

Oxalis Planning Matter 6 Submission – Viability Information Submitted to the Gateway Call In Inquiry

Dave

See attached and below.

Details of construction timeframe

The Inspector asked me for information on the likely construction timeframe in relation to my reference to the economic benefits associated with the construction of the development. This is covered in the socio-economic chapter of the Environmental Statement for the Gateway application. This assumed that the construction period would take 3 years.

Viability

See attached for the information on viability that was submitted in relation to the Gateway Inquiry. This issue is covered in pages 25-26 and Appendix 3 of this document.

Regards,

Rob Young

Senior Planning Officer
Development Management

From: Dave Barber **Sent:** 12 October 2016 14:47 **To:** Tracy Darke; Rob Young **Subject:** RE: Actions Arising from Wednesday...and another thing

Let's hope so. It is very light on detail and only really mentions the bridge as anything specific. However, if it is the best we have then we'll go with it and see if the Inspector asks for any more.

Rob, please could you send me the viability information Ben refers to below. I am hoping this is the viability information from the Gateway call-in?

Thanks

Dave

Rebuttal Evidence of John Rhodes: Planning – APP10.4

PINS References: APP/U4610/V/13/2202736 & APP/T3725/V/13/2202738



**COVENTRY AND WARWICKSHIRE
GATEWAY**

SECTION 77 CALL-IN INQUIRY

REBUTTAL EVIDENCE OF JOHN RHODES

PLANNING

March 2014



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1 INTRODUCTION

1.1 This rebuttal proof of evidence responds particularly to CPRE 1/1 – the evidence of CPRE in relation to Green Belt issues and two elements of CPRE 2/1 – the evidence of CPRE in relation to economic issues. It also refers to parallel evidence given by the Community Group in the TCG series of proofs.

1.2 It is apparent from the exchanged proofs of evidence that there are significant differences between the parties on a range of matters including the need for employment land, the availability of alternatives and the extent to which the application proposals conflict with the purposes of the Green Belt in this location. Those matters, however, are already substantially covered in the submitted evidence and will no doubt be examined through the planning inquiry. There are, however, aspects of the CPRE and Community Group case in relation to Green Belt and economic issues to which I believe it may be helpful to respond: namely, the overall approach to be taken to development in the Green Belt in the light of up to date national policy. In particular, the case is made on behalf of CPRE that:-

- i) once fixed, Green Belt boundaries are effectively intended to be permanent;
- ii) government policy has strengthened in relation to Green Belt;
- iii) unmet development needs cannot amount to very special circumstances;
- iv) there is no need to release Green Belt land in Coventry or the wider sub-region; and
- v) no weight should attach to the support for the application proposals in the emerging Warwick District Local Plan and even less so in relation to support from Coventry City Council.

1.3 In addition, there are related policy issues in the Economic Impact case of CPRE and others relating to the extent to which local planning policies recognise the need for new employment development land to be identified.

1.4 Lastly, there are some miscellaneous issues raised in the evidence of objectors to which I consider it would be appropriate to respond briefly. These are:-



- i) Employment density and its relevance to the application;
- ii) Viability and deliverability.

1.5 These matters of principle and approach are explored in this rebuttal proof of evidence.

2 NATIONAL GREEN BELT POLICY

a) National Policy

- 2.1 National policy is set out in the NPPF and reviewed in Section 7 of my proof of evidence where I believe I fully and fairly record the importance which the NPPF attaches to Green Belt policy and the fact that the presumption in favour of sustainable development does not apply within the Green Belt.
- 2.2 Appendix A of CPRE 2/2 provides an extract from a recent ministerial statement about national Green Belt policy. The terms of that statement have also recently been published within the finalised version of the National Planning Practice Guidance (NPPG) (see below at paragraph 2.11).
- 2.3 I am also aware that the Planning Minister has recently exchanged correspondence with the Chief Executive of the Planning Inspectorate concerning up to date Government policy in relation to Green Belt and expressing his view about the way in which policy has been applied recently through some Local Plan Examinations (my Appendix 1).
- 2.4 In principle, there is nothing new about these statements, not least because:-
- i) national policy remains that which is set out in the NPPF;
 - ii) as the correspondence confirms, the NPPG does not represent any change in policy;
 - iii) as the Planning Minister's letter of 3 March recognises, Green Belt boundaries can be changed through the plan making system, but only where there are "*exceptional circumstances*";
 - iv) planning permission can also be granted in the Green Belt where there are "*very special circumstances*" – nothing in the NPPG or the Planning Minister's letter changes that; and
 - v) It is not surprising that (as a generality) unmet needs for housing are unlikely to represent "*very special circumstances*" – by definition, very special circumstances are just that – very special – and one would expect that there needs to be a particularly strong case to justify Green Belt development.

- 2.5 Nothing in these statements is inconsistent with the approach of my proof of evidence, which is very clear on the importance of Green Belt policy. However, it would also be consistent with these statements to recognise both that Green Belt boundaries can properly be changed through the plan making process and that planning permission can properly be granted where sufficient very special circumstances exist. As I say in my proof of evidence, Green Belt boundaries are not immutable and there is no conflict with policy in approving development in the Green Belt where sufficient very special circumstances can be demonstrated.
- 2.6 Paragraphs 83 and 84 of the NPPF establish the legitimacy of local authorities' reviewing Green Belt boundaries to take account of the need to promote sustainable patterns of development. Paragraph 85 provides that, when defining boundaries, local planning authorities should "*ensure consistency with the Local Plan strategy for meeting identified requirements for sustainable development*".
- 2.7 In other words, the reviewing of Green Belt boundaries is consistent with rather than contrary to the NPPF and the need to meet development requirements should be a principal consideration in that exercise.
- 2.8 As the Ministers' letter of 3 March 2014 to Sir Michael Pitt confirms:-
- "It has always been the case that a Local Authority could adjust a Green Belt boundary through a review of the Local Plan".**
- 2.9 The letter places a particular emphasis on the importance of the views of local authorities. The Secretary of State will consider exercising his powers of intervention in the Local Plan process if a Planning Inspector has recommended a Green Belt review that is not supported by the local planning authority. In this case, however, both the local planning authorities of Coventry and Warwick fully support the development of the application proposals, notwithstanding its Green Belt status.
- 2.10 I appreciate that this inquiry is considering a planning application rather than examining a Local Plan – and I address that issue directly in my main proof of evidence from paragraph 7.56.
- 2.11 CPRE place particular weight on the wording of recent ministerial statements relating to the extent to which unmet needs can represent very special circumstances. As explained above, those words

have now been included in the Housing and Economic Land Availability Assessment guidance within the NPPG, as follows:-

“Can unmet need for housing outweigh Green Belt protection?”

Unmet housing need (including for travellers sites) is unlikely to outweigh the harm to the Green Belt and other harm to constitute the “very special circumstances” justifying inappropriate development on a site within the Green Belt.”

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- 2.12 CPRE suggest that no particular weight should be attached to the fact that the NPPG is referring here to unmet housing needs and their evidence asserts that, logically, the same principle must apply to employment needs (CPRE 1/1 paragraph 6). Given that the NPPG cannot change policy which is set out in the NPPF, any debate might be considered academic. In so far as it is suggested, however, that this somehow represents new government policy, I would respond in that context that the omission of a reference to employment needs is significant, particularly as the section of the NPPG is otherwise dealing both with housing and employment. If the Government had meant a sentence to apply specifically to employment needs (or generally to all needs) I expect that it would have said so.
- 2.13 In fact, Government policy generally in the NPPF does provide different policies for economic and housing development having regard to their different land use characteristics. One of those characteristics might be that economic development is different from housing development in at least the following ways which may be relevant to a consideration of potential Green Belt release:-
- i) economic development is often larger in scale than residential development in terms of land area, particularly for specialised or large-scale strategic developments – individual buildings can often involve greater footprints and employment developments often need collective scale to achieve the benefits of ‘critical mass’;
 - ii) economic development requires HGV and customer access to good transport links, including trunk roads; and
 - iii) economic development brings jobs and economic benefit, the need for which is central to the Government’s growth agenda. Whilst all categories of development are important, paragraph

19 of the NPPF provides that significant weight should be placed on the need to support economic growth through the planning system.

2.14 Seen in this context, it would not be surprising if the Government had intended to exclude un-met economic development needs from the statement in the NPPG.

2.15 Also at paragraph 6 of CPRE 1/1, it is asserted that *“if un-met demand alone were sufficient to justify development of employment sites, no Green Belt would be safe”* and that, if the development of employment facilities in the Green Belt was permitted on the grounds of “need” alone, a precedent would be set. With respect, I disagree because:-

- i) it would be directly consistent with paragraphs 83-85 of the NPPF to recognise that a Local Plan strategy for meeting identified requirements for sustainable development (including employment development) can represent the exceptional circumstances necessary for reviewing and defining new Green Belt boundaries;
- ii) in principle, if there is a strong enough need for economic development, significant harm would arise from that development not being accommodated by the planning system. If the need is strong enough, it must by definition be able to demonstrate *“very special circumstances”*;
- iii) the fact that meeting development needs can justify changing Green Belt boundaries or development within the Green Belt is so well established in policy and precedent that there is no fresh precedent to be created; and
- iv) every case, of course, is different and depends upon its own circumstances.

2.16 The relevant discussion, therefore, needs to examine whether those very special circumstances are sufficient to justify development in the Green Belt – the approach to the principle is clearly established in the NPPF.

b) Local Green Belt Policy

2.17 Section B of CPRE 1/1 reviews Green Belt policies in local plans, principally to suggest that those policies provide no support for the application proposals or the principle of Green Belt land release. I respond to the points made below.

i. Warwick District

2.18 Paragraphs 37-39 of CPRE 1/1 emphasise that the existing Warwick District Local Plan places an important emphasis on the protection of the existing Green Belt and does not feature the CWG site as a candidate or proposal for Green Belt release.

2.19 The context for the Warwick District Local Plan is set out in my evidence from paragraph 4.39. The plan was adopted in 2007 and it set development policies only until 2011. It allocated only 9 hectares of employment land, with the largest new allocation being 3.2 hectares. Its timing meant that it took no account of the RSS Review and, therefore did not set itself the task of meeting sub regional employment needs or identifying either Regional Investment Sites or Regional Logistic Sites. It was also able to contain its housing requirements within the existing built up area or in non-Green Belt locations. The position has moved on, however, so that the District Local Plan is literally out of date.

2.20 The emerging Local Plan (the draft Revised Development Strategy), of course, directly supports the CWG proposals notwithstanding their Green Belt designation. Whilst CPRE 1/1 does not record that the draft Revised Development Strategy has also found it necessary to revise Green Belt boundaries to allocate some housing land, the position is set out in my evidence at paragraph 7.48. Consistently with the recognition apparent at the time of the draft RSS review, emerging development requirements cannot be accommodated without some Green Belt release.

2.21 The narrative in CPRE 1/1 is significantly undermined by the fact that the draft RDS directly supports the CWG proposals. CPRE is left simply disagreeing with the draft RDS. Issues on the merits of the approach are discussed extensively elsewhere, but the principle of emerging local policy recognising that Green Belt release is necessary if development needs are to be met is clearly directly established in the case of Warwick District.

ii. Coventry City

2.22 The position in Coventry, of course, is slightly more complicated because of its false starts in preparing an up to date development plan. CPRE 1/1 places some importance on each in the recent series of Coventry development plans, to which my principal response is as follows:-

- i) as with the Warwick District Local Plan, the Coventry Development Plan 2001 is time expired - indeed, it must now be one of the oldest extant development plans and the City Council has been working to replace it for at least the last six years;
- ii) Coventry City Council does recognise the need for development in the Green Belt in order to meet up to date development requirements for the City. Whilst there have been two alternative draft Core Strategies, neither of which has progressed, the recognition of the need to adjust Green Belt boundaries dates back at least to 2007. Appendix C to CPRE 1/2 provides extracts from the Coventry Green Belt Review commissioned by the City Council in 2007. That review confirms the following:-
 - the general extent of the Green Belt in Coventry has not been amended since 1979 (paragraph 2.27);
 - in relation to both housing growth and employment land requirements, it will be necessary to look beyond recycled land - which by itself is unlikely to be sufficient to meet development needs up to 2026 (paragraph 1.5);
 - the RSS recognised the need to review the Green Belt to see whether there are opportunities for re-designation which might assist Coventry to meet at least some of its projected development land requirements (paragraph 1.6); and
 - (based on figures in the draft RSS) *“it is clear that exceptional circumstances exist to warrant the review of the Coventry Green Belt”* (paragraph 2.23).
- iii) The draft Core Strategy 2009 relied upon significant Green Belt releases (my evidence paragraph 4.45) but was not progressed for political reasons despite having been found sound, i.e. consistent with national policy despite the Green Belt releases; and

iv) The 2012 draft Core Strategy which sought to avoid Green Belt releases by planning for significant lower levels of development failed even to make it to examination (my evidence paragraphs 4.4, 5-4.47).

2.23 The City Council directly supports the application proposals notwithstanding their Green Belt designation.

2.24 Contrary to CPRE's evidence, therefore, a fair review of local planning in both Warwick and Coventry would identify a recognition that Green Belt boundaries need to be changed to meet up to date assessments of development requirements.

c) **Green Belt Studies**

2.25 Section C of CPRE 1/1 seeks to draw support from the Coventry Green Belt reviews of 2007 and 2009. As set out above, however, the 2007 Green Belt review specifically identified that exceptional circumstances did exist to warrant the review of Coventry's Green Belt. As the CPRE report (CPRE 1/1 paragraph 59 recognises), the report recommended that the work should be taken forward through a joint sub-regional study – this became the 2009 study (core document H.1).

2.26 CPRE 1/1 does not give a full account of the 2009 study or its conclusions in relation to those zones which most closely relate to the application site. Further detail is set out in my evidence from paragraph 7.36. CPRE 1/1, for instance, does not report that:-

i) For study area C10, the study found that *“this area of the Green Belt is in decline and we recommend is considered for detailed study. Although much of the area is developed and there are many constraints (flood risk/existing infrastructure), there is likely to be additional development potential and other planning opportunities that could enhance the Green Belt function and purpose in this locality”*; (CD H.1 appendix 11) or

ii) Zone C10a (the zone which most closely overlaps with the largest part of the application site) was recognised as a zone which should be taken forward for a more detailed study and identified as one of the least constrained parcels of land by the Green Belt Review.

2.27 Whilst it is necessary to examine the detail (including the specific boundary of zones relative to the application site), my evidence states at paragraph 7.42 that it would not be unfair to conclude that the Studies identify that, whilst the development would cause some harm to Green Belt purposes, it is at least a good candidate to consider for development if Green Belt land needs to be developed in this vicinity.

2.28 This recognition is absent from CPRE 1/1.

d) Conclusions

2.29 There is no in principle conflict with the NPPF if local plans consider the amendment of Green Belt boundaries in order to meet the needs for sustainable development. Equally, there is no in principle conflict with the NPPF if the need for and other characteristics of proposed developments are sufficiently strong to represent very special circumstances, justifying the grant of planning permission for development within Green Belt boundaries.

2.30 Both Warwick District and Coventry City have long recognised through the preparation of their development plans that Green Belt boundaries will need to be adjusted to meet development requirements.

2.31 Green Belt reviews have been commissioned for this very purpose and have identified land which substantially overlaps with the application site as a potential candidate for Green Belt release.

2.32 Both planning authorities directly support the application proposals notwithstanding their Green Belt designation.

2.33 No precedent would be set by determining in this case that the very special circumstances are sufficient to warrant the grant of planning permission. Equally, no conflict with national planning policy would arise in those circumstances.

3 ECONOMIC IMPACT: CPRE 2/1

3.1 CPRE 2/1 rejects the economic case for the application proposals. Much of the document is concerned with the potential availability of alternative sites but elements relate to planning policy and it is those elements to which I respond in this section of my rebuttal evidence.

a) Dependence on the now – abolished RSS

3.2 CPRE expressed concern that reliance is placed upon the RSS despite the fact that it has been revoked. My evidence, hopefully, is clear on the subject. At paragraph 4.33 of my proof of evidence, I confirm that the RSS is not planning policy and that its historic terms carry no weight as policy in a decision on this case. Nevertheless, there is nothing wrong in principle in relying on the RSS evidence base¹ and, more importantly, I explain in my evidence that the history of the RSS helps to demonstrate a consistent recognition of the need for high quality employment sites to secure the regeneration of the Coventry economy. It is for that reason that my evidence contains reference to the RSS and considers its history to be material.

3.3 The Community Group's evidence TCG1 is particularly critical of the reliance placed by the Councils and GL Hearn on the former RSS policies (TCG 1 paragraph 1.4.8). However, it is clear from GL Hearn's Review of Economic and Employment Matters, April 2013 that GL Hearn were fully aware of the status of the RSS (see for instance paragraph 3.72) and, importantly, that they reached their conclusions about the need for and benefits of CWG based on their own analysis of up to date factors.

3.4 CPRE 2/1 makes two additional points relating to the RSS:-

- i) It would be wrong now to rely upon the need previously recognised for a large-scale employment site to serve the Coventry – Nuneaton Urban Regeneration Zone because that URZ no longer exists (as a result of the revocation of the RSS) and because CWG is not in the URZ; and

¹ South Northamptonshire -v- SSCLG[2014] EWHC573

ii) The CWG proposals are located outside the urban areas of Coventry, Nuneaton and Bedworth in one of the districts in the south of the Coventry and Warwickshire LEP area, so that their location would serve to exacerbate rather than assist the divide between the prosperous south and the north where the need for regeneration is greater (this point is made throughout the CPRE evidence but, for instance, is set out in Paragraph 88 of CPRE 2/1).

3.5 The CPRE case misunderstands the ways that labour markets work and confuses administrative with economic boundaries. The allegedly non-urban location of the application proposals does not handicap its ability to bring economic benefit. Whilst urban regeneration is an important policy objective, from a labour market point of view a population can equally be served from well-located employment sites elsewhere. Successful places can combine both a strong city centre offer and sites on the periphery of the urban area, thereby increasing the range of business opportunities and optimising economic and employment potential.

3.6 The CWG site is located immediately adjacent to the administrative boundary of Coventry – the main population centre in the LEP area. It has a far greater locational affinity with the urban area of Coventry than it does with the “southern” district of Warwick.

3.7 The whole of Coventry is within 10km of the CWG site. The table below demonstrates that Coventry’s population dominates in the calculation of catchment areas from the site. Whilst located in Warwick district, the site would clearly serve the Coventry Travel to Work area and, particularly, the Coventry urban area.

Table 1: Population Catchment

Distance (Km)	Coventry	Warwick District	% Coventry
1	2,757	773	78%
2	18,104	1,064	94%
3	38,035	1,595	96%
4	73,943	2,446	97%
5	115,573	8,151	93%
10	231,638	76,930	75%

Census 2011

3.8 Table 2 shows the distance travelled to work by residents. This shows that the CWG is within a normal travel distance of a large proportion of Coventry’s residents. Over 40% of Coventry residents travel more than 5 kilometres to work, over three quarters more than 2 kilometres. The CWG site will,

therefore, serve the labour market across the City and beyond. The Transport Assessment suggests that around three quarters of the CWG workforce will be Coventry residents. GL Hearn’s Review of Economic and Employment Matters, April 2013 estimated that 60% of jobs at CWG would be taken by residents of the former Regeneration Zone (Figure 13). This underpins the conclusion of Barry Allen’s proof (paragraph 6.52) that the CWG site is well located to serve local labour market needs.

Table 2: Distance Travelled to Work by Coventry Residents

Distance	Proportion
Less than 2km	23%
2 to 5km	37%
5 to 10km	20%
More than 10km	21%

Census 2011, Excludes other and working from home

- 3.9 CPRE 2/1 emphasises the importance of regeneration in Nuneaton and Bedworth. Barry Allen’s proof (Figure 6.7 and paragraph 6.30-6.32) demonstrates that, whilst Nuneaton and Bedworth does represent a cluster of need within the LEP area, so equally much of the Coventry urban area is also in need. His evidence also identifies that the site is adjacent to the largest pool of unemployed people in the area and that there is a good fit between the likely jobs at CWG and these residents’ needs. Nuneaton and Bedworth lies in close proximity and easily falls within the Travel to Work Area. Joanne Archer’s evidence for the planning authorities (at paragraphs 5.3 to 5.9) helpfully explains the development’s accessibility to the catchment area – as well as the benefits that would be achieved by the proposals to enhance public transport accessibility not just to CWG but also to the nearby Stonebridge and Middlemarch Business Parks.
- 3.10 Barry Allen’s evidence demonstrates that there is a low number of jobs in the Coventry TTWA as a whole relative to its population and that addressing this requires new job opportunities across a range of locations. It is not a case of either/or; jobs are needed at the CWG site to serve Coventry and the wider area, but also in Coventry city centre and around Nuneaton and Bedworth.
- 3.11 The previous identification of the Coventry Nuneaton Urban Regeneration Zone is simply a reflection of the clustering of areas of economic need. Barry Allen’s evidence (Figure 6.7) demonstrates that the clustering has prevailed – the need to provide economic opportunity for this area continues today, it did not go away with the revocation of the RSS.

b) Local Economic Policies

3.12 Section C of CPRE 2/1 reviews employment land policies for the different Warwickshire districts, seeking to argue that, collectively, they identify a surplus rather than a shortage of employment land and that they provide no support for CWG. To some extent, I have addressed these issues in Section 4 of my evidence (from paragraph 4.39) and in Section 7 (from paragraph 7.43). With that in mind, I respond briefly below to the principal points made by CPRE.

i. Nuneaton and Bedworth

3.13 In my view, a fair reading of the Nuneaton & Bedworth Local Plan 2006 would identify the following:

- i) due to its age, it is clear from the Local Plan that it takes its employment land requirements from the Warwickshire Structure Plan;
- ii) as the Local Plan explains (page 25), employment development had substantially taken up the Structure Plan requirement by the time the Local Plan was prepared, leaving relatively little land to be allocated (4.6ha);
- iii) there was, therefore, no growth strategy informing the Local Plan and no requirement to identify regional investment or logistic sites;
- iv) however, as the extract provided in CPRE 2/2 Appendix E shows (on page 8), the Local Plan recognised that: *“The Regional Authority, through the RSS is looking to allocate a sub-regional employment site and this could have implications for land supply across the region. The research and discussion to assess the trends, supply and need for employment land will be addressed at a sub-regional level and inform revisions of this plan.”* (page 25 of the Local Plan).

3.14 For these reasons, the 2006 Local Plan does not provide any evidence to suggest that CWG is not needed.

3.15 The draft Nuneaton & Bedworth Borough Plan reached Preferred Options stage in 2013. Again, it would be fair to recognise the following:

- i) the Borough Council recognises the revocation of the RSS but states that its loss does not undermine the Borough Plan as the evidence base from the RSS remains sound, particularly in the context of economy policies (paragraphs 1.5 and 6.10). As the Plan recognises also at paragraph 5.31:

“The strategy identifies a settlement hierarchy and urban focus approach. There will not be capacity to accommodate all the new growth within the urban areas. A large proportion of development will have to be located outside the existing urban areas. It is likely that this will be on greenfield land. Large-scale or “strategic” urban extensions offer the best opportunity to deliver the range of infrastructure needed to support new development. New development outside the urban areas will take place on a limited number of large, substantial urban extensions to Nuneaton & Bedworth.”

- ii) Consequently, the Borough Plan proposes the allocation of three employment sites (two at Bermuda and one at Prologis Park) – all three sites are currently in the Green Belt.
- iii) Whilst not addressed in the Preferred Options, the earlier Issues and Options Draft Borough Plan identified that, in addition, there may be a need to identify a further site for a Regional Investment Site and that this would need to be located in or close to the Coventry and Nuneaton Regeneration Zone (paragraph 4.4). The Plan, therefore, is concerned with local needs, rather than meeting the wider need and opportunity for a larger scale development.

3.16 The emerging Borough Plan, therefore, does not identify a large scale RIS (or a RLS) or their equivalent but, consistent with the applicant’s overall case, it does identify that meeting up to date employment requirements will require a review of Green Belt boundaries. The allocations on which the CPRE case relies, therefore, involve the same principle of Green Belt release as CWG.

ii. Rugby

3.17 Barry Allen’s evidence takes full account of the sites at Ansty and Ryton which are located in Rugby district.

3.18 In general, however, it is an important part of the applicants’ case that CWG is needed to meet specific needs in the Coventry area. Whilst such development would provide benefits over a wider

area, the pressing needs to which the application responds are those identified by the applicant, the Coventry and Warwick authorities and by the LEP to be focussed on Coventry.

iii. Stratford

3.19 As with Rugby, little of direct relevance can be drawn from the Stratford development plan. Barry Allen re-accounts the relative success of Stratford in achieving particularly B1 development and there is no dispute about the greater success of the economy in the southern part of Warwickshire. Apart from these matters, however, the detail of the Stratford Local Plan is of no direct relevance to the CWG application.

iv. North Warwicks

3.20 Much the same applies in relation to this district. CWG is not needed to meet a specific requirement in north Warwickshire and sites identified in its Local Plan can neither meet the need that arises in Coventry, nor help Coventry to fulfil its own economic potential.

v. Coventry

3.21 CPRE relies on the Coventry Development Plan 2001 despite its age. The fact that it does not identify the need for an additional large scale development such as CWG, however, is hardly surprising given that it predated the policy impetus to do so established in the RSS (and its Review) and the growth emphasis of current government policy - and the fact that it was planning for a time period which has now passed.

3.22 CPRE also attaches importance to the 2001 Policy E12 which sought to restrict warehouse development because of concerns about its low job density. I return to that issue further below.

3.23 In relation to either of the more recent attempts to produce an up to date Core Strategy, CPRE explains that the history makes it very difficult to place any significant weight on any version of the plan (CPRE 2/1 Paragraph 38) – I agree.

3.24 Reliance is placed, however, on elements of the 2009 draft Core Strategy and on the subsequent Inspector's report (CPRE 2/1 Paragraphs 39 and 40). Again, in relation to those issues, it would be right to recognise the following:-

- i) the draft Core Strategy proposed only to maintain a five year rolling supply of 82ha of employment land consistent with the draft RSS, rather than to seek to allocate the full 246ha proposed in the RSS – it did not, therefore, confront the full difficulty of doing so;
- ii) the draft Core Strategy (paragraph 5.10) recognised that not all employment land needs are likely to be able to be accommodated within the built up area of the city in the longer term (my evidence paragraph 7.49);
- iii) the draft Core Strategy did not tackle the issue of the need for a new Regional Investment Site which had been set out in the RSS. In this respect, the Core Strategy Inspector’s Report records the following:

“Given the relevant designation criteria, I agree with the Council that there are no suitable sites, including Whitmore Park which is already identified as a SES in the CS, remaining within the city at present.

Consequently, any such regional designation could only be a matter for future joint exploration with Nuneaton and Bedworth Council, amongst others, as things stand, and not an allocation in this CS” (paragraphs 3.43 and 3.44).

3.25 Again, therefore, the document does not demonstrate a lack of need for a large scale site such as CWG – it simply doesn’t address the issue.

vi. Warwick

3.26 I address issues relating to employment land planning in Warwick District in my evidence at paragraph 4.39 onwards. What is particularly significant, of course, about development plan preparation in Warwick District is that the draft Local Plan directly supports the application proposals.

3.27 CWG was identified in the Council’s Preferred Options in May 2012 which explained that the Council was supportive in principle but considered that further work was necessary to consider the justification for the allocation of the site (paragraph 8.33). Since that time, the Council has carefully considered the CWG application and specifically commissioned GL Hearn to undertake the review of the case for the development. The District Council has evidently satisfied itself of the strength of that case, as is apparent both from its resolution to grant planning permission and from the terms of the Revised Development Strategy of June 2013.

c) Conclusions

3.28 Whilst there is a significant amount of detail contained within the CPRE and TCG evidence, much of it does not relate directly to the principal issues in this case. The evidence has, however, omitted other matters which are important. From the review set out in this section of my rebuttal evidence, I suggest it can be concluded that:-

- i) the application proposals are very well located to address the concentration of principal need within the Coventry and Warwick Travel to Work Area;
- ii) the proposals would complement provisions being made in Nuneaton & Bedworth borough;
- iii) planning policy has deliberately ensured that there are good transport links north-south which add to the accessibility of the CWG proposals from the north as well as the centre of the economic area;
- iv) the development plans for Warwick, Coventry and Nuneaton & Bedworth all identify the inevitable need to release Green Belt land in order to meet employment land requirements;
- v) this is particularly the case in relation to large scale inward investment sites, where the lack of available alternative locations has been established; and
- vi) there remains an outstanding requirement to address the long recognised need for high quality, large scale inward investment industrial and logistics sites.

4 OTHER MATTERS

4.1 There are three other matters arising from the evidence of CPRE and TCG which I hope it may be relevant to address in this rebuttal evidence:-

- i) job density calculations and their relevance to a decision;
- ii) recognition of the need for CWG; and
- iii) issues relating to deliverability.

a) **Job Density Calculations**

4.2 Extensive evidence is given (particularly in TCG1) about the job density estimates that have been made for the application proposals.

4.3 It is apparent that this is a matter on which there has been a substantial exchange between the parties during the consideration of the application. I attach as my Appendix 2 for information a short note providing some of the reference points within that history. The purpose of my evidence here is to consider the relevance of the dispute.

4.4 The starting point is the NPPF. My proof of evidence explains the approach of the NPPF from paragraph 4.10. In particular (at paragraph 4.12) it explains that paragraphs 18-22 of the NPPF set out a simplified, clear and straightforward approach to planning for a strong, competitive economy. As those paragraphs explain, national policy is concerned with understanding and meeting the needs of business. The Government is committed to securing economic growth, in order to create (both) jobs and prosperity. The policies of the NPPF are concerned with explaining how planning should facilitate that growth. A successful economy (and one which generates jobs and prosperity) is fundamentally important but it is to be achieved by meeting the needs of business.

4.5 The NPPG is consistent with this clear approach. As I explain at paragraph 4.19 of my evidence, the (then) draft NPPG moves economic land assessments away from the theoretical with a greater emphasis on practical market realities, requiring estimates of demand to be undertaken to determine the likely business needs and future market requirements of industry etc. Market signals are

important and policy should support business sectors and be flexible enough to accommodate changing needs. Against this background, I make the following observations on the case put forward against the CWG proposals:-

- i) Whilst TCG disagree with the output from assessments based on the HCA methodology, they recognise that the same methodology is used by all of the relevant planning authorities in this case (TCG1 paragraph 1.4.10);
- ii) Whether the estimate is 6,000 jobs or 10,000 jobs, the evidence demonstrates (Barry Allen's section 6) that there is a substantial need for employment of this type in the Coventry area and it should not be disputed that the application proposals would bring very substantial benefit to an area of particular socio-economic need;
- iii) If TCG is right that changes in industry are driving lower employment densities (see for instance TCG paragraph 1.4.3) the simple consequence would be that more employment land is needed, not less, to generate the same employment yield.
- iv) I agree that it is not practical to provide a definitive estimate of the employment yield of the CWG proposals. The precise nature of the occupiers cannot be known and the application deliberately provides for flexibility to meet a range of different business requirements.
- v) In my opinion, however, it would be wrong to discriminate against potential occupiers on the grounds that they may generate relatively low employment densities. I recognise, for instance, that the range of employment achieved by large distribution warehouses can vary substantially depending on the precise nature of the operation.

4.6 It needs to be recognised, however, that the principal function of distribution floorspace is to achieve the efficient and cost effective delivery of goods to markets, thereby providing an important service to manufacturers, markets and consumers. Some occupiers employ a substantial density of workers. Others, however, operate with particular efficiency and through automation and other operational methods employ relatively fewer people. The cost savings achieved add to the efficiency of the distribution, passing on cost savings into the economy which then enables greater spending, which in turn adds to GDP. The business needs of these types of occupiers are just as important as those with different operating characteristics.

4.7 There was some discussion of these issues at the examination of the Coventry Core Strategy in 2010. In his report of April 2010 (core document B.4), the Coventry Core Strategy Inspector expressed particular concern about draft policies which sought to discriminate against B8 development on grounds related to its potential employment density. The Inspector concluded as follows:-

“I also recognise that minimum requirements are sought by the Council to reinforce other policies in the CS, including encouraging more efficient use of PDL, directing B8 uses to the more sustainable locations and, potentially at least, protecting the GB from unnecessary development. However, I consider that these requirements have two fundamental flaws in their intended operation as part of any development management policy relating to B8 uses that mean no such contribution would be made.

Firstly, if the proposed was able meet all the other relevant and appropriate criteria in the policy, it would be unreasonable in principle to refuse permission simply because it could not be demonstrated or guaranteed by prospective occupiers that at a minimum level of jobs would always be provided on the site, even if initially compliant.

Secondly, the Council could not control or even practically continue to monitor the number of jobs available over time once the use was in operation, without an inordinate use of resources. In any event, it seems to me that the other policy criteria, all of which I consider to be consistent with the latest national guidance in the new PPS4, should operate to preclude new B8 uses being permitted in unsuitable locations in the city.

Consequently, there is no justifiable need in terms of furthering the economic strategy for the Council to try and exercise control over the number of jobs provided on such sites. In such circumstances, both the minimum employment generation requirements are inconsistent with national guidance and unnecessary, as well as unreasonable in principle. They should be deleted from the policy in order for it to be sound.” (paragraphs 3.68-3.71)

4.8 Another aspect of the TCG case is that some occupiers will simply be relocating from elsewhere, with the implication that they bring no net benefit to the area in doing so. I agree that the floorspace proposed at CWG could be attractive to relocating as well as growing or even shrinking businesses but the process of providing modern, efficient accommodation to meet the needs of businesses at different stages of their economic cycle is important. In any event, if a business is going to relocate from (say) Birmingham to Coventry, it will vacate premises in Birmingham which themselves will free up employment potential.

4.9 It would be a severe constraint on the economy (and a contradiction of the NPPF) to suggest that planning should not facilitate the free and efficient movement of business in response to changing requirements.

4.10 Consistent with the NPPF, therefore, the need for employment floorspace is driven by the needs of business. Evidence of those needs is provided by the take up of floorspace in the area. Evidence of recent take up at sites such as Ryton and Middlemarch (which may be the most comparable sites to CWG), together with evidence of the high occupancy rates of local technology parks, provides ample evidence of the need for the application proposals.

b) Consistency with Economic Strategy

4.11 Proof of evidence TCG1 comments on the consistency of the CWG proposals with the strategy of the Local Enterprise Partnership (see paragraphs 1.4.11 and 1.4.12). The principal points made are:-

- i) there is no evidence that a lack of floorspace is considered important by the LEP or the associated economic assessments and strategies; and
- ii) the LEP Strategy does not confirm the need for CWG.

4.12 The LEP directly supports the application proposals. My evidence from paragraph 4.23 confirms that the LEP promoted CWG as its one opportunity for an Enterprise Zone, whilst Appendix 1 to my evidence contains a letter dated 24 August 2012 from the LEP directly supporting the CWG proposals.

4.13 This much is not surprising as an examination of documents produced and relied upon by the LEP identifies:-

- i) the Coventry and Warwickshire Economic Assessment March 2011 (core document C.9) identifies that the wholesale and retail sector is the second largest employer in the area, after business services. Distribution and storage is identified as one of four Core Sectors in the LEP area (pages 12 and 44).
- ii) the importance of the sector is also confirmed in the LEP's Strategic Economic Plan Working Draft December 2013 (core document C.27) – which TCG1 describes variously as 'coherent',

‘multi-faceted’ and ‘thoughtful’ (paragraph 1.4.12). The draft Strategy reflects upon the locational advantages of Coventry and Warwickshire in the following terms:-

“Ease of access is one of Coventry and Warwickshire’s main assets. The strategy for transport is to protect and enhance the accessibility for residents, businesses and visitors.

Located in the centre of the UK with excellent international connectivity via Birmingham Airport and very strong transport links to the West Midlands, East Midlands and South East, the transport network provides direct inter-connection with other important clusters of economic activity within the Research and Development and Advanced Manufacturing Sectors.

The freight and distribution sector, which provides a strong base of employment in the north and east of the LEP area supports excellent access to national and international markets (especially via the UK’s three main containerised freight sea ports) underpinned by an excellent road and rail network supporting the supply chain (for components and materials in and finished product out).

Those core targeted LEP sectors are predicted to grow significantly over the next 10-15 years. In order to support their continued competitive edge, the offer of the current transport system will need to be maintained through further transport infrastructure investment.” (paragraph 4.2.1.1).

- iii) I believe there is no dispute between the parties that the advanced engineering and high-value manufacturing sectors, together with research and development are key target sectors. This much is confirmed, for instance, in the LEPs 5 year strategy, April 2011 (core document C.2, page 10). In combination with distribution and logistics, therefore, each principal targeted element of the CWG proposals is directly consistent with the growth strategies established by the LEP.
- iv) The five – year Strategy also identifies that, whilst the sub-region has good business start-up rates, the proportion of these businesses that experience business growth is below average (pages 8-9).

As the letter from the LEP in support of the application dated 24 August 2012 explains:-

“the flexibility of sizes and specifications for the business premises that will be provided by Gateway can address the current market perception of a lack of suitable grow-on space for new and expanding local businesses.”

- v) Consequently, it is not surprising that the LEPs Five Year Strategy sets out as one of its “Priority Objectives” to:-

“Ensure we have the relevant sites, premises and infrastructure to support the growth of these key target sectors” (page 10).

4.14 These principles are followed through in the working draft Strategic Economic Plan (the draft SEP) which confirms at paragraph 2.3.4 that the availability of employment sites is fundamental to improving the competitive edge of Coventry and Warwickshire and to attract new investors and retail local businesses in support of our key economic sectors and wider business growth (paragraph 2.3.4). In this context, CWG is directly identified as a “vital development”, located at the confluence of one of the key north, south, east road networks which service the sub-region (page 17).

4.15 The draft SEP also:-

- i) identifies the lack of availability of innovation space to link businesses with the research and development infrastructure of the area as one of the “threats” facing the area (page 31);
- ii) provides a priority focus for transport to maximise economic productivity and efficiency, particularly in terms of providing access to...freight and business efficiency; access to national and international gateways (page 56);
- iii) confirms that economic growth and competitiveness depend upon having the right infrastructure. The availability of employment sites is fundamental to improving the competitive edge of Coventry and Warwickshire and to attract new investors and retain local businesses (paragraph 4.4.3.1).
- iv) confirms that CWG provides part of the current and future potential development opportunities available to the LEP (paragraph 4.4.3.1); and
- v) confirms that the growth focus involves:-
 - understanding the market demand for strategic employment land revision and current barriers to development;

- ensuring the availability of priority employment sites to improve the competitive edge of Coventry and Warwickshire; and
- ensuring that the planning system supports future economic growth (page 73).

4.16 Accordingly, the draft SEP commits (on page 74) that the LEP will deliver:-

- “▪ **increased land availability for employment and housing.**
- **development of priority employment sites across Coventry and Warwickshire to support balanced economic growth.”**

4.17 Therefore, the LEP supports both elements of the CWG proposals because they are directly consistent with its existing and emerging strategies.

c) Delivery

4.18 Proof of evidence TCG1 casts doubt on the ability of Roxhill to deliver the CWG proposals, calls into question their viability and criticises the planning authorities for not having insisted upon a viability assessment of the CWG application (paragraph 1.5.1-1.5.3). In addition, proof of evidence TCG5 casts doubt upon Roxhill’s track record as a developer. TCG1 also suggests that the development may require the assistance of public funding. Appendix 3 of this rebuttal evidence is a statement from Roxhill which responds to some of these matters.

4.19 The evidence of TCG draws upon the NPPF and the NPPG to stress the importance of viability. Extracts from the (then draft) NPPG are provided at Appendix 10 of TCG1. What those extracts identify, however, is that:-

“Decision taking on individual applications does not normally require consideration of viability.”

4.20 The Guidance goes on to explain that viability can be important when planning obligations or other costs are being introduced. It is often the case, for instance, that the level of affordable housing which a residential scheme might be expected to support is determined through open book viability appraisals. There is no planning policy (or guidance) requirement, however, for an applicant to demonstrate the viability of their proposals, unless the applicant is seeking relief from planning

obligations on grounds of a claimed lack for viability. That is not the position in this case where the applicant has willingly negotiated and committed to a substantial package of measures set out in the Heads of Terms for the Section 106 Agreement.

- 4.21 It is apparent from Appendix 3 of my main proof of evidence (the statement from Roxhill) that Roxhill are experienced developers, led by very experienced and successful directors.
- 4.22 What is apparent in this case is that the development of the application site is dependent upon prior investment in substantial up front infrastructure – details are set out in my Appendix 4. This means that the risk of a stalled or incomplete development is substantially reduced. If Roxhill takes the decision to fund the necessary infrastructure, it will no doubt have satisfied itself of the viability of the application proposals. Once that infrastructure is funded, however, a major development site is created relatively free of constraints, so that there should be no realistic doubt about its viability.
- 4.23 Whether Roxhill develop the site themselves or sell it to another developer, there is no risk that a developer will “cherry pick” the most profitable parts of the development because the dependency of the development on its constituent parts is committed through the heads of terms for the Section 106 Agreement.
- 4.24 There are no relevant planning issues, therefore, raised by TCG1 or 5 in relation to the potential delivery of the application proposals.

APPENDIX 1

LETTERS BETWEEN THE MINISTER FOR PLANNING AND PINS



Department for
Communities and
Local Government

Sir Michael Pitt
Chief Executive
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0 3 MAR 2014

Dear Sir Michael Pitt,

Inspectors' Reports on Local Plans

I was very troubled by the media coverage of the recent Inspector's report on the examination into the Reigate and Banstead Local Plan. On reading the report, I was disturbed by the Inspector's use of language, which invited misinterpretation of government policy and misunderstanding about the local authority's role in drawing up all of the policies in the draft plan. I am writing to restate very clearly the Government's view of Green Belt policy and Local Plan examinations.

Fundamental to the National Planning Policy Framework and to this Government's planning reforms is the idea that local authorities, and the communities who elect them, are in charge of planning for their own areas. That is why we abolished the top down regional strategies, why we have emphasised the primacy of the Local Plan and why we gave communities the powers to create neighbourhood plans.

Alongside these reforms we were always very clear that we would maintain key protections for the countryside and, in particular, for the Green Belt. The National Planning Policy Framework met this commitment in full. The Framework makes clear that a Green Belt boundary may be altered only in exceptional circumstances and reiterates the importance and permanence of the Green Belt. The special role of Green Belt is also recognised in the framing of the presumption in favour of sustainable development, which sets out that authorities should meet objectively assessed needs *unless* specific policies in the Framework indicate development should be restricted. Crucially, Green Belt is identified as one such policy.

It has always been the case that a local authority could adjust a Green Belt boundary through a review of the Local Plan. It must however always be transparently clear that it is the local authority itself which has chosen that path – and it is important that this is reflected in the drafting of Inspectors' reports. The Secretary of State will consider exercising his statutory powers of intervention in Local Plans before they are adopted where a planning inspector has recommended a Green Belt review that is not supported by the local planning authority.

I would be grateful if you could circulate a copy of this letter to all Inspectors and ensure that they understand the need to choose their words carefully and reflect government policy very

clearly in all future reports. I am also placing a copy of this letter in the public domain.

A handwritten signature in black ink, appearing to read "Nick Boles". The signature is written in a cursive style with a large initial 'N' and 'B'.

NICK BOLES MP



The Planning Inspectorate

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Nick Boles MP
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Department for Communities and
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Your Ref:

Our Ref:

Date:

06 March 2014

Dear Nick,

Inspectors' Reports on Local Plans

I refer to the Inspector's report on the Reigate and Banstead Local Plan and your letter dated 3 March 2014.

PINS has taken steps to reduce the risk of misleading coverage in the media about Inspectors' reports and to ensure that reports and other relevant documents are carefully worded. I have asked Inspectors to ensure that the Executive Summary of the report is clear about the origin of any modification to the plan that may alter the extent of the Green Belt. Reports will make clear that, as in the case of Reigate and Banstead Core Strategy, where modifications providing for adjustments to the Green Belt boundary are recommended, it is the Council itself that has chosen this path. Helen Adlard has put in place a 'sense checking' process so that any Inspector documents that refer to Green Belt alterations are expressed in an appropriate and sensitive way. This will reflect the importance that Government attaches to Green Belts and the National Planning Policy Framework's expectation that alterations to the Green Belt boundary will be made only in exceptional circumstances by local planning authorities through the preparation or review of their local plans.

All Inspectors have had a copy of your letter and a message re-iterating the above.

I understand that the *wording* of the Reigate and Banstead report, and not its approach to and reasoning on Green Belt considerations, is at the heart of your concerns. However, after reading your letter Inspectors now seek confirmation that in local plan examinations they should continue to question local planning authorities to determine the extent to which they have followed guidance in paragraphs 14 and 83-85 of the Framework when seeking to meet the needs of their area including objectively assessed housing needs in accordance with paragraph 47 of the Framework.

*Yours sincerely
Mike.*

Sir Michael Pitt
Chief Executive



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13 March 2014

Dear Sir Michael Pitt,

Re: Inspectors' Reports on Local Plans

Thank you for your letter of 6 March about the Reigate and Banstead Local Plan. I welcome your confirmation that you have made all Inspectors aware of my concerns and taken steps to ensure that Inspectors' reports are correctly worded to reduce the risk of misinterpretation of Government policy.

As you rightly note, my letter of 3 March set out concerns over the Inspector's use of language which invited misinterpretation of Government policy. It did not signal a change of policy or approach. Inspectors in Local Plan examinations should continue to determine whether local planning authorities have followed the National Planning Policy Framework in seeking to meet the objectively assessed development needs of their area.

Following the recent publication of the new planning practice guidance, I would also strongly encourage continued momentum on Local Plan examinations. The guidance supports the National Planning Policy Framework and provides useful clarity on the practical application of policy. It should provide helpful support for Inspectors and should not normally be considered a reason for extending examinations. I would be grateful if this could also be made clear to all Planning Inspectors.

NICK BOLES MP

APPENDIX 2

NOTE ON EMPLOYMENT DENSITY CALCULATIONS

Job Numbers

1. The CPRE and Community Groups raise objection to the estimated level of job creation – they have suggested that jobs on the site will be significantly lower than put forward by the applicant.
2. These issues were raised during the application process and a significant amount of evidence has been submitted to justify the job figures used. GL Hearn, on behalf of the Councils, has also undertaken detailed analysis of the likely job creation and address this matter in their proof of evidence. Rather than repeat this work, I consider it would be helpful to record the information that has been submitted and what it concludes.
3. It is clear from a review of the work undertaken by both Savills and GL Hearn that, whilst precise figures vary, there is a general consistency in the approach used to calculate jobs and in the conclusions reached. The work concludes that the number of jobs on the completed scheme will be significant – over 6,500 and potential up to or over 10,000, depending on the future occupiers. They conclude that the only reasonable basis upon which to calculate jobs is average job density figures which are themselves based on extensive research (in particular the HCA – Employment Density Guide 2010).
4. The evidence submitted on job numbers includes the following:
 1. The Planning Statement (core document A.22)
5. Paragraph 5.2.1 states that the scheme could accommodate up to 10,000 jobs and positively influence (through assisting the delivery of the Whitley Business Park scheme) the delivery of a further 4,000 jobs.
 2. Chapter 4 of the Environmental Statement – Society and Economy
6. Paragraphs 4.6.7–4.6.11 and table 4.12 set out the likely employment generation on the completed scheme. It based its findings predominantly on the HCA Employment Densities Guide and stated that the development would support 9,405 FTEs based on single shift working and 13,250 FTEs based on shift working. It concluded that based on some shift working, the scheme would support around 10,000 jobs.

Table 4.12 Direct Operational Employment

Use	Use Class	Floorspace (m ² GEA)	Calculated Single Shift Employment (FTE jobs)	Calculated Employment including Shift Patterns (FTE jobs)
Flexible Retail & Restaurant Space	A1	2,500	135	203
	A2	2,500	144	144
	A3	2,500	128	192
	A4	2,500	187	280
	A5	2,500	187	280
	Average	2,500	156	220
Offices	B1a	20,500	1,886	1,886
Research & Development	B1b	26,000	870	1,739
Light industry	B1c	18,500	382	764
General industry	B2	103,000	2,775	5,551
Warehousing	B8	240,740	3,009	3,009
Hotel	C1	350 beds	280	280
Car Showroom	Sui Generis	4,645	47	71
Total		-	9,405	13,520

3. Statement in Response to Issues – (core document A.166)

7. This statement explained the use of the 10,000 job figure as a sound basis upon which all environmental effects could be assessed.

8. Appended to the statement was a response to issues prepared by Savills. Section 10 dealt directly with the concerns raised by CPRE and Roe and Symes in relation to jobs. Roe and Symes made specific reference to data compiled by Prologis and Cranfield University (2011) – *Do Distribution Warehouses Deliver Jobs?* The Prologis work presents the results of surveys carried out by Prologis on its customers including details of the types of jobs and total number of employees within industrial warehouses. The Savill's Statement clarified several key points:

- that use of 'average' densities is the most robust and reliable approach;
- accepted that variation in the job densities of different employers would occur but that there were equally as many examples of companies with higher density as the lower densities presented by Roe and Symes;
- clarifies that the Prologis data actually concludes average densities are higher than the HCA figures – 1 per 77 sqm compared to 1 per 80 sqm (Roe

and Symes had suggested that the Prologis data helped to support their case that job levels would be significantly lower).

4. GL Hearn Report – December 2012 (core document C.20)

9. It reviewed the application submission and the Roe and Symes report – Section 4 set out their findings in relation to jobs. At paragraph 4.7 GL Hearn concludes that the approach to jobs, set out in the ES, was reasonable.
10. The work assessed potential job levels based on different assumptions. In relation to Zone A it considered the likely level of jobs depending on the split between B2 and B8 floorspace and on different employment densities, using the HCA data and Prologis data. It concluded that the range of jobs on Zone A would be between 4,000 and 6,000. The 4,000 figure was arrived at assuming no B2 floorspace and using Prologis' data for large (over 200,000 sq ft) units only, which indicated a lower employment density.
11. In relation to Zone B GL Hearn also tested a number of scenarios relating to density assumptions and mix of floorspace. They concluded that a suitable range would be between 2,500 and 4,500 jobs. The lower of these was based on limited B1a floorspace and no shift working.
12. The work concluded overall that depending on the assumptions used overall job levels would be in the order of 6,500 – 10,500 jobs.

5. GL Hearn Report – April 2013 (core document C.21)

13. Section 9 of this report undertakes a further analysis of job creation including a review of data from Prologis and the details of other occupier's employment densities. It recognises that precise job levels will depend on a number of factors and could be higher or lower than the figures they set out. They conclude, based on this, that the use of the HCA average densities remains reasonable.
14. The work concludes that their core estimate is that the scheme would directly support 8,210 jobs (7,717 FTE). This is based on specific assumptions (rather than sensitivity testing) in relation to the mix of floorspace and employment densities.

6. GL Hearn Proof – Section 8

15. Paragraphs 8.28 – 8.31 seeks to explain the differences between the latest GL Hearn figures and those put forward in Chapter 4 of the ES.
16. Based on single shift working, they conclude a net employment impact (taking account of leakage, displacement, substitution and multipliers) of 7,764 FTE jobs, compared to Savills figure of 9,145 FTEs based on similar single shift assumption.
17. GL Hearn note that although there are some minor differences including the multiplier used, the main difference is the assumption of the amount of B1(a) office floorspace within Zone B, which generates higher employment levels than other B1 uses. Savills based their work on 30% of the Zone B space being used as B1(a), however one of the conditions proposed (and agreed between the Council and the applicant) would restrict B1(a) to 10% of the Zone B floorspace, and this level has been used by GL Hearn.
18. GL Hearn also note however, at Appendix C paragraph 8.48 of their proof, that if shift working were to occur this would have an upward impact on employment numbers.

APPENDIX 3

RESPONSE FROM ROXHILL TO TCG1 AND TCG5

APPENDIX 3

Coventry and Warwickshire Gateway

Further Statement of David Keir, Executive Chairman, Roxhill Developments Ltd.

I have read the proofs of evidence TCG 1 (The Economic Case) and TCG 5 (Commercial Considerations) submitted by The Community Group. They seek to directly attack the credentials of Roxhill and its judgement on the viability of the CWG scheme. Most of these matters are addressed in my statement submitted with Mr Rhodes proof of evidence, but there are a few further comments I wish to make, firstly in relation to the comments about Roxhill Developments Ltd and , secondly, viability.

TCG 5 - Roxhill

1. The TCG5 proof questions the credentials of Roxhill and states “It is hard to find substantial evidence of developments that have been delivered by Roxhill” (TCG 5 Para 5.4).
2. Roxhill (Coventry) Limited “RCL” is wholly owned by Roxhill Developments Group Limited “RDGL” and is a Special Purpose Vehicle set up to hold a 50% interest in The Coventry & Warwickshire Development Partnership LLP scheme. As explained in my previous statement, Roxhill have the lead role in the partnership, with responsibility for delivering the project.
3. The funding of RCL is from the parent company and is financed primarily by preference shares which total £80.00m and is subscribed by RDGL’s shareholders, which include CBREi, a multi billion pound global real estate business. As and when capital is required it will be provided. Whilst Roxhill is a newly established business, the Directors of Roxhill have extensive experience of large scale development based on this successful business model. Indeed, some of the sites brought forward in this manner are those currently being developed by Prologis and Goodman.
4. In my previous statement I set out the floorspace currently under construction, amounting to 1,301,000 sq.ft. In addition to this Roxhill has very recently completed deals for 3 further units, these are
 - La Salle Investment Management – 178,000 sq ft, Gateway Basildon
 - La Salle Investment Management – 185,000 sq ft, Invicta Riverside, Aylesford
 - Farm Foods Ltd – 125,000 sq ft, Central Park, Bristol
5. As mentioned in my previous statement Roxhill own or control land with potential to deliver a total of 33 million sq.ft.

6. I believe that Roxhill's position at this time, having only been in existence since 2010, is testament to the experience and abilities of the Directors. In the relatively short time Roxhill has been in existence it has already become an industry leader. The record in fact speaks for itself, hence the awards I referred to in my previous statement.
7. TCG have sought to compare Roxhill with Prologis. Interestingly, Prologis, an American real estate investor, entered into the UK market by acquiring Kingspark Developments Ltd, a company of which I was a Director and one of the main shareholders.
8. TCG highlight the space that Prologis has let recently. Prologis is a business which has been in existence for many years. It is at a different stage to Roxhill. It has a significant portfolio of sites including a large number of long standing sites with planning and which have been "ready to go" for some time. As the market has recovered Prologis has been able to secure pre-lets on their sites including at DIRFT II and Ryton. These sites are, however, now nearly full and given the growing demand in the market, are likely to be fully completed soon.
9. At paragraph 5.7 of their TCG5 proof the Community Groups suggest that Roxhill has a conflict on a site in Rugby; this is a misconception. There is no conflict. It is entirely reasonable that we would direct a potential occupier to a site that benefits from planning consent and can therefore meet their requirement in terms of timescales for delivery, which CWG cannot meet.
10. Indeed this is a good example, in my view, of the constrained nature of land supply serving Coventry. Occupiers who would prefer to be nearer to Coventry are now looking at Rugby Gateway because of the lack of choice on offer. This pattern is increasing because of the lack of choice and flexibility now on offer at Ryton. Given the strength of demand and limited plots left available at Ryton, Prologis (I understand) are not now providing flexible lease terms or unit sizes. This lack of suitable land is also likely to be one of the reasons JLR selected Wolverhampton for its new engine plant.
11. I disagree with the TCG's assertions at paragraph 5.8 of TCG 5 in particular in relation to Peterborough Gateway and the effect on lower rents. We work closely with major occupiers such as Amazon, DHL and Tesco etc., and a key part of our success is to understand the operational needs of major occupiers. Roxhill's scheme at Peterborough is being promoted to, and serves, a completely different market. There are very few occupiers who would have the flexibility to be able to choose to locate at either CWG or Peterborough. The West Midlands is a significantly bigger and stronger market than Peterborough. It also benefits from a central location. Property rental costs make up less than a third of overall running costs of a facility, with a significant element being

down to transportation costs. With fuel costs continuing to rise, this is proving increasingly important to occupiers. Therefore, a centrally located facility able to serve most areas of the country and being close to good transport links is essential. This is why, in my view, Ryton has been so successful.

TCG 1 - Viability

12. The TCG1 proof raises a number of issues regarding the viability of the scheme (Para 1.5.3). I am not sure of the relevance of this issue to the planning decision but, since there appears to be some misconception as to how the business model works, I set out some information below.
13. There is, I believe, a misunderstanding between the various costs of the scheme. The initial costs to open up the development will focus on highway works, remediation works and other servicing works, which will be in the region of £60m - £70m. These costs have been worked up based on detailed designs with professional consultants, validated by our expertise in schemes of this nature.
14. This level of investment is normal for a site of this scale and nature. These costs will be funded by the parties utilising existing equity in their respective businesses, as explained above. Funds already exist for the investment from the joint venture partners and there is no requirement for public financing or indeed any other kinds of third party finance or bank debt.
15. In terms of funding the cost of constructing individual units, it is most likely (and indeed industry standard practice) that, once an occupier is secured, the construction costs of that unit are effectively funded off balance sheet by an investor who is purchasing the unit/investment. This would typically be a pension fund such as AXA, Prudential or Legal & General. A pre-let may however be funded by bank debt. Roxhill intend to develop and then sell the buildings; we will retain an interest in the site until the last unit is developed at which point a Management Company (in which the owners of each plot are shareholders) will manage and run the site in the normal way.
16. The figure of £250m referred to is the initial infrastructure investment and the subsequent costs of developing the units. It therefore is the total anticipated cost of delivering the whole development.
17. In terms of viability there are several critical factors. Firstly, that the difference between total costs and total end value is sufficient to provide an appropriate profit. In this case we are clear that it is and that there is significant headroom. Secondly, that the risks

involved are appropriately managed. In this regard we are confident that we understand the costs of developing the site and that there will be strong demand for units on the scheme. As explained in my statement we have already invested in excess of £3m and we would not have done so were the scheme not viable.

18. The Community Groups are concerned that the scheme might be partially built out and public money may be required to deliver it. We are, for the reasons I've set out, confident that the scheme will be delivered in full. Importantly, the nature of the scheme, together with the controls that are proposed in the planning conditions, mean that the majority of the infrastructure works (highway, ground remediation) are required at the start of the development process. These works will be committed to at day one and will guarantee the delivery, at the very least, of a high quality serviced site.

David Keir
Executive Chairman
19 March 2014

APPENDIX 4
NOTES REGARDING PHASING

APPENDIX 4

Construction Sequencing and Phasing

A Construction Sequence and Programme Statement (CD A.88) was submitted with the planning application at Appendix 2.1 of the Environmental Statement. This statement set out at section 3.3 a summary of the approach to the phasing of construction works. The statement was supported by two drawings; Site Access Proposed Improvements Phasing Figure 2 P22 and Construction Highways Sequence Plan 041 P7. (CD A.91 and A.83).

The approach to phasing set out in the Statement and supporting plans is proposed to be controlled by condition; see proposed conditions 25, 26, 27, 28 and 39 as set out in the Statement of Common Ground.

The effect of these conditions would ensure that the highway works are completed early in the construction process by restricting the works that can be carried out within development zones and the amount of built floorspace that can be occupied prior to the completion of highway works. The main effect of the controls are:

- No more than 9290 sqm of B class floorspace can be occupied within Zone B until the phase 2 works (as defined on Figure 2 P22) have been completed. The phase 2 works are:
 - Improvements to the Whitley junction
 - The Jaguar Link road and over bridge
 - The Jaguar expansion road
 - The main development access works into the A45 and Rowley Road.
- No more than 18581 sqm of B class floorspace can be occupied within Zone B until all highway works within phases 1 to 4 (as defined on Figure 2 P22) have been completed.
 - Phase 1 works are the Highways Agency Toll Bar improvements
 - Phase 3 works are the improvements to Stivichall roundabout, Leaf Lane and Jaguar expansion road link.
 - Phase 4 work is the access to Zone A.
- Earthworks within Zone A cannot commence until the Zone A access road (Phase 4 works) has been constructed and enabling ecology works have been completed.
- No floorspace within Zone A can be occupied until all highway works within Phase 1-4 have been completed.