



MARCH 2026

# Advice on Coventry Airport Site

## Draft Report

Iceni Projects Limited on behalf of  
Warwick District Council

March 2026

ICENI PROJECTS LIMITED  
ON BEHALF OF WARWICK  
DISTRICT COUNCIL

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Advice on Coventry Airport Site  
DRAFT REPORT

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## 1. INTRODUCTION

- 1.1 The purpose of this report is to provide advice regarding potential policies in the forthcoming South Warwickshire Local Plan relating to the prospective allocation of land at Coventry Airport ('the Site'). It is informed by the wider employment land evidence base for the South Warwickshire Local Plan together with specific engagement undertaken in preparing this report.

## 2. CONTEXT

- 2.1 The Coventry Airport site is located on the south-eastern side of Coventry. It falls within Warwick District. The site sits on a plateau and is accessed from Rowley Road. Access to the site is provided via Tollbar Island Junction on the A46, and via the new junction created at Firefly Road.
- 2.2 The site address is Coventry Airport, Rowley Road, Baginton, Coventry, CV3 4FR. The Site is leased and managed by the Rigby Group; but the freehold is held by Coventry City Council.
- 2.3 Whilst the Airport has historically seen commercial flights, in recent years since 2017 it has been used for General Aviation (GA) which includes corporate and recreational activities. The Rigby Group has given notice to the Civil Aviation Authority (CAA) that the Airport will close and runway operations cease in June 2026.

### **Current Policy Status**

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- 2.4 The site falls within the Green Belt. It is not currently allocated for development in the adopted Warwick Local Plan.

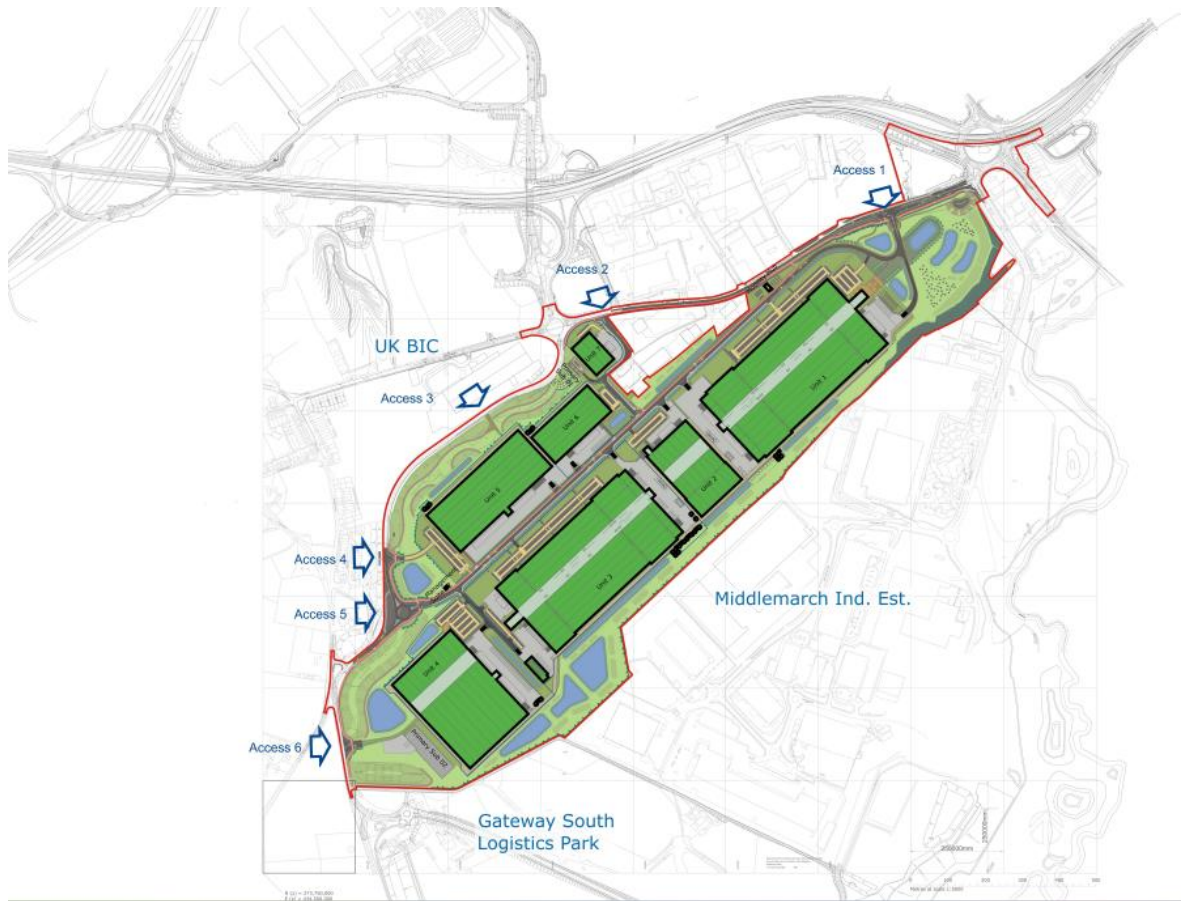
### **Planning History & Extant Consents**

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- 2.5 The Site however has an extant planning consent for the development of a Gigafactory – a large-scale battery manufacturing facility – with ancillary battery recycling capabilities. The Council granted outline consent (W/21/1370) on 30<sup>th</sup> March 2022 for:

*“Outline planning application with all matters reserved apart from access for the development of battery manufacturing facility with ancillary battery recycling capability including landscaping, car parking, access and associated works.”*

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- 2.6 The proposed development comprised of B2 use with ancillary office, warehousing and distribution covering a developable area of c. 80 ha. The total site area is c. 125 ha. It envisaged two phases of development to provide up to 529,648 sq.m GIA of industrial B2 floorspace for battery manufacturing.
- 2.7 Since the outline application was granted, there has been evident progress in discharging conditions and a number of applications for non-material amendments (NMAs) relating to the wording of planning conditions. Reserved matters applications have also been submitted for the development. These are as follows:
- RM application for site-wide enabling works – including formation of development plateaus, earthworks, strategic drainage, strategic landscaping, demolition of existing structures and formation of the main spine road (W/25/0125) – approved 24/12/25;
  - RM application related to all buildings and associated plot layouts, further earthworks, landscaping and internal access arrangements and associated works (W/25/0265) – validated on 25/02/25 and awaiting determination;
  - RM application related to provision of a substation, landscaping and internal access arrangements (W/25/0502) – approved 24/12/25.
- 2.8 A further planning application had then been submitted in October 2025 to provide an alternative option to the latter, to deliver a sub-station on land near Rowley Road (W/25/1437) – approved 10/02/26. The Masterplan set out as part of the RM application for buildings and plot layouts is shown below. It envisages an international-scale manufacturing facility providing 452,400 sq.m GIA of industrial floorspace with potential production capability of up to 60 gigawatt hours (GWh) per annum of battery output; and associated battery recycling facility.



### The Very Special Circumstances Case

- 2.9 The Officer's Report relating to the Gigafactory planning application found that Very Special Circumstances ('VSCs') existed to support the proposed development. Icenl prepared an independent review of the need for and economic impacts of the proposed development at the time, which fed into this.
- 2.10 Our report identified a clear need to increase battery production capacity in the UK, to support the transition of UK automotive production to electric vehicles (in response to climate, legislative and economic drivers), and key potential economic risks to the automotive sector – particularly in the West Midlands – if this was not achieved.
- 2.11 Our 2021 report was based on a combination of desk-based research and an extensive programme of stakeholder engagement. We identified that there were clear legislative drivers, led by the need to reduce CO2 emissions, which are driving demand for battery production. The transition of the automotive sector towards electric vehicles is of greatest significance – including the Government's announcement that the sale of new petrol and diesel vehicle would be banned from 2030. In addition,

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it identified other uses, including home and grid level static storage, which will generate demand for batteries.

- 2.12 The report identified that enhancing battery production capability was of particular importance to retaining and supporting growth in the automotive sector in the UK. In particular EU Rules of Origin mean that for Original Equipment Manufacturers (OEMs) who are manufacturing cars in the UK for export to the EU, battery assembly needs to be taking place within the UK or EU by 2024 with both cell manufacture and battery assembly (i.e. the battery and its supply chain) need to be taking place in the UK/EU by 2027 if punitive tariffs are to be avoided. It identified that this was a particular factor underpinning the urgency to boost UK EV battery production.
- 2.13 The report recognised and endorsed forecasts of battery production need prepared by the Faraday Institute, the UK's flagship institute for research and market analysis in this area. These showed a need for 140 GWh annual capacity needed in the UK by 2040. It reported that several industry stakeholders considered that the 140 GWh pa capacity may be needed sooner and the 2040 figure could be conservative. Set against this scale of need for battery production, the report identified current capacity in the UK is c. 2-3 GWh per annum with pipeline proposals to increase this to c. 50 GWh pa (but spatially concentrated in the North East). It identified on this basis that there was therefore a clear quantitative need to bring forward additional battery production capacity and a need to broaden the spatial distribution of battery manufacturing capacity (as batteries are heavy and costly to transport).
- 2.14 The report found that accelerating the delivery of gigafactories was of national economic significance. With a shift towards EVs, if battery production capacity is not increased – and in the immediate term – the UK car industry could be seriously damaged and gradually cease to be a manufacturer of vehicles at scale. In an international race to secure investment in new EV production, a failure to develop domestic battery production capacity may well result in mass manufacturers (OEMs) choosing to relocate some, or all, of their production overseas. The legislative drivers in particular and implications of EU Rules of Origin mean manufacturers are making decision in the short-term, underpinning the urgency of the need to develop a domestic pipeline of gigafactories. These were conclusions of the House of Lords Science and Technology Select Committee, and were supported by Icen's research.
- 2.15 The report also identified a strong case for battery recycling, and evidence that forthcoming EU regulations are likely to require this. EV car batteries might have a lifespan of around 7-8 years. It found that battery recycling does not necessarily have to take place on the same site as battery manufacturing, although there are some advantages of doing so in respect of transport of hazardous materials, minimising costs (in particular of material from the manufacturing process) and environmental impact. Provision for battery recycling did not exist in the UK at the time of writing and

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there is a good rationale for this to be located centrally within the country having regard to the distribution of population.

- 2.16 The report found that the gigafactory proposal at Coventry Airport is very large – and towards the higher end of the spectrum compared to other plants. But this is an emerging industry, and the evidence indicated that gigafactories develop and grow in a modular fashion over time. It found that in the absence of suitable sites for potential gigafactory development, the West Midlands could lose out in investment decisions by OEMs and battery producers to other regions.
- 2.17 The VSCs position in support of the development recognised this need, the substantial economic benefits which could arise from the development, the lack of alternative sites (in particular which could be brought forward short-term in attractive locations such as this), and the urgent need to increase battery production capabilities.

### **West Midlands Investment Zone**

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- 2.18 The Coventry Airport Gigapark site is one of three sites which form part of the West Midlands Investment Zone (alongside Birmingham Knowledge Quarter and Wolverhampton Green Innovation Corridor). This designation includes four sites – Whitley East, Whitley South, Coventry Airport ('Greenpower Park') and Segro Park.<sup>1</sup>
- 2.19 The Investment Zone designation includes specific incentives:
- Enhanced Structures and Buildings Allowance: tax relief of 10% per annum on qualifying expenditure for constructing, renovating or adapting premises, compared to 3% outside of the Investment Zone. This runs to September 2034.
  - Full Stamp Duty Relief: total relief on SDLT on property used for qualifying commercial premises until September 2026.
  - Enhanced Capital Allowances: 100% first year allowances for qualifying expenditure on plant and machinery. Available until September 2034.
  - Full Business Rates Relief: full relief from business rates on qualifying new properties (and partial relief for expanded properties) until September 2034.

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<sup>1</sup> The tax sites are mapped here -

[https://assets.publishing.service.gov.uk/media/65e9a51b5b65240011f21b78/WM\\_CW\\_Gigapark\\_Tax\\_Site\\_Feb24.pdf](https://assets.publishing.service.gov.uk/media/65e9a51b5b65240011f21b78/WM_CW_Gigapark_Tax_Site_Feb24.pdf)

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2.20 Funding for infrastructure works and the delivery of electricity supply capacity to the site has been supported by the WMCA. This is considered further below.

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### 3. LOCAL PLAN EVIDENCE BASE

#### **C&W Sub-Regional Employment Market Signals, Study 2019**

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- 3.1 This Study, prepared by BBP Regeneration, recognised the strength in Coventry & Warwickshire’s manufacturing sector, driven by the automotive sector and transportation (capturing aerospace and rail) more widely; together with logistics, underpinned by the area’s central location within the UK and its motorway network.
- 3.2 The Study identified that large-scale B2 and B8 uses had enjoyed a prolonged period of strong demand with a limited supply (and indeed a severe shortage) of suitable Grade A buildings and prime, development-ready employment land. A lack of supply was resulting in occupiers ‘staying put’ – limiting the level of churn and preventing business growth. For smaller occupiers – seeking units of 20,000 – 50,000 sq.ft and < 20,000 sq.ft – it identified that finding suitable premises was also challenging, as well as challenges around affordability.
- 3.3 The report recommended that there was a need for more stringent policy criteria for some employment sites, including consideration of the potential for dedicated allocations for B1/B2 uses (as separate from B8) and/or requirements for larger sites to include some provision of smaller units.
- 3.4 A new South Warwickshire Affordable Business Study is being prepared by IcenI. The draft findings reaffirm the difficulties for smaller industrial businesses in finding business space, and particular space which is affordable to SME businesses. It is recommending a proportion of workspace on employment sites such as this (potentially at least 20%) is provided at a discounted rents (at least 20% below average market rents).

#### **West Midlands Strategic Employment Sites Study**

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- 3.5 The West Midlands Strategic Employment Sites Study 2023/24 (‘WMSESS’) addresses the need for strategic employment sites to support economic growth in the region over the period to 2045. It identifies a strong need for additional strategic sites to support investment and economic growth – with demand from both logistics and manufacturing.
- 3.6 The Study identifies a (gross) need for between 1,920 – 2,282 ha of employment land provision on strategic sites to 2045 (Table 1.1 / Para 1.15) across the Study Area<sup>2</sup> before consideration is given

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<sup>2</sup> The core of the West Midlands region. This excluded Shropshire, Telford, Worcestershire and Herefordshire. See Figure 2.1 in the Study.

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- to existing commitments/ pipeline supply. This gross need figure was calculated taking into account that some development would take place through brownfield land recycling and on non-strategic sites.
- 3.7 Of this total strategic site need to 2045, the Study estimated that around 30% would be required for manufacturing development; and 70% for logistics, based on the profile of stock<sup>3</sup>, take-up and market sentiment. Of the road-based need identified, this would equate to a need for around 500-600 ha for manufacturing uses (Para 10.56).
- 3.8 Its market analysis showed a substantial growth in manufacturing floorspace since 2009 (Figure 4.8), generally positive net absorption (Figure 4.10) which had outpaced delivery of new space, resulting in very low vacancy rates within manufacturing stock in the C&W area (Figure 4.9) and growth in rental costs (Figure 4.11). Within the region, manufacturing demand was focused around the Birmingham/Black Country conurbation and Coventry.
- 3.9 The Study identified that manufacturing requirements are increasingly big box based, rather than plant-based (outside of gigafactories). Manufacturing development tends to be delivered on a bespoke design and build basis, with many manufacturing occupiers requiring an element of storage and distribution floorspace (B8) as part of their operation resulting in a blurring of the lines between B2 and B8 sites (Para 5.16). It identified a greater emphasis on labour supply and skills from manufacturing businesses (relative to logistics) which aligns with their greater spatial clustering. We would note that this, and the research specialisms, are particular assets for the Coventry area. The availability of power is also a key locational consideration.
- 3.10 Taking account of these considerations, the Study did identify a case for dedicated sites focused on providing for manufacturing uses, providing principally for E(g)(ii), E(g)(iii) and B2 uses, to support the manufacturing sector. This responded to a preference from some manufacturing businesses for freehold sites (which are not always available via the major industrial park developers), as identified in Para 1.21. Whilst the Study did identify mixed views from industry stakeholders on whether sites should be specifically earmarked for manufacturing uses (Para 5.17), it also highlighted how manufacturing businesses can struggle to secure land against the higher land values generated through B8 development. This aligns with the findings of the 2019 Market Signals Study.
- 3.11 **The Study included the Coventry Airport site within the committed supply of land for manufacturing development**, as referenced at Para 1.20; and as part of the committed supply of land on strategic sites more generally within the report. The Coventry Airport Gigafactory site was included as a 'dedicated committed strategic manufacturing site' of 127 ha as identified in Para 10.58

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<sup>3</sup> See Tables 4.2. 33.5% of strategic floorspace is B2 across the Study area.

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in the Study, as well as the overall committed supply included in Table 6.1 and Appendix A3 (p239). The total committed supply of 1,305 ha (as shown in Table 6.1 and Appendix A3) was then taken into account in considering the need for additional strategic sites (as shown in Table 1.1 and 10.8).

3.12 The supply was taken into account in the conclusions on additional needs for strategic sites (i.e. the residual need identified) overall, and for Area 7 (M6/A45/A46/M45 Coventry and Rugby), for instance as shown in Table 1.2 in the Study.

**3.13 The Coventry Airport site is therefore included within the committed strategic sites supply within the WMSESS.**

3.14 In considering specifically the supply/demand balance for manufacturing, a need for 500-600 ha was identified – as described above – in Para 10.56. Whilst the Coventry Airport site was included as a dedicated committed strategic manufacturing site (Para 10.58), Para 10.60 and 10.61 are relevant which set out:

*“Additionally, a significant portion of the supply is earmarked for a specific use. Land at Lighthorne Heath (100ha) is earmarked for Jaguar Land Rover / Aston Martin Lagonda only and Coventry Airport (127ha) is reserved for battery manufacturing only. These demands would not be reflected in any ‘modelled’ need from in past trends, but are rather inward investment. This reduces the general B2 supply to 191ha and the residual need rises to around 300-400ha.*

*Much of the further B2 need (300-400 ha) is likely to take place on general strategic sites rather than on dedicated manufacturing / advanced manufacturing zones. Of the remaining further B8 / mixed use road strategic supply, being 589 ha, it would be reasonable assume around 30% or 176 ha will be for manufacturing, this then meets around half of the residual B2 type need of c.300-400 ha. The manufacturing position appears reasonably well provided for and best served in the first instance by improving the general strategic sites supply, across the region as a whole.*

*However there remains a case for further dedicated E(g)/B2 areas with a number of issues reported in the need for and supply of B2 sites (Class E(g)(ii/iii) / B2 with office as ancillary). This includes a preference for freehold sites which are not always available via the major industrial park developer portfolios. This would therefore require sites where infrastructure is provided but plots made available for sale most commonly from under public ownership, as with i54 and Peddimore. More generally, manufacturers may be priced out of the land market.”*

3.15 Focusing specifically on the supply/demand balance for manufacturing uses, the position is thus of:

- A gross need for 500-600 ha for manufacturing to 2045 as per Para 10.56;

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- A committed general B2 supply of 191 ha as per Para 10.60, if the Lighthorne Heath and Coventry Airport sites are set aside. This is essentially rounded to 200 ha;
  - A residual (net) need for 300-400 ha arising subtracting the committed supply from the gross need;
  - This is expected to be met through:
    - Provision for 3-7 dedicated manufacturing E(g)/B2 sites providing 75-175 ha of land, as shown in Table 1.2 / 12.2 / 14.1)
    - An assumption of delivery of 30% manufacturing space on B8/Mixed sites, where additional provision of 500-800 ha is identified. This indicatively would deliver 150-240 ha.

**3.16** Bringing these together, **the evidence indicates that if the Coventry Airport site is not included within the committed supply for manufacturing uses, it would be necessary to provide for manufacturing supply towards the higher end of the range shown in Table 1.2 / 12.2 / 14.1 on other sites (to be allocated) within each Opportunity Area** across the region.

**3.17** **The Study recognises the role which the Coventry Airport site could play as a dedicated inward investment site to attract major plant investment.**

#### **The Alignment Paper 2024 and 2025 Addendum**

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**3.18** The Alignment Paper seeks to bring together the evidence on employment land needs in the C&W HEDNA 2022 and the WMSESS. Based on the figures set out in the Addendum, a total strategic sites need of 796 – 978 ha of land is shown for Coventry & Warwickshire over the 2021-45 period (Table 2.4). This includes 565 ha of commitments, which includes the Coventry Airport site.

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## 4. BATTERY MANUFACTURING DYNAMICS

- 4.1 Since the granting of the outline planning consent in Spring 2022, the applicant has been marketing the site to prospective occupiers. We have engaged with the site promoter in preparing this report, as well as more widely with the C&W Chamber of Commerce and the West Midlands Combined Authority.
- 4.2 The site lies to the south of Jaguar Land Rover's ('JLR's') global HQ at Whitley. However in July 2023, JLR confirmed that it had chosen to develop a 40 GWh Gigafactory in Somerset, on the Gravity site close to the M5 near Bridgewater. This is to be delivered through a joint venture with Agratas, a subsidiary of the Tata Group which manufactures battery cells. The Government has proposed a £380 million capital grant to support the construction of the gigafactory.

### **Battery Production Demand**

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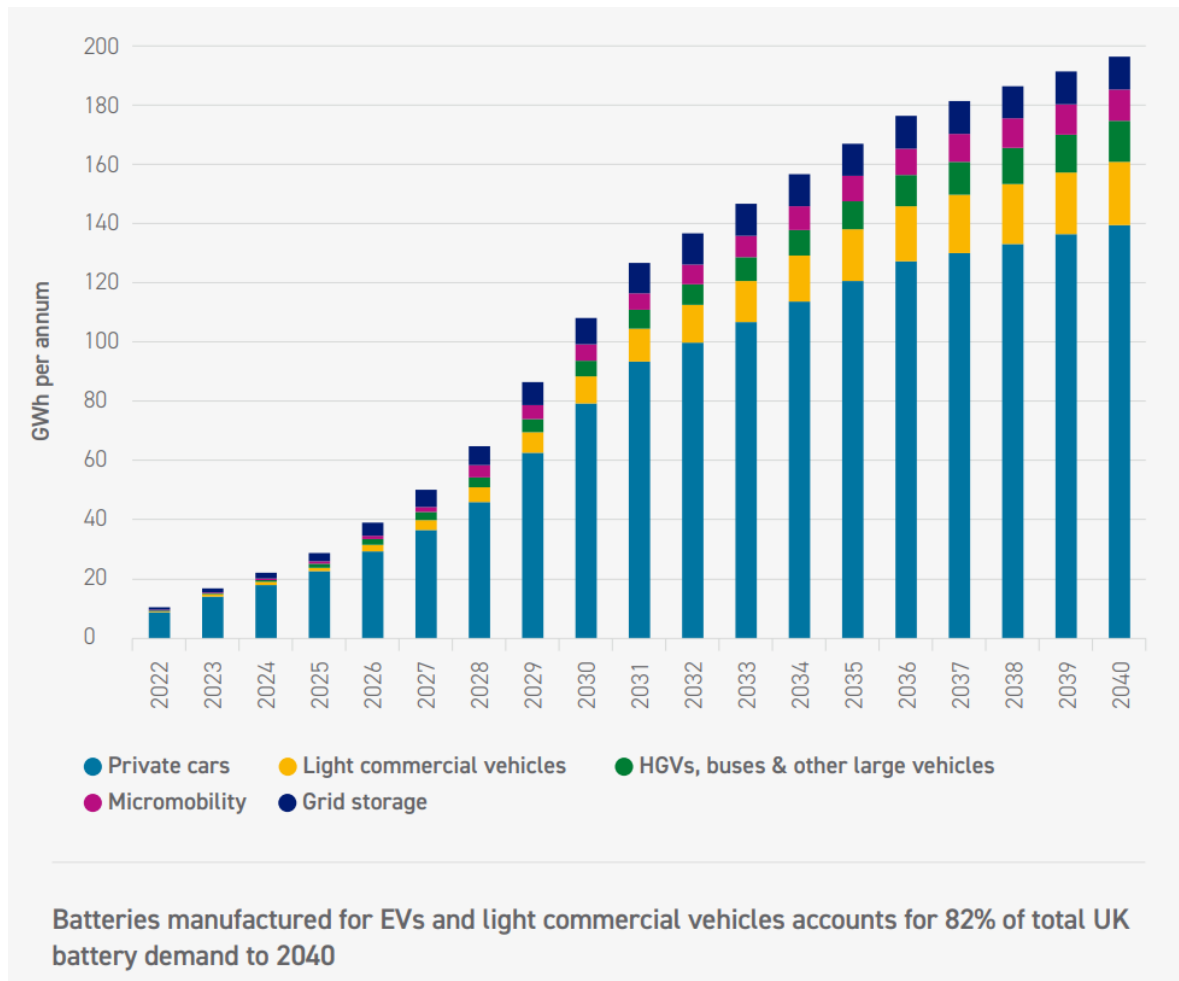
- 4.3 The evidence continues to point to a continuing demand for battery production capacity in the UK. The Faraday Institute published updated projections of demand to 2040 in September 2024.<sup>4</sup> This reiterates that the pace of delivery of new gigafactories need to accelerate otherwise the UK will fall behind in a global race and fail to maximise the economic benefits of the transition to electric vehicles ('EVs').
- 4.4 The Institute's report sets out that between 2020 and 2024, European gigafactory capacity projected for 2030 has more than doubled from 450 GWh to 1350 GWh across 38 plants. Globally, it reports that there is 9,000 GWh of annual capacity in the pipeline across 400 gigafactories.
- 4.5 Its updated forecasts of potential demand for the UK indicate a need for around 200 GWh of supply by 2040 – equivalent to 10 gigafactories of 20 GWh. This assumes that the UK automotive industry recovers to pre-pandemic levels of production (around 1.6m vehicles pa) with the majority being EVs beyond 2035 – influenced by the Government's Zero Emission Vehicle Mandate.<sup>5</sup> Taking account of planned investments by Agratas in Somerset and AESC in the North East, it identifies that 47% of potential demand remains unmet in 2030 and 71% to 2040.

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<sup>4</sup> Faraday Institute (September 2024) UK electric vehicle and battery production potential to 2040 - [https://www.faraday.ac.uk/wp-content/uploads/2024/09/Gigafactory-Report\\_2024\\_final\\_17Sept2024.pdf](https://www.faraday.ac.uk/wp-content/uploads/2024/09/Gigafactory-Report_2024_final_17Sept2024.pdf)

<sup>5</sup> This became law in Jan 2024 and requires an increasing percentage of ZEVs each year to 80% in 2030 and potentially 100% by 2035

Figure 4.1: Faraday Institute’s forecasts of potential demand for UK-produced batteries by end user



Source: Faraday Institute, 2024

4.6 The 2024 report also identifies economic opportunities in other battery technologies – including solid-state, lithium-sulfur and sodium-ion. Spatially it identifies particular opportunities in the West Midlands and the North East – where there are both existing automotive clusters – as well as the importance of talent (and particularly those with PhDs), with the successful design and production of batteries at scale relying on a strong R&D capability.

4.7 **It is clear therefore that notwithstanding the decision of JLR to invest in Somerset, there remains an underlying need nationally for gigafactories/ battery production capabilities, including in the West Midlands.**

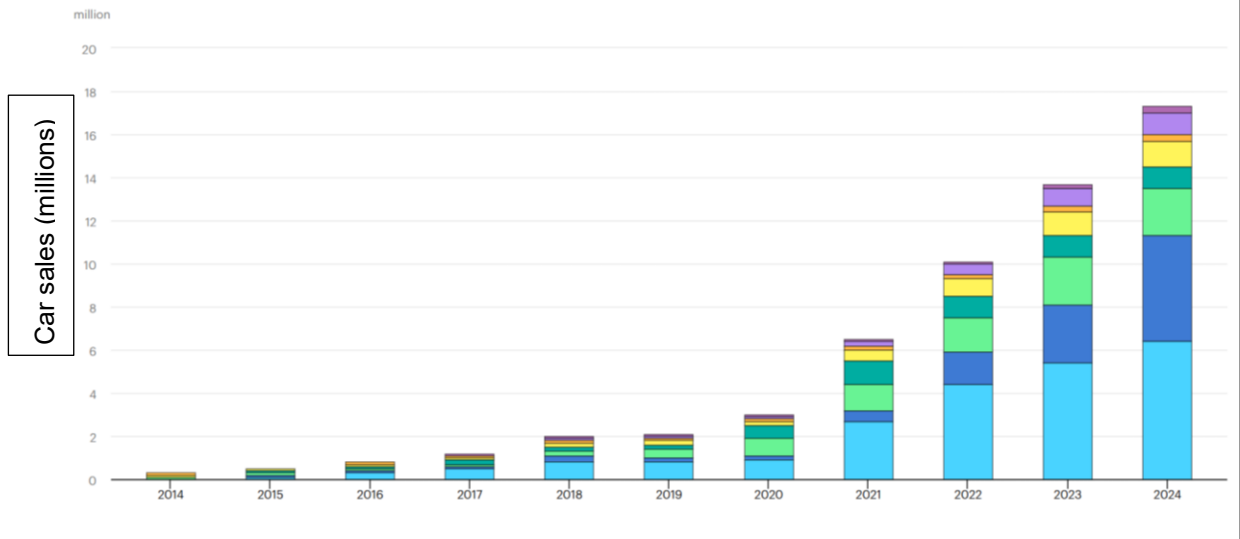
### Market Conditions

4.8 Market conditions for capturing battery production investment over the last few years have been relatively challenging. There are a number of components to this.

### Weakened Short-term Demand

- 4.9 There is evidence of a short-term softening of demand for EVs. Electric car sales exceeded 17 million worldwide in 2024, driven by growth in China; but there has been some stagnation of growth in Europe, as subsidies were reduced/ removed, and weakened growth in the US.

Figure 4.2: Global Electric Car Sales, 2014-24



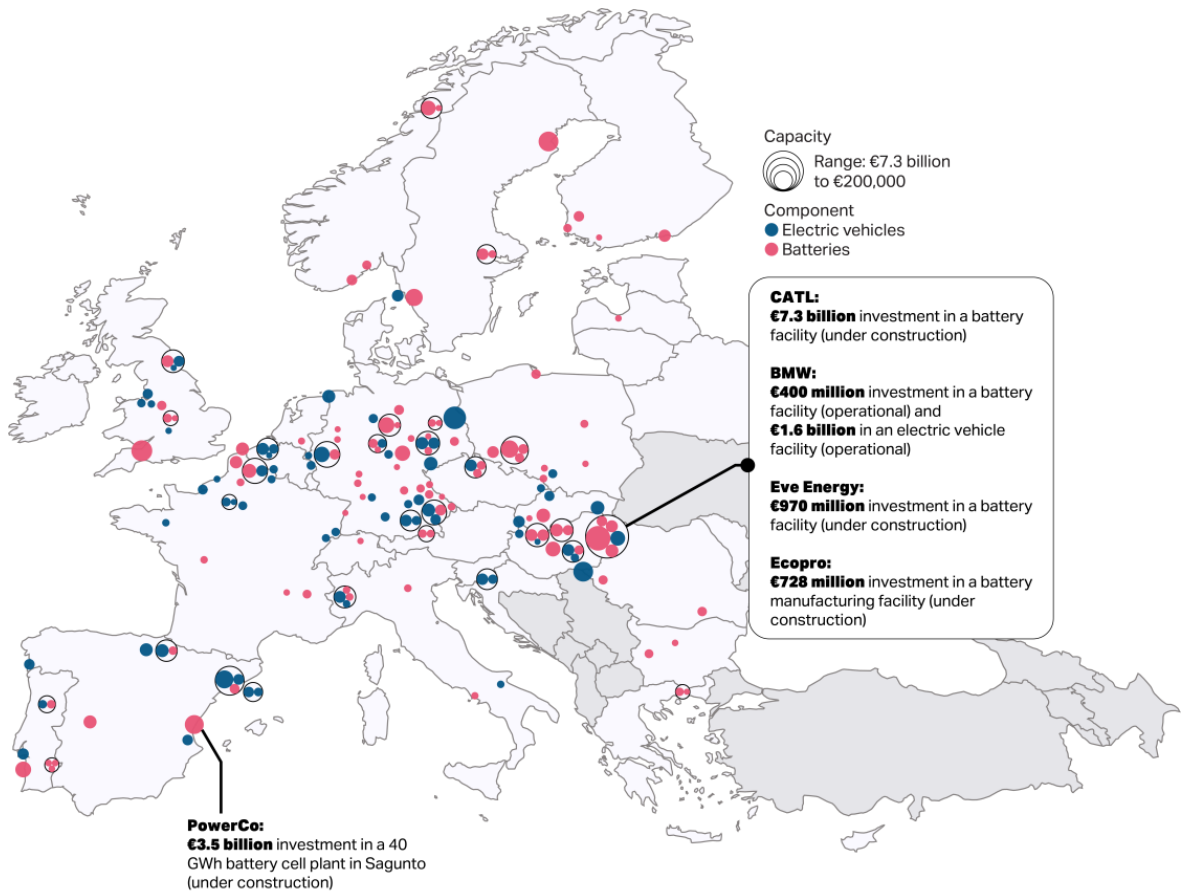
Source: IEA Global EV Outlook 2025

- 4.10 Across Europe, just 1 in 5 new cars sold in 2024 was electric; and a gap is emerging between consumer demand and Government ambitions for EV sales. In the UK, EVs accounted for 23.4% of new vehicle registrations in 2025. On this basis, some parties are calling for Government policies (such as the UK Electric Vehicle Mandate) to be reviewed. Barriers to EV uptake include the upfront cost, inadequate charging infrastructure and consumer concerns (such as around range).
- 4.11 More broadly we would also note that UK car production has been falling in recent years, and in November 2025 stood at 710,000 vehicles (annualised). In 2024 it was 780,000 vehicles. This stands well below pre-pandemic levels as identified above.

### Global and European Capacity

- 4.12 There has been significant investment in battery production capacity globally and in Europe in recent years. Research by Brugel estimates that €38 billion has been invested in European battery manufacturing (alongside €34 billion in electric vehicle facilities) between 2017-25. The map below indicates the spatial distribution of this – indicating that Germany and Hungary are leading the charge.

Figure 4.3: Battery and EV Vehicle Manufacturing Investments, 2017-25



Source: Brugel, 2025

- 4.13 Significant over-capacity globally – particularly influenced by the position in China, and cheaper production costs in Asia, are however currently putting pressure on the investment pipeline and particularly the delivery of proposed gigafactory developments. Operating costs in Europe are higher than in other locations – influenced by higher labour and energy costs; and the capacity in China and sales of new Chinese EV brands are resulting in price competition.
- 4.14 Thus whilst there remains a strategic case for developing battery production capacity to support the automotive sectors (both in the UK and Europe more widely), these challenges have made capturing investment in new gigafactories more challenging.

#### High Energy Costs

- 4.15 A particular challenge for the UK in attracting investment in battery production is its high energy costs. UK electricity costs have risen sharply, influenced by the strong rise in gas prices since 2021,

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and are high relative to international competitor locations.<sup>6</sup> ONS research indicates that electricity prices for UK industrial users in 2023 were 50% higher than in France and Germany and 4 times those in the US and Canada.<sup>7</sup> The Department for Energy Security and Net Zero's Statistics (Sept 2025) indicate industrial energy prices in 2024 of £26.63 / kWh which is the highest in Europe and 63% above the IEA median.

### **Tax Barriers**

- 4.16 A further consideration related to geo-political issues and the implications of tariffs. The position here has been changing over the last year. The US is a key market for exports of cars / vehicles made in the West Midlands and there a risk that exports to the US could incur a 25% tariff with significant potential (downside) effects for the automotive sector in the region.
- 4.17 In June 2025, the UK Government was successful in securing a reduced tariff for automotive exports to 10%. This was a significantly preferential rate to other countries, with potential both to help existing manufacturers and potentially to help attract foreign direct investment from firms seeking to manufacture cars in the UK for export both to Europe and the US. Under this agreement, exports to the US were subject to an annual quota of 100,000 cars.<sup>8</sup>
- 4.18 However wider tariff measures imposed by the Executive Order of the US President in 2025 were found by the US Supreme Court in February 2026 to be illegal. At the time of writing, the US President is reformulating his strategy; with a 'baseline' 10% tariff in place on a temporary basis and the potential for the position to evolve further over the coming months. A changing tariff position is causing significant uncertainty and risks harming the prospects for major plant investments in the automotive sector.

4.19

### **Implications**

- 4.20 The combination of weakened domestic production, high UK energy costs, battery production over-capacity globally and significant investment (and a strong investment pipeline) in battery production in Europe has made delivery of the gigafactory proposals at Coventry Airport challenging over the

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<sup>6</sup> The electricity price is often set by the most expensive supply bid, which is typically from gas-fired power stations

<sup>7</sup>

<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/theimpactofhigherenergycostsonukbusinesses/2021to2024>

<sup>8</sup> <https://www.federalregister.gov/documents/2025/06/30/2025-12060/imports-of-automobiles-automobile-parts-civil-aircraft-and-civil-aircraft-parts-from-the-united>

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last few years. There is stronger Government assistance available in some other locations abroad and trade frictions/ uncertainties.

- 4.21 We understand that a number of battery manufacturing firms have put discussions with the site promoters on hold, influenced by wider market conditions. US tariff issues (which have changed a number of times over the last 12 months) have contributed further to economic uncertainties which have inhibited large investment decisions. A number of start-up battery production companies, such as Northvolt, have gone bust.
- 4.22 Nonetheless growing the UK's battery production capability will be important to supporting any resurgence and growth of the automotive sector (as well as retaining current production capacity through the shift to EVs). There is also growth in demand from other uses – as shown in Figure 4.1.
- 4.23 Given the strength in the automotive sector in the West Midlands, including looking beyond JLR, there remains a strong case for ensuring that there is a supply of land capable of accommodating and enabling growth in battery production. It will be important that a local plan policy for the Site therefore continues to support battery production and recycling.**

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## 5. CONSIDERATION OF APPROPRIATE USES

5.1 The Council is in the process of preparing a local plan looking at meeting development needs and supporting economic growth over the period to 2050. It must thus consider whether to allocate the site within the Plan; and how to frame planning policies for the site – including the nature of uses which would be considered acceptable.

5.2 This report is intended to provide an input to this process, alongside other parts of the evidence base including the Green Belt Review and transport evidence base. For the avoidance of doubt, this report in itself does not address whether the site should be allocated. However it is prepared within the context of there being a clear need to allocate strategic employment sites within the Plan.

### **Supporting Battery Production and Advanced Manufacturing**

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**5.3 The site clearly remains a key opportunity to deliver a strategic employment site which is of sub-regional and regional significance, and it is very clear that if it is allocated, it should continue to be included within the strategic sites supply.**

5.4 There is a particularly strong advanced manufacturing ecosystem in the Coventry area which is influenced by a number of factors: a concentration of businesses, internationally-significant research organisations with deep engineering specialisms (including the Warwick Manufacturing Group, the MTC and UK BIC) and an associated labour pool with relevant skills. The context of a shift towards electric vehicle production, and international competition for major plant investments, represent a real and significant threat to the sub-regional (and wider regional) economy. In these terms **it is very important that there is a ready supply of land available for manufacturing development**. This is important to ensure that the UK and West Midlands can capture economic growth opportunities, including both indigenous growth and inward investment, and to ensure that land supply does not constrain its ability to do so.

5.5 As set out in Chapter 4, there remains a need to ensure that there is a supply of land available which can support battery production and recycling. The site remains optimally located to do so, having regard to its adjacency to UK BIC, proximity to Warwick and Coventry universities and the core strength of the automotive sector in the Coventry and Warwickshire Sub-Region. However there is potential for it to support a wider range of advanced manufacturing and engineering uses.

5.6 There are some particular attributes which make the Coventry Airport site different from other current and prospective employment sites within the sub-region. These include:

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- **Skills:** the Coventry area has the strongest concentration of manufacturing activities within the sub-region, and the City is the largest urban area. The Coventry area thus brings a depth of relevant labour market skills (including highly skilled engineers) for advanced manufacturing, particularly in the transport sector (including automotive and aerospace), which is matched by few other locations across the UK. Access to relevant skills is a particular consideration for manufacturing businesses.
  - **Scale:** the site has sufficient scale to accommodate larger requirements and develop a cluster of businesses, particularly considered alongside the other employment sites in the vicinity (Whitley Business Park, Whitley South, Middlemarsh, Coventry Gateway). This contributes to its commercial profile;
  - **Research & Development:** there are particular research strengths in the Coventry area in the advanced manufacturing sector, which include electric/ hybrid powertrains, connected and autonomous vehicles (CAV). There are key research centres/institutions based in the area – including the Advanced Propulsion Centre and the National Automotive Innovation Centre (based at the University of Warwick); the UK Battery Industrialisation Centre (UK BIC), which adjoins the Airport site; the Warwick Manufacturing Group; and the Institute for Advanced Manufacturing and Engineering and the National Transport Design Centre at Coventry University. There are testing facilities available at Horiba Mira and Gaydon.
  - **Investment Zone Status:** the IZ status for the site brings tax relief and capital allowances which are particularly relevant in enabling, and reducing costs, of investment in manufacturing premises/ plant. These incentives are not available to most other strategic sites in the sub-region (and beyond);
  - **Landownership:** the site is one of relatively few potential development sites which is in public sector ownership. We understand that the site owned by Coventry City Council but is being brought forwards through a 50/50 joint venture between the Council and Rigby Group. This could provide the potential for a more targeted approach to the marketing of the land, and could provide potential for plots to be sold on a freehold basis (which manufacturing businesses often seek). This differentiates it from a number of other sites which are controlled by Real Estate Investment Trusts (REITs) which are more likely to focus on higher returns provided by logistics development.

5.7 In the way in which the West Midlands Strategic Employment Sites Study made a distinction between manufacturing-focused sites (B2/E(g)) and logistics sites (B8), **this site is particularly suitable in these terms as a manufacturing-focused strategic site. This reflects in particular the combination of its location, scale and the incentives available through the IZ status.**

5.8 Taking account of the market conditions for EV and battery production and how these have evolved, as considered in Section 4 and to support the deliverability of a site allocation, we consider that **it**

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**would be appropriate for the local plan policy to support broader manufacturing activities than the narrow focus of the extant consent on battery production.** This will help to support demand for employment space and the timely delivery of the site, in particular noting that the IZ incentives are time-limited to 2034.

- 5.9 We understand that there remain some live discussions with firms involved in battery manufacturing, but that the potential land requirements for battery production are of a smaller scale than envisaged by the extant consent. Requirements are for higher spec, but lower volume production to support smaller automotive firms, rather than the larger mass-production OEMs. We would note that there are also potential production requirements associated with other sectors – including the potential for growth in demand from the defence sector as Government spending (in the UK and Europe) grows. It would be very rare in our experience for a site allocation to be defined very narrowly on battery production alone; and doing so could potentially constrain its delivery having regard to the evidence of market conditions set out in Section 4.
- 5.10 The site promoter’s emerging ‘go to market’ strategy talks to the potential to promote the site as a centre for electrified powertrain innovation and manufacturing – covering both batteries and a broader range of EV components, from motors to thermal management systems. We see potential for the site to accommodate a range of manufacturing and engineering businesses, and associated R&D / innovation space. There is the potential to capture investment in the defence sector, where growing geopolitical tensions and increased Government spending are expected to drive demand.
- 5.11 Whilst there is uncertainty about future plant-based inward investment; there are a range of existing manufacturing companies in the Coventry area (and Coventry & Warwickshire more widely); with the experience from other sites such as Ansty Park/ Prospero Ansty being that available land has been important in facilitating the delivery of new manufacturing facilities and growth. A supply of ‘oven-ready’ sites with infrastructure are necessary to support this and provide an offer which can help support inward investment.
- 5.12 Key wider considerations regarding uses and delivery of development on the site related to power and transport/ highways. We consider these further below.

#### **Power**

- 5.13 A key current challenge for delivery of development on the site (as with other major sites in the sub-region) is the availability of power. From engagement with the site promoters (Rigby Group), we understand that 30 MVA capacity has been secured which is to be delivered by 2027, with a second phase of investment supporting 50 MVA capacity by 2030 (with funding support from the WMCA).
- 5.14 A number of planning applications have been submitted to support the delivery of power alongside development: with the application for site-wide enabling works which includes a primary sub-station

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(WDC ref W/25/0125); and a specific application for a further sub-station on the northern part of the site to facilitate early provision of this part of the development (W/25/0502). These were approved in December 2025. A further planning application had then been submitted in October 2025 to provide an alternative option to the latter, to deliver a sub-station on land near Rowley Road (W/25/1437).

- 5.15 We understand that this is sufficient for a standard employment site (which includes standard manufacturing activities and logistics); but battery manufacturing is relatively more power-intensive – and that this power could be fully taken-up by battery production of c. 10 GWh which could be accommodated within up to 15 ha of land.
- 5.16 The promoters had an offer from National Grid Transmission and Distribution to provide 180 MVA, however the Connections Reform has shifted the approach to a “first ready, first connected” approach – which reprioritises projects, and focuses on those critical to delivering clean power and supporting industry decarbonisation. Whilst additional power could thus potentially be secured, it is evident that power supply could influence the pace of delivery – particularly where planned capacity is used-up by more power-intensive manufacturing, such as battery production.
- 5.17 To enable the site to facilitate battery production, it may be necessary for the site promoters, WDC and WMCA to work together to promote and support the timely delivery of additional power to facilitate development. The site’s IZ status brings national profile/ importance and would provide key support for doing so.

### Highways

- 5.18 A further consideration here are highways impacts, and in particular the implications of development and growth on the Toll Bar Island junction (A45/A46 Interchange). Whilst the junction was remodelled in the early 2010s, and a new access to the A45 Stonebridge Highway has been delivered as part of the Coventry Gateway scheme, the cumulative impacts of development have potential impacts on this junction.
- 5.19 The nature and types of businesses come forwards on the site will influence traffic generation, in terms potentially of both the quantum of traffic and its distribution. In broad terms, a more standard industrial/ manufacturing or logistics use would be expected to generate more trip demand than a gigafactory; whilst as manufacturing uses tend to have higher employment densities than logistics, a greater share of manufacturing activities (relative to logistics) would – whilst positively supportive the employment benefits – also result in additional potential peak trips. An indicative analysis is shown below, derived from evidence provided by the promoters’ transport consultants (PJA) in March 2026.

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**Table 5.1 Magnitude of Change in Trip Generation relative to the Consented Position**

	<b>100% Industrial / Manufacturing</b>	<b>50% Manufacturing / 50% Logistics</b>	<b>100% Logistics</b>
<b>Daily</b>	4.1	3.6	3.0
<b>AM Peak</b>	4.4	3.3	2.3
<b>PM Peak</b>	3.9	3.3	2.7

- 5.20 These issues will need to be considered through the transport modelling undertaken to inform the South Warwickshire Local Plan which can consider the cumulative implications of development on the highways network. However, the above analysis serves to highlight the potential extent to which general manufacturing/ industrial development could result in notably higher traffic generation than logistics space and in particular battery production.
- 5.21 There is however some potential for these impacts to be mitigated through the sustainable access strategy to the site. Information provided by the transport consultants indicates that a more general manufacturing or logistics workforce would potentially have a more localised pull than the very specialist, high-skilled nature of jobs in a gigafactory; and this, combined with the greater number of trip movements, would provide greater opportunities for sustainable travel upgrades. Higher people movements and a more localised workforce would essentially help support a higher share of travel by sustainable modes.
- 5.22 There is also a potential relationship between the scale of businesses and travel patterns, with larger businesses potentially more able to control or influence travel behaviour and shift patterns to smooth impacts on the surrounding highway network.

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## 6. CONCLUSIONS: POLICY RESPONSE

- 6.1 The Local Plan Preferred Options consultation identified the South of Coventry Area as one of a number of Major Investment Sites. This included Coventry Airport, the UK Battery Innovation Centre, Coventry Gateway and Whitley South. It proposed the allocation of the site for a Gigafactory (i.e. a facility to manufacture batteries for electric vehicles and a range of other applications at scale (Draft Policy Direction 16 – Airfields).
- 6.2 Having regard to the above analysis, we consider that the **appropriate focus of the site would be on supporting advanced manufacturing** but that the scope of this should be broadened from battery production (gigafactory) to include other advanced manufacturing activities. The nature of uses acceptable would include E(g), to support innovation/ R&D activities, B2 uses and ancillary B8 warehousing and distribution activities (recognising a need for distribution of manufactured products).
- 6.3 The site should also support **innovation activities** including provision of flexible accommodation for start-ups, grow-on space for businesses and broader R&D activity.
- 6.4 To protect the site's important role in providing a strategic site supply for the manufacturing sector, we consider that the policy framework should seek to limit the quantum and size of large (big box) B8 warehousing and logistics units on the site, to retain the site's focus on supporting battery production, the advanced manufacturing and engineering sector and associated innovation / R&D activity.
- 6.5 However the development of some large (big box) warehousing on the site is appropriate, not least in order to limit peak traffic generation arising from the development, to recognise that the logistics sector in the sub-region in part supports the manufacturing base (such as through the storage and distribution of products manufactured locally) and to support the site's deliverability and the funding of necessary infrastructure improvements.
- 6.6 Icenl has discussed with the site promoters a number of different ways in which these objectives can be balanced with one another.
- 6.7 We consider that a Policy in the Local Plan for the site should not inhibit B8 development per se; but be framed to focus investment here towards battery production and advanced manufacturing, in recognition of its specific locational attributes and IZ incentives as identified. It would enable delivery of some B8 space where it is associated with or ancillary to manufacturing operations, as well as a proportion of standalone B8 development (< 100,000 sq.ft). To support the investment in infrastructure, the Policy should support the development of small and mid-box B8 units, but we

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consider should seek to direct the delivery of the XL logistics units of over 32,500 sq.m GIA (350,000 sq.ft) to other sites in the sub-region.

6.8 The recommended policy position seeks to balance these issues, retaining the status of the site as a strategic site which can facilitate and support manufacturing investment; whilst ensuring that the site can be brought forwards at pace to capture the time-limited benefits of the IZ status.

6.9 We recommend a policy worded as follows:

**Strategic Employment Site: Coventry Airport**

The site is allocated as a strategic site of sub-regional and regional significance to support the growth of the advanced manufacturing and engineering sector and associated innovation activities. This strategic focus reflects the Plan's evidence and the site's inclusion as part of the West Midlands Investment Zone.

The site provides a particular opportunity to support growth in battery manufacturing for electric vehicles, the wider battery lifecycle and associated supply chain, broader advanced manufacturing and engineering uses and innovation activities, including scalable space for R&D, incubation and associated business support. It can also deliver warehousing and logistics space.

Appropriate uses fall within the E(g), B2 and B8 use classes. However to retain and protect the site's strategic focus on supporting economic activities associated with advanced manufacturing and battery production:

- applications for development should include a marketing strategy illustrating how the site will target investment in battery production, advanced manufacturing and engineering and associated innovation activities;
- at least 60% of the E(g) and B-class floorspace on the site should be developed for industrial or R&D uses, comprising use classes E(g)(ii), E(g)(iii) and B2;
- development of B8 floorspace will not exceed 40% of the total employment floorspace on the site. Development of XL B8 units of over 32,500 sq.m will not be supported unless they are ancillary to or associated with a manufacturing use.

The site should be brought forward in a comprehensive manner. Development that complies with other relevant policies and meets the following requirements will be permitted:

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- Comprehensive transport strategy to be submitted which includes measures and investment to optimise walking, cycling and public transport use and provide infrastructure for EV charging, from the first phases of development;
  - High quality design and landscaping which responds to the site context and seeks to limit impacts on the settlement of Baginton and the heritage assets within it;
  - Contaminated land assessment and strategy for remediation as appropriate;
  - Provision of everyday services which are ancillary to and support the business use. The scale of such uses should be justified and limited to serving the employment land at this location.

- 6.13 WDC should include any other specific design criteria or standards responding to other parts of the evidence base as appropriate.
- 6.14 The draft policy wording suggested seeks to facilitate some development of everyday services which are ancillary and support an employment use and are characteristic of attractive, modern business parks. Such uses might include childcare provision such as nurseries; primary healthcare; gyms / exercise facilities; and food and beverage. However, the nature and scale of such uses should be planned taking account of the employment development in this broader area – which includes the development of this site, and the adjoining Middlemarch Business Park, Coventry Gateway and Whitley South schemes – rather than just that at the Airport site; and should have regard to existing / proposed provision on other employment sites within the area. An assessment of the impact of development on the Airport Retail Park should be undertaken.
- 6.15 Informed by masterplanning and the marketing strategy, the Council should seek to control unit sizes and the mix of development in different phases of development through planning conditions and a legal agreement.