this should skew the recommendation from the Rugby ELS to provide for 96 – 128 hectares of land from 2015-31. For reasons set out in the ELS, this range provides for identified labour demand and labour supply needs, aligns with past take-up rates over a longer timeframe, and provides flexibility in supply to account for further economic investment, expansion of the Borough's indigenous business base and any potential losses of employment land to other land uses.

3.6 Therefore combining completions since 2011 with other land committed for employment development and proposed allocations in the Core Strategy and emerging Local Plan, the overall supply is as follows:

SITE¹	GROSS SITE AREA (HA)	EMPLOYMENT TYPE
COMPLETIONS (APRIL 2011 - APRIL 2015)		
Central Park - Zone B	1.5	B1/B2/B8
Central Park - Zone C Plot 1	2.4	B1/B2/B8
Rugby Gateway (Zone 1)	5.06	B8
COMPLETIONS (APRIL 2015 - APRIL 2017)		
Rugby Gateway (Zone 2)	6.13	B8
Rugby Gateway (Zone 4)	4.14	B8
Rugby Gateway (Zone 5)	16.02	B8
Central Park - Zone C Plot 3	2.54	B1/B2/B8
TOTAL COMPLETIONS	37.79	
COMMITTED SUPPLY		
Rugby Gateway (Zone 3)	4.34	B8
Central Park – Zone C Plot 2	3.69	B1/B2/B8
Somers Road (intensification)	0.7	B1/B2/B8
Paynes Lane (expansion)	2.2	B1/B2/B8
Europark	0.4	B1/B2/B8
Europark Extension	2.9	B1/B2/B8
Shilton Industrial Estate (intensification)	0.5	B1/B2/B8
Land west of A5 (Former HTA Precision site)	3.2	B1/B2/B8
TOTAL	17.93	
ALLOCATIONS		
Rugby Radio Station	16	B1/B2/B8
Coton Park East	7.5	B1/B2/B8
South West Rugby	35	B8
TOTAL	58.5	
OVERALL SUPPLY TOTAL	114.22	

¹ Sites which make up existing and proposed employment land supply for Rugby Borough. Excludes strategic sites of Ansty Park and Prologis Ryton (see Section 5) which contribute to employment land supply for Coventry City.

3.7 This supply is identified from locations that comprise existing or proposed sites that meet the criteria of designated employment sites under Policy ED1 of the submission Local Plan (see table at Paragraph 6.10 of the Local Plan). The Council has historically closely monitored the performance and change in overall supply from this typology of employment land. The ELS identifies that prior to 2011 there was a loss of employment land totalling around 1ha per annum from designated sites, but more recently these have performed strongly with no significant losses since 2011. The Council is therefore confident that the gross supply identified in the pipeline set out above will meet the identified strategic requirement for new employment floorspace to meet the forecast growth in jobs. The strategic nature of the supply set out above does not rule out the prospect of further possibilities to provide employment land outside of these sites alongside the policies of the Submission Local Plan which support the creation of employment in Non-B sectors including retail, education and healthcare.

3.8 Land supply can also be reflected in terms of floorspace provision and forecast jobs growth, as shown in the table below, which ensures Rugby's assessed employment needs are met by the overall level of employment land hectareage in supply as well as providing for a degree of flexibility.

SITE	SITE AREA (ha)	FLOORSPACE (sqm)	JOBS
Completions			
Central Park	6.46	25,500	565
Rugby Gateway	31.36	99,500	1245
TOTAL	37.82	125,000	1810
Supply			
Rugby Gateway	4.34	16,500	205
Central Park	3.69	14,500	320
Somers Road	0.7	3,000	65
Paynes Lane	2.2	10,000	285
Europark	0.4	2,000	45
Europark Extension	2.93	5,500	120
Shilton Industrial Estate	0.5	2,000	45
Land west of A5	3.2	3,800	85
TOTAL	17.96	57,300	1170
Proposed Allocations			
Coton Park East	7.5	20,000	500
South West Rugby (Cawston Spinney)	35	175,000	2,185
Rugby Radio Station	16	60,000	1,335
TOTAL	58.5	255,000	4020
OVERALL TOTAL	114.28	437,300	7000

4. Proposed Site Allocations and Omission Sites

Proposed Employment Land Site Allocations

4.1 Local Plan Publication Draft proposed Policy DS4 outlines the three sites that are proposed for employment land allocation in the Local Plan:

- DS4.1 Coton Park East – 7.5ha
- DS4.2 Rugby Radio Station – 16ha
- DS4.3 South West Rugby – 35ha

These sites are intended to complement the strategic employment sites already in supply as listed in proposed Policy ED1.

Rugby Radio Station (DS4.2)

4.2 This site is carried forward from its allocation in the Core Strategy (2011) as a mixed-use sustainable urban extension. This site also has an extant outline planning permission, with employment development permitted for up to 106,000 sqm of floorspace, based on 29 hectares of employment land.

4.3 However, as outlined in the outline planning permission for the overall site, this employment land is proposed to be made up of three typologies of employment development, with only one of these typologies ('large scale dedicated employment') relating to solely B use employment development and totalling 16 hectares in gross area. The expected contribution towards the strategic requirement for additional employment floorspace is identified as those parts of the site most closely related to the characteristics of 'designated employment sites' under Policy ED1 of the Submission Local Plan. Historically the Borough Council has principally monitored changes in employment land use from this category of designated sites.

4.4 The other two typologies proposed concern integrated office/workshops within flexible neighbourhood buildings and adaptable town housing. Both of these typologies relate more to the potential to provide workspace opportunities in and amongst residential areas and district/local centres as opposed to solely B use employment sites.

4.5 Due to the uncertainty regarding the extent and exact nature of employment land to be provided in the non-dedicated typologies and the slower delivery of the site than anticipated at the time of allocation and outline planning permission, it is prudent to only allow for 16 hectares of employment land in supply at the Rugby Radio Station site. The remaining parts of the site could, nevertheless, realistically contribute to the further provision of employment floorspace or other sources of

'Non-B' job creation associated with mixed-uses including healthcare and education (see pp.68 of the ELS referring to these other uses).

Coton Park East (DS4.1)

4.6 This site was submitted to the Council through the Call for Sites process in 2014 and has been promoted for 7.5 hectares of employment development alongside residential development of up to 800 dwellings proposed in the Local Plan Publication Draft. The employment element of this site is to the north, adjacent to the M6 and will in effect act as an extension to the existing Central Park employment site, east of the units along Castle Mound Way.

4.7 The proposed employment land is shown on the Urban Proposals Map within the wider Coton Park East allocation at reference DS3.2 / DS4.1. The existing Central Park employment site can be seen on the Proposals Map to the west of the proposed allocation at reference ED1.

4.8 A new 7.5 hectare employment site in this location would offer excellent access to M6 junction 1 (J1) and the A5, as well as Rugby town centre and surrounding areas just a few miles to the south along the A426. The large area of employment land at Central Park already provides a broad mix of employment uses in B1, B2 and B8. There is a good existing concentration of manufacturing firms, mostly firms of a local or regional scale as opposed to national or international occupiers, and a new allocation in this location could be expected to enhance the existing offer of suitable units for B1(c), B2 and small-scale or ancillary B8 for such companies, including supply chain businesses.

4.9 It is anticipated that the provision of a range of units up to 50,000 square feet (4,645 sqm) of floor space each would be appropriately located at this proposed allocation site to address a qualitative need for Rugby Borough as identified within the recommendations of the Rugby ELS. In discussions with the site promoter regarding delivery of the site, indicative layouts have been proposed demonstrating how up to five units of this scale could be accommodated on the site.

4.10 Employment development at this location would be likely to have significant positive impacts on sustainability issues such as enabling a strong local economy and promoting accessibility by sustainable transport means. This is reflected in the scoring of this site in the Local Plan Sustainability Appraisal (SA). Additionally, as Coton Park East is in relatively close proximity to Brownsover, one of five priority areas as identified in the Rugby Regeneration Strategy 2014/15, a positive impact on addressing issues of deprivation would be expected from an employment allocation in this area of the Borough. The proposed allocation will also provide an attractive location for employers in terms of its close proximity to an accessible labour force in and around Rugby urban area.

4.11 The proposed allocation is however shown by the Local Plan SA to be likely to lead to some negative impacts. For this site, the SA highlights these as being the potential loss of some grade 2 agricultural land, potential exposure to air quality and noise pollution, and potential adverse impact on an adjacent local wildlife site and any other undesignated biodiversity assets not yet known about. It will be important therefore that development proposals can incorporate mitigation measures through design, such as the provision of adequate landscape screening or buffer zones, to overcome such impacts.

South West Rugby (DS4.3)

4.12 Land to the south of Cawston Spinney was also submitted to the Council's Call for Sites in 2014 and has been promoted for employment development as part of the wider South West Rugby mixed use proposal. The Local Plan Publication Draft proposes 35 hectares of employment land to be provided in this location alongside up to 5,000 dwellings within the wider allocation.

4.13 The proposed employment land is shown on the Urban Proposals Map within the wider South West Rugby allocation at reference DS3.5 / DS4.3. The location of the employment land proposed is to the south west corner of the allocation, immediately to the north of the A45/M45 junction.

4.14 The site is promoted for B8 uses and is seen as a particularly attractive location due to easy access to the A45/M45, and M1 and A46 at either end of this route. Allocation of the site for 35 hectares of land will make a significant contribution to the Borough's overall employment requirement to meet the identified needs for B8 development which will cater for forecast jobs growth in this sector, in particular from strategic distribution companies requiring larger footprint buildings.

4.15 Proposals for the employment development suggest approximately 180,000 sqm of B8 floorspace can be delivered at this location. However according to site promoters this is based on around 44 hectares of gross employment land being made available. Taking into consideration Rugby's local employment need, derived from total jobs growth forecast for the plan period, and applying employment densities and plot ratio for B8 as set out in the Rugby ELS, the Local Plan maintains a proposal for 35 hectares of employment land in this location, capable of providing for in the region of 2,000 jobs, is most appropriate to meet employment growth targets and align with objectively assessed housing need and the Local Plan housing target.

4.16 The promoters of this site have proposed further land within the South West Rugby allocation as potential safeguarded land for either residential or employment development. This land lies immediately to the north east of the proposed employment allocation and is identified as a submitted modification to the Local Plan Publication Draft Urban Proposals Map. The proposed safeguarded land will

also be shown within the Masterplan SPD for the South West Rugby allocation. It is not considered that this land is needed for development to meet assessed needs during the plan period, however it can be acknowledged that there are potential benefits to the provision of further development in this location beyond the plan period, not least relating to the provision of a sustainable mix of uses across the wider allocation, and clearly subject to addressing any impacts of developing this land including its proximity to the Cawston Spinney woodland. The Council is proposing to safeguard this land until such a time that it can be demonstrated that it is required to come forward to meet an identified residential or employment need.

4.17 The positive impact this site allocation would have in delivering sustainable development from an economic point of view is reflected by the potential job creation. This is evident in the Local Plan SA of residential and employment site options. Crucially where the delivery of employment land and the creation of several hundred jobs are concerned, the site is also shown to score well in sustainability terms in relation to accessibility by a choice of means of transport, with a number of bus stops in close proximity and an opportunity to join up with a national cycle route 300m to the east of the site.

4.18 Inevitably for a large site allocation proposal, there are also likely to be negative impacts on certain sustainability criteria. The SA highlights these as being the potential loss of grade 3a agricultural land, potential exposure to air quality and noise pollution, and potential adverse impact on an adjacent local wildlife site and any other undesignated biodiversity assets not yet known about. Development proposals will clearly be expected to incorporate mitigation measures through design, such as the provision of adequate landscape screening or buffer zones, to overcome such impacts. The site is relatively free of other major physical and environmental constraints. It is in flood zone 1, is in an area of moderate landscape sensitivity and has no heritage assets or other historic environment interest either on or adjacent to the site.

Omission Sites – 2014 and 2016 Call for Sites

4.19 Additional sites submitted to the Council for consideration as potential employment development sites are shown below. All but one of the additional sites proposed are located within Green Belt and it is not considered that the exceptional circumstances exist to release Green Belt land where sufficient land is already in supply to meet identified needs.

- **Eastfield Farm, Crick Road** (2.3ha) – site to south east of Rugby beyond the urban area. It has constrained access and the shape of the site is unsuitable for industrial uses, as well as being potentially constrained by adjacent railway line. There is also uncertainty over the site's availability for employment development due to the existing Rugby Radio Station

allocation (Core Strategy Policy CS4), which currently safeguards land for a rail parkway station proposal.

- **Hillfields Farm** (5.9ha) – site currently used as agricultural land adjacent to farm buildings. Development of this site as an attractive employment location would be reliant on new access to/from the A46 which may rely on the allocation of the adjacent Hillfields Farm (residential proposal) site and/or Walsgrave Hill Farm site to provide this access. These adjacent sites are not proposed for allocation in the Local Plan Publication Draft. Furthermore the site is situated in the Green Belt, for which no exceptional circumstances exist for its release, and is not considered suitable for allocation in the context of the settlement hierarchy for the Borough. It is considered that alternative options exist in more sustainable locations to deliver Rugby's employment land requirement. Nor is the site considered necessary for allocation to meet sub-regional strategic employment needs, in the context of the Coventry & Warwickshire Employment Land MoU.
- **Newbold Sewage Treatment Works** (1.74ha) – site is within Rugby urban area however development of the site is restricted due to very constrained access between two railway lines. This will severely constrain market demand for occupation of the site and is therefore not considered to be deliverable.
- **North of Walsgrave Hill Farm** (96ha) – site is in the Green Belt and proposed alongside residential development to the south of Walsgrave Hill Farm². Development of this site would be reliant on new junction access from the A46. The site is situated in the Green Belt, for which no exceptional circumstances exist for its release, and is not considered suitable for allocation in the context of the settlement hierarchy for the Borough. It is considered that alternative options exist in more sustainable locations to deliver Rugby's employment land requirement. Nor is the site considered necessary for allocation to meet sub-regional strategic employment needs, in the context of the Coventry & Warwickshire Employment Land MoU.
- **Millboard, Ryton on Dunsmore** (2.35ha) – site located off A423 to west of village of Ryton on Dunsmore and opposite Prologis Ryton employment site. The submission forms an area of expansion land to the

² A proposal for employment development at Walsgrave Hill Farm was made to the Council after original submission of this site for residential development through the Call for Sites / SHLAA and also after sites had been assessed in the Local Plan Preferred Options Sustainability Appraisal (SA) report. The site has therefore only been appraised in the SA as a residential option.

existing Millboard employment site, which measures approximately 14 hectares in total area. The site is situated in the Green Belt and not considered suitable for allocation in the context of the settlement hierarchy for the Borough. It is considered that alternative options exist in more sustainable locations to deliver Rugby's employment land requirement.

Additional Omission Sites – Publication Draft Consultation

4.20 Additional site submissions proposed for employment development were received by Rugby Borough Council (RBC) during consultation on the Publication Draft Local Plan between September 2016 and January 2017. As a result of these sites only being submitted to RBC at this stage, they have not been considered in previous consultation stages of the Local Plan. Consideration of the suitability of these sites for future employment development is summarised for each site in turn below.

- **Land at M6/M69 junction** - greenfield site (5 hectares) in the Green Belt which is bounded on all sides by highways infrastructure – M6 Junction 2, M69 and M69 slip road – and Highways England depot adjacent to site. Some mature tree coverage to boundary of site. It is currently used as agricultural land on a tenancy basis. The site is not considered suitable for allocation in the context of the proposed Local Plan settlement hierarchy, as it is considered that more sustainable alternative options exist to deliver Rugby's employment land requirements. Nor is the site considered necessary for allocation to meet sub-regional strategic employment needs, in the context of the Coventry & Warwickshire Employment Land MoU.
- **Land west of A423 Oxford Road** - very large greenfield site (149 hectares) in the Green Belt in multiple ownerships, including previous Call for Sites submissions S14/043 (S16048), S14/114 and S16011, proposed for both residential and commercial consideration. Land is proposed as potential safeguarded land to meet employment development needs beyond the plan period. Site is bordered to the west by River Avon and to the east by A423 and Prologis Ryton strategic employment site. Western part of the site is within flood zone 3. The site is not considered suitable for allocation in the context of the proposed Local Plan settlement hierarchy, as it is considered that more sustainable alternative options exist to deliver Rugby's employment land requirements. Nor is the site considered necessary for allocation to meet sub-regional strategic employment needs, in the context of the Coventry & Warwickshire Employment Land MoU.

- **Land between M6 J2 and Ansty Park** - greenfield site (16 hectares) in the Green Belt, which is bounded to the north by the M6, to the west by the A46/M6/M69 junction, and to the south and east by Ansty Park strategic employment site. Mature trees and hedgerows exist across the site. The site is not considered suitable for allocation in the context of the proposed Local Plan settlement hierarchy, as it is considered that more sustainable alternative options exist to deliver Rugby's employment land requirements. Nor is the site considered necessary for allocation to meet sub-regional strategic employment needs, in the context of the Coventry & Warwickshire Employment Land MoU.
- **Land between M6, Ansty Park and Coombe Fields Road** - greenfield site (21 hectares) located in the Green Belt, which is bounded to the north by the M6, to the east by Coombe Fields Road, and to the south and west by Ansty Park strategic employment site. Site is under the control of developer. The site is not considered suitable for allocation in the context of the proposed Local Plan settlement hierarchy, as it is considered that more sustainable alternative options exist to deliver Rugby's employment land requirements. Nor is the site considered necessary for allocation to meet sub-regional strategic employment needs, in the context of the Coventry & Warwickshire Employment Land MoU.
- **Land south of A5 (Land at Padge Hall Farm, Stretton Baskerville)** - large greenfield site (38 hectares) located in open countryside to the south of the A5, on the border between Rugby Borough and Hinckley & Bosworth Borough in Leicestershire. An industrial estate and mix of sui generis uses borders the site to the north on the other side of the A5, however the site itself is made up of farm buildings and surrounding agricultural land. The site is not considered suitable for allocation in the context of the proposed Local Plan settlement hierarchy, as it is considered that more sustainable alternative options exist to deliver Rugby's employment land requirements. Nor is the site considered necessary for allocation to meet sub-regional strategic employment needs, in the context of the Coventry & Warwickshire Employment Land MoU.

5. Sub-Regional Employment Land

5.1 In addition to working with neighbouring authorities in the Coventry & Warwickshire Housing Market Area (HMA), RBC has also considered employment needs under the Duty to Co-operate across the sub-region.

5.2A Memorandum of Understanding (MoU) was agreed (July 2016) by the Coventry & Warwickshire authorities to “seek to ensure that the employment land needs of Coventry & Warwickshire are met in full including addressing an identified shortfall of employment land provision arising in Coventry”.

5.3 The MoU states that employment land studies for each of the districts indicate a need for 714ha of gross employment land, which broadly aligns with the CWLEP Employment Land Study (CBRE, June 2015) conclusion that up to 660 ha land is required for Coventry & Warwickshire. However it also states that Coventry has identified a shortfall of 241 ha of employment land to be found within its own boundaries, and therefore redistribution is required to the other districts.

5.4 Based on the redistribution approach to Coventry’s housing shortfall, and the addition of commuting flows between Coventry and neighbouring districts, the employment land MoU seeks to ensure that planned housing growth over the plan period, including redistribution to RBC from Coventry City Council’s identified shortfall, will be aligned with proposed employment developments in Rugby Borough. As set out in Table C at paragraph 4.6.2 of the MoU, the unmet need for employment development to be redistributed from Coventry to Rugby Borough equates to 45 hectares.

5.5 Rugby Borough already contains two major employment sites near to Coventry, these being Prologis Ryton (the former Peugeot site between the A45 and A423) and Ansty Park (near to M6 Junction 2 and the A46). Both of these sites are in the most part now developed (with remaining land on site being committed development), as shown in the tables below.

5.6 Ansty Park Completions

SITE	AREA (ha)*	YEAR DEVELOPMENT COMPLETED
Zone 1	4.54	2013/14
	c.2.75	Undeveloped
Zone 2	2.85	2017/18
	c.3	Under Construction – 2017/18?
Zone 3	3	2015/16
Zone 4	2	2014/15
Zone 5	3	2011/12
	1.92	2014/15

Zone 6	8.7	2016/17
TOTAL	31.76³	

5.7 Prologis, Ryton Completions

SITE	AREA (ha)*	YEAR DEVELOPMENT COMPLETED
DC1	3.4	2016/17
DC2	5	2012/13
DC3	4.8	2014/15
DC4	3.2	2013/14
DC5	3.2	2013/14
DC6	13.4	2014/15
DC7	6.7	2016/17
DC8	16.7	Undeveloped
TOTAL	56.4	

5.8 As the two tables above show, completions on both sites have been since 2011 and therefore contribute to the employment land requirement during the Local Plan periods (2011-31) of both Rugby Borough and Coventry City. The contribution of these two employment sites (97 hectares gross employment land) therefore provides an over provision of employment land to meet the redistribution from Coventry City. However due to the sub-regional and strategic nature of both sites in drawing employees from other districts in the wider sub-region, as well as Coventry, it is considered that this over provision is beneficial to the economic growth of the sub-region and fits within the alignment of housing and employment supply in the wider Coventry and Warwickshire market area.

³ Site areas for different zones on Ansty Park are a mixture of gross and net taken from most recently approved planning permissions; total gross site allocation is 41 hectares.

6. Other Considerations for Local Plan Target

6.1 In arriving at a recommendation for an overall local plan employment target for the plan period 2011-31, the Rugby ELS acknowledges that in addition to the quantitative demand for employment growth, there are other factors which influence the total amount of land to be planned for over the course of the local plan period.

6.2 The Local Plan employment land target of 110 hectares therefore takes account of not only the evidence base already discussed in this background paper, but also the following factors which influence how much land should be planned for over the course of the plan period.

Level of housing proposed in the Local Plan

6.3 The Rugby ELS recommends that 6-8 hectares of land per annum for the remainder of the plan period (2015-31) should be provided for. This equates to 96-128 hectares of land in total. As shown in Section 3, Rugby's OAN of 9,600 dwellings (480 dpa) produces a resident labour force increase which aligns very closely with the jobs growth forecast for the Borough of 8,500, when compared over the same plan period of 2011-31.

6.4 It is important to note that the overall employment land figure of 6–8 hectares per annum in the Rugby ELS, or more specifically the top end of this range at 8 hectares per annum, was recommended in the context of a potential scenario of a Rugby housing need of 660 dpa (see ELS p.78, para.6.54 first bullet point). The ELS refers to growth in the labour force of up to 13,000 based on 660 dpa. This was however based on housing needs evidence from a previous version of the Coventry & Warwickshire SHMA, based on 2011 SNPP, which has since been superseded in terms of OAN findings in the Updated Assessment of Housing Need (2015 SHMA).

6.5 As the OAN for Rugby identified in the latest 2015 SHMA is 9,600 dwellings (or 480 dpa), it is considered that provision of 8 hectares per annum would lead to an over provision of employment land in the plan period and would risk a lack of alignment with the resident labour force in the Borough, in the context of the most recent housing needs evidence, over the course of the plan period. This would have the potential to encourage unsustainably high levels of commuting into the Borough to fill a growth in jobs that was not matched by demographic and household projections over the same time period.

6.6 Furthermore, a proportion of Rugby's resident labour force is shown to work in major employment sites in close proximity to the Borough but in other local authority areas. With the exception of Coventry City, the largest out commuting

flow of Rugby residents is to the neighbouring district of Daventry (8.6%). It is reasonable to assume that the location of the major employment site at Daventry International Rail Freight Terminal (DIRFT) is responsible in large part for this pattern. Similarly the Rugby ELS shows that out commuting to Harborough District is 3.1% of residents, a proportion of which would be expected to work at the major employment site of Magna Park.

6.7 An over provision of employment land in Rugby Borough that was not matched by demographic and household projections over the same time period would be exacerbated by resident labour force already commuting outside the Borough for employment.

Flexibility in Land Supply

6.8 At the opposite end of the recommended range of employment land provision in the ELS, 6 hectares per annum would align more closely with jobs growth forecast in the ELS and the alignment with resident labour force discussed in Section 3. However this level of provision would not provide any additional flexibility in supply that the ELS notes is important to capture economic investment in the Borough and provide for the ongoing growth of the indigenous business base.

6.9 Nor would it provide flexibility above the quantitative need identified in the ELS to cover losses of employment land on existing sites, including changes of use that may occur over the duration of the plan period. Despite some losses of employment land prior to 2011, there have been no such losses on strategic employment sites since the beginning of the plan period. The ELS states that it is unlikely that all land lost to other uses would result in a need for additional land to provide for business relocations, thus giving further weight to the argument that to provide 8 hectares of employment land per annum for the remainder of the plan period would be an oversupply of employment land relative to the needs of the Borough.

Qualitative Employment Needs

6.10 In qualitative terms, the Rugby ELS recommends for the Local Plan to make provision for employment land to address qualitative deficiencies in supply. In particular this relates to the need to meet the demand for employment sites providing smaller units in the range of 5,000 - 50,000 sqft (465 – 4,645 sqm), and in particular units below 20,000 sqft (1,850 sqm). This is especially important in accommodating demand from firms requiring floor space in this size band for B1c, B2 and ancillary B8 employment uses.

6.11 The Coventry & Warwickshire Local Enterprise Partnership (CWLEP) have formalised arrangements to work on market intelligence relating to employment demand across all authorities within the sub-region. It has been agreed (paragraph 3.6 of the Employment Land MoU) that the Coventry & Warwickshire local

authorities will work with both the CWLEP and Warwickshire County Council in the ongoing monitoring of qualitative employment needs and market intelligence.

6.12 It is considered that proposed Local Plan Policy ED1 provides for the protection of a broad range of employment sites, both existing designated sites and new employment allocations such as Rugby Radio Station and Coton Park East that can accommodate the qualitative employment needs for the Borough. The Borough Council will always be willing to work in partnership with other local authorities, the CWLEP and other business organisations to ensure it is party to the most up-to-date and accurate data regarding the qualitative employment needs of businesses.

7. Summary

- 7.1 The overall employment land requirement for Rugby Borough of 110 hectares is justified by the evidence base and uses data informing labour demand, labour supply and past take-up, as recommended in national planning practice guidance. Each of these methods has limitations in projecting forward future needs and to base the employment target on only one of these approaches would be likely to undermine the alignment of housing and employment growth in the plan.
- 7.2 All strategic employment land in supply to be brought forward through the emerging local plan totals approximately 114 hectares. This includes completions since the beginning of the plan period in 2011, currently committed employment development either with an extant planning permission or under construction, and the allocations of new employment sites proposed in the local plan. Establishing an appropriate strategy has also taken account of the relatively strong record in job creation since the start of the plan period in 2011.
- 7.3 Additional sites that have been submitted to the Council for consideration as potential employment allocations have not resulted in a change to the proposed allocations of employment development previously consulted on in the Local Plan Publication Draft. The sites considered are not located in sustainable locations that conform to the proposed settlement hierarchy for the Borough, in order to most sustainably meet Rugby's development needs.
- 7.4 Whilst a number of these sites are located in close proximity to Coventry's urban edge and would therefore present a stronger functional relationship with Coventry's employment needs, it is considered that these sites are not required to meet unmet needs during the plan period due to alternative sites located in Rugby Borough already providing for this need as set out in the Coventry & Warwickshire Employment Land MoU. Furthermore, all but one of the additional sites proposed are located within Green Belt and it is not considered that the exceptional circumstances exist to release Green Belt land where sufficient land is already in supply to meet identified needs.
- 7.5 In arriving at an employment land target for the Local Plan that is within the range of recommended provision per annum in the Rugby ELS, it is considered that the plan caters for the necessary allocation and protection of employment land to provide for forecast jobs growth and labour supply over the plan period and maintain the recent strong performance of Rugby's economy in terms of past take-up of land. The land in the committed and proposed allocation of supply does not risk unbalancing the existing stability in Rugby's commuting patterns with neighbouring local authorities, but does provide for new employment development to complement the growth in housing provision in the Borough over the plan period.

7.6 Furthermore, land in supply provides additional flexibility over and above the land required purely based on quantitative need, to allow for further growth in not only Rugby's local economy but also the sub-regional Coventry & Warwickshire economy.