Rugby Borough Local Plan Examination Representation:

RBC 14 - Coventry and Warwickshire FEMA Updated Memorandum of Understanding on Employment Land

Mountpark, Ryton West

Land West of Prologis Park, Ryton

Statement by Oxalis Planning on behalf of Mountpark Logistics EU Sarl

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Contents

1. Introduction 1
2. Coventry's Unmet Employment Needs Remain Unresolved 2
3. The Claimed FEMA-Wide Surplus Cannot Be Relied Upon 3
4. The MoU Fails to Address the OA7 Strategic Supply Deficiency 4
5. Coventry's unmet needs cannot simply be met anywhere within the FEMA 5
6. Rugby is Best Placed to Accommodate Additional Need 6
7. Conclusions 7

1. Introduction

1.1.1. This response is submitted by Oxalis Planning on behalf of Mountpark Logistics EU Sarl, who are promoting land at Ryton West, immediately adjoining Coventry's administrative boundary and forming part of the former Regulation 18 draft strategic employment allocation, which was replaced with Walsgrave Hill Farm at Regulation 19 stage.

1.1.2. The Memorandum of Understanding (Document ref. RBC14) seeks to demonstrate that employment land needs arising across the Coventry and Warwickshire Functional Economic Market Area ("FEMA"), including Coventry's identified unmet employment land requirement, can be accommodated through existing and emerging employment supply across the FEMA.

1.1.3. Mountpark does not consider that RBC14 demonstrates that Coventry's unmet employment land requirements have been resolved. Nor does it demonstrate that sufficient strategic employment land is being planned for within Opportunity Area 7 ("OA7"), being the market area identified by the West Midlands Strategic Employment Sites Study ("WMSESS") as covering Coventry and Rugby.

1.1.4. The MoU identifies a theoretical FEMA-wide capacity position. However, it does not identify a deliverable strategy through which Coventry's unmet employment land requirements will be accommodated, nor does it identify specific allocations which have been examined, found sound and accepted for that purpose.

1.1.5. Accordingly, Mountpark considers that limited weight should be afforded to the conclusions drawn in RBC14 insofar as they are relied upon to justify reduced employment land provision within Rugby Borough or to support the exclusion of additional strategic employment opportunities such as Ryton West.

2. Coventry's Unmet Employment Needs Remain Unresolved

2.1.1. The MoU confirms that Coventry currently has an unmet employment land requirement of 57.23 hectares.

2.1.2. Despite that acknowledged shortfall, the MoU does not identify any specific employment allocation which has been designated to accommodate that unmet need. Instead, paragraph 6.6 concludes that Coventry's unmet need can "in principle" be met anywhere within the FEMA.

2.1.3. Mountpark does not consider that the existence of a FEMA automatically demonstrates that all employment locations are interchangeable or that unmet needs can be displaced to any authority irrespective of geography, labour market relationships, accessibility or market function.

2.1.4. The WMSESS itself identifies distinct market opportunity areas rather than a single uniform employment market. OA7 is specifically identified as the principal market area encompassing Coventry and Rugby and is recognised as one of the strongest logistics and industrial markets within the wider West Midlands.

2.1.5. The MoU therefore departs from the spatial logic underpinning the WMSESS evidence base. The WMSESS was expressly prepared to identify where strategic employment needs arise and where they should best be accommodated. It did not conclude that employment needs arising in OA7 could simply be redistributed anywhere within the FEMA without consequence.

2.1.6. In planning terms, there remains a strong rationale for directing employment provision intended to accommodate Coventry's unmet needs to locations within Coventry itself, or locations immediately adjoining the City with strong functional and economic relationships to it.

2.1.7. Ryton West represents precisely such a location. The site lies immediately adjacent to Coventry's boundary and forms part of the established employment cluster associated with Coventry Airport, Prologis Park Ryton, Middlemarch Business Park and Coventry Gateway.

3. The Claimed FEMA-Wide Surplus Cannot Be Relied Upon

3.1.1. A central conclusion of RBC14 is that sufficient supply exists elsewhere within the FEMA such that no additional employment allocations are required.

3.1.2. Mountpark does not consider that conclusion to be robust, nor the position to be appropriate.

3.1.3. The supply figures relied upon in Table 5 are substantially dependent upon emerging Local Plans that have not yet completed their examinations and whose allocations remain subject to testing and modification.

3.1.4. The recent Coventry Local Plan Examination demonstrates the risks associated with relying on untested supply assumptions. During that examination Coventry's identified employment land supply reduced significantly following scrutiny of the evidence base, particularly in relation to the reduction from 25ha to 9.8ha for the Baginton fields allocation.

3.1.5. The MoU therefore effectively assumes delivery of sites which:

- have not completed examination;
- have not been found sound;
- remain subject to objection; and
- may ultimately be modified or deleted.

3.1.6. The distinction between a proposed allocation and a sound, deliverable allocation is important. The MoU largely overlooks that distinction.

3.1.7. Furthermore, apparent surplus supply should not automatically be treated as available surplus capacity capable of accommodating Coventry's unmet needs. Local Plans commonly include flexibility allowances to account for delivery risk, changing market conditions and uncertainty across lengthy plan periods. The existence of identified capacity above minimum requirements does not necessarily mean that capacity is genuinely surplus to the host authority's future needs.

4. The MoU Fails to Address the OA7 Strategic Supply Deficiency

4.1.1. The MoU acknowledges the well-documented correction associated with Coventry Gateway South and the reduction in developable employment land capacity.

4.1.2. Mountpark does not agree with the conclusion that this supply deficiency can simply be absorbed elsewhere without requiring additional allocations.

4.1.3. The correction arose within OA7.

4.1.4. The resulting loss of supply also arose within OA7.

4.1.5. Accordingly, the resulting employment land deficiency should logically be addressed within OA7.

4.1.6. This is consistent with the methodology of the WMSESS, the Alignment Paper and the Alignment Paper Addendum, all of which identify strategic employment requirements by Opportunity Area rather than through a wholly FEMA-wide distribution approach.

4.1.7. The practical effect of the MoU is to suggest that the identified deficiency need not be specifically replaced despite the fact that OA7 remains the strongest strategic logistics market location within the FEMA.

4.1.8. Mountpark does not consider that approach to be justified by the evidence.

5. Coventry's unmet needs cannot simply be met anywhere within the FEMA

5.1.1. The MoU at paragraph 6.6 sets out that Coventry's unmet employment land needs can "in principle be met in any location within the Coventry and Warwickshire FEMA".

5.1.2. Mountpark does not consider that conclusion is supported by either the evidence base or wider planning principles, and unequivocally disagree with that position.

5.1.3. The existence of a Functional Economic Market Area does not automatically mean that all employment locations within that area are interchangeable, nor that unmet needs can be accommodated equally effectively regardless of location.

5.1.4. The WMSESS evidence base itself demonstrates this. If the location of employment development within the FEMA was irrelevant, there would have been no need for the study to establish Opportunity Areas, assess their differing market characteristics, or identify specific locations where strategic employment growth should be directed. Instead, the evidence base expressly recognises distinct market areas and concludes that OA7 represents one of the strongest industrial and logistics markets within the wider West Midlands.

5.1.5. Furthermore, Coventry's unmet employment needs arise from economic activity, labour markets, businesses and supply chains associated with Coventry itself. It cannot therefore be assumed that employment provision located elsewhere within the FEMA, potentially at considerable distance from Coventry, would perform the same economic function or provide the same benefits.

5.1.6. The MoU provides no evidence demonstrating that employment development located elsewhere within the FEMA would represent an equivalent substitute for employment provision within Coventry or in locations that maintain a close functional relationship with the City.

5.1.7. This is particularly important given that Rugby Borough Council's own evidence justifies strategic employment growth around Coventry on the basis of proximity to the largest labour market, opportunities for agglomeration and clustering, and access to established employment locations. Those advantages are not necessarily replicated elsewhere within the FEMA.

5.1.8. Mountpark therefore fundamentally disagrees with the proposition that Coventry's unmet needs can simply be displaced anywhere within the FEMA. Whilst cross-boundary provision may be appropriate, any such provision should be directed towards locations with a strong functional, economic and geographical relationship to Coventry. Ryton West represents precisely such a location.

6. Rugby is Best Placed to Accommodate Additional Need

6.1.1. Historically, Rugby Borough has played an important role in accommodating employment needs associated with Coventry.

6.1.2. The Borough has a strong functional, economic and geographical relationship with Coventry and contains some of the most attractive strategic employment locations in the wider market area.

6.1.3. The Regulation 18 Local Plan recognised this position and sought to accommodate significantly greater employment growth, including a substantially larger contribution towards Coventry's unmet needs.

6.1.4. The spatial strategy of the submitted Local Plan remains founded on the principle that employment growth should be directed towards locations adjoining Coventry because those locations are closest to the largest labour market and provide the greatest opportunities for clustering and agglomeration benefits.

6.1.5. Against that background, the conclusion that Coventry's unmet needs can simply be absorbed somewhere else within the FEMA is difficult to reconcile with the evidence underpinning Rugby's own strategy.

6.1.6. If additional employment land is required to address Coventry's unmet needs or the strategic supply deficiencies identified within OA7, Ryton West represents one of the most logical and sustainable opportunities available.

6.1.7. The site:

- adjoins Coventry's urban area;
- sits within the WMSESS OA7 market area;
- forms part of an established strategic employment cluster;
- is capable of delivering strategic employment floorspace;
- would directly assist in meeting needs arising from Coventry; and
- would support the economic strategy already embedded within the Rugby Local Plan.

7. Conclusions

7.1.1. RBC14 does not demonstrate that Coventry's unmet employment land requirements have been resolved.

7.1.2. The MoU identifies a theoretical FEMA-wide capacity position but does not identify specific allocations that will accommodate Coventry's unmet needs, nor does it provide certainty that the employment sites relied upon will successfully progress through their respective plan-making processes.

7.1.3. The MoU also departs from the Opportunity Area methodology underpinning the WMSESS evidence base, despite no new evidence being produced that justifies such a departure.

7.1.4. Furthermore, the correction to Coventry Gateway South and other reductions in strategic supply within OA7 continue to indicate that additional strategic employment provision is required within the strongest market area identified by the evidence base.

7.1.5. In this context, it cannot reasonably be concluded that no further allocations are necessary.

7.1.6. Accordingly, Mountpark considers that:

- limited weight should be afforded to RBC23;
- Rugby should continue to plan positively for unmet employment needs arising from Coventry;
- additional strategic employment provision should be made within OA7;
- Rugby's contribution towards Coventry's unmet employment needs should be increased; and
- Ryton West should be reconsidered as a deliverable and sustainable employment allocation capable of contributing towards those requirements.

7.1.7. Finally, Mountpark fundamentally disagrees with the suggestion that Coventry's unmet employment land requirements can be met indiscriminately anywhere within the FEMA. The evidence base does not support such a conclusion. The WMSESS expressly identifies distinct market areas and locational preferences, whilst Rugby's own strategy directs employment growth towards the Coventry fringe because of its relationship with the City's labour market and economic base. If unmet needs arising from Coventry are to be accommodated outside the City, they should be directed towards locations with a strong functional relationship with Coventry, such as Ryton West, rather than being assumed capable of being absorbed elsewhere within the FEMA.

7.1.8. For the reasons set out above, Mountpark does not consider that the MoU materially alters the position presented in their Hearing Statements. Whilst the MoU identifies a theoretical FEMA-

wide capacity position, it does not demonstrate that the key strategic employment land deficiencies identified have been adequately addressed.

7.1.9. Accordingly, Mountpark maintains that the following employment land requirements remain unaddressed within the evidence base and should continue to be planned for through the Rugby Local Plan:

- circa 50ha associated with the Coventry Gateway South land supply correction;
- 57.23ha of identified unmet employment land need arising from Coventry; and
- 15.2ha associated with the reduction in employment land at Baginton Fields.

7.1.10. Taken together, these matters indicate a continuing need for additional strategic employment land provision within Opportunity Area 7 and, in particular, in locations that maintain a strong functional relationship with Coventry. In Mountpark's view, the MoU does not provide a robust evidential basis for concluding otherwise.