Briefing Note

Our ref 66020/01/CGJ/CR
Date 25 November 2026
To Rugby Local Plan Examination
From Lichfields / Delta Planning, on behalf of Prologis UK Ltd

Subject **Response to RBC14: Coventry and Warwickshire FEMA updated Memorandum of Understanding on employment land**

1.0 Introduction

1.1 This Statement is submitted on behalf of Prologis UK Ltd ['Prologis'] in respect of document RBC14. Prologis' interest in the Rugby Local Plan arises from its promotion of land at Ryton West.

1.2 RBC14 discusses employment land requirements and supply across the FEMA of Coventry & Warwickshire as of 11th November 2026. It updates the overall employment land position across C&W, suggesting that any unmet needs could potentially be met anywhere in Coventry and Warwickshire rather than in the Opportunity Area where it arises. Prologis considers this new approach is flawed for a variety of reasons, not least because the Councils' new position on forward supply of employment land has been artificially increased through the inclusion of untested potential allocations, which do not stand up to detailed scrutiny.

1.3 The MoU represents a radical change in direction from the recommendations of the Councils' economic evidence base, and it is based on figures that are inaccurate and misleading. Our key areas of concern with the MoU from the perspective of Rugby Borough's emerging Local Plan are considered below.

2.0 Meeting CCC's residual need elsewhere

2.1 RBC14 marks a shift in how the C&W authorities are meeting their employment land needs. Previously, the Councils had relied on evidence contained within the WMSESS[1] and its successor documents, which identified the need for large scale strategic logistics and manufacturing across the sub-region; provided recommendations on the overall number and type of sites required; and then advised on the priority of broad locations / corridors for new sites to meet forecast demand.

[1] Mace (2024): West Midlands Strategic Employment Sites Study

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2.2 The studies used an 'Areas of Opportunity' [AO] approach:

"These OAs are considered therefore to provide a guide on optimum locations for future (road based) strategic employment sites. This is not to say that sites will not come forward through allocations or still be considered to contribute to any 'need' at the regional level. However, the above represent preferable locations in commercial terms and based on assessment work herein" [WMSESS 12.10].

2.3 This has shaped the spatial employment land strategies of the C&W districts, with the inference being that if the 59-134ha of need identified for OA7 could not be met in Coventry, it should be met either in Rugby or in those (limited) parts of Warwick/Nuneaton located therein.

2.4 The OA-based approach is central not just to the Iceni work but to the *Strategy* chapter of RBC's emerging Plan:

"The strategy for employment land will deliver all of Rugby Borough's assessed local industrial land need together with sub-regional large site requirement for Opportunity Area 7 (M6/A45/A46/M45 Coventry & Rugby) to 2042 as identified in the West Midlands Strategic Employment Sites Study 2024 as updated through the Coventry & Warwickshire HEDNA – WMSESS Alignment Paper 2024 and subsequent 2025 addendum. Additionally, the identified employment supply allows a contribution of 2.5ha to be made to meeting Coventry's unmet local need.

New employment land is focussed on the edges of Rugby and Coventry, as the main centres of labour, as expansions to existing employment areas with good access to main roads, active travel and public transport. This includes new allocations at the town's main junctions with the strategic road network: Coton Park East close to M6 Junction 1 and South West Rugby at the M45/A45 Thurlaston interchange" [paragraphs 1.10 and 1.11].

2.5 The OA approach is therefore fundamental to RBC's Local Plan spatial strategy. This is further elaborated upon in Rugby's Development Needs Topic Paper (December 2025):

"The WMSESS/Alignment Paper calculates the need for employment sites in opportunity Area 7 of 84ha 2022-2045. The 2025 Errata note recommends adding additional supply for a further 50ha, giving a total of 134ha. This can be prorated to 116.5ha to 2042…If Rugby Borough accommodates all the residual requirement to 2042 of 116.5ha for opportunity area 7 and this is added to committed supply in Rugby Borough as at 2022, that brings the gross 2022-2045 requirement to 317.5ha" [paragraphs 3.21 to 3.22].

2.6 RBC14 turns this on its head by stating that CCC's unmet strategic and local needs do not need to be met in OA7 but "*can in principle be met in any location within the C&W FEMA*" [6.6] and [6.7].

2.7 This supposition is flawed, for the following reasons:

- From a commercial perspective, there was clear logic in why the OAs were identified in the first place: they are the main growth areas along the SRN, reflecting logistics demand. OA7[2] has the strongest market demand in the region:

  "Coventry and Rugby continue to be the key markets in the Midlands and continue to see high levels of demand and resulting take-up. The market is positioned firmly within the "Golden Triangle" with immediate access to the M6/M1 interchange" [WMSESS 12.8].

- It does not make sense to redistribute supply from OA7 to other parts of the region.

- RBC14's new approach, of pushing supply away from where the demand originates, fatally undermines the spatial strategies of Rugby and its neighbours. This contrasts with the approach currently being undertaken in Rugby's emerging Plan, which is underpinned by three large Green Belt employment land allocations to meet OA7's identified residual need, in locations as close to Coventry's urban area as possible. RBC's *Green Belt Exceptional Circumstances Topic Paper* (2025) explains why:

  "There are several reasons why avoiding the Green Belt and accommodating all the large employment site need for OA7 beyond the Green Belt is ***not a sustainable approach*** *and therefore why exceptional circumstances exist justifying Green Belt release on the Coventry urban fringe.*

  In summary:

  - *This would mean* ***no large new employment sites at Coventry*** *despite the city having a much larger labour force and need for new employment opportunities relative to Rugby.*
  - *It would* ***promote longer distance commuting****.*
  - *It would* ***miss the greater opportunities for economic diversification and agglomeration and clustering at the edge of Coventry****, together with other benefits the proposed Green Belt sites would deliver.*
  - *Non-Green Belt site options face* ***significant constraints****"* [paragraphs 2.28-2.28.4].

2.8 **These are compelling reasons why Coventry's unmet employment land needs should be met in full, in those parts of Rugby Borough that are within OA7.**

[2] Area 7 (M6 / A45 / M45 / A46 Coventry & Rugby)

3.0 Forward Supply across C&W

3.1 MoU Table 5 updates the employment land position in C&W, with a residual of +67.6ha:

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[vii][i]	+77.5ha	Regulation 19 plan
					Overall	+67.6ha	

3.2 Table 5 is based on untested potential allocations, which do not stand up to detailed scrutiny:

- The fact that **Coventry** started its hearing sessions with a shortfall of -9 ha, which rose to -57.3ha as its supply dropped away from 96ha to 48.6ha, demonstrates the dangers of placing too much reliance on untested emerging allocations
- **North Warwickshire's** 108ha relates to a draft allocation at No Mans Heath (Policy E6) which based on the Council's own evidence base has no strategic road access, lacks any existing active travel or public transport connections and is highly unsustainable in transport terms. The site also has multiple constraints. Critically, it has not been tested in the Council's Transport evidence base, nor properly assessed through the Sustainability Appraisal. Furthermore, the supporting text to emerging Policy E6 notes that there were currently two appeals for employment use[3] to the northwest and to the southeast of Junction 9 M42. It states that "*To avoid potential over-development and duplication of strategic employment provision within the Borough, the No Man's Heath proposed allocation will only be brought forward for inclusion and delivery in the Local Plan if the two appeals at Junction 9 of the M42 are unsuccessful*" [14.46b]. The No Mans Heath site was therefore only allocated as a reserve; now that the Richborough appeal (6002069) has been approved, then following NWBC's logic, the No Mans Heath site should be removed.
- RBC14 suggests that North Warwickshire's total forward supply is 244.2ha. It is entirely unclear where this has come from, and should be closer to 200 ha[4].

[3] References: APP/R3705/W/25/6002069 and APP/R3705/W/25/6005613 and 6005614
[4] The *North Warwickshire Employment Sites Study* (October 2025) states that the Borough only has 34.3ha of completions/commitments and carried over allocations from 2021, some of which may already be counted in the 166.5ha in Table 5. Even assuming that there is no double counting, this would come to **200.79ha**, not 244.2ha.

- **Nuneaton & Bedworth's** supply includes a 15.1ha windfall allowance. Such an adjustment has recently been debated at the Coventry EiP where it was found by the Inspectors to be a wholly unwarranted approach, finding that national policy does not suggest that local plans include a windfall allowance for employment development, rather it expects local plans to positively and proactively encourage sustainable economic growth, and be flexible enough to accommodate unanticipated needs and enable a rapid response to changes in economic circumstances. Relying on windfalls to make a significant contribution to meeting the need for additional employment land would seem to be at odds with that expectation. This should therefore be deducted from the forward supply.
- **South Warwickshire's** 278ha of strategic supply is particularly contentious. 51ha relates to a draft allocation for JLR's future expansion only and is untested at examination. The largest site is 121ha on land south of Bishops Tachbrook (known as Red House Farm). However, the draft Policy requires the development to fund a new motorway junction on the M40 to replace Junctions 13 and 14. This is neither allocated for funding, nor approved, by National Highways. The site is intended as a long-term allocation, with the Council's *Employment Trajectory Note* (March 2026) acknowledging that the site's delivery has "*significant and complex infrastructure issues to resolve prior to development*" and is therefore earmarked as "*long term, (2040+)".*
- This point was also made by the Inspector at the recent Gaydon appeal[5]:

  "To meet the need, the Council looks to the emerging local plan to allocate sufficient sites. However, the plan is at an early stage. No allocations are before me, and those that are likely to be in the Regulation 19 plan, such as Red House, require significant road infrastructure, not least a new motorway junction. The likelihood of delivery at Red House in the short or medium term is unlikely, even if it were allocated".
- **Removing these two sites deducts 172ha from SW's forward supply**. Furthermore, all four of the sites making up the original 278ha are located outside OA7 and would not contribute to Coventry/Rugby's needs in any case. The same can be said of the recent approval at appeal of the 27.2ha industrial site at Gaydon.

4.0 Inconsistent Plan periods

4.1 Much of RBC14 is given over to re-basing the employment land evidence back to 2041, which enables the Councils to include past completions, boosting the supply. There are significant drawbacks with this:

- Only Nuneaton & Bedworth has a Plan (either emerging or adopted) with 2021 as its base date; the other four have 2024 or 2025, and therefore the supply cannot be netted off.
- At the Coventry EiP, completions from 2021-24 were deducted from the supply for this very reason.

[5] Appeal Ref: 6002929: Land South of Junction 12, M40, Gaydon, Decision date 13th July 2026, paragraph 45

- The approach RBC14 takes, of moving away from the OA model towards a FEMA-wide approach, risks comparing 'apples with pears'. All of the districts have different plan periods, from 2021-2039 at Nuneaton & Bedworth, to 2025-2050 at South Warwickshire. The latter also includes offices in its demand/supply; the others do not. This means that the residual needs calculations are not directly comparable.

5.0 Whether any errors/shortfalls can be absorbed

5.1 RBC14 argues that the strategic need was expressed as a range, and North Warwickshire, Rugby and South Warwickshire have sought to meet needs at its upper end. As a consequence, the reductions in projected supply at Coventry Gateway and Baginton Fields do not mean there are 'unmet needs' for strategic sites. However:

- Given the flaws in Iceni's modelling[6], the upper end of the range is the very minimum that should be provided; in all probability, well above this level is needed.
- Furthermore, the Councils have argued elsewhere that by aiming for the upper end of the range, this is covering up other shortfalls in its approach. For example, RBC's *Development Topic Paper* (December 2025) argues that because the strategic employment land requirement for the Borough has been set at the upper end of the range, it does not need to provide any 'headroom' in supply.

5.2 Similarly, given the scale of the need across the region as a whole, RBC14 argues that the 'lost' 50ha from Coventry Gateway constitutes just 1.5% of the need which is "*well within the margins of error of long-term forecasting*". It makes the same argument for Coventry's 57.23ha of unmet need, which "*represents less than 4% of Coventry and Warwickshire's gross need to 2045*".

- Couching the point in terms of % of overall need or space is thoroughly misleading – the overall needs are very substantial in this key logistics location/area, so speaking in terms of percentages masks the substantial shortfalls that the evidence discloses.
- Those figures represent a very significant proportion of Coventry's own needs. The lost 50ha from Coventry Gateway comprises 37% of the 134ha strategic employment land needed across OA7, whilst 57.23ha comprises 60% of Coventry's entire need. The consequences of not meeting the need where it arises would have very significant economic consequences for Coventry, restricting the growth of businesses, increasing commuting levels and harming employment opportunities.
- If the correct areas had been used when the WMSESS was produced in 2024, the conclusions drawn on OA7's residual need would have been materially different.

[6] Including, but not limited to: 1) pronounced and unexplained differences between the Alignment Paper and HEDNA, with the latter projecting a need for 218ha B2/B8 2021-50 in Rugby, compared to just 31ha in the Alignment Paper; 2) the WMSESS's brownfield recycling method, which is a complex and inconsistently applied assumption that asks us to accept that 860 ha of land can be recycled from a total of 781 ha of pre-2015 strategic sites; and 3) the 'big box on small sites' adjustment, which suggests that C&W has between 35% - 39% of the overall unmet need across the West Midlands for strategic B2/B8 to 2045, but the same sub-region has only 18% of the total share of the 'strategic units on small sites' allowance.

6.0 Jobs / Homes balance

6.1 RBC14 states that the proposed housing provision is sufficient to support employment growth associated with employment land.

6.2 However, what the evidence[7] indicates is that the housing requirements can sustain far more jobs than are needed to align properly with the employment land requirements. Based on Iceni's core assumptions, the employment land target would generate **30,600 fewer jobs to 2045** than could be sustained by the labour force aligned with the housing requirement.

6.3 This risks significant levels of out-commuting to adjoining authorities unless the level of local and strategic employment land is substantially increased.

7.0 Summary

7.1 RBC14 further complicates an opaque employment land evidence base for the C&W authorities by radically changing the current approach. Previously, residual unmet needs were directed to strong market areas where they originated; RBC14 promotes a FEMA-wide approach whereby the need is arbitrarily distributed anywhere in the County and beyond.

7.2 This approach is flawed and undermines the LPAs' spatial strategies. RBC14 also includes several highly constrained, untested and uncommitted employment sites in its supply that are highly unlikely to come forward in the short to medium term, if at all.

7.3 To summarise the situation, we have updated our employment land need and supply calculation for Rugby Borough 2025-2042/45 in our Matter 3 Hearing Statement, and include this again as Appendix 1 to this Note. It retains the OA approach by identifying the residual 134 ha need in OA7 (to 2045), includes lost land at Coventry Gateway and Baginton Fields and updates the position regarding commitments.

7.4 It indicates that against a combined **gross need of 421 ha** to 2045, there is a forward **supply of 285 ha**, resulting in a residual need of **-136 ha**. This should be met elsewhere in OA7, and preferably Rugby Borough itself.

7.5 RBC14 does not shift the dial on these points, and a substantial amount of unmet need remains.

7.6 RBC14 should be given very limited, if any, weight in the Inspectors' considerations on the soundness of RBC's emerging Local Plan. It should not be relied upon to demonstrate that Coventry City's very substantial levels of unmet employment land need can simply be dispersed beyond OA7 and Rugby Borough in particular.

[7] Iceni (December 2025): Homes-Jobs Alignment Paper

Appendix 1 - Employment Land Need and Supply Calculation 2025-2042/45

		RBC's Approach		Lichfields' Approach	
		Hectares	Floorspace (sqm)	Hectares	Floorspace (sqm)
Strategic Need					
A	Alignment Paper 2022 to 2042 (pro rata) *Lichfields assumes extension to 2045 as per Addendum*	116.5	407,750	134	469,000
Aa	Inclusion of additional land lost at Coventry Gateway South (87.4ha not 178ha, hence 90.6ha lost and only 50ha re-provided for)	-	-	40.6	142,100
Ab	Inclusion of additional land lost at JE2.3 Baginton Fields, Coventry (9.8 not 25ha, hence 15.2ha removed)	-	-	15.2	53,200
B	Appendix A1 Rugby Borough supply as at 2022	201	703,500	201	703,500
C	completions 2022-2026 (ha @0.35 plot ratio)	-91.35	-319,710	-91.35	-319,710
D	**Gross requirement (A + Aa + Ab + B - C)**	**226.15**	**791,540**	**299.45**	**1,048,090**
Less commitments:					
	Prospero Ansty units 4, 8 and 9		33,258+		24,583*
	Padge Hall Farm R21/0985		117,489.5+		115,110**
	Coton Park East land north and east of Castle Mound Way R22/0551		26,421		26,421
	Houlton remaining employment land excluding reallocated land south of Crick Road R17/0022*		15,000		15,000
	Permission R22/0861 Land off Vigen Way, Coombe Fields, Ansty Park*		4,715		4,715
	Crowner Fields Farm and Home Farm, Hinckley Road, Ansty R23/1027		275,000		275,000
	Padge Hall Farm, 24/0257* *Delta removes this as it represents an ancillary maintenance unit within an existing storage yard.*		1,380		0
E	**Total commitments ha @ 0.35 plot ratio**	**135.22**	**473,264**	**131.67**	**460,829**
F	**Net strategic need (D-E) ha @ 0.35 plot ratio**	**90.94**	**318,277**	**167.79**	**587,261**
Local Need					
G	Need per Alignment Paper to 2042 prorated *Lichfields assumes extension to 2045 as per Addendum*	60.8	243,200	68.0	272,000
H	less completions 2021-2026 ha @ 0.4 plot ratio (10,600 plus 5,742.4 for 2025/26). *Delta excludes Unit 3 Imperial Road (530.4 sqm) as it was for a temporary Modular Prep & Spray Booth.*	-4.09	-16,342.4	-3.95	-15,812
I	**Gross need 2025-2042 (G-H)**	**56.71**	**226,857.6**	**64.05**	**256,188**
	Land to the south of Fanuc UK+	-0.90	-3,600	-0.90	-7,200
J	Less commitments+	-2.96	-11,843	-2.96	-11,843
K	**Net local need (I-J)**	**52.85**	**211,415**	**60.19**	**237,145**
Coventry's Unmet Need					
L	**Coventry unmet need contribution** *Lichfields increases this to 57.23 following Coventry EiP*	**2.5**	**10,000**	**57.23**	**228,920**
M	**Combined gross need (D+I+L)**	**285.36**	**1,028,397.6**	**420.73**	**1,533,198**
N	**Combined net need (F+K+L)**	**146.29**	**539,691.1**	**285.21**	**1,053,326**
New allocations (site areas at equalised plot ratios of 0.35 for sites of >25ha and 0.4 for less than 35ha):					
	Coton Park East	32.86	115,000	32.86	115,000

	South West Rugby Employment Land Phase 2	15	60,000	15	60,000
	Ansty Park North	18.75	75,000	18.75	75,000
	Land at Walsgrave Hill	82.86	290,000	82.86	290,000
O	**Total new allocations**	**149.47**	**540,000**	**149.47**	**540,000**
P	**Total new allocations + commitments (E+J+O)**	**288.55**	**1,028,706.5**	**285.00**	**1,019,872**
	RESIDUAL NEED	**3.18**	**308.9**	**-135.73**	**-513,326**

Source: RBC Local Plan (December 2025) Development Needs Topic Paper / Lichfields' analysis. In Lichfields' columns, a green cell indicates we agree with RBC's figures (at least for the purposes of this calculation – we still disagree with RBC's overall need figures) and red cells indicate a disagreement.

*Note: As per our Regulation 19 Representations, we consider that these sites would not be 'strategic' on the basis of the generally accepted threshold of a 'large site' as being at least 9,000 sqm in size. For the purposes of this calculation the distinction is less relevant given that both local and strategic needs are included together. Our figure is based on recent approvals/applications for the sites in question: Unit 4: R25/0912, approval for B2/B8 unit with floorspace of 15,302 sqm; Unit 8: R23/0727, approval for B8 unit with floorspace of 3,234 sqm; and Unit 9: R26/0459, application currently under consideration for single B2/B8 unit with floorspace of 6,047 sqm.

**Our figure is based on recent approvals/applications for the sites in question: Unit 1: R24/0081, B8 unit u/c with floorspace of 44,358 sq.m; Unit 2: R25/0706, RM approval for B8 unit with floorspace of 46,761 sqm; and Unit 3: R25/0758, RM approval for B2/B8 unit with floorspace of 23,991 sqm

[+]Taken from RBC Main Modifications MM4