



Rugby Borough Council

Matter 3

Development Strategy

Issue 3a: Overall Development Strategy

Matter 3 – Development Strategy

(Deals with strategic aspects of Policies GP2, DS3-DS10 and ED1)

Issue 3a: Overall Development Strategy

Question 1- Has the overall development strategy of the RBLP been positively prepared, is it justified as the most appropriate strategy, effective in terms of cross-boundary strategic priorities and will it enable the delivery of sustainable development in accordance with national policy?

Introduction

- 1.1 Chapter 2 of the Publication Local Plan (LP01) provides the context for planning the growth for the borough over the plan period. The settlement hierarchy for the Borough is established and straightforward and dominated by Rugby Town. It is by far the largest settlement in the borough, where two thirds of the Borough population reside. Beyond the town the remaining population reside in much smaller settlements, where populations are no greater than 3000 people.
- 1.2 60% of the Borough is Green Belt, where all but two of the Main Rural Settlements, (the second most sustainable tier in GP2) are located. Historically very little growth has come forward in these locations, with the exception of a small number of previously Green Belt safeguarded sites. As stated in LP11 the two remaining are located in close proximity to Rugby town.
- 1.3 Those remaining settlements within countryside locations are much smaller, and as detailed in the Rural Sustainability Study (LP28) have much more limited services and are not considered sustainable for further growth.
- 1.4 Past plans have directed growth to rugby town, the most recent of which, the Core Strategy allocates land to Gateway and Rugby Radio Station.

Question 1a- Is the settlement hierarchy set out in Policy GP2 justified and consistent with national policy?

- 1.5 As detailed in the introduction above, Rugby Borough has a relatively straightforward settlement pattern. There is one principal urban area, Rugby, which is surrounded by a collection of villages of varying sizes. As a result, Rugby town has historically been the primary focus for growth within the Borough. In addition, the Borough shares boundaries with several authority areas, some of which are urban boundaries, such as Coventry and Hinckley.

- 1.6 The settlement hierarchy set out in the Publication Local Plan (LP03) is founded on the settlement hierarchy in Policy CS1 of the existing adopted Rugby Core Strategy:

<i>Policy CS1: Development Strategy</i> The location and scale of development must comply with the settlement hierarchy. It must be demonstrated that the most sustainable locations are considered ahead of those further down the hierarchy.	
RUGBY TOWN CENTRE	<ul style="list-style-type: none"> • Primary focus for services and facilities.
RUGBY URBAN AREA	<ul style="list-style-type: none"> • Primary focus for meeting strategic growth targets.
MAIN RURAL SETTLEMENTS <i>Binley Woods, Brinklow, Clifton on Dunsmore, Dunchurch, Long Lawford, Ryton on Dunsmore, Stretton on Dunsmore, Wolston and Wolvey</i>	<ul style="list-style-type: none"> • Development permitted within existing village boundaries. • Local housing needs is prioritised over market housing
LOCAL NEEDS SETTLEMENTS	<ul style="list-style-type: none"> • Small scale development to meet local housing needs permitted within existing village boundaries. • A threshold of 0.2 Ha applies. • Development will not be permitted if the site could reasonably form part of a larger developable area.
COUNTRYSIDE	<ul style="list-style-type: none"> • New development will be resisted; only where national policy on countryside locations allows will development be permitted.
GREEN BELT	<ul style="list-style-type: none"> • New development will be resisted; only where national policy on Green Belt allows will development be permitted.

- 1.7 The differences between the Core Strategy and the Publication Plan settlement hierarchy are that in the Publication Local Plan:

- Rugby Town Centre and Rugby Urban Area have been combined into Rugby town and the location of development has been clarified;

- In relation to the Main Rural Settlements the reference to local housing needs has been removed; and
- Local needs settlements have been replaced with Rural Villages and the reference to the scale of development and limitation to local needs have been removed; and
- Paragraph 3.79 of LP11 discusses the difficulties in delivering Local Needs Housing to meet local rural housing need, leading to the removal of this provision within the development strategy.

1.8 The hierarchy in the Publication Local Plan is the same as the Core Strategy in terms of the list of Main Rural Settlements and the Countryside and the Green Belt.

1.9 In the Core Strategy Rugby town was considered the most sustainable location in the Borough with the countryside and the Green Belt the least sustainable. In the rural area the settlements that had defined village boundaries were categorised into either of the tiers depending on the level of services they had (such as shops, doctor's surgery and public transport). Villages with the greater range of facilities were defined as Main Rural Settlements. This was informed by a Settlement Hierarchy Paper, which surveyed all the villages.

1.10 In May 2014 the Borough Council consulted on the Local Plan Development Strategy. This included the proposal to retain the settlement hierarchy but to update the Settlement Hierarchy Paper to determine whether the designation of villages within Policy CS1 should remain as they were or whether changes in village services meant that some movement was required.

1.11 The Rural Sustainability Study (LP28) was published in November 2015. This updated the 2008 Settlement Hierarchy Background Paper providing an assessment of the sustainability of each rural settlement by ranking each village based on a number of criteria. The Study assessed all thirty four of the designated settlements in the Borough, i.e. main rural settlements and local needs settlements. The original 2008 Background Paper only considered the Main Rural Settlements which were designated in the 2006 Borough Local Plan. LP28 includes the methodology used to assess the settlements, the initial audit of the settlements pre-consultation, the final audit after consultation with the relevant Parish Councils and the overall sustainability ranking for each settlement. The Study made the following recommendations:

- Maintain the existing division between main rural settlements and local needs settlements as there is a clear distinction between these two levels of the hierarchy for services that exist within village boundaries;

- Consider whether some main rural settlements can be deemed more sustainable than others based on their overall sustainability ranking, and whether the settlements of Clifton upon Dunsmore and Long Lawford should be considered in a higher or lower tier of Main Rural Settlements;
- Whilst still maintaining a lower hierarchy level of Local Needs Settlements, consider whether some of these villages are more sustainable than others due to their proximity to Main Rural Settlements or urban areas, and their better access to essential services such as doctors' surgeries and primary schools.

1.12 In December 2015 the Local Plan Preferred Option was subject to consultation. This included the following Preferred Option for the settlement hierarchy:

Location	Distribution
Rugby urban edge	Main focus for growth through urban extensions & infill
Main Rural Settlements	Boundary alteration to accommodate some housing growth
Coventry Edge	Development adjacent to the City boundary (within Rugby borough) to meet unmet need arising from Coventry.
Rural Settlements	Boundary alteration, if supported by the Neighbourhood Planning Process.
Countryside	All new development will be restricted to preserve the existing character and resources.

1.13 The basis for this hierarchy was that planning permission had already been granted for significant levels of development either within or adjacent to Rugby town. As a result, it was considered that Rugby town would remain the primary focus for growth within the Borough by virtue of the levels of development already permitted within or adjacent to it. In addition, in order to meet the development targets it was considered that further allocations would be required on the urban edge. The proposed categorisation of the rural settlements in the Preferred Option was based on the Rural Sustainability Study.

1.14 The hierarchy proposed in the Preferred Option also included Coventry Edge. At that time the Council considered that in order to meet the objectively assessed housing need of Rugby Borough and the Coventry and Warwickshire Housing Market Area in full Green Belt release would be justified as an exceptional circumstance. This also reflected the reasonable options available at that time.

- 1.15 Subsequently, as stated in the Council's response to Question 1g below, a site came forward at Lodge Farm which did not require the release of Green Belt land, so the reference to Coventry Edge in the hierarchy was no longer required. Instead it was considered that the Green Belt should be included in the hierarchy to clarify the approach and ensure conformity with the NPPF.
- 1.16 As explained in Paragraphs 5.74 – 5.96 of the Publication Draft Sustainability Appraisal (LP03) options for growth and development strategy were identified and subject to appraisal in May 2015. The summary of the SA findings (Paragraphs 5.93 – 5.96) notes that for many of the SA objectives, the likely effects of the five options for growth and the three options for the development strategy were found to be broadly similar as all would deliver housing to meet local needs and support economic growth in the Borough. Under all of the options, the majority of growth would be focussed at Rugby town; therefore all of the options could benefit the vitality and viability of the town centre, support urban regeneration and facilitate the use of brownfield sites for new development. Good opportunities to use sustainable transport and reduce journey lengths were also considered likely to exist under all options, because of the focus on Rugby town.
- 1.17 However, where the options would involve more widespread development in rural areas as well (Growth option 3); or the potential development of a new town (Growth option 5); there may be fewer benefits and some negative impacts in relation to reduced access to services and facilities, longer journeys and higher levels of car use, and more potential for impacts on the landscape. The impacts of growth option 2 could also be negative if development were to come forward in the open countryside on the edge of Coventry if housing needs cannot be met at Rugby town.
- 1.18 The option for growth that has been carried forward into the Publication Draft Local Plan is a combination of Options 3 and 5. While there are not significant differences in terms of how the five options perform against the SA objectives, the rejected options 2 and 4 would have more significant positive effects on the SA objectives than the selected options. As set out in the Housing Background Paper (LP11), the Borough Council's decision to take forward a combination of Options 3 and 5 was reached following an assessment of each of the Distribution Strategy Options, as to whether there were sufficient sites to deliver a continuous five year housing supply throughout the Local Plan period. The Borough Council's view is that the combination selected also takes account of policies and principles of the NPPF taken as a whole.
- 1.19 The preferred option for the overall development strategy, which has since been carried forward into the Publication Draft Local Plan, is Option 1. That

option performs more positively than the two alternative options, in particular because it would offer better opportunities for people to use sustainable modes of transport in place of private cars due to the increased urban focus.

Question 1b- How does Policy GP2 deal with development opportunities and pressures arising on the urban edges of Coventry and Hinckley along the borough boundary? Is this justified and would it be effective?

- 1.20 Policy GP2 is justified and effective as it is consistent with national policies in its approach. The edge of Coventry consists of Green Belt. Policy GP2 looks to national policy on Green Belt and the demonstration of exceptional circumstances for the principle of development to be acceptable. Similarly, Policy GP2 looks to national policy in the determination of acceptable growth in the countryside, when determining development opportunities and pressures arising on the urban edge of Hinckley.
- 1.21 As stated in response to 1a above the Preferred Option Local Plan included allocation in the Green Belt, at Walsgrave. Due to the proximity and accessibility to Coventry's urban edge, the consultation was clear that the site was proposed as an allocation to provide a new settlement and not an extension to the urban edge.
- 1.22 This point is further reinforced by the way in which the distribution of unmet need was addressed through the MoU. Responses to Matter 1 Issue 1a and question 1f below detail this further, but in short this was founded on a functional relationship; one of commuting and migration and not spatially driven.
- 1.23 Policy GP2 is effective as it seeks to implement the continuation of the existing adopted Rugby Borough Core Strategy which is proven in the delivery of sustainable growth, where most growth is focused at Rugby town. The settlement hierarchy of the Local Plan (LP01) is predicated upon sustainable development due to its tiers conforming to sustainable development principles. Policy GP2 employs a sequential approach to the selections of sustainable locations and seeks to direct development to the most sustainable locations in the borough. Notwithstanding this Paragraph 3.16 of the Local Plan does acknowledge the proximity of the Borough to other settlements in adjacent local authority areas, including Coventry and Hinckley. Development in close proximity to these areas would not assist in achieving sustainable development focussed on Rugby Town and some of the locations are within the Green Belt and/ or are unsustainable. As a result the Local Plan (LP01) considers the consequences for sustainable development beyond the Green Belt boundary in line with paragraph 84 of the Framework. Limiting development to the minimum necessary within the Green Belt, and channelling development towards an urban focus is considered the most reasonable alternative available to conform to sustainability principles.

Question 1c- What is the basis for the overall development strategy contained in Policies GP2, DS3 and DS4 of the RBLP, in terms of the broad location and spatial distribution of development between different settlements and parts of the borough?

- 1.24 As well as the NPPF and the Core Strategy development strategy, the Council has taken account of its vision and objectives, and evidence as a basis to informing GP2, DS3 and DS4. The SHLAA (LP10 and 10a) and the Sustainability Appraisal (LP03) inform the spatial distribution through the consideration of deliverable and reasonable alternatives. Furthermore public consultation and Council decision making has shaped the development and refinement of the overall development strategy.
- 1.25 As detailed in response to question 1a above, the basis for the overall development strategy is a continuation of the adopted Core Strategy, which identified broad locations of growth based on an urban centred approach. This is the fundamental starting point when considering sustainable development, compliant with paragraph 14 of the NPPF premise that sustainable development is the golden thread running through plan-making and decision taking. Figure 9 of the Housing Background Paper (LP11, page 18) sets out the spatial options that were appraised; all had an urban focus.
- 1.26 In consideration of a lack of five year land supply and increased housing target (formed of Rugby Borough's OAN and unmet need from Coventry), section 3 of the Housing Background Paper (LP11) details the basis for the broad location and spatial distribution of housing in the borough. In the context of significant growth allocated to Rugby town through the Core Strategy LP11 focused on the ability of the urban edge to accommodate further growth to that already committed through the Core Strategy; highway network capacity and other relevant constraints. Appendix 4 summarises the assessment of spatial options.
- 1.27 In the first instance the Council sought to identify large scale urban extension options that will deliver sufficient quantities of housing but also be able to provide required levels of infrastructure. LP11 details the role of CS7 and CS8 as strategic allocations in this respect and this is further expanded upon in response to question 1h below.
- 1.28 However, to achieve the higher rates of delivery LP42 concluded other markets within the borough should be brought forward. This was supported by the highway evidence that demonstrated a limitation to the urban highway network to deliver further growth within the plan period.

- 1.29 In the context of GP2, the next tier of sustainability was then considered in LP11, where at paragraph 3.69 the advantages of small-scale allocation to MRSs discussed. LP11 details the lack of capacity within the boundaries of MRS and the Very Special Circumstances to releasing land from the Green Belt to bring forward extensions to MRS.
- 1.30 The role of MRS small scale GB release was twofold; to assist in the early years supply of housing with sites that are much quicker to deliver than urban extensions by varying the location of sites from the urban area; and secondly to assist in the provision of rural housing.
- 1.31 Reinforcing the role of MRSs in the settlement hierarchy, DS3 includes the provision of a new MRS at Lodge Farm to continue the additional market for housebuilders thus providing a different market to the urban area. This affords greater certainty of continued ability to demonstrate a housing land supply position throughout the plan period. This is considered in more detail in matter 3b and question g below.
- 1.32 The justification of sites within DS3 and DS4 also takes into account the constraints of the Borough. This is compliant with paragraph 17 of the NPPF, to allocate land of lesser environmental value and actively manage patterns of growth to make the fullest use of public transport, walking and cycling, and focus significant development in locations which are, or can be made sustainable.
- 1.33 Development away from defined settlements would not meet sustainable development requirements in terms of the access to a range of facilities and the need for sustainable modes of transport and are less likely to demonstrate that the overall social and economic benefits are outweighed against the disadvantages of a location which is in a more dispersed location.
- 1.34 The spatial distribution of sites as allocated in policies DS3 and DS4, set out in more detail in policies DS7-DS10, to meet future development needs across the plan period are set within the framework of Policy GP2 which forms the overall settlement hierarchy. As detailed above this is a continuation of the approach in previous plans. As such the urban edge of Rugby remains the focus for both housing and all employment allocation through the plan period.

Question 1d- Is it justified as the most appropriate development strategy, when considered against the reasonable alternatives? What alternative strategies were considered by the Council in terms of the options for the broad location and spatial distribution of development and why were these discounted?

1.35 As explained in Paragraphs 5.74 – 5.96 of the Publication Draft Sustainability Appraisal (LP03) options for growth and development strategy were identified and subject to appraisal in May 2015.

1.36 The Borough Council identified five alternative options for the overall distribution of development (note that none of these was identified as the preferred option at the time but a combination of Options 3 and 5 has since been taken forward as the preferred approach):

- Option 1: Existing balance - The main focus for all development will be on Rugby town via either urban extensions or infill within the existing built form. Main Rural Settlements will act as service centres to accommodate small-scale development within existing settlement boundaries. Local Needs Settlements are limited to development that meets an identified local need only.
- Option 2: Urban and urban edge focus - The main focus for all development will be on Rugby town via either urban extensions or infill within the existing built form. Additional growth will be focused on Coventry's edge where Rugby urban edge cannot meet all strategic growth. Main Rural Settlements will act as service centres to accommodate small-scale development including some boundary alterations. Local Needs Settlements are limited to development that meets an identified local need only.
- Option 3: Wider focus - The main focus for all development will be on Rugby town via either urban extensions or infill within the existing built form. Main Rural Settlements will act as service centres to accommodate small-scale development including some boundary alterations. Local Needs Settlements allowed small-scale infill development.
- Option 4: Intensified urban focus - The focus for the vast majority of development will be Rugby town. Those rural settlements which act as local service centres will only experience development which meets an identified local need. Development in all other settlements will be generally restricted.
- Option 5: New town - The main focus for all development will be on Rugby town via either urban extensions or infill within the existing built form. Additional growth will be focused on a new Main Rural Settlement to act as a service centre located in the countryside. Existing Main Rural Settlements will act as service centres to accommodate small-scale development within existing settlement boundaries. Local Needs Settlements allowed small-scale infill development.

1.37 The Council also identified three alternative options for the overall development strategy – all based on the adopted Core Strategy Policy CS1. Option 1 was identified as the preferred option at the time. These are shown in the table below from the Publication Draft Sustainability Appraisal (LP03 – Table 5.8):

Settlement type	Option 1: As current policy CS1	Option 2: As current CS1 but development permitted within existing boundaries at Local Needs Settlements	Option 3: As current CS1 but some development permitted at Main Rural Settlements including boundary alterations as necessary
Rugby town	Main focus for all development in the Borough	Main focus for all development in the Borough	Main focus for all development in the Borough
Main Rural Settlements	Development permitted within existing boundaries	Development permitted within existing boundaries	Some development including boundary alterations as necessary
Local Needs Settlements	Development within boundaries only to meet locally identified need	Development permitted within existing boundaries	Development within boundaries only to meet locally identified need
Countryside	New development will be resisted; only where national policy on countryside locations allows will development be permitted	New development will be resisted; only where national policy on countryside locations allows will development be permitted	New development will be resisted; only where national policy on countryside locations allows will development be permitted
Green Belt	New development will be resisted; only	New development will be resisted; only	New development will be resisted; only

	where national policy on Green Belt allows will development be permitted	where national policy on Green Belt allows will development be permitted	where national policy on Green Belt allows will development be permitted
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- 1.38 The summary of the SA findings (Paragraphs 5.93 – 5.96 of LP03) notes that for many of the SA objectives, the likely effects of the five options for growth and the three options for the development strategy were found to be broadly similar as all would deliver housing to meet local needs and support economic growth in the Borough. Under all of the options, the majority of growth would be focussed at Rugby town; therefore all of the options could benefit the vitality and viability of the town centre, support urban regeneration and facilitate the use of brownfield sites for new development. Good opportunities to use sustainable transport and reduce journey lengths were also considered likely to exist under all options, because of the focus on Rugby town.
- 1.39 However, where the options would involve more widespread development in rural areas as well (Growth option 3) or the potential development of a new town (Growth option 5), there may be fewer benefits and some negative impacts in relation to reduced access to services and facilities, longer journeys and higher levels of car use, and more potential for impacts on the landscape. The impacts of growth option 2 could also be negative if development were to come forward in the open countryside on the edge of Coventry if housing needs cannot be met at Rugby town.
- 1.40 The option for growth carried forward into the Publication Draft Local Plan LP01) is a combination of Options 3 and 5. While there are not significant differences in terms of how the five options perform against the SA objectives, the rejected options 2 and 4 would have more significant positive effects on the SA objectives than the selected options. As set out in the Housing Background Paper (LP11), the Borough Council's decision to take forward a combination of Options 3 and 5 was reached following an assessment of each of the Distribution Strategy Options, as to whether there were sufficient sites to deliver a continuous five year housing supply throughout the Local Plan period. The Borough Council's view is that the combination selected also takes account of policies and principles of the NPPF taken as a whole.
- 1.41 The preferred option for the overall development strategy, which has since been carried forward into the Publication Draft Local Plan, is Option 1. That option performs more positively than the two alternative options, in particular because it would offer better opportunities for people to use sustainable modes of transport in place of private cars due to the increased urban focus.

Question 1e- Is the reliance on large scale development through extensions to Rugby and a new settlement justified as the most appropriate way of achieving sustainable development, the supply of new homes and the economic growth of the area? If not, what are the alternatives?

- 1.42 As set out in the Council's response to 1c above, there is an urban focus within LP01 promoting sustainable development, in line with paragraph 7 of the NPPF. This approach is a continuation of the urban focus contained within the Core Strategy development strategy, which was considered sound by a previous Inspector. Whilst this focus predominates, it is not an exclusive focus on development within the town. There is reliance on large-scale development at the edge of the urban centre, but the strategy also allows for a new sustainable Main Rural Settlement and limited expansion of existing Main Rural Settlements, which includes some Green Belt release. As a result it is flexible and adaptable, allowing for a wider choice of homes in line with paragraph 9 of the NPPF, whilst meeting objectively assessed needs in line with paragraph 47 of the NPPF.
- 1.43 Previous iterations of plan making have stressed the role of the urban area as a focus for growth as this is the most sustainable option. Historically significant levels of growth have been permitted in both the existing urban area and urban edges.
- 1.44 This hierarchy is compliant with the NPPF because it represents the most sustainable development option. Although a large proportion of the strategic allocations at Rugby Radio Station (Houlton) and the Gateway (Eden Park) benefit from permissions and are now seeing strong pick up in starts and infrastructure commitment, there have been delays against the timescales anticipated by the Council. This has therefore impacted upon 5 year supply.
- 1.45 At paragraph 3.13 the Housing Background Paper (LP11) lists the reasonable alternatives for meeting the housing target, whilst maintaining the urban focus. The options relate to the varying roles the rural area could play and considers these options in order of general sustainability.
- 1.46 (LP42) looked at what level of housing could be delivered in the borough, taking account of market-based factors and past delivery. It considered four delivery rate scenarios to meet future needs. It highlighted that Rugby Town is a single market, with development sites being built out by major house builders. As they already have a presence in the town, there is little incentive to bring forward additional schemes on the edge of Rugby and market them concurrently in addition to sites allocated in the plan. The study advises that despite delivery to date being slower than expected, since Rugby has out-performed other areas (including the national picture) in the past, the larger sites will continue to contribute to the housing supply in the later plan period. It is reasonable to

expect delivery of these urban sites of between 470-520 dwellings per annum. It is unlikely that additional allocations within the urban area will exceed these delivery rates given that it is a single market area, so there is a need to consider short to medium term delivery to maintain a 5 year supply to support overall housing delivery in a balanced manner.

- 1.47 The Housing Delivery Study (LP42) considers it feasible to achieve higher growth rate scenarios if a broader range of development locations are considered. By continuing with an urban focus, but adopting a broader housing distribution, such as enhanced delivery in smaller settlements, and a new settlement, this bolsters delivery in the shorter term, provides delivery in the medium term and allows greater time for the SUEs to Rugby town to deliver in the longer term, thus balancing the housing trajectory.
- 1.48 Another factor in deliverability terms is to ensure that the amount of infrastructure required to mitigate the effects of development is reasonable. Transport modelling undertaken by Warwickshire County Council (LP19 and 20) concluded that when general directions of growth are considered, some areas require less transport mitigation than others. Section 3 of LP11 provides summary of the outcome of this work. The South East performs the worst in transport terms and can only be delivered once the South West has delivered the spine road network, as contained in DS9, by 2031. The South East option is therefore not deliverable within the plan period. The best performing option is shown with the least amount of required transport infrastructure has informed the selection of sites in the South West and Coton Park East, which also alleviate existing transport problems.
- 1.49 As detailed in response to question 1c above the approach in the Core Strategy development strategy is therefore continued through GP2, but made more flexible and adaptable to meet the increased growth requirements.
- 1.50 Less sustainable development options, such as locating development in a dispersed pattern in the Green Belt would conflict with paragraph 17 of the NPPF's core planning principles, particularly the need to allocate land of lesser environmental value. Such an approach is not considered to be a reasonable alternative.
- 1.51 A more dispersed pattern of development without an urban focus would be less sustainable and would conflict with paragraphs 7, 8 and 9 of the NPPF. It would be more difficult to pursue sustainable development in terms of job creation, improving conditions where people live, work travel and take leisure, and securing higher environmental standards and design. It would also be more difficult to make dispersed patterns of development sustainable in transport terms, conflicting with paragraph 29 of the NPPF.

- 1.52 In contrast, the urban focus together with relative proximity of the South West and Lodge Farm Main Rural Settlement complement options for the expansion of the public transport network as these locations can share network improvements, promoting sustainable development.
- 1.53 The selected development strategy collectively represents the most deliverable sites, taking into account the transport impacts, Green Belt impact and landscape sensitivity in the most sustainable locations available overall as reflected by the conclusions of the spatial options considered in LP03.
- 1.54 In respect of economic growth for the area, the Local Plan proposes employment allocation within the urban extensions at South West Rugby and at Coton Park East, through DS4. This approach is considered the most appropriate as both will be delivered as part of mixed used urban extensions, with the delivery of residential and employment growth in proximity to afford potential for increased levels of sustainable transport for potential resident labour force.
- 1.55 In addition for both proposed employment allocations they are not only part of extensions to the most sustainable location in the Borough, Rugby town, but are also extremely well located for access to the Strategic Road Network, providing good connectivity for business. In the case of Coton Park East (DS7) this is easily accessed via Junction 1 of the M6 and employment at South West Rugby (DS8) will be directly accessed onto the M45/A45 network.

Question 1f- Does the development strategy provide for the unmet housing and employment land requirements of Coventry in a way which is reasonable to do so and consistent with achieving sustainable development?

- 1.56 The Council considers that the development strategy provides for the unmet housing and employment land requirements of Coventry in a way which is reasonable and consistent with achieving sustainable development. In accordance with paragraph 179 of the NPPF, the Coventry and Warwickshire planning authorities identified a joint approach to meet the full objectively unmet needs of Coventry through a Memorandum of Understanding, endorsed by Rugby on 27 October 2015. The Housing Background Paper (LP11) and the Duty to Co-operate Compliance Statement (LP05) set out the details of this joint approach. The JSHMA 2015 update (LP 06, 07 and 09) identified a shortfall of 17,800 dwellings for Coventry between 2011 and 2031, distributed amongst the Warwickshire authorities. The agreed distribution methodology allocated 2,800 dwellings of Coventry's unmet need to be provided in Rugby in the period 2011-2031. This has been incorporated into a single housing target, added to the 9,600 Objectively Assessed Need (OAN) for Rugby, resulting in a combined

target of 12,400 over the plan period. As a result it is positively prepared because it takes into account both Rugby's and Coventry's needs.

- 1.57 In terms of land supply the SHLAA (LP 10 and 10a) identifies the capacity of developable or deliverable sites and concludes that there is sufficient land supply within Rugby Borough to deliver housing that would meet the needs of Rugby and also accommodate growth from Coventry.
- 1.58 An important consideration when allocating sites is to consider the constraints of the Borough and how this affects the distribution of development. The settlement hierarchy has been developed taking into account evidence from the Sustainability Appraisal (LP03) which considered constraints and determined that the chosen allocated sites would have fewer negative effects than the alternative options considered, when measured against the constraints and other reasonable alternatives, whilst considering sustainable development.
- 1.59 The updated JSHMA (LP 06, 07, 08 and 09) considers the housing and employment growth by looking at the impact of Rugby's OAN on labour force and jobs growth. The Employment Background Paper (LP17) shows the Council has considered employment needs under the Duty to Co-operate across the sub-region. Coventry's proportionate needs for employment land of 45 hectares can be accommodated within two employment sites (Pro-Logis Ryton (the former Peugeot Site between between the A45 and A423) and Ansty Park (near the M6 Junction 2 and the A46) within Rugby which equate to 97 hectares. This therefore represents an over-provision which is considered beneficial to economic and housing growth.
- 1.60 The combined evidence of the SA (LP03) and the SHLAA (LP 06, 07, 08 and 09) ensures that the constraints within Rugby are taken into account in terms of land supply. This includes the 60% of Rugby that is within the Green Belt, which can only be considered for development in exceptional circumstances. It would not be reasonable to locate Coventry's growth in physical proximity to Coventry due to the presence of Green Belt, particularly since there are enough sites identified within the SHLAA to accommodate required growth without relying heavily on Green Belt land. This is considered to be a reasonable and justifiable approach, given that the NPPF does not prescribe that growth from adjoining areas is accommodated immediately adjacent to that boundary.
- 1.61 The response to Issue 2b Question1j expands on this point in respect of the Housing Memorandum of Understanding. It details the tasks that were undertaken to arrive at the functional relationship approach that shaped the MoU. This then applied the average percentage of migration and commuting flows to the functional redistribution. As such the redistribution of unmet need from Coventry was not spatially informed.

1.62 Furthermore, Coventry City Council has not requested or prescribed where their unmet needs should be located. In their representations it is acknowledged through the development of the Coventry and Warwickshire Housing MOU that the City Council was fully accepting of the sovereign role of each of its neighbouring authorities to determine the most sustainable locations to meet their respective housing requirements. It is therefore considered reasonable for Rugby to determine where Coventry's needs should be met, taking into account evidence as to where it is appropriate to locate development in the most sustainable manner.

1.63 This approach is consistent with paragraph 182 of the NPPF that states in relation to the 'Positively prepared' test of soundness:

"the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development."

Question 1g- Is the selection of Lodge Farm justified as the most appropriate location for a new settlement in preference to the preferred option site at Walsgrave Hill Farm or other options? What is the evidence to support this?

1.64 The answer to this question is covered by the Council's response to Issue 3b Question 1a. For completeness this response is also set out below:

Alternative New Village Locations

1.65 As explained in Paragraphs 3.102 – 3.108 of the Housing Background Paper (LP11) the Preferred Options consultation in 2015 proposed land at Walsgrave Hill Farm, close to Coventry, as a new settlement for 1,500 homes. The Housing Market Delivery Study identified that the Coventry urban edge presented an opportunity to provide further development in a sustainable location, tapping into a housing market separate to that at Rugby town and therefore increasing the quantity of housing that is delivered across the Borough as a whole. This allocation required Green Belt release. At the time of the Preferred Options consultation the Council considered that the proposal was justified in order to meet the local plan housing target given the lack of alternative sites outside of the Green Belt to deliver the strategic allocation of a new settlement.

1.66 The Walsgrave site was not included in the Publication Draft Local Plan as issues were identified following the Preferred Options. Since the Preferred Options consultation, the deliverability of Walsgrave within the Plan period became more uncertain in relation to timescales for the necessary enabling

works to the A46, and the extent of the potential impact on the adjacent Coombe Abbey both in the respect of the historic and nature designations.

- 1.67 In April 2017 the site promoters of Walsgrave, proposed a mixed use development of 1,500 homes and up to 2,000 jobs through delivery of a 2 million sqft logistics park. It was estimated that this would be around 61ha of employment land. The Borough Council considered that this proposal would not accord with the Local Plan Preferred Options as that did not include any element of employment at Walsgrave, and it was considered it would not align with the housing requirement.
- 1.68 A call for sites exercise was held at the same time as the Preferred Options consultation to ensure all options for growth allocation were considered before progressing the Local Plan. Land at Lodge Farm was promoted through this process and the site was considered in the Strategic Housing Land Availability Assessment Update (LP10A). The emergence of a developable and deliverable non-Green Belt site meant the test of exceptional circumstances required for the Green Belt release of the Walsgrave proposal could no longer be justified. Walsgrave was subsequently removed from the Publication Local Plan.
- 1.69 Appendix 3 of the Housing Background Paper (September 2017) (LP11) provides more detail on the consideration of Walsgrave following the Preferred Options consultation and of the decision to propose the allocation of Lodge Farm site as a new Main Rural Settlement.

Sustainability Appraisal of Alternative New Village Locations

- 1.70 The Borough Council's Hearing Statement for Matter 1, Issue 1b explains the process of the Sustainability Appraisal (SA) of the Local Plan including the appraisal of alternative new village locations.
- 1.71 A Development Strategy Consultation Document was published in July 2014 to outline what the new Local Plan would include. This document did not set out options for the policies or site allocations to be included in the Local Plan therefore there was no accompanying SA report at that stage. In December 2015 the first iteration of the Local Plan - 'the Preferred Option' was produced and this was subject to SA. The SA Report for the Preferred Option was published alongside this version of the Local Plan during the consultation period. The Publication Draft version of the Local Plan was published in September 2016, and the SA Report was updated to reflect the policies and site allocations included in it.
- 1.72 In terms of site allocations, an initial set of reasonable alternative residential and employment site options was identified by the Council and these were subject to SA prior to the Preferred Options consultation. This included 142

residential site options and five employment site options. The findings were presented in a summary SA document which was made available to the Rugby Borough Council officers preparing the Local Plan in September 2015 and subsequently included in the SA Report of the Preferred Options. This included the Walsgrave Hill Farm site.

- 1.73 A further Call for Sites exercise was held alongside the consultation on the Preferred Option between December 2015 and February 2016, and this led to the Council identifying a further 46 reasonable alternative residential site options and one new employment site option. This included the Lodge Farm site. Those options were then subject to SA and the SA findings for all site options are presented in Chapter 4 of the SA report (LP03). Appendix 7 in the SA report sets out an audit trail of the alternative site options considered and provides the Council's reasons for selecting or rejecting each one for inclusion in the Local Plan.

Question 1h- Taking the latest Housing Trajectory in Appendix 2 of the RBLP, what is the justification for providing for 15,369 dwellings over the plan period 2011-31 against a housing requirement of 12,400 dwellings?

- 1.74 Paragraph 14 of the NPPF stresses the need to meet objectively assessed needs with sufficient flexibility to adapt to rapid change, whilst paragraph 9 promotes widening the choice of homes. In accordance with paragraph 154 of the NPPF, Local Plans that are prepared should be aspirational but realistic.
- 1.75 Data from the most recent monitoring years demonstrate that the provision of housing substantially focused on the Rugby urban area has not been able to demonstrate a 5 year supply of housing. This conflicts with paragraphs 47 and 49 of the NPPF - the requirement to demonstrate a five-year supply of deliverable sites against the five-year housing requirement for the period.
- 1.76 The Council wishes to move away from being a 20% authority (representing an appropriate buffer to bring forward from future years of the plan period) due to persistent under delivery in earlier years.
- 1.77 The Housing Trajectory (as updated by proposed modifications) (LP54.114 and LP54.115) setting out the identified supply of 15,369 dwellings over the plan period 2011-2031 is the product of iterative, ongoing work to ensure that the Local Plan is able to provide a Five Year Supply upon adoption. This total is justified based on the evidence base for the Local Plan, including the Council's Housing Background Paper (LP11), supported by the SHLAA (LP10 and LP10a) and Housing Market Delivery Study (2015) (LP42).

1.78 The evidence base demonstrates that the Council's approach to preparing the housing trajectory is consistent with national policy in the NPPF (Paragraphs 47 (bullets 1 and 4) and 159) as well as the NPPG. The Housing Trajectory is informed by robust assumptions about the type and scale of sites in the identified supply, those considered 'deliverable' and the expected rate of delivery over the plan period. In considering the concept of 'deliverability' as outlined by Paragraph 47 of the NPPF, a distinction exists between that concept and the 'expected rate of delivery' which a housing trajectory produced in the Local Plan process would illustrate. By extension this means that for sites regarded as deliverable it will not necessarily be certain or even probable that housing will be delivered to the fullest extent over a given five-year period.

1.79 The total of 15,369 represents a surplus of 23.9% above the Policy DS1 requirement of 12,400 dwellings. This compares with a surplus of 10.2% generated by the total identified provision in the Housing Trajectory for the Publication Local Plan equalling 13,667 (LP01).

1.80 The difference between these two totals is derived across several components and this must be understood in terms of the relationship between the housing trajectory and the spatial strategy for development. Comparison of the housing trajectories illustrates that the changes can broadly be attributed as follows:

Source	'Current Housing Trajectory' (at anticipated date of adoption)			'Publication Housing Trajectory'				Combined Total
	Completion s ¹	Existing Identified Supply ²	Total	Rugby Urban Edge ³	Lodge Farm new MRS ⁴	Main Rural Settlement Sites ⁵	Total	
LP01 Appendix 2	2649	5836	8485	3830	825	527	5182	13,667
LP54.114 and LP54.115	3173	6539	9712	4465	665	527	5657	15,369
Difference	+524	+703	+1227	+635	-160	0	+475	+1702

¹ LP01 includes recorded and forecast completions from 2011/12 to 2016/17; LP54.114 includes recorded and forecast completions from 2011/12 to 2017/18

² Includes existing commitments, allowance for windfall and sites with resolution to grant permission subject to S106

³ See Policies DS7 (Coton Park East) and DS8/DS9 (South West Rugby)

⁴ See Policy DS10

⁵ Sites identified at Policy DS3.6 – DS3.14

- 1.81 Each of these individual changes is justified with reference to the latest monitoring information and analysis provided through the Housing Background Paper (LP11). It is notable that the majority of the difference arises from assumptions applied to identified supply in the 'current' housing trajectory for sites which generally benefit from some existing status as part of progressing through the application process.
- 1.82 There is relatively little difference in terms of the expected contribution from additional supply identified in the 'publication' housing trajectory. Anticipated delivery from Policy DS7 (Coton Park East) and the proposed allocations at Main Rural Settlements is unchanged. The changes to South West Rugby and Lodge Farm reflect the most recent assessment for these sites in terms of the timescale for bringing development forward, relationship with other factors such as infrastructure improvements and the anticipated number of developers and associated build-out rates. Regarding the increased total at South West Rugby, the Housing Background Paper at Paragraphs 3.50 – 3.52 (LP11) identifies the increased proportion of the site with planning permission and a greater number of anticipated development parcels as the site is brought forward by a combination of promoters.
- 1.83 With regard to the changes to the 'current' trajectory, the increase in completions reflects that one additional years' forecast completions are included in the proposed modified trajectory based on the anticipated adoption in 2018 (+524). More importantly, the comparison demonstrates that the component of 'existing identified supply' has not remained fixed at the point of publishing the Publication Local Plan. If it had, the additional forecast completions would be offset by a comparative reduction in outstanding commitments. This is not the case, and notwithstanding completions recorded on some identified sites the total for this component has seen a net increase of 703 units.
- 1.84 There are a number of new additions to the housing trajectory schedule since publication of the Publication Local Plan. This includes 547 units across three sites with resolution to grant planning permission subject to S106 agreements (including 380 dwellings at Wharf Farm – Planning Application Reference R15/1702). More generally, paragraph 3.60 of the Housing Background Paper (LP11) assesses an overall upturn in housing market activity, with 16 different sales outlets expected to deliver completions within 2018. This exceeds the assumptions in the Housing Market Delivery Study (LP42) in terms of the national and medium-sized housebuilders operating in the town as a single housing market for sales. This is particularly important for the large site at Rugby Radio Station, which under the proposed modification trajectory is forecast to deliver 3,033 dwellings following adoption of the Local Plan. This

compares with 2,395 dwellings for the equivalent position in the Publication Local Plan – a difference of +638. Together, the increase of forecast delivery from the Rugby Radio Station site plus the addition of sites with resolution to grant permission ($638 + 547 = 1185$) account for the majority of the difference in identified supply from the 'current' trajectory.

- 1.85 At paragraph 3.62 the Housing Background Paper (LP11) recognises that the updated housing trajectory anticipates activity from around 23 outlets if forecast delivery rates from within the urban area are to be achieved in the middle of the plan period. This is considered challenging but realistic and achievable given the increased level of supply that will consistently be made available through the Local Plan. However, the Council continues to acknowledge that to ensure the higher housing target can be met there is a need to supplement the current strategic focus on Rugby town. The updates to the housing trajectory, primarily concentrated on identified supply in the urban area, reinforce that existing commitments plus additional sites would be sufficient to meet the policy requirement of 12,400 dwellings.
- 1.86 However, the urban edge allocations do not result in sufficient land coming forward to ensure a five year land supply at the point of adoption, as required by the NPPF. Moving forward the allocation of dwellings to ensure a land supply would not provide the Local Plan with flexibility or an adequate buffer should sites within the housing trajectory not deliver at the anticipated rates.
- 1.87 This position echoes Paragraph 4.15 of the Publication Draft Local Plan in terms of the additional flexibility that the housing trajectory provides against the policy requirement. This is consistent with Paragraph 47 of the NPPF in terms of ensuring the role of the housing trajectory in managing delivery over the plan period. Therefore, notwithstanding the updates to reflect total identified supply of 15,369 dwellings, the trajectory remains justified and is necessary to support achievement of the spatial strategy and provision for sustainable development.
- 1.88 The Publication Local Plan includes allocating growth at other tiers of the settlement hierarchy ('Main Rural Settlements'), which allows for a wider choice of high quality homes to be delivered by opening up new housing markets within the borough. This will meet the increased housing target as well as demonstrating a Five Year Supply of housing consistently over the plan period. The new markets in the rural areas allow for early delivery in the plan period, Lodge Farm allows for delivery within the middle years of the trajectory, which allows time for the Strategic Urban Extensions (SUEs) to provide for growth in the later years. This therefore forms a balanced trajectory throughout the plan period, rather than simply relying on the build out of large SUEs alone.

- 1.89 This is a variation of the urban centred approach advocated by the existing Core Strategy, by providing additional support for balanced delivery and a diversified market in other locations. The aim is to increase flexibility of choice and increase overall housing numbers, in order to ensure a longer term 5 year supply, as required by paragraphs 14 and 47 of the NPPF. It is anticipated that sites within the Main Rural Settlements can be delivered more quickly due to the relative lower levels of enabling infrastructure and site preparation required in comparison with the SUEs, as per paragraph 15 of the NPPF. This approach therefore takes into account the evidence of delivery in the SUEs so far, builds in contingency, and adapts the approach for the next plan period, aligning with the NPPF and providing a larger buffer to ensure the plan meets the identified need for housing over the plan period.
- 1.90 The urban focus is therefore maintained in the Local Plan, supporting the continued growth of the Radio Station and the Gateway, but the allocations in the South West and Coton Park East diversifies and adds to this urban focus, as well as providing the necessary infrastructure to allow for the south of Rugby to develop beyond the plan period. The transport infrastructure meets the impacts of the development, as well as mitigating transport constraint issues that exist at present.
- 1.91 The level of supply identified in the housing trajectory is therefore consistent with national policy, justified and supports effective plan-making across the Borough.

Question 1i- Is there capacity in the local housing market and housebuilding industry to support the scale and rate of housing growth committed and planned on the south side of Rugby?

- 1.92 The Council considers that there is capacity in the local housing market and housebuilding industry to support the scale and rate of housing growth committed and planned on the south side of Rugby. As set out in the Council's response to Question 1e above in Paragraphs 1.42 to 1.55 the Housing Market Delivery Study (LP42) considered the level of housing that could be delivered in the Borough, taking account of market-based factors and past delivery.
- 1.93 The Study highlights Rugby town as being a single market, already containing sites being built out by major house builders. As they already have a presence in the town, there is little incentive to bring forward additional schemes on the edge of Rugby and market them concurrently in addition to sites allocated in the plan. The study advises that despite delivery to date being slower than expected, since Rugby has out-performed other areas (including the national picture) in the past, the larger sites will continue to contribute to the housing supply in the later plan period. It is reasonable to expect delivery of these urban

sites of between 470-520 dwellings per annum. It is unlikely that additional allocations within the urban area will exceed these delivery rates given that it is a single market area, so there is a need to consider short to medium term delivery to maintain a 5 year supply to support overall housing delivery in a balanced manner.

- 1.94 However, as noted in the Housing Background Paper (LP11), since the production of the Housing Market Delivery Study (LP 42) the number of national and medium sized housebuilders operating within Rugby town has increased. As shown on the current housing trajectory in Appendix 1 of the Housing Background Paper (LP11) there are 16 different sales outlets with housebuilders attached that are completing dwellings or are shortly due to commence development with completions by 2018. Paragraph 3.8 of the Housing Background Paper explains interventions such as Homes and Communities funding for the link road at the Rugby Radio Station site, facilitating additional sales fronts.
- 1.95 Some of the outlets are different arms of the same housebuilder or have multiple outlets running currently; whilst since 2015 there have been six housebuilders new to Rugby who now all have outlets. In addition, there are a number of further housebuilders/ outlets that are also seeking to commence development within Rugby town in the near future. The Council anticipated that this will increase to 23 sales outlets at peak by 2024/25. Delivery rates for individual sites shown in the trajectory have been discussed and agreed with site promoters.
- 1.96 The current housing trajectory in Appendix 1 of LP11 demonstrates that capacity on the majority of smaller identified housing sites will contribute completions within the first five years from adoption. This reflects the existing pattern of planning permissions as well as the prospects for additional supply based on any opportunities for an increased focus for supply within Rugby Town (see Paragraphs 3.15 to 3.16 of the Housing Background Paper (LP11)).
- 1.97 However, the trajectory also demonstrates supply over the plan period from the established directions of growth at the Radio Station and Eden Park (Gateway) sites. Both will contribute supply from a number of anticipated developer outlets, with the Radio Station site also providing supply beyond 2031.
- 1.98 In relation to the Rugby Urban Edge, the publication housing trajectory (with proposed modification LP54.115) identifies development from sites comprising Coton Park East (adjacent to the Gateway site) and South West Rugby. These complement supply in sustainable growth directions for the plan period.

- 1.99 In relation to South West Rugby it is important to note that the proposed allocation in this area does not comprise an entirely new location for growth. Development at Cawston took place following support in previous development plans. Policy CS5 of the Core Strategy identified the South West of Rugby Town on the proposals map, supporting the principle of releasing land in this area for development should sites identified to meet the requirements from Core Strategy not deliver as anticipated.
- 1.100 Paragraph 3.50 of the Housing Background Paper explains the expectation that South West Rugby will contribute to development over the plan period, including identifying those parts of the allocation with existing permission (or resolution to grant subject to S106). The current housing trajectory (Appendix 1 of LP11 outlining proposed modification LP54.114) illustrates extant planning permissions on a number of parcels within the Cawston extension, granted in-line with the approach under Core Strategy Policy CS5. The proposed modification to the current housing trajectory acknowledges the recent identification of housebuilders on these sites, demonstrating progress towards delivery. The site at Ashlawn Road (Bilton Fields) (860 dwellings) adds a location for development within the broad South West allocation that is physically separate to existing commitments.
- 1.101 South West Rugby represents a large area for growth, with several access points and different relationships with the existing built form of the settlement at various points. The evidence demonstrates that this will assist with supporting delivery at a range of locations over the lifetime of this comprehensive development.
- 1.102 Paragraph 3.53 of the Housing Background Paper (LP11) introduces the plan-led support for future phases of development, including the proposed Supplementary Planning Document to co-ordinate the parameters of development, delivery of infrastructure and phasing. Proposed modifications to the publication housing trajectory (LP54.115) align with this approach, taking account of information from promoters within the site to reflect the development areas expected to come forward (see also the Council's response to Matter 3: Issue 3b – South West Rugby). This approach supports the increasing scale of delivery within the middle years of the plan period and is consistent with the delivery of key supporting infrastructure and mixed-use development (including employment provision).
- 1.103 The Council recognises that the proposed new Main Rural Settlement at Lodge Farm (Policy DS10) is located closest to the southern edge of Rugby. However, in recognising the wider background to the existing growth direction of South West Rugby the Council considers that Lodge Farm would make a separate, complementary contribution to the development pattern in this area. In

this respect the physical relationship is not as close as that of Long Lawford to the western edge of Rugby. Long Lawford demonstrated a successful record of housing delivery under previous development plans, notwithstanding the focus of development at Rugby Town. The recent experience of development in Long Lawford is that it has captured demand from different markets as a result of diversifying the pattern of supply. Given that Long Lawford is much closer to Rugby Town than Lodge Farm, this makes a strong case that development in Lodge Farm would also serve a complementary market and support greater overall delivery in the area.

1.104 Moreover, Policy DS3 proposes a further allocation to the Main Rural Settlement for this very reason. Lodge Farm will comprise a new entry within the Main Rural Settlement tier of the settlement hierarchy and deliver a range of green and social infrastructure to support its delivery. This is consistent with spatial strategy in providing for sustainable development, whilst playing an important role in achieving the delivery of infrastructure to support development immediately adjacent Rugby Town as part of the South West allocation. The Council considers that at Lodge Farm development under this approach can be provided whilst playing an important role in achieving the delivery of infrastructure to support development immediately adjacent Rugby Town as part of the South West allocation.

1.105 Whilst the projected housing completions are challenging, marking a step-change in housing supply, bearing in mind the findings of the Housing Market Delivery Study and the subsequent update through the Housing Background Paper (LP11), it is considered that this distribution of development takes account of the strength of the overall housing market and the level of housing need whilst also recognising that there should be a range and choice of housing locations and products that would be available in these different areas of the Borough.

Question 1j- To what extent do the proposed allocations in Policy DS4 and the available supply at existing employment sites identified in Policy ED1 provide for the long term strategic and local employment land requirements of the borough and the wider sub-region, in terms of location, quality and quantity?

1.106 The answer to this question is covered in part by the Council's response to Issue 2b Questions 2a and 2b.

1.107 The approach provided for within the Local Plan and supported by the Employment Land Memorandum of Understanding (MOU) (Appendix 2 of LP05) strikes an appropriate balance in response to considering the current approach to plan-making and the achievement of sustainable development across the FEMA. It is an important part of the plan-making process, with reference to the

evidence base, to illustrate that full objectively assessed needs for economic development have been identified in quantitative and qualitative terms.

- 1.108 The Employment Land Study (LP12) is the main piece of evidence used to assess the quality and quantity of the need for Rugby Borough for the Local Plan period. It paints a picture of a strong and robust economy with low unemployment. While retail is the largest employment sector in the Borough, construction, transport and storage are particularly strong when compared to the composition of the Coventry and Warwickshire LEP (CWLEP).
- 1.109 Office stock has had a moderate take up over past years with a total of 58,000sqm of currently available office stock in Rugby with a more modest market for additional development. As such the study recommends that viable development of this floorspace would be better quality office space for corporate occupiers in the town centre. A significant proportion of the Borough's existing stock is located on the edge of Coventry, and rents in these locations are potentially higher. However, the Employment Land Study considers that for new development viability is currently marginal and many occupiers are now exhibiting a preference for town centre locations. B1a space at other out-of-centre schemes such as Whitley Business Park has not performed well.
- 1.110 Take up of industrial stock has been strong, with an average of 74,000sqm take up per year over the past decade. At December 2014 the Employment Land Study identified 275,000sqm of industrial stock available in Rugby - most of this being large format units (comprising a mix of existing stock, recent new-build and committed supply). This has led to a recommendation that some smaller units are required which has been built into Policy DS7 (LP01) for Coton Park East.
- 1.111 Paragraphs 9.7 – 9.12 of the Employment Land Study (LP12) contain recommendations for existing employment sites. These recommend a strong basis for the protection of existing sites, with limited instances of opportunities for rationalisation or redevelopment. Assessments of individual sites generally demonstrate good quality in terms of stock and strong levels of occupation. The Employment Land Study supports consideration of the impact on supply within the locality (i.e. relevant settlement), commuting patterns, potential displacement of occupiers, ability to serve local demand and assessing the population catchment served by location when considering the release of sites. Existing sites, particularly the majority of existing stock focused on Rugby, perform well against these criteria. This further justifies the protection of existing sites, and the schedule of supply at Paragraph 3.6 of the Employment Background Paper (LP17) illustrates examples of intensification and extension of existing sites.

- 1.112 The Council considers that in addition to the policy approach towards designated sites under Policy ED1, the allocations for additional employment land under Policy DS4 complement the profile of supply and will complement patterns of sustainable development over the plan period. These maintain an alignment between the locations for the provision of new jobs and homes with a focus on Rugby Town, including provision with major mixed-use extensions. As identified in Paragraph 3.6 of the Employment Background Paper (and incorporated within proposed modification LP54.13) the contribution of completions and identified supply anticipated in-line with this strategy is capable of delivering c.114ha of employment land over the plan period.
- 1.113 The level of supply provided for exceeds forecasts based on labour demand (of 8,500 jobs) identified within the Employment Land Study - equating to 99ha of additional land (79ha with a recommended margin of 20ha). The table at Paragraph 2.9 of the Employment Background Paper gives a more detailed breakdown of the distribution of the 79ha requirement (excluding margin) across B-Use classes: 6ha B1a/b; 16ha B1c/B2; and 57ha B8. The updated SHMA (2015) (LP08), at Table 29 and Paragraph 4.64, demonstrates the close alignment between the forecast labour demand identified in the Employment Land Study and the objectively assessed need for Rugby Borough of 480dpa (see employment Background Paper Paragraphs 2.13 – 2.14 and 6.4 – 6.6).
- 1.114 The additional land within the identified supply accords with the spatial strategy, allowing for flexibility to be built in to the employment land target to avoid constraining the market unduly. This sits in line with NPPF paragraph 21 which looks for policies to be “flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances”. This figure only covers the need for Rugby Borough Council itself.
- 1.115 The Council’s response to Issue 2b Question 2a outline the process and rationale for Rugby Borough contributing a further 98ha of employment land to help to meet Coventry’s unmet need at Ansty and Prologis Ryton. The provision of 98ha of land through these two sites represents an appropriate contribution to unmet needs in Coventry over the plan period for both quantitative and qualitative reasons. These outcomes are reflected in the Memorandum of Understanding for Employment Land (Appendix 2 of LP05) prepared by the Coventry and Warwickshire authorities.
- 1.116 The Core Strategy did not view the administrative boundary as an island but recognised the implications for development that more closely related to neighbouring areas or other major developed sites (e.g. Daventry International Rail Freight Terminal (DIRFT)) would require assessment alongside neighbouring authorities and evaluation of whether this would detract from

sustainable development at Rugby Town. These considerations have inevitably evolved since adoption of the Core Strategy (e.g. the growth of DIRFT) but form part of work under the Duty to Cooperate and discussions alongside the CWLEP, and remain relevant to the approach in the Local Plan.

1.117 National Planning Practice Guidance recognises the employment land markets can overlap (2a-031-20140306). The approach and spatial strategy in the Publication Local Plan recognises this, particularly in terms of the relationship with the DIRFT to the east of Rugby. This site is important in terms of complementing the focus for development at Rugby town itself. This takes account of the close proximity of the site and the strength of public transport links. The Employment Background Paper (LP17) highlights the impact on local commuting flows at Paragraph 6.6. The pattern of supply at DIRFT (principally large, regional and national scale strategic rail connected units for distribution but also increasingly comprising overlaps with the supply chain, assembly and other automated processes for the manufacturing sector) complements the existing and proposed range of employment land surrounding Rugby. This established but evolving relationship further justifies the spatial strategy within the Local Plan and illustrates that an oversupply of land (particularly for larger sites of sub-regional importance) might generate an imbalance between the provision of homes and jobs and encourage in-commuting.

1.118 Monitoring and review processes are included in the ELMOU (Appendix 2 of LP05) which provide a mechanism to ensure that changes in the local or sub-regional need are considered and planned for (see also response to Issue 2b Question 2a).

Question 1k- Is there a need to consider additional allocations of employment land at Ansty and Ryton Prologis Park, given their role as sub-regional employment sites and the limited remaining supply of undeveloped land at both sites?

1.119 Paragraphs 5.1 to 5.8 of the Employment Background Paper (LP17) set out the breakdown of supply comprising the 98ha contribution towards Coventry's needs across completions since 2011 and outstanding commitments. This analysis illustrates that the two sites have contributed a greater level of supply beyond the totals originally forecast through the development plan. However, this pattern of delivery is consistent with the identification of these sites through the development plan. The sites are identified under Policy ED1 of the Local Plan (LP01) which provides support for development and intensification at designated employment locations. This policy covers the Major Investment Site at Ansty Technology Park with a separate designation covering the adjoining existing development at 'Rolls Royce, Ansty'. In practical terms, the physical relationship and shared infrastructure between the sites provides a supportive

context for redevelopment that is likely to support opportunities for further employment growth over the plan period. This is presently being demonstrated under proposals submitted by Meggitt PLC as part of providing for redevelopment of the surplus and vacant parts of the Rolls Royce site within the designated employment area. Meggitt PLC submitted a planning application to Rugby Borough Council which was made valid on the 6th December 2017 for a new manufacturing facility on 26.02ha of land at the Rolls Royce site in Ansty. The submitted plans include a building with areas for possible future expansion marked on to them.

- 1.120 In the case of Prologis Ryton, the land remains designated within the Green Belt. As explained in the Council's response to representations on behalf of the site's owners and promoter, Prologis UK Ltd (SID/1871), this policy approach is considered appropriate taking account of the physical relationship between the site and the settlements of Ryton-on-Dunsmore and Coventry. Whilst existing development is an urbanising influence, surrounding land uses typically comprise open countryside and the control of development through national policy for the Green Belt makes an important contribution in preventing the unrestricted sprawl of the urban area and the merging of settlements. This is consistent with meeting the needs for development alongside national policy in the NPPF (including Paragraphs 80 and 83) and demonstrates that the Council's approach is appropriate in not seeking to provide for an extension of this site.
- 1.121 Very Special Circumstances have previously been demonstrated to set out a position (of completion and extant permissions) that technically equates to an increase of 35% beyond the buildings replaced through redevelopment. However, this position has been justified in the context of policy support for a major developed site in the Green Belt, making the most effective use of land within the designated site and seeking to minimise harm to the openness of the Green Belt. As a designated employment site, policy support exists for appropriate intensification or reconfiguration within the policy boundary over the plan period.
- 1.122 For the reasons set out above the Council considers that the contribution towards unmet needs over the plan period provided from makes appropriate provision for patterns of sustainable development across the FEMA. The Employment Land MOU demonstrates that no further land is required to provide for unmet needs. Particularly in terms of additional sites that are currently designated within the Green Belt the Council considers that exceptional circumstances (and a departure from the spatial strategy) cannot be demonstrated to justify releasing these sites for development.