



**GL Hearn**

Part of Capita plc

# Employment Land Study

**Nuneaton and Bedworth Borough  
Council**

Final Report

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**Prepared by**

GL Hearn Limited  
280 High Holborn  
London WC1V 7EE

T +44 (0)20 7851 4900  
glhearn.com

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**DATE**

June 2016

**ORIGINATORS**

Aled Barcroft, Senior Planner  
Marcin Kulesza, Assistant Planner



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**APPROVED**

Nick Ireland  
Planning Director



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### Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

## 1 INTRODUCTION

1.1 Nuneaton and Bedworth Borough Council has commissioned GL Hearn to undertake an Employment Land Review to assess the need for and supply of employment land in the Borough up to 2031 in order to inform the emerging new Local Plan.

1.2 The purposes of this study are to:

- Review the characteristics and performance of Nuneaton and Bedworth's economy;
- Assess commercial market trends and dynamics in the office and industrial sectors;
- Forecast future needs for employment land provision within the Borough;
- Assess the existing supply of employment land and assess potential new sites for their suitability of accommodating new B-class employment development;
- Bring the analysis together to set out the need for additional employment land provision.

1.3 The Study has been prepared in the context of National Planning Policy Framework (NPPF), which sets out Government policies for planning; and Planning Practice Guidance on *Housing and Economic Development Needs Assessments* and *Housing and Economic Land Availability Assessments*. The Planning Practice Guidance (PPG) sets out how studies such as this should be undertaken.

1.4 Whilst the Study considers potential sites which could be considered for future employment use, decisions regarding what sites to allocate for new development will be made through the Local Plan taking account of the evidence herein, as well as other factors including decisions regarding where new housing might be located, and findings from the Sustainability Appraisal process.

1.5 The market for strategic distribution development and sites of sub-regional strategic significance extends well beyond the Borough's boundary, cutting across local authority boundaries. Joint working between local authorities will continue to be important, through the 'Duty to Cooperate', to plan strategically for this market segment.

### Coventry & Warwickshire Functional Economic Market Area (FEMA)

1.6 Planning Practice Guidance encourages need to be assessed in the context of the relevant Functional Economic Market Area (FEMA). It outlines that:

*"The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area."*  
[ID 2a-013]

1.7 Whilst setting out that no single source of information will be comprehensive in identifying what the relevant FEMA is, it suggests that Travel to Work Areas are a useful starting point; and that other

factors are relevant – including the extent of any Local Enterprise Partnership area, the Housing Market Area, administrative geographies, catchments areas for cultural/ social facilities or retail, as well as flows of goods, services and information and the transport network.

### **The 2010 FEMA Report**

- 1.8 The FEMA definition was considered in research undertaken by Warwickshire County Council in 2010, entitled *The Functional Economic Geography of the Coventry, Solihull and Warwickshire Sub-Region*<sup>1</sup>. This identified a “core sub-region” consisting of the southern part of North Warwickshire District, Nuneaton and Bedworth Borough, Coventry, Rugby Borough, Warwick District and the majority of Stratford District. This core sub-region had very strong levels of self-containment of commuting, with 85% of people living in the area also working within it; and a well contained housing market.
- 1.9 The Topic Paper identified that the northern part of North Warwickshire, the north-western part of Stratford and all of Solihull actually have stronger connections – in terms of commuting flows, housing markets, retail, and leisure activities – with the wider Birmingham sub-region. These were however identified as part of a wider sub-region. A broader area of economic interest was also defined which reflected links between parts of Warwickshire to Daventry, Banbury, Milton Keynes, Northampton, Lutterworth, Leicester, Hinckley and Coalville.
- 1.10 The core conclusion however was that the best-fit FEMA was the ‘core sub-region.’ Using local authority geographies this comprised Coventry and Warwickshire<sup>2</sup>. This was based on interrogation of:
- Commuting patterns;
  - Housing market areas;
  - Travel to leisure and retail patterns;
  - Economic characteristics/ markets for goods and services.
- 1.11 The Study drew on previous work undertaken by the West Midlands Regional Observatory<sup>3</sup> and by PACEC on behalf of the Local Government Association<sup>4</sup> together with additional analysis of commuting and economic links and local knowledge. It set out that there is “*no such thing as a single functional economic geography which you can draw a line around. The economic linkages and flows between different places will inevitably vary depending on what issue or factor you happen to be looking at.*” However by considering various factors a ‘best fit’ can be achieved.

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<sup>1</sup> Hill, D. (July 2010) *Coventry & Warwickshire Economic Assessment, Topic Paper 1 – The Functional Economic Geography of the Coventry, Solihull and Warwickshire Sub-Region*

<sup>2</sup> The Warwickshire Districts are Nuneaton & Bedworth, North Warwickshire, Rugby, Stratford-on-Avon and Warwick

<sup>3</sup> WMRO (March 2010) *Analysis of Sub-Regional Dynamics in the West Midlands*

<sup>4</sup> PACEC (Jan 2007) *Thriving Local Communities: Mapping Sub-Regions*

- 1.12 Analysis of commuting flows showed a strong self-containment in an area including Nuneaton and Bedworth, Coventry, Rugby, Warwick and Stratford; with commuting from parts of North Warwickshire and Solihull more towards Birmingham. It suggested that whilst commuting distances are increasing, with increasing flows between North Warwickshire and Tamworth; Nuneaton and Bedworth and south Leicestershire; and into Northamptonshire and Birmingham – the core functional geography described above was appropriate.
- 1.13 This analysis was supported through consideration of retail patterns, suggesting that Coventry and Warwickshire was fairly self-contained. The core area was also consistent with the then definition of the Housing Market Area, based on work undertaken at a regional level. Economically the analysis pointed to distinction between the economic structure in the north and south of the area, with stronger representation of business and professional services, knowledge-intensive activities and creative/ cultural industries in the south of Warwickshire; and more lower-value manufacturing and transport and logistics in the north – the latter focused around the strategic motorway corridors.
- 1.14 The Topic Paper identifies that the concentration of high and medium-technology manufacturing which is present in the sub-region extends northwards up to Leicester, east to Northampton, west to Birmingham and the A28 corridor into Worcestershire, and north up the M6 Corridor into Staffordshire. It identifies an economic strength, manufacturing supply chains and business links across the Midlands.
- 1.15 The Transport and Logistics Sector is identified as based around the strategic motorway network, with relationships along the M1, M42/A42 and A38 Corridors.

### **LEP and Administrative Geographies**

- 1.16 Whilst the report considered above identifies parts of North Warwickshire and Stratford-on-Avon Districts which relate to areas to the west; there is a strong correlation between the “core sub-region” identified and the administrative geography of Coventry and Warwickshire (which wraps around Coventry on three sides). This economic geography has been accepted by Government which has designated a Coventry and Warwickshire Local Enterprise Partnership, which is made up of the following local authorities:
- Coventry
  - North Warwickshire
  - Nuneaton & Bedworth
  - Rugby
  - Stratford-on-Avon
  - Warwick



- 1.17 The acceptance of the LEP geography means that, in effect, Government recognises that Coventry and Warwickshire represents an appropriate functional economic geography.

### **2013 Coventry and Warwickshire Joint Strategic Housing Market Assessment**

- 1.18 The Joint Strategic Housing Market Assessment 2013, prepared by GL Hearn, reviewed the definition of the Housing Market Area (HMA) through analysis of migration flows, commuting patterns and house price trends and differentials. This defined a Coventry-focused housing market which extended across much of Warwickshire. Whilst recognising links from parts of the sub-region to surrounding areas the Study defined an HMA based on the 'best fit' to local authority boundaries which consistent with the LEP Geography as described above. The Study identified some distinction within the HMA in respect of housing market and economic characteristics between the north and south of the area.

### **2011 Commuting Patterns**

- 1.19 Existing work defining FEMAs largely dates principally from the period 2007-10. In 2014 the ONS released information on commuting flows from the 2011 Census. It is therefore appropriate to assess these to consider if this would warrant any adjustment to the definition of the FEMA.
- 1.20 Table 1 below shows out commuting data for Nuneaton and Bedworth residents. 42.6% of residents both live and work within the Borough. The most popular destination beyond the Borough is Coventry, which is the destination of 21.9% of the Boroughs' out commuters. Other local authorities with strong outflows from Nuneaton and Bedworth are North Warwickshire (6.1%), Hinckley and Bosworth (5.0%), Rugby (3.6%), and Warwick (3.6%), and Birmingham (3.5%).

**Table 1: Commuting Flows – Residents Analysis**

<b>Local Authority</b>	<b>Out Commuters</b>	<b>% of Residents</b>
<b>Nuneaton and Bedworth</b>	22,121	42.6%
<b>Coventry</b>	11,392	21.9%
<b>North Warwickshire</b>	3,176	6.1%
<b>Hinckley and Bosworth</b>	2,606	5.0%
<b>Rugby</b>	1,896	3.6%
<b>Warwick</b>	1,867	3.6%
<b>Birmingham</b>	1,827	3.5%
<b>Harborough</b>	1,081	2.1%
<b>Solihull</b>	964	1.9%
<b>Other Locations</b>	5,049	9.7%

1.21 Table 2 shows in commuting data for people working within Nuneaton and Bedworth in 2011. 59.5% of Nuneaton and Bedworth's workforce lives within the Borough. This represents by far the greatest source of in workers. Beyond the Borough, the strongest links are again with Coventry which is the origin of 13.1% of the Borough's workforce. Other areas with strong inflows are Hinckley and Bosworth (5.7%), and North Warwickshire (5.5%).

**Table 2: Commuting Flows – Workplace Analysis**

Local Authority	In Commuters	% of Workforce
<b>Nuneaton and Bedworth</b>	22,121	59.5%
<b>Coventry</b>	4,878	13.1%
<b>Hinckley and Bosworth</b>	2,104	5.7%
<b>North Warwickshire</b>	2,060	5.5%
<b>Rugby</b>	803	2.2%
<b>Birmingham</b>	647	1.7%
<b>Warwick</b>	432	1.2%
<b>Solihull</b>	412	1.1%
<b>Tamworth</b>	387	1.0%
<b>Other Locations</b>	3,325	8.9%

1.22 The commuting flows data shows particularly strong links with Coventry – which has high levels of both in and out commuting. In addition there are strong links with surrounding local authorities of North Warwickshire, Hinckley and Bosworth, and Rugby.

## 2 CONTEXT TO THE STUDY

### Local Planning Policy

#### The Borough Plan

- 2.1 The Nuneaton and Bedworth Borough Plan is currently under preparation. A submission version of the plan was published in 2015. Initial consultation on the submission draft has taken place and is now complete and further consultation is scheduled to take place in 2016. Adoption of the Borough Plan is scheduled for mid-2017.
- 2.2 The Plan's employment land provision has varied throughout the plan production process, reflecting the Plan's evolving evidence base.
- 2.3 In November 2011 the Council set a housing development target of 7,900 and a jobs growth target of 1.5%, which equated to 75 ha of employment land (including a 20 ha buffer). This figure provided the initial employment land requirement figure for undertaking work on the Borough Plan.
- 2.4 To identify a more localised set of targets, Nuneaton and Bedworth Borough Council commissioned Oxford Economics to develop an input-output based econometric model – the Nuneaton and Bedworth Forecasting Model (NBFM).
- 2.5 The NBFM helps to provide a balanced link between the amount of housing planned for and the amount of employment land that is allocated the economic land growth target. In very simple terms, the NBFM works by identifying the number of jobs required to achieve a target level of growth. The jobs are then apportioned to different sectors in line with national trends, local specialisms and future aspirations. This model enabled different levels of jobs growth to be tested and the implications of that growth (in terms of job creation, unemployment, commuting patterns, population change and housing requirements) to be assessed.
- 2.6 In November 2013 Strategic Housing Market Assessment (SHMA) for the Coventry and Warwickshire Housing Market Area was completed by GL Hearn. This identified the objectively assessed housing need for the sub-region as well as for Nuneaton and Bedworth Borough. This identified an objectively assessed need of 9,900 for Nuneaton and Bedworth for the period 2011-2031.
- 2.7 Following the completion of the SHMA, the NBFM has been used to calculate the comparable employment growth in the Borough. Using the housing target of 9,900 dwellings in the SHMA generates a comparable jobs growth target of 0.7% which equates to the allocation of 52ha of

employment land. The employment land provision in the submission draft Borough Plan was adjusted downward to reflect this new figure.

2.8 The submission draft Borough Plan makes provision to deliver 5,400 jobs, which amounts 52ha of new employment land between 2011 and 2031. This includes the allocation of the following sites:

- Faultlands (24ha)
- Phoenix Way/ Wilsons Lane (23ha)
- Prologis Extension (4ha)

2.9 In September 2015 an update to the 2013 SHMA was completed by GL Hearn. The update report considered the implications of the 2012-based Household Projections, published by Government in February 2015. It also takes account of updated econometric forecasts from Cambridge Econometrics (dated March 2015) provided by Warwickshire County Council. The updated SHMA identified the objectively assessed housing need for Nuneaton and Bedworth Borough of 10,040 dwellings over the period 2011-31.

2.10 In light of this new evidence, Nuneaton and Bedworth Borough Council have commissioned GL Hearn to prepare this employment land study in order to ensure alignment with the housing need figures of the updated SHMA, and to draw on the updated econometric forecasts from Cambridge Econometrics.

### National Planning Policy Framework

2.11 The National Planning Policy Framework (NPPF) was published in March 2012 with the aim of making planning more streamlined and accessible. The NPPF set out the Government's planning policies for England and how these are expected to be applied.

2.12 The purpose of the NPPF and the wider planning system is to contribute towards sustainable development. The policies in the NPPF set out the government's view on what sustainable development means in practice. There are three core dimensions to achieve this:

- **an economic role** – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- **a social role** – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- **an environmental role** – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

- 2.13 The NPPF requires local authorities to set a clear economic vision and strategy based on an understanding of the existing business needs, likely changes in the market and any barriers to investment. This understanding should be achieved through working with the local business community, neighbouring local authorities and the Local Enterprise Partnership (LEP).
- 2.14 Paragraphs 18 to 22 to the NPPF set out the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth, and that significant weight should be placed on the need to support economic growth through the planning system. It sets out a requirement for local planning authorities to plan proactively to meet the development needs of businesses and support an economy fit for the 21st Century.
- 2.15 In drawing up local plans, the NPPF requires local authorities to:
- Set out a clear economic vision and strategy;
  - Set criteria or identify strategic sites for local and inward investment;
  - Support existing business sectors and where possible identify and plan for new or emerging sectors likely to locate in the area. Policies should be flexible enough to accommodate needs not anticipated in the plan;
  - Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
  - Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
  - Facilitate flexible working practices.
- 2.16 Paragraph 22 in the NPPF states that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.
- 2.17 Paragraph 160 and 161 set out that local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To do this they should work with Local Enterprise Partnerships (LEPs), the business community, county and neighbouring authorities to understand business needs, likely changes in the market and barriers to investment. They should use their evidence base to assess the land and floorspace for economic development, including the quantitative and qualitative needs for all foreseeable types of economic activity and the existing and future supply of land.

## Planning Practice Guidance

- 2.18 Planning Practice Guidance (PPG) was published by Government in March 2014 and is maintained as an online resource. This includes Guidance on *Housing and Economic Development Needs Assessments*.
- 2.19 This Guidance sets out that an assessment should be undertaken to identify the future quantity of land and floorspace required for economic development uses, including both the quantitative and qualitative needs for new development; to provide a breakdown of this in terms of quality and location; and to provide an indication of gaps in the current land supply.
- 2.20 The assessment of need is intended to be realistic, taking account of the particular nature of that area and exploring future scenarios only where these could realistically be expected to occur. The assessment is expected to consider dynamics across the Functional Economic Market Area (FEMA).
- 2.21 In understanding the current market in relation to economic and main town centre uses, the Guidance outlines that plan makers should liaise closely with the business community to understand their current and potential future requirements and should take account of:
- The recent pattern of employment land supply and loss to other uses (based on planning applications);
  - Market intelligence, including from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums;
  - Market signals, such as levels and changes in rental values, and differentials between land values in different uses;
  - The existing stock of employment land, data on take-up of sites, and public information on employment land and premises required and any evidence of over-supply and/or evidence of market failure;
  - Information held by other public sector bodies and utilities in relation to infrastructure constraints; and
  - The locational and premises requirements of particular types of business.
- 2.22 The Guidance states that employment land should be analysed through a simple typology of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities. When examining the recent take-up of employment land, consideration should be made to projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses. Analysing supply and demand will allow Councils to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites.

- 2.23 The Guidance sets out that an assessment of future needs should be based on current and robust data. Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Key evidence to consider includes:
- Sectoral and employment forecasts and projections (labour demand);
  - Demographically derived assessments of future employment needs (labour supply techniques);
  - Analyses based on the past take-up of employment land and property and/or future property market requirements;
  - Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.
- 2.24 Evidence of need and supply then need to be brought together. The Guidance outlines that the available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified. The increasing diversity of employment generating uses requires different policy responses and an appropriate variety of employment sites.
- 2.25 National policy recognises that functional economies transcend local authority administrative boundaries. Responsibilities for coordinating economic development activities now rest with the Local Enterprise Partnerships.

### The Plan for Growth

- 2.26 The Plan for Growth was published by HM Treasury and the Department for Business, Innovation and Skills (BIS) in March 2011. This sets out the Coalition Government's overarching goals for economic development against the context of the last economic recession and substantial fiscal deficit – to achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries.
- 2.27 The Plan for Growth sets out the Government's view that over the preceding decade the UK economy has become seriously unbalanced and heavily indebted, leading to a decline in underlying economic competitiveness. Growth was concentrated in a few sectors of the economy, and in a few regions of the country; with others becoming increasingly reliant on the public sector. Moving forward, it sets out four key ambitions:
1. To create the most competitive tax system in the G20;
  2. To make the UK one of the best places in Europe to start, finance and grow a business;
  3. To encourage investment and exports as a route to a more balanced economy; and
  4. To create a more educated workforce that is the most flexible in Europe.
- 2.28 These are supported by action on a number of fronts including seeking to reduce regulation and through targeted investment, including in improving skills, supporting the housing market,

encouraging innovation and allowances for capital investment. The Plan also identifies a number of key sectors which the Government wishes to support, which include: healthcare and life sciences; advanced manufacturing; construction; digital and creative industries; retail; professional and business services; the space industry; and tourism. The ambition set out was clearly for private sector-led growth and across a greater spread of sectors relative to the previous decade.

### Coventry-Warwickshire LEP

2.29 The Coventry and Warwickshire Local Enterprise Partnership (LEP) was formed in January 2011. It is a public-private partnership aiming to deliver the following:

- To drive economic growth;
- To remove barriers to economic growth;
- To help create high value jobs;
- To co-ordinate local government cooperation and support.

2.30 The LEP initially developed a 5-year plan for the 2011-16 period in which it sets out its key priority to create jobs, focusing on knowledge-intensive sectors in order to remain competitive at an international level. It identified target sectors as:

- Advanced engineering and high-value manufacturing;
- Automotive and low carbon mobility;
- Business and professional services;
- Computer and gaming;
- Low carbon technologies;
- Sustainable construction; and
- Tourism.

2.31 The LEP's focus was refined through the subsequent negotiation of the City Deal, which focused more specifically on the sub-region's strength in Advanced Manufacturing and Engineering (AME), as the key growth opportunity which set the area apart from its peers. The Growth Deal focused on supporting investment, innovation and job creation; and developing the skills base to support the sector together with the pipeline of deliverable employment sites.

### LEP Strategic Economic Plan 2014

2.32 In response to Lord Heseltine's review of economic growth '*No Stone Unturned*' the Government asked LEPs to develop a multi-year Strategic Economic Plan (SEP) to grow their local economies. These were to be used to bid for resources from the Single Local Growth Fund.

2.33 Coventry and Warwickshire's Strategic Economic Plan was finalised in March 2014. Its sets out the LEP's vision to improve economic competitiveness, increasing employment and wealth opportunities:



*Coventry and Warwickshire is recognised as a global hub in the advanced manufacturing and engineering sector, with business and research links across the world. Building on its central location, employment sites, distinctive businesses, innovation assets and highly talented workforce, by 2025 Coventry and Warwickshire will be a high performing economy with our innovative businesses competing internationally, growing and providing better paid employment opportunities for all of our residents across both our urban and rural areas.*

- 2.34 The SEP seeks to improve connectivity across the urban north/south spine from Nuneaton to Coventry and Leamington Spa; support employment growth and wealth creation building on the area's strengths in advanced manufacturing and engineering (AME), its research and development capability and capacity, location and connectivity and range of employment sites. Key components of the Strategy relate to:
- Support “reshoring” of activity within the AME sector and particularly automotive. This particularly relates to ‘reshoring’ of the automotive supply chain. The SEP envisages an increase in AME employment by 8,835 and annual GVA by £745 million by 2025;
  - Leveraging economic benefits from the Research and Development (R&D) and innovation assets of the sub-region, which include the Universities, MIRA and the Manufacturing Technology Centre, and key firms;
  - Increasing new business start-ups and the overall business stock, increasing the business stock by 2,660 businesses by 2025 with a corresponding £1.26 billion increase in GVA per annum.
- 2.35 In respect of employment land provision, the SEP identifies a lack of readily available high quality and large employment sites; and identifies that a lack of commercial property is acting as a disincentive for inward investment. It identifies an ambition to deliver 1,195,000 sq.m of additional floorspace on employment sites to 2030, prioritising investment and support around:
- Transport Corridors;
  - Key Urban Centres; and
  - Universities.
- 2.36 A number of existing and major employment sites are identified in the SEP. This includes Bermuda Park within Nuneaton and Bedworth Borough which is identified as one of the top 5 priority sites within the LEP area.
- 2.37 The SEP sought to accelerate R&D and innovation in the Advanced Manufacturing and Engineering sector, including in respect of the utilisation of advanced materials; manufacturing process improvement; intelligent mobility; and advanced propulsion and battery technologies. There is a particular focus on investment in skills to support the AME sector.
- 2.38 The SEP also sets out significant committed investment in developing the North-South rail corridor is already secured for NUCKLE 1. This includes an additional increase in train service frequency between Coventry-Bedworth-Nuneaton, and two new stations including one at Bermuda.

### **Coventry & Warwickshire Growth Deal 2014**

- 2.39 The 2014 Growth Deal reflects the funding settlement with Government which followed the submission of the SEP. The Growth Deal, signed in July 2014, commits £74.1 million from the Local Growth Fund for 2014/15 with a provisional allocation of £13.6 million in 2015/16 and £20.6 million from 2016/17 to 2021.
- 2.40 Jointly agreed investment through the Growth Deal includes the following:
- Delivery of North-South Rail and Coventry Station Scheme – funding for the NUCKLE rail link between Coventry and Nuneaton;
  - Advanced Manufacturing “Grow On” Space at Ansty Park – complementing the MTC and providing space for SMEs;
  - Improving links to UK Central, Birmingham Airport and High Speed 2 – through key junction improvements which support connections from key employment sites including Coventry and Warwickshire Gateway and Ansty.
- 2.41 Additionally it supports investment in programmes focused on improving skills and supporting enterprise and small business growth.

### **Coventry & Warwickshire Local Enterprise Partnership Employment Land Use Study 2015**

- 2.42 Coventry and Warwickshire Local Enterprise Partnership (CWLEP) commissioned CBRE to produce a report which assesses the supply and demand position for B class uses across the CWLEP area. The key findings of the report are summarised below:
- Across the CWLEP area, economic growth has been strong in the LEP’s key growth sectors – advanced manufacturing, particularly the automotive sector, and in logistics as part of the ‘Golden Triangle’;
  - The study identifies a sub-regional demand for employment land to 2031 ranging from 353 ha to 660 ha. It is recommended that the higher end of this range is planned for. These demand figures are higher than in previous assessments;
  - The existing supply of accommodation is now at a critical level with less than two years supply available across the sub-region, much of it in smaller, aging and unsuitable units;
  - Current employment land stock and immediate pipeline is exceptionally low. There is only 64 ha available on ‘oven ready’ sites with a further 93 ha which may come forward on secondary sites with development potential;
  - Future supply is reliant on new major strategic sites being brought forward at Coventry and Warwickshire Gateway and extensions to Bermuda Park. Even including these sites the supply figure totals around 330 ha – lower than the bottom end of the forecast demand range and significantly below the recommended demand figure;
  - It is therefore necessary to consider whether and when additional strategic sites can be identified. Such sites would ideally be located in the Coventry Travel to Work Area;
  - In particular there is a need for additional strategic sites that are capable of accommodating the largest B8 requirements, as well as sites suitable for development as R&D sites, in order for the LEP to achieve its key targets in relation to the growth of the sub-region’s automotive cluster.

- The scarcity of available land in the short term has the potential to damage the economic prospects of the area by preventing investment opportunities to be fully delivered. Indeed there is the risk that demand would be forced to consider alternative locations, in the Midlands or elsewhere in the UK.

### Priorities in Adjoining LEP Areas

- 2.43 It is relevant to consider potential competition for investment from surrounding LEP areas. The Northamptonshire LEP is focused on growing both the number of businesses and their productivity. Its Strategy is focused around four strands: business and innovation; employment and skills; infrastructure and connectivity and housing.
- 2.44 Key sectors identified include high performance technologies; logistics; food and drink manufacturing; create and cultural industries. Northampton Waterside has Enterprise Zone status.
- 2.45 There is clearly a degree of competition for investment from parts of Northamptonshire with areas having similar strategic connectivity. Population and workforce growth is being marketed as a key strength of the area by the Northamptonshire LEP.
- 2.46 The Leicester and Leicestershire LEP's Strategic Economic Plan focuses on investing in place, businesses and people. South West Leicestershire is identified as one of its growth areas, and includes the MIRA Technology Park Enterprise Zone which is focused on the transport sector (and specifically R&D/ testing within this). As with Coventry and Warwickshire, this SEP also identifies a lack of land for logistics and manufacturing. Schemes to address this include proposals such as East Midlands Gateway near Castle Donnington.

### 3 ECONOMIC & LABOUR MARKET DYNAMICS

3.1 This section begins by considering sub-regional economic dynamics and then proceeds to undertake more detailed analysis of the characteristics of Nuneaton and Bedworth's economy and labour market.

#### Coventry and Warwickshire Economic Dynamics

3.2 Coventry and Warwickshire's key economic assets include its central UK location; strong accessibility (particularly in respect of the motorway network); sectoral strengths which include Advanced Manufacturing and Engineering (AME) and Logistics / Distribution; and key innovation assets including universities, research facilities, and catalyst firms.

3.3 The area benefits from excellent motorway access from the M1, M6, M40, M42 and M45. Rail services are provided both via the West Coast Main Line, Chiltern Line, Cross Country and local services. It is centrally located within the UK which, together with the road infrastructure, make the area attractive for the location of National Distribution Centres (NDCs) and Regional Distribution Centres (RDCs).

3.4 The economic history varies across different parts of the area. The Warwickshire Coalfield supported mining and growth in industrial activities in the centre and north of the Coventry and Warwickshire sub-region during the Industrial Revolution with the area becoming known as a centre for bicycle and later motor vehicle manufacturing. The contraction of the coal industry since the 1950s and subsequent rapid decline of the motor vehicle sector between the 1970s and early 2000s hit the area hard. However the outlook for the automotive and associated engineering sectors is now quite positive.

3.5 Within the sub-region there is an evident north / south distinction, as described in detail in the 2011 Coventry and Warwickshire Economic Assessment. The northern parts of the sub-region (including Coventry, Rugby, and Nuneaton and Bedworth) have higher proportions of employment in lower value manufacturing industries, personal service, and public sector employment. In contrast southern Warwickshire (Warwick and Stratford-on-Avon) has in effect a more modern economic structure, and has grown more strongly in recent years – with growth in higher value-added activities including professional business services, computing and software, and high-value engineering and manufacturing. Within the sub-region Coventry however contains the largest concentration of economic activity and key economic assets.

3.6 One of the challenges for the sub-region is of addressing concentrations of deprivation and unemployment in the central and northern parts of the area, as well as improving the quality of jobs and value added. The 2011 Coventry and Warwickshire Economic Assessment highlighted issues

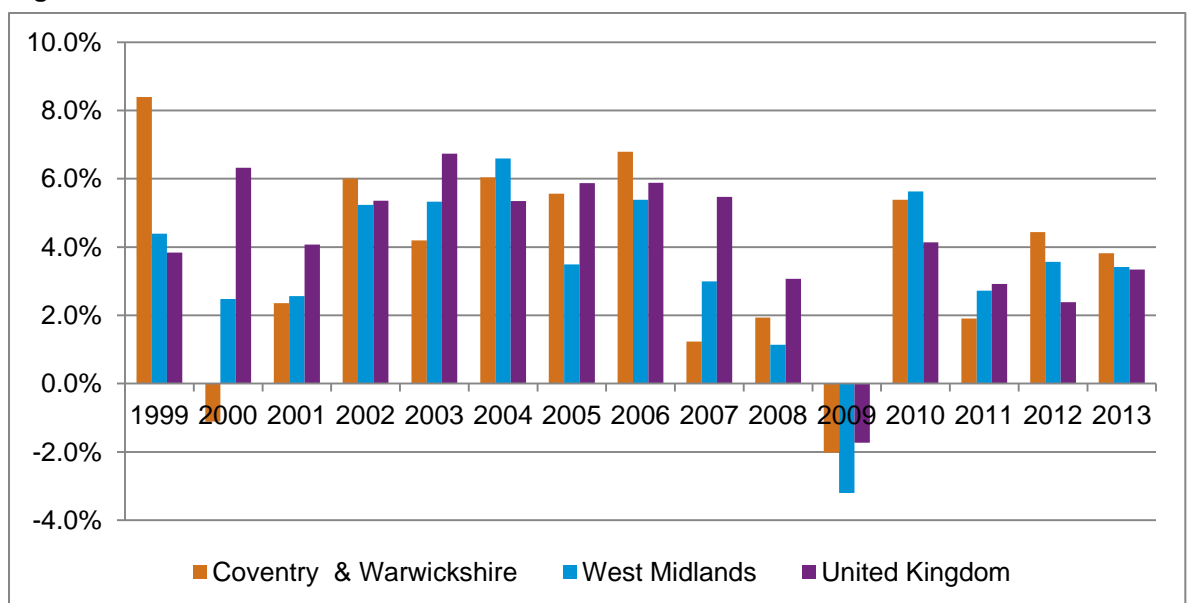
associated with “clustering” whereby similar or related businesses concentrate because of benefits of proximity, supply chain linkages, and access to an appropriate labour pool. It highlighted potential risks that whilst this process can be positive, in parts of the sub-region it could also see the economy continuing to reinforce around lower value-added activities.

3.7 There is a significant degree to which the sub-regional economy has now however ‘turned a corner’ and the trend of manufacturing contraction may be behind us. There are potential future opportunities for the manufacturing sector – particularly the automotive manufacturing – to help to drive value added and wealth creation in the sub-regional economy, exports (contributing to the UK balance of payments) and innovation. The manufacturing sector’s performance has however historically been cyclical, experiencing significant ‘ups’ and ‘downs’.

3.8 The Coventry and Warwickshire LEP area constitutes a £19.7 billion economy.<sup>5</sup> The size of the sub-regional economy, measured using GVA at current basis prices, has grown by 71% over the past 15 years (1998-2013) which sits between the 66% growth achieved across the West Midlands and 85% nationally.

3.9 What is notable is that **recent performance, in 2012 and 2013, in the sub-region has been relatively strong**, as Figure 1 shows, with the economy growing at a faster pace than has been seen either regionally or nationally. So far, the economy is performing relatively strongly in this economic cycle.

**Figure 1: Annual Growth in GVA at Current Basic Prices**



Source: ONS Regional GVA, Table 3.1

<sup>5</sup> ONS, Workplace-based GVA, 2013

## Nuneaton and Bedworth Economic Dynamics

- 3.10 The current economy of the Borough primarily consists of manufacturing and warehousing activities. This is determined on the basis of the location which offers a perfect setting for distribution of goods and production.
- 3.11 It is centrally located within the UK which, together with the road infrastructure, make the area attractive for the location of Regional and National Distribution Centres (RDCs and NDCs). Borough is in a close proximity to the strategic road network, linking it to M6, M69, M1, A5 and further North West to M42.
- 3.12 Nuneaton and Bedworth's economy is driven by wholesale, trade and manufacturing activities. Detailed analysis of employment by sector is presented in figure 4. It shows that the largest employment segments are in wholesale and trade, human health and social work as well as manufacturing. These constitute more than half (50.9%) of the total employment in the Borough.

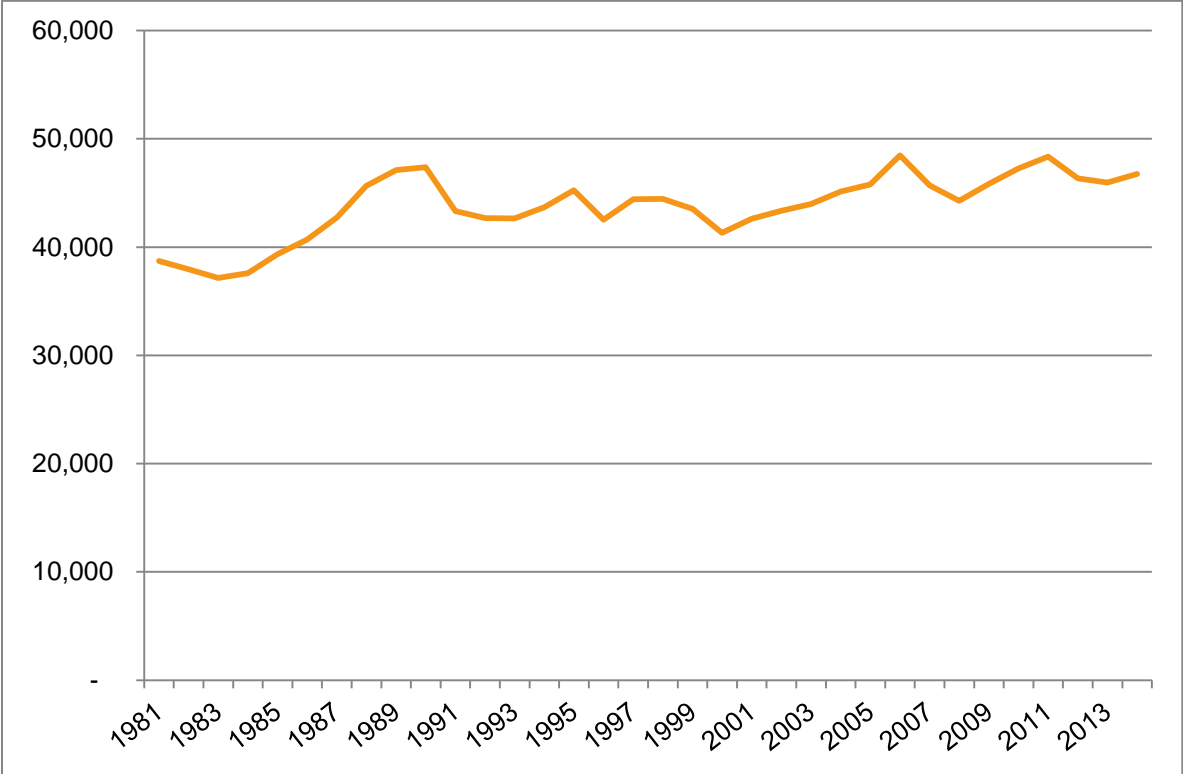
### Employment

- 3.13 Total employment in Nuneaton and Bedworth is estimated at 46,800 jobs in 2014<sup>6</sup>. Total employment includes employee jobs, self-employment and Government-sponsored trainees.
- 3.14 As Figure 2 shows, Employment in the Borough increased rapidly in the late 1980s, but then saw a period of falling employment between 1991 and 1993 (which included the early 1990s recession). Employment levels recovered slightly but then saw a further decline towards the end of the 1990s with a low of 41,300 in 2000. Since the turn of the century, total employment has seen relatively strong growth, increasing to 48,500 by 2006 – a 15% growth in 6 years. Employment however fell following the recent recession with another trough in 2008 (44,200 jobs). However the total jobs figure has since recovered somewhat and as of 2014 stands at 46,800 – still 1,700 below the pre-recession high.

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<sup>6</sup> Source: Cambridge Econometrics, 2015 Forecasts

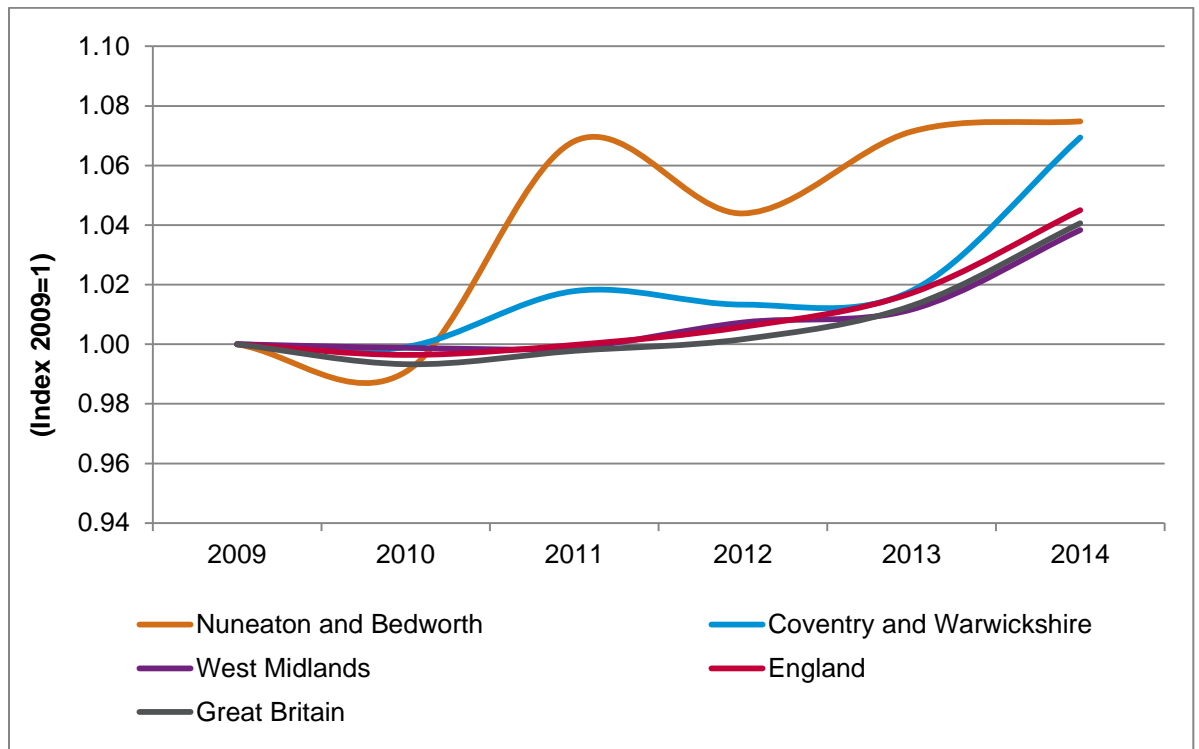
**Figure 2: Trends in Employment, 1981-2014**



Source: Cambridge Econometrics and GLH

3.15 Figure 3 overleaf shows a total employment at the Borough compared to sub-regional, regional, and national levels. The figures are indexed to 2009 levels to provide a comparative overview of the employment changes between the areas. This shows the comparatively strong performance of the Borough's economy over the past five years and shows a strong rate of recovery in employment since recession. Over this period employment in Nuneaton and Bedworth has increased by 7%, compared to a figure of around 4% nationally.

**Figure 3: Total Employment- Indexed, 2009-2014**



Source: Business Register and Employment Survey (BRES)

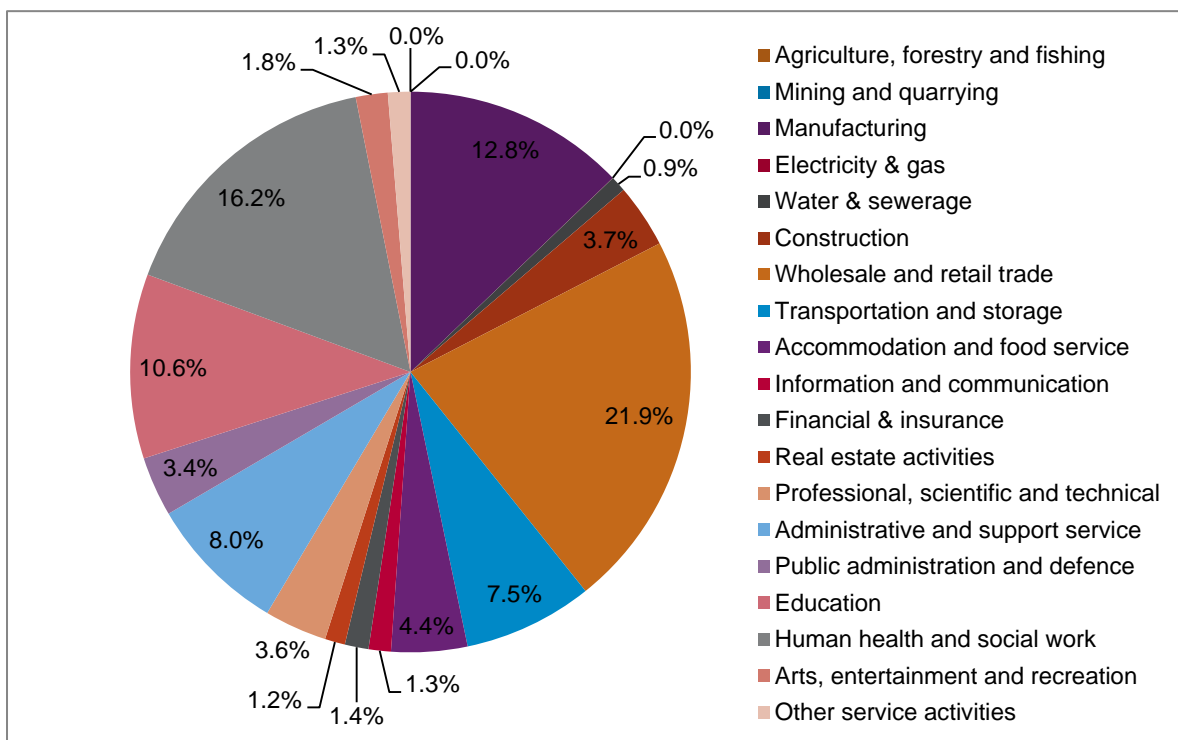
### Employment by Sector

3.16 The Business Register and Employment Survey (BRES) identified around 43,300 jobs in 2014 in Nuneaton and Bedworth. This is slightly lower than the Cambridge Econometrics figure shown above. This is likely due to differences in the recording of self-employment. Employment is broken down by sector in Figure 4 overleaf. This shows that the largest sectors in the Borough (in terms of employment) are:

- Wholesale and retail trade- 9,500 jobs;
- Human Health and Social Work- 7,000 jobs;
- Manufacturing- 5,600 jobs;
- Education- 4,600 jobs.



**Figure 4: Nuneaton and Bedworth- Employment by Sector, 2014**



Source: Business Register and Employment Survey (BRES)

3.17 The highest change in the employment composition over the previous five years can be observed in the Human Health and Social Work sector, which has seen a 5.6% increase since 2009. The largest decrease in the employment over this period has been in the Construction sector, with a 2.8% decrease between 2009 and 2014. This is followed by the Education sector which has seen a 1.8% decrease.

**Employment by sector compared to the West Midlands**

3.18 To further analyse specialisms within the local economy we have used a location quotient (LQ) analysis to describe the proportion of employment in a sector relative to a wider area (in this case the West Midlands region). An LQ of 1.0 will mean that there is the same level or concentration of employment in the sector as in the case across the region. An LQ above 1.0 means there is a higher proportional degree of employment where for instance an LQ of 2.0 would equate to twice the proportion of employment in the industry when compared to the levels across the region. We have also provided a comparison of the Coventry and Warwickshire LEP area to the wider region.

3.19 In Nuneaton and Bedworth the sector with the largest location quotient is Transportation with a LQ of 1.51. Other sectors with relatively strong representation in the Borough are Water supply and sewerage (LQ of 1.22), Wholesale and retail trade (1.21), and Human health and social work (LQ of

- 1.21). Employment in Transportation and Wholesale and retail trade is likely to reflect the concentration of distribution activity in the Borough.
- 3.20 Conversely the professional service sectors are poorly represented in the Borough with Information and communication (0.49), Financial and Insurance (0.62), Real estate activities (0.66), and Professional, Scientific and Technical sectors (0.60) all relatively under represented. The concentration of manufacturing employment is modestly above the LEP average.
- 3.21 In case of Coventry and Warwickshire LEP, the largest LQ by sector is the Electricity and Gas sector (LQ of 1.90), followed by Water Supply and Sewerage (LQ of 1.40). These are however relatively small sectors in terms of total employment. This also shows a greater representation of professional service sectors than the regional average – in contrast to Nuneaton and Bedworth.

**Table 3: Location Quotient Analysis by Sector- Relative to West Midlands, 2014**

	Nuneaton and Bedworth	Coventry and Warwickshire
Mining and quarrying	0.10	0.62
Manufacturing	1.06	0.96
Electricity & gas	0.02	1.90
Water supply & sewerage	1.22	1.40
Construction	0.84	0.88
Wholesale and retail trade	1.21	0.97
Transportation and storage	1.51	1.21
Accommodation and food service	0.77	1.07
Information & communication	0.49	1.39
Financial and insurance activities	0.62	1.14
Real estate activities	0.66	0.87
Professional, scientific and technical	0.60	1.29
Administrative and support	1.01	1.06
Public administration and defence	0.84	0.88
Education	1.13	1.04
Human health and social work	1.21	0.83
Arts, entertainment and recreation	0.78	1.09
Other service activities	0.66	1.02

Source: Business Register and Employment Survey (BRES)

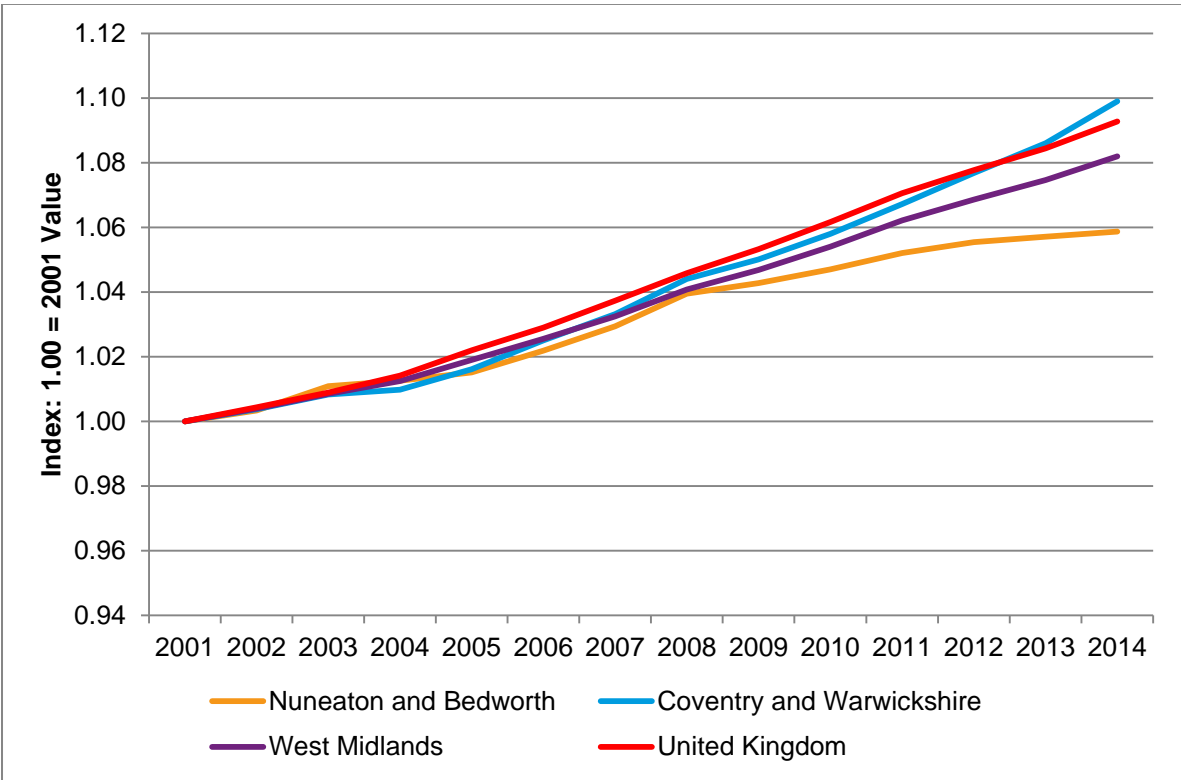
Labour Market

Population Growth

3.22 The latest statistics indicate that Nuneaton and Bedworth had a population of 126,200 in mid-2014<sup>7</sup>. Figure 5 below shows the population growth indexed against 2001 figures. This shows the Borough’s population has grown by 5.6% over this period. This is below the growth rates seen across the wider geographic areas of Coventry and Warwickshire, the West Midlands, and the UK.

3.23 Nuneaton and Bedworth’s growth rate largely kept pace with the wider areas until 2008. Over this period the average annual growth rate in Borough was 0.55% compared to a national average of 0.64%. However since 2008 the Borough’s growth rate has increased at a notably slower rate – an average annual growth rate of 0.31%. This is considerably lower than the national rate of 0.73% over this period.

Figure 5: Population Growth Index, 2001-2014



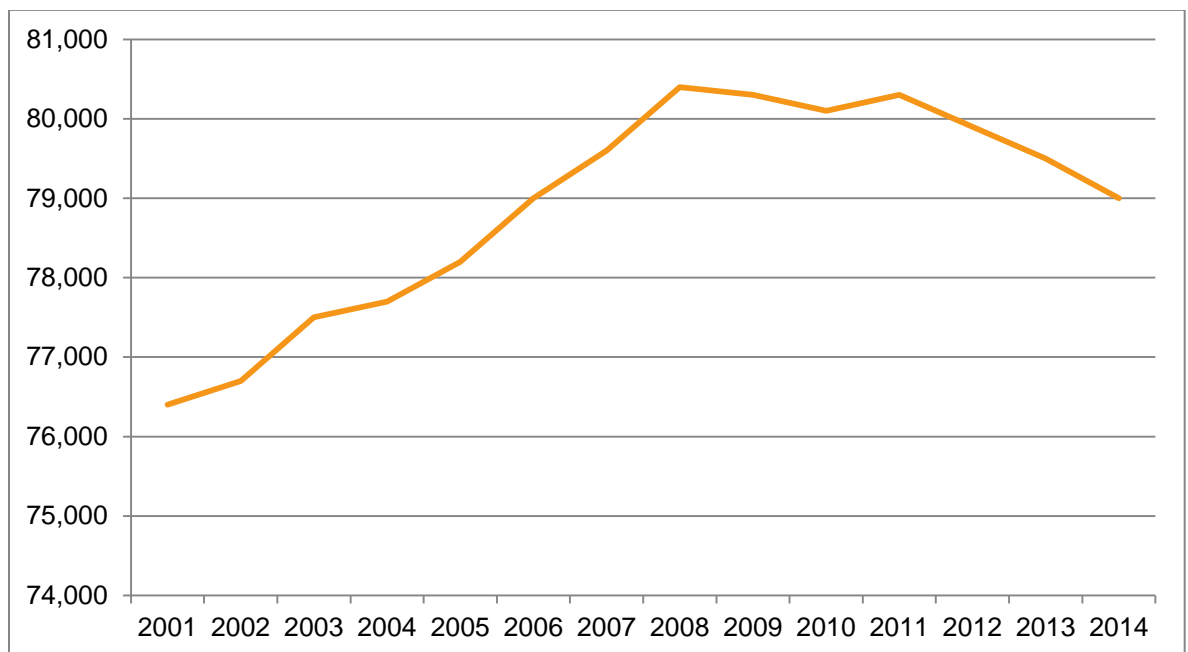
Source: ONS Mid-Year Population Estimates

<sup>7</sup> ONS Mid-Year Population Estimates, 2014

## Working Age Population

3.24 Nuneaton and Bedworth has a working-age population (population aged 16-64) of 79,000. The working-age population grew strongly during 2001-2008, but since 2008 has been in decline. This corresponds with the slower overall rate of population growth. However, the actual proportion of the working age population (those aged 16-64) has stayed roughly level since 2001 - this is discussed further below. The proportion of people of working age (62.6%) is slightly below the LEP (63.4%) and the national UK (63.5%) averages.

**Figure 6: Growth in Working-Age Population (Aged 16-64), 2001-2014**

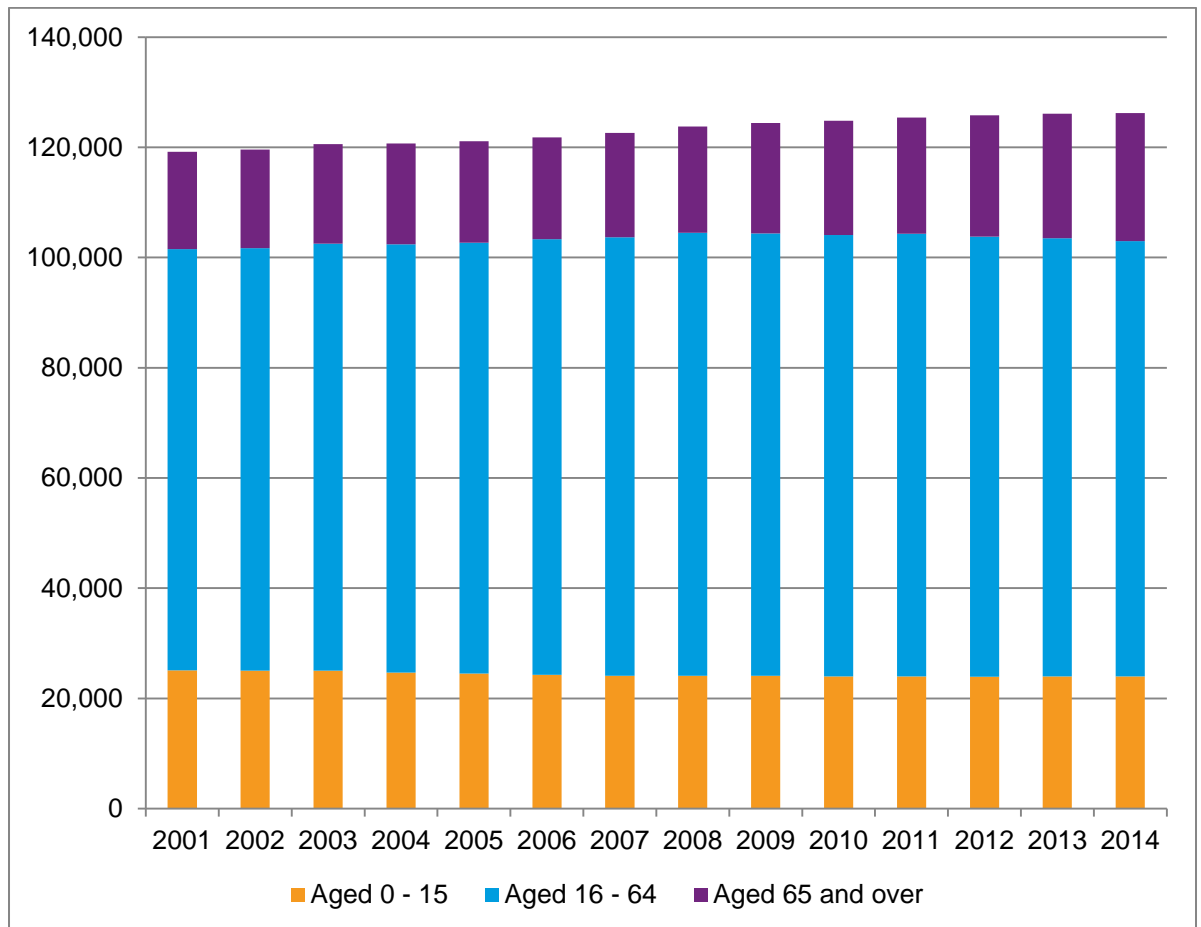


Source: ONS Mid-Year Population Estimates

## Age Structure

3.25 The changing age structure of the Borough's resident population since 2001 is shown in Figure 7. The working age population accounted for 64% of the Borough's population in 2001 and this figure was 63% in 2014. Over this period the proportion of people under 16s fell slightly from 21% to 19% while the proportion of over 64s increased from 15% to 18%. This has been influenced by increasing life expectancy.

**Figure 7: Age Structure, 2001-2014**

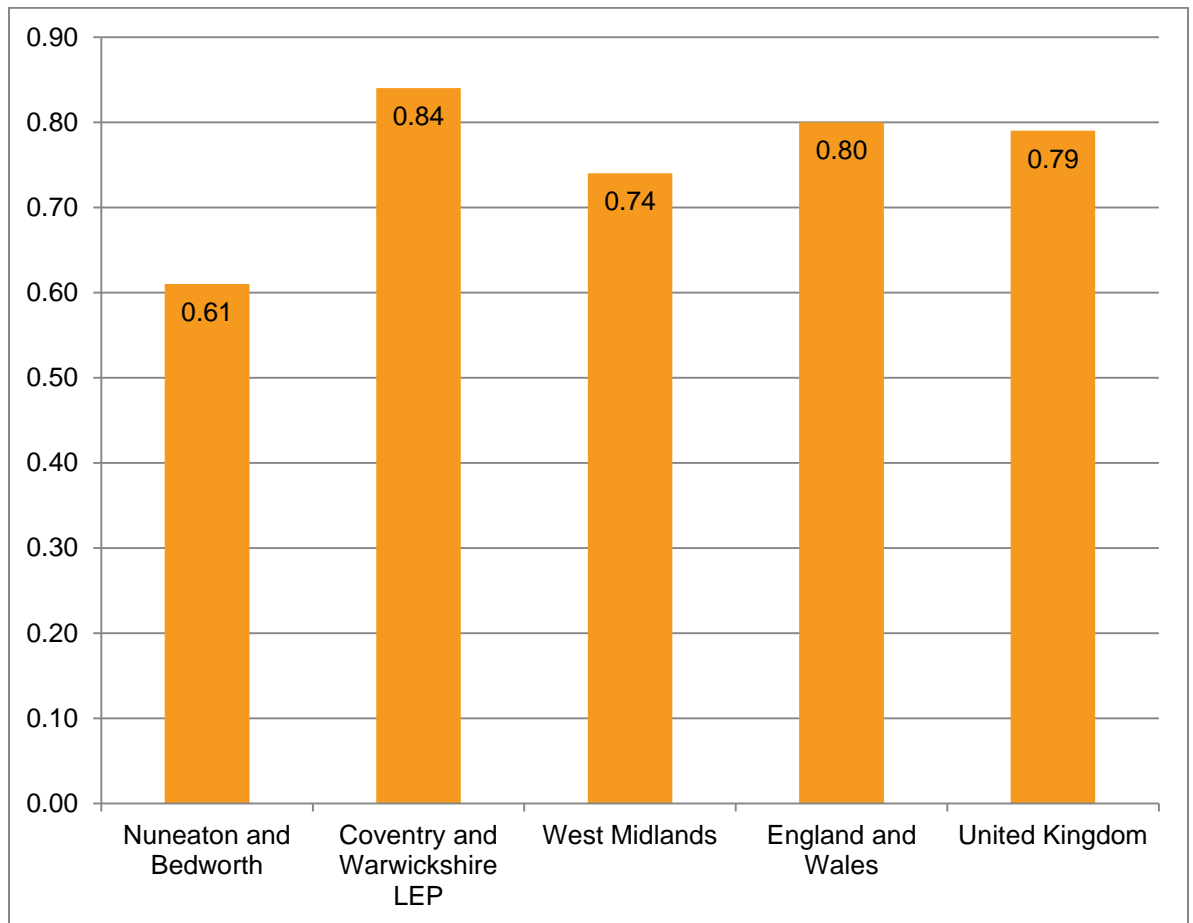


Source: ONS Mid-Year Population Estimates

### Jobs Density

- 3.26 ONS Jobs Density statistics measure the relationship between workforce jobs in a local authority and the resident population aged 16-64. This is a measure of the density of employment in an area.
- 3.27 In 2013, Nuneaton and Bedworth had a jobs density of 0.61. This is considerably below the LEP, regional and national averages. The jobs density data suggests **a low balance (in respect of overall numbers) between jobs and residents in employment.**

**Figure 8: Jobs Density, 2013**



Source: ONS Jobs Density

### Commuting Patterns

- 3.28 Table 4 shows the commuting dynamics based on ONS's 2011 Travel to Work data. This shows the level of out-commuting of the Borough's residents and the in-commuting of the Borough's workforce.
- 3.29 42.6% of Nuneaton and Bedworth's residents work within the Borough. This is the most common destination of the Borough's commuters. The next most popular destination is Coventry which accounts for 21.9% of the resident workforce. Beyond this, there is a considerable drop-off in commuting flows with the next most popular commuting destination – North Warwickshire – accounting for 6.1% of commuters and Hinckley and Bosworth accounting for 5.0%.
- 3.30 In terms of in-commuting, 59.5% of Nuneaton and Bedworth's workforce lives within the Borough. The in-commuting data shows a similar relational pattern to the out-commuting data with the

strongest link again with Coventry, which accounts for 13.1% of in-commuters. Again there is a big drop-off to Hinckley and Bosworth and North Warwickshire (5.7% and 5.5% respectively).

**Table 4: Commuting Patterns, 2011**

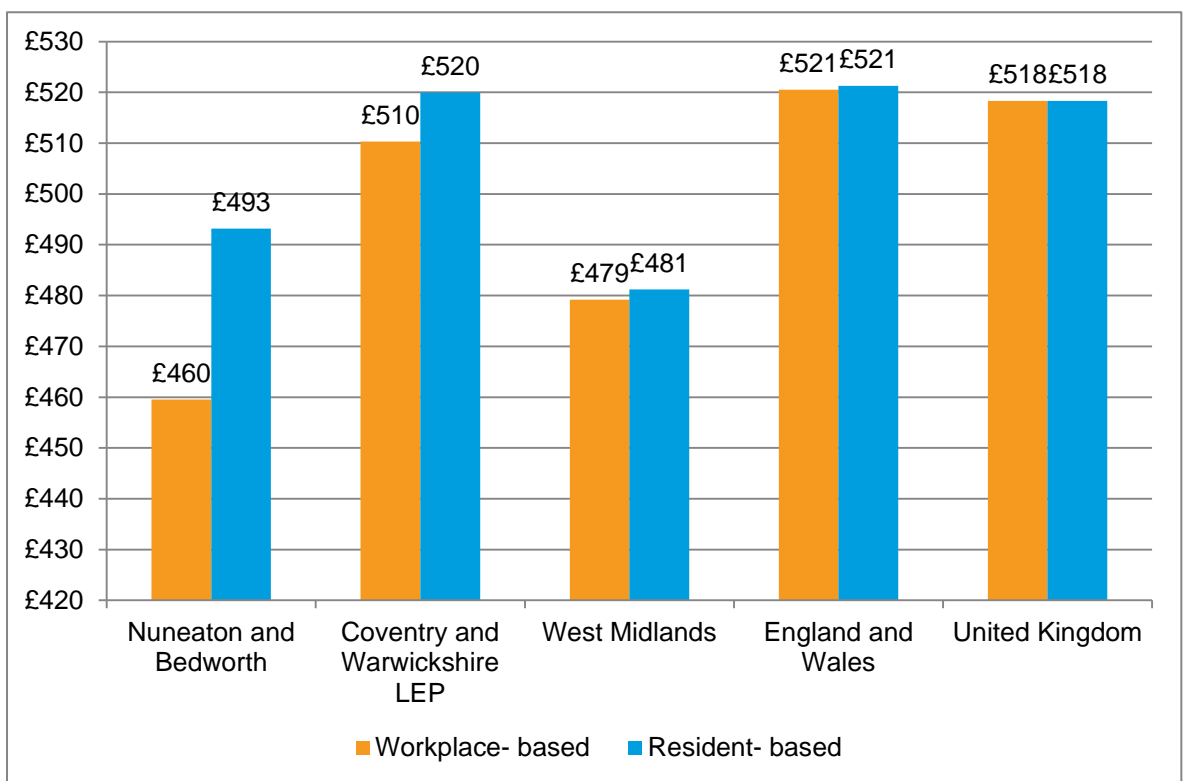
<b>Destination of Borough's Residents</b>		
	<b>Commuters</b>	<b>% of Residents</b>
<b>Nuneaton and Bedworth</b>	22,121	42.6%
<b>Coventry</b>	11,392	21.9%
<b>North Warwickshire</b>	3,176	6.1%
<b>Hinckley and Bosworth</b>	2,606	5.0%
<b>Rugby</b>	1,896	3.6%
<b>Warwick</b>	1,867	3.6%
<b>Birmingham</b>	1,827	3.5%
<b>Harborough</b>	1,081	2.1%
<b>Solihull</b>	964	1.9%
<b>Residence of Borough's Workforce</b>		
	<b>Commuters</b>	<b>% of Workforce</b>
<b>Nuneaton and Bedworth</b>	22,121	59.5%
<b>Coventry</b>	4,878	13.1%
<b>Hinckley and Bosworth</b>	2,104	5.7%
<b>North Warwickshire</b>	2,060	5.5%
<b>Rugby</b>	803	2.2%
<b>Birmingham</b>	647	1.7%
<b>Warwick</b>	432	1.2%
<b>Solihull</b>	412	1.1%
<b>Tamworth</b>	387	1.0%

Source: ONS Travel to Work Data

## Earnings

3.31 Figure 9 compares earnings of those working in different areas (workplace-based) with those living in them (residents-based). In Nuneaton and Bedworth there is a significant difference between the workplace-based and residence-based earnings; workplace-based earnings are 6.7% lower than residence-based earnings. This suggests significant out-commuting of those in higher paid jobs – most notably to the nearby larger centres such as Coventry. This trend is seen across the Coventry and Warwickshire LEP area in general, albeit to a lesser extent than seen in Nuneaton and Bedworth.

**Figure 9: Comparison of Residents- and Workplace-based Earnings, Full-Time Workers, 2014**



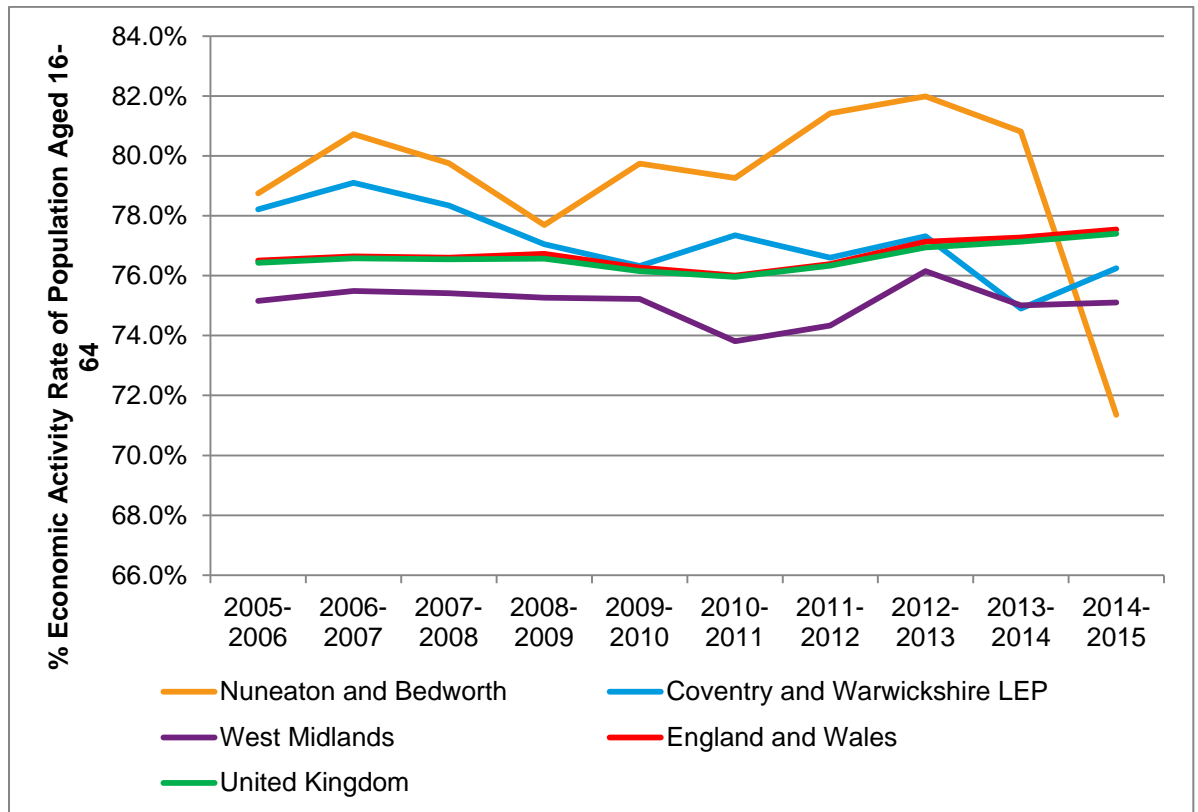
Source: ONS Annual Survey of Hours and Earnings- Resident and Workplace Analysis, 2014



## Economic Activity

3.32 Figure 10 shows trends in economic activity. The Economic Activity Rate describes the proportion of residents aged 16-64 who are in employment or in search of work. We have used data from the Annual Population Survey.

**Figure 10: Trends in Economic Activity, 2006-2015**



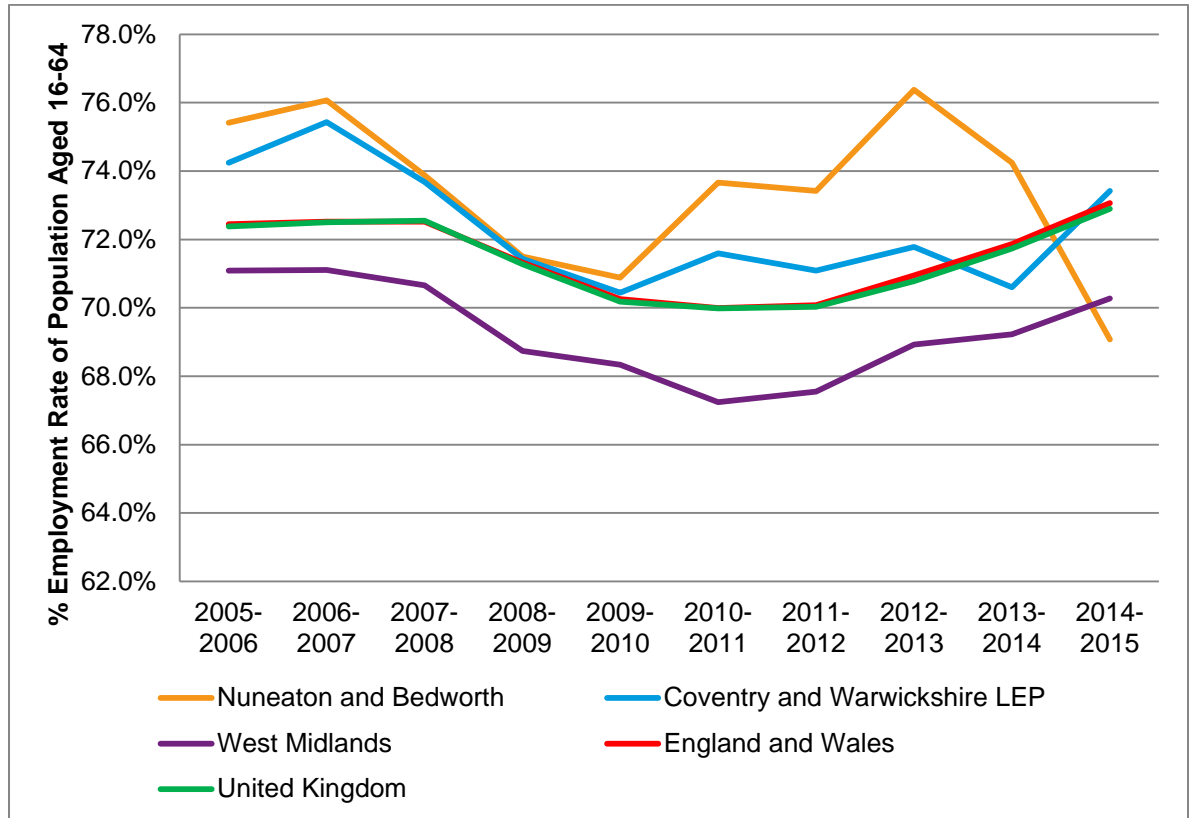
Source: ONS Annual Population Survey

3.33 The latest figures (July 2014 – June 2015) show that the economic activity rate in Nuneaton and Bedworth is 71.4%. This is below the LEP (76.3%), regional (75.1%), and national rates (77.4%). However, over the period since 2005 the economic activity rate in the Borough has consistently been above the rate seen across these wider areas, and it is only the latest year figures which show a sharp drop in the rate in the Borough.

3.34 The employment rate describes the proportion of people aged 16-64 who are in employment. It is a subset of the wider economic activity rate. Figure 11 shows how the employment rate has changed over time. This shows a similar trend to the economic activity rate shown above. The Borough's employment rate has historically been above those of the wider areas. However, the latest data (for 2014-2015) shows that the figure for Nuneaton and Bedworth dropping significantly and being lower than the wider areas.

3.35 The latest figures for Nuneaton and Bedworth show an employment rate of 69.1%. This compares to a LEP figure of 73.4%, a regional figure of 70.3%, and a national figure of 72.9%.

**Figure 11: Employment Rate, 2005/2006 – 2014/2015**



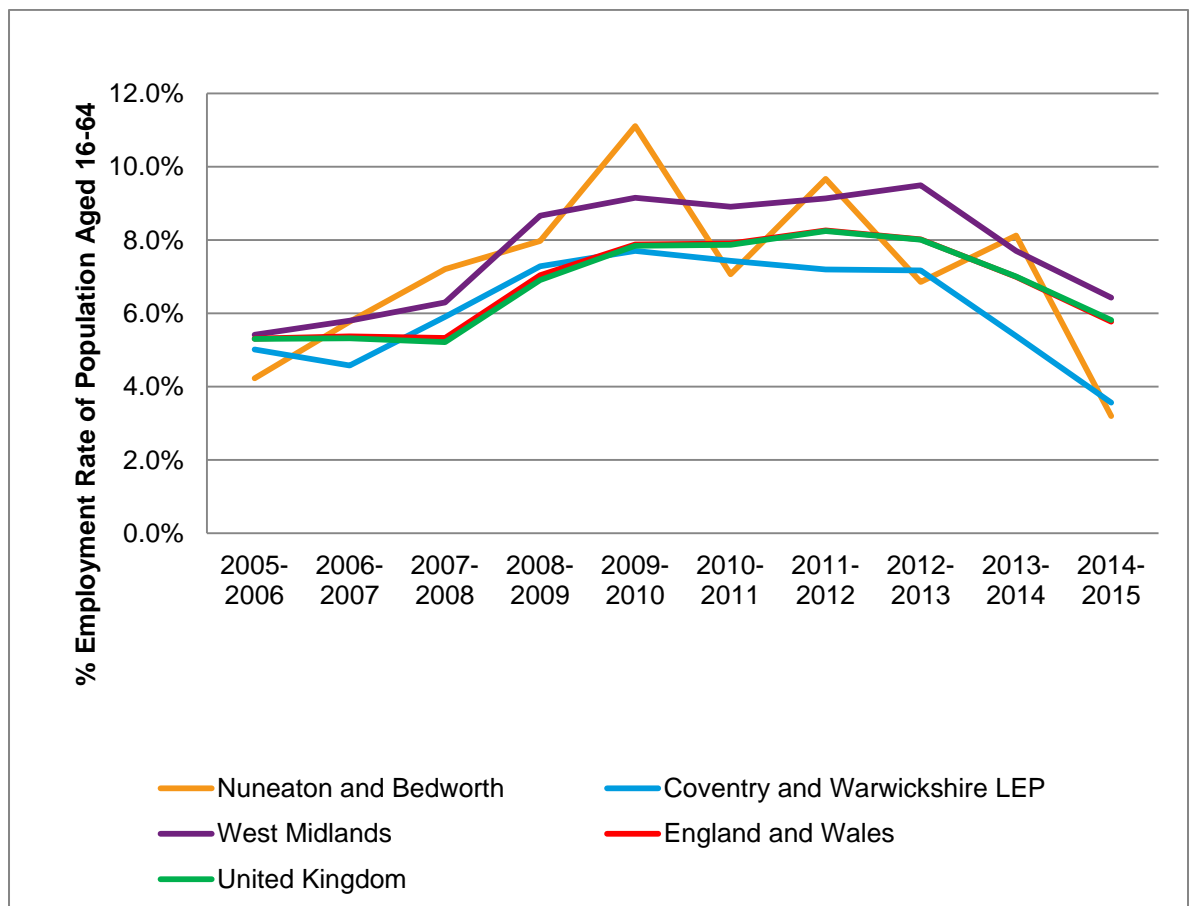
Source: ONS Annual Population Survey

## Unemployment

3.36 The unemployment rate in Nuneaton and Bedworth, according to the latest Annual Population Survey data, is 3.2%. This is slightly lower than the Coventry and Warwickshire LEP average of 3.6%, and well below the national average of 5.8% and the West Midlands average of 6.4%.

3.37 Unemployment rose across the country following the recession but since 2012 has begun to fall again. Nuneaton and Bedworth has roughly followed this national trend albeit the data for the Borough shows a greater level of volatility to be expected from a smaller population. In Nuneaton and Bedworth the data for the latest years shows a considerable drop in the unemployment rate from 8.1% in 2013-14 to the 3.6% figure in 2014-15.

**Figure 12: Unemployment, 2005/2006 – 2014/2015**

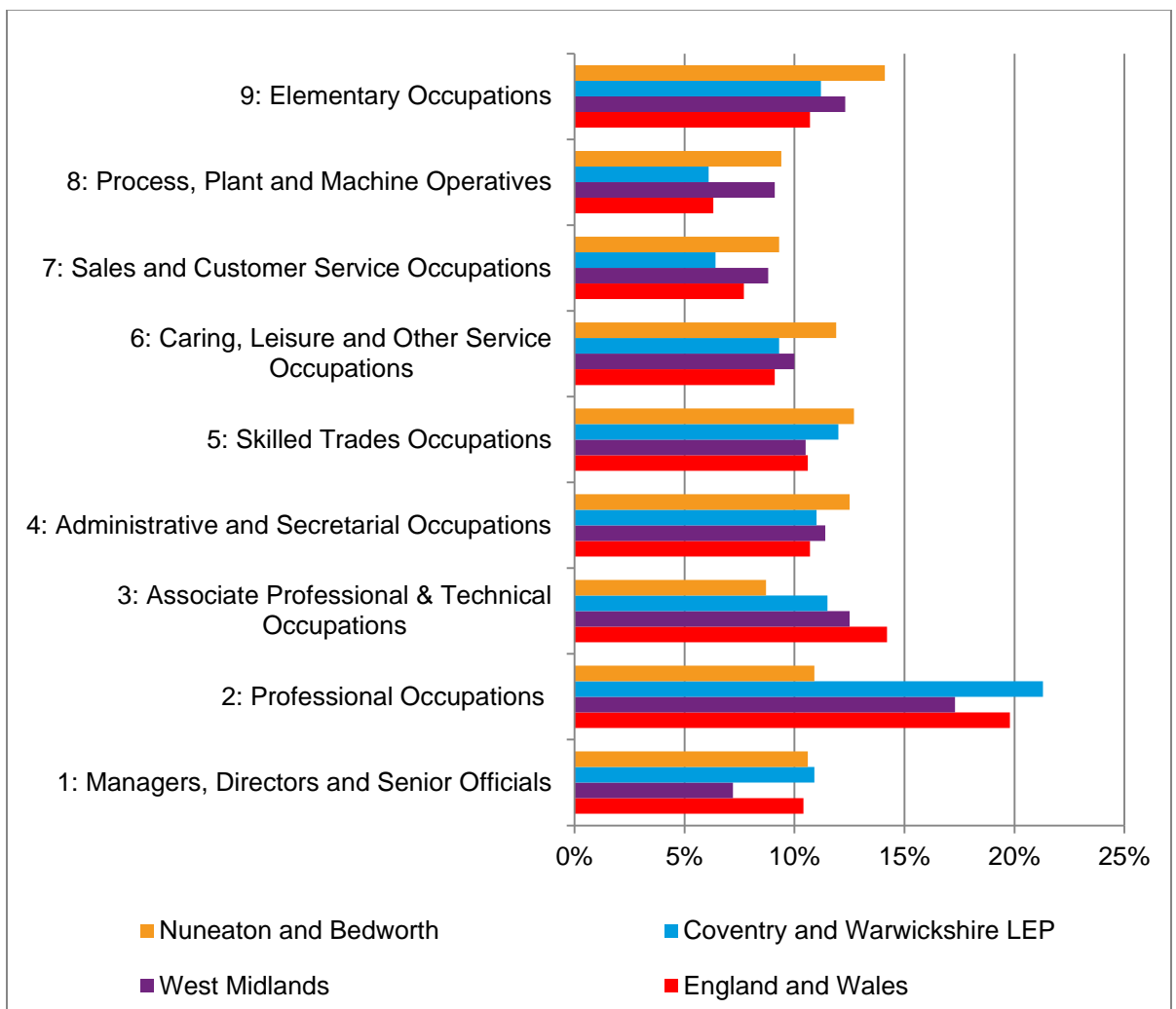


Source: ONS Annual Population Survey

### Skills and Occupation Profile

3.38 Figure 13 shows the profile of occupations of residents in employment. Nuneaton and Bedworth has a similar proportion of residents in managerial and senior occupations to that seen at LEP level and nationally, and more than the regional rate. However, the Borough has a considerably smaller proportion in professional and technical occupations than is seen across the wider areas. The Borough has a greater proportion of residents in all other occupational groups including the lower skilled occupations such as process, plant and machine operatives and in elementary occupations.

**Figure 13: Profile of Occupations of Persons in Employment, 2015**



Source: ONS Annual Population Survey

## 4 COMMERCIAL PROPERTY MARKET

4.1 This section provides an assessment of the office and industrial property market in Nuneaton and Bedworth. This assessment has been undertaken using a variety of sources including take-up and availability data from Estate Gazette's EGi and CoStar's databases, a review of the latest commercial property literature, and through the stakeholder consultation.

### National Economic Conditions

4.2 Nationally, economic growth has been above the long term trend over the last year and a half supported by growth across a range of different parts of the economy. The Office for Budget Responsibility (OBR) published its Economic and Fiscal Outlook in July 2015. GDP growth was revised downwards to 2.4% for 2015, having been previously forecast at 3.0%. This was due to a weaker than expected start to the year – ONS has also estimated that GDP growth in the first quarter of 2015 was 0.4%, 0.3% below forecast.

4.3 While the economic growth in 2015 has continued in line with the OBR's projected growth rate, the OBR recognises significant uncertainty in its economic forecast due to the Greek debt crisis and a number of policy measures.

4.4 The OBR reports that employment growth has remained relatively strong in early 2015, while productivity has continued to disappoint. It forecasts that employment will increase by 1.1 million over the next six years. Such an increase is more than explained by population growth.

4.5 The introduction of the National Living Wage on top of the National Minimum Wage for over 25s is expected to impact on the labour market. However at present the likely response of firms is unknown, creating significant uncertainty. The OBR assumes that increased labour costs will lead to a reduction in total hours worked of around 0.4%. This impacts equally on average amount of hours worked and employment levels – the OBR estimates it leading to around 60,000 fewer people in employment. However, since the reduction in hours worked will be concentrated among people earning lower wages the OBR assumes a smaller reduction in total economic output of around 0.1 per cent.

4.6 During 2015 the Bank of England has consistently voted to maintain the base rate at its historic low of 0.5%.

4.7 CPI inflation returned to zero in June. This is well below the Monetary Policy Committee's 2% inflation target and largely reflects unusually low contributions from energy, food, and other imported goods prices. In August 2015 the Bank of England's stated approach was that, with some underutilised resources remaining in the economy and with inflation below the target, the

Committee intends to set monetary policy in order to ensure that growth is sufficient to absorb the remaining economic slack so as to return inflation to the target within two years.

- 4.8 The Committee projects UK-weighted world demand to expand at a moderate pace. Private domestic demand growth in the United Kingdom is expected to remain robust. Household spending has been supported by the boost to real incomes from lower food and energy prices. Wage growth has picked up as the labour market has tightened and productivity has strengthened. As a result business and consumer spending has increased, helped by improving credit conditions. Robust private domestic demand is expected to produce sufficient momentum to eliminate the margin of spare capacity over the next year or so.
- 4.9 Moderate economic growth in the Eurozone; coupled with the slowdown in China's economy can be expected to impact the automotive sector in Nuneaton and Bedworth.

### Office Market Review

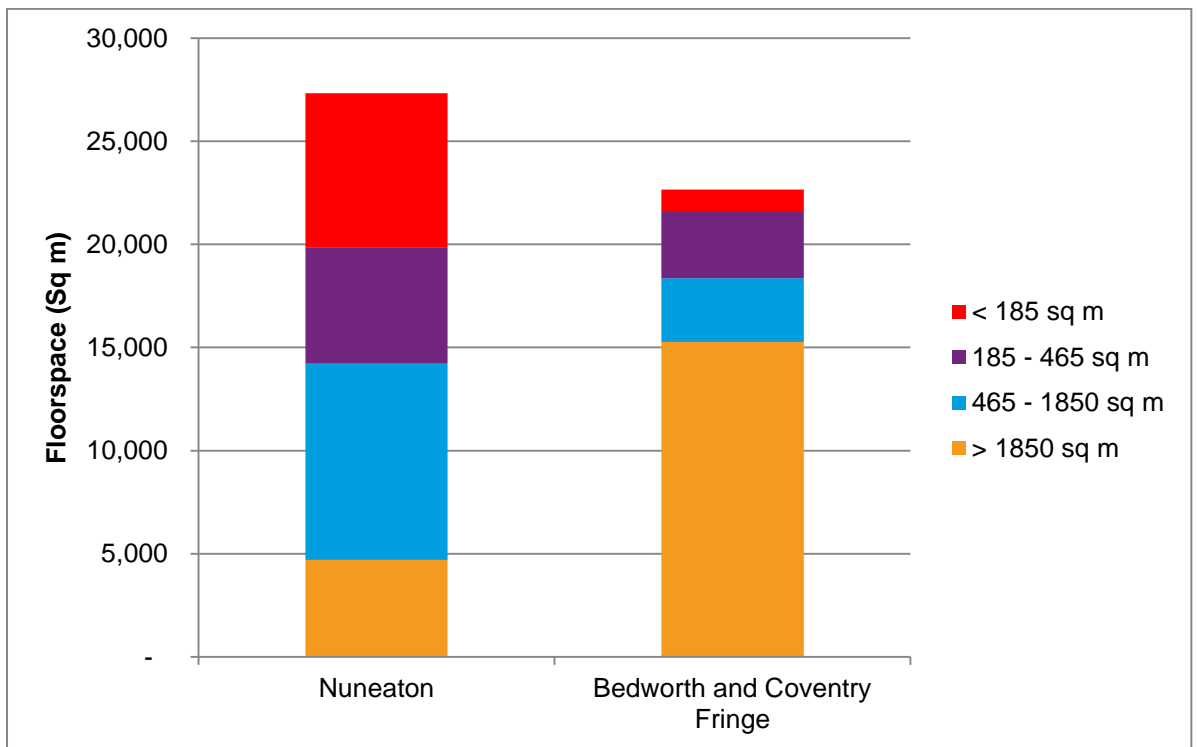
- 4.10 BNP Paribas Real Estate reports that the UK's economy is back on track. The economy has recovered considerably since 2013 with current overall economic performance the highest since the 2008 recession. The property market in 2014 has seen the best performance since 2005.
- 4.11 At the national level, the office market performed strongly in 2015. According to Knight Frank, the total take-up for the top ten cities in the country at the end of October accounted for 4.8m sq ft, which is the highest total figure since 2010. The rental level remained stable during the last quarter across the country.

### The Nuneaton and Bedworth Office Market

- 4.12 Figure 14 shows the quantum of the office floorspace take-up, as recorded on the EGi and CoStar databases, in Nuneaton and Bedworth Borough since 2010. The analysis breaks down the analysis to two areas: Nuneaton and Bedworth and the Coventry Fringe.
- 4.13 Historic trend data shows that 50,000 sq m of office space has been taken up in the Borough since 2005 – an average of 4,500 sq m per annum. This highlights the relatively modest scale of the office market in the Borough. Of total office take up over this period, 27,000 sq m was in Nuneaton while 23,000 sq m was taken up in Bedworth and Coventry fringe. In total, larger floorspace (over 1,850 sq m) accounted for 40% of total take up in the Borough over this period. 76% of larger floorspace take up was in Coventry fringe with 24% in Nuneaton.

4.14 A substantial proportion of the office transactions in Bedworth and Coventry fringe were carried out in 2013 and 2011. In Nuneaton, the largest volume of office transactions was carried out in 2015, with almost 5,200 sq m of office space traded in the first three quarters of this year.

**Figure 14: Office Floorspace Take-up, Nuneaton and Bedworth Borough, 2005-2015**



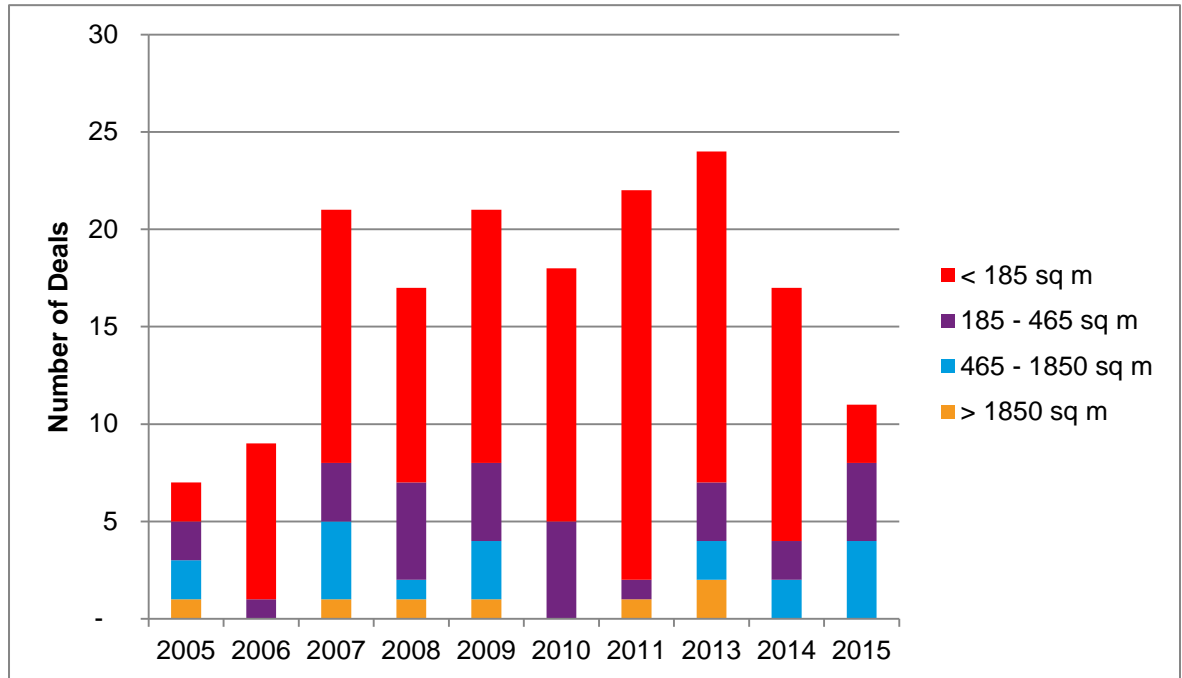
Source: EGI and CoStar/GL Hearn

4.15 The data presented below provides an overview of the office deals for 2005-2015. The 2015 figures are not complete and cover up to 2015 Q3.

4.16 An average of 18 office deals was recorded per year over this period, with the last full year slightly falling below this level (17 deals made in 2014). Overall, there is a strong dominance of the small size deals across the area, with 69% of the total take-up over the last decade being of units of below 185 sq m.

4.17 Figure 15 shows that there has not been any substantial decrease in the number of transactions after the onset of the recession, in contrast to other areas across the country. Nevertheless, it can be seen that there was a decrease in the larger space size take-up, with the period 2010-2013 recording only one deal above 465 sq m. However, since 2013 there have been 12 transactions for office space above 465 sq m.

**Figure 15: Profile of Office Deals by Size, 2005-2015**

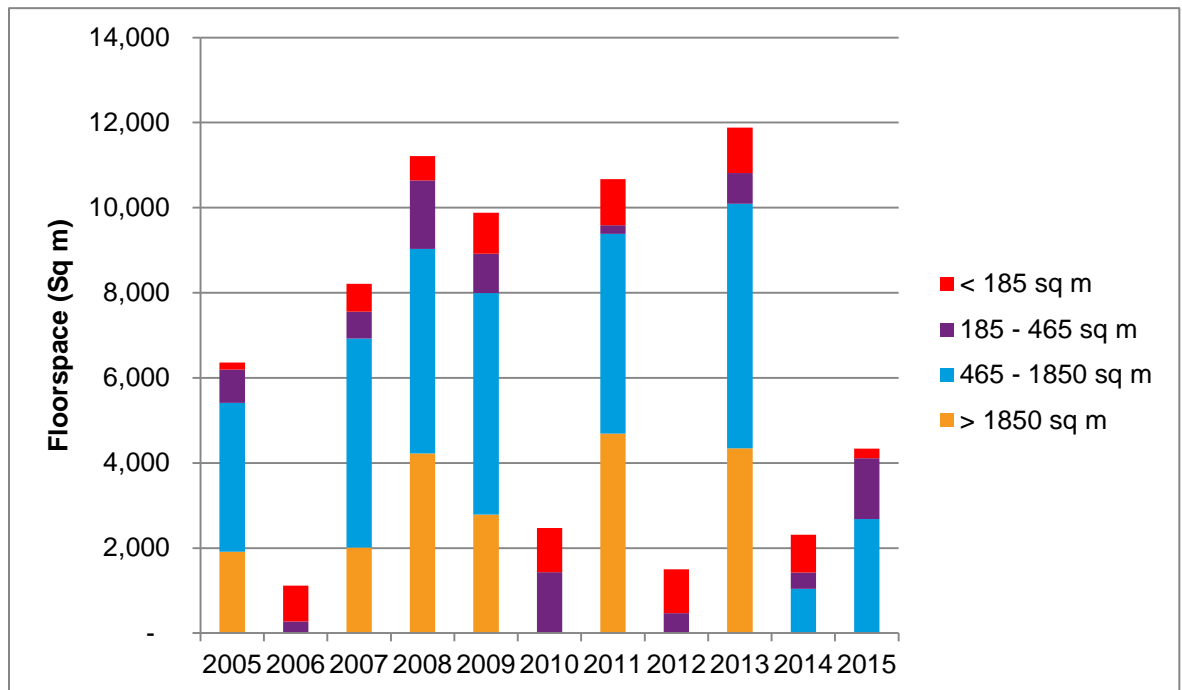


Source: EGi and CoStar/GL Hearn

4.18 Figure 16 shows the amount of office floorspace taken up over the period 2005-2015. The annual average office take-up in Nuneaton and Bedworth was for 6,400 sq m per annum over 2005-2015 period. The figure below profiles take-up over time and by the size band. This particularly highlights the impact that a single or few large deals (1,850 sq m+) have in terms of floorspace with 2006, 2010 and 2012 recording no such deals and subsequently the figures for these years are comparatively low.



**Figure 16: Office Floorspace Take-Up by Size, 2005-2015**

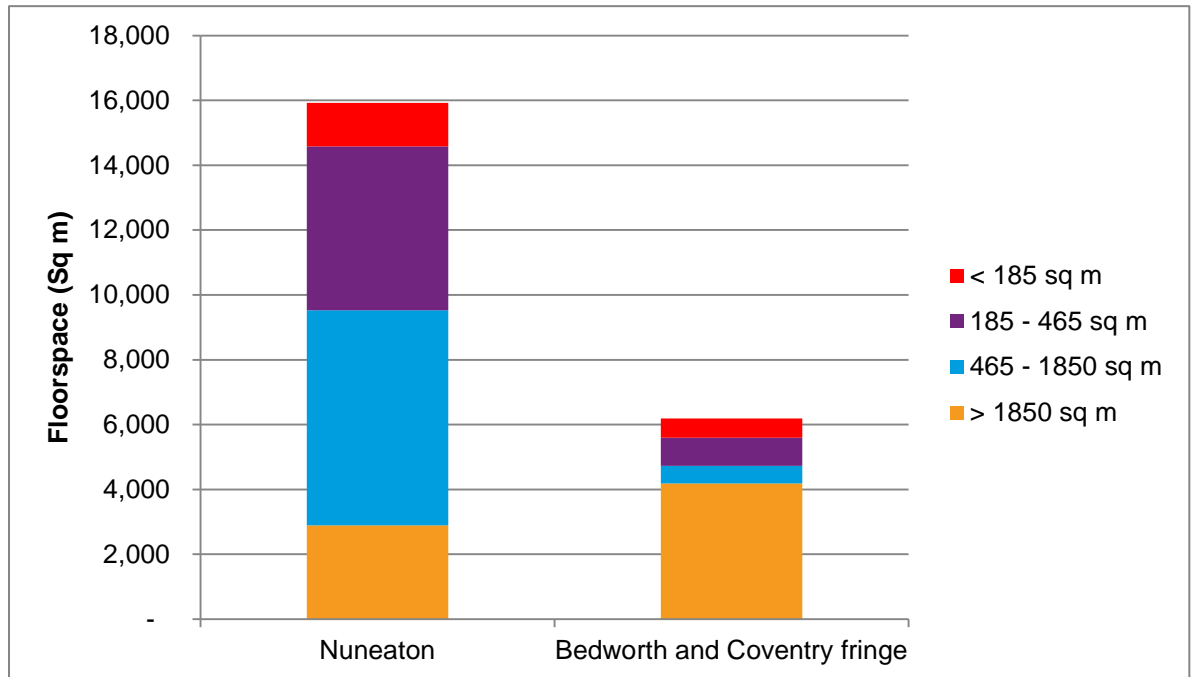


Source: EGi and CoStar/ GL Hearn

### Office Availability

- 4.19 Figure 17 shows the amount of available office floorspace in Nuneaton and Bedworth as recorded on the EGi and CoStar databases in November 2015. This shows that there is 22,100 sq m of office space available across the Borough.
- 4.20 The available floorspace is divided between Nuneaton and Bedworth and Coventry fringe. This shows that Nuneaton offers a total of 15,900 sq m of office floorspace while Bedworth and Coventry fringe offers 6,200 sq m.
- 4.21 Office availability in Nuneaton, broken down by unit size is as follows: 2,900 sq m (18%) of the units are 1,850 sq m or above, 6,650 sq m (42%) are falling between 465-1,850 sq m units size and 5,050 sq m (32%) of the units is 185- 465 sq m units. The remaining 8% (1,350 sq m) of the available office space falls below 185 sq m size.
- 4.22 Bedworth and Coventry fringe office availability, broken by unit size is as follows: 4,180 sq m (68%) of the units are 1,850 sq m or above, 550 sq m (9%) are 465-1850 sq m area, 865 sq m (14%) are 185- 465 sq m, and 595 sq m (9%) is of a size smaller than 185 sq m. A higher proportion of available units are larger.

**Figure 17: Office Floorspace Availability, 2005-2015**



Source: EGi and CoStar/ GL Hearn

### Industrial Market Review

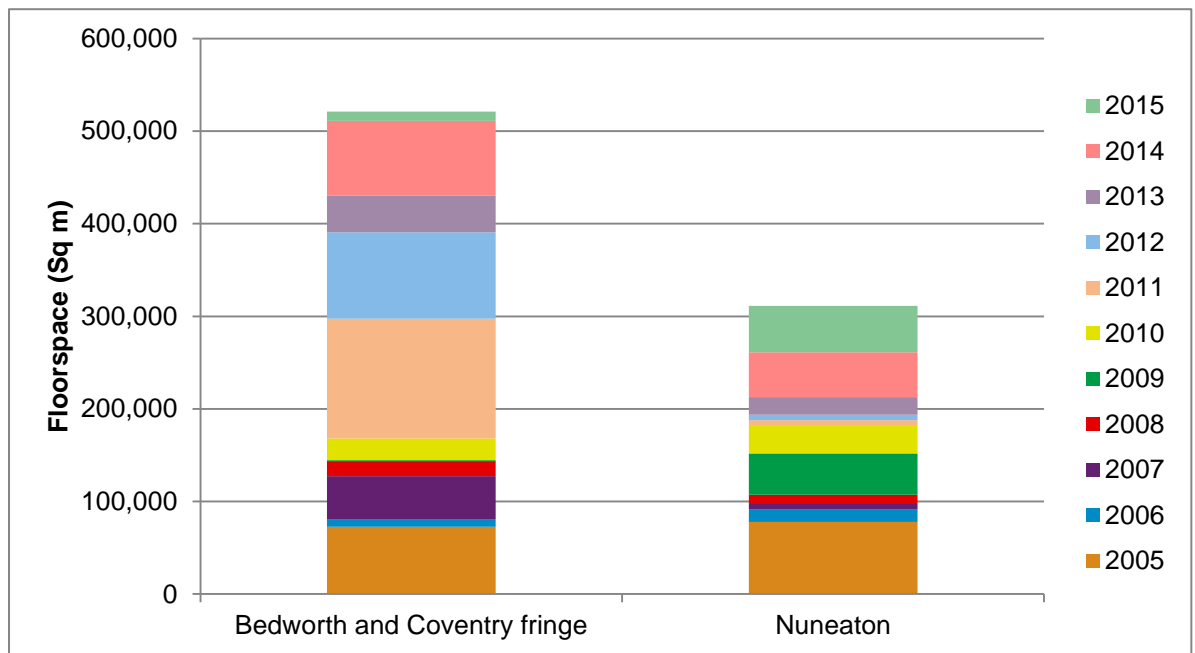
- 4.23 Nationally, the industrial market continues to perform well with year-on-year increases in the industrial land take-up. The latest full year figures for the UK show that total take-up in 2014 is up 5% on 2013 figures.
- 4.24 The industrial sector continues to be dominated by the warehouse and distribution uses. There is a growing demand for large scale logistics/ distribution warehouses. This is, in part, driven by the continuing growth of the on-line retail sector and increasing customer expectations for same- or next-day delivery.
- 4.25 At a national level, JLL statistics for the big box logistics sector indicate aggregate take-up across the UK of 8.5 million sq ft in H1 2015 of which 5.7 million sq ft was of new-build space. The composition of demand by sector for the 1st half of the year (nationally) was:
- Retailers: 49%
  - Logistics Companies: 28%
  - Manufacturers: 12%
  - Other: 11%
- 4.26 At the national level, JLL's research points to a current supply of 11.2 million sq ft at the end of H1 2015 – a low level equivalent to just under a years' worth of stock. This represented a vacancy rate

of 5%. This is partly a reflection of a lack of development over recent years, related to the wider economic conditions.

- 4.27 There is a strong market for logistics/ distribution development within the Midlands, reflecting its central location in the country and density of links via the national motorway and rail networks. Coventry and Warwickshire benefits from strong connectivity to the motorway network, and is a prime location within the 'Golden Triangle' around the intersections of the M1, M6, M42, M40 and M45. The sub-region sits at the centre of the national motorway and trunk road network providing excellent connectivity to 85% of the UK's population, and many of the country's major ports within a 4.5 hour drive time. This is crucial for logistics occupiers due to European legislation restricting HGV drive times. This makes the area a very attractive location for logistics occupiers.
- 4.28 The supply of available space, particularly Grade A/ good quality space in prime distribution locations has gradually eroded. The latest full year figures for 2014 show that the supply of industrial space is 15% down on 2013 figures. The West Midlands Strategic Employment Sites Study (PBA and JLL, 2015) reports that supply of the large industrial units across the region falls severely short in the three areas of highest demand. The report finds that the immediate supply in this area seems good but longer-term supply is uncertain. The report also finds that the supply of large industrial sites in these areas is constrained by the Green Belt and issues related to the infrastructure access.
- 4.29 Whilst 'design and build' represents the predominant form of new supply (accounting for 50% of take-up during the 1<sup>st</sup> half of 2014 based on GVA's statistics), the lack of available space together with growing market confidence, has driven a return to speculative development in prime locations in the Midlands and M1 Corridor over the last 18 months. The West Midlands is one of two UK regions – along with the South East – that has seen a return of speculative B8 development.
- 4.30 JLL's UK Logistics Big Box Key Indicators data indicates a total of 1.6 million sq ft of speculative space under construction across the UK. With the recent strong growth in take-up there is a clear need to bring forward additional land to meet the demand in the medium-term.
- 4.31 Further to this, there is an increased demand for manufacturing space in the West Midlands, what reflects strong performance of the automotive industry. The major automotive manufacturers are performing well, driven by the global demand for luxury cars. The most significant recent deal in the West Midlands was the 470,000 sq. ft. letting to Jaguar Land Rover at ProLogis Park Midpoint in Birmingham.
- 4.32 Figure 18 shows the industrial floorspace take-up in Nuneaton and Bedworth Borough since 2005, as recorded by EGi and CoStar databases. This includes both industrial and distribution floorspace.

During this time, there was 521,000 sq m of industrial space take-up in Bedworth and Coventry Fringe – an average of 47,000 sq m per annum. In Nuneaton there has been 311,000 sq m taken up over this period – an average of 28,000 sq m per annum.

**Figure 18: Industrial Floorspace Take-up, 2005-2015**



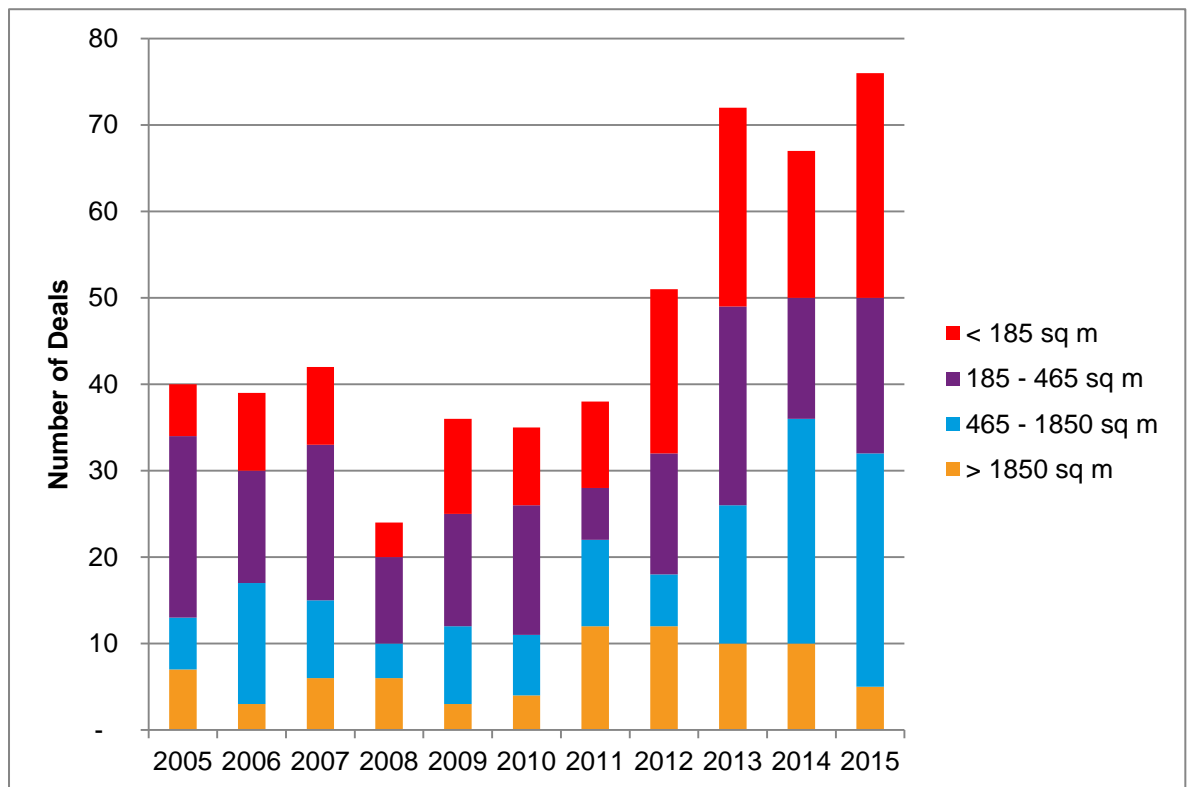
Source: EGi and CoStar/ GL Hearn

- 4.33 The strong performance of the automotive manufacturing in the region is also driving the demand for suitable space to meet the needs of the wider supply chain space. Colliers report an expansion of automotive industry and related supply providers, with a particular growth across West Midlands.
- 4.34 According to Cushman and Wakefield, the first half of 2015 is seeing stable rental growth, with an increase in demand across all of the UK's markets. There is a relatively low supply compared to demand, which has led occupiers and investors to look outside the primary market. More focus is being put on the secondary or second tier market, particularly focussed on well maintained units in strategic locations.
- 4.35 Colliers reports that a limited supply of the available sites means that manufacturer supply chains are finding it difficult to expand, hence imports remain a key input to processes and, ultimately, retailer order fulfilment could suffer.
- 4.36 In the industrial sector, average rental values started increasing in Spring 2013 and have accelerated, particularly for prime markets such as that in and around Nuneaton and Bedworth

Borough. Development levels are improving as a result of rising capital values, improving availability of finance and decrease in Grade A office supply.

4.37 Figure 19 clearly shows a marked increase in the industrial take-up following the economic downturn in 2008. In recent years the number of deals has increased, 2013 and 2014 have seen considerably higher numbers of deals than seen across the rest of the decade. Figures for 2015 have exceeded this, despite only covering the period to Q3.

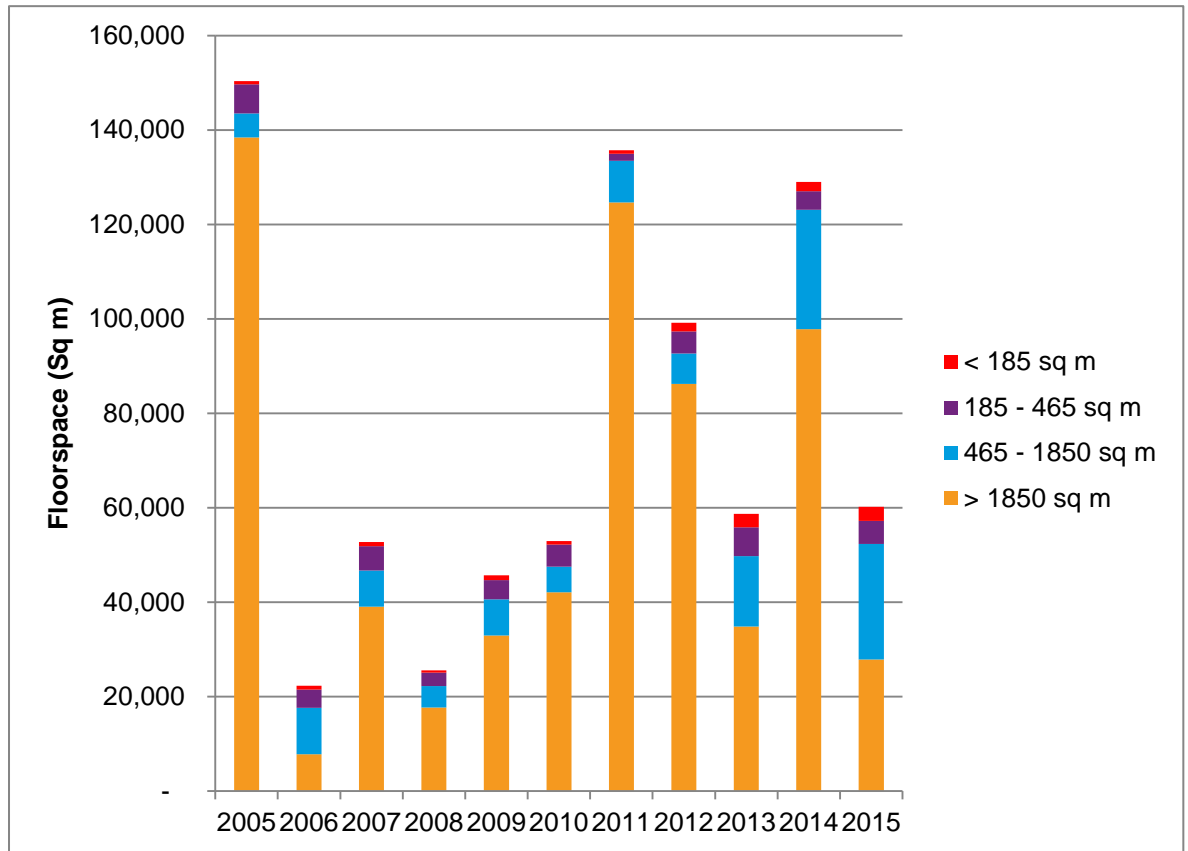
**Figure 19: Industrial Deals, 2005-2015**



Source: EGi and CoStar/ GL Hearn

4.38 The amount of industrial take up by floorspace is shown in figure 20. This shows less of an impact due to the recession in 2008 than the figure above but does show the strength in the market since 2011 with the most recent 5 years showing a higher amount of floorspace take up than the previous 5 years.

**Figure 20: Industrial Take-Up, 2005-2015**



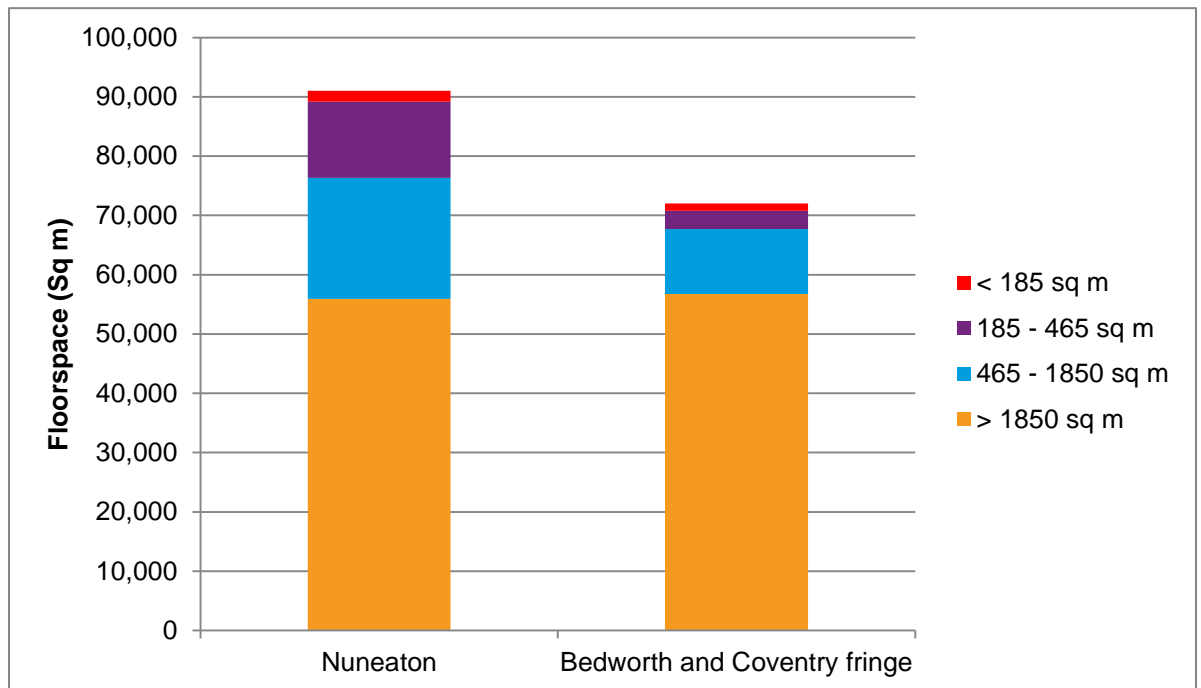
Source: EGi and CoStar/ GL Hearn

### Industrial Availability

4.39 As of November 2015, there was a 163,000 sq m of industrial floorspace available and being actively marketed on EGi or CoStar in Nuneaton and Bedworth Borough. 91,000 sq m (56%) of this floorspace is located in Nuneaton and 71,500 sq m (44%) is situated in Bedworth and the Coventry fringe, however only 500 sq m is in Bedworth. Figure 21 shows how this splits down by the size band.

4.40 It can be observed that the majority of the available floorspace is of large size units (over 1,850 sq m). In Nuneaton, these account for 56,000 sq m (61% of the total floorspace available in this area). In Coventry, this proportion is even higher at 79%. Another difference between the two areas is the proportion of smaller size units. In Nuneaton, 14% of total available floorspace is within the range 185- 465 sq m, while in Coventry fringe this figure is 4%.

**Figure 21: Available Industrial Floorspace by Size, November 2015**



Source: EGi and CoStar/GI Hearn

### Implications

4.41 The market analysis shows that the economic recovery and stronger market confidence of the occupiers resulted in the increased take-up. In case of Nuneaton and Bedworth, the last two years resulted in an increased take-up of the office space above 1,850 sq m.

4.42 There is a strong market for industrial and warehouse/ logistics space. This reflects strong performance of the manufacturing and component/ supply chain firms segment in the region, as well as increased demand for storage/distribution space from retailers.

### Take Up / Availability Balance

4.43 Table 5 compares the average annual take up over the past 10 years to the current level of availability in order to identify an estimate of the number of years of supply currently available.

4.44 At a Borough-wide level there is 4.9 years of supply of office floorspace currently available and 2.2 years supply of available industrial floorspace.

4.45 However there is considerable differentiation between Nuneaton and Bedworth and Coventry fringe. In Nuneaton there is 6.5 years of supply of office floorspace currently available and 3.3 years supply of available industrial floorspace. In Bedworth and Coventry fringe there is less than half this

level of supply with 3.0 years of supply of office floorspace currently available and 1.5 years supply of available industrial floorspace.

**Table 5: Years of Available Supply**

	Nuneaton	Bedworth and Coventry fringe	Borough
<b>Office</b>			
<b>Average annual take up</b>	2,500	2,100	4,600
<b>Availability</b>	15,900	6,200	22,100
<b>No of Years Available Supply</b>	6.5	3.0	4.9
<b>Industrial</b>			
<b>Average annual take up</b>	28,000	47,000	75,000
<b>Availability</b>	91,000	71,500	162,500
<b>No of Years Available Supply</b>	3.3	1.5	2.2

4.46 It should be noted that the availability figures above show the level of floorspace in the Borough which is currently being advertised (including built and unbuilt opportunities). This doesn't capture all completed floorspace in the Borough which will include developments which are not being advertised – for example where an end user is already in place, or expansion at an existing site. The availability figures and completions figures should be considered together in provide a comprehensive view of commercial provision in the Borough. Nuneaton and Bedworth Borough Council's data on employment completions in the Borough is set out in the following section.



## 5 DEMAND FORECASTS

- 5.1 In this section we consider demand for employment land and floorspace over the plan period from 2011-31. The section considers requirements for employment land in the B1, B2 and B8 use classes. The analysis is of 'demand' for employment land and therefore does not take account of any supply-side factors such as existing employment land allocations or commitments – these are considered in the next section.
- 5.2 When considering the scale of future needs the Planning Practice Guidance (PPG, 2014) requires consideration of quantitative and qualitative need. This entails estimating the scale of future needs broken down by different market segments, such as different B use classes. The PPG recommends the use of a number of different techniques to estimate future employment land requirements, namely assessments based on:
- Labour Demand;
  - Labour Supply; and
  - Past Take-Up.
- 5.3 The 2014 Coventry and Warwickshire Strategic Housing Market Assessment (SHMA) assessed housing need for the sub-region – including Nuneaton and Bedworth Borough. The SHMA included consideration of the quantum of housing required to meet projected jobs growth and compared this to the amount of housing required to simply meet demographic growth. In Nuneaton and Bedworth the amount of houses needed to meet economic growth was higher and therefore the housing need figure is adjusted upwards to take account of economic growth. The housing need figure can therefore be considered to be 'economic led'. There is therefore no justification to uplift the level of economic growth on account of labour supply and so we have not considered labour supply as part of this assessment.
- 5.4 The Coventry and Warwickshire SHMA based its employment growth calculations on forecasts from Cambridge Econometrics (CE) Local Economy Forecasting Model (LEFM). To ensure alignment between the SHMA and this Employment Land Study, the labour demand scenarios set out in this section are based on the LEFM. The LEFM figures used are dated March 2015.
- 5.5 Nuneaton and Bedworth Borough Council have previously used an alternative model – the Nuneaton and Bedworth Forecasting Model (NBFM), produced by Oxford Economics (OE) – to estimate future jobs growth. At the end of this section we provide a comparison between the two forecasts. The NBFM figures used are dated April 2014.
- 5.6 Projections based on past take-up have been based on Nuneaton and Bedworth Borough Council data on past completions of B-class employment floorspace / land.

- 5.7 There are relative benefits of each approach. Econometric forecasts take account of differences in expected economic performance moving forward relative to the past, overall in regard to the sectoral composition of growth. However a detailed model is required to relate net forecasts to use classes and to estimate gross floorspace and land requirements.
- 5.8 In contrast, past take-up is based on actual delivery of employment development; but does not take account of the implications of growth in labour supply associated with housing growth nor any differences in economic performance relative to the past. It is also potentially influenced by past land supply and/or policies.
- 5.9 The quantitative evidence (based on the above three scenarios) is supplemented by the wider analysis of market and economic dynamics.

## Labour Demand Scenarios

### Baseline Scenario

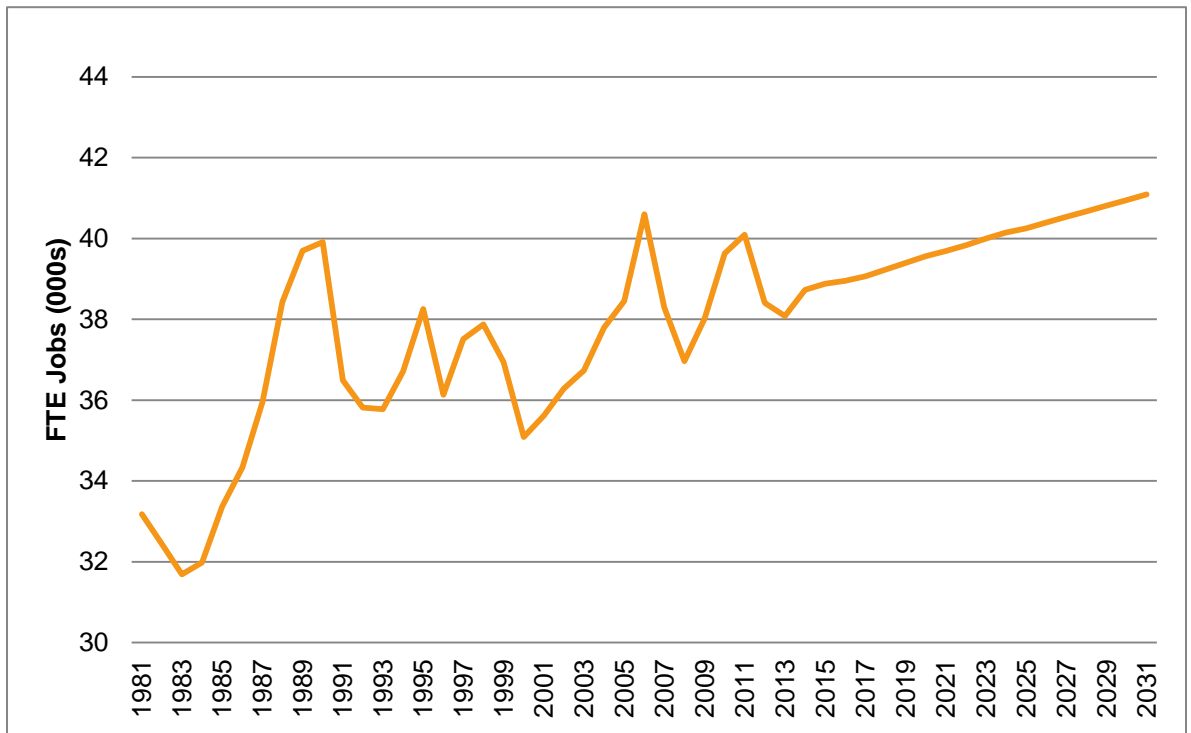
- 5.10 The starting point for considering employment land requirements is the jobs growth forecast. We have considered the Cambridge Econometrics (CE) Local Economy Forecasting Model (LEFM) from March 2015<sup>8</sup>. This was used by GLH to calculate economic growth in the Coventry and Warwickshire SHMA (Sep 2015).
- 5.11 Econometric forecasts are volatile, particularly at a local authority level. Forecasts assume that ‘historical relationships hold true’ between the performance of sectors within the Borough and West Midlands or UK (for whichever the relationship is stronger). They do not take account of land supply of policy intervention in so far as the impact of this may differ from that in the past.
- 5.12 The forecasts should thus be interpreted as “trend-based” and should not be considered uncritically. They provide a tool for considering future economic performance – rather than necessarily an answer in themselves.
- 5.13 The LEFM forecast is shown in Figure 22. This shows the jobs growth trend since 1981 and the future forecast to 2031. This shows a very strong jobs growth in the Borough throughout the 1980s, reaching a peak of just under 40,000 FTE jobs in 1990. Throughout the 1990s the Borough’s economic performance was less strong and by 2000 the Borough’s jobs total had fallen to 35,000. The 2000s saw a return to economic growth and saw strong year on year growth reaching a peak of 40,500 FTE jobs in 2006. Since then, economic conditions nationally have been more uncertain and this is reflected in the Borough’s performance during this time.

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<sup>8</sup> Supplied to GL Hearn under licence from Warwickshire County Council.

5.14 The LEFM forecast projects full time equivalent (FTE) employment growth (including both B and non-B class uses) of 1,000 FTE jobs over the period 2011 and 2031<sup>9</sup>. This is an average annual growth rate of 0.1% and a total growth of 2.5%.

**Figure 22: Jobs Growth Forecasts – LEFM, FTE Jobs – 1981-2031**

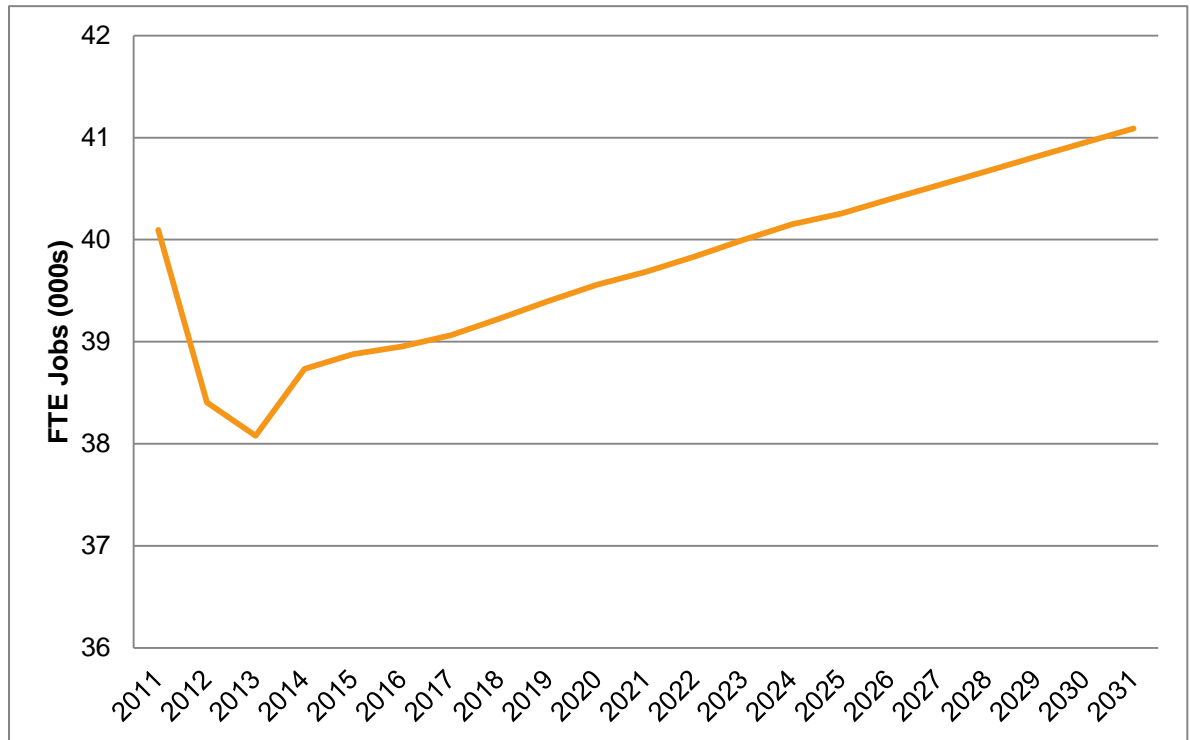


Source: CE

5.15 Figure 23 shows the LEFM forecast over the period 2011-31 in more detail. This shows that between 2011 and 2014 the LEFM shows an overall decrease of 1,360 FTE jobs.

<sup>9</sup> The LEFM runs to 2025. GLH has extended the forecast to 2031 by extrapolating the average trend over the 2020-25 period.

**Figure 23: Jobs Growth Forecasts – LEFM, FTE Jobs – 2011-2031**



Source: CE

5.16 The jobs growth figures for the 2011-2014 period have a considerable impact on the jobs growth figures for the 2011-31 period. This is shown in the table below. The LEFM shows an overall loss of 1,360 jobs over the 2011-14 period – an annual average loss of 455 FTE jobs per annum. This is quite contrary to the trend from 2014 onwards, which shows steady growth totalling 2,360 FTE jobs – an average annual growth of 139 FTE jobs per annum. This results in a FTE jobs growth figure of 995 over the 2011-31 period.

**Table 6: Jobs Growth Forecasts – LEFM, 2011-14 and 2014-31**

	2011-14	2014-31	2011-31
<b>Total FTE jobs growth</b>	-1,360	+2,360	+995
<b>Average annual growth</b>	-455	+139	+50

Source: CE

5.17 Clearly, the 2011-14 period has a very big impact on the overall jobs growth figure for 2011-31. We have therefore considered this period in greater detail.

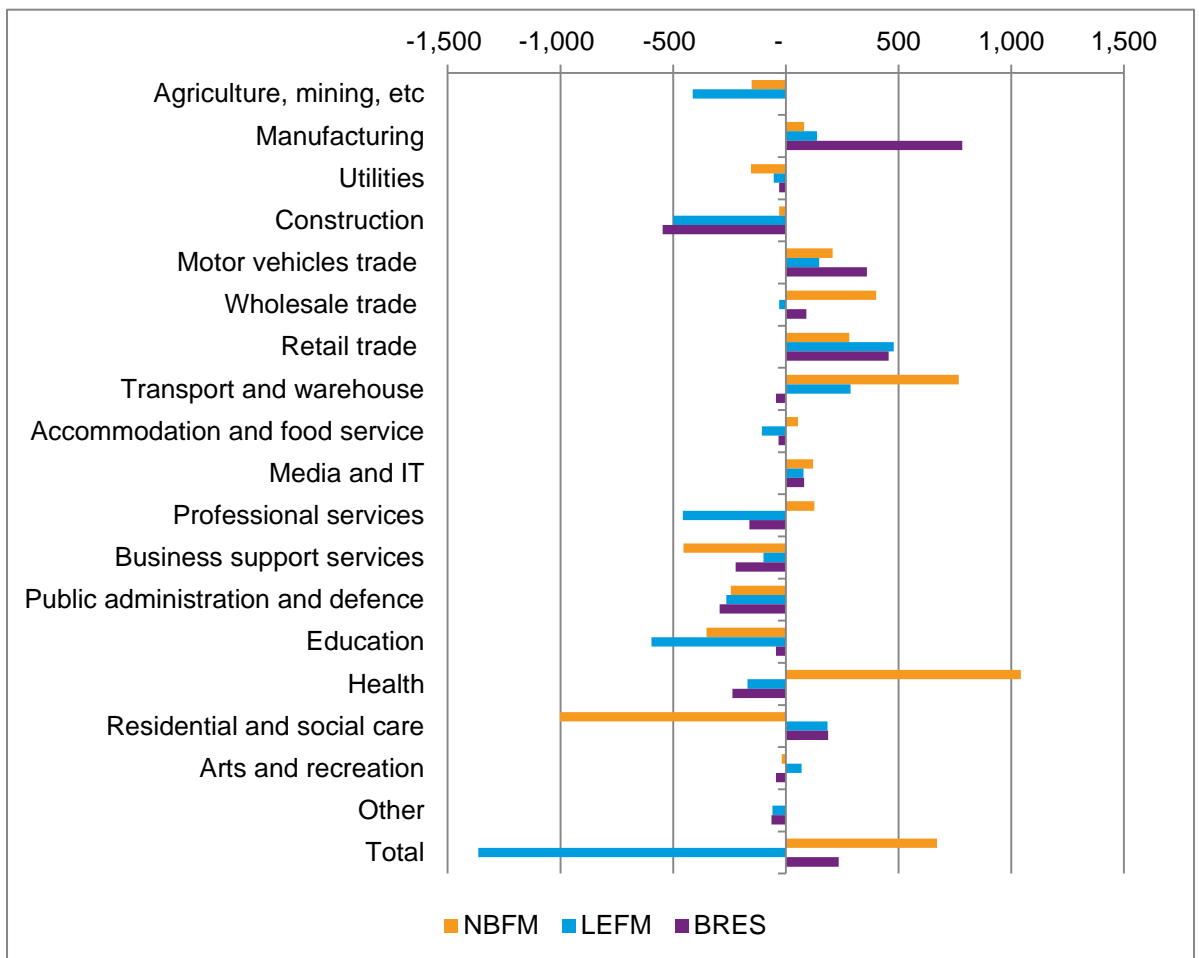
5.18 Comparing the LEFM to the NBFM we see that the NBFM estimates a jobs growth of 670 FTE jobs over the 2011-2014 period – an annual average growth of 223. Over the 2014-31 period the NBFM forecasts a growth of 4,706 FTE jobs – an annual average of 277 FTE jobs. This is less of a swing than shown in the LEFM figures.

5.19 We have also compared the forecasts at a broad sectoral level against the figures from the Business Register and Employment Survey (BRES) for this period. This shows a limited correlation between the LEFM, the NBFM, and the BRES figures on a sector by sector basis. This is shown in Figure 24.

5.20 All three sources show a decline over this period in the number of jobs in professional and support service sectors – for both private and public sectors – and a growth in the trade sectors. However, there are considerable differences between the sources:

- The LEFM shows strong losses in Agriculture and mining, Construction, Professional services, and Education, with Retail trade being the only sector forecast any substantial growth.
- The NBFM shows a considerable growth in the number of jobs in the Health sector but equivalent losses in the Residential and social care sector, as well as considerable growth in Transport and warehouse activities.
- The BRES data shows that there has been a considerable increase in jobs in the manufacturing sector, with a particular growth in Automotive manufacturing of nearly 800 FTE jobs.

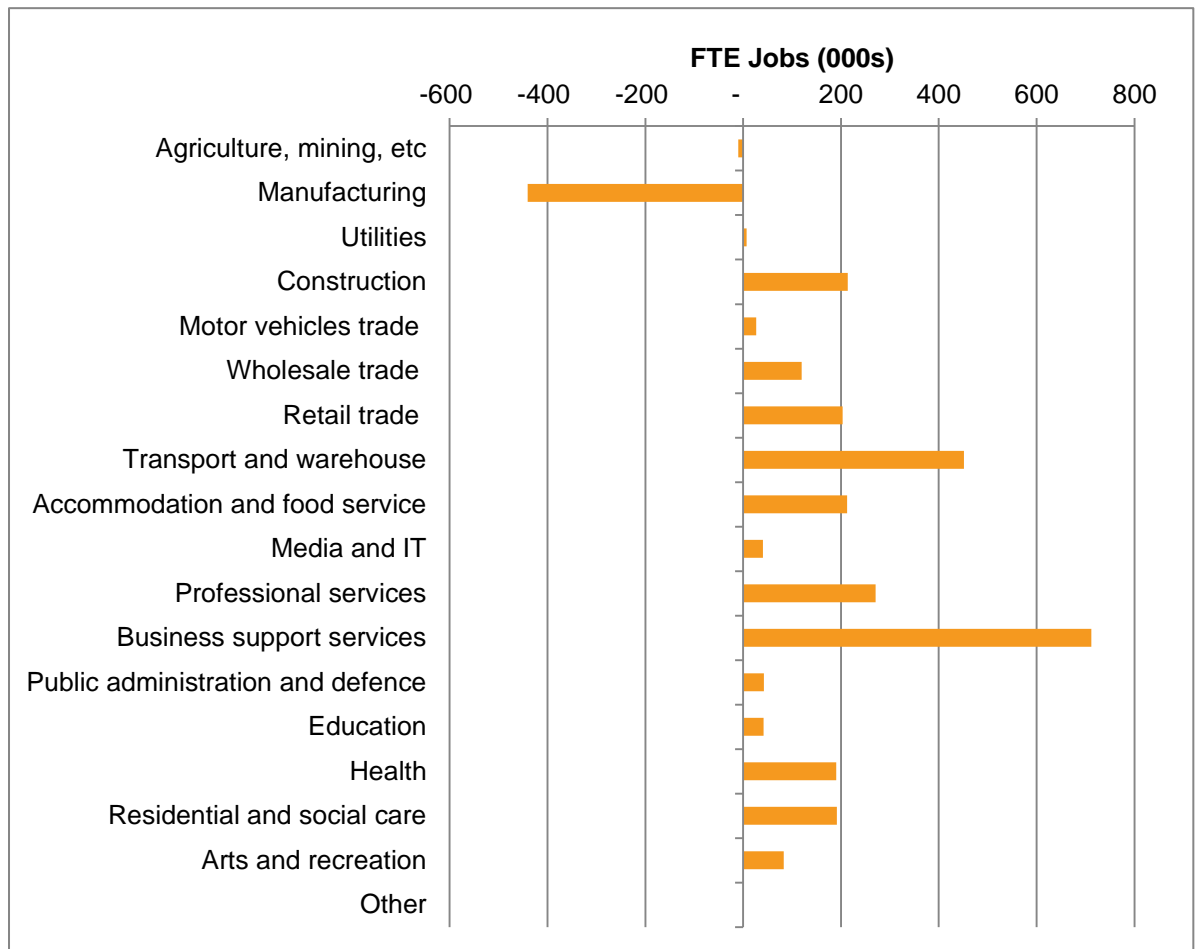
**Figure 24: FTE Jobs Growth by Sector – LEFM, NBFM, BRES, 2011-14**



Source: CE, OE, BRES

- 5.21 This analysis shows a lack of clear consensus between the LEFM, the NBFM, and the BRES data. The considerable differences impacts considerably on the jobs growth totals for the 2011-31 period. The same phenomenon was identified in the Coventry and Warwickshire Strategic Housing Market Assessment (C&W SHMA) which identified the areas economic growth potential in relation to housing needs. The C&W SHMA therefore considered jobs growth figures from 2014-31. In light of the above analysis, this is considered to be the most appropriate approach to forecasting economic growth and employment land need. To calculate a figure for the 2011-31 period we can add the completions data for 2011-14 to the employment land forecast for 2014-31.
- 5.22 Considering the period from 2014-2031, the LEFM forecasts a growth of 2,360 FTE jobs over this period – equivalent to an average annual growth rate of 0.35%. Figure 25 shows the forecast FTE jobs growth figures by sector for the LEFM over the period 2014-31. This shows a positive growth for most sectors with the largest growth in the Business support services, and Transport and warehouse sectors.
- 5.23 The LEFM shows a modest loss of manufacturing jobs over the 2014-31 period a loss of 450 FTE jobs. While this reflects the long term decline in the manufacturing industry, its notable that the short term (2011-14) BRES data, shown in Figure 24, shows that there has been strong growth in this sector in recent years driven by the strong performance of the automotive sector.

**Figure 25: FTE Jobs Growth by Sector – LEFM, 2014-2031**



Source: CE, OE

### Translating Sectors to Use Classes

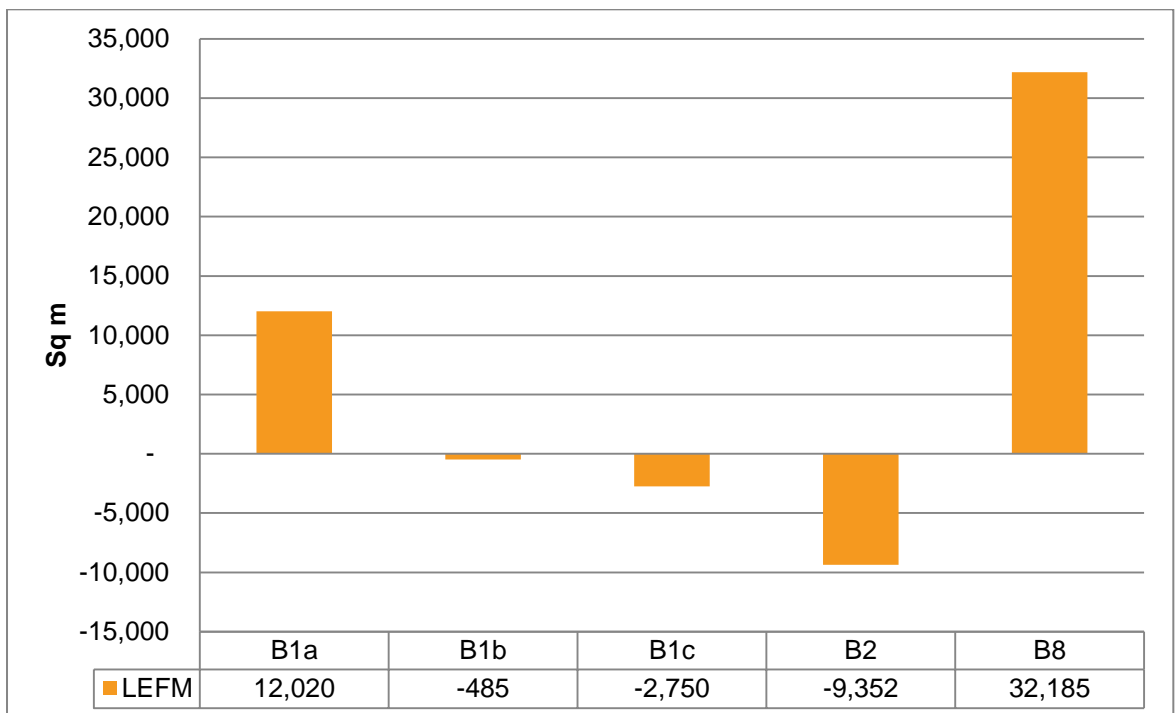
5.24 GLH has considered the proportion of employment in each sector which is likely to take place in office or R&D floorspace (Use Classes B1a and B1b), light industrial floorspace (Use Classes B1c), general industrial floorspace (Use Class B2), and warehouse / distribution floorspace (Use Class B8). We have calibrated our standard model which relates sectors and use classes for the Nuneaton and Bedworth economy through interrogation of the composition of employment in key sectors at 4-digit SIC level. This is used to derive the following forecasts of net growth in FTE employment by use class over the plan period.

5.25 To these figures we have applied standard employment densities taking account of the *HCA Employment Densities Guide: 3<sup>rd</sup> Edition* (Bilfinger GVA and the Homes and Communities Agency, 2015). We have converted figures to provide employment densities for gross external floor areas on the following basis:

- **General Offices (B1a):** The 2015 Employment Densities Guide provides a range of plot ratios for B1a uses – broken down by sub-sector. The sub-sectors are Corporate; Professional Services; Public Sector; Technology, Media, and Telecoms; Financial and Insurance; and Call Centres. These have employment ratios ranging from 8-13 sq.m (NIA) per FTE employee. We have assumed that the gross external area of buildings is on average 20% higher than the net internal area;
- **Research and Development Offices (B1b):** The 2015 Employment Densities Guide includes employment densities for research and development (B1b) uses (unlike the 2010 guide). The guide sets out that the sector can be considered to be split into two key directions; an innovation and science focussed direction which is associated with the knowledge economy and life sciences activity, and a more traditional industrial focussed direction which fits alongside manufacturing. An average of 48 sq.m GEA per FTE employee has been assumed, assuming that the gross external area of buildings is on average 20% higher than the net internal area;
- **Light Industrial (B1c):** an average of 49.4 sq.m GEA per employee, assuming that the gross external area of buildings is on average 5% higher than the net internal area;
- **General Industrial (B2):** an average of 40 sq.m GEA per employee, assuming that the gross external area of buildings is on average 5% higher than the gross internal area;
- **Warehouse / Distribution (B8):** an average of 85 sq.m GEA per employee. This is slightly below the middle of the range of employment densities for B8 activities, reflecting the lower proportion of large scale and high bay warehousing in the City.

5.26 Applying these employment densities to the forecasts of net growth in jobs in B-class activities, we can derive forecasts for net changes in employment floorspace based on the LEFM forecast. The net change for the 2014-31 period is set out in Figure 26.

**Figure 26: Net Growth in Employment Floorspace (sq m) by Use Class, 2014-31**



Source: GL Hearn



- 5.27 These are net changes and do not take account of frictional vacancy or replacement demand, such as from existing companies requiring upgraded floorspace. The demand assessment is trend-based.
- 5.28 To calculate the land requirements to support these net changes, we have applied the following plot ratios:
- 0.3 for B1a/b office and R&D uses;
  - 0.45 for B1c and B2 industrial uses; and
  - 0.45 for B8 warehouse / distribution floorspace.
- 5.29 This generates a forecast requirement for net additional employment land to cover the period 2014-31. To extend the forecast to cover the full 2011-31 period we add the actual completions for the 2011-2014 period. Over this three year period, completions totalled 2.2 ha of employment land. This is added to the forecast demand figures – which covers the period 2014-2031 – to give a total demand for 2011-31 of 9.3 ha.

**Table 7: Forecast Net Land Requirements, 2011-31**

Use Class	Net Land Requirement (Hectares) 2014-31
<b>B1a General Office</b>	4.4
<b>B1b Research and Development</b>	0.3
<b>B1c Light Industrial</b>	-0.2
<b>B2 General Industrial</b>	-1.6
<b>B8: Warehouse/ Distribution</b>	7.6
<b>Total B-Class Uses</b>	<b>9.3</b>

Source: GL Hearn

- 5.30 In identifying how much land to allocate for development, we consider that it would be prudent to include a 'margin' to provide for some flexibility, recognising:
- Typically some level of vacant floor space within functioning markets
  - The potential error margin associated with the forecasting process;
  - To provide a choice of sites to facilitate competition in the property market;
  - To provide flexibility to allow for any delays in individual sites coming forward.
- 5.31 We consider that it would be appropriate to make provision for a 5-year 'margin' based on past employment delivery. We consider that it would be appropriate to use long-term trends to calculate this, given that recent take-up has been influenced by supply-side constraints. Over the last ten years (2005/06-2014/15) completions have averaged 1.8 hectares per annum. This equates to a 5-year margin of 9 hectares.

5.32 The net land requirements of the employment growth forecasts plus the 5-year margin gives an overall land requirement, based on the LEFM forecast, of 18.3 ha. This is a trend-based scenario and thus influenced by past economic performance and land supply in the Borough.

### **Comparison with the NBFM**

5.33 To provide further context to the LEFM figures we can compare them to the NBFM forecasts. The NBFM forecasts a growth of 4,710 FTE jobs over the 2014-31 period. This equates to an average annual growth rate of 0.7%. The NBFM forecast is more optimistic than the LEFM, which forecasts a growth of 2,360 FTE jobs over this period – equivalent to an average annual growth rate of 0.35%.

5.34 On a sector by sector basis the NBFM is the more optimistic of the two forecasts for the majority of sectors. As with the LEFM, the NBFM forecasts particularly strong growth in the Business Support Services sector. However, the NBFM also forecasts strong growth in the Professional Services, and Construction sectors – sectors which were forecast more modest growth in the LEFM. Conversely, the NBFM forecasts greater losses in the Manufacturing sector and in Public Administration and Defence.

5.35 Translating the NBFM forecast into employment land requirements, using the same assumptions set out above, gives a net employment land requirement of 26.8 ha over the 2011-31 period – 8.5 ha more than requirement based on the LEFM forecast.

5.36 However, both the LEFM and NBFM forecasts are trend-based scenarios and thus reflect the past economic performance and land supply in the Borough. This provides a reasonable starting point for considering future economic performance, but should be interrogated in the context of past and future developments constraints, economic drivers, and wider economic trends.

## **Expected Performance Scenario**

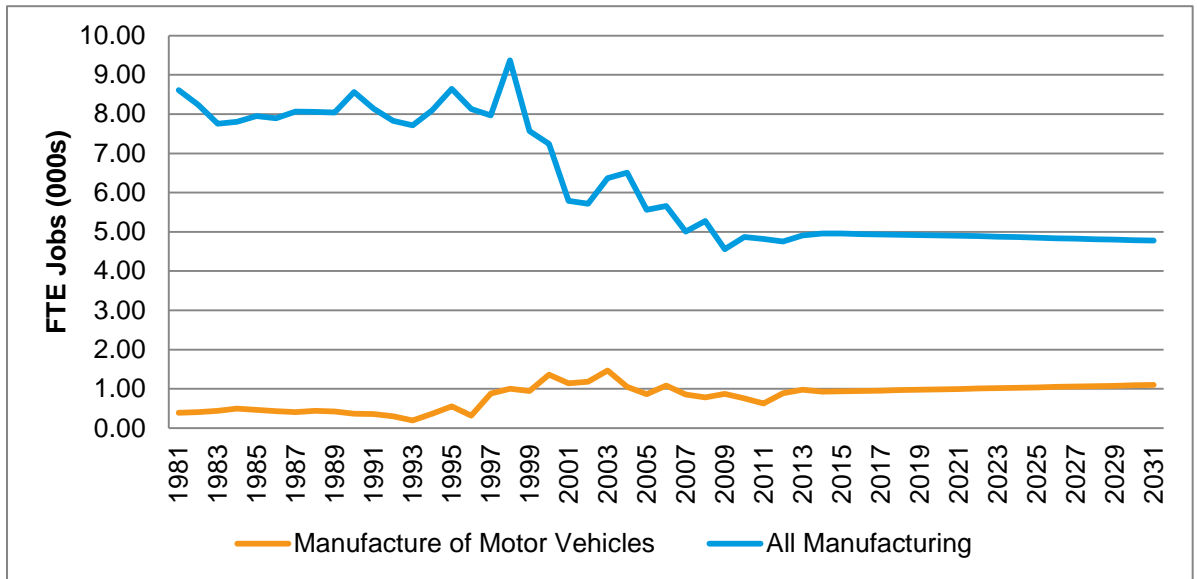
### **Automotive Manufacturing**

5.37 Interrogating the LEFM forecast alongside the wider baseline evidence and understanding of local economic dynamics, we consider that the potential employment growth in automotive manufacturing will likely be stronger than seen through the trend-based projections.

5.38 Automotive manufacturing is one of the major employment sectors in the Borough as well as across the Coventry and Warwickshire sub-region. The future performance of this sector will clearly have a big impact on the quantum of employment land required in the Borough.

5.39 The historic performance of the automotive manufacturing sector, in terms of employment, is shown in the figure below. It also shows the future performance as forecast in the LEFM. This forecasts a decline of 450 manufacturing jobs over the period 2014-31, including a loss of 85 jobs in automotive manufacturing.

**Figure 27: Manufacturing and Automotive Manufacturing Jobs, LEFM 1981-2031**



Source: CE

5.40 However, as set out in previous chapters of this report, the automotive manufacturing sector has seen strong performance in recent years. This is reflected in recent job growth rates with a growth of over 450 jobs in the Borough over the past five years from 2009 to 2014. This is considerably higher than the LEFM forecast for this period which roles forward the longer term decline in manufacturing.

5.41 Table 8 below compares the 5 year trend for the LEFM and the BRES data over the period from 2009 to 2014. The LEFM show modest growth in automotive manufacturing jobs over this period as well as a similar level of growth in manufacturing more generally. However, the BRES data shows a much stronger increase in manufacturing jobs over this period driven by a 49% growth in the automotive manufacturing sector.

**Table 8: Manufacture of Motor Vehicles, 2009-14**

	Manufacture of Motor Vehicles		All Manufacturing	
	Jobs Growth	% Growth	Jobs Growth	% Growth
<b>LEFM</b>	51	6%	397	9%
<b>BRES</b>	453	49%	1,050	23%

Source: CE, BRES

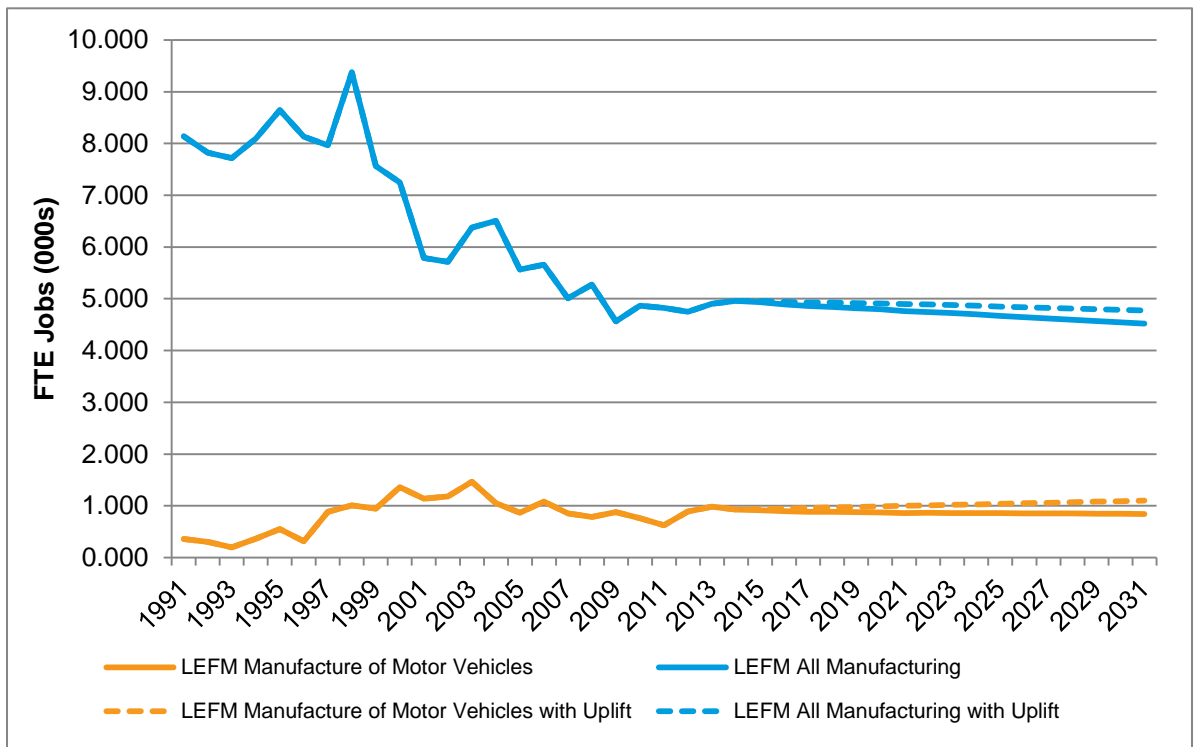
5.42 This highlights the strong short term performance of the manufacturing sector in Nuneaton and Bedworth. In addition, the BRES data shows the actual growth in the automotive manufacturing sector over the past 5 years has been considerably stronger than the LEFM, suggesting that these forecasts may be overly pessimistic in their forecast in the Borough for this particular sector.

5.43 Taking these factors into account we consider that future performance could well exceed the forecast level – particularly in the short-term; and taking account of policy support through the Coventry and Warwickshire LEP’s Strategic Economic Plan seeks to drive growth in Advanced Manufacturing and Engineering.

5.44 Figure 28 shows the alternative forecasts based on the positive short-term performance from 2009-14. This rolls forward the growth in automotive manufacturing seen in the LEFM over the 09-14 period and continues this level of growth to 2031. This results in a slight increase in automotive manufacturing jobs over the 2014-31 period instead of a slight decline: the uplift results in an increase of 170 automotive manufacturing jobs instead of a loss of 85 jobs.

5.45 Also shown is the effect this has on overall manufacturing jobs growth, the effect being a more gentle reduction in total manufacturing jobs.

**Figure 28: Manufacturing and Automotive Manufacturing Jobs, LEFM, 1991-31**



Source: GLH analysis of CE data

- 5.46 The uplifted automotive manufacturing scenario results in an increase in amount of land required for B1c, B2, and B8 uses over the 2014-31 period. This results in the need for an additional 3.0 ha of employment land bringing the overall requirement for employment land to 11.4ha.
- 5.47 Adding the completions for the 2011-2014 period – which totalled 2.2 ha – gives a total demand for 2011-31 of 13.8 ha. This represents an additional 4.3 ha over and above the level based on the baseline LEFM forecast.

**Table 9: Forecast Net Land Requirements with Automotive Manufacturing Uplift, 2011-31**

Use Class	Employment Land Requirement (ha)
<b>B1a General Office</b>	4.6
<b>B1b Research and Development</b>	0.3
<b>B1c Light Industrial</b>	0.1
<b>B2 General Industrial</b>	-0.5
<b>B8: Warehouse/ Distribution</b>	9.1
<b>Total B-Class Uses</b>	<b>13.6</b>

Source: GL Hearn

- 5.48 Adding a 5 year margin of 9 ha as before, would give a total requirement for 22.6 ha of employment land to meet the Borough's need over the period 2011-31.

### **The Sub-Regional Distribution Market**

- 5.49 The labour demand forecasting set out above is based on jobs growth forecasts that assume that 'historical relationships hold true' between the performance of sectors within Nuneaton and Bedworth and the West Midlands or UK (for whichever the relationship is stronger). In other words, relatively strong (or weak) historic sectoral performance will be modelled forward in the forecasts. The forecasts do not take account of future land supply of policy intervention insofar as the impacts of these may deviate from those in the past.
- 5.50 At a sub-regional level there is a strong market for logistics / distribution development, reflecting its central location within the country and density of links via the national motorway and rail networks. Coventry and Warwickshire benefits from strong connectivity to the motorway network, and is a prime location within the 'Golden Triangle' around the intersections of the M1, M6 and M42 motorways as well as the M40 and M45 nearby. The sub-region sits at the centre of the national motorway and trunk road network providing excellent connectivity to 85% of the UK population, and many of the country's major ports within a 4.5 hour drive time, which is crucial for logistics occupiers due to European legislation restricting HGV drive times. This makes the area a very attractive location for logistics occupiers.

- 5.51 However, in Nuneaton and Bedworth, the delivery of large-scale distribution developments has been constrained by a limited supply of suitable sites in the Borough. This has, in turn, constrained the jobs growth in the distribution sector in the Borough. Conversely, the sub-region as a whole has seen stronger jobs growth in this sector, meaning Nuneaton and Bedworth’s performance in this sector, relative to the sub-region, has been comparatively weak. This is modelled through in the jobs growth forecasts which, in projecting forward past trends, project lower levels of jobs growth in the distribution sector in Nuneaton and Bedworth than is reasonable given this sector’s performance across the sub-region. Therefore, it is appropriate to add an uplift to the forecast jobs growth of the distribution sector to reflect this.
  
- 5.52 The Employment Land Use Study (CBRE, June 2015) sets out the amount of employment land required across the Coventry and Warwickshire LEP area to 2031. This calculated a need for 278 ha of B8 land. We have assumed that around 20% of forecast B8 growth will occur in Nuneaton and Bedworth. This reflects the working age population of the Borough as well as its location and proximity to the motorway network.
  
- 5.53 This means that approximately 55.6 ha of B8 land will be required in Nuneaton and Bedworth to meet the sub-regional demand for warehouse and distribution uses. This is considerably higher than the 8.6 ha figure<sup>10</sup> identified in the jobs growth forecasts.
  
- 5.54 This is a net figure for all B8 use – i.e. it includes national and regional scale ‘big shed’ provision as well as smaller local and ‘final mile’ provision. Accordingly, we have used the 55.6 ha figure for B8 use instead of the LEFM figure. Using the 55.6 ha figure for B8 need gives the following employment land requirement for Nuneaton and Bedworth:

**Table 10: Forecast Net Land Requirements with Automotive Manufacturing and Distribution Uplifts, 2011-31**

Use Class	Employment Land Requirement (ha)
<b>B1a General Office</b>	4.6
<b>B1b Research and Development</b>	0.3
<b>B1c Light Industrial</b>	0.1
<b>B2 General Industrial</b>	-0.5
<b>B8: Warehouse/ Distribution</b>	55.6
<b>Total B-Class Uses</b>	<b>60.1</b>

Source: GL Hearn

- 5.55 The net land requirement of the Expected Growth Scenario, plus the 5-year margin of 9 ha, gives an overall employment land requirement of 69.1 ha for the 2011-31 period.

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<sup>10</sup> Figure for the period 2014-31.

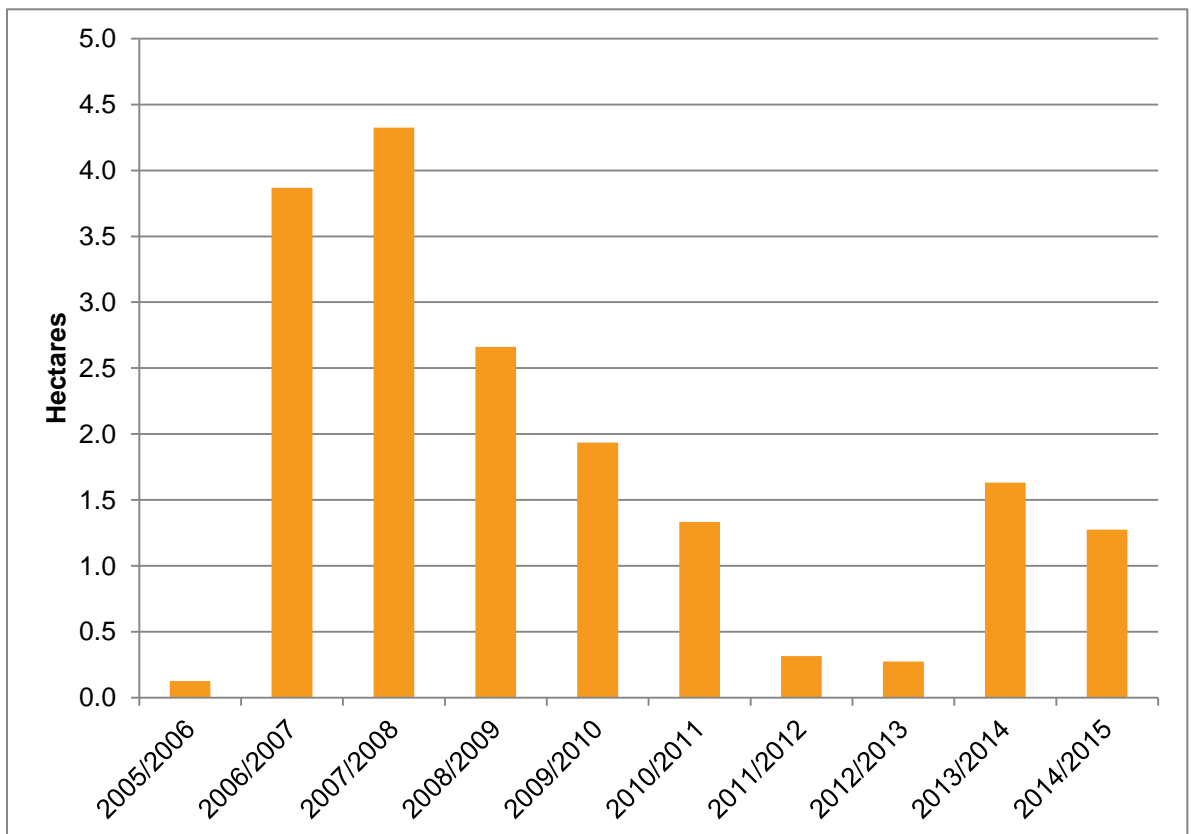
5.56 For comparison, we have also calculated the Expected Growth Scenario using the NBFM forecast. This results in an employment land requirement of 74.0 ha – i.e. around 5 ha higher than the scenario based on the LEFM.

### Past Completions Trend

5.57 Next we consider an alternative forecast approach, based on projecting forward past gross completions of employment floorspace.

5.58 Nuneaton and Bedworth Borough Council has provided GLH with monitoring data indicating employment floorspace completions over the past ten year period from 2005/06-2014/15. To ensure consistency, we have applied the plot ratios set out previously to the floorspace completions figures to calculate the amount of land which would be required (under these generalised assumptions) to support the amount of completed floorspace. This is shown in the Figure 29.

**Figure 29: Employment Completions, 2005/06 – 2014/15**



Source: NBBC

5.59 The impact of the recession in 2008 is clear, with the following years seeing considerably lower levels of employment completions than the years previous. However, since 2013 completions rates

have shown improvement but remain below the pre-recession level. We consider that taking a longer term trend will provide a more realistic indication of employment delivery representative of a full economic cycle.

- 5.60 Table 11 shows the average annual completion rate over 5 and 10 year periods. The annual average over the past ten years is 1.8 ha per annum whole the 5 year figure is 1.0 ha per annum. The 5 year average reflects the reduced levels of development during the recent recession. We would consider the 10 year trend a more suitable indicator of future levels of development.
- 5.61 Table 11 also shows the annual average completions scaled up to cover a 20 year period 2011-31. **This gives a completions trend based employment land requirement for between 19.3 and 35.4 ha over this period.**

**Table 11: Projection of Past Employment Completions, 2011-31**

Period	Annual Average	20 Year Equivalent
10 year Average	1.8 ha	35.4 ha
5 year Average	1.0 ha	19.3 ha

- 5.62 These figures represent a direct projection forward of the historic completions trends in the Borough. The level of completions seen in the Borough over the past ten years reflects the constrained supply of employment land and such is not necessarily representative of demand over this period. Projecting a future employment land requirement based on these past trends will project forward this constrained supply.
- 5.63 As discussed previously in this report, the sub-regional distribution sector has been performing strongly in recent years and this strong performance is forecast to continue. The labour demand forecasts set out above include an uplift to support additional growth in the distribution sector. This means the labour demand forecasts are considerably higher than the past completions trend forecasts, which do not include such considerations.
- 5.64 As a sensitivity analysis we have considered the implications of applying the same sub-regional distribution uplift to the completions trend forecasts. This is based on the completions trend for B1 and B2 uses but, recognising the constrained historic supply of large-scale B8 sites to meet the strategic distribution demand, it replaces the B8 completions trend based figures with the sub-regional B8 figure of 55.6 ha used in the Expected Growth Scenario above. This results in an employment demand of between 64.9 ha (5 year completions trend) and 74.0 ha (10 year completions trend).



## Summary

- 5.65 Table 12 summarises the range of employment land required to meet the needs of each of the scenarios. This provides a range from around 20 ha to 70 ha.
- 5.66 It is important to ensure that the past constraint in the land supply is not modelled into the future forecasting. We therefore consider the Expected Growth Scenario labour demand forecast to provide the most reasonable estimate of future employment land need in the Borough. We would therefore consider it would be reasonable to conclude that a figure around 70 ha would realistically represent the Borough's employment land needs over the period 2011-31.

**Table 12: Summary of Employment Growth Scenarios, 2011-31**

Scenario	Employment Land Requirement
Labour Demand: LEFM Baseline	18.3 ha
Labour Demand: LEFM Expected Growth Scenario	69.1 ha
Past Completions: 10yr Average	35.4 ha
Past Completions: 5yr Average	19.3 ha

## 6 ASSESSING EMPLOYMENT LAND SUPPLY

6.1 This section of the report considers issues related to the supply of employment land. The analysis draws on the detailed assessment of existing employment estates in the Borough and of potential land which could be considered for employment development as set out in the Council's 2014 Employment Land Review.

6.2 The purpose of this section of the GL Hearn report is not to replace or supersede the analysis in the 2014 Employment Land Review, but to provide a commercial-based assessment of the attractiveness of key sites which are considered for potential allocation within the Borough Plan. It should be read alongside the 2014 Employment Land Review (ELR).

### Existing Employment Estates

6.3 The 2014 Employment Land Review provides an assessment of existing employment estates/ sites within the Borough. Each employment site was assessed, with consideration given to building age and quality; the external environment; the nature of tenants; void levels; strategic and local accessibility, together with public transport and rail accessibility, and access to local amenities. These were drawn together to score and rank each site in terms of its market attractiveness; physical characteristics; and sustainability as an employment location. A qualitative assessment of each site is also provided, which informs the conclusions drawn on its future role and function.

6.4 Taking account of the proposed changes to site boundaries, the 2014 Employment Land Review identified a supply of 313 hectares of land across sites in the Borough which are currently identified for B-class employment activities. The largest sites comprise:

- Bermuda Business Park, Nuneaton (88.2 ha)
- Bayton Road Industrial Estate, Exhall (70.3 ha)
- Attleborough Fields, Nuneaton (31.7 ha)
- Prologis Park, Keresley (16.2 ha)<sup>11</sup>
- Caldwell Industrial Estate, Nuneaton (10.7 ha)

6.5 The remaining 19 sites within the identified portfolio of employment sites are all smaller, of less than 10 ha in size.

6.6 GL Hearn has visited these existing sites of over 10 hectares to consider their performance and commercial attractiveness.

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<sup>11</sup> Land within the Borough. The site includes land within Coventry City

**Table 13: Review of Existing Main Employment Land Locations**

Site Ref.	Site Name	Site Area ha	Summary Comments
<b>ED16</b>	Bermuda Business Park	88.2 ha	<p>Attractive successful employment site which is largely built-out within the current allocation. The estate caters principally for industrial and distribution functions, and contains a number of larger warehousing units. Key occupiers include International Decorative Services, XPO Logistics, Gist, a Hanson Cement Works, Bestway, Hermes and Dairy Crest.</p> <p>The site is well occupied. It benefits from good accessibility with A444 dual carriageway linking the site to M6 Junction 3. Local buses serve the site. Workforce accessibility will be improved through opening of the Bermuda Park Rail Station.</p> <p>The site has a range of local amenities and leisure uses on-site, including a gym, hotel, restaurants.</p> <p>A well located and successful employment site, we would regard this as the premier employment site in the Borough.</p> <p>Land to the south-west of the existing allocation (4.4 ha) has extant planning consent for employment development (the 'Griff Clara' site). Proximity to the Cement Works means that this site is less commercially attractive than other sites within Bermuda Park.</p>
<b>ED10</b>	Bayton Road Industrial Estate	72.3 ha	<p>A large employment containing a mix of B-class employment uses, and businesses/ units of different sizes. Key occupiers include Brose, Excel Machine Tools, and a Mirco Fuel Storage Depot.</p> <p>The site is generally well occupied and is intensively used. Vacancy levels are low. The quality of premises and environment varies within this large employment area, but there is evidence of recent investment in signage and zoning of the estate. The site is accessible via the B4113 from M6</p>

			<p>Junction 3. It is served by local buses.</p> <p>There is evidence of recent investment on the site, including through development of Brose' offices; and a new warehouse unit under construction for Tomlinson. Loades Ecoparc is a recent development off Black Horse Lane, with further development potential for employment in this area.</p> <p>Parking on parts of the site, particularly around the Brose offices, is tight. There is evidence of overspill parking on estate roads.</p> <p>Overall this is a successful mixed employment site which caters successfully for a range of businesses. Its scale alone means that it is of strategic significance to the Borough, and should be protected through policy. Redevelopment of poorer stock to provide modern employment premises should be encouraged.</p>
<b>ED5</b>	Attleborough Fields	31.7 ha	<p>This is a large employment site on the eastern side of Nuneaton, accessed from the Eastern Relief Road which links through to the Town Centre and A5.</p> <p>The site is industrial in focus, accommodating significant light industrial (B1c) activities. It is generally well maintained. Some of the older buildings are however now dated. Whilst levels of activity vary, occupancy levels are high. There is some evidence of on-street parking in the site. Buses serve Townsend Drive.</p> <p>Overall this site provides for a range of business needs, is accessible and well occupied. It should be protected for employment uses, with redevelopment of poorer stock to provide modern employment premises should be encouraged.</p>
<b>ED15</b>	Prologis Park,	16.2 ha	<p>A well performing high quality employment site on the edge of Coventry, which is 71 ha total, which accommodates</p>

	Keresley		<p>principally large B8 warehousing. The site is accessible from M6 Junction 3 via the A444 and Winding House Lane. The site has an excellent infrastructure, internal roads and built environment.</p> <p>Occupiers include distribution centres for Parcelforce, Terex, Cooperative Food, DHL, Dunlop and Halfords each with car parking and loading bay provision. The site has rail access.</p> <p>Land totalling 14 ha was allocated in the adopted 2006 Nuneaton and Bedworth Local Plan for expansion of the site. This land has been partly developed – the remaining land comprises 8.3 ha located close to the eastern end of the site on Central Boulevard. Plots are being marketed for development.</p> <p>Overall this is a successful and attractive employment site, with good access to the strategic motorway network and a large catchment population.</p>
	Caldwell Industrial Estate	10.7 ha	<p>Medium-sized industrial estate located to the south of Nuneaton Town Centre off the A4254. Good access via the A444 to the M6.</p> <p>The site accommodates a range of businesses activities, including B1, B2 and B8 uses. Occupiers include Staircraft and Triton. Whilst there are some good quality modern B1 units on the site, the age and quality of business premises varies and some are nearing the end of the economic life. Higher vacancy rates are evident in small business units in the Evans Business Centre.</p> <p>The site is an established successful employment site. The quality of units varies, reflecting the age of the site. It should be protected for employment uses, with redevelopment of poorer stock to provide modern employment premises should be encouraged.</p> <p>There is vacant land (0.6 ha) on Triton Road, adjoining the</p>

			site, which should be considered for allocation for employment development.
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6.7 The 2014 Employment Land Review provides a detailed assessment of other identified employment sites in the Borough. Of the 29 further sites considered, it identifies 14 sites which are considered to be of a lower quality which it recommends are removed from the employment land portfolio. These sites are typically characterised by:

- Dated employment premises;
- Poor quality environment;
- Poor access and/or circulation;
- Restricted parking provision; and
- Close proximity to residential uses.

6.8 In most respects, there is some conflict between employment use of these sites and residential amenity. The sites are generally considered not to be particularly commercially attractive, with premises coming to the end of their economic life.

6.9 These sites are listed below:

**Table 14: Sites recommended for Removal from Employment Sites Portfolio**

Site Ref.	Site Name	Area (ha)
<b>E3</b>	Midland Road Network Rail	2.22
<b>E4</b>	Aston Industrial Estate	0.58
<b>E5</b>	Bath Road	0.57
<b>E6</b>	St Mary's Road	1.76
<b>E12</b>	Seymour Road	1.11
<b>E23</b>	Blackhorse Road	2.24
<b>E26</b>	Blackhorse Road	0.23
<b>E27</b>	Hawkesbury Lock	0.28
<b>E33</b>	Hazell Way	8.6
<b>E36</b>	King Edward Road	0.73
<b>E38</b>	Anker Street	0.41
<b>E39</b>	Newtown Road, Bedworth	0.39
<b>E41</b>	Weddington Road	0.68
<b>E43</b>	Tuttle Hill	0.54
<b>Total</b>		<b>20.34</b>

6.10 It is envisaged that over time some of these sites might be brought forward for redevelopment for alternative uses, principally through residential redevelopment. It seems likely that redevelopment

will result in some displacement/ relocation of businesses. Provision needs to be made for alternative land to support these relocations.

- 6.11 Of the fourteen sites, a number are either vacant or part vacant at the time of the assessment. This includes Weddington Road (fully vacant) and Bath Road (c. 50% occupancy). The intensity of use of land at Midland Road is low. We consider on this basis that c. 2 ha of employment land will not require replacement – but that provision should be made for relocations of businesses from other sites in considering the quantitative level of additional land to allocate. This is equivalent to replacement provision of 18.3 ha of land.
- 6.12 Since the 2014 Employment Land Review, the employment site at School Lane (E24) (1.08 ha) has become vacant. However, the site is set to become part of the Council’s housing allocation HSG6 and is to be redeveloped for residential use. The allocation identifies a 2.0 ha parcel of land further south of the School Lane site which is to be allocated for employment use. This site is included in the potential employment land allocations in Table 16.
- 6.13 Based on the Council’s detailed assessment of employment sites, it is recommended that the following portfolio of existing sites is protected through policies in the forthcoming Borough Plan:

**Table 15: Sites to be protected for Employment Use**

Site Ref.	Site Name	Location	Total Site Area (Ha)	Total Vacant Area (Ha)
ED1	Pool Road Industrial Estate	Nuneaton	8.12	0.11
ED2	Weddington Terrace	Nuneaton	3.03	-
ED3	Oaston Road	Nuneaton	0.90	-
ED4	Whitacre Road	Nuneaton	9.88	0.33
ED5	Attleborough Fields Industrial Estate	Nuneaton	31.66	-
ED6	Hemdale Business Park	Nuneaton	5.79	-
ED7	Trident Business Park	Nuneaton	2.34	-
ED8	Caldwell Road Industrial Estate	Nuneaton	10.71	-
ED9	Marston Jabbett Industrial Estate	Marston Jabbett	2.56	0.70
ED10	Bayton Road Industrial Estate	Exhall	72.33	-
ED11	Grovelands Industrial Estate	Exhall	7.22	-
ED13	The Moorings	Hawkesbury	3.00	0.91
ED14	Gallagher Business Park	Coventry	9.88	-
ED15	Prologis Park	Keresley	16.16	-
ED16	Bermuda Industrial Estate	Nuneaton	88.22	0.81
ED17	Eliot Park	Nuneaton	6.18	-
ED18	Tenlons Road	Nuneaton	4.14	-
ED19	Haunchwood Park	Nuneaton	6.00	0.19
ED20	Justice Centre	Nuneaton	1.25	-
ED21	Hope Aldridge Business Centre	Nuneaton	0.23	-
ED22	Ashbrook Court	Coventry	1.87	-

<b>Total</b>			<b>292.55</b>	<b>3.04</b>
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6.14 Development potential for employment on existing vacant land within these sites is estimated as 3.04 ha. This includes vacant or unused land at Pool Road Industrial Estate (0.11 ha), Whitacre Road (0.33 ha), Marston Jabbett Industrial Estate (0.70 ha), The Moorings (0.91 ha), Bermuda Industrial Estate (0.81 ha), and Haunchwood Industrial Estate (0.19 ha).

### Potential Employment Allocations

6.15 This section relates to potential areas of land which are being considered for allocation for employment development within the Borough Plan. These sites have been considered in the 2014 Employment Land Review (Section 7). GL Hearn has through this report, reviewed the potential market attractiveness of these sites for employment development. Each site been assessed in relation the following criteria:

- The Nature of the Site
- The Site's Suitability
- Potential Future
- Availability
- Market Attractiveness
- Deliverability

6.16 Our summary comments in relation the potential employment locations are provided below:-

**Table 16: Review of Potential Employment Land Allocations**

Site Ref.	Site Name	Site Area	Summary Comments
	Court Farm	24.5 ha	Greenfield site within the Green Belt. High potential commercial attractiveness subject to provision of suitable access.  The site is however located further from Nuneaton Town Centre and the Bermuda Park Rail Station than other potential sites such as for instance Land East of St George's Way. It falls within High Performing Green Belt and would result in coalescence of Nuneaton and Bedworth.
	Poplars Farm	43.5 ha	Land located to the north-east of Nuneaton adjoining the A5 to the north. Greenfield site, which site slopes slightly



			<p>moving away from the A47. Borders rail line to the south.</p> <p>Potentially attractive for employment development, being close to A5 and Hinckley Commercial Park, subject to provision of suitable access for commercial vehicles.</p> <p>Poorer relationship to existing towns in the Borough. The site does not fall within the Green Belt; but would result in potential coalescence of Nuneaton and Hinckley.</p>
	Rear of Wentworth Drive, Whitestone	12.7 ha	<p>Green Belt site which sits to the north of and would need to be accessed through a residential area (or through new link road associated with mixed use development). Gently sloping site which is transected by overhead power lines. Medium performance against Green Belt purposes.</p> <p>Located in a principally residential location on the edge of the built-up area, at some distance from the strategic road network. We consider that commercial attractiveness would be low.</p>
	Newland Hall Farm, Ash Green	32.9 ha	<p>Green Belt site located to the south of the M6, north of Keresley. The site is generally flat, but transected by overhead power lines.</p> <p>Employment development would need to be supported by provision of suitable access, linking the site to the Strategic Road Network. Access from Newland Lane unsuitable.</p> <p>Development potential would be influenced by wider strategic proposals, if progressed, for development in this area. Medium sensitivity of land against Green Belt purposes.</p>
	Parrots Grove	2.6 ha	<p>Site located on Parrots Grove (B4109) close to the Borough's eastern boundary. The site is bounded by the grounds of Hawkesbury Hall to the east and electricity sub-</p>

			<p>station to the west. To the north of the site is a traveller's site.</p> <p>The site is undeveloped and is generally flat. Some overhead power lines cross the rear of the site.</p> <p>The site is not in a prominent or commercially attractive location. The surrounding area is predominantly residential to the south and rural to the north. The neighbouring uses further limit the commercial attractiveness and development potential of this site.</p>
	Land North of New Road, Keresley	28.6 ha	<p>Green Belt site, located east of Keresley and West of Ash Green. Potential for land to be brought forward as an extension to Prologis Park, Keresley; subject to provision of suitable access (most likely from Central Boulevard) and Green Belt impact. Site is traversed by an overhead power lines.</p> <p>Potentially attractive site from a commercial perspective for employment development. Medium sensitivity of land against Green Belt purposes; and issues regarding coalescence of Keresley and Ash Green.</p>
	Land East of Phoenix Way A444, Coventry	22.6 ha	<p>Site located to the east of A444 Phoenix Way. To the south of M6 Junction 3 Undeveloped greenfield site in agricultural use, falling within the Green Belt. Generally flat, with northern area traversed by overhead power lines.</p> <p>Successful existing employment development located nearby at Amphion Park and Gallagher Business Park (albeit with attractiveness somewhat limited by access arrangements).</p> <p>Excellent access to the strategic road network and high potential market attractiveness for commercial development, subject to provision of suitable access.</p>

			Nuneaton and Bedworth Council expect this site to come forward as an employment-led mixed use development, with around 18 ha of employment use.
	Land North of Winding House Lane, Coventry	1.2 ha	<p>Small greenfield site on Winding House Lane which links the ProLogis distribution park in Keresley – to the west of the site – with the A444 to the east.</p> <p>The site is located in a commercially attractive location close to the ProLogis distribution park and benefits from a frontage along Winding House Lane – the main route to the ProLogis site.</p> <p>The site is located in the Green Belt and redevelopment of the site would be sensitive to coalescence between the settlements of Neal’s Green to the north and Rowley’s Green to the south.</p>
	Land at Barkers Farm	10.7 ha	<p>Green Belt site located to the south of the M6, north of Ash Green. The site is generally flat, under agricultural use. It is crossed by Breach Brook. The site is bounded to the south and east by residential properties.</p> <p>The site fronts onto Royal Oak Lane. Access to the wider strategic road network is via the residential areas of Ash Green (south) or Goodyers End (north). Employment development would need to be supported by provision of suitable access, linking the site to the Strategic Road Network.</p> <p>Development potential would be influenced by wider strategic proposals, if progressed, for development in this area. Medium sensitivity of land against Green Belt purposes.</p>
	Land at Burbages Lane	4.4 ha (2.2 ha within NBBC)	Site located on the edge of the Borough. The borough boundary with Coventry crosses the site with half the site

			<p>(2.2 ha) falling within Nuneaton and Bedworth Borough.</p> <p>The northern half of the site (within Nuneaton and Bedworth Borough) is currently undeveloped. The southern half (in Coventry) contains an allotment.</p> <p>The site is located close to the A444 and Junction 3 of the M6 motorway. The site benefits from a frontage along Winding House Lane – which links the ProLogis distribution park in Keresley – to the west of the site – with the A444 to the east.</p> <p>The site lies within the Green Belt and is assessed as having medium sensitivity of land against Green Belt purposes.</p>
	Land North of New Road	18.1 ha	<p>Green Belt site located to the south of the M6, north of Keresley.</p> <p>The site is located on a rural stretch of New Road which links the residential areas of Ash Green and Keresley End. There is a nursing home to the east of the site, with undeveloped agricultural land surrounding on the remaining sides.</p> <p>Development potential would be influenced by wider strategic proposals, if progressed, for development in this area. Medium sensitivity of land against Green Belt purposes.</p>
	Land East and West of Bowling Green Lane	32.7 ha	<p>Two sites either side of Bowling Green Lane. The land to the east of Bowling Green Lane is 11.8 ha in size and abuts the A444 along its eastern boundary. The land to the west is 20.9 ha and abuts the M6 along its southern boundary.</p> <p>The sites are located close to Junction 3 of the M6 motorway and the A444. However, there is no direct</p>

			<p>access from the A444. Currently vehicles accessing the site must go via Newtown Road / Heath Road through the residential area of Bedworth Heath.</p> <p>A new site access directly from the A444 would improve the commercial attractiveness of the site. However, given the proximity to the junction with the M6, this may be impractical.</p> <p>The site lies within the Green Belt and development would be sensitive to coalescence between the settlements of Ash Green and Neal's Green to the south and Bedworth Heath.</p>
	Land East of Woodford Close	28.2 ha	<p>Greenfield site within the Green Belt. The site is located in a commercially attractive location adjacent to the A444 to the south west of Junction 3 of the M6 motorway.</p> <p>The site is generally flat and is currently under agricultural use.</p> <p>Site access is currently from St Giles Road which provides a circuitous route to the A444 and M6 junction via local residential roads. A new access route directly from the A444 would be required to bring wholesale redevelopment of the site forward. If such an access were created this would be a commercially attractive site.</p> <p>However, the site is located within the Green Belt and redevelopment of the site would be sensitive to coalescence between the settlements of Ash Green and Neal's Green to the south and Bedworth to the north.</p>
	Land at Whitestone, Bulkington Lane	117 ha	<p>Three sites measuring 61.9 ha, 46.5 ha, and 8.6 ha located in the Green Belt to the south east of Attleborough. The sites are located off Lutterworth Road (B4114) and Bulkington Lane (B4112) and are bounded to the south /</p>

			<p>east by the Ashby de la Zouch Canal.</p> <p>The sites do not provide good access to the strategic road or motorway network. There is no access on to the nearby M69 via either the B4114 or B4112.</p> <p>The sites do not relate well to the existing employment areas within, or beyond, the Borough. To the north of the sites is the built up area of Attleborough which is predominantly residential in nature. There are limited amenities close to the site.</p> <p>Given the above considerations we do not consider the sites to be in a commercially attractive location.</p>
	Land North of Wilsons Lane	2.8 ha	<p>Site to the north of Wilsons Lane measuring 2.8 ha located off Coventry Road (B4113) in Exhall.</p> <p>The site has good access to the strategic road network. It is located to the north of the junction of Bedworth Road, Longford Road and the spur road linking to Junction 3 of the M6.</p> <p>The site is located close to the existing employment area of Bayton Road Industrial Estate and would be suitable to support similar employment uses.</p>
	McDonnell Drive	0.7 ha	<p>Small site located between McDonnell Drive and the M6 motorway. The site is accessed via McDonnell Drive which joins the B4113 / Longford Road / Bedworth Road roundabout, with Junction 3 of the M6 nearby.</p> <p>McDonnell Drive is narrow and would be unsuitable to support a large volume of vehicular traffic. The site would be suitable to support employment uses. However, given the site's small size and poor access road, development potential is limited.</p> <p>At the end of McDonnell Drive, to the west of the site, is a</p>

			residential care home, which may restrict potential employment uses.
	Land to the Rear of Crowhill, off Golf Drive	12.7 ha	<p>Two greenfield sites located to the north and east of the residential area of Attleborough. One site measuring 7.9 ha and the other measuring 4.8 ha. This site is not considered an attractive location for employment uses.</p> <p>The sites are located on the edge of the established residential area and are bounded to the south and west by residential properties backing onto the sites.</p> <p>The site is poorly located in relation to existing employment areas or the strategic road network. Site access is via a number of small residential roads unsuitable for high volumes of traffic or HGVs.</p>
	Land North of Pilgrims Walk, Keresley	5.3 ha	<p>Greenfield site to the north of Pilgrims Walk and south of New Road to the north of the Prologis Park Keresley distribution park.</p> <p>Prologis Park is a successful and well-functioning employment site which is now almost fully built-out. This site would provide a natural extension to the existing distribution park, and is of sufficient size to support similar distribution uses to those at the existing distribution park.</p> <p>There is currently no vehicular access to the site in place, however access could be created from Pilgrims Walk creating good linkage with the existing employment area.</p>
	Land East of St Georges Way, Bermuda	18.1 ha	<p>Site located to the east of the existing Bermuda industrial area the site is bounded to the east and south by Coventry Road (B4113) and to the west by the Nuneaton to Coventry railway line. To the west of the railway line is St Georges Way, along which is located a mix of industrial and distribution uses.</p>

			<p>A new Bermuda train station is currently under construction along the western boundary of the site which will provide improved public transport links to Nuneaton and Coventry.</p> <p>The site is mostly vacant, however there is a traveller site on the southern end of the site.</p> <p>Vehicular access would need to be created into the site from Coventry Road. There is limited possibility to create a vehicular access onto St Georges Way due to the railway line, although a pedestrian access will be created at the new train station.</p> <p>A HSE zone covers the site restricting development to workplaces less than 100 people and 3 storeys.</p> <p>This site is in a commercially attractive location and benefits from the areas existing mass of employment uses, strategic road access, and the improved public transport facilities. This site would represent a logical extension to the Bermuda industrial area.</p>
	<p>Land at Gipsy Lane, Faultlands</p>	<p>24.2 ha</p>	<p>Greenfield site located on the southern edge of Nuneaton. The site is bounded to the north west by Coventry Road (B4113) and to the south by Gipsy Lane. The site is currently under agricultural use.</p> <p>The site benefits from close proximity to the Bermuda industrial area and the A444 and its links to the wider strategic road network. The site is also close to the new Bermuda train station which is currently under construction.</p> <p>The site is considered to be in a commercially attractive location and benefits from the areas existing mass of employment uses, strategic road access, and the improved public transport facilities.</p>



			<p>Currently, vehicular access is from Gipsy Lane and would require improvements to support an increased volume of traffic. Alternatively, an access from Coventry Road could be created.</p> <p>The site lies fully within the Green Belt and it falls within a parcel which is assessed in sub-regional Green Belt study as a higher performing Green Belt parcel.</p>
	Land South of Griff Lane, Bermuda	9.4 ha	<p>Greenfield site to the south of the Bermuda industrial area. The site is flat and currently under agricultural use. Access to the site is via Griff Lane which is very narrow and would require improvements to support an increased volume of traffic or HGVs.</p> <p>The site comprises agricultural land which surrounds a cluster of farm buildings which lie in roughly the centre of the site but are excluded from the site. This limits the development potential of the site to be brought forward for employment uses.</p> <p>The site lies fully within the Green Belt and is assessed in sub-regional Green Belt study as a higher performing Green Belt site.</p>
	Land to the South West of Bermuda Industrial Area	6.6 ha	<p>Greenfield site located at the south western edge of Bermuda industrial area. The site is located to the rear of the Hanson cement works site. This is not a prominent location within the industrial area and relates poorly to the existing area.</p> <p>There is currently no vehicular access to the site other than through the Hanson cement works site. Moreover, there is no obvious way to create an alternative access into the site.</p> <p>Despite being a potential expansion to the existing industrial area, the site's location and access issues make</p>

			<p>it unlikely to be commercially attractive.</p> <p>The site lies fully within the Green Belt and is assessed in sub-regional Green Belt study as a mid-performing Green Belt site.</p>
	New Road, Ash Green	1.1 ha	<p>Small triangular site located to the west of Ash Green. The site is located on a rural stretch of New Road which links the residential areas of Ash Green and Keresley End. There is a nursing home to the east of the site, with undeveloped agricultural land surrounding on the remaining sides.</p> <p>The site is not considered to be in a commercially attractive location. Its small size limits the development potential of the site. However, the site could come forward as part of wider strategic proposals at other sites within this area.</p> <p>The site lies fully within the Green Belt and was assessed as having medium sensitivity of land against Green Belt purposes.</p>
	Land South of Wilsons Lane - Replacement Demand at School Lane	2.0 ha	<p>An employment site at School Lane in Bedworth was included in the 2014 Employment Land Review, but has subsequently become vacant and is now set to become part of the Council's housing allocation HSG6 and is to be redeveloped for residential use. The allocation identifies a 2.0 ha parcel of land further south of the School Lane site which is to be allocated for employment use.</p> <p>The site has good access to the strategic road network being located to the north of the junction of Bedworth Road, Longford Road and the spur road linking to Junction 3 of the M6.</p> <p>The site is located close to the existing employment area of Bayton Road Industrial Estate and would be suitable to</p>

			support similar employment uses.
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- 6.17 A number of the sites considered above fall within the Green Belt. Green belts are fundamentally a policy designation which aims to prevent urban sprawl by keeping land permanently open. The five purposes of Green Belts are set out in Paragraph 80 in the NPPF and include restricting sprawl and settlement coalescence, safeguarding the countryside and setting and character of historic towns and supporting urban regeneration. Once established, Green Belts are only to be altered in exceptional circumstances, through the preparation or review of a local plan. The Council would need to demonstrate exceptional circumstances to justify development within the Green Belt.
  
- 6.18 Decisions on what employment allocations to take forward through the Borough Plan are policy decisions for the Council, which will need to take account of the findings herein regarding their market attractiveness for employment development; together with the wider evidence base developed to support the plan-making process including the Green Belt Study where applicable, the strategy for housing provision, and questions regarding access and infrastructure provision necessary to support development.

## 7 SUPPLY / DEMAND BALANCE

- 7.1 In this section we consider the balance between supply and demand for employment land over the plan period 2011 to 2031. We consider the existing supply of land on current employment sites and extant allocations or commitments. We consider the supply and demand in both quantitative terms, in regard to the hectares of land required and available; and in qualitative terms, examining the fit between the nature of the employment land available and that which the market requires. This takes account of the site assessments, the quality of existing employment land and the needs of different types and sizes of businesses.
- 7.2 Section 4 of this report estimates the demand for employment land in Nuneaton and Bedworth Borough. The labour demand Expected Growth Scenario identifies a need for 69.1 ha of employment land. We consider that this figure realistically represents the Borough's employment land needs over the period 2011-31.
- 7.3 As set out in Table 14 previously, and replicated in Table 17 below, there is 20.34 ha of land within the Borough's employment sites portfolio which comprise dated or less commercially attractive employment stock. Change of use to alternative uses should be supported at these sites and more commercially attractive sites should be provided as replacement employment land provision. This represents a natural churn allowing for relocation and expansion of occupiers within the Borough.

**Table 17: Sites recommended for Removal from Employment Sites Portfolio**

Site Ref.	Site Name	Area (ha)
E3	Midland Road Network Rail	2.22
E4	Aston Industrial Estate	0.58
E5	Bath Road	0.57
E6	St Mary's Road	1.76
E12	Seymour Road	1.11
E23	Blackhorse Road	2.24
E26	Blackhorse Road	0.23
E27	Hawkesbury Lock	0.28
E33	Hazell Way	8.6
E36	King Edward Road	0.73
E38	Anker Street	0.41

<b>E39</b>	Newtown Road, Bedworth	0.39
<b>E41</b>	Weddington Road	0.68
<b>E43</b>	Tuttle Hill	0.54
	Total	20.3

7.4 Of the fourteen sites, a number are either vacant or part vacant at the time of the assessment. This includes Weddington Road (fully vacant) and Bath Road (c. 50% occupancy). The intensity of use of land at Midland Road is low. We consider on this basis that around 2 ha of employment land will not require replacement – but that provision should be made for relocations of businesses from other sites in considering the quantitative level of additional land to allocate. This is equivalent to replacement provision of 18.3 ha of land.

7.5 Adding this 18.3 ha figure to the identified newly arising need of 69.1 ha gives a total demand for 87.4 ha.

**Table 18: Total Employment Land Need, 2011-31**

	Need (ha)
<b>Labour Demand Forecast</b>	69.1
<b>Replacement Demand</b>	18.3
<b>Total</b>	<b>87.4</b>

### Completions / Losses Since 2011

7.6 Nuneaton and Bedworth Borough Council have provided data regarding the completions and loss of employment land since 2011. In total, there have been around 3.5 ha of employment completions in the Borough since 2011. Conversely, there has been a similar amount of employment land lost to alternative uses since 2011. The net gain/loss of employment land over this period is negligible.

### Committed Supply

7.7 We set out below the current pipeline of approved employment sites with extant planning permissions which are yet to be implemented. Collectively the pipeline of sites totals 15.3 ha. The majority of this is approved for mixed B Class uses.

**Table 19: Committed Supply Pipeline, November 2015**

Address	Site Area (ha)	Approved Use
<b>Attleborough Industrial Estate</b>	0.6	B2
<b>Bayton Road Industrial Estate</b>	5.5	B1/B2/B8
<b>Griff Clara (Extension to Bermuda Park)</b>	4.4	B1/B2/B8
<b>Hemdale Business Park</b>	0.8	B1/B8
<b>Marston Jabbett</b>	1.1	B1
<b>Prologis Park</b>	2.6	B1/B2/B8
<b>Vicarage Street</b>	0.5	B1a
<b>Total per B Use Class</b>	1.7	B1
	0.6	B2
	0.0	B8
	13.0	Mixed B
<b>Total</b>	<b>15.3</b>	<b>Total</b>

Source: NBBC

- 7.8 Conversely, the table below sets out the existing employment sites which have extant permission for a change of use to alternative (non-B Class) uses. This shows that a total of 1.1 ha of existing employment land would be lost should these extant permissions be implemented.

**Table 20: Committed Employment Losses, November 2015**

Address	Site Area (ha)	Existing Use to be Lost
<b>Anker Street</b>	-0.3	B2
<b>Attleborough Industrial Estate</b>	-0.4	B1
<b>Earls Road</b>	-0.2	B1
<b>Whitacre Industrial Estate</b>	-0.2	B1
<b>Total</b>	<b>-1.1</b>	

Source: NBBC

7.9 The pipeline supply and losses set out in Tables 19 and 20 shows that combined there is a net figure of around 14.3 ha of commitments which can be expected to come forward to support additional employment uses, and help to meet the Borough’s employment need.

**Supply at Existing Employment Sites**

7.10 The sites assessment process has identified around 13.5 ha of vacant land at existing main employment land locations which could support development for employment uses. This is set out in the site assessment sections above and summarised in the table below.

**Table 21: Vacant Land at Existing Main Employment Locations**

Site Name	Vacant Site Area	Vacant Site Area Without Planning Permission
<b>Bermuda Business Park</b>	5.2 ha	0.8 ha
<b>Prologis Park, Keresley</b>	8.3 ha	5.7 ha
<b>Total</b>	<b>13.5 ha</b>	<b>6.5 ha</b>

7.11 4.4 ha of the vacant land at Bermuda Business Park and 2.6 ha at Prologis Keresley benefit from extant planning permission for employment uses. These are included in the committed supply pipeline (Table 19) and should therefore not be counted again here. There is therefore 6.5 ha of vacant land at the existing main employment locations which would be suitable for redevelopment to support employment uses but which does not currently benefit from planning permission for such development.

7.12 In addition, there is 2.2 ha of vacant land at smaller employment sites within the Borough. This constitutes land within existing employment sites which would be suitable for redevelopment for employment uses. None of these sites benefit from extant planning permission for employment uses.

**Table 22: Vacant Land at Existing Other Employment Locations**

Site Name	Vacant Site Area (ha)
<b>Pool Road Industrial Estate</b>	0.11 ha
<b>Whitacre Road</b>	0.33 ha
<b>Marston Jabbett Industrial Estate</b>	0.70 ha
<b>The Moorings</b>	0.91 ha
<b>Haunchwood Park</b>	0.19 ha
<b>Total</b>	<b>2.2 ha</b>

Source: NBBC

**Table 23: Supply / Demand Balance**

Demand	Site Area (ha)
<b>Labour Demand Forecast</b>	69.1
<b>Replacement Demand</b>	18.3
<b>Total</b>	<b>87.4</b>
Existing Supply	Site Area (ha)
<b>Pipeline of Sites with Planning Permission for Employment Uses</b>	14.3
<b>Completions since 2011</b>	3.5
<b>Losses since 2011</b>	-3.5
<b>Land in Main Existing Employment Areas</b>	6.5
<b>Land in Smaller Existing Employment Areas</b>	2.2
<b>Total</b>	<b>23.0</b>
Net Demand	Site Area (ha)
<b>Demand Minus Existing Supply</b>	<b>64.4</b>

7.13 The above considerations leave a net need for 64.4 ha of employment land across the Borough, which needs to be met. Site assessments were undertaken to identify suitable sites which could meet this demand. The results of the site assessments are set out in section 6 of this report. This process has identified 68.2 ha of suitable land across 6 sites in the Borough. These are set out in Table 24. These sites provide sufficient land to meet the Borough's employment land needs.



**Table 24: Employment Supply**

Site Name	Site Area
Land East of Phoenix Way A444, Coventry	18 ha
Land at Gipsy Lane, Faultlands	24.2 ha
Land East of St Georges Way, Bermuda	18.1 ha
Land North of Pilgrims Walk, Keresley	5.3 ha
Land West of Caldwell Industrial Estate	0.6 ha
Land South of Wilsons Lane	2.0 ha
<b>Total</b>	<b>68.2 ha</b>

### Meeting the Needs of Coventry

- 7.14 Coventry City Council has an identified shortfall in employment land supply to meet its identified need. Through the Duty to Cooperate, Nuneaton and Bedworth Borough Council – along with the other local authorities in Coventry and Warwickshire – have sought to agree with Coventry City Council an appropriate quantum of the City’s employment land requirement which can be met in Nuneaton and Bedworth Borough. A meeting was held between GL Hearn, Nuneaton and Bedworth Borough Council, and Coventry City Council on 16 February 2016.
- 7.15 The Coventry Employment Land Study (GL Hearn, December 2015) identifies the City’s employment land requirement for the period 2011-31 to be 215 ha. Including provision for expected losses, this figure increases to 369 ha. There are 128 ha of suitable sites within the City Council’s boundary to meet this need. This leaves an undersupply of 241 ha.
- 7.16 With regard to housing need, the Updated Assessment of Housing Need: Coventry-Warwickshire HMA (GL Hearn, September 2015) identified a housing requirement in Coventry for 42,400 (2011-31). However, Coventry cannot identify sufficient supply to deliver this level of need and its Publication Local Plan makes provision for 24,600 homes. The HMA authorities are working towards an agreement to deliver an additional quantum of housing to help meet Coventry’s shortfall of 17,800 over the period 2011-31. This could potentially include 5,480 homes to be delivered within Nuneaton and Bedworth over this period.
- 7.17 When considering the appropriate quantum of Coventry’s employment land undersupply to be met within Nuneaton and Bedworth Borough, it is important to ensure, as far as possible, alignment between the relocation of housing and employment growth.

- 7.18 Coventry City Council has calculated the additional employment land needed in each of the Coventry and Warwickshire authorities to meet the City's shortfall. The starting point for calculating this redistribution is considering an indicative distribution of employment land to align with the redistribution of housing across the HMA. Alongside this, the calculation also considers the following factors:
- Completions within the plan period and current commitments;
  - Commercial market signals and changes in demand for commercial space and new trends;
  - Characteristics of the labour force and employment rates; and
  - Commuting and migration patterns.
- 7.19 Taking these issues into account, Coventry City Council identify an indicative employment distribution of 71 ha of additional employment land to be delivered in Nuneaton and Bedworth to meet Coventry's need.
- 7.20 There is potential for a major proportion of this to be delivered at Ansty Business Park and ProLogis Ryton – two of the major employment sites in Rugby Borough. Ansty Business Park is located close to the north-western edge of Rugby Borough, close to the boundary with Nuneaton and Bedworth Borough, and the City of Coventry. Prologis Ryton lies on the western edge of Rugby Borough, to the south of Coventry.
- 7.21 It is reasonable, given their location, to conclude that Ansty Business Park and ProLogis Ryton will contribute to delivering Rugby Borough Council's share of Coventry's unmet need. However, even accounting for Rugby's share there remains a considerable excess of land at these sites which could be counted towards meeting NBBC's share of Coventry's unmet need.
- 7.22 Taking account of Rugby Borough's share of Coventry's unmet need leaves 45 ha that could contribute to meeting NBBC's share. This would leave approximately 26 ha of Coventry's unmet need to be identified in Nuneaton and Bedworth. This would be additional to the Borough's own employment land needs.
- 7.23 The approach to meeting Coventry's unmet employment land need will need to be agreed between the local authorities of the Coventry and Warwickshire sub-region in accordance with the Duty to Cooperate. These discussions are ongoing. GL Hearn recommends that NBBC continue to engage with the other sub-regional authorities in this regard.

## **8 SUMMARY AND CONCLUSIONS**

- 8.1 In this final section we set out our emerging conclusions regarding the need for and supply of employment land in Nuneaton and Bedworth Borough.
- 8.2 To meet the needs of the Borough, we consider that provision of around 70 hectares of employment land is needed over the plan period. The majority of this – around 55 to 60 hectares – will be for B8 warehouse / distribution development. The remainder – 10 to 15 hectares – will be for B1 or B2 uses, or mixed B-Class development.
- 8.3 The above figures are based on the Expected Performance labour demand scenario. This is based on the LEFM forecasts produced by Cambridge Econometrics but includes adjustments to provide a more realistic assessment of future growth in the automotive manufacturing, and distribution sectors.
- 8.4 This is based on the demand evidence and reflects needs arising from the Borough's and the Coventry and Warwickshire sub-region's economic performance. It takes account of economic data and analysis of past completions from within the Borough's boundary. However, the level of completions seen in the Borough over the past ten years reflects the constrained supply of employment land and as such is not necessarily a true representation of demand over this period. This is particularly relevant for large scale distribution uses. We have therefore considered distribution demand at a sub-regional level to identify the Borough's future need in this sector.
- 8.5 Projecting a future employment land requirement based on past completions trends would suggest that around 35 hectares of employment land will be required over the plan period. However, this approach will project forward the Borough's historic constrained supply of large scale distribution sites. We therefore consider the Expected Performance Scenario to provide a more accurate estimate of future employment needs.
- 8.6 In qualitative terms, there is a gap in provision of sites capable of meeting the needs of larger distribution uses across the wider sub-region. New allocations should particularly focus on addressing these needs. This would require allocation of a small number of sites providing large tracks of land in highly accessible locations.
- 8.7 Assessment of the Borough's existing employment sites identified around 18 hectares of land currently under employment use which comprises dated or less commercially viable stock. We recommend that these sites should be considered for alternative (non-B class) uses. A replacement provision of new employment land will need to be provided. This brings the total demand for employment land over the plan period to around 87 hectares.

- 8.8 There is an existing supply of around 23 hectares across the Borough. This includes developable land within the Borough's existing employment sites which are commercially viable and we recommend should be retained for employment uses, and 14.3 hectares in the committed pipeline of sites with planning permission for employment uses. This means there is a need to identify a further 64 hectares of land for employment use.
- 8.9 The site assessments identified 6 sites which when combined could deliver around 68 ha of employment land – enough to support the Borough's identified level of employment need. However, the majority of this identified land is located within the Green Belt, meaning a review of the Green Belt boundary would be required. The Green Belt designation was a consideration of the site assessments, however much of the Borough is covered by Green Belt designation and particularly the southern part of the Borough which is close to Coventry, the M6, and existing employment locations at Keresley and Exhall. A full assessment of Green Belt issues is beyond the scope of this report and as such these issues should be considered by the Council when designating sites for employment uses through bringing together different parts of the evidence base.
- 8.10 In addition to Nuneaton and Bedworth Borough's own employment land needs there is also a need to consider Coventry's employment land requirement which is unable to be met within the City's boundary. There is a strong case for councils working collaboratively, in accordance with the duty to cooperate, to bring forward additional supply on sites which adjoin Coventry's urban area – working together to consider what the best potential sites are which could be brought forward for development. Discussions between the Coventry and Warwickshire local authorities are ongoing. Current estimates suggest that around 26 ha of Coventry's unmet need may need to be identified within the Nuneaton and Bedworth Borough.

### **Planning Policies relating to Existing Employment Sites**

- 8.11 In addition to establishing policies regarding future employment land provision, the Local Plan needs to set out a clear policy framework in regard to existing employment sites. The Council might consider a policy setting a presumption against redevelopment for alternative uses on employment site unless key criteria/ policy tests can be met justify any release of existing employment land.
- 8.12 The CSW Sub-Region Employment Land Study (2007) produced by DTZ provided a suitable set of 'tests' which we consider remain relevant. Drawing on this, we consider the following tests appropriate to assessing the potential for release of employment land:
- A. Is the site allocated for employment land? The assumption is that allocated sites are protected.
  - B. Is there an adequate supply of allocated employment sites of sufficient quality in the locality (the relevant settlement within the District) to cater for a range of business requirements?

- C. Is the site capable of being serviced by a catchment population of sufficient size? What is the balance between population and employment in the relevant area settlement? What might be the impact of employment loss on commuting patterns? Would there be a detrimental impact on the local economy from loss of the employment land?
- D. Is there evidence of active marketing? We would recommend a requirement for active marketing for 2 years. How does the size and quality of space provided match local demand, taking account of market conditions and expected future economic trends?
- E. Could employment redevelopment be brought forward, taking account of site characteristics (including physical factors, accessibility and neighbouring uses) and would redevelopment be viable? If employment redevelopment is not viable, could mixed use redevelopment be brought forward?
- F. If firms are likely to be displaced through redevelopment, is there a supply of alternative suitable accommodation in the locality to help support local businesses and jobs? Would this promote or hinder sustainable communities and travel patterns?

#### **Wider Actions to Support Economic Growth**

- 8.13 In addition to land and planning-based measures, the Council can work with other stakeholders, including the Local Enterprise Partnership (LEP) and County Council, to promote economic development. This includes addressing barriers to business growth in regard to infrastructure – including highways and broadband infrastructure – and skills development.
- 8.14 The focus of this report has been on considering employment land provision to meet local needs. It will be important that in addition to this the Council engages actively in planning for and supporting the development of strategic employment land provision across the LEP area, working with other local authority at this level.
- 8.15 The Coventry and Warwickshire LEP is currently considering undertaking work to address strategic employment land provision over the LEP area, which covers the local authorities within Coventry and Warwickshire. The Council should take account of the findings of this work in policy-making.

#### **Monitoring & Review**

- 8.16 In accordance with good practice in planning, it will be important that both demand and the supply pipeline of employment floorspace are kept under review. On-going monitoring should address trends in take-up and availability of employment floorspace and rental levels as well as key indicators related to overall growth in employment, sector performance and skills.

- 8.17 Losses of employment land to alternative uses should also be monitored to ensure that a sufficient level of replacement land is brought forward to ensure a qualitative improvement to employment sites does not lead to a quantitative loss of overall employment land.
- 8.18 Should there be a material change in the long-term economic outlook then it may be appropriate to revise demand forecasts for employment floorspace and land. On the supply-side the Council ought to seek to ensure that a 5-year supply of deliverable land is maintained based on past completions.
- 8.19 On-going monitoring and review should inform decision making in line with a 'plan-monitor-manage' approach.