8th September 2026

Response submitted by email only to: swlp@warwickdc.gov.uk

Dear Sir / Madam,

Re: South Warwickshire Local Plan, Publication Consultation (Reg 19) – Objection to Policy EC4

Introduction

The Land, Planning and Development Federation (LPDF) welcomes the opportunity to respond to the South Warwickshire Local Plan, Publication (Reg 19) consultation. This representation has been prepared by the LPDF on behalf of a Consortium of its members and other organisations active within the commercial sector (including promoters, developers and specialist consultants involved in industrial and logistics schemes). This response is focused solely on policy EC4 'Affordable Employment Space'. The Consortium has a shared interest in the future growth, development, and sustainable planning of South Warwickshire.

About the LPDF

The LPDF seeks to represent the UK's leading land promoters, home builders and commercial developers. LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing "shovel ready" land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach.

The LPDF encourages its members to deliver well designed, high quality, sustainable places which deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.

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- Creating well designed, high quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.

Overarching comments

The LPDF Consortium welcomes the opportunity to comment on the South Warwickshire Local Plan Publication (Regulation 19) consultation. The Consortium has significant concerns regarding the soundness of Policy EC4 and its implications for the delivery of employment development within the Plan area.

The Consortium objects to Policy EC4, specifically in relation to the principle of the policy, the evidence base supporting it, and its viability and deliverability. These matters are particularly important given the potentially significant implications of applying an affordable workspace requirement to major commercial developments, including conventional industrial and logistics schemes.

Policy EC.4 – Affordable Employment Space

The LPDF Consortium has significant concerns regarding the soundness of Policy EC4. As drafted, the policy seeks to require 10% affordable employment floorspace within major commercial developments, at rents no greater than 80% of market rent and secured in perpetuity. In effect, this represents an affordable employment space obligation comparable in principle to an affordable housing requirement.

The Consortium does not consider that this approach has been sufficiently justified by the evidence base, nor that the policy has been appropriately tested in terms of viability and deliverability. There is also no explicit or implied support for an affordable workspace policy in the December 2024 NPPF against which this Plan is being examined. This policy is therefore not justified.

The National Decision Making (NDM) policies of the August 2026 NPPF which will apply to planning decision making now and once the new Local Plan is adopted, provide no explicit or implied support for affordable workspace policy. The NDM policies are intended to outweigh development plan policies which are not consistent with the NPPF 2026. The thrust of NDM policies E2 and E3 is to apply substantial weight to proposals which support business growth. No conditions requiring affordable workspace provision or similar encumbrances are placed upon that policy support. It is considered therefore that the proposed EC4 does not align with NPPF 2026, and although the Local Plan does not as a matter of transitional provisions, have to comply with NPPF 2026, in effect, there is little point in adopting a plan the policies of which may carry limited weight where it is materially inconsistent with the new national policies.

NDM policies E2, E3 and E4 similarly apply to types of accommodation that may be suitable for SME, start-ups, creative industries and social enterprises which the Plan (4.2.7) asserts to be the intended beneficiaries of the affordable workspace provision. If there is demand for space for such occupiers, these NDM policies open the door for sites to be brought forward for such small scale / specialist occupiers where large scale development would be neither proposed or supported. There is therefore opportunity afforded by the NPPF for the market to deliver accommodation in locations, at specifications, and at price points suitable for the occupiers which the Plan asserts to demand such provision.

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The principal evidence relied upon in support of the policy is the South Warwickshire Affordable Business Study (ICENI, 2026). However, the Consortium considers that although the Study identifies affordability pressures affecting some SMEs and start-up businesses, it does not provide a sufficiently robust evidential basis for the introduction of a plan-wide 10% affordable employment space requirement applying to all forms of major commercial development.

In particular, the evidence needs to demonstrate not only that there is a requirement for affordable employment space within South Warwickshire, but also that the proposed 10% requirement, its application to major commercial development, and the requirement for provision in perpetuity represent an appropriate and proportionate response to the identified need. The Consortium is concerned that the evidence does not adequately establish this.

The Study draws upon examples of affordable workspace policies and approaches in locations including London Boroughs and Oxford City. However, these locations have distinct property market characteristics, including materially different land values, rental levels and development pressures. Importantly, the Study itself recognises that South Warwickshire has more moderate rents and less severe pressure on employment land, and concludes that any policy should adapt rather than replicate London-style models, with a focus on flexibility, viability and local need. EC4 nevertheless applies the headline 10% requirement across the Plan area and to major commercial development generally.

There is an important distinction between targeted intervention to support particular sectors, businesses or forms of workspace where a specific market failure has been identified, and a blanket policy requirement applied to major commercial development irrespective of the characteristics or operational requirements of the development.

Policy EC4 also fails to reflect how the industrial property market accommodates occupiers with differing requirements and rental budgets. Occupiers unable or unwilling to pay prime rents will ordinarily consider older, lower-specification or differently located premises, while the delivery of new stock enables existing businesses to relocate and releases older accommodation back into the market. The Councils' own Study recognises that protecting existing industrial stock, alongside bringing forward new development, should alleviate demand pressures and that older stock is expected to provide more affordable accommodation as new supply is delivered.

This does not mean that all existing lower-cost premises are suitable for modern occupiers. Rather, it demonstrates that affordability is closely connected to the overall diversity, quality, size and location of the available stock. The appropriate response is therefore to maintain a varied supply of premises, safeguard suitable lower-cost accommodation and enable new development, supplemented by targeted intervention where a specific unmet need is demonstrated. A uniform requirement for 10% of every major commercial development does not respond to those market dynamics.

The Consortium is particularly concerned about the application of EC4 to conventional and strategic industrial and logistics development within Use Classes E(g)(iii), B2 and B8. The policy appears capable of capturing such development even where the affordable workspace requirement would have little or no relationship to the operational characteristics of the scheme, occupier requirements, market demand or the suitability of the location for small workspace units.

This raises a fundamental question as to whether the policy is sufficiently targeted to address the specific issue identified by the evidence base. The Consortium considers that, before such a requirement can be justified, the evidence should clearly establish:

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- the scale, nature and geographic distribution of the identified need for affordable employment space in South Warwickshire, and the businesses and sectors intended to benefit;
- the extent to which that need represents a genuine market failure requiring intervention through the planning system, rather than a general shortage of suitable premises;
- why a requirement of 10% is necessary and proportionate;
- why the requirement should apply to major commercial development generally, rather than being targeted towards particular types of development or locations;
- why the provision needs to be secured in perpetuity;
- the impact of the requirement upon land values and development viability, both alone and cumulatively with the Plan's other policy and infrastructure costs; and
- how the policy will operate in practice, including the definition of eligible occupiers, management and monitoring arrangements, service charges, the operation of on-site and off-site provision and financial contributions, without prejudicing the delivery of employment land and premises required to support the wider economic objectives of the Plan.
- In the absence of this evidence, the Consortium is not satisfied that EC.4 represents an effective or proportionate response to the identified issue.

There is also a significant concern regarding the viability and deliverability of the policy. A 10% affordable employment space requirement secured in perpetuity will have a direct impact upon development economics. This is particularly relevant for industrial and logistics development, where development values, construction costs, rents and yields can vary considerably between schemes and locations.

The Study's viability modelling does not fill this gap. It was applied only to offices and not to industrial development. The Study also confirms that the exercise was not prepared in accordance with RICS guidance, was not scheme-specific, relied upon high-level assumptions and excluded material matters including vacancy, rent-free periods and fit-out costs. It therefore cannot demonstrate that EC4 is viable across the range of development typologies to which it would apply, particularly industrial and logistics schemes.

The published Plan-wide viability evidence also does not appear to test Policy EC4, or commercial and industrial development generally, notwithstanding that it is intended to assess the cumulative cost of the Plan's policies. It is therefore unclear whether the submitted policy requirement, in its final form, has been tested alongside net zero, biodiversity net gain, highways, site-specific infrastructure and other policy costs.

If the Councils are minded to retain the policy, it should be substantially amended. Its application should be targeted towards the types of development and locations where a specific need has been demonstrated; conventional and strategic E(g)(iii), B2 and B8 schemes should be excluded where the requirement would not respond to an identified need or be operationally appropriate; and a clear viability mechanism should allow the level and form of provision to respond to the circumstances of individual schemes.

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The Consortium does not dispute that some businesses face affordability pressures. The issue is whether the evidence establishes a need of sufficient scale, severity and geographic specificity to justify the particular plan-wide intervention proposed by EC4. In the Consortium's view, it does not.

The potential application of EC4 to large-scale industrial and logistics schemes is of particular concern. Such schemes play an important role in delivering employment opportunities and supporting economic growth, but may neither generate demand for the type of small workspace sought by the policy nor provide an operationally suitable location for it. EC4 would nevertheless impose an additional cost which could affect land values, scheme design and delivery.

As drafted, the policy therefore risks introducing an additional constraint on the delivery of employment development without sufficient evidence that this will result in a corresponding benefit or address an identified market failure.

That concern is reinforced by the Study's own acknowledgement that policy mechanisms imposing blanket rent discounts may further reduce the delivery of new space. In the absence of robust, typology-specific viability evidence, there is no basis for concluding that the financial and operational implications of EC4 can be absorbed across the range of affected development. The resulting risk of delayed or frustrated employment development, reduced supply of modern business premises and discouraged investment would undermine economic growth and conflict with the Plan's own objectives to support a strong and competitive economy.

In terms of the application of this policy their remain a number of uncertainties, which the Consortium believe result in the policy being unjustified. These include:

- How will market rent against which the discount is to be applied be measured?
- How will the Council be able to enforce operation beyond the first letting?
- EC4 states that rents should be at least 20% below average rents based on recent market analysis and at rates that are genuinely accessible to local businesses. What, how and who determines a rental level which is genuinely accessible to local business?

In addition to the above, neither policy EC4 or the supporting text offers any insight as to how the required in perpetuity provision of affordable workspace is to be owned, managed, operated, let and re-let through the planning obligation requirement which is set. No clear ownership, management or eligibility arrangements have been identified.

Further to the comments above regarding the policy not being justified, effective or viable the Consortium do not consider the policy necessary in the first place. We consider that Local Growth Locations could contribute to a more targeted response rather than the blanket requirement of '10% affordable employment floorspace' as per the current policy drafting. By their very nature, such Locations are smaller in size and can offer a solution for SMEs.

Conclusion

In conclusion, the LPDF Consortium considers that Policy EC4 has not been sufficiently justified or tested in respect of viability and deliverability. The evidence base does not adequately demonstrate that a plan-wide 10% affordable employment space requirement, at rents no greater than 80% of market rent, secured in perpetuity and applied to major commercial development generally, is necessary or proportionate in the context of South Warwickshire. Policy EC4 is therefore not justified or effective and should be deleted.

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If the Councils nevertheless retain an affordable employment space policy, further evidence should first demonstrate the scale, nature and location of the need; the appropriateness and viability of the 10% requirement for each affected commercial typology; and the justification for provision in perpetuity. The policy should then be targeted accordingly, include appropriate exclusions for conventional and strategic E(g)(iii), B2 and B8 development, and incorporate an express scheme-specific viability mechanism and clear delivery arrangements.

The Consortium also has a wider concern about the precedent that EC4 could establish. The introduction of this type of obligation without robust, locally specific evidence and commercial viability testing risks encouraging its wider adoption in materially different property markets, with cumulative consequences for the cost and delivery of employment development.

Consortium Contributors

This consultation response has been prepared by the LPDF on behalf of a consortium of its members (and other organisations within the sector) with experience in the promotion, delivery, and occupation of employment and logistics development. The consortium contributors to this response are:

- Richborough Commercial
- Catesby Estates
- Savills
- IM Properties
- Stoford Properties Ltd.
- Hillwood

Collectively, these organisations represent a broad range of expertise across land promotion, development, investment, and planning consultancy, with a shared interest in ensuring that the South Warwickshire Local Plan provides a flexible, effective, and policy-compliant framework for economic growth.

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