

DRAFT PROPOSED STATEMENT OF COMMON GROUND

**BETWEEN:
AC LLOYD & NEYLAND PROPERTIES LIMITED**

COTON PARK EAST ALLOCATION

**RUGBY BOROUGH LOCAL PLAN
EXAMINATION**

DATE: APRIL 2018

Signed:	Signed:
Name:	Name:
On behalf of: AC Lloyd	On behalf of: Neyland Properties Limited
Date:	Date:

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1. INTRODUCTION

- 1.1 This document has been submitted as a proposed Statement of Common Ground (SoCG) on Employment by the landowners, developers, and land promoters for the Coton Park East Employment allocation, namely AC Lloyd and Neyland Properties Limited hereafter known as “the parties”.
- 1.2 This SoCG relates primarily to the proposed Employment allocation of Coton Park East, Rugby in the Submission Local Plan (LP01) within policies DS3 (residential allocations); DS4 (employment allocations); and DS7 (Coton Park East).
- 1.3 AC Lloyd and Neyland Properties either own or control the land necessary to deliver the proposed Employment allocation and are working together to deliver development on their combined land interests. The land is available for development now, with willing landowners and no unresolved ownership, legal or other constraints likely to render it undeliverable.
- 1.4 Each party agrees to work together to deliver the development and associated infrastructure requirements of the Coton Park East allocation.
- 1.5 An Illustrative Masterplan has been attached (Appendix 2) for shows how the site could accommodate 800 dwellings and up to 15 ha of employment land without compromising the residential element. The plan necessarily allows flexibility for the proposals to evolve as detailed design work progresses and further modelling and studies are undertaken, but give assurances to the Inspector that the required uses and infrastructure can be accommodated and delivered by the respective parties in accordance with the objectives of Local Plan policy DS7. The Plan attached sits alongside the A.C. Lloyd / WCC Education Statement of Common Ground which sets out A.C. Lloyds willingness to enable the provision of circa 7.5 ha of land for Secondary School if the need arises.

2. DESCRIPTION OF SITE AND SURROUNDING AREA

2.1 The full extent of the allocation is shown on the modified Urban Proposals Map (LP 54.190).

2.2 The site is approximately 54 ha in predominantly agricultural use.

2.3 The allocation site:

- is located 3.6km to the north east of Rugby Town Centre;
- forms an extension to the existing Coton Park residential area and Central Park employment area;
- lies to the west of Newton village, but is separated from it by Great Central Walk, which is a local nature reserve running along the now dismantled Great Central Railway, and by further agricultural land; and
- is bounded by the M6 motorway to the north, the dismantled Great Central Railway to the east, and to the south and west the existing Coton Park (housing) and Central Park (employment) estate.

2.4 The allocation site adjoins the urban area of Rugby, is contained on two sides by built development, and is not subject to Green Belt designation. It will become part of the urban area of Rugby town as proposed to be allocated.

2.5 The Coton Park residential area was developed in the 2000s by a number of developers, and includes a local centre with an Aldi supermarket, smaller shops, a Premier Inn hotel and pub.

2.6 The Central Park employment area comprises a mix of large, medium and small units which include warehouses, light industrial and office units. The following table shows the uses and sizes of all the units on Central Park as best we can determine from published information.

**Proposed Statement of Common Ground on Employment
Coton Park East, Rugby**

Table 1: Central Park Buildings

Address	Occupier	Floorspace		Use class
		sqft	sqm	
1 Castle Mound Way	GAP	777,653	72,244	B8
3 Castle Mound Way	Penguin	508,859	47,273	B8
5 Castle Mound Way	Continental	224,575	20,863	B8
4 Castle Mound Way	Quartzelec	94,532	8,782	B2
6 Castle Mound Way	Eddie Stobart	159,365	14,805	B8
8 Castle Mound Way	CDW	98,299	9,132	B8
Rugby Free Primary School	-	-	N/A	D1
1-2 Bailey Road	N/A	38,644	3,590	B1
1 Pelham Road	N/A	12,853	1,194	B8
2-3 Pelham Road	Hewlett Packard	47,976	4,457	B8
4 Pelham Road	N/A	6,803	632	B8
5 Pelham Road	N/A	3,617	336	B8
6 Pelham Road	N/A	4,661	433	B2
7 Pelham Road	N/A	3,617	336	B2
8 Pelham Road	N/A	3,617	336	B8
9 Pelham Road	N/A	3,617	336	B8
Central Point One	Automotive Insulations	62,928	5,846	B8
2 Central Park Drive	Mahle	56,168	5,218	B2
4 Central Park Drive	Morgan Technical Ceramics	62,400	5,797	B2

Source of floorspace and use: Valuation Office rating list

2.7 The building schedule shows that:

- B8 is the predominant use class on Central Park with 67% of the B class units being B8. B2 is the second most predominant B class unit with 28%;
- large buildings >50,000sqft account for 61% of the B class units. Large Buildings equate to the majority of the floorspace at Central Park and illustrating historic demand in the location (2,044,779 sqft in large buildings from a total of 2,170,184 sqft being 94.5%)
- the majority of the small units are in B8 use (9 small units <50,000sqft of which 6 are B8)

2.8 With regard to the residential element, both AC Lloyd and Persimmon Homes have had pre-application discussions with the LPA and are in the process of preparing and finalising planning applications for the residential elements of the allocation that are to proposed be submitted in the Spring/Summer of 2018. Such planning applications will assist to provide housing completions early within the plan period.

2.9 Neyland Properties has held pre-application discussions with RBC in respect of the employment component of the site, and is keen to submit a planning application as soon as possible.

2.10 AC Lloyd and Neyland Properties (together with their development partner, Rugby based Roxhill Developments Limited) have held a number of discussions as to the extent and use of the land to the north of the allocation for employment. Both parties are in agreement that more than 7.5ha of employment land can be delivered. As shown on the plan submitted between, 7.5 and 15 ha of employment land is able to comfortably be accommodated alongside 800 houses and associated infrastructure requirements. As design work develops, it is expected that the allocation site can accommodate up to a maximum of 15 ha alongside the housing development. This would provide flexibility to meet market

demand and enhance the viability and sustainability of the allocation.

- 2.11 A Masterplan has been prepared to show the potential of the site to deliver additional Employment space alongside the 800 unit housing allocation, which will be shared with the LPA as part of pre application discussions that are likely to take place Spring/ Summer 2018. Again, it is anticipated that the employment land will be delivered early in the plan period. Roxhill's delivery of the entire employment component of Rugby Gateway and their involvement with this opportunity at the Plan promotion stage, is evidence of market confidence and intent to deliver this employment development as soon as the planning policy context permits.

POLICY MATTERS AGREED BETWEEN PARTIES

- 2.12 The following matters are agreed:
- 2.13 That the Local Plan evidence base supports the allocation of Coton Park East for housing and employment development.
- 2.14 The allocation of Coton Park East is the most appropriate strategy when considered against reasonable alternatives, subject to the opportunity being maximised and sufficiently flexible in accordance with Local Plan para 4.25 and NPPF paras 14, 17, 19, 21, 151, 173.

Housing

- 2.15 That 800 dwellings, as detailed in DS7, can be accommodated within the allocation, all of which will be delivered in the plan period. The delivery assumptions of the housing land as set out in the Publication Draft Housing Trajectory are robust and reasonable for the site allocation. The site is highly deliverable given that is simply an extension of existing residential development.

Employment

- 2.16 Land to the north of the Coton Park East allocation is best suited for employment development in light of neighbouring employment uses; the allocation's stated intention to be an extension of Central Park; the location on the edge of Rugby Town urban area; the proximity to and connectivity with the M6 motorway and strategic highway network.
- 2.17 The parties agree that a minimum amount 7.5ha and up to 15 ha of employment land can be delivered alongside the housing.
- 2.18 Notwithstanding scale or primacy of use, uses B1c, B2 and B8 are suitable and acceptable uses at Coton Park East.
- 2.19

Amount

- 2.20 Minor modification LP54.13 takes the planned employment land provision to 114.3ha. If no other changes are made in relation to other employment sites then the addition of 7.5ha at Coton Park East would take the total planned provision to 121.8ha. This is within the original requirement (100 – 130ha) identified by the ELS. This does not consider the requirement of employment land in different use classes.
- 2.21 The Coton Park East site is on the edge of and will become part of the urban area of Rugby town. It is a highly sustainable location for employment development in accordance with the PDLP Spatial Vision, GP2 Settlement Hierarchy and 6.12. Coton Park East is therefore a suitable and sustainable location for additional employment development and acknowledged by PDLP 4.6. Coton Park East has been selected as an allocation because it is one of the most sustainable sites in the Borough.
- 2.22 It is the intent of the Plan to maximise the potential of the urban area and land immediately adjacent to it to accommodate growth (PDLP 4.25).
- 2.23 The Employment Land Background Paper (Sept 2016) identifies the potential for made an assessment on a site of 15ha of employment land at the Coton Park East allocation, as an extension of the employment uses at Central Park (ELBP p115). It recommended that this could represent a natural extension to the employment uses at Central Park but made no reference to the size of the site.
- 2.24 The EIA Screening Opinion and Pre-application discussions with the Development Management Team have all been undertaken with 7.5ha of employment land assumed.

Use and Unit Size

- 2.25 The Publication Draft Local Plan (2.15 and 6.4) acknowledges that Rugby has a number of smaller, older sites that accommodate small to medium manufacturing businesses, which are generally located around the edge of the town centre, including Butlers Leap, Paynes Lane, and Somers Road. This is evidenced in the Employment Land Background Paper (Sept 2016).
- 2.26 The Employment Land Study concludes that there is further need for this type of employment provision stating at paragraph 8.10 that there is a qualitative gap in provision of units for industrial floorspace (B1c, B2 and ancillary B8) sized between 5000 sqft and 50,000 sqft.
- 2.27 Publication Draft Local Plan (2.15 and 6.4) also acknowledges that the Borough's large scale employment sites are on the edge of the urban area, principally to the north of the town with proximity to M6 junction 1. PDLP 6.13 also acknowledges that storage or distribution uses will favour large sites with enough space to accommodate a warehouse unit and excellent access to the strategic highway network.
- 2.28 As evidenced in this SoCG in Table One Central Park, which this allocation will adjoin, currently has units in a range of use classes and sizes with 9 out of the 18 B class units are greater than 50,000sqft.
- 2.29 The Local Plan seeks to protect existing employment sites for employment uses (ED1) and is supportive of new employment development within the urban area (ED2). The Plan therefore makes provision for small to medium sized business use on existing sites and within the urban area.
- 2.30 Minor Modification LP54.67 specifically acknowledges the role existing employment sites could play in contributing towards the identified qualitative need for smaller employment units,

and that these existing sites will continue to provide for a range in type and scale of employment development.

2.31 The employment allocation at Coton Park East is intended to be a continuation of development already in this location adjacent to the M6 (PDLP 4.39), and continuing the development typology seen at Central Park (PDLP 4.48).

2.32 Table 1 above shows the composition of the whole of Central Park. The typology evidenced is:

- B8 is the predominant use class on Central Park
- large buildings >50,000sqft account for the majority of the floorspace at Central Park (2,044,779sqft in large buildings from 2,170,184sqft in total)
- the majority of the small units are in B8 use (9 small units <50,000sqft of which 6 are B8)

2.33 The Employment Land Study (May 2015) concludes that the Rugby industrial market is driven by larger warehousing units reflecting the Borough's attractive location for distribution and manufacturing (ELS 1.11).

Schools

2.34 In accordance with the IDP, it is proposed that a two form entry primary school is to be located on Coton Park East. A.C. Lloyd and WCC Education have submitted a Statement of Common Ground agreeing to facilitate the delivery of the primary school as well as potential provision of land for a Secondary School if required.

3. MATTERS CURRENTLY OUTSTANDING

- 3.1 The parties disagree with the Publication Draft version of Policy DS7, and although LP54 and LP54A have sought to address some of the concerns, further changes to policies DS3, DS4 and DS7 are considered necessary (see Appendix 1) to this SoCG.

Residential Amount

- 3.2 As highlighted above, it is suggested that the residential development quantum is phrased as '*around*' or '*approximately*' and the level set out is '800 dwellings' (as currently worded).

Employment Land Amount

- 3.3 For employment land, the policy wording be amended to allow up to 15ha of employment development to be delivered within the existing allocation boundary. These changes are to ensure efficiency and flexibility in accordance with provisions of the NPPF. Such changes will maximise the use of the land. This change is justified because:
- 3.4 The Plan seeks to balance employment land provision with the level of housing provision. The amount of land allocated for employment at 110ha is unchanged from the Publication Draft.
- 3.5 The amount of housing need against which the employment land provision has been 'balanced' is a range between 9,060 and 13,200 dwellings (ELS 1.17 and section 6). The ELS finds that these scenarios produce a forecast of between 7,000 – 13,300 new jobs over the plan period. These are substantially higher than the labour demand figure of 8,500 new jobs for which the ELS identifies a need for 99ha of employment land. Accordingly, the effect of the balance against housing provision is a need to increase the employment land provision, hence the ELS recommendation of between 100 – 130ha (9.2).
- 3.6 The Minor Modifications plan to provide 15,396 dwellings. This is a 120% increase over the lower end of the ELS assessment, 24% increase in housing provision over the OAN, 16% over the

upper end of ELS assessment and 13% increase over the Publication Draft proposed level of housing. The amount of employment land proposed has not been increased at all in response to the increase in housing. If the 'balance' is to be applied consistently, it is necessary to increase the amount of employment land.

- 3.7 The ELS takes past rates of take-up into account in determining employment land need. Minor Modifications update the take-up data, which evidences substantially increased take-up from the PDLP figure. This reflects strong take-up at Rugby Gateway and Central Park. This is take-up of employment land for Rugby Borough needs not wider strategic or Coventry needs (classification of sites ELS 6.48 Table 16 and 8.3 Table 18). The ELS uses a take up of 3.9ha pa (ELS 6.49) where as the Minor Modifications now evidence annual take-up of 6.3ha pa (37.82 / 6 years). Actual take up over the Plan period is 62% higher than the ELS has assessed.
- 3.8 Minor Modification LP54.14 states that past take-up rates have been considered to inform the 110 ha target. If this consideration is to be applied consistently, it is necessary to revise upwards the employment land provision to take account of the increased take-up.

Employment Land Use and Unit Sizes

- 3.9 It is suggested that the policy should not limit employment land to consist of the uses and unit sizes identified nor should it require those uses or unit sizes to be included. Minor Modification LP54.26 does not on the face of it do what it is intended to do.
- 3.10 The reference to B8 being 'ancillary' should be removed.
- 3.11 The requested increase in employment land area, inclusion of B8 as a principal use and flexibility to deliver unit sizes whether small or large in response to market demand, is supported by the following market and viability factors which should be taken

into consideration in accordance with NPPF paras 14, 17, 19, 21, 151, 173

- 3.12 Whilst the site is entirely deliverable, the topography requires significant earthworks. There are efficiencies to be gained from developing a larger site delivering both: (a) a more regularly shaped site which will improve the net developable area as a proportion of the gross site area, and will enable a more efficient unit layout, and (b) reducing the overall cost of works per acre.
- 3.13 There are significant costs of earthworks and infrastructure which will be required to be funded upfront. Such front loaded infrastructure costs will not be fundable if the site is restricted to a small unit development for which there is no guarantee of tenant demand.
- 3.14 Combining the existing Neyland site with the adjacent A.C. Lloyd land is sensible in terms of best practice Town Planning. This is a strategic land location immediately adjacent to the national motorway network and will attract regional and national employers.
- 3.15 Brownsover is a priority area in RBC's regeneration strategy, and the report states that this land allocation will have a positive impact on deprivation in this area by providing much needed employment opportunities.
- 3.16 A more comprehensive allocation will enable the creation of a much more cost effective noise buffer to the motorway for the housing to the south.
- 3.17 The cost of construction for small units can easily be double the cost of large warehouse and industrial units (on a per sqft basis), and so rental levels required are significantly in excess of second hand unit rents. Whilst SMEs might like new units, the issue is one of affordability. SME's therefore favour built space which is cheaper and also has the advantage of being

more immediately available, with many growing SMEs typically requiring occupation within a short time frame.

- 3.18 Tenant demand in this location is almost wholly for larger industrial and warehouse buildings, proven from the types of enquiry during the promotion and development of the Rugby Gateway scheme to the west of the site and the development and occupation of Central Park, where even the small units are primarily used for B8. Restricting unit sizes and use will simply mean that the site remains undeveloped for a significant period with the consequent loss of employment opportunities.
- 3.19 The site is attractive for both manufacturing and distribution uses. The ability to accommodate both of these uses will align the development potential with the identified market demand and sector strengths for this location and so enhance the funding and early delivery of employment development of this site.

Conclusion

- 3.1 An Illustrative Masterplan has been attached (Appendix 1) for shows how the site could accommodate 800 dwellings and up to 15 ha of employment land without compromising the residential element. The plan necessarily allows flexibility for the proposals to evolve as detailed design work progresses and further modelling and a study are undertaken, but gives assurances to the Inspector that the required uses and infrastructure can be accommodated and delivered by the respective parties in accordance with the objectives of Local Plan policy DS7. The Plan attached sits alongside the A.C. Lloyd / WCC Education Statement of Common Ground which sets out A.C. Lloyds willingness to enable the provision of circa 7.5 ha of land for Secondary School if the need arises.

APPENDIX 1. ILLUSTRATIVE MASTERPLAN

APPENDIX 2. PROPOSED POLICY CHANGES ON BEHALF OF PROMOTERS

3.2 Policy DS7: Coton Park East

This development site, as shown on the Proposals Map, is allocated to provide *around or approximately* 800 dwellings and *up to 15 ha* of employment land within B1c, B2 and B8 uses.

Second paragraph referring to provision of smaller units to be deleted.