
**Housing Land Supply
Position 2018-19**

January 2020

**RUGBY
BOROUGH
COUNCIL**

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1. INTRODUCTION

- 1.1 This report sets out the Council's '5 year housing land supply' position'. A 5 year land supply is a supply of specific deliverable sites sufficient to provide 5 years' worth of housing (and appropriate buffer) against a housing requirement set out in adopted strategic policies.
- 1.2 It is necessary for a Local Planning Authority to demonstrate a 5 year supply in order for its housing policies to be considered up to date in accordance with the National Planning Policy Framework.
- 1.3 During the monitoring year 2018-2019 work progressed towards the adoption of the new local plan. The new local plan includes allocations of land for new housing development, as well as details of existing sites coming forward in order to demonstrate how the housing needs in the Borough will be achieved. These are summarised in Appendix 2: Housing Trajectory of the Plan.¹
- 1.4 Following the second stage of the Plan's Examination in Public, which took place in April, the Inspector sent a letter to the Council with his initial findings. This was received in May 2018 and recommended that the plan was likely to be found 'sound' subject to a series of modifications.
- 1.5 The recommended modifications were incorporated into the Plan and a revised version including these was consulted on between August and October 2018.
- 1.6 Following this, the Inspector's Report on the Plan was received March 2019 and concluded that subject to additional modifications the Plan provides an appropriate basis for the planning of the Borough and can therefore be adopted.
- 1.7 The new local Plan was adopted on 4th June 2019. Policy DS1 Overall Development Needs sets out the levels of housing to be provided within Rugby Borough between 2011 – 2031 as being 12,400 additional homes including 2,800 to contribute to Coventry's unmet needs with a phased annual requirement of 540 dwellings per annum between 2011-2018 and 663 dwellings per annum between 2018 – 2031.
- 1.8 For clarity and to inform decision making on current planning applications, it is therefore considered appropriate to detail the Council's 5 year land supply position in relation to the new local plan.

¹ Local Plan 2011-2031: https://www.rugby.gov.uk/downloads/file/2319/local_plan_2011-31

2. Local Plan Examination and Inspectors Report 2019 housing land supply assessment.

- 2.1 The Council's housing land supply was scrutinised by the Inspector as part of the Local Plan Examination process. Annex A of this statement sets out the Inspectors findings with regards to the Council's housing land supply in detail.
- 2.2 The 5 year housing land supply position is summarised in Paragraph 230 of the Inspector's Report. This states that:

"230: The Housing Trajectory, subject to the deletion of the sites at Brinklow, Coton House and Lodge Farm, shows a supply of 5,067 dwellings over the first 5 years of the Plan post adoption (2018-2023). Against an annual requirement of 941 dpa this amounts to 5.38 years of supply. Under the 2018 HDT a 5% buffer will apply post adoption, on which basis 5,067 dwellings represents a supply of around 6.15 years. Subject to its deliverability, a supply of 5.38-6.15 years provides a reasonable degree of flexibility to adapt to rapid change."

- 2.3 The sites referred to in the Inspectors Report were deleted as part of the recommended modifications. As such, upon the adoption of the plan the Council has been able to demonstrate a 5 year land supply of housing as per the report.
- 2.4 The full report can be reviewed here:
https://www.rugby.gov.uk/downloads/file/2260/planning_inspectors_report_on_the_rugby_borough_local_plan_2011-2031

3. Current Position

- 3.1 Rugby Borough Local Plan 2011 – 2031, was adopted by the Council on the 4th June 2019. The NPPF (published February 2019) and the Planning Practice Guidance (updated July 2019) include provisions for assessing the 5 year housing land supply position of newly adopted local plans. During the examination process the Inspector considered the deliverability of the sites within the Local Plan and concluded that there was a robust and sound approach to delivering housing in the borough and that Rugby Borough Council could demonstrate a 5 year housing land supply.
- 3.2 Paragraph 74 of the NPPF states "a five year supply of deliverable housing sites, with the appropriate buffer, can be demonstrated where it has been established in a recently adopted local plan". Footnote 38 of the NPPF sets out the timescales for when a plan can be considered "recently adopted" and therefore when paragraph 74 can apply. Footnote 38 sets out that for the purposes of paragraph 74, a plan adopted between 1st May and 31st October will be considered "recently adopted" until 31st October of the following year and a plan adopted between 1st November and 30th April will be considered recently adopted until 31st October of the same year.
- 3.3 On the basis of paragraph 74 and footnote 38 of the NPPF, the Rugby Borough Local Plan 2011 - 2031 is considered to be "recently adopted" until 31st October 2020 and therefore Rugby Borough Council can demonstrate a 5 year housing land supply until 31st October 2020.

Issue 6 – Is the Plan positively prepared, justified and consistent with national policy in respect of its housing land supply?

227. The submitted plan, updated through the Housing Background Paper, provides for an overall housing land supply of 15,396 dwellings over the Plan period. Against the Plan's housing requirement of 12,400 dwellings for the period 2011-2031, this represents a surplus of around 24%. As a result of the MMs to delete the proposed allocations at Brinklow, Coton House and Lodge Farm, the overall supply will reduce to 14,567 dwellings, representing a surplus of 17.5%.
228. Whilst the surplus in the supply over the requirement, even as modified, is generous, national policy does not set a cap on the level of housing provision to be made in local plans. Rather, the NPPF seeks to boost significantly the supply of housing, ensuring that local plans meet the objectively assessed needs for housing with sufficient flexibility to adapt to rapid change and provide a rolling 5-year supply of deliverable housing sites sufficient to meet the housing requirement, with an appropriate buffer to ensure choice and competition in the market for land and a realistic prospect of achieving planned supply where there has been a past record of under delivery of housing.
229. Notwithstanding the results of the 2018 HDT, monitoring of housing delivery⁹⁸ in Rugby borough shows that there has been a record of under delivery against the Core Strategy housing target since the start of the Plan period in 2011. Therefore, under the transitional provisions for this examination, to meet the expectations of paragraph 47 of the NPPF, a buffer of 20% should be applied to the Plan's housing requirement for the purposes of calculating the 5 year housing requirement and supply. Based on the data in the Housing Trajectory to the end of 2017/18, there was an overall shortfall of 607 dwellings against the housing requirement from 2011-2018. Where it is possible the PPG expects this to be recovered within the first 5 years of the Plan period post adoption. Accordingly, adding the shortfall to the annual housing requirement of 663 dwellings from 2018-23 onwards, with a 20% buffer would result in a 5 year housing requirement on adoption of 4,706 dwellings⁹⁹, or a rounded annual requirement of 941 dpa.
230. The Housing Trajectory, subject to the deletion of the sites at Brinklow, Coton House and Lodge Farm, shows a supply of 5,067 dwellings over the first 5 years of the Plan post adoption (2018-2023). Against an annual requirement of 941 dpa this amounts to 5.38 years¹⁰⁰ of supply. Under the 2018 HDT a 5% buffer will apply post adoption, on which basis 5,067 dwellings represents a supply of around 6.15 years¹⁰¹. Subject to its deliverability, a supply of 5.38-6.15 years provides a reasonable degree of flexibility to adapt to rapid change.

⁹⁸ Figure 5 of Housing Background Paper (LP11)

⁹⁹ Calculation of 5 year requirement: $(663 \times 5 + 607) \times 1.2 = 4,706$ dwellings

¹⁰⁰ Calculation of supply: 5,067 dwellings supply divided by 941 dpa = 5.38 years supply

¹⁰¹ Calculation of HDT supply: 4,118 dwellings (5 year requirement with 5% buffer) divided by 5 years = 823.6 dpa; then 5,067 dwellings supply divided by 823.6 dpa requirement = 6.15 years supply

231. In assessing whether the supply of 5,067 dwellings is deliverable, there are three components to the Plan's housing land supply – commitments from existing planning permissions, a windfall allowance for small sites of less than 5 dwellings, and allocations.
232. The trajectory projects that 5,954 dwellings will be delivered from 2018-2031 on sites which already have planning permission. Of these 3,242 would be delivered within the first 5 years, meeting 64% of the 5 year requirement. Of those 1,458 dwellings, or 45% of the 5 year total, would be on the strategic sites at Rugby Radio Station (RRS) and Eden Park. The RRS site itself accounts for around one third of the total.
233. Representations on the MMs have expressed doubts about whether the predicted rate of housing delivery at RRS will be realised; the trajectory anticipates the site will deliver at a rate of 240 dpa from 2020/21 until the end of the Plan period. My attention has been drawn to the Lichfields report¹⁰², which points to average build out rates of 160 dpa on large sites, albeit I also note that sites included in that study achieved average build out rates of up to 320 dpa. I have also considered the final report of the Letwin review¹⁰³, which finds that the principal driver of build out rates on large housing sites is the absorption rate, which in turn is controlled by house-builders who can limit opportunities for rivals to enter the market.
234. However, there is clear evidence to support the delivery trajectory for the RRS. The site is being brought forward by a joint venture between a developer and investors, with the involvement of multiple housebuilders. It has an overall outline planning permission for around 6,000 dwellings and reserved matters consents for 677 dwellings to date, which is enough to support the trajectory for the next 3 years of delivery on the site. The first phase of construction of 250 homes is well advanced, with 3 housebuilders on site delivering and selling houses. A number of facilities are already open on site to support the day to day needs of occupiers, including a new primary school, and the first residents moved onto the site over 12 months ago. Whilst a maximum delivery rate of 240 dpa assumes 6 housebuilding outlets delivering, the Council advises that there are further housebuilders to come. Therefore, despite a slower than predicted start to housing delivery at the RRS, I am satisfied that the trajectory has a realistic prospect of delivery both for the first 5 years of the Plan period post adoption and over the remainder of Plan period.
235. Annex 2 of the new 2019 NPPF, which will provide the basis for assessing the 5 year supply in the borough following the adoption of the Plan, states that sites with outline planning permission should be considered deliverable where there is clear evidence that housing completions will begin on site within 5 years. I am satisfied that the evidence underpinning the RRS site demonstrates it is deliverable. For the remainder of the sites with planning permission in the trajectory, there is no clear evidence that homes will not be delivered within 5 years. Therefore, I conclude that the commitments element of the supply is deliverable as defined by both the 2012 and 2019 NPPFs.
236. The housing trajectory includes an allowance of 45 dpa from small windfall sites (of less than 5 dwellings) throughout the remainder of the Plan period,

¹⁰² Start to Finish How Quickly do Large-Scale Housing Sites Deliver? November 2016

¹⁰³ Independent Review of Build Out Final Report, Rt Hon Sir Oliver Letwin, October 2018

accounting for around 4% of the 5-year supply and the overall supply. The NPPF permits this if there is compelling evidence that such sites have become consistently available and will continue to be a reliable source of supply. The Council's monitoring data¹⁰⁴ demonstrates an average of 43.4 dpa from this source from 2006-2016. Sites of less than 5 dwellings have not been included in the commitments or allocations. On this basis, the evidence is sufficiently compelling to include a windfall allowance at the rate shown in the trajectory.

237. The allocations at South West Rugby (SWR), Coton Park East (CPE) and the MRSs make up the remainder of the housing land supply, accounting for 1,600 dwellings (32%) of the first 5 years post adoption (2018-2013) and 4,855 dwellings (33%) over the Plan period. Whilst planning permission is not yet in place for any of the allocations, the 2019 NPPF states that sites allocated in the development plan can be considered deliverable where there is clear evidence that housing completions will begin within 5 years.
238. In the case of SWR and CPE, both sites are promoted by a consortium of landowners and housebuilders. The evidence to the examination confirms that planning applications have already been prepared for submission. Both sites are the subject of Masterplan SPDs, which would guide the determination of applications. Even if applications are awaiting the adoption of the Plan, then assuming adoption before the end of 2018/19, there is no reason why planning permission could not follow in 2019/20, with work on the first phases to commence on site in 2020/21 in line with the housing trajectory.
239. The SWR allocation is already subdivided into 12 parcels being promoted by different landowners and housebuilders, which should enable competition in the delivery of houses and increase absorption rates. The Council's evidence confirms that the site is not to be brought forward through a single outline application, but a series of separate applications co-ordinated through the Masterplan SPD. This should enable multiple planning permissions and outlets alongside construction of the site infrastructure. The Homestead Link forms the first phase of the spine road network and would be delivered as part of the first phase of construction from 2020/21 onwards. Whilst I note this at odds with the average lead in times from the submission of planning applications to the delivery of the first dwellings on site for large sites contained in the Lichfields report, the site promoters have consistently and persuasively argued that the lead-in times and trajectories for SWR and CPE are realistic.
240. The surplus of dwellings within the first 5 years' supply post adoption is concentrated into the years 2020/21 and 2021/22 when the MRS sites would start to deliver. This would offer flexibility should there be slippage in the delivery of the strategic sites during the first 5 years post adoption. The trajectories and lead in times for the MRS sites are supported by evidence from site promoters and, in most cases, the Council confirmed developers are on board to enable delivery within 5 years of the adoption of the Plan. On this basis, I consider they would be deliverable as defined in both the 2012 and 2019 versions of the NPPF. Whilst I acknowledge that the proposed allocations at Brinklow and Coton House could also contribute to delivery of housing within the first 5 years of the Plan post adoption, they are not required to ensure a deliverable supply of housing land.

¹⁰⁴ Rugby Housing Land Supply Position, December 2016

241. In terms of a rolling 5 year housing land supply, from 2022/23 onwards the Housing Trajectory shows that the annual supply would reduce to below 941dpa. However, given the results of the 2018 HDT, there is every reason to expect that by then Rugby would be applying a 5% buffer to the annual housing requirement, assuming delivery in accordance with the increased level of supply over the previous 3 years (1,004 dwellings in 2019/20, 1,146 in 2020/21 and 1,145 in 2021/22). Applying a 5% buffer to the annual requirement of 663 dwellings, in line with paragraph 73 of the 2018 NPPF, would mean a requirement of 696 dpa (663 x 5%). The annual trajectory of supply from 2022/23 onwards exceeds this requirement until 2029/30, by which time the Plan will have been subject to review against a revised housing requirement.
242. After 2022/23 the housing land supply would rely almost exclusively on sites on the edge of Rugby at RRS, Eden Park, SWR and CPE, delivering up to 960 dwellings across 23 outlets at the peak in 2024/25. Although the Housing Market Delivery Study estimated that Rugby as a single market is unlikely to exceed delivery of more than 470-520 dpa, the Council's evidence is that since the study was published in 2015, the number of housebuilders operating in Rugby has increased. At the time the Housing Background Paper was published in 2017, there were 16 different sales outlets completing dwellings in the town, which the Council anticipated would increase to 23 sales outlets by 2024/25. This evidence was discussed at the hearings and has been endorsed by the site promoters. The consortium for SWR considered that it would have 12 outlets alone at its peak. This, added to 2 outlets at CPE, 2 at Eden Park, 6 at RRS and 1 at Wharf Farm, would total 23. With each outlet delivering on average 40 dpa, plus small windfalls, the peak delivery of 960 dpa would be possible. Even if delivery fell short of this anticipated rate of delivery due to market saturation or absorption rate limits, the surplus is such that the annual requirement of 696 dpa at that point would still be realistically achievable.
243. Overall, therefore, I am satisfied that, due to the nature of the housing land supply within the borough, there is adequate justification for surplus in supply. I also find that there is robust and credible evidence to demonstrate that on adoption the Plan will enable the Council to identify a 5 year supply of deliverable sites, and that there is sufficient surplus within the remaining developable supply such that a rolling 5 year supply of housing land over the lifetime of the Plan is realistically achievable.
244. **MM19-22** and **MM140** reflect the necessary changes to the housing land supply figures in the supporting text to Policy DS1 and the Housing Trajectory, to ensure the Plan is justified and effective in the light of the updated monitoring of commitments and the deletion of the allocations at Brinklow, Coton House and Lodge Farm. There were some discrepancies in the figures in the revised trajectory in **MM140**. In the list of sites with planning permission, Back Lane South was included twice (R12/1188 and R12/0114), and incorrect figures were shown for Tithe Farm at Montilo Drive (R13/1081) and the Former Ballast Pits (R14/1188). I have amended the trajectory in MM140 to correct this and ensure it is consistent with the updated trajectory in the Housing Background Paper, which formed the basis for the housing supply evidence at the hearings. The column totals in the trajectory are unaffected by these changes.
245. To ensure the Plan is effective and consistent with national policy in optimising housing provision and boosting the supply of housing, I also recommend the removal of the upper limits on dwelling capacities for all of the housing

allocations. This is included in **MM31** for the sites listed in Policy DS3 and in **MM44** for Coton Park East (Policy DS7). However, it was omitted in error from **MM45** for South West Rugby (Policy DS8) when the MMs were published for consultation. Accordingly I have amended MM45 in the Appendix to my report to ensure the Plan is clear that the same principle applies to South West Rugby. Whilst I note the concerns about the potential for overdevelopment of these sites without such a cap, I am satisfied that other policies in the Plan would enable planning permission to be refused where the number of houses would cause harm.

246. Subject to these MMs, I conclude that, the Plan is positively prepared, justified, effective and consistent with national policy in respect of its housing land supply.