OCTOBER 2024

South Warwickshire Employment Land Study

Final Report

ICENI PROJECTS LIMITED ON BEHALF OF WARWICK DISTRICT COUNCIL

Iceni Projects Limited on behalf of

Warwick District Council

October 2024

South Warwickshire Employment Land Study FINAL REPORT

Iceni Projects
Birmingham: The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT
Edinburgh: 7 Alva Street, Edinburgh, EH2 4PH
Glasgow: 177 West George Street, Glasgow, G2 2LB
London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH
Manchester: WeWork, Dalton Place, 29 John Dalton Street, Manchester, M26FW

t: 020 3640 8508 **| w:** iceniprojects.com | **e:** mail@iceniprojects.com
linkedin: linkedin.com/company/iceni-projects | **twitter**: @iceniprojects

Contents

Appendices

0. Executive Summary

0.0 This report carries out a supply side assessment to identify quantitative and qualitative gaps in employment land and premises supply, building on the demand side findings of the Coventry & Warwickshire HEDNA 2022, the West Midlands Strategic Sites Study 2024 (WMSESS) and the Coventry & Warwickshire HEDNA/WMSESS Alignment Paper 2024.

0.1 The residual needs position has been calculated by taking the need identified in the three studies listed above and netting off existing allocations, employment commitments and vacant land identified on existing employment sites. The residual local need is summarised in the tables below. There is also a South Warwickshire wide need for 75-125ha of land for strategic sites, identified in WMSESS.

Figure 0.1 Warwick Supply-Demand Balance (Ha)

	Office	Local Industrial	Mixed
Need 2041 / 50	11 / 16	83 / 113	-
Supply	30*	8	27
Residual 2042 / 50	**+18 / +14**	**-75 / -105**	**+27**

*plus 125ha at Stoneleigh Park

Figure 0.2 Stratford-on-Avon Supply-Demand Balance (Ha)

	Office	Local Industrial	Mixed
Need 2041 / 50	5 / 7	144 / 196	0
Supply	4	13*	44

Residual 2042 / 50	**-1 / -3**	**-131 / 183**	**+44**

*plus 105ha JLR/AML Gaydon

Summary of Recommendations

Warwick

0.2 There is actually a shortfall of 2.8-6.8ha of office land if Abbey Park is removed from the supply due to deliverability issues. There is need for high quality office space within Leamington Spa and Warwick which can be delivered through refurbishment of existing stock or mixed use schemes. Warwick Technology Park has seen rising levels of vacancy due to move away from HQ offices and refurbishment to provide smaller, flexible units should be encouraged.

0.3 Allocations should be made around Warwick, Leamington Spa and Kenilworth to contribute to industrial need. Allocation should ensure the delivery of small and medium size units. Outstanding allocations at Thickthorn, Kenilworth and Land at Stratford Road will also bring forward employment development in the short-term.

0.4 There are two strategic site locations identified – Land at Red House Farm and Wedgnock Park Farm – one of these sites could contribute towards the 75-125ha of strategic site need.

Stratford-on-Avon

0.5 The small residual office need be potentially met within existing allocations. Standalone office development is not viable within Stratford-upon-Avon due to a lack of market demand. Mixed use developments therefore provide the potential principle means for office development to come forward.

0.6 Industrial recommendations:

- **Stratford-upon-Avon -** outstanding allocation at Stratford A46. There are a number of potential sites on the west side of Stratford along the A46 which could be brought forward subject to spatial strategy as they sit in the Green Belt, in addition to viability of providing access off the A46. Sites to the east of Stratford are not sustainable due to access to the A46 through the Town Centre. These sites could be delivered in the event of the delivery of a south-west relief road, which currently is not funded.

- **Wellesbourne** has an agri-tech cluster at the University of Warwick Campus. Further employment provision should be considered here in accordance with the adopted Framework Masterplan. An element of employment provision could also be provided at Wellesbourne Airfield subject to planning or spatial strategy.

- **Southam -** an extension to the existing main concentration of employment space in Southam could be provided to the west; it is recommended that a site of up to 5ha is designated.

- **Alcester** - existing allocation is considered adequate to provide employment provision. Land is promoted is to the west of the A435 but there are questions regarding the accessibility to the town.

- **Long Marston -** if further strategic growth is brought forward it is recommended that this is accompanied by dedicated additional employment land provision; as well as provision of commercial space within a local centre.

- **Henley-in-Arden** - lack of existing employment provision. If strategic growth is taken forwards, the site should include an employment provision of 3-5ha, benefiting from the settlement's sustainable rail access.

- **Shipston** - potential for the expansion of existing employment sites, depending on the growth strategy, provision of up to 5ha might be considered.

- **Gaydon / JLR Allocation –** Allocation is in multiple ownership, which has hindered delivery. As a key automotive cluster destination, is recommended that the existing JLR allocation is released to the wider market for manufacturing and small scale logistics. Policy should prevent +9,300 sq.m logistics units on the site so it stands as a strategic B2 manufacturing site on a well-located junction, contributing to the overarching need for 75-125ha of strategic sites. It is advised that the Council engages with Jaguar Land Rover and Aston Martin Lagonda to explore their future expansion plans and the potential allocation an alternative site of a

quantum that reflects their future needs and is deliverable, given historical issues with the previous allocation coming forward.

1. Introduction

1.1 Warwick District Council and Stratford-on-Avon District Council have commissioned Iceni Projects to provide an Employment Land Study as supporting evidence for the preparation of the South Warwickshire Joint Local Plan.

1.2 This report builds on the findings of the Coventry & Warwickshire Housing and Economic Development Assessment (HEDNA)(2022), the West Midlands Strategic Sites Study (WMSESS) (2024) and the Coventry & Warwickshire HEDNA / WMSESS alignment report. These studies assessed the employment land needs of the Study Area.

1.3 This report carries out a supply side assessment to identify quantitative and qualitative gaps in the Study Areas supply through the following steps:

- Policy and Evidence – including the Economic Development Strategy, Coventry & Warwickshire HEDNA, WMSESS studies, existing local plans, national planning policy;

- Economic Baseline – using IDBR data to provide spatial analysis on key sub-sectors within the Study Area alongside stakeholder engagement, supplementing the HEDNA analysis;

- Commercial Market Review – providing an updated picture of the commercial market in South Warwickshire using the CoStar database alongside agent engagement to explore the profile of the commercial deals and gaps in supply;

- Assessment of Existing and Future Employment Sites – pro-forma assessment of existing employment sites, providing recommendations of protection, intensification or release. Future potential employment sites identified through the Call for Sites process have been assessed to provide recommendations on deliverability, viability and sustainability;

- Employment Land Demand-Supply – calculating the current profile of employment land supply including completions since the start of the Plan Period, existing commitments, extant allocations and

vacant plots on existing sites identified throughout the site visits and comparing to the identified need to provide an quantitative shortfall to be addressed through allocations;

- Recommendations – using economic and commercial research to provide qualitative recommendations on qualitative gaps in the employment land supply profile and how these can be dealt with through Local Plan policy and allocations.

1.4 The site assessment pro-forma containing the site specific recommendations can be found in a separate Appendix.

2. Policy Review

National Policy Planning Framework, December 2023

2.1 The National Planning Policy Framework sets out policies relevant to both plan-making and decision-taking. We set out below key policies relevant to planning for employment.

2.2 Para 8 addresses sustainable development and sets out that ‘Achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives): including

- an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;’

2.3 Para 85 states ‘Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.’

2.4 Para 86 provides specific policies relevant to plan-making. It states ‘Planning policies should:

a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;

b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.'

2.5 Para 87 states 'Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.' South Warwickshire has strengths across a number of these areas.

2.6 Paragraphs 88 and 89 then addresses planning for rural economies. It states 'Planning policies and decisions should enable: a)

a) the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed, beautiful new buildings;

b) the development and diversification of agricultural and other land-based rural businesses…'

2.7 Para 89 states 'Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may

have to be found adjacent to or beyond existing settlements, and in locations that are not well served by public transport. In these circumstances it will be important to ensure that development is sensitive to its surroundings, does not have an unacceptable impact on local roads and exploits any opportunities to make a location more sustainable (for example by improving the scope for access on foot, by cycling or by public transport). The use of previously developed land, and sites that are physically well-related to existing settlements, should be encouraged where suitable opportunities exist.'

2.8 At the time of writing, the Government is consulting on proposed revisions to the NPPF. These include emphasising (in revisions to Para 84 and 85) that planning policies should identify appropriate sites for commercial development which meet the needs of a modern economy should be identified, including suitable locations for laboratories, gigafactories, data centres, digital infrastructure, freight and logistics; as well as new/expanded infrastructure to support creative or high-tech industries. It also requires planning policies and decisions to support the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.

Planning Practice Guidance

2.9 Planning Practice Guidance (PPG) is an online resource which is updated periodically, and sits alongside the NPPF. It provides specific guidance on *Housing and Economic Development Needs Assessments* which includes the following:

2.10 Para 29 Reference ID: 2a-02920190220: 'The available stock of land can be compared with the particular requirements of the area so that 'gaps' and any over-supply in local employment land provision can be identified.

2.11 It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.

2.12 Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied.'

2.13 Para 31 Reference ID: 2a-031-20190722: 'Where a need for such [strategic logistics] facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas... Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones).

2.14 Authorities will also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of 'last mile' facilities serving local markets. A range of up-to-date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals, anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability.'

2.15 Para 32 Reference ID: 2a-032-20190722: 'When assessing what land and policy support may be needed for different employment uses, it will be important to understand whether there are specific requirements in

the local market which affect the types of land or premises needed. Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate. Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of relevant evidence and policy within Local Industrial Strategies. For example, this might include the need for greater studio capacity, co-working spaces or research facilities.

2.16 These needs are often more qualitative in nature and will have to be informed by engagement with businesses and occupiers within relevant sectors.'

2.17 The PPG may be updated in due course, following revisions to the NPPF later in 2024.

Warwick District Council Local Plan, 2011-2029

2.18 Warwick District Council Local Plan was adopted in September 2017. It sets out policies for employment land, and for other forms of development, and allocations to meet employment land needs over the plan period. We identify key policies below:

2.19 Strategic Policy DS1: Supporting Prosperity

2.20 The Council will provide for the growth of the local and sub-regional economy by ensuring sufficient and appropriate employment land is available within the district to meet the existing and future needs of businesses.

2.21 **Strategic Policy DS4: Spatial Strategy**

2.22 The Council's Spatial Strategy focuses growth within and adjacent to built-up areas. The majority of growth is focused on the main urban areas of Warwick, Leamington, Whitnash and Kenilworth and on the southern edge of Coventry.

2.23 **DS8: Employment Land -** Provision will be made for a minimum of 66 hectares of employment land to meet local need during the plan period, of which 13.5ha is a replacement to allow for the redevelopment of poorer quality employment sites.

2.24 These poorer quality sites are Sydenham Industrial Estate (Leamington Spa); Cape Road/Millers Road (Warwick); Montague Road Industrial Estate (Warwick) and Common Lane (Kenilworth) which were identified, based on the 2013 employment land evidence, as less capable of providing the right type of employment land in the right location. Three of these areas are located adjacent to the canal and therefore will be brought forward through the Canalside DPD. Any proposals for the redevelopment of Common Lane will need to demonstrate they are being brought forward as part of a comprehensive scheme for the site.

2.25 **DS9: Employment Sites to be Allocated** - To meet the employment land needs of the district, an additional 19.7 hectares of employment land for B class uses is allocated at the following strategic sites, as identified on the Policies Map:

- E1 Land at Thickthorn, Kenilworth - 8 hectares, B1 and B2
- E2 Land at Stratford Road, Warwick - 11.7 hectares, B class

2.26 An allowance of 6.5 hectares of employment land to meet local needs is also accommodated at the allocated sub-regional employment site (DS16), which is considered further below.

2.27 The policies around these allocations have not been reviewed in this chapter but are covered by the site assessments.

2.28 **DS16: Sub-Regional Employment Site** - Land in the vicinity of Coventry Airport (totalling 235 hectares) as shown on the Policies Map is allocated within the Local Plan as a major employment site (B1, B2 and B8 uses) of sub-regional significance. It was identified to meet sub-regional needs for both manufacturing and logistics, whilst also contributing to providing local employment land supply (6.5 ha as identified above).

2.29 **EC1: Directing new employment development**

2.30 This Policy states that in urban areas, new office development (within use class B1 (a)) will be permitted within the town centres. Small-scale office development may be appropriate within the upper floors of local shopping centres.

2.31 Outside of town centres, office development will be permitted in accordance with criteria i) and ii) below.

2.32 New employment development (within use classes B1 (b) and (c), B2 and B8) will be permitted in the following locations:

i) Within the employment land allocated in policy DS9;

ii) Within established and committed employment areas in policy EC3;

iii) Within town centres, subject to the town centre policies or any subsequent area action plan coming into effect after this plan.

2.33 Proposals for office development in locations at the edge of the town centres will also be considered if no suitable sites are available in any of the preferred locations above. Only if no suitable sites are available in an edge-of-centre location will out-of-centre locations be considered.

2.34 In rural areas new employment development will be permitted in the rural areas in the following circumstances:

a) To promote sustainable development in the growth villages (identified on the policies map)

b) For the diversification of agricultural and other land-based rural businesses in accordance with policy EC2

c) Within the major sites identified on the policies map in accordance with policy MS2.

d) Within the allocated sub-regional employment site where it provides for sub-regional employment needs in accordance with DS16

e) To support the sustainable growth and expansion of existing rural business and enterprise

2.35 **EC3 Protecting Employment Land and Buildings**

2.36 Policy EC3 states that Outside town centres, the redevelopment or change of use of existing and committed employment land and buildings (Use Classes B1, B2 and B8) for other uses will not be permitted unless:

1. it can be demonstrated that there is an adequate supply of allocated employment sites in the district having regard to quantity and quality;

2. it can be demonstrated that the use of the land or buildings for the existing or alternative employment uses would not be viable;

3. it can be demonstrated that the site is not suitable for employment uses due to unacceptable and unavoidable impacts upon nearby residential uses;

4. it is land identified as being suitable for other uses as part of the identified Canalside and Employment Regeneration areas (Policy DS8) or

5. the proposal is solely for affordable housing as defined in national guidance. The redevelopment or change of use of existing or committed employment land and buildings (Use

Classes B1, B2 and B8) on the sub-regional employment land allocation (DS16) or the Thickthorn, Kenilworth

2.37 Available employment land includes the sites in the table below. These sites have planning permission, are covered by Development Briefs or area allocations from the previous local plan and contribute to meeting the overall employment land requirement.

Table 1 - Available Employment Land
Site
Land rear of Homebase, Princes Drive
Tachbrook Park
Tournament Fields
Tournament Fields (land adjacent to A46)
Stoneleigh Park
Stoneleigh Deer Park
Former Honiley Airfield

Stratford-on-Avon District Core Strategy, 2011-31

2.38 The Core Strategy was adopted on 11th July 2016 and sets out development strategy and planning policies including the allocation of strategic employment sites. We summarise relevant employment policies below.

2.39 **Policy CS.22 Economic Development**

2.40 Development that provides for a wide range of business and commercial activity will be promoted in sustainable locations in order to support and foster the growth and competitiveness of the District's economy, provide more jobs and improve the vitality of the local business environment.

2.41 Provision will be made for at least **35 hectares** of employment land over the plan period 2011-2031. The primary purpose of this land is to provide opportunities for business uses falling within Class B1a (offices) and Class B1b (research and development).

2.42 A further 19 hectares of employment land are allocated to meet the specific needs of Redditch (REDD.1 and REDD.2).

2.43 In addition, approximately 100 hectares of land are identified at Gaydon/Lighthorne Heath to enable the expansion of Jaguar Land Rover's activities and a further 4.5 hectares to enable the expansion of Aston Martin Lagonda (See Proposal GLH).

2.44 A flexible approach will be taken to accommodating a wide range of employment-generating uses, including public and community uses, on existing industrial areas. This is subject to the specific provisions of other policies in the Core Strategy, including Policy CS.23 Retail Development and Main Centres. The exception to this approach is in relation to recently developed and proposed business parks where the primary uses are expected to be within Class B1 of the Use Classes Order.

2.45 Opportunities for business development will be provided in the countryside, including farm-based activities, in accordance with Policy AS.10 Countryside and Villages.

2.46 The expansion of businesses in their existing locations will be supported, subject to the scale and type of activities involved, the location and nature of the site, its accessibility including by public transport, and impact on the character of the local area.

2.47 The incorporation of workspace associated with residential development will be encouraged in order to increase the scope for home-based working. The provision of workspace in a proposed dwelling will not make that dwelling acceptable if its location is contrary to policies elsewhere in the Core Strategy.

2.48 An existing employment site should not be redeveloped or converted to non-employment uses unless it is no longer viable or appropriate for a business purpose. The same principle applies to a site with planning permission for employment uses that has not been implemented. A rigorous assessment of each proposal of this nature will be undertaken.

SUA.1: Canal Quarter Regeneration Zone

2.49 To be delivered at Land at Western Road, Wharf Road, Timothy's Bridge Road and Masons Road (27ha), delivering 650 dwellings, 9,000 sq.m of class B1 floorspace, linear park alongside the canal and multi-purpose community facility.

SUA.2: South of Alcester Road

2.50 Site of 25ha, delivering class B1(a), B1(b), B1(c), assisting to the relocation of businesses from the Canal quarter Regeneration Zine. During the plan period 10ha will be released plus additional land to correspond with the area taken up by businesses relocating from the Regeneration Zone. Additionally, approx. 65 dwellings on land to the east of the Western Relief Road will be delivered.

SUA.4 Atherstone Airfield

2.51 A site of 10ha (5ha net) plus a 'reserve' of 9ha should it be required to assist in the delivery of the Canal Quarter Regeneration Zone. Employment uses comprising:

1. The relocation of businesses from the Canal Quarter Regeneration Zone falling within Use Classes B1c, B2 or B8;

2. The relocation of businesses from elsewhere in the District falling within Use Classes B1c, B2 or B8 but only insofar as this would help to facilitate (i) above and not in respect of the 'reserve' of approx. 9 hectares gross unless an exceptional justification is advanced as part of a planning application.

2.52 **Proposal ALC.3: North of Arden Road -** A site of 11ha delivering B1/B2/B8 employment uses.

2.53 **Proposal REDD.1: Winyates Green Triangle -** A site of 12ha delivering B1/B2/B8 employment uses to meet the future needs of Redditch. The site has provide for a minimum of 15% of total floorspace within class B1(a) and B1(b).

2.54 **Proposal REDD.2: Gorcott Hill -** A site of 7ha delivering B1/B2/B8 employment uses to meet the future needs of Redditch. The site has provide for a minimum of 15% of total floorspace within class B1(a) and B1(b).

2.55 **Proposal GLH: Gaydon/Lighthorne Heath**

2.56 The site is approximately 290ha and will deliver 100ha Land comprising approximately 100 hectares at the southern end of the allocation to enable the expansion of Jaguar Land Rover (JLR) and 4.5ha to the west to enable the expansion of Aston Martin Lagonda (AML) to meet the business needs for uses that can include:

- Research, design, testing and development of motor vehicles and ancillary related activities.
- Other advanced engineering technologies and products.
- Offices.
- Low volume manufacturing and assembly operations.
- Development of associated publicly accessible event, hospitality, display, leisure and conference facilities and marketing infrastructure.
- Automotive education and training including ancillary accommodation.

2.57 Additionally the site will deliver 3,000 dwellings.

Proposal LMA: Long Marston Airfield

2.58 A 210ha site delivering 3,500 dwellings and 13ha of employment land, of which no less than 10% should be in the form of small business workshops.

South Warwickshire New Local Plan (Regulation 18)

2.59 Stratford-on-Avon and Warwick District Councils are working together to produce a new South Warwickshire Local Plan.

2.60 The Councils have undertaken an Issues and Options Consultation (January to March 2023) and Call for Sites. The Issues and Options Consultation provided an opportunity for residents and stakeholders to have their say on the emerging Local Plan and broad options for consideration of new development in future.

2.61 **Issue V3: Strategic Objectives -** Meeting South Warwickshire's Sustainable Development Needs identifies key issues relating to economic development. The proposed strategic objective related to economic development is:

- Developing opportunities for jobs - Accommodating the growth in employment opportunities that build upon our strong and diverse economy, including innovative industries and technologies, embracing the potential of the green economy.

2.62 Issues E1: Growing the South Warwickshire Economy

2.63 Drawing on the Sub-Regional HEDNA (considered further below), the initial consultation identified the following employment land needs, as well as the need to consider strategic warehouse and distribution need across Coventry & Warwickshire.

	Office	General Industrial	Total
Stratford-on-Avon District	7.2	240.9	248.1
Warwick District	15.8	81.4	97.2

2.64 **Issue E5: Lack of business accomodation**

2.65 The consultation identified that office accommodation is at a premium and there is an identified issue regarding a lack of grow-on space for businesses to expand. Changing requirements have led to higher demand for hybrid work spaces, and higher quality office space. There is a move towards cellular offices, with these in demand particularly for 2 or 3 people, rather than co-working space. As well as a demand for larger commercial units, there is an ongoing requirement for small industrial starter units. In terms of location, there is a growing preference for town centres rather than out of town business parks.

2.66 In Leamington Spa, the gaming industry in particular is experiencing pressures for office space. In the wider market, there is a need for both large and small spaces. One issue identified is businesses who would prefer to move into bigger premises being unable to do so, thus reducing the availability of smaller units for smaller businesses and start-ups.

2.67 **Issue 6: Protecting South Warwickshire's Economic Assets**

2.68 The consultation identified the importance of protecting existing key economic assets, site and floorspace. Unique economic assets in South Warwickshire include:

- Silicon Spa – home of the gaming industry, extending from Leamington out to the surrounding areas of Southam and Warwick employing over 2,000 highly skilled people

- Automotive – home to the UK's automotive industry. Aston Martin, JLR and Lotus have a major presence in South Warwickshire

- UK Battery Innovation Centre - part of a government programme to fast track the development of cost-effective, high performance, durable, safe, low-weight and recyclable batteries. It provides the missing link between prototype battery technology and successful mass production.

- Wellesbourne Airfield – The airfield operates as a general aviation airfield which is home to private aircraft and a flying school. It is in close proximity to the University of Warwick and provides the ideal opportunity to attract inward investment as a centre for aviation innovation.

- University of Warwick – The main campus is located south of Coventry, and it has an additional campus at Wellesbourne which provides research and education in engineering, manufacturing and technology.

- Long Marston Rail Innovation Centre – This is the home to the UK's only circular standard-gauge railway test track and is a base for the University of Birmingham and the Rail Alliance. The Rail Innovation Centre is emerging as a leading cluster in sustainable and digital rail technology through collaborative working with SMEs.

- Stoneleigh Park – A science and innovation park which is dedicated to the future of farming and home to over 60 businesses.

2.69 Issues E7: Core Opportunity Area and Major Investment Sites

2.70 A core opportunity area is identified in the map below, consisting of the 5 main towns, the A46 Trans Midlands Trade Corridor and the central section of the M40. The university of Warwick's two campuses, Long Marston Garden Village and Rail Innovation Centre, Stoneleigh Park and the automotive hub at Gaydon.

2.71 Major investment sites within the Core Opportunity Area include:

- University of Warwick main campus area - The relevant authorities are currently working with the University to work on an updated Masterplan to 2031, looking at how the University can grow in a sustainable manner with a focus on matters including the level and broad location of growth, sustainable transport and biodiversity. Beyond 2031, the Plan will need to continue to support this major employer and support its continued benefits to the local economy;

- South of Coventry including Coventry Airport, Coventry Gateway and the National Battery Innovation Centre - Strategic allocations in the current Warwick District Local Plan include large housing sites at Kings Hill and Westwood Heath as well as a sub-regional employment site to the south of Jaguar Land Rover's Head Quarters at Whitley. Planning permission has been granted for development on these sites and construction has commenced in the area. Coventry Airport is also located within the area. A planning application has been granted for a gigafactory for battery production on the airport site to support the country's shift towards electric vehicles and ultimately carbon neutrality. This development would have the potential to complement existing facilities in the area including the Battery Industrialisation Centre on Whitley South, facilities at JLR and Warwick Manufacturing Group at the University.

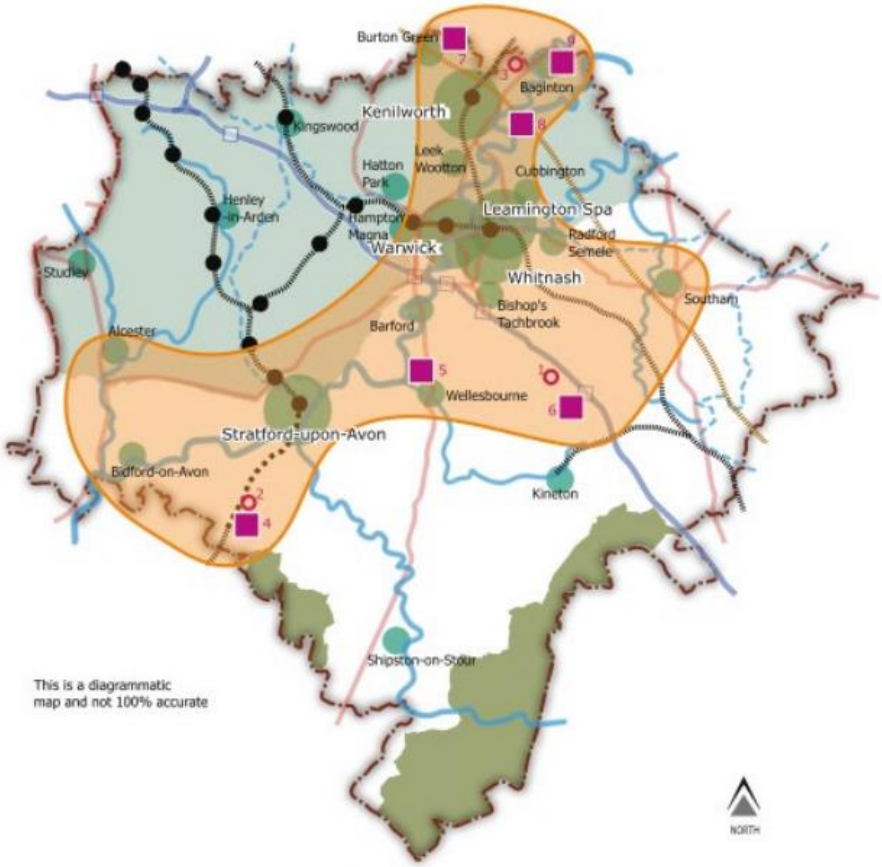
- Wellesbourne including University of Warwick and Wellesbourne Airfield - Looking forwards, we see an integral relationship between the university campus and airfield site, with the campus growing as a centre for cross-fertilisation research and development in high-tech automotive, battery and biosciences. The proximity of an operational airfield will enable these technologies to exploit the potential that aviation technology can add to these scientific endeavours. With the possibility for some rationalisation and rearrangement of activities, the airfield site also has the potential to house further industrial and research and development activities related to the campus (i.e. Use Class B2)

- Long Marston area including the Long Marston Rail Innovation Centre - Existing opportunities in the Long Marston Area also include the employment land on Long Marston Airfield Garden Village and safeguarding the Rail Innovation Centre for rail-based employment and research and development

- Stoneleigh area including Stoneleigh Park agricultural science park - The site will be significantly impacted by HS2 as it intersects Stoneleigh Park. This necessity for change to the site means that the emerging South Warwickshire Local Plan provides an opportunity to reassess the use and purpose of the site and the density of development within it, noting that it currently is located in the Green Belt.

- Gaydon M40 J12 area including Jaguar Land Rover and Aston Martin Lagonda - In addition to the economic activities on the Gaydon proving ground, circa 105ha of land has been allocated in the Core Strategy for employment purposes. Through the SWLP, there is an opportunity to capitalise on the existing economic base and grow this area with further automotive-related manufacturing (i.e. Use Class B2). Whilst well-located to the M40, we do not see this location as appropriate for strategic logistic uses (i.e. Use Class

B8). If additional employment land is to be allocated in the Gaydon area, there is the potential to reconsider the specific use of the existing allocations. The ability to bring forward employment sites the scale of 100ha is of regional West Midlands importance, and the potential for automotive or automotive related investment would reaffirm the West Midlands as the home of the British automotive industry.



2.72 Issue E8: Existing Employment Sites

2.73 The consultation identified that current local plans identify a number of sites for economic development. Given the desire to grow the South Warwickshire economy, and to provide certainty to residents, landowners, and investors alike, the consultation proposed to carry-over all existing employment allocations into the SWLP.

2.74 However, there is one existing allocation that the consultation proposed should be reviewed in order to better reflect changing circumstances - Land at Atherstone Airfield, near Stratford-upon-Avon. Currently, use of the site is restricted to businesses relocating from elsewhere in

Stratford-on-Avon District (e.g. Stratford-on-Avon Canal Quarter). Whilst this remains an important objective, the emerging Plan considered that relocation is an insufficient incentive to bring forward the site. To ensure that the objective is still achieved, part of the site could be retained for relocating businesses once the site had been developed for new businesses coming into the area.

2.75 In addition to designated employment sites, the consultation set out that South Warwickshire benefits from thousands of premises in business use across the full range of sectors, whether office, industrial, retail or hospitality uses. Whilst national planning policy is clear that the Councils cannot arbitrarily resist the change of use of such premises, it is legitimate to ensure that the the local planning authorities should be satisfied that all reasonable endeavours have been explored prior to change of use. Reasonable endeavours include a satisfactory marketing period with the property marketed at an appropriate value, an independent viability assessment and consideration of a range of alternative commercial uses.

Coventry & Warwickshire Housing & Economic Development Needs Assessment, November 2022

2.76 This assessment, the Sub-Regional HEDNA, was prepared to provide a consistent evidence base regarding housing and economic development needs across the Coventry & Warwickshire sub-region to inform plan-making.

2.77 The conclusions within the economic baseline and commercial market chapters are summarised in the relevant chapters of this report.

2.78 The tables below summarises the local employment land needs recommendation for the plan period 2021-41 and 2021-50 respectively. There is an office need of 5.2ha in Stratford and 11.4ha in Warwick; and an industrial need of 166.1ha in Stratford and 56.2ha in Warwick up to

2041. The industrial need includes E(g)(iii) light industrial, B2 industrial and B8 units of less than 9,000 sq.m.

2.79 The office land need is derived from a labour demand model given that office requirements tend to be closely linked to employment levels. In reality there is some expectation that future office demand will focus on higher quality provision that is more likely to manifest in stronger markets – notably Coventry and Warwick/Leamington – in particular having regard to rents and viability considerations.

2.80 Industrial and warehousing need has been derived from a gross completions trend as neither the VOA or labour demand models are able to differentiate the strategic and more local industrial/warehouse requirements, and as replacement demand is a notable driver of future floorspace and development needs. Consultation suggests that whilst B8 demand is very strong, and that there is a case for considering separate allocations for B1c/B2 where land is delineated from sites going for B8 in order to support the manufacturing sector and the delivery of space for manufacturing uses given the importance of this sector at a local and sub-regional level. There is a strong manufacturing sector in the sub-region which needs to be provided for.

2.81 All needs include a margin equivalent to 5 years gross completions for industrial and 3 years of offices. However no office margin was included for Stratford and Warwick due to data issues.

Figure 2.1 Employment Land Needs 2021-41, Ha

	Office	General Industrial	Sub-Total	Strategic B8
N. Warwickshire	5.3	56.1	61.4	
N. and Bedworth	2.2	45.5	47.7	
Rugby	5.2	150.5	155.7	
Stratford-on-Avon	5.2	166.1	171.3	
Warwick	11.4	56.2	67.6	
Coventry	8.5	147.6	156.1	
Total	**37.7**	**621.9**	**659.6**	**551**

Source: VOA / CE/Iceni

Figure 2.2 Employment Land Needs 2021-50, Ha

	Office	General Industrial	Sub-Total	Strategic B8
N. Warwickshire	7.0	81.4	88.4	
N. and Bedworth	3.0	66.0	69.0	
Rugby	6.5	218.2	224.7	
Stratford-on-Avon	7.2	240.9	248.1	
Warwick	15.8	81.4	97.2	
Coventry	10.0	214.0	224.0	
Total	**49.4**	**901.8**	**951.3**	**735**

Source: VOA / CE/Iceni

2.82 In addition to the above, a gross need for 551-735ha land for strategic B8 development (B8 units of over 9,000 sq.m) was identified across Coventry and Warwickshire. This need figure has now been superseded by the West Midlands Strategic Sites Study, which considers needs for strategic sites for both manufacturing and big box logistics, and the alignment report for Coventry & Warwickshire report.

South Warwickshire Economic Strategy to 2028

2.83 The two Councils have recently prepared a new Economic Strategy for South Warwickshire, which was published in Dec 2023. The Strategy sets out that the Council's mission "to foster the growth of the South Warwickshire economy sustainably and equitably. Working together, we will ensure economic participation and prosperity for everyone in South Warwickshire. We will also lead the way and take smarter steps towards a greener future to meet our ambitions for a 55% reduction in South Warwickshire's carbon emissions by 2030."

Core Opportunity Sectors

2.84 Underlying the three themes of People, Productivity and Place are the core opportunity sectors of:

- Automotive and low carbon (including Automotive and Rail R&D, EV Batteries, Hydrogen);
- Low carbon 'green' technologies (including the Circular Economy);

- Bioscience, Medtech and Agri-tech;
- Digital Creative; and
- Visitor Economy – to include hospitality, retail, leisure, cultural heritage and the arts.

2.85 These underpin and relate to the Economic Vision set out. For each of these sectors, the Strategy describes the area's strengths and growth potential, which we have sought to summarise below:

- **Automotive and low carbon transport** - including advanced manufacturing engineering (AME), EV Batteries, Hydrogen and Rail . With strong links to both further and higher education institutions, South Warwickshire forms a world-leading cluster at the heart of advanced automotive technology and R & D into future mobility across all transport sectors. Specific market opportunities in this respect include:
    - **EV Batteries** - taking a lead from the R&D foundation of the automotive industry, this fast-developing sector is creating a high value, advanced cluster in its own right, assisted by the UK Battery Innovation Centre in Warwick District and the proposed Investment Zone and Gigafactory at Coventry and Warwickshire Gateway South and the world-leading research of University of Warwick and Coventry University.
    - **Hydrogen** – non-fossil fuel hydrogen generation is an alternative clean fuel to battery technology. Work on hydrogen technology in the rail industry is being explored at Long Marston with the development of the Hydro-flex train.
- **Low Carbon Technology** - to include the 'Green Economy' and the 'Circular Economy' – in addition to low carbon transport the area is well placed to develop opportunities across the 'Green Economy'. Warwick District is the home to National Grid's HQ and the area offers opportunities for businesses in the development low-carbon forms of energy. The strategy seeks to encourage businesses working in this sector and will encourage the development of a **'Circular Economy'** to move both councils towards the achievement of their Net-Zero ambitions.
- **Bioscience , Agri-tech and Medtech** - Seeking to develop biological and technological solutions that sustain, restore, and improve the quality of life for humans, plants, and animals in our world, including innovations in agriculture to increase its yield,

efficiency, and profitability. Bioscience has strong roots in South Warwickshire with continual research since 1949. With access to R&D, higher educational institutes and pool of technical expertise opportunities to attract and develop hightech industries in the area.

- **Digital Creative** - Centred on Leamington Spa town centre this cluster extends to nearby towns such as Southam. The home of the UK video games industry, "**Silicon Spa**" employs 10% of the UK games development workforce and is the largest cluster outside of Greater London. The area offers great opportunity for development of Film and TV industry but also link up with other clusters involved in digital transformation, augmented and immersive technologies and digital manufacturing.

- **Visitor Economy** – to include hospitality, retail, leisure, cultural heritage and the arts – South Warwickshire boasts a host of global 'hero brands' in the likes of Shakespeare and the RSC, Warwick Castle and Kenilworth Castle and is well established as a tourist destination employing significant numbers of people and contributing to the local economy. A specific area of focus for the economic strategy will be to develop tourism in a sustainable way across the area and to look at new opportunities to build on the existing tourism offer of our local towns, villages and rural areas to ensure they remain vibrant and welcoming to both the resident and visitor alike.

Specific Economic Assets and Growth Opportunities

2.86 Related to these sectors, South Warwickshire has specific assets and sites which underpin the growth opportunity in these areas, which we have sought to identify and summarise below:

2.87 **Automotive and Future Mobility** – the area is a world-class centre for advanced manufacturing and engineering. Aston Martin Lagonda, Jaguar Land Rover and Lotus Engineering all have a major presence in South Warwickshire particularly at Gaydon (where Aston Martin has its global headquarters and JLR has its main R&D activities). In Stratford-on-Avon District, manufacturing (of which the automotive sector forms a significant part) is the largest sector accounting for over 40% of GVA.

2.88 **UK Battery Industrialisation Centre (UKBIC)** – Part of a Government programme to fasttrack the development of cost-effective, high-performance, durable, safe, low-weight and recyclable batteries, the UKBIC provides the missing link between prototype battery technology

and successful mass production. UKBIC has been delivered through a consortium of Coventry City Council, CWLEP and Warwick Manufacturing Group/University of Warwick (WMG) as part of Green Power Park within Warwick District. The Energy Innovation Centre as part of WMG at the University of Warwick's Science Park is undertaking ground breaking research and development into battery technology.

2.89 '**Silicon Spa'** - The home of the UK's Video Games Industry, the 'Silicon Spa' cluster (which extends from the heart of Royal Leamington Spa and stretches out to the surrounding areas of Southam and Warwick) employs over 2,000 highly skilled people, equating to over 10% of the UK total in games development.

2.90 **West Midlands Investment Zone, West Midlands Gigafactory and Coventry & Warwickshire Gateway South** - In its Autumn Statement 2023, the Government announced the go-ahead for the West Midlands Investment Zone which aims to bring more than £2billion of new investment to the regional economy. One of the three areas chosen for the investment will be in Coventry and Warwickshire. The proposed state of the art Gigafactory will be based on the Coventry Airport site in Warwick District at the heart of the UK's automotive industry and will be able to supply UK manufacturers with batteries on their doorstep bringing investment, skills and jobs to the area and ensuring its place in the green revolution. The gigafactory proposals have outline planning consent.

2.91 **Wellesbourne Airfield** - Formerly RAF Wellesbourne Mountford, the airfield today operates as a general aviation airfield, home to private aircraft and a flying school training the next generation of UK commercial pilots. Its proximity to the University of Warwick's Campus at Wellesbourne provides the ideal opportunity to attract inward investment as a centre for aviation innovation.

2.92 **Stoneleigh Park** - A science and innovation park, home to a cluster of over 60 businesses related to food production, equine and livestock

husbandry, sustainability, renewable energy and the wider rural economy, Stoneleigh Park is a showcase for rural futures.

2.93 **Kenilworth Gateway** – 8ha located on A46 Warwick Bypass as part of first phase of wider residential development (24ha). The site has planning permission for Class E/B2 use and excellent linkages to existing manufacturing, R&D and Digital Creative clusters.

2.94 **Long Marston Rail Innovation Centre –** occupied by Porterbrook, the Long Marston Rail Innovation Centre is an increasingly important storage, training, research and development facility for the UK rail industry. Engineering excellence is central to the company's role as a leading railway asset owner and manager. In collaboration with industry partners, the business project manages the delivery of regular upgrades to its rolling stock fleets. Porterbrook's long-term investment plans for Long Marston would allow many UK rail businesses to accelerate work in areas such as research and development and innovation in addition to supporting the local economy in Warwickshire.

2.95 **University of Warwick Wellesbourne Innovation Campus -** The University of Warwick's campus on the outskirts of Stratford-upon-Avon is a unique collaborative environment shared by academic research teams and a range of knowledge-led businesses. The vision for the site is for collaborative research to deliver on the global challenges of future mobility, crop science, digital technologies and health. There are currently over 20 businesses at the campus, including the Lotus Advanced Technology Centre, Corteva Agrisciences, Rimac P3 Mobility, and the SMEs Lyra Electronics, Stoli Catalysts, Fluxsys and EBI Software, along with researchers from the University's School of Life Sciences and WMG (Warwick Manufacturing Group). The campus is also home to Defra's UK Vegetable Genebank, a repository of international significance, as well as the Natural Light Growing Centre, an industry-focussed R&D facility of one of the UK Government's Agri-tech Innovation Centres. The University has a long-term vision for

growth at the campus, with plans to welcome further investment and build a world-leading innovation hub in the region.

Wider Challenges and Opportunities:

2.96 The Strategy identifies that the competitiveness of the South Warwickshire area has fluctuated; some parts of Warwickshire lack access to superfast broadband and phone coverage; there are areas with a lack of power/energy capacity to meet future development demand; and locations with limited public transport links. These are identified as key challenges to address in facilitating economic growth.

2.97 Research has shown that one of the barriers to economic growth across South Warwickshire has been the affordability of employment land, particularly local businesses looking to expand being priced out by competing land values or higher value sectors. The Strategy outlines that the councils are exploring how they can use their planning policies to promote and encourage the provision of affordable employment space across South Warwickshire and this strategy supports the principle of such provision.

2.98 **Objectives**

2.99 Key strategic objectives of specific relevance to this Employment Land Study are as follows:

2.100 **Objective 3:** To support existing sectors – which includes:

- Promote Warwickshire and Leamington Spa as the digital creative technology hub for the West Midlands and provide the necessary underpinning physical infrastructure. Launch Innovate UK Immersive and Creative Technologies launchpad funding programme

2.101 **Objective 5:** To attract new sectors to South Warwickshire to diversify the local economy which includes:

- To work with University partners to maximise the benefit of “spin off” or “spin out” commercial opportunities arising from University research in low-carbon sectors

- Support the provision of an electric vehicle “Gigafactory” and support low carbon future mobility and its associated value and supply chains within South Warwickshire

- Develop the Wellesbourne Innovation Campus & sector supply chains. Develop the Kenilworth Gateway employment site

2.102 **Objective 8**: To ensure the adequate supply of employment land:

- To facilitate the provision of additional affordable employment premises across South Warwickshire through the SWLP

- To ensure adequate future supply of employment land in the right locations across South Warwickshire through the SWLP

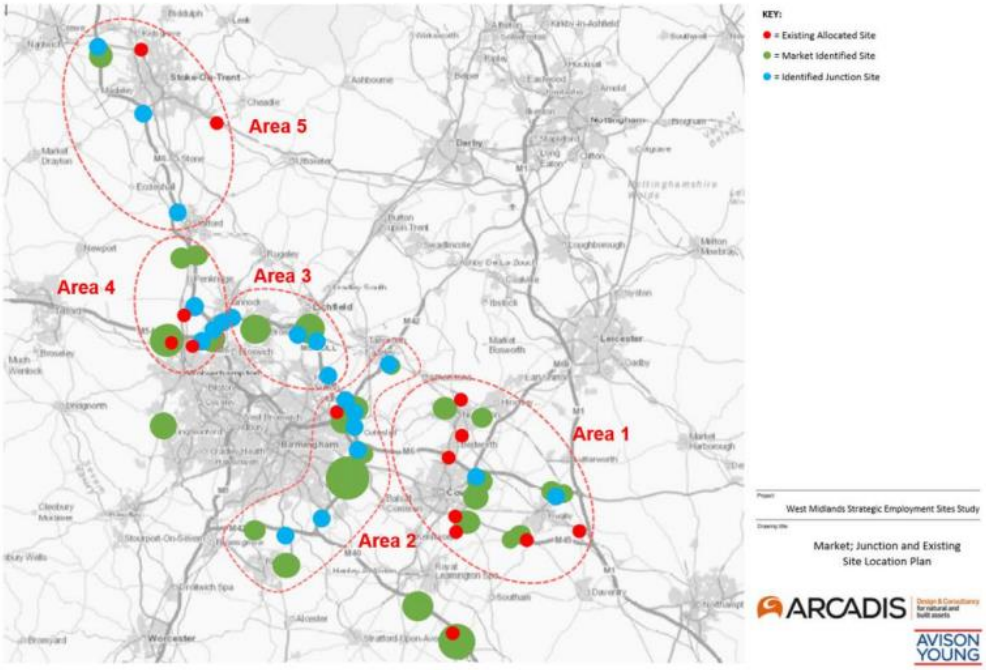
- To ensure the appropriate availability of physical infrastructure such as offices, enterprise and innovation centres and move on space in rural market towns in support of their neighbourhood plans

West Midlands Strategic Employment Sites Study, May 2021

2.103 This Study was commissioned to provide an update to the previous 2015 Strategic Employment Sites Study, providing commentary on take-up rates in the industrial and office markets and an audit of existing allocated and committed sites in the Study Area which meet the definition of Strategic Employment Land.

2.104 There was general agreement that the availability and choice of existing and new space under construction is at a very low level and there needs to be a collective political will to address the limited supply of Strategic Sites going forward.

2.105 The Study identified five broad locations where new additional strategic employment sites should be concentrated, based on analysis of the quantum of supply, market intelligence and areas achieving highest land prices. Area 1 was identified as one of the strongest markets for strategic employment land, and includes the north of Warwick District.



2.106 An audit of adopted and emerging evidence bases identified 664 employment sites which met 25+ha size criteria used, with just 12 sites (including existing allocations and sites with planning consent) identified as having a capacity for further employment development of 25+ha plus the West Midlands Interchange. The 13 sites have a capacity of 2.96m sq.m and based on take-up 2015-18 this represents a maximum of 7.41 years of supply.

2.107 Stakeholders submitted land interests resulting in identification of a further 31 potential sites, of which 905ha was within Area 1.

West Midlands Strategic Sites Study, August 2024

2.108 This Study, prepared by Iceni and Mace, essentially develops and supersedes the previous 2021 study and goes further in scope. The Study was intended to inform local plan making and looks towards 2045, identifying and specifically quantifying a need for strategic sites; updates the position on committed sites; provides recommendations on the overall number and type of sites required (road and rail-based) and

advises on the phasing and broad locations (or 'Opportunity Areas') for new strategic sites to meet demand to inform Local Plan preparation.

2.109 Overall the Study identifies a net need for 615-977ha of land to be identified through further strategic sites, of which 67-135ha is rail-based and 548-841ha is road-based. This is in addition to existing commitments through current allocations and extant planning permissions.

Figure 2.3 Strategic Site Needs – West Midlands, 2022-45

	MDST	Completions
Forecasted Need 2022-45 with adjustments and margin	**3,354***	**3,080**
Strategic sites adjustment (-25%)**	2,516	2,310
Brownfield recycling adjustment* **	2,282	1,920
Adjusted Road Need** **	1,848	1,555
Adjusted Rail Need** **	433	365
Commitments [3]	1,305	
Road Shortfall	841	548
Rail Shortfall	135	67
Shortfall (Ha)	**977**	**615**

Source: Iceni Projects

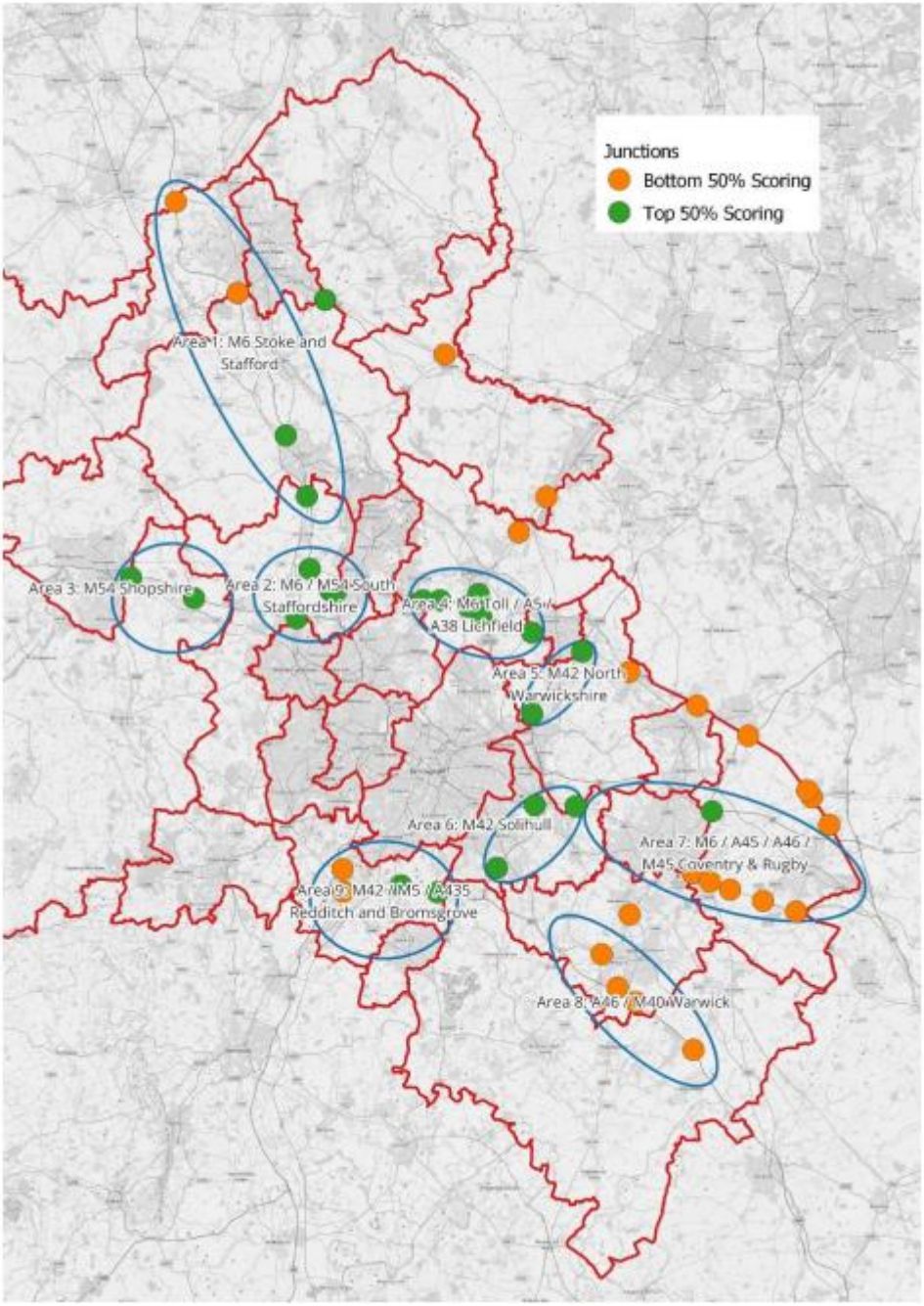
*includes -20% recycling adjustment

**downwards adjustment of 35% for strategic units not on strategic sites and upwards 10% adjustment to allow for small units on strategic sites.

2.110 High level testing of potential land availability and constraints, accessibility, junction capacity and potential access to labour allowed for the identification of 9 opportunity areas, pictured below. Area 8: A46/M40 Warwick is the primary opportunity area wholly within South Warwickshire. Area 7 overlaps the north of Warwick (and includes existing commitment such as the Sub-Regional Employment Site and

Coventry Airport) however junction opportunities and further land do not fall within Warwick District; whilst Area 9 overlaps the western edge of Stratford-on-Avon, however will likely be Redditch and Bromsgrove facing.

Figure 2.4 WMSESS Opportunity Areas



2.111 A high-level exercise was undertaken to balance commitments against past take-up rates, market attributes and other considerations of

opportunity areas. The phasing and apportionment for Area 8 is summarised in the table below. It indicates a need for 1-2 B8/Mixed strategic employment sites in the short term, due to of the limited current supply, and 1 more dedicated B2 strategic site, taking account of the existing JLR/AML commitment.

Figure 2.5 Area 8 Strategic Site Recommendations and Phasing

Opportunity Area	Notional supply – years 1(→ =current committed supply)					Market rank	Indicative phasing	Indicative additional strategic site requirement at B8/mixed c.50ha - B1/B2 dedicated c.25ha	Narrative – market rank / performance, scale (no. LPA), site supply, SRFIs, Green Belt
	Type	0-5	5-10	10-15	15-20				
Area 8: A46 / M40 Warwick	B8/ Mixed					B	A	1-2	Large OA. Existing supply is in Warwick but at Coventry, identified in Rugby/Coventry OA.
	B1/B2	→	→	→	→		C/ D	1	Existing JLR/AML supply concentrated for single occupier. Potential for further manufacturing agglomeration.

3. Economic and Sub-Sector Baseline

3.1 The 2022 Sub-Regional HEDNA provides key evidence regarding economics dynamics and the need for employment land to inform the South Warwickshire Local Plan. This Study does not therefore seek to repeat economic analysis undertaken therein, but seeks to build on this – including through developing a more detailed understanding of key growth sectors in South Warwickshire.

3.2 This section therefore first summarises the key findings of the HEDNA related to the South Warwickshire economy, before drilling into key sectors identified in the South Warwickshire Economic Strategy.

Economic Context

3.3 The 2022 Coventry & Warwickshire HEDNA identified key economic strengths and opportunities in South Warwickshire. It's analysis identified that:

- Warwick contributes 22% to the total C&W GVA and has accounted for 27% of GVA growth 2011-19;Stratford-on-Avon contributes 16% to the total C&W GVA (2019).

- Universities are an important economic asset and potential hubs of innovation; with Warwick University being based within Warwick District; with other major assets including the Proving Ground JLR Whitley and JLR Gaydon.

- Manufacturing is strong across the sub-region but particularly strongly represented in Stratford-on-Avon (influenced by Gaydon) and North Warwickshire. Manufacturing makes up 16.1% of Stratford-on-Avon's total employment.

- According to a location quotient analysis of employment, Warwick has a particular specialism in public administration and defence, ICT and utilities (driven by National Grid at Warwick Technology Park). Stratford-on-Avon has a specialism in arts and recreation (tourism), agriculture, financial and insurance and real estate.

- Warwick and Stratford-on-Avon have seen an employment growth of 9.7% and 28.4% from 2011-19 respectively. The strength of the gaming sector in South Warwickshire, based around Leamington, was also noted.

- Warwick and Stratford-on-Avon have a high business density of 93 and 111 enterprises per 1,000 16-64 year olds, compared to a West Midlands average of 65 and UK of 85. This points to a dynamic SME business economy in the area.

- Considering the structure of the business base by sector, Warwick has a high proportion of finance and insurance, accomodation and food services and professional, scientific and technical businesses. Stratford-on-Avon has a high proportion of public admin and defence, agriculture and professional scientific and technical than the other Coventry & Warwickshire authorities.

3.4 The evidence in addition identified relatively strong labour market characteristics in South Warwickshire, with strong economic participation and a better skills / qualifications profile than other areas in the sub-region. Warwick had a much higher proportion of working age residents qualified to NVQ4+ than the other authorities, Stratford-on-Avon is second highest. This is reflected in the two authorities having a higher proportion of residents in the top 3 occupational groups.

Sub-Sector Analysis

3.5 The following section looks at South Warwickshire's key sub-sectors as identified in the area's Economic Strategy in further detail. These are:

- Digital Creative
- Logistics
- Automotive and Low Carbon Transport
- Agri-tech
- General Manufacturing

3.6 The sub-sectors have been defined by 5 digit SIC 2007 codes in **Appendix 1** and uses IDBR data to provide analysis on the size and spatial distribution of sub-sectors. It should be noted that maps produced are postcode-based and businesses under the same postcode will be shown under the same marker.

Digital Creative

3.7 The Digital Creative sector includes the development and publishing of computer games and other software.

3.8 Across South Warwickshire there are 228 businesses registered under this SIC code definition, supporting 3,646 jobs. A majority of businesses are micro with 0 to 4 employees, making up 65% of the creative digital sector. There are just two larger businesses with over 250 employees supporting 29% of sector employment.

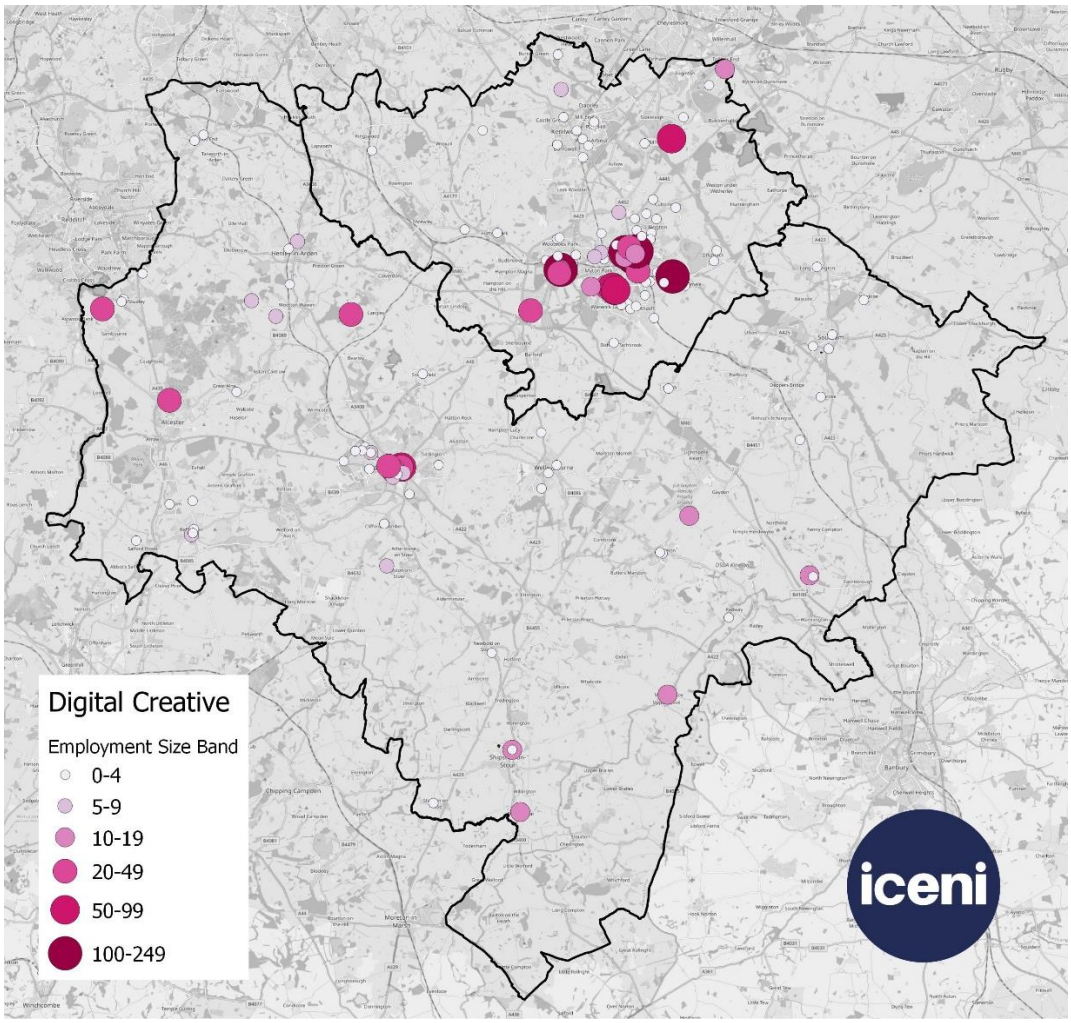
Figure 3.1 Creative Digital Businesses and Employment by Size

Business Employment Size Band	Total Employment	% employment	Number of Businesses	% businesses
0-4	248	6.8%	148	64.9%
5-9	205	5.6%	31	13.6%
10-19	249	6.8%	16	7.0%
20-49	492	13.5%	17	7.5%
50-99	641	17.6%	9	3.9%
100-249	755	20.7%	5	2.2%
250+	1,056	29.0%	2	0.9%
Grand Total	**3646**		**228**	

Source: IDBR (2024)

3.9 The map below shows the spatial distribution of digital creative companies. There is a significant cluster in Leamington Spa and Warwick (explored in more detail below). There is a smaller cluster of business activity in Stratford-on-Avon Town Centre, however these business tend to have a general software focus rather than specific to gaming. Kenilworth and Southam have a cluster of micro digital creative businesses.

Figure 3.2 Digital Creative Companies by Employee Size Band



Source: IDBR (2024)

3.10 The map below shows a close up of digital creative businesses in Leamington Spa and Warwick. A majority of businesses, in particular smaller companies, are located within Leamington Spa Town Centre.

3.11 Engagement with stakeholders revealed there is an emerging cluster in Tachbrook Park (south of Leamington Town Centre) which has recently seen the arrival of a few gaming companies, in particular larger companies that are looking to scale-up and expand their premises and are unable to find suitable premises in the Town Centre itself. For example, stakeholders identified that Sumo Group are located here on

a temporary basis awaiting the refurbishment of their premises at the old House of Fraser on Bedford Street.

3.12 There is also an emerging cluster within Warwick, with 27 companies located in Warwick Town Centre. Stakeholder feedback revealed that companies have moved here due to a lack of suitable office premises within Leamington Spa. Stakeholders revealed that Maverick Games, a triple A Start-up are located at Saltisford.

3.13 There are 10 companies located at Warwick Technology Park, a majority of these have less than 4 employees and are located within the Innovation Centre which provides short-lease start-up space for start-ups and small businesses with units from 250-2,000 sq.ft.

3.14 In addition to this, the Codemasters Studio (now owned by EA Games) which has developed into a world-renounced games publisher are based in Southam.

Figure 3.3 Creative Digital Businesses – Warwick and Leamington Cluster

Source: IDBR (2024)

Professional Services

3.15 The professional services sector includes financial services, insurance, IT services, project management, marketing consulting, creative services and architecture.

3.16 There are 2,192 professional services businesses in South Warwickshire, supporting 317,288 jobs. A large majority of businesses have less than 4 employees, supporting 16% of employment. There are 9 businesses with over 250 employees, supporting nearly a third of sector employment.

Figure 3.4 Professional Services Businesses and Employment

Size Band	Employment	% employment	Number of Businesses	% businesses
0-4	2711	15.7%	1748	79.7%
5-9	1332	7.7%	205	9.4%
10-19	1658	9.6%	119	5.4%
20-49	2115	12.2%	68	3.1%
50-99	1955	11.3%	28	1.3%
100-249	2154	12.5%	15	0.7%
250+	5363	31.0%	9	0.4%
Total	**17288**		**2192**	

Source: IDBR (2024)

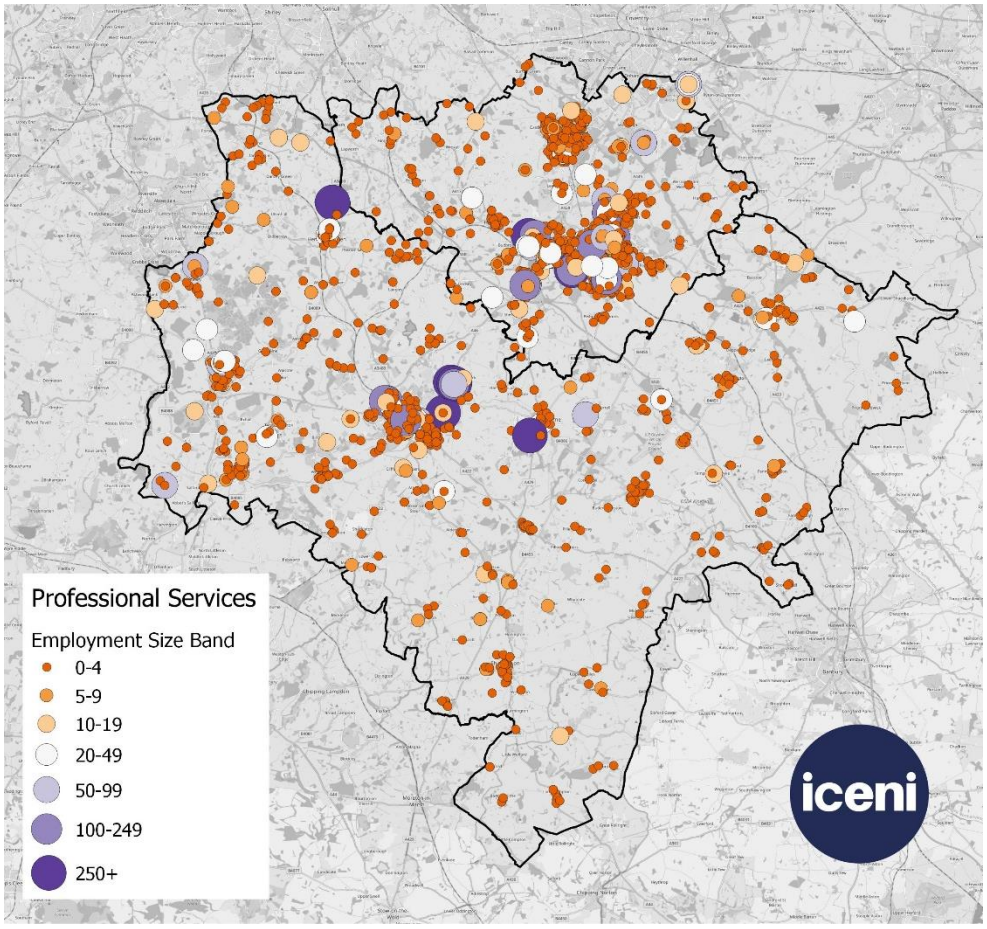
3.17 The map below shows the spatial distribution of professional services businesses. There is an even distribution of micro businesses across the whole of South Warwickshire. Medium and large enterprises are concentrated in Leamington Spa, Warwick and Stratford. Taking a closer look businesses are located:

- Leamington Spa town centre;
- Warwick Technology Park;
- Tachbrook Park;
- Warwick town centre;
- Stratford town centre;

- Shottery Brook Business Park;
- Ryon Hill Park.

3.18 Kenilworth has a significant clustering of professional services businesses however these are generally micro-businesses. There is also a sector presence on Stoneleigh Park and Abbey Park.

Figure 3.5 Professional Services Companies by Employment Size Band



Source: IDBR (2024)

Logistics and Storage

3.19 There are 299 logistics businesses in South Warwickshire, supporting 5,773 jobs. A significant proportion of sector employment is concentrated in larger businesses with over 100 employees. There are 8 businesses with 100-249 employees and 4 with over 250 employees.

Size Band	Employment	% employment	Number of Businesses	% businesses
0-4	314	5.4%	184	61.5%
5-9	317	5.5%	49	16.4%
10-19	301	5.2%	21	7.0%
20-49	777	13.5%	23	7.7%
50-99	768	13.3%	10	3.3%
100-249	1174	20.3%	8	2.7%
250+	2122	36.8%	4	1.3%
Total	5773		299	

Source: IDBR (2024)

3.20 With the exception of the area around Coventry Airport, South Warwickshire is not viewed as a key location for strategic distribution within the wider West Midlands due to more appealing areas elsewhere. It predominantly falls outside of the logistics 'Golden Triangle' which is the key location for larger National Distribution Centres (NDCs). Logistics activity is focussed more around smaller/ medium-sized units, and local and regional supply chains (including manufacturing) rather than national distribution. There is however an aspiration amongst developers for a new strategic logisitics site along the M40.

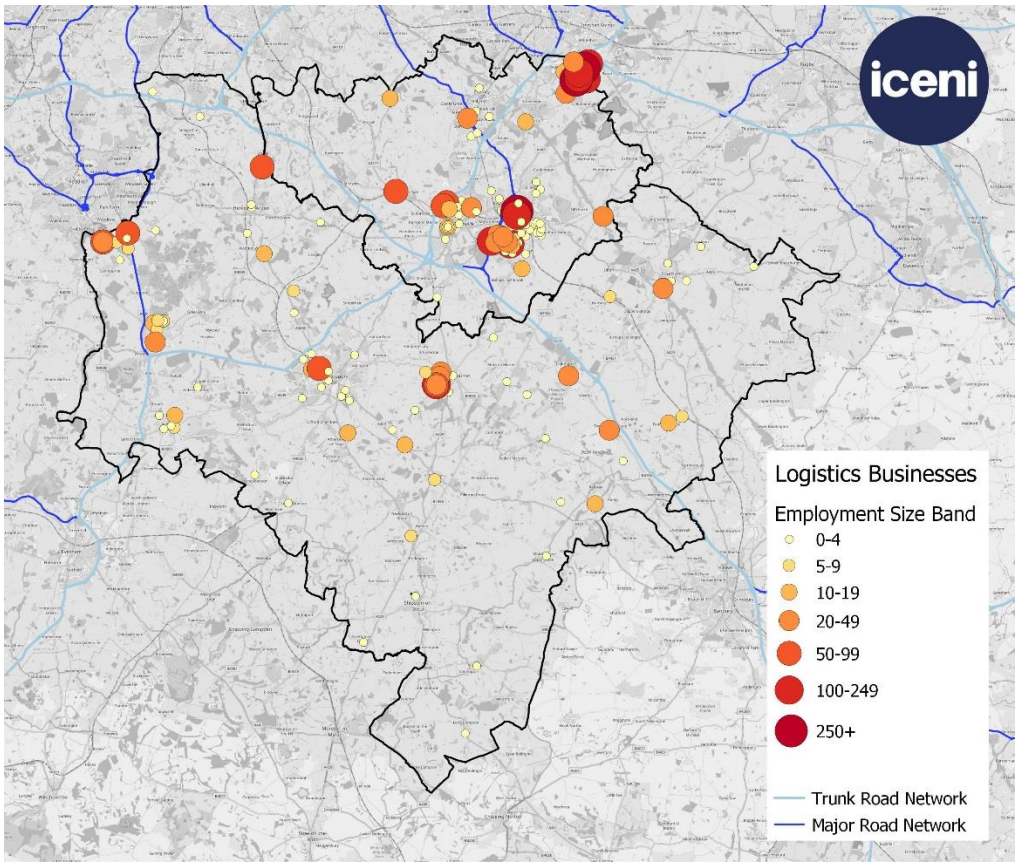
3.21 Whilst the logistics sector has seen an improvement in its skills profile and wages, it still has a proportion of low-skilled jobs. Stakeholders consider that the presence of a new logistics site in a less densely populated area of the District could cause displacement from other low-skilled sectors such as the visitor economy, hospitality and health and social care due to the higher wages offered by logistics companies. Therefore it is important that logistics sites are well connected to urban areas via public transport.

3.22 The map below shows the spatial distribution of logistics businesses across South Warwickshire. There is a cluster of larger logistics located in the north of Warwick District at Middlemarch Business Park, benefiting from access to the strategic road network (A45 and A46) and the proximity to Coventry. This area is currently undergoing expansion with the delivery of Coventry Gateway (discussed in more detail in Chapter 4).

3.23 There is also a cluster of logistics occupiers in Leamington Spa, in particular at Spa Park and Heathcote Industrial Estate. Whilst there are some larger businesses, there is a significant presence smaller businesses (<10 employees).

3.24 Warwick has some mid-sized businesses at Wedgnock Industrial Estate to the west of the town, benefiting from direct access to the A46. Further south there are 6 logistics businesses located at Wellesbourne (M40 Distribution Park). Business located in Stratford-on-Avon tend to be micro and small enterprises. Studley has 11 logistics businesses of various sizes. These companies likely serve Redditch due to the proximity.

Figure 3.6 Logistics Businesses by Size Band



Automotive and Low Carbon Transport

3.25 There are 59 businesses within the Automotive and Low Carbon Transport sub-sector, supporting 11,523 jobs. A signiificant majority of 90% of employment is supported by just 4 businesses with over 250 employees.

3.26 Engagement with stakeholders revealed that employment within this sector is R&D focussed rather than manufacturing, with JLR having two research and development sites at Gaydon and Fen End - JLR have approximately 9,000 engineers. Aston Martin Lagonda headquarters are also located at Gaydon (which includes both R&D and manufacturing) and General Motors have recently fitted out their Advanced Design Studio located at Spa Park in Leamington Spa. The attractiveness of the area for R&D is influenced by proximity to research

infrastructure, including Warwick University' main and Wellesbourne Campuses, UKBIC, Coventry University and the MTC at Ansty Park.

Figure 3.7 Automotive and Low Carbon Transport Businesses and Employment by Size Band

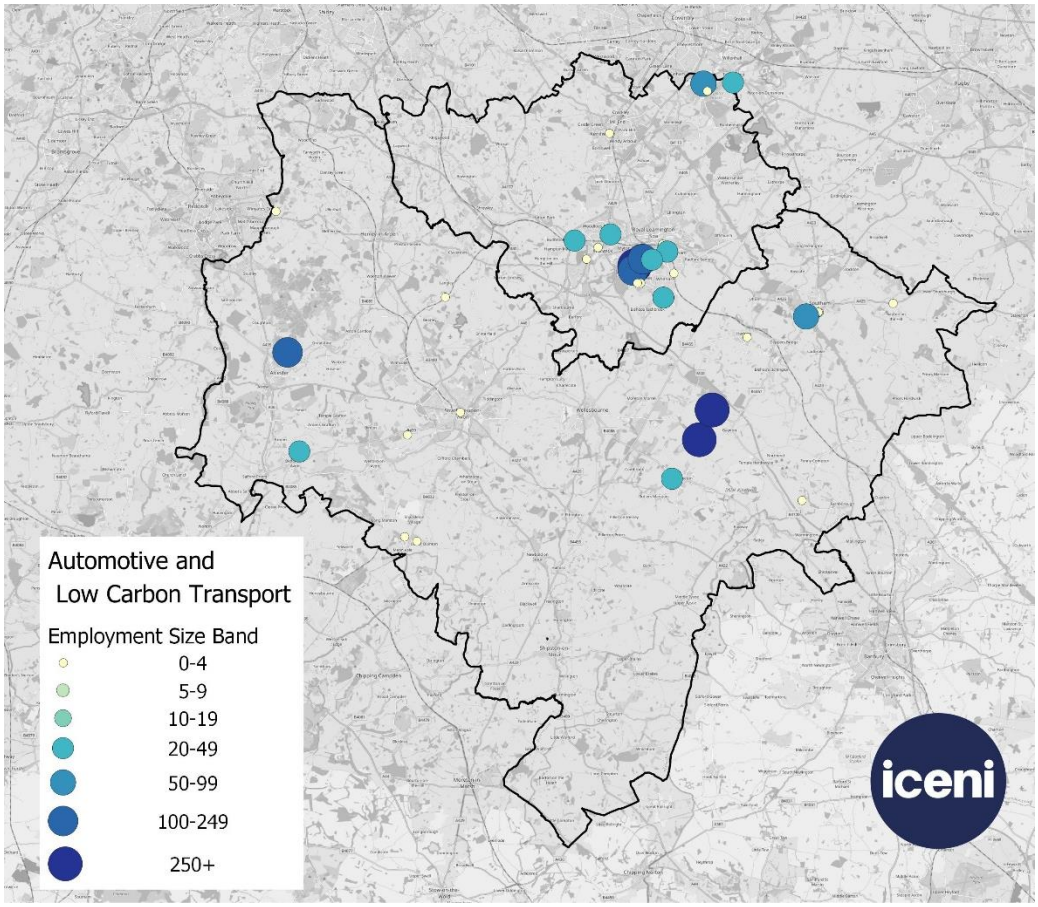
Size Band	Employment	% employment	Number of Businesses	% businesses
0-4	45	0.4%	24	40.7%
5-9	45	0.4%	8	13.6%
10-19	95	0.8%	7	11.9%
20-49	286	2.4%	10	16.9%
50-99	156	1.3%	2	3.4%
100-249	533	4.6%	4	6.8%
250+	10,523	90.1%	4	6.8%
Total	11,523		59	

Source: IDBR

3.27 The map below shows the spatial distribution of automotive and low carbon businesses, with two large occupiers at Gaydon (JLR and AML). There is cluster of medium to large businesses (50+ employees) in Leamington Spa at Heathcote Industrial Estate and Tachbrook Park.

3.28 Outside of the boundary, there is significant automotive activity along the M40, extending south of the Stratford-on-Avon boundary to Banbury (including Pro-Drive).

Figure 3.8 Automotive and Low Carbon Transport Businesses by Size Band



3.29 There is a good pipeline of automotive projects and occupiers directed to Warwickshire through Invest in Coventry & Warwickshire, however there is currently a lack of space to support these enquiries. In some cases, premises that were available needed significant investment and refurbishment to suit the occupier.

3.30 There is 100ha (JLR) and 4.5ha (AML) of land allocated for automotive uses at Gaydon for expansion of these businesses, however this has not been built out to date due to business circumstances and commercial considerations. This is considered further in the site assessments. Aston Martin set up a factory at an alternative site in St Athan in Wales and Jaguar Land Rover have focussed their expansion at other sites in Halewood and Solihull.

Agri-tech

3.31 There are 91 ‘agri-tech’ businesses within South Warwickshire supporting 1,610 jobs. A majority of businesses have less than 5 employees. There are 3 companies with over 100 employees, supporting 60% of sub-sector employment. The sub-sector is driven by rural businesses such as food production, farming, food processing, food logistics rather than high-technology companies.

Figure 3.9 Agri-tech Businesses and Employment by Size Band

Size Band	Employment	% employment	Number of Businesses	% businesses
0-4	109	6.8%	60	65.9%
5-9	90	5.6%	14	15.4%
10-19	81	5.0%	6	6.6%
20-49	160	9.9%	5	5.5%
50-99	202	12.5%	3	3.3%
100-249	303	18.8%	2	2.2%
250+	665	41.3%	1	1.1%
Total	**1610**		**91**	

Source: IDBR 2024

3.32 The map below shows the spatial distribution of agri-tech businesses. Companies within the sector are dispersed across both Districts in particularly the rural areas, as might be expected, with no clear clustering.

3.33 There is one businesses with over 250+ employees, supporting 665 jobs, located in Luddington, identified as ‘support activities for crop production’.

3.34 Stoneleigh Park sees a cluster of agricultural businesses including the National Farmers Union (NFU) Headquarters, Agriculture and Horticulture Development Board, British Beekeepers Association, Dexter Cattle Society and Linking Environment and Farming, however these do not all fall into the ‘agri-tech’ definition but are relevant to the wider growth potential in this sector in South Warwickshire, with the

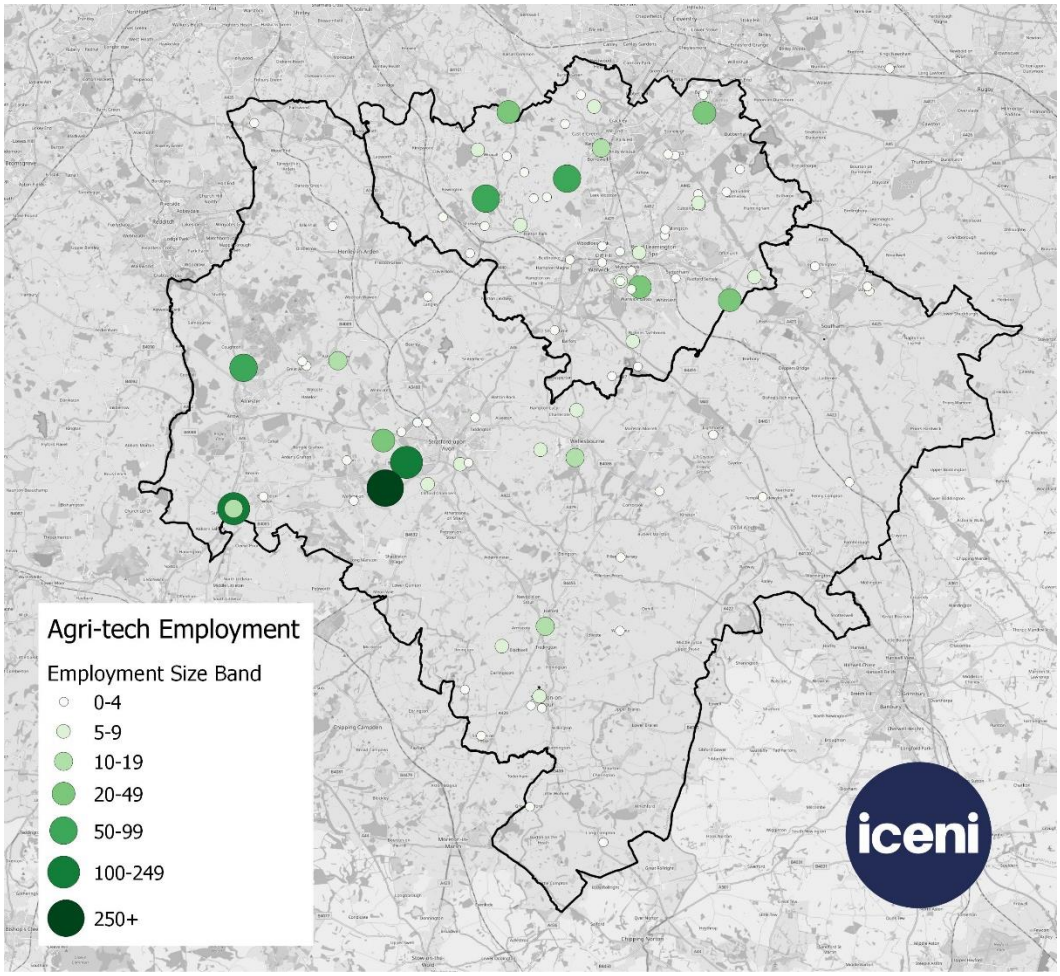
NFU headquarters being on the original anchors for the Rural Innovation Park.

3.35 The Rural Innovation Centre is also within Stoneleigh Park is, providing 46 serviced offices. The site currently has five office properties available, totalling over 2,500 sq.m of floorspace.

3.36 The site has an outstanding masterplan which was not built out and is due a refresh, however progress has been halted by HS2 development on the boundary of the site. Feedback indicated that there was inward investment interest for the site however this was not currently pursued for these reasons. The site has the potential to become an important agricultural and agri-tech hub with the provision of the correct space. For further details see the Stoneleigh Park site specific analysis.

3.37 The University of Warwick Wellesbourne Campus is a 200ha agricultural research. In terms of businesses, the site does not currently have an agri-tech cluster but has the potential to attract and support spin-out businesses from the university's research.

Figure 3.10 Agri-tech Businesses by Size Band



Source: IDBR (2024)

3.38 Overall there are both a range of businesses, including larger businesses in this sector, and key research and sector institutions which underpin the sector's strength in South Warwickshire.

General Manufacturing

3.39 There are 634 manufacturing businesses within South Warwickshire, supporting 11,005 jobs. Over half of manufacturing businesses have less than 5 employees. There is also a significant number of businesses with 5-20 employees, typically requiring small to mid size industrial units. 15 businesses have over 100 employees, supporting around half of the sector's jobs.

Figure 3.11 General Manufacturing Business and Employment by Size Band

Size Band	Employment	% employment	Number of Businesses	% businesses
0-4	674	6.1%	359	56.6%
5-9	702	6.4%	106	16.7%
10-19	1,072	9.7%	79	12.5%
20-49	1,590	14.4%	53	8.4%
50-99	1,404	12.8%	22	3.5%
100-249	1,608	14.6%	10	1.6%
250+	3,955	35.9%	5	0.8%
Total	11,005		634	

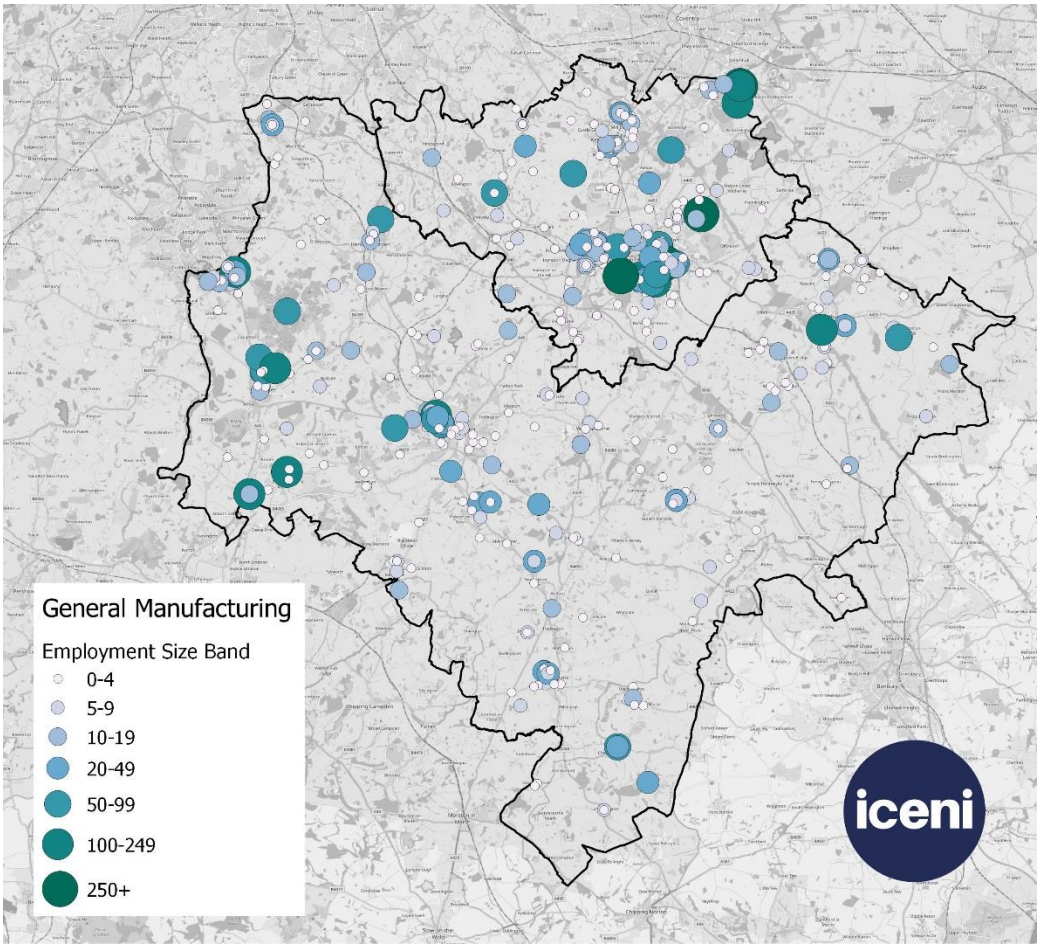
Source: IDBR

3.40 The map below shows the spatial distribution of manufacturing businesses across South Warwickshire. There is a strong spread of businesses across the whole district, reflecting that there is a strong presence of industrial businesses in the smaller towns and rural areas.

3.41 Leamington Spa has a significant cluster of manufacturing businesses within Heathcote Industrial Estate and Spa Park. There is significant presence in Warwick's industrial areas (Millers Road, Budbrooke Road and Harris Road). Stratford-on-Avon's manufacturing businesses are concentrated on Timothy's Bridge Road.

3.42 There are also some large occupiers located at Middlemarch Business Park near Coventry Airport which sits close to JLR's world HQ and OEMs in the Coventry area more broadly. The UKBIC is also located here, as identified. Other clusters of typically smaller businesses can be seen in Studley, Alcester, Shipton-on-Stour, Kenilworth and Southam.

Figure 3.12 General Manufacturing Businesses by Size Band



Source: IDBR (2024)

3.43 The spatial understanding of these key sectors has been used to inform consideration of site-specific attractiveness of sites for different forms of employment in other aspects of this report.

4. Commercial Market Dynamics

4.1 The 2022 Sub-Regional HEDNA provides key evidence regarding economics dynamics and the need for employment land to inform the South Warwickshire Local Plan. This Study does not therefore seek to repeat economic analysis undertaken therein, but seeks to build on this – including through developing a more detailed understanding of key growth sectors in South Warwickshire.

4.2 This section therefore first summarises the key findings of the HEDNA related to the South Warwickshire economy, before drilling into key sectors identified in the South Warwickshire Economic Strategy.

Coventry and Warwickshire 2022 HEDNA Key Findings

4.3 The Coventry and Warwickshire HEDNA provided a commercial market reviewing, using the latest data at the time, up to 2020. Whilst the Study was cognisant of the impact of Covid-19, such as potential effects of growth in home and hybrid working on office floorspace and of e-commerce growth on warehouse/distribution, it is important now to have regard to more recent trends as well, which are considered later in this section. The findings of the HEDNA chapter on commercial market dynamics are summarised below.

Office

- Warwick office market has a stock of 340,000 sq.m and Stratford-on-Avon has a stock of 176,000 sq.m. Office floorspace stock had remained fairly stable in both districts over the preceding 15 years.

- In Coventry and Warwickshire gross absorption of office floorspace has been declining since 2009, indicating a sustained decline in the scale-up of office take-up even before Covid-19. Warwick saw the largest gross absorption of all the study area districts at c.180,000 sq.m over two decades driven by 543 deals, with Stratford-on-Avon

seeing c.85,000 sq.m driven by 344 over the same period. Similarly, lease completions had been declining year on year since 2013.

- Net absorption in Coventry and Warwickshire was generally positive 2009-18 resulting in a declining vacancy rate from 6.8% to 3.4%. Net absorption became negative 2019-2020.

- The 2021 office vacancy rate was 2.8%and 6.3% in Stratford-on-Avon and Warwick respectively. Rents were £12.92 p.s.f and £17.73 p.s.f in Stratford-on-Avon and Warwick respectively, compared to a C&W average of £16.05 p.s.f,

- Technology is a key growth area, in particular the 'Silicon Spa' games development cluster in Leamington Spa, as indicated by major pre-lets to Sumon Group (44,000 sq.ft) at Bedford Street Studios. Other Leamington Spa leases include Tata Consultancy Services (21,800 sq.ft) and Zipabout (3,300 sq.ft).

- In Stratford-on-Avon 57% of leasing activity was within offices <100 sq.m and 36.9% in 100-500 sq.m spaces. In Warwick 47.9% of leasing activity was within properties <100 sqm, 40.5% 100-500 sqm and 8.7% in 500-2,000 sqm.

- In December 2020, Stratford-on-Avon had 24,618 sq.m of available office floorspace of which 52.8% was Class A. Out of the 60,404 sq.m of available floorspace in Warwick, 9.6% of was Class A and 88.9% Class B.

- The vacancy rate had been rising as companies had downsized their floorspace volumes. Better quality space is more strongly in demand with evidence of a 'flight to quality'. There was reported good demand for serviced office space in the core markets but no new-build serviced offices coming forward.

- Developments in the pipeline included the conversion of the former House of Fraser in Leamington to provide 60,000 sq.ft Grade A office. Beyond core markets, including Coventry and Leamington, occupier interest was limited and development requires a pre-let at a premium.

Industrial

- Warwick contains 901,000 sqm of industrial stock and Stratford-on-Avon contains 846,000 sqm (11% each of C&W total). Industrial stock levels have remained fairly stable over past two decades.

- Across C&W gross absorption has increased since 2009, however leasing completions data showed a decline in activity year on year from 2014-19. Net absorption across C&W was positive overall 2009-20 and indicated strong demand.

- Stratford-on-Avon and Warwick saw comparatively less leasing activity than the other C&W authorities, however Warwick has seen significant growth in leasing activity between 2009-19 (+900%).

- In 2021 the vacancy rate for industrial floorspace in Stratford-on-Avon and Warwick was 8.9% and 4.9%, compared to a C&W average of 3.5% - indicating a healthier supply position than some of the supply restricted authorities.

- Average rents were £4.84 p.s.f and £6.69 p.s.f for Stratford-on-Avon and Warwick respectively, compared to a C&W average of £7.24.

- In Stratford-on-Avon 57.5% of industrial leasing activity was for units 100-500 sqm, followed by 23.5% in units of 500-2,000 sqm. Warwick sees more leasing activity in smaller units with 26% for <100 sqm and 45.6% in 100-500 sqm.

- Agents reported strong demand for industrial space, a shortage of stock and growing rents and land values. Industrial availability in and around Coventry is limited however there are pipeline schemes coming forward, including Segro's Coventry and Warwickshire Gateway South. There is limited industrial land supply remaining in Warwick/Leamington with the principal availability being remaining plots at Tournament Fields and Spa Park.

Commercial Market Update

4.4 The following section uses CoStar data to provide an overview on the latest commercial market dynamics, looking at vacancy rates, available floorspace, stock and deals. It updates the HEDNA analysis reported above.

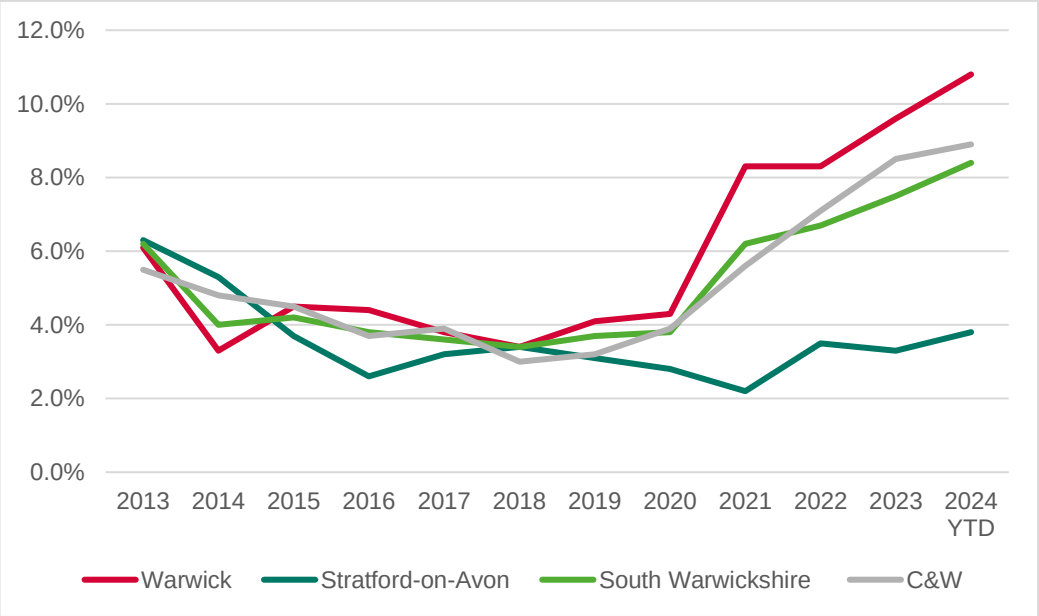
Office Market

4.5 The figure below shows that office vacancy rates in Warwick is currently much higher than Stratford-on-Avon; and Coventry & Warwickshire

(8.9%) at 10.8%. Stratford-on-Avon has a much lower office vacancy rate of 3.8%.

4.6 The high vacancy rate in Warwick is partly driven by a mismatch in the available supply of stock and what occupiers want, as a significant portion of Warwick's office stock is outdated and not of high quality. Of the available floorspace in Warwick, only 32% is above a 4 star rating[1] and 25% built in the past 20 years. However construction of speculative office units is not viable at achievable rents.

Figure 4.1 Office Vacancy Rates



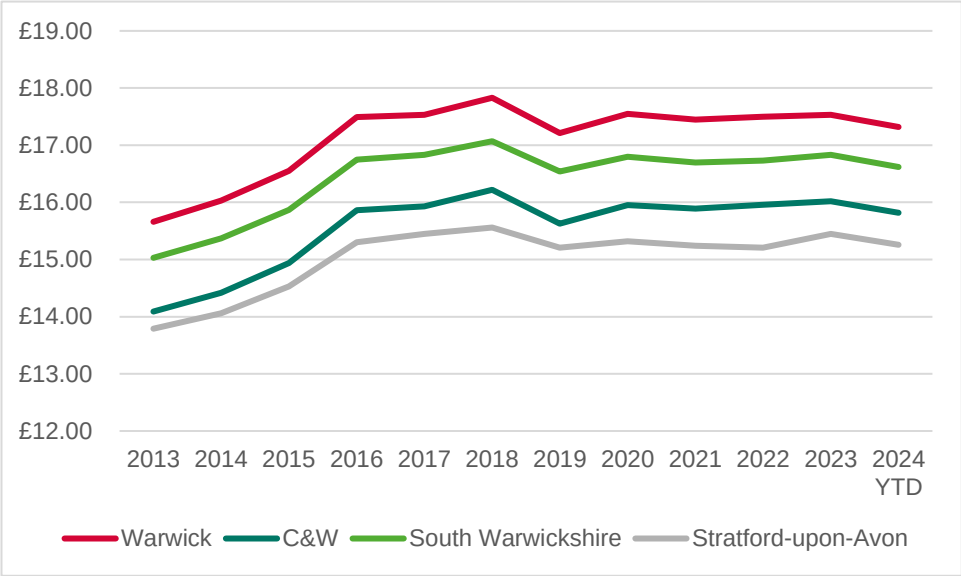
Source: CoStar (2024)

4.7 Average inflation-adjusted office rents are shown in the figure below and indicate that Warwick rents are higher than the Coventry & Warwickshire average and Stratford-on-Avon at £17.32 p.s.f. Average office rents in Stratford-on-Avon sit at £15.26 p.s.f as of July 2024. Office rents have remained fairly stagnant since 2020 and this lack of

[1] CoStar Rating:

growth is preventing the development of new office premises which would require towards £30 p.s.f rent to be viable.

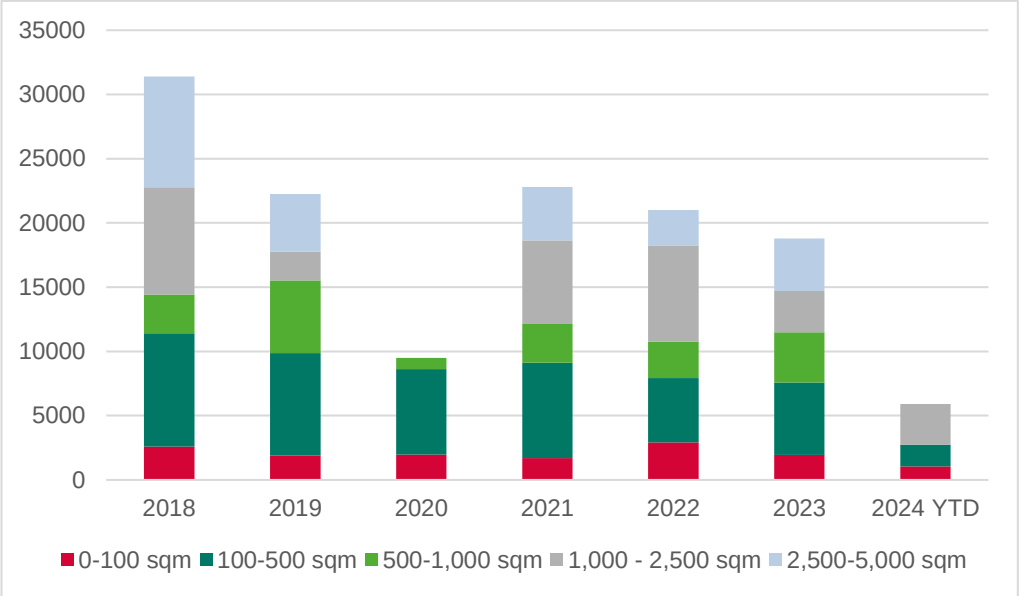
Figure 4.2 Office Inflation-Adjustment Rents (£/sq.ft)



Source: CoStar 2024

4.8 The figure below shows the take-up of office floorspace by size of the deal, for the 2018 to 2024 (July) period. A majority of floorspace leased was within the 100-500 sq.m size band which made up 32.8% of take-up. This is followed by 18.3% of take-up in the 2,500-5,000 sq.m size band.

Figure 4.3 Office Take-up by Size Band 2018-24 (sq.m)



Source: CoStar 2024

4.9 In terms of the number of deals, leasing activity is concentrated at the bottom end of the market with 269 deals less than 100 sq.m and 204 deals between 100 and 500 sq.m since 2018, making up 90% of leasing activity.

Figure 4.4 Office Deals by Size Band (2018-23)

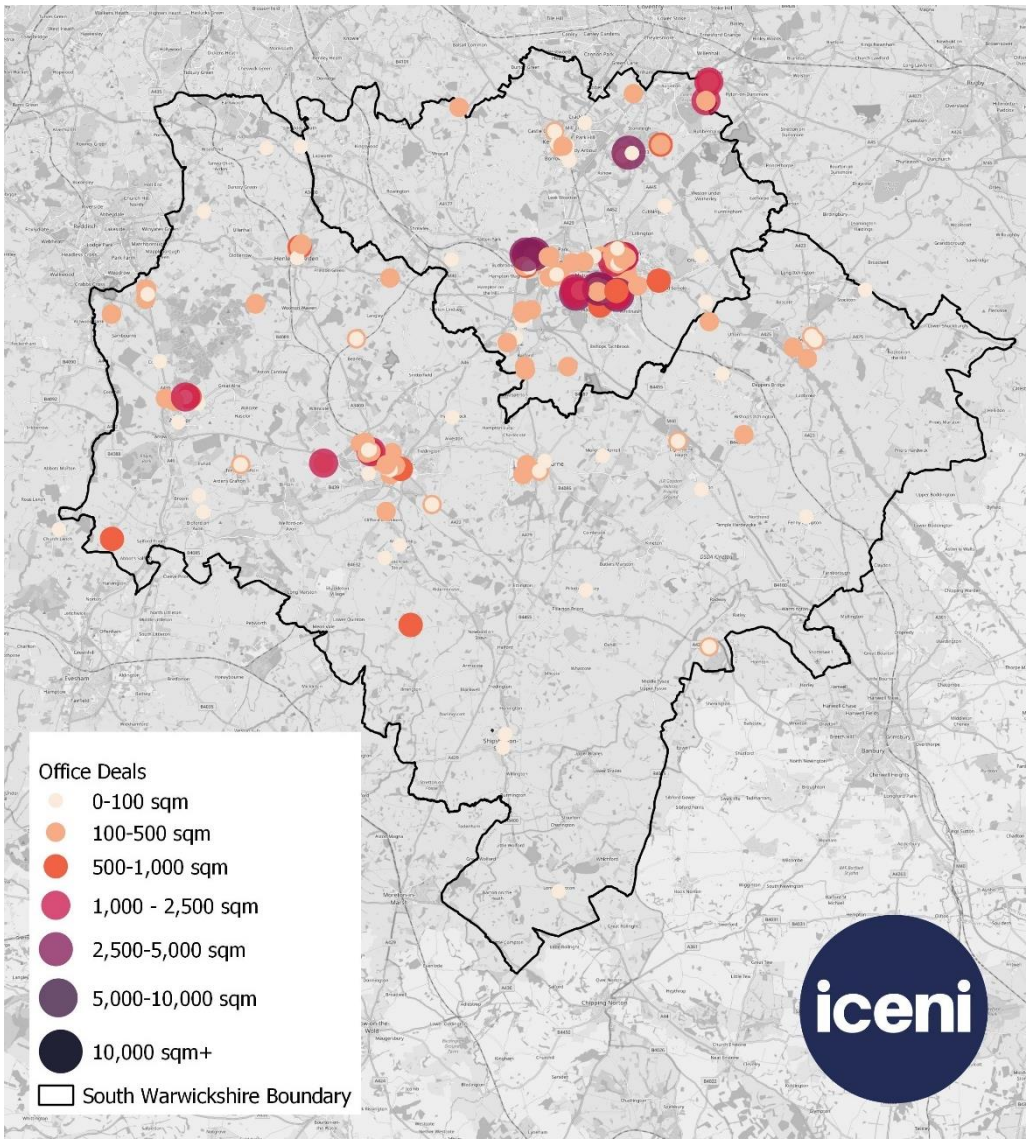
	0-100 sqm	100-500 sqm	500-1,000 sqm	1,000 - 2,500 sqm	2,500-5,000 sqm	Grand Total
2018	50	45	5	5	3	108
2019	35	34	8	2	1	80
2020	33	33	1			67
2021	32	29	4	4	1	70
2022	49	25	4	5	1	84
2023	40	30	5	2	1	78
2024 YTD	30	8		2		40
Total	**269**	**204**	**27**	**20**	**7**	**527**

Source: Iceni analysis of CoStar 2024

4.10 The map below shows the spatial distribution of office deals since 2018 with a majority of activity concentrated in Leamington Spa, in particular the Town Centre where a majority of activity is for properties smaller than 500 sq.m. There have been some larger deals at Tachbrook Park and Warwick Technology Park. Kenilworth has seen a limited amount of

smaller office deals. Stratford-on-Avon has seen some moderate office leasing activity, with most deals smaller than 500 sq.m and focused on local SME businesses. There were also some lettings at Alcester, Southam and Wellesbourne recorded by CoStar.

Figure 4.5 Map of Office Deals 2018-24 (YTD)



Office Availability

4.11 According to CoStar there are 68 office properties with available floorspace, totalling 60,421 sq.m, as at July 2024. This includes:

- 9,689 sq.m at Spa Park, of which 8,220 sq.m is at Aura;

- 7,168 sq.m at Assembly, 1,641 sq.m at One Warwick Technology Park and 2,982 sq.m at 1 Kingmaker, Warwick Technology Park
- 4,232 sq.m at Point 3, 2,099 sq.m at Wedgnock House and 3,998 sq.m at The Woods, Haywood Road/Wedgnock Drive
- 7,133 sq.m in Leamington Spa Town Centre – of which 2,724 sq.m at 76 The Parade (built 2022)
- 6,889 sq.m at Middlemarch Business Park of which 2,309 sq.m is in Arden House (whole property)
- 2,424 sq.m at Tachbrook Park
- 1,718 sq.m in Stratford-upon-Avon Town Centre.

Agent Engagement - Office

4.12 Iceni Projects have engaged with local agents and Invest in Coventry & Warwickshire to gain insight into the current state of the commercial market, the profile of enquires received and where there are gaps in the supply provision.

4.13 Demand in the office market is currently thin and patchy across the plan area, however there has been reasonable take-up of what is available.

4.14 There is very little supply currently; however new build office development is not currently viable with rents currently below £30 per sq.ft, with viability further impacted by current higher interest rates which influence the finance costs for development.

4.15 Leamington is a key office market in the plan area. The town is seeing some refurbishment of older office stock and repurposing of retail space, such as the ongoing refurbishment of House of Fraser which has been leased by Sumo Group. Gaming is a key sector located within Leamington and existing office premises have seen some issues with the high power requirements – this is reported to have delayed the refurbishment of the House of Fraser. Even where premises are being refurbished, developers are putting in minimum power supply.

Playground Games have put their own substation in to support their power requirements.

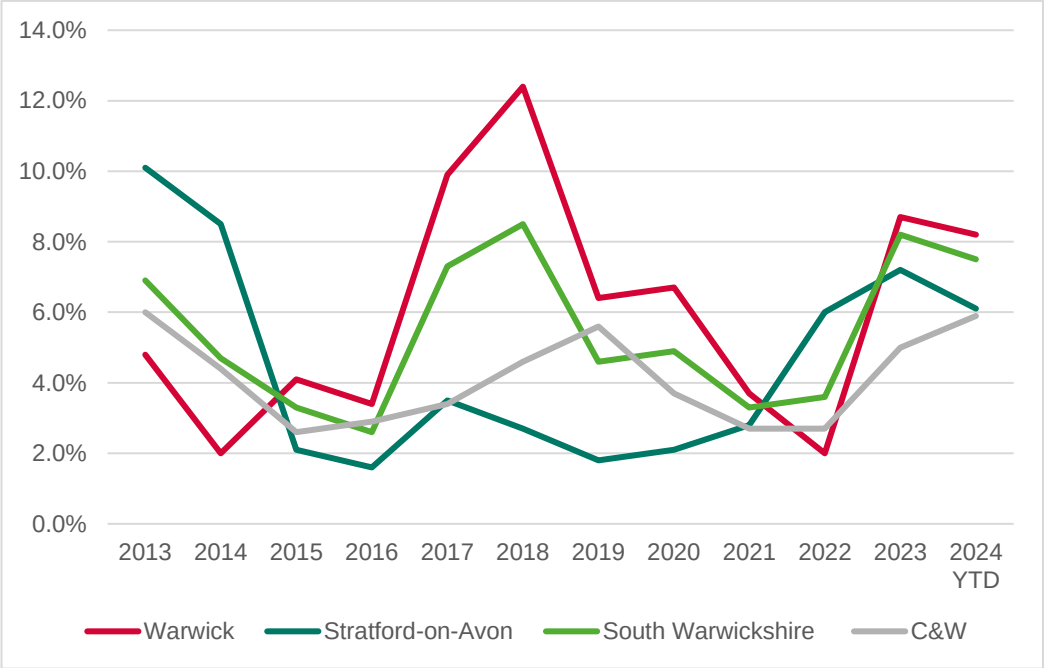
4.16 Many offices within Leamington Spa are dated and no longer fit for purpose (i.e. do not have desired characteristics such as open plan, flexible layouts, breakout spaces). However many of these offices sit within the conservation area which influences and constrains what changes can be made to premises.

4.17 Stratford-upon-Avon has a much smaller office market which has seen long-term under-occupancy, partly driven by new delivery of space before the recession in 2007/08; and which has since struggled to fully-let. As a result office rents are much lower than in Leamington Spa.

Industrial

4.18 The industrial vacancy rates across South Warwickshire have been variable, heading towards a historical low in 2021 of 3.3% and rising steadily since. The vacancy rate is slightly higher in Warwick (8.2%) than Stratford-on-Avon (6.1%). This in theory is operating in the 5-10% preferred range for market activity (this being the range required to support turnover within a functioning market) but may not represent the qualitative needs.

Figure 4.6 Industrial Vacancy Rates

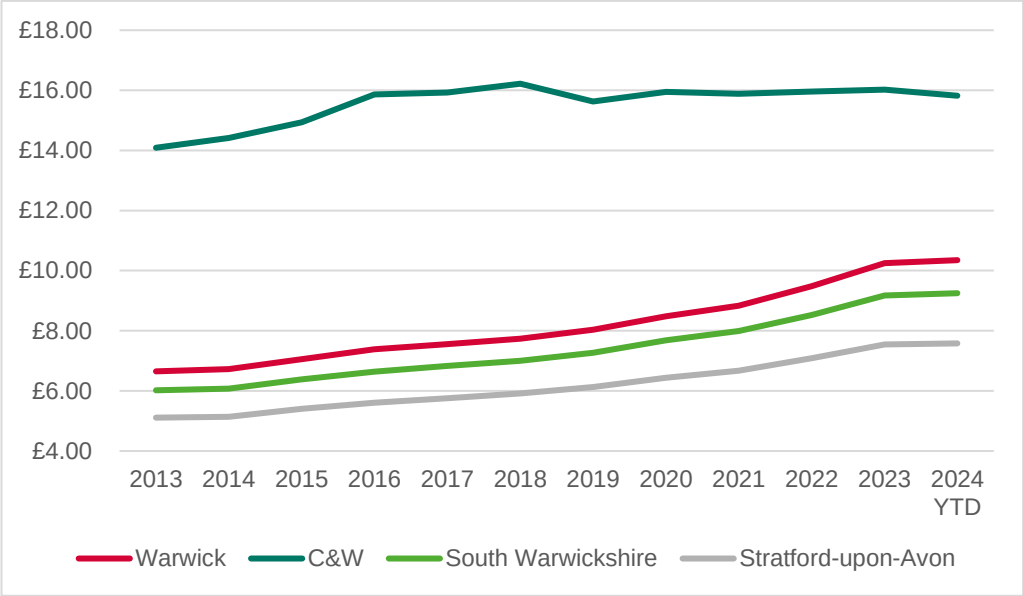


Source: CoStar 2024

4.19 Industrial rents across South Warwickshire have been increasing steadily at an average annual rate of 4.0% over the past decade, slightly higher in Warwick at 4.1% and lower in Stratford-on-Avon (3.7%). This compares to more stagnant growth across the wider Coventry and Warwick area at 1.1%. Despite this, average rents in Coventry & Warwickshire are much higher (£15.82 p.s.f) than Warwick (£10.35) and Stratford-on-Avon (£7.58), reflecting that South Warwickshire does not have as strong as an industrial and logistics market than the wider area, due to weaker connectivity to the strategic road network.

4.20 Warwick performs better than Stratford-on-Avon on rents, likely driven by its larger established industrial areas within Leamington and the proximity to Coventry and the M40.

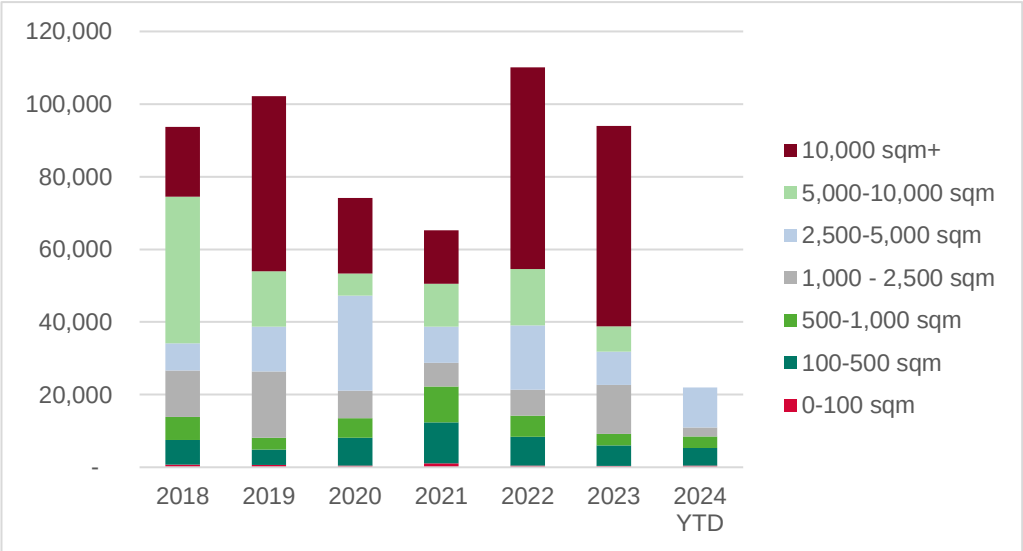
Figure 4.7 Industrial Inflation-Adjustment Rents (£/sq.ft)



Source: CoStar 2024

4.21 Industrial leasing activity since 2018 has been driven by deals for units over 10,000 sq.m, making up 38% of floorspace leased. This was a particular driver in 2022 and 2023, following the e-commerce boom coming out of the pandemic.

Figure 4.8 South Warwickshire Industrial Take-up by Size Band (2018-23)



Source: CoStar 2024

4.22 In terms of the number of industrial deals, there is a concentration in the 100-500 sq.m size band, which saw 199 deals (50%) of all deals since 2018. Whilst leasing of properties over 10,000 sq.m drove floorspace take-up, this was only driven by 9 deals.

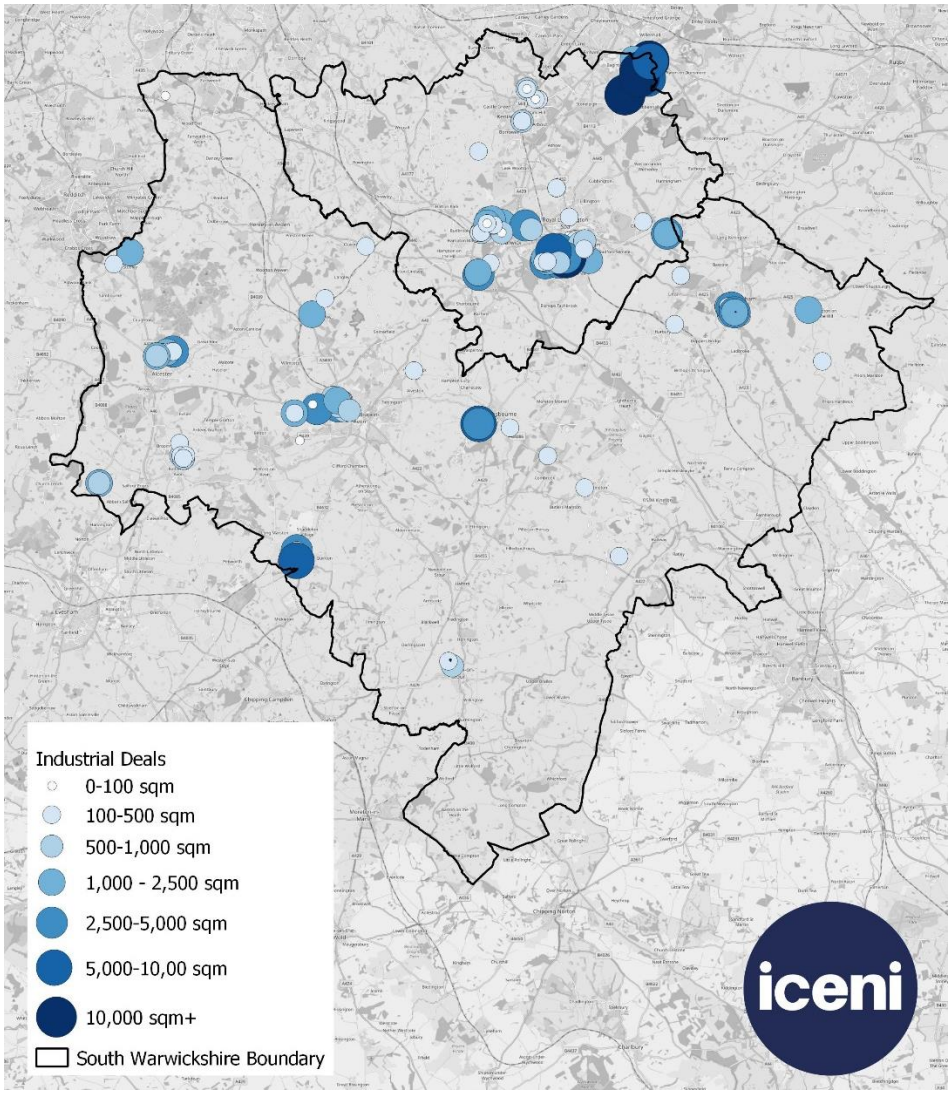
Figure 4.9 South Warwickshire Industrial Deals by Size Band

	0-100 sqm	100-500 sqm	500-1,000 sqm	1,000-2,500 sqm	2,500-5,000 sqm	5,000-10,00 sqm	10,000 sqm+	Total
2018	10	30	8	9	2	5	1	65
2019	8	16	5	11	3	2	2	47
2020	7	33	7	5	7	1	1	61
2021	14	45	14	5	3	2	1	84
2022	8	33	7	4	5	2	3	62
2023	5	21	5	7	3	1	1	43
2024 YTD	6	21	4	2	3			36
Total	**58**	**199**	**50**	**43**	**26**	**13**	**9**	**398**

Source: CoStar 2024

4.23 The map below shows the spatial distribution of the industrial deals since 2018. The largest deals are concentrated around Coventry Airport at Middlemarch, with some larger deals also at Wellesbourne and Meon Vale. Mid and small box activity is concentrated in Warwick and Leamington (Spa Park, Heathcote Industrial Estate and west Warwick). There has been some activity in Stratford-on-Avon along Timothy's Bridge Road in Stratford, Alcester and Southam.

Figure 4.10 Industrial Deals 2018-23



Source: CoStar 2024

4.24 According to CoStar there are 58 available existing industrial properties, totalling 155,147 sq.m. This includes:

- Middlemarch Business Park – 7,597 sq.m at Vulcan; 2 units at Segro Business Park (20,465 sq.m and 13,038 sq.m)
- Heathcote Industrial Estate – 8,960 sq.m across 2 units of 3,000-4,500 sq.m and 3 smaller units (80-500 sq.m)
- Spa Park – 46,110 sq.m including 20,800 sq.m in Axiom, 17,600 sq.m in Integra, and three smaller units (<5,000 sq.m)
- Stratford-upon-Avon– 3 properties totalling 950 sq.m
- Alcester – 3 properties totalling 1,900 sq.m

- Southam – 5 properties totalling 4,900 sq.m

Agent Engagement - Industrial

4.25 Iceni Projects engaged with local agents and Invest in Coventry & Warwickshire to gain insight into the current state of the commercial market, the profile of enquires received and where there are gaps in the supply provision.

4.26 Despite a recent ‘pause’ in activity, over the past decade, demand for industrial space has been consistently strong. As a result, rents have significantly risen, especially for new-build units.

4.27 Whilst there has been some recent development, there has been a lack of small and mid-sized units delivered (20,000-60,000 sq.ft). This a result of developers maximising their plots with the development of larger single units. Agents report that there is an ongoing mismatch between the available supply and what the market wants – for example units at Precision Park were ‘sticky’ in the market as the plot was maximised to provide two attached units with shared yard space.

4.28 This issue could be managed through allocation policies or the allocation of smaller sites that lend themselves to small and medium units. Available sites and units to do not stay on the market long once advertised, therefore there is scope to be ‘pickier’ on what unit sizes are delivered.

4.29 There is a good provision of small units however lack of mid-box space means there is nowhere for growing businesses to move onto and therefore they relocate.

4.30 There is also a lack of affordable space for SMEs. Where businesses are moving out of the Canal Quarter Regeneration Zone they cannot find affordable accomodation elsewhere. The Stratford 46 allocated site

is meant to provide replacement space, however will have prime rents driven by its high spec and strong location.

4.31 As discussed above, gaming is a key sector in Leamington, however the lack of suitable office space, especially move on space, is resulting in creative businesses taking on industrial space in Leamington's industrial parks, adding demand pressure.

4.32 There has been high take-up of small units, even in rural areas, which is reflected in ultra-low vacancy rates across the whole area. This is not necessarily picked up in deals data and in cases lettings are done by word of mouth (e.g. Clifford Chambers).

4.33 The e-commerce boom seen as a result of the pandemic is starting to cool and there has been a reduction in the volume of speculative built floorspace.

4.34 There has been some delay in allocated industrial sites coming forward. Delivery of the Kenilworth Gateway site stalled as a result of high interest rates and therefore high build costs. The Stratford 46 Business Park (South of Alcester Road) is close to construction.

4.35 Agents felt that there was a need for additional allocations to ease supply pressures, rental inflation and encourage economic growth. Agents expressed that there is not a high enough quantum of land available at the current moment in time.

4.36 Recent development at Tournament Fields went well and is now fully-let. Additionally, Space Business Park within Tachbrook Park was successful and provides small flexible units (100-700 sq.ft) on a monthly licence.

4.37 In terms of the use class of units, there is no longer a clear distribution between B2 and B8 in terms of occupier demands.

4.38 Over the past 5-10 years there has been a growing demand for open storage land, which has seen rent and capital appreciation growth. The

land is wanted for a variety of uses including logisitics, construction yards, vehicle storage and builders merchants. There is significant open storage at Meon Vale Industrial Estate (Former Royal Engineering storage units) for van storage.

5. Employment Land Needs Position

5.1 The Coventry & Warwickshire Housing and Economic Development Needs Assessment (2022) provided each local authority with a local and office industrial need for the 2021-41 and 2021-50 period. In addition, the report also reported a Strategic B8 need of 551ha to 2041 and 735ha to 2050.

5.2 Since the publication of the HEDNA, the West Midlands Strategic Sites Study (WMSESS) has identified an overall need for strategic sites across the West Midlands, for B2 and B8 use and identified areas of opportunity for strategic sites, assigning them a notional quantum.

5.3 Following this, an update the Coventry & Warwickshire HEDNA and WMSESS alignment paper has been produced by Iceni Projects to update the local industrial need (<9,300 sq.m units), using the most recent monitoring data (2023/24), identifies a local strategic unit need (+9,300 sq.m) not captured by WMSESS and aggregates up the conclusions around the residual need for strategic sites across the Coventry & Warwickshire authorities. The need for offices is not updated and remains the same as forecasted in the 2022 HEDNA.

5.4 This study uses the employment needs findings from the Coventry & Warwickshire HEDNA alignment paper, which are summarised below.

Local Need

5.5 There is a local industrial need in Stratford of 144ha, 167ha and 196ha from 2021 to 2041, 2045 and 2050 respectively. In Warwick there is a local industrial need of 83ha, 97ha and 113 ha to 2041, 2045 and 2050 respectively. This consists of local industrial need, derived from a completions trend for units <9,300 sq.m, and a big box (+9,300 sqm) need on non-strategic sites.

Figure 5.1 Industrial Need on Non-Strategic Sites (Ha)

		2021-41	2021-45	2021-50
Stratford	Local Industrial Need	124.7	144.6	169.6
	Big Box (Non-Strategic)	19.5	22.7	26.6
	Total Local Industrial Need	**144.2**	**167.3**	**196.2**
Warwick	Local Industrial Need	71.5	82.9	97.3
	Big Box (Non-Strategic)	11.8	13.7	16.0
	Total Local Industrial Need	**83.3**	**96.6**	**113.3**
South Warwickshire Total		**227.5**	**263.9**	**309.5**

Source: C&W Alignment Paper (2024)

5.6 The office need is derived from the labour demand model in the 2022 HEDNA. This includes a margin equivalent to 2 years of gross completions. There is no provision for replacement demand. There is a need for 11.4 / 15.8ha in Warwick and 5.2 / 7.2 in Stratford-on-Avon up to 2042/50.

Figure 5.2 Office Need (Ha)

	2021-41 need	2021-50 need
Warwick	11	16
Stratford on Avon	5	7
South Warwickshire Total	16	23

Strategic Sites Need

5.7 The WMSESS addresses the need for ‘strategic sites’ rather than needs for employment units of a strategic scale. It identified 9 areas of

opportunity for future strategic sites of which Area 8: A46 and M40, falls across South Warwickshire.

5.8 Based on market ranking, pipeline supply and other factors the **residual need** for additional strategic sites was apportioned across the opportunity areas. The indicative need for Area 8 is shown in the table below. Based on site need recommendations, **there is a need for between 75-125 ha** of land on additional new strategic sites in South Warwickshire. It should be noted that the report strongly recommends that the upper bound is planned for.

Figure 5.3 WMSESS Indicative Site Need – Area 8

Opportunity Area	Type of Site	Indicative additional strategic site requirement at B8/mixed c.50ha - B1/B2 dedicated c.25ha	Indicative land need 2022-45
Area 8: A46 / M40 Warwick	B8/Mixed	1-2	50-100
	B2	1	25
Total			**75-125**

Source: Iceni Analysis of WMSESS 2024

Needs Summary

5.9 The tables below summarise the needs for the South Warwickshire authorities for the 2021-41 and 2021-50 periods.

Figure 5.4 Summary of Needs for 2021-41

	Office	Industrial	Strategic Sites*
Warwick	11.4	83.3	
Stratford on Avon	5.2	144.2	
South Warwickshire Total	**16.6**	**227.5**	**75-125**

Figure 5.5 Summary of Needs for 2021-50

	Office	Industrial	Strategic Sites*
Warwick	15.8	113.3	
Stratford on Avon	7.2	196.2	
South Warwickshire Total	**23.0**	*309.5*	**75-125**

Source: Iceni Analysis of Local Authority Monitoring

*up to 2045

6. Current Employment Land Supply

Completions

6.1 The Plan period starts in 2021, therefore completions from the monitoring year 2021/22 to 2023/24 can be netted off from the forecasted need.

6.2 Completions and commitments at the sub-regional employment site at Coventry Airport / Coventry Gateway are not included as they have been accounted for within the WMSESS report and netted off the overall West Midlands need.

Figure 6.1 Completions by Use Class

		Office (B1a / E(g)(i)	B1c (E(g)(iii))/B2	B8	Industrial Mix	Big Box
Warwick	Total	**11,567**	**-2,998**	**12,979**	**22,601**	**0**
	Land (Ha)*	**2.3**	**-0.7**	**3.2**	**5.7**	**0**
Stratford-on-Avon	Land (Ha)	**-0.2**	**-1.3**	**3.3**	**0.1**	**0**
Total		**2.1**	**-2.0**	**6.5**	**5.8**	**0**

*based on plot ratio 0.5 for office, 0.4 for industrial and 0.35 strategic

Source: Iceni Analysis of Local Authority Monitoring

Commitments

6.3 The table below shows the committed employment supply, split into use classes.

6.4 It should be noted that 20.8 ha of the 27.4ha office commitments in Warwick is at Abbey Park. This site has had permission since 2017 and has only been partly built out. Engagement with agents indicate that the site is unlikely to come forward in the short-term as a result of high build

costs and we consider that it should not be fully relied upon in providing for the office floorspace need.

Figure 6.2 Committed Employment Supply

	Office (B1a / E(g)(i)	B1c (E(g)(iii))/B2	B8	Industrial Mix	Big Box
Warwick	27.4	2.9	2.8	1.5	0
Stratford-on-Avon	-1.2	4.8	-1.2	4.0	0

Source: Iceni analysis of Local Authority Monitoring

6.5 The current Warwick Local Plan identifies available employment land that includes sites with planning permission, Development Briefs or allocations from the previous plan. These sites are considered by the Council to be suitable for B-class employment uses and are protected for such uses through the Local Plan. These sites contributed to meeting the overall employment land requirement previously set out in policy DS8.

6.6 These are listed in the table below and their status and reason for exclusion from the supply portfolio, where relevant, is detailed.

Figure 6.3 Major Employment Commitments

Site	Site Size (Ha)	Details	Include/Exclude
Land Rear of Homebase, Princes Drive	1.4	Previous applications for retail warehouse[2] and residential development have been withdrawn – no planning status	Exclude
Tournament Fields	18.1	Permission has been fully built out	Exclude
Stoneleigh Park	125	Expired masterplan for development of science, business, technology and innovation park (B1a/B1b)	Include (Office and R&D)
Stoneleigh Deer Park	22.6	Known as Abbey Park is part built out with a remaining permission on 20.8ha	Include (already counted in commitments above)
Former Honiley Airfield	79.3	JLR development has been built out – no further development plans	Exclude

Source: WDC Local Plan 2017, Iceni Analysis

Allocations

6.7 The table below summarises the extant allocations within South Warwickshire and provides a summary of the status of the sites. Warwick has a total of 19.7ha allocated employment land remaining. Stratford-on-Avon has a total of 169.2ha remaining, however removing

[2] W/18/0092 Full planning application for retail warehousing floorspace (Use Class A1: bulky goods) up to 10,405.6 sq m, including associated ancillary uses; a restaurant and cafe unit (Use Class A3) up to 139 sq m;

the dedicated JLR and AML sites at Gaydon, which are not available to the wider market, brings this total down to 64.7ha.

Figure 6.4 Allocated Employment Sites

Site	Site Size	Use Class	Status
E1 - Land at Thickthorn	7.9	E(g) / B2	Full planning permission[3] for residential, further mixed use outline application containing 7.9ha of Class E / B2 floorspace (31,000 sqm). High interest rates and build costs have stalled the site.
E2 - Land at Stratford Road	11.7	E(g)(iii)/B2/B8	Outline permission[4] for employment related development on part of the allocation
Warwick Subtotal	**19.8**		
Canal Quarter RZ	2		Outline permission[5] for 500 (56 full details) dwellings and 1,625 sqm (969 sqm full details) flexible floorspace and full details for 56 dwellings – likely E(g)
South of Alcester Road	23 (9.6 for B class)	7.0 - E(g)(i) 3.2 – B2 12.8 – B8 (based on % floorspace split)	17/03629/OUT – outline for 13,000 sqm office; 6,000 sqm B2, 24,000 sqm B8 and further retail and car showroom floorspace – estimated 9.6ha for B-class uses, split based on illustrative masterplan.
Atherstone Airfield	19	E(g)/B2/B8	No application

[3] W/20/2020

[4] W/22/1077

[5] 19/02585/OUT

North of Arden Road	11	E(g)/B2/B8	Outline permission[6] for 15 units, 2 units completed 20/21 (1.1ha); 3rd unit complete 2024. Two further plots have been sold/pre-let but not under-construction
West of Banbury Road, Southam	1.6	E(g)/B2/B8	Outline permission for B1/B2/B8 (17/03753/OUT) – no further progress.
Long Marston Airfield	8	E(g)/B2/B8	14/03579/OUT – 4,000 sqm employment hub, due to be completed by April 2025 following construction of housing (365th dwelling)
Gaydon/Lighthorne Heath	0.1	E(g)	15/00976/OUT – outline approval for village with 1,000 sqm B1 (0.1 ha)
Gaydon/Lighthorne Heath - JLR	(100)	E(g)/B2	No progress – unlikely to fully come forward
Gaydon/Lighthorne Heath - AML	(4.5)	E(g)/B2	Unlikely to come forward, AML has pursued development elsewhere (St Athan, Wales)
Stratford-on-Avon Subtotal	**51.3** (155.8)		
South Warwickshire Total	**84.5**		

Source: Iceni Analysis, Local Authority Monitoring Data

[6] 16/02615/OUT

Existing Employment Sites

6.58 Site assessments were carried out on existing employment sites to identify opportunities for further development or intensification. Three plots were identified (detailed in the table below) and could contribute to meeting future employment need.

6.59 No existing sites were recommended to release their protection and therefore no reprovision needs to be made for planned losses.

Figure 6.5 Vacant Plots in Existing Sites

Site	Local Authority	Vacant Land
Tilemans Lane, Shipton-on-Stour	Stratford-on-Avon	0.7
Bird Industrial Estate	Stratford-on-Avon	0.05
Shottery Brook Business Park	Stratford-on-Avon	0.3
Total		**1.1 (rounded)**

Source: Iceni Analysis

Supply Summary

6.60 The tables below summarise the findings of the chapter. In Warwick, there is 29.5 ha of office land available, rising to 154.5 ha taking account of Stoneleigh Park. There is a lesser industrial provision of 8.2 ha and 28.4 ha of mixed-use land.

6.61 Stratford-on-Avon has a small office supply of 3.6 ha, 13.0 ha of industrial and 43.7 ha of mixed-use land. Additionally there is 100 ha allocated for JLR and 4.5 ha for Aston Martin Lagonda.

Figure 6.6 Warwick Supply Summary

	Office	Industrial and Warehousing	Mixed
Completions	2.1	2.5	5.7
Commitments	27.4 (152.4)*	5.7	1.5
Allocations	0	0	19.8
Vacant plots	0	0	0
Total	29.5 (154.5)	8.2	27.0

*including office and R&D land at Stoneleigh Park

Figure 6.7 Stratford Supply Summary

	Office	Industrial and Warehousing	Mixed
Completions	-0.2	2.0	0.1
Commitments	-1.2	3.6	4.0
Allocations*	5.0	6.7	39.6
Vacant plots	0	0.8	0
Total	**3.6**	**13.1**	**43.7**

*Excludes the JLR and AML allocations at Gaydon

7. Supply-Demand Balance and Recommendations

7.1 In this section we consider first the supply-demand balance in quantitative terms, before overlaying qualitative factors and setting out recommendations on future provision.

Warwick

7.2 The table below calculates the supply-demand balance of employment land in Warwick for the 2021-41 and 2050 period.

7.3 There is a surplus of dedicated office employment land **of 18 ha up to 2041 or 14 ha up to 2050**. However this is significantly influenced by the provision of potential land at Abbey Park and there is a need to consider qualitative issues, and considered further below. This surplus increases significantly when taking account the 125ha available at Stoneleigh Park for office and R&D development.

7.4 There is a shortfall of 75ha of land for industrial use up to 2041 and a shortfall of 105ha up to 2050. There is a mixed-use supply of 28ha, of which 20ha is existing allocations, that could contribute to this residual need, which brings the **residual shortfall down to 48ha up to 2041 and 78ha up to 2050**. However, E(g) uses could also be delivered on part of this supply and some of the land might be absorbed for non-industrial uses, therefore the 44ha requirement up to 2041 is an minimum requirement.

Figure 7.1 Warwick Supply-Demand Balance (Ha)

	Office	Local Industrial	Mixed
Need 2041 / 50	11 / 16	83 / 113	-
Supply	30*	8	27
Residual 2042 / 50[7]	**+18 / +14**	**-75 / -105**	**+27**

*plus 125ha at Stoneleigh Park

Stratford-on-Avon

7.5 The table below calculates the supply-demand balance of employment land in Stratford-on-Avon for the 2021-41 and 2050 period.

7.6 There is small shortfall of office land of **1 ha and 3ha to 2041 and 2050** respectively.

7.7 There is a significant industrial shortfall of 131ha up to 2041 and 183ha up to 2050. The residual need does not take account of the Jaguar Land Rover and Aston Martin designated allocations as Gaydon as they do not (currently) contribute to the general market supply.

7.8 Taking account of the 44ha of mixed employment supply reduces the residual need to **a minimum of 87ha up to 2041 and 139ha to 2050**. This assumes that all mixed employment provision is industrial, which is unlikely and therefore stands as an absolute minimum requirement.

[7] Figures may differ from C&W alignment paper due to rounding and the inclusion of vacant plots

Figure 7.2 Stratford-on-Avon Supply-Demand Balance (Ha)

	Office	Local Industrial	Mixed
Need 2041 / 50	5 / 7	144 / 196	0
Supply	4	13*	44
Residual 2042 / 50[8]	**-1 / -3**	**-131 / 183**	**+44**

*plus 105ha JLR/AML Gaydon

Strategic Employment Site Provision

7.9 In addition to the above, there is a need for between **75-125 ha** of strategic employment land provision, which comprises 25 ha for B2 and 50-100 ha for B8 / mixed employment development. This is set out within the WMSESS.

Recommendations

7.10 The allocation of employment land within the South Warwickshire Local Plan will need to be informed by the evidence herein, potential sites put forward for development, as well as the spatial strategy in the Plan. An important consideration will be the alignment of the strategies for homes and jobs.

7.11 This report however seeks to draw conclusions on the potential role which different settlements could play having regard to existing employment provision and the local market dynamics. This will need to

[8] Figures may differ from C&W alignment paper due to rounding and the inclusion of vacant plots

be considered alongside issues of land availability and other parts of the evidence base.

Office - Warwick

7.12 Although there is a notional quantitative surplus of office space of 14-18ha, 20.8ha of this is focussed at Abbey Park. Abbey Park has faced deliverability challenges since consent and questions remains around the market attractiveness of the site in terms of its rural locations; and the adequacy of the supply position in the Leamington/Warwick area as the strongest market. If Abbey Park is removed from the supply, there is a shortfall of office employment land of 2.8ha to 2041 and 6.8ha to 2050.

7.13 The market signals indicate that a significant proportion of market demand is driven by the need for high quality office space within Leamington Spa and Warwick town centres. There is currently a lack of high quality space in the town centres to support the needs of the digital and creative sector. It is therefore important that Local Plan policy protects and encourages the refurbishment of existing office stock within Leamington Spa town centre to provide this space.

7.14 We consider that the Council should consider the following potential sites as being able to contribute to providing new high quality office floorspace and the growth of the gaming cluster, through a combination of standalone office and potential mixed-use development:

- Barrack Street, Warwick (CFS89)
- Cape Road Car Park, Warwick (CFS79)
- County Records Offices, Warwick (CFS98)
- Land at Guy Street, Warwick Street and the Parade, Leamington Spa (CFS85)
- Leamington Fire and Rescue, Leamington Spa (dependant on ongoing use) (CFS97)

7.15 Warwick Technology Park has seen rising levels of vacancy as businesses move away from out-of-town HQ premises to smaller more flexible space. There is potential for this site to further support the gaming cluster and office floorspace needs however there is need for high-speed broadband and sufficient power infrastructure to support business activity. Policy around this site should encourage the refurbishment or redevelopment of large vacant buildings to provide smaller, flexible units to support the scale-up of businesses which have outgrown their premises.

Industrial and Strategic Sites - Warwick

7.16 There is a minimum requirement for 48ha of industrial land up to 2041 and 78ha up to 2050. Additionally there is a need to identify 75-125ha of land on high-quality strategic sites across the plan area, of which one could be provided in Warwick.

7.17 Currently the main clusters of industrial premises are within Leamington, Warwick and around Coventry Airport to the north, driven by connectivity to the A46 and M40 and access to labour.

7.18 There are two principle potential strategic employment site locations identified. The first is to the south of Leamington, where Land at Red House Farm (CFS84) and surrounding land offers the opportunity to provide a strategic site that could potentially help to fund and deliver a new junction to replace the two one way junctions at J13 and J14 of the M40, falls outside of the Green Belt and would relate well spatially both to the existing urban areas and the M40.

7.19 The second potential opportunity is Wedgnock Park Farm (CFS92), located to the west of Warwick, accessing the M40 at J15 via the A46. This falls within the Green Belt and might be more suitable if the broader strategy of growth is focused west of Warwick/Leamington. This option could be delivered in the medium-term compared to the long-term delivery of a new junction that is required for south of Leamington strategy.

7.20 Strategic sites in the Warwick/ Leamington area have the potential to support growth in high-tech manufacturing, logistics and R&D activities. The choice of potential site is dependant on detail assessment, including provision of necessary infrastructure, and on spatial strategy. These sites will have a role in supporting a sub-regional need but also a local supply chain, supporting the function of the South Warwickshire economy.

7.21 In the short and medium-term smaller employment allocations should be made around Warwick, Leamington and Kenilworth to contribute to local need and support the local economy. Allocation of land should ensure the delivery of small and medium size units (<9,3000 sq.m) due to a lack of delivery to date.

7.22 Land at Stratford Road, Warwick (4ha) (CFS83) can provide employment land in the short-term.

7.23 Sites to the south of Coventry and the west of the A46 such as Land South of Dalehouse Lane, Kenilworth (16ha) (CFS95) and Land South of Coventry (East) (49ha) (CFS94) could contribute to South Warwickshire or Coventry's unmet need, subject to consideration of greenbelt impact, residential strategy and infrastructure to provide sustainable access.

7.24 Outstanding allocations at Thickthorn in Kenilworth and Land at Stratford Road, Warwick will also bring forward employment development in the short-term. These are well located sites but where there have been specific short-term delivery issues, influenced by recent build cost inflation and growth in development finance costs linked to the increases in interest rates. Underlying occupier demand remains and they should be protected for employment uses: it is reasonable to expect their delivery as market conditions improve.

7.25 There is a reported need for affordable industrial units for small and medium enterprises. Ensuring the protection of existing industrial stock whilst new stock is delivered on allocated sites, will alleviate demand

side pressures across the market. Older stock will increasingly become an affordable alternative as new supply is brought to the market.

7.26 Stoneleigh Park is a key location for professional services, especially those closely linked to the agricultural sector and supporting the site's function as an exhibition site and farmers market. There is the potential for Stoneleigh Park to provide some industrial units. Engagement with the estate revealed there has been interest in industrial and warehousing occupiers, however the park is current restricted to office and R&D use by its masterplan permission. Local Plan policy or master planning could consider expanding the use class permitted on site to E(g)/B2/B8 to bring forward development on the site. Policy could consider the restriction of industrial uses on the park to relate to agricultural or agri-tech occupiers to protect the site's role within the sector and prevent to encroachment of logistics uses.

7.27 It should however be noted that significant infrastructure requirements would be required including road network upgrades and services on site. Additionally, Stoneleigh Park is surrounded by a Grade II Park and Garden and there has some major environmental constraints within the immediate vicinity of the site.

Office – Stratford

7.28 The small residual need of 1-3ha for office employment land can be potentially met within existing allocations. Of the 44ha of mixed employment land supply, 40ha is existing allocations which include E(g) uses. South of Alcester Road has permission for 13,000 sq.m of E(g) floorspace, which translates to 2.6ha using a plot ratio of 0.5 for office.

7.29 Standalone office development is not viable within Stratford-upon-Avon due to a lack of market demand. Mixed use developments therefore provide the potential principle means for office development to come forward.

7.30 To conclude, there is no requirement for further employment land to be allocated for office use, assuming existing employment land allocations are retained in the new Local Plan.

Industrial - Stratford-on-Avon

7.31 There is a significant industrial residual need of a minimum of 87ha ha up to 2041 and 139ha to 2050.

Stratford-upon-Avon

7.32 Stratford has an outstanding allocation at Stratford A46. In addition, there are a number of potential sites on the west side of Stratford along the A46 which could be brought forward subject to spatial strategy as they sit in the Green Belt, in addition to viability of providing access off the A46. Land at Stratford Parkway (CFS9), which sits to the east of the A46, could for instance deliver some employment provision within a mixed use scheme.

7.33 Sites to the east of Stratford, such as Croft Farm on Banbury Road (CFS77) are not sustainable due to access to the A46 through the Town Centre. These sites could be delivered in the event of the delivery of a south-west relief road, which currently is not funded.

7.34 **Wellesbourne** has an agri-tech cluster at the University of Warwick Campus (CFS17). Further employment provision should be considered here in accordance with the adopted Framework Masterplan. An element of employment provision could also be provided at Wellesbourne West (airfield) (CFS16) subject to planning or spatial strategy.

7.35 **Southam's** existing estates are well-let and have a high market attractiveness. The town has an evident digital and creative cluster. An extension to the existing main concentration of employment space in Southam could be provided to the west (Land South of Leamington Road (CFS4)). The site is 8ha, but if allocated, it is recommended that a site of up to 5ha is designated.

7.36 **Alcester's** existing allocation is considered adequate to provide employment provision. Land is promoted is to the west of the A435 (CFS25) but there are questions regarding the accessibility to the town. The strategy for growth of the Town should influence the potential strategy for employment.

7.37 **At Long Marston,** if further strategic growth is brought forward we would recommend that this is accompanied by dedicated additional employment land provision; as well as provision of town centre uses, including offices, within a local centre.

7.38 **Henley-in-Arden** has a lack of existing employment provision. A mixed-use site is being promoter here, and if strategic growth is taken forwards, the site should include an employment provision of 3-5ha, benefiting from the settlement's sustainable rail access.

7.39 At **Shipston** there is potential for the expansion of existing employment sites, which might warrant consideration – depending on the growth strategy. Provision of up to 5ha might be considered.

Gaydon / JLR Allocation

7.40 The residual need does not take account of the outstanding allocations at Gaydon for JLR and AML, totalling 105ha. Engagement with stakeholders revealed that JLR do not have control of the land, which is in multiple ownerships. This and the restricted nature of the allocation has hindered its delivery.

7.41 As a key automotive cluster destination, is recommended that the existing JLR allocation is released to the wider market for manufacturing and small scale logistics. Policy should prevent +9,300 sq.m logistics units on the site so it stands as a strategic B2 manufacturing site on a well-located junction, contributing to the overarching need for 75-125ha of strategic sites.

7.42 There is also a pending application to the south of the JLR allocation of 29.5ha (CFS7). The application seeks to provide E(g)(ii-iii), B2 and B8

development. Engagement with the promoters revealed there is market interest for automotive R&D and supply chain activities. The site seeks to provide a mix of mid and big box units and some smaller terraced units.

7.43 It is advised that the Council engages with Jaguar Land Rover and Aston Martin Lagonda to explore their future expansion plans and the potential allocation an alternative site of a quantum that reflects their future needs and is deliverable, given historical issues with the previous allocation coming forward.

A1. Sub-Sector SIC Code Definitions

Agri-tech

- 1100- Growing of cereals (except rice), leguminous crops and oil seeds
- 1130 - Growing of vegetables and melons, roots and tubers
- 1190 - Growing of other non-perennial crops
- 1210 - Growing of grapes
- 1300 – plant propagation
- 1500 – Mixed farming
- 1610 - Support activities for crop production
- 1629 - Support activities for animal production (other than farm animal boarding and care) n.e.c.
- 10110 - Processing and preserving of meat
- 10120 - Processing and preserving of poultry meat
- 20590 - Manufacture of other chemical products n.e.c.
- 28302 - Manufacture of agricultural and forestry machinery other than tractors

Digital Creative

- 58210 – Publishing of computer games
- 58290 – Other software publishing
- 62011 - Ready-made interactive leisure and entertainment software development
- 62012 - Business and domestic software development

Logistics

- 49410 – Freight transport by road
- 49420 - Removal services
- 50200 - Sea and coastal freight water transport
- 51210 – Freight air transport
- 52103 - Operation of warehousing and storage facilities for land transport activities
- 52219 - Other service activities incidental to land transportation, n.e.c.
- 52220 - Service activities incidental to water transportation
- 52230 - Service activities incidental to air transportation
- 52290 - Other transportation support activities
- 53100 - Postal activities under universal service obligation
- 53201 - Licensed carriers
- 53202 - Unlicensed carriers

Professional Services

- 58110 – 58190
- 62020 – 66300
- 69101 – 70229
- 73110 – 73200

A2. Site Assessment Summary – Existing Employment Sites

Site Namee	LA	Site Size	Vacant Land	Recommendation
Alscot Estate	Stratford-on-Avon	12.2	0	Retain as an existing employment site
Arden Road/Arden Forest, Alcester	Stratford-on-Avon	26.8	0	Retain as an existing employment site
Avenue Farm, Birmingham Road	Stratford-on-Avon	6	0	Retain as an existing employment site
Bird Industrial Estate, Long Marston	Stratford-on-Avon	1.8	0.05	Retain as an existing employment site
Birmingham Road, Studley	Stratford-on-Avon	6.2	0	Opportunity to intensify / redevelop
Blackwell Business Park	Stratford-on-Avon	0.9	0	Retain as an existing employment site
Blue Lias Industrial Estate	Stratford-on-Avon	1.6	0	Retain as an existing employment site
Bomford Turner, Salford Priors	Stratford-on-Avon	4.3	0	Retain as an existing employment site
Brailes Industrial Estate	Stratford-on-Avon	1.2	0	Retain as an existing employment site
Brickyard Lane, Studley	Stratford-on-Avon	2.7	0	Retain as an existing employment site
Bromsgrove Road/Green Lane, Studley	Stratford-on-Avon	6.8		Retain as an existing employment site
Brookhampton Lane/Plantagenet Industrial Estate, Kineton	Stratford-on-Avon	4.1		Retain as an existing employment site
Business & Technology Park, Banbury Road	Stratford-on-Avon	2.5	0	Retain as an existing employment site

Clifford Park Business Centre	Stratford-on-Avon	4.7	0	Retain as an existing employment site
Dene Park Industrial Estate, Wellesbourne	Stratford-on-Avon	11.8	0	Retain as an existing employment site
East of Kineton Road, Southam	Stratford-on-Avon	10.8	0	Retain as an existing employment site
Goldicote Business Park	Stratford-on-Avon	4.5	0	Retain as an existing employment site
Jaguar Land Rover, Gaydon	Stratford-on-Avon		0	Retain as an existing employment site
M40 Distribution Park, Wellesbourne	Stratford-on-Avon	23.3	0	Retain as an existing employment site
Ryon Hill Business Park	Stratford-on-Avon	4.4	0	Retain as an existing employment site
Shottery Brook Business Park	Stratford-on-Avon	10.7	0	Retain as an existing employment site
Tilemans Lane, Shipston-on-Stour	Stratford-on-Avon	8	0.7	Retain as an existing employment site. Develop vacant plot – planning permission pending
Troy Industrial Estate/Chusnut Court, Sambourne	Stratford-on-Avon	3.5	0	Retain as an existing employment site
Waterloo Road/Bidavon, Bidford-on-Avon	Stratford-on-Avon	12	0	Retain as an existing employment site
West of Kineton Road/Hollywell, Southam	Stratford-on-Avon	12.6	0	Retain as an existing employment site
Barrack St and Northgate St, Warwick	Warwick	1.5	0	Retain as a town centre employment area – redevelop Barrack Street offices
Althorpe Street, Leamington Spa	Warwick	1.5	0	Retain as a town centre employment area

				– encourage refurbishment
Hamilton Terrace, Brandon Parade and Holly Walk, Leamington Spa	Warwick	5.3	0	Retain as a town centre employment area – encourage refurbishment
Budbrooke Road Industrial Estate, Warwick	Warwick	6.9	0	Retain as an existing employment site
Cape/Millers Road Industrial Area, Warwick	Warwick	11.3	0	Retain as an existing employment site
Common Lane Industrial Estate, Warwick	Warwick	2.3	0	Retain as an existing employment site
Harris Road Industrial Estate	Warwick	5	0	Retain as an existing employment site
Heathcote Industrial Estate	Warwick	33.8	0	Retain as an existing employment site
Land Rear of Homebase	Warwick	1.5	1.5	Release – no outstanding application
Holly Farm Business Park, Honiley	Warwick	7.1	0	Retain as an existing employment site
Honiley Airfield, Jaguar Land Rover, Fen End	Warwick	79.3	0	Retain as an existing employment site
Middlemarch Business Park, Coventry Airport	Warwick	93.7	0	Retain as an existing employment site
Montague Road/Nelsons Lane, Warwick	Warwick	7.4	0	Retain as an existing employment site
Opus 40, Warwick	Warwick	8.4	0	Retain as an existing employment site
Princes Drive Industrial Estate, Kenilworth	Warwick	3.7	0	Retain as an existing employment site
Queensway Leamington Spa	Warwick	9.2	0	Retain as an existing employment site
Riverside House, Leamington Spa	Warwick	0.7	0	Release – residential redevelopment

Station Area	Warwick	2.8	0	Protect Vitsoe site as an existing employment site. Release eastern parcel – sui generis uses
Stoneleigh Deer Park / Abbey Park	Warwick	22.6	15.2	Protect existing stock as an existing employment site. Designate remainder of site as a major employment commitment
Stoneleigh Park	Warwick	100	To confirm through master planning	Continue designation as a major employment commitment
Sydenham Industrial Estate, Leamington Spa	Warwick	16.2	0	Retain as an existing employment site
Tachbrook Park & Spa Park	Warwick	65.4	0	Retain as an existing employment site
Tournament Court	Warwick	1.9	0	Retain as an existing employment site
Tournament Fields	Warwick	18	0	Retain as an existing employment site
Warwick Technology Park	Warwick	24.7	0	Retain as an existing employment site
Wedgnock Lane/Rothwell Road, Warwick	Warwick	11.3	0	Retain as an existing employment site
Total			0.8	