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Date: 1<sup>st</sup> September 2023

Development Strategy  
Rugby Borough Council  
Town Hall  
Evreux Way  
Rugby  
CV21 2RR

By email: [localplan@rugby.gov.uk](mailto:localplan@rugby.gov.uk)

Dear Sir / Madam,

This letter has been prepared on behalf of SEGRO in response to the Council's public consultation in respect of the revised Community Infrastructure Levy (CIL) Draft Charging Schedule (July 2023). SEGRO is a leading owner, manager and developer of modern warehouses and industrial property, with a track record of delivering first-class employment premises in the country and across Europe including within Rugby Borough itself.

This response objects to the revised Community Infrastructure Levy Draft Charging Schedule which seeks to introduce a charge of £5 per square metre for the development of industrial, light industrial, and storage and distribution uses across the Borough. The Schedule confirms that 'Industrial' uses are those falling within Class B2, 'light industrial' as Class E(g)(i), and 'storage and distribution' as Class B8, as defined in Schedules 1 and 2 of the Town and Country Planning (Use Classes) Order 1987 (as amended).

The current consultation follows consultation on the previous version of the Draft Community Infrastructure Levy Charging Schedule carried out in May 2023. At that previous stage the Council proposed a nil rate £0 charge for industrial, light industrial, and storage and distribution uses. This approach was in line with the need to support job creation and the requirement of the NPPF to support economic growth and productivity and to help create the conditions in which businesses can invest, expand and adapt (NPPF paragraph 81). It also accords with the Council's fifth Spatial Objective in the adopted Local Plan to ensure the Borough has an expanding and diverse economy.

The imposition of CIL rates for industrial, light industrial, and storage and distribution uses will, in our view, create a barrier to employment generating uses from seeking to expand within or relocate to the Borough which will likely have a significant negative impact on the Borough's potential for economic growth. Securing economic growth has to, in part, be achieved by providing sufficient employment and industrial space. The need to deliver employment development is central to planning policy in the Borough. The Council through its adopted Local Plan seeks to ensure that all businesses, whether large or small, can locate and operate in Rugby and at the core of the Council's Corporate Strategy is to promote Rugby Borough as a place where businesses grow, individuals prosper and places thrive. Introducing a CIL charge for industrial, light industrial, and storage and distribution uses will threaten these objectives from being achieved as it could severely limit the amount of future investment and the willingness of occupiers to expand existing premises within the Borough or for new businesses to relocate within it, this is particularly noteworthy as if this Charging Schedule is adopted Rugby Borough would be the only local planning authority to have a CIL charge in place for industrial, light industrial, and storage and distribution uses of those that make up the Coventry and Warwickshire Housing Market Area or out of Rugby's neighbouring charging authorities.

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The timing of the Council's decision to introduce a CIL charge is also questionable particularly after the Department for Levelling Up, Housing and Communities published the Levelling-up and Regeneration Bill in March this year and within this Bill the Government confirmed plans to replace Section 106 of the Planning Act 1990 and the Community Infrastructure Levy with a new Infrastructure Levy. It is considered that if Rugby Borough was to progress with the introduction a CIL charge at this time it will create further uncertainty in the employment land market in the Borough which has already seen significant changes in land value and development costs in the last two years at a national level thus placing additional and potentially unsustainable demands on the viability of new employment development. It is also considered that the accompanying CIL Viability Assessment does not sufficiently consider the impact of the charge upon employment uses and predominantly focuses on the viability of residential developments.

For the reasons stated above it is our opinion that the Council should revert back to its original stance of a nil charge for the development of industrial, light industrial, and storage and distribution uses to safeguard economic growth and the delivery of employment generating development in the Borough.

Please could you confirm receipt of this submission.

Yours faithfully / sincerely



  
**Senior Planner**  
on behalf of Stantec UK Ltd