Coventry and Warwickshire Functional Economic Market Area Updated Memorandum of Understanding on employment land

1. INTRODUCTION

1.1 This updated memorandum of understanding (MoU) covers employment land requirements in the Coventry and Warwickshire Functional Economic Market Area (C&W FEMA).

1.2 The C&W FEMA is made up of Coventry City Council, North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Rugby Borough Council, Stratford-on-Avon District Council and Warwick District Council.

1.3 This MOU presents the position as of 11 November 2026.

2. SHARED EMPLOYMENT EVIDENCE BASE

2.1 The authorities are using this harmonised evidence base which includes the West Midlands Strategic Employment Sites Study (August 2024), HEDNA-WMSESS Alignment Paper (November 2024), HEDNA-WMSESS Alignment Paper Addendum (November 2025), Homes-Jobs Alignment Paper (December 2025). The authorities have also produced local evidence to adapt the shared evidence to their specific plan periods and circumstances and provide updated supply information[1].

2.2 The Coventry & Warwickshire HEDNA-WMSESS Alignment Paper (November 2024) and Alignment Paper Addendum (November 2025) identified the following levels of "local need" for industrial and logistics development comprising primarily of sites less than 25ha in area:

Table 1: Local Industrial Residual Need 2021-41 (Ha) – Iceni HEDNA - WMSESS Alignment Paper – November 2024

Authority	Need	Supply	Residual Need
Rugby	58	5	53
North Warwickshire	60	34	26
Nuneaton and Bedworth[2]	41	52[3]	-11
Coventry	105	60	45
Stratford	144	56	88

[1] Nuneaton and Bedworth Borough Council adopted a new Local Plan 10th December 2025. In accordance with the Town and Country Planning (Local Planning) (England) Regulations 2026, notice was given of intention to commence local plan preparation, published on 29 June 2026. Coventry updated its requirement figures to reflect its revised 2024-2042 plan period see the examination website: https://www.hwa.uk.com/projects/coventry-local-plan-review/

[2] Nuneaton and Bedworth Borough Council commissioned a bespoke report 'Towards a Housing Requirement for Nuneaton' and to be read alongside the HEDNA and 'Review of Nuneaton & Bedworth Employment Land Portfolio'. These documents identify a local industrial and warehouse employment need figure for Nuneaton and Bedworth of 66.45 ha.

[3] Figure only includes allocated sites.

Warwick	83	37	46
Total	492	244	248

NB: figures may not sum due to rounding

Table 2: Local Industrial Residual Need 2021-45 (Ha) – Iceni HEDNA - WMSESS Alignment Paper – November 2024

Authority	Need	Supply	Residual Need
Rugby	68	5	63
North Warwickshire	70	34	36
Nuneaton and Bedworth	48	52	-4
Coventry	122	60	62
Stratford	167	56	111
Warwick	97	37	60
Total	572	244	328

Table 3: Local Industrial Residual Need 2021-50 (Ha) – Iceni HEDNA - WMSESS Alignment Paper – November 2024

Authority	Need	Supply	Residual Need
Rugby	80	5	75
North Warwickshire	82	34	48
Nuneaton and Bedworth	56	52	4
Coventry	143	60	83
Stratford	196	56	140
Warwick	113	37	76
Total	670	244	426

2.3 The residual need identified in the above tables took account of completions between 2021-24, as well as commitments and allocations in adopted plans as at April 2024.

2.4 In addition to the local need, there is also strategic site need as shown in Table 4.[4]

Table 4: Residual Strategic Site needs 2022-2045 – Iceni HEDNA - WMSESS Alignment Paper Addendum – November 2025

Opportunity area*	Residual Need
Area 5 – North Warwickshire	50 – 100ha
Area 7 – M6/A45/A46/M45 Coventry and Rugby	59 – 134ha
Area 8 – A46 / M40 Warwick	75 – 125ha
Total Coventry & Warwickshire	184 – 359ha

[4] This is a residual need taking account of the strategic sites supply listed in the WMSESS Appendices A3 and A4 and additional supply at Padge Hall Farm and Lyons Park

*As set out in the WMSESS these are broad areas they do not represent Local Authority administrative boundaries

2.5 Area 5 is within North Warwickshire Borough and includes part of Tamworth Borough. Area 7 includes Coventry City, Nuneaton and Bedworth Borough, Rugby Borough and a small part of Warwick District. Area 8 is within Stratford on Avon and Warwick Districts.

2.6 Supply flexibility is built into the needs calculations, with a 5 year margin built into the calculations of the local industrial need in the Alignment Paper and the assessment of the strategic site needs in the WMSESS.

3. PROGRESS ON MEETING NEEDS

3.1 The table below identifies the current position on meeting needs in emerging and adopted local plans. The position is set out against the adopted/emerging plan requirements which are informed by the shared evidence base.

Table 5: Employment requirements and supply in local plans in Coventry and Warwickshire

Authority	Plan period	Identified plan requirement (local)	Identified plan requirement (strategic)	Identified local supply	Identified strategic supply	Need-supply balance	Notes
Coventry City Council	2024 - 2042	96ha	N/A	38.77ha	9.8ha	-57.23ha	Local Plan main modifications
North Warwickshire Borough Council	2025 - 2045	42ha[i]	50-100ha*	58.49ha[ii]	108ha[ii]	+24[iii]	Regulation 19 plan
Nuneaton and Bedworth Borough Council	2021 - 2039	66.45ha	19.4 ha	88.75ha	19.4ha	+20.3ha[5]	Plan adopted 10 Dec 2025
Rugby Borough Council	2025 - 2042	284.5ha[iv]		287ha		+2.5ha[v]	Plan in examination
South Warwickshire Local Plan	2025 - 2050 [vi]	321.1ha[vii]	225ha	345.6ha (includes offices)	278ha[viii]	+77.5ha	Regulation 19 plan
					Overall	+67.6ha	

Notes:
i Net requirements after existing carried forward supply
ii New allocations only, total supply including previous allocations carried forward and planning permissions is 244.2ha
iii based on highest end of strategic range
iv Excludes 2.5 ha contribution to Coventry unmet
v Contribution to meeting Coventry unmet need
vi Although the plan period is 2025-2050 the employment requirement and supply position in the plan takes a base date of 2021 (for non-strategic) and 2022 (for strategic)
vii Includes offices
viii Excludes 27.2 ha developable related to Land South of M40 Junction 12 granted at appeal in July 2026
need

[5] Includes a 15.1 ha employment windfall allowance; excluding it the surplus is 5.2 ha to the end of plan period in 2039. Nuneaton and Bedworth's position will be reassessed through its new Local Plan.

3.2 Total identified supply in the plans shown in table 5 above is **1,311.5ha** when all NWBC supply of 244.2ha is included. This includes carried forward allocations and planning permissions whereas table 5 presents for North Warwickshire supply from new allocations in the Reg 19 plan only. This is not immediately comparable with the total industrial need requirement for Coventry and Warwickshire set out in table 2.5 the HEDNA - WMSESS Alignment Paper Addendum 2025 and shown in table 6 below as the figures above reflect different time periods.

Table 6: Gross total industrial land need in Coventry and Warwickshire from Table 2.5 HEDNA - WMSESS Alignment Paper Addendum 2025

2021-2041	2021-2045	2021-2050
1,288-1,470ha	1,368-1,550ha	1,466-1,648ha

3.3 To allow comparison of the supply presented in Table 5 with the gross need figures in Table 6, the following adjustments are needed:

- In the case of Rugby, 2021-2025 local completions totalling 2.65ha and 2022-2025 strategic site completions totalling 91.35ha are not included in the Table 5 supply figures but would help meet the gross requirement figures from 2021 in Table 6 (source for historic completions: Rugby Topic Paper: Development Needs December 2025, Appendix 4).

- In the case of North Warwickshire, 2021-2025 local completions totalling 4ha are not included in the supply figures in Table 5 but would help meet the gross requirement figures from 2021 in Table 6 (source for historic completions: North Warwickshire Annual Monitoring Report Employment Update 2026).

- In the case of Coventry, local completions between 2021-2024 totalling 11.83ha are not included in the supply figures in Table 5 but would help meet the gross requirement figures from 2021 in Table 6 (source for historic completions: Coventry Authority Monitoring Reports 2021-2024).

- In the case of South Warwickshire, the plan combines local industrial need with office need, and some of the new proposed allocations are flexible between these uses. Therefore, in considering the Coventry and Warwickshire gross industrial needs position from 2021 (table 6), the 11.6ha 2021-2050 office need for South Warwickshire identified in the South Warwickshire Employment Land Study Update 2026 should be added to the requirement. On the supply site, the South Warwickshire supply figures in table 5 do not include strategic site completions 2022-25 totalling 15.6ha in Warwick District within opportunity area 7 which would help meet the gross need for that opportunity area which forms part of the gross need in table 6. Similarly, the South Warwickshire supply figures do not include extant commitments in Warwick District of 213.1ha comprising land at Coventry Airport, Coventry Gateway South and Whitley South which contribute to supply in WMSESS Road Opportunity Area 7. Nor does it include supply of 27.2ha at Land South of M40 Junction 12 granted at appeal in July 2026, which will contribute to the strategic sites need. (source for commitments and

completions date: South Warwickshire Employment Land Study Update 2026, Footnote 3 in the Plan and Appeal decision 6002929).

3.4 When these adjustments are made total supply Table 5, total supply in Coventry and Warwickshire from 2021 increases to **1,677.23ha**. This compares to a total requirement (adjusted to include offices in South Warwickshire) of 1,380ha to 1,562ha 2021-2045. This shows that total supply in Coventry and Warwickshire exceeds the assessed need to 2045 by between 7-22%. It would exceed the total requirement 2021-50 of 1478-1660ha (including office in South Warwickshire) by between 1-14%.

3.5 Adjustment for Baginton Fields, also discussed in section 4, would have no impact on the gross 2021-2045 requirement, because the 25ha for this site is already included in the gross Coventry and Warwickshire requirement. The supply position above reflects the adjustment to capacity for Baginton Fields.

4. CORRECTION OF ERRORS

4.1 The WMESS-HEDNA Alignment Paper Addendum (November 2025) identified an error in the West Midlands Strategic Employment Sites Study (WMSESS) in relation to the overestimation of the site area of the Coventry Gateway site by 100ha. The Alignment Paper Addendum adjusted the need range for opportunity area 7 upwards by 50ha to address this. The report authors advised that 50ha should be met within opportunity area 7, but the remainder could potentially be met elsewhere within the West Midlands and would only be required to meet the highest end of the range shown. The paper also noted that 50ha was within the margin for error of the forecast of need in the WMSESS.

4.2 During the examination of the Coventry Local Plan a modification has been proposed reducing the site area of Land at Baginton Fields, which was included in the supply in the WMSESS, from 25ha to 9.8ha.

4.3 The authorities agree:

- The assessment of Iceni, that 50ha from Coventry Gateway could be met elsewhere in the West Midlands region is reasonable. Additionally, that the error of 50ha of land is 1.5% of the need and well within the margins of error associated with long-term forecasting and relates only to the highest end of the forecast range. The effect would be only a very marginal reduction in the supply flexibility given that a margin is already built into the needs analysis.

- Strategic site need was expressed in the WMSESS/alignment papers as a range. North Warwickshire's Local Plan Regulation 19 version identifies supply to exceed the upper end of the strategic site need range for opportunity area 5, while Rugby Borough Council's plan is based on the upper end of the range for opportunity area 7 and likewise the South Warwickshire Local Plan is based on the upper end of the range for opportunity area 8. Therefore, the reductions in the WMSESS's projected supply at Coventry Gateway and Baginton Fields do not mean there are "unmet needs" for strategic sites.

- Even if the remaining Coventry Gateway and Baginton Fields reduced supply from the WMSESS need was to be made up in Coventry and Warwickshire, there is sufficient surplus supply identified through further commitments and in the emerging plans to meet employment needs across the FEMA. No additional further allocations are necessary.

5. JOBS TO HOMES BALANCE

5.1 The authorities agree with the conclusions of the Homes-Jobs Alignment Paper (December 2025). The appropriate geography to assess the balance between jobs and homes is the functional housing market and economic market areas i.e. Coventry and Warwickshire. At that scale, proposed housing provision is sufficient to support employment growth associated with employment land provision. Therefore there is not a need to increase housing requirements on the basis of supporting economic growth.

6. COVENTRY UNMET NEEDS

6.1 As with the other authorities, Coventry's local employment land need is calculated by projecting 2011-2024 completion trends forward and then adding a 5-year supply margin. Coventry's total local need 2024-2042 of 96ha therefore includes approximately 19.2ha of 5-year supply margin[6]. If supply is attributed to core need first then to margin, the unmet need of 57.23ha comprises 19.23ha of margin and 38ha of core need.

6.2 Approximately 18% of the total unmet need is for big box units above 100,000sqft/9,300sqm on smaller sites of less than 25ha in area[7]. This equates to 10.3ha. The remaining 46.93ha of unmet need is for smaller units. The WMSESS assumes that 10% of the site area of strategic scale sites is used for smaller units.

6.3 The split between large and smaller units assumes that the proportionate split between such units that was observed in Coventry and Warwickshire between 2011 and 2024 holds in the period between 2024 and 2042. However, the WMSESS (at para 7.16) observes a trend towards larger warehouses.

6.4 The WMSESS identifies Coventry and Warwickshire as a single "broad market area" and this aligns with the Functional Economic Market Area identified in the Coventry and Warwickshire HEDNA. This means that the industrial and logistics market within the FEMA crosses local authority boundaries. The past trend for industrial land completions in any local authority within the FEMA is significantly influenced by the availability of suitable land in that area which in turn is influenced by past local plans and the drawing of local authority boundaries. Therefore, "local needs" should not be regarded as evidence of the pure proclivity of businesses to locate in specific local

[6] For the 2021-2041 local needs set out in the Alignment Paper 2024, the 5-year margin represented 20% of the total need.
[7] In the 2024 Alignment Paper 2021-2041 big box on small site need for Coventry was 19.3ha or a total industrial need on non-strategic sites of 104.9ha (14%).

authorities.

6.5 Coventry's 57.23ha of unmet need represents less than 4% of Coventry and Warwickshire gross need to 2045. Given the uncertainty in forecasting need for employment land 20-25 years ahead, this level of need falls within the range of the recommended forecasts. This is particularly the case because, as noted above, North Warwickshire, Rugby and SWLP authorities are planning to meet the upper end of the range of strategic needs identified in the WMSESS.

6.6 Drawing all this together, North Warwickshire BC, Nuneaton and Bedworth BC, Rugby BC, Stratford-on-Avon DC and Warwick DC consider it to support the following propositions:

- Coventry City Council's unmet need can in principle be met in any location within the Coventry and Warwickshire FEMA;

- Coventry's unmet need can be met on either larger 'strategic' sites or on smaller sites;

- surplus supply above plan requirements in any of the FEMA authorities can contribute to meeting Coventry's unmet need, irrespective of whether that supply it is labelled in the plan as a contribution to unmet need

- the level of supply identified in the adopted and emerging local plans in the FEMA as identified in this MOU is sufficient to meet Coventry's unmet need as part of wider need in the FEMA; The conclusion does not rely on the surplus shown for Nuneaton and Bedworth, whose adopted Plan period ends in 2039 and whose position will be reassessed through its new local plan. NBBC commits to testing a contribution to Coventry unmet need in its new local plan.

- monitoring will continue to be principally undertaken at local authority level in line with the requirements of the NPPF. However, there is a rationale for supplemental monitoring across the FEMA as proposed in main modifications to Coventry's plan.

- If the supply position presented in this MOU significantly alters then the MOU will be updated.

- Plans are moving forward to different timetables and the position presented in this MOU will evolve. If due to those changes a supply shortfall were to arise this would need to be considered at FEMA level in a further MOU. It would not be the responsibility of one authority or plan alone to address that shortfall.

6.7 Coventry City Council's stated position in its local plan hearing sessions is that the unmet need could be met anywhere in the FEMA area and on a range of sites. However, the City Council awaits the inspectors' report on its local plan and will need to take a further view once any further instructions are received from them.

7. SIGNATORIES

Signed on behalf of Coventry City Council:



Date:12/11/2026

Signed on behalf of [North Warwickshire Borough Council] – **Note: North Warwickshire Borough Council has not responded to requests to engage in the preparation of this MOU**:

Date:

Signed on behalf of Nuneaton & Bedworth Borough Council:

Date:

Signed on behalf of Rugby Borough Council: Nicola Smith MRTPI Strategic Director for Place



Date: 11 November 2026

Signed on behalf of Stratford–on-Avon District Council:

Date:

Signed on behalf of Warwick District Council:

Date:

Signed on behalf of Warwickshire County Council:

Date: