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T: +44 (0) 123 236 2066

Development Strategy
Rugby Borough Council
Town Hall
Evreux Way
Rugby
CV1 2RR

www.lsh.co.uk
Lambert Smith Hampton
Interchange Place
Edmund Street
Birmingham
B3 2TA

By email to: localplan@rugby.gov.uk

Our Ref: LGF/RBCIO
Your Ref:
File Ref:

Dear Sir / Madam,

RUGBY BOROUGH LOCAL PLAN REVIEW: ISSUES AND OPTIONS CONSULTATION

Introduction and Context

On behalf of landowner Clients with interests to the south of Junction 1 of the M69, Lambert Smith Hampton (LSH) is instructed to submit representations to the Issues and Options Consultation being undertaken by Rugby Borough Council as part of the Local Plan Review. The representations are being made concurrently with a submission to the Call for Sites exercise, which sets out in more detail our clients' ownership and the opportunity that exists for development within their land. Nonetheless, for reference, these representations concern approximately 16.76 hectares (41.42 acres) of Greenbelt land to the immediate south of Junction 1 of the M69 and the A5 Watling Street, herein referred to as "the site". The site comprises Leicester Grange Farm, which accommodates the Barnacles Restaurant together with ancillary commercial, residential and equestrian premises, and an adjacent parcel of land to the east which also fronts the A5.

The representations follow recent early engagement with the Council's Chief Officer for Growth and Investment and the Development Strategy Manager as to the long-term development potential of the site. The proposed strategy of promoting the site through the Local Plan Review was encouraged by Officers, particularly given the site's location within the Green Belt, the boundaries of which will need to be reviewed through the Local Plan Review in order to establish suitable locations for growth. It was also acknowledged that in order to ensure an adequate supply of land for employment uses over the Plan period (to either 2041 or 2050), it would be necessary to consider the release of Green Belt land, especially given the extent of the Borough's strategic road network that falls within the Green Belt. With this in mind, these representations are made with particular regard to section 3 of the Issues and Options consultation document, the focus of which is land for employment uses. Accordingly, the representations are structured in response to the six questions posed under this section.

1. How much employment land should we be planning for?

With reference to the 2022 Coventry and Warwickshire Housing and Economic Development Needs Assessment (HEDNA), there is evidently an acute need for strategic warehousing land across the Coventry and Warwickshire sub-regional area; namely, 551 hectares for the period up to 2041 and 735 hectares for the period up to 2050. The amount of employment land dedicated to strategic warehousing is clearly a matter to be agreed at a sub-regional level, and at this stage, it is considered too premature to comment on the exact quantum to be accommodated within Rugby Borough. This remains the case until such time that the new West Midlands Strategic Employment Sites Study is published in order to update the position on the supply of sites within the region. It is understood that the Study will assess every junction of the region's strategic road network and will provide comment

on the capacity of junctions to accommodate growth. This is a crucial piece of the evidence-base which will ultimately inform the Spatial Strategy to be pursued through the Local Plan Review; it is therefore considered to be too early in the plan-making process to identify potential locations for employment land, as the necessary evidence assessing all possible locations within the Borough has not yet been published for review.

Similarly, whilst the findings of the HEDNA are acknowledged in regard to the need for industrial land within the Borough up to 2041 and 2050, at this stage it is only appropriate for us to endorse the recommendations and suggest that these are considered concurrently with the Strategic Employment Sites Study and Green Belt Review in order to holistically review the most suitable locations for new employment land. The preliminary findings of this exercise should then be presented back to stakeholders in the form of a second Regulation 18 consultation, which provides a renewed opportunity to comment on the quantum of employment land that should be planned for in the new Local Plan. Given the significance of this discussion to local and sub-regional economic growth, and the range of business interests that will need to be considered as a result, it is recommended that the LPA also undertake in-person stakeholder engagement sessions at the earliest opportunity, and in advance of any subsequent Regulation 18 consultation, which LSH would welcome involvement with. This will allow for a more up-to-date and focussed understanding of employment land needs, particularly amongst those local SMEs which have expressed concern over the lack of incubator and 'grow on' space within the Borough. In this regard, it is important to note that the stakeholder consultation undertaken as part of the HEDNA suggested that whilst demand for B8 uses is very strong across the sub-regional area, there is a need for separate allocations for light industrial and industrial use in order to support the strong manufacturing sector that exists and requires further support. LSH would welcome further discussion in respect of this matter.

2. What type of employment land should we be planning for?

Notwithstanding the acute need that exists at the sub-regional level for strategic warehousing land, it is imperative that a sufficient supply of employment land is allocated specifically for smaller-scale light industrial (Class E(g)(iii)) and industrial (Class B2) uses as well as smaller "mid-box" units of below 9,000 sqm. This will avoid the uncompetitive land supply scenario that is typical within the 'Golden Triangle' whereby the delivery of strategic employment allocations is over reliant on the development of speculative 'big box' strategic warehousing by international logistics companies, which in turn makes it harder for local businesses to find suitable premises to grow and innovate. With this in mind, it is considered entirely appropriate for the new Local Plan to distinguish between, and provide for, both strategic and non-strategic employment land allocations, so as to ensure a sufficient supply of small sites can come forward to accommodate local needs. It is also encouraged that the LPA follow the recommendation of the HEDNA in allocating sites specifically for light industrial and industrial uses. This will not only help to address the concerns of local businesses around the shortage of incubator and 'grow on' space (which LSH shares as a result of our work supporting businesses within the Borough), but also provides a robust and diverse employment land position (i.e. a positive mix of Class E(g)(iii)/B2/B8), from which an Economic Strategy can be formed in tandem with the Local Plan Review.

3. Please provide any comments you have on the suitability of any of the broad locations listed above (or another location we have missed)

The Issues and Options consultation documents identifies 8 potential strategic employment locations, of which 5 are located within the Borough's Green Belt. Whilst it is acknowledged at paragraph 3.42 that the LPA will consider alterations to the Green Belt where there are exceptional circumstances to do so, there needs to be a greater recognition of the dependency on Green Belt

release to provide an adequate and proportionate supply of new, strategic and non-strategic employment land. At paragraphs 3.38 and 3.39, it is rightly acknowledged that land for large-scale manufacturing and distribution uses needs to be located closely to A-roads and motorways (i.e. the strategic road network) and existing settlements so as to allow easy access to work. However, given the proportion of the Borough's strategic road network and key junctions that falls within the Green Belt, it will be necessary for the LPA to assess the suitability of a wider range of broad locations than that already identified in the Issues and Options document. This should have been undertaken at the earliest opportunity, prior to the identification of potential strategic employment locations, and in tandem with the Green Belt review, as evidently some locations (including those not already identified) will contribute less to the five purposes of the Green Belt.

In the absence of any relevant and up-to-date and evidence-base documents, it is considered that the LPA has neglected to identify all potential strategic employment locations within the Borough. In particular, land to the south of Junction 1 of the M69 – which, from a locational perspective, is the principal focus of these representations – has been excluded as a potential location for strategic employment growth, despite its unrivalled proximity to the M69 and the presence of existing, industrial and logistics premises nearby.

From both a strategic planning and commercial perspective, the location has been deemed suitable for employment uses by virtue of the development of Hinckley Park; an allocated, 33-hectare business park located within Hinckley & Bosworth Borough and delivered by local property company, IM Properties Plc. Hinckley Park is strategically located adjacent to the M69 and A5, and within 6.5 and 9.5 miles from the M6 and M1 respectively, meaning it benefits from direct accessibility to the Midlands supply chain and labour force. The site already accommodates the largest automated parcel depot in Europe, operated by DPD, and a 532,500 square feet building, occupied by Amazon. The final phase of development, comprising a speculative three-unit scheme, is near to completion and will be occupied by a local occupier, Geosynthetics, and renewable energy company, Octopus Energy, which will utilise the space for the storage and distribution of heat pumps and solar panels. The success of Hinckley Park (and in particular its speculative phase) not only signifies the strength of this location from the perspective of developers, investors and occupiers, but also the opportunity that exists for additional, complimentary development within the surrounding area within Rugby Borough.

From a spatial planning perspective, in order to understand the contribution of the site and its surrounding area to the five purposes of the Green Belt, it would ordinarily be necessary to refer to the findings of the most recent review of the Green Belt. However, the Coventry and Warwickshire Joint Green Belt Study, prepared in 2015, does not specifically assess the contribution of the Green Belt in this particular location, and rather focuses on the broad area between the towns of Nuneaton, Coventry, Hinckley and Lutterworth, which, by virtue of its size, is clearly of limited relevance to this context. Therefore, in the absence of an up-to-date Green Belt study, which considers land parcels that are within close proximity to major strategic road network junctions, it is appropriate at this stage for us to undertake a high-level appraisal of the site and its surrounding area in terms of its contribution to the Green Belt purposes.

Green Belt Purpose	Contribution	Rating
To check the unrestricted sprawl of large built-up areas	The site contains several buildings which compromise the openness of the Green Belt within their immediate vicinity. As a result of its form and location, the site also does not play a role in preventing ribbon development.	Low
To prevent neighbouring towns merging into one another	The site is not located within an existing settlement and its spatial relationship with the nearest settlements of Burbage and Hinkley is already bisected by the M69, A5 and intervening development.	Low
To assist in safeguarding the countryside from encroachment	The developed nature of the site and its surrounding area, particularly where it adjoins the M69 and A5, means that it shares limited characteristics of the countryside. There are also clear man-made features that contain development and prevent encroachment in the long-term namely; namely, the M69 and A5 which represent permanent defensible boundaries inhibiting the encroachment of the countryside to the north and east.	Low
To preserve the setting and special character of historic towns	The site is not partially or wholly within or adjacent to a Conservation Area. In addition, there is no intervisibility between the historic core of a historic town and the site.	Low
To assist in urban regeneration, by encouraging the recycling of derelict and other urban land	All Green Belt land makes a strategic contribution to urban regeneration by restricting the land available for development and encouraging developers to seek out and recycle derelict and/or urban sites.	High

The above appraisal follows a similar methodology to that undertaken as part of the Coventry and Warwickshire Joint Green Belt Study and considers the same questions posed in regard to each of the five purposes. The appraisal confirms that that the site and its surrounding area has a low contribution to four of the five Green Belt purposes, with the exception being 'to assist in urban regeneration' which is equally applied a high grading across all of the Green Belt by virtue of the strategic role such land has in incentivising development on brownfield land. Whilst it is recognised that to support the above appraisal, further assessment of the site and its surrounding would need to be undertaken from a landscape and visual impact perspective, it is clear that the developed nature of the site and its situation relative to the M69 and A5 means that it does not have a distinct functional role in protecting the Green Belt. This view was also shared by Officers as part of our early engagement as to the long-term development potential of the site.

4. How can we provide more space to allow existing businesses to expand?

The most effective means of providing space for business expansion is the allocation of a sufficient supply of employment land specifically for smaller-scale light industrial (Class E(g)(iii)) and industrial (Class B2) uses and smaller B8 uses. This is a key recommendation of the 2022 HEDNA and fundamentally reflects market appetite within the Borough, which nonetheless, should be gauged at the earliest opportunity through aforementioned stakeholder engagement sessions. It is important

that allocations proposed through the Local Plan Review suit a range of business interests, particularly in terms of size, form and location, and with this in mind, it is encouraging to see acknowledgement of the shortage of incubator and 'grow on' space within the Borough. In our experience as both Planning Consultants and Industrial Agents, a great degree of certainty and confidence is afforded to developers, investors and occupiers of smaller-scale industrial premises when sites are allocated for such use. This not only encourages new investment within the Borough, but also allows existing businesses to find suitable premises to grow and innovate. As noted in response to question 2, it is essential that the need for a positive mix of Class E(g)(iii)/B2/B8 premises in terms of size, form and location is reflected within both the Local Plan Review and the emerging Economic Strategy for the Borough.

LSH's industry-leading market research into the Industrial and Logistics sector (a copy of which is enclosed with these representations) confirms that there is a growing opportunity across the country for 'mid box' (50,000 – 99,999 sq. ft.) premises. This is a segment of the market that has been relatively underserved by development, especially in the East Midlands where mid box supply is particularly tight. From a demand perspective, of the three size segments (mid box, large and extra-large), mid box was the most resilient when compared against 2021 which saw exceptional take up figures. The East Midlands was the best performing region in this regard, with take-up of over 2 million sq. ft. of mid box floorspace, which is only 5% short of 2021's record and 33% above trend. In terms of rents, for prime units of circa 50,000 sq. ft, the Rugby / Daventry market area saw the greatest rental growth in 2022, reaching 14%. Taking into account these figures and our understanding of the local market, there is evidently strong demand for mid box premises within Rugby Borough, which has been compounded by the overreliance on 'big box' units, at the expense of smaller premises which respond to local rather than national or international business interests. This further emphasises the need for the LPA to plan for a positive mix of Class E(g)(iii)/B2/B8 premises in terms of size, form and location.

5. We are minded to allocate sites specifically for industrial (B2) and light industrial (E(g)(iii)) uses. Do you support this and if so, where?

As is emphasised throughout these representations, it is imperative that a sufficient supply of employment land is allocated specifically for smaller-scale light industrial (Class E(g)(iii)) and industrial (Class B2) uses. In doing so, there are a number of key locational factors to consider, which include:

- Road accessibility – sites should be allocated in locations where they can be accessed from the strategic road network which has capacity (or the potential to improve capacity) to support the proposed development.
- Power supply – sites should be allocated in locations where there is potential to access sufficient power. This is an important consideration given the potential for increased automation, electrification of vehicle fleets, and systems for chilled goods. However, it should not be neglected that power could be generated through energy efficiency buildings with features such as solar panels and heat humps. A notable precedent has been achieved at Hinckley Park which has been built to a high specification, targeting EPC A and BREEAM 'Excellent', as well as being delivered as Net Zero in contribution and operation.
- Labour availability – sites should be allocated in locations which can easily draw upon a wide labour pool. This includes locations that are well connected to urban areas. Regard should be given to the accessibility of locations by public transport, particularly from

deprived areas and those with available labour market capacity, and the ability of employment nodes with an emerging density of employment uses to sustain regular public transport services.

- Neighbouring activities – sites should not be allocated in locations that are in close proximity to residential areas (or accessed through them) as it may be necessary to support 24/7 operations. Similarly, allocations should be located away from incompatible land uses and in areas capable of accommodating high bay warehousing without unacceptable impacts on residential amenity and the landscape.

With this set of considerations in mind, it is recommended that a geographical spread of commercially attractive sites is identified and brought forward for light industrial and industrial use. The strategy for employment land within the Borough will need to cater for the requirements of occupiers with different locational requirements and avoid issues of overconcentration – particularly within large and established employment locations – which can create localised issues of labour market competition between businesses. Given the importance of accessibility to the strategic road network, and the extent to which this located within the Borough's Green Belt, it will be necessary to consider the release of Green Belt to provide an adequate supply of land for light industrial and industrial uses.

It is considered on this basis that land to the south of Junction 1 of the M69 is a suitable location for the allocation of sites for light industrial and industrial use. As noted above, the Issues and Options document neglects the location as a potential area for strategic employment growth, despite its unrivalled proximity to the M69 and the presence of existing industrial and logistics premises. It is recommended that the location is considered for the full range of employment uses, with particular emphasis given the potential of the area to accommodate small to medium size unit premises. It is important to recognise that the site to which these representations relate comprises previously developed land within the Green Belt, which benefits from an existing access junction, power supply and landscape buffers. As such, it is a credible location for further consideration in the plan-making process.

6. Are there exceptional circumstances that mean we should amend Green Belt boundaries to meet the need for employment land?

The Issues and Options consultation documents identifies 8 potential strategic employment locations, of which 5 are located within the Borough's Green Belt. It is clearly acknowledged at paragraph 3.42 that the LPA will consider alterations to the Green Belt where there are exceptional circumstances to do so, and it has been clearly emphasised throughout these representations that there is an acknowledged dependency on Green Belt release to provide an adequate and proportionate supply of strategic and non-strategic employment land across the Plan period. This is primarily due to the need for both strategic and non-strategic employment land to come forward in close proximity to the strategic road network. Given the proportion of the Borough's strategic road network and key junctions that falls within the Green Belt, it will most certainly be necessary to amend Green Belt boundaries to meet the need for employment land, which itself constitutes the exceptional circumstances for doing so. Most importantly, however, the LPA will need to assess the suitability of a wider range of broad locations than that already identified in the Issues and Options document. This should have been undertaken at the earliest opportunity, prior to the identification of potential strategic employment locations, and in tandem with the Green Belt review, as evidently some locations (including those not already identified) will contribute less to the purposes of the Green Belt.

Conclusion

It is recommended that the LPA give further consideration to the potential of land to the south of Junction 1 of the M69 as a suitable location for the allocation of sites for employment use. In particular, regard should be given to the suitability of the location to accommodate small to medium size unit premises, for light industrial (Class E(g)(iii)) and industrial (Class B2) uses. The Issues and Options document neglects the location as a potential area for strategic employment growth, despite its unrivalled proximity to the M69, the presence of existing industrial and logistics premises, and its relatively limited contribution to the Green Belt purposes. As such, it should be taken forward as a credible location for further consideration in the plan-making and allocation process.

Should you find that it would be useful to discuss any of the matters set out above in relation to the site, we would be happy to do so at your convenience.

Yours faithfully,

Jeevan Thandi

For: Lambert Smith Hampton
Associate Director – Planning Consultancy
Planning, Regeneration + Infrastructure

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encl. LSH Industrial and Logistics Market Report 2023