

WARWICK DISTRICT COUNCIL

Minutes of the meeting held on Thursday 1 December 2011, at the Town Hall, Royal Leamington Spa at 6.00 pm.

PRESENT: Councillor Mrs Bunker (Chairman); Councillors Barrott, Mrs Blacklock, Boad, Mrs Bromley, Brookes, Caborn, Coker, Copping, Dagg, Davies, Dean, Dhillon, Doody, Mrs Gallagher, Gifford, Mrs Goode, Mrs Grainger, Hammon, Heath, Mrs Higgins, Illingworth, Kinson, Kirton, Mrs Knight, MacKay, Mrs Mellor, Mobbs, Pittarello, Pratt, Mrs Sawdon, Shilton, Tyrrell, Vincett, Weber, Weed, Wilkinson, Williams and Wreford-Bush.

Apologies for absence were received from Councillors Cross, Edwards, Mrs Falp, Gill, and Guest.

59. **MINUTES**

The minutes of the meeting of the Council held on 26 October 2011, subject to a minor amendment, were approved as a correct record.

60. **INTERPRETING THE VISION - DEVELOPMENT OF THE VISION OF THE LOCAL PLAN FOR WARWICK DISTRICT**

The report was submitted to Council to determine on the Strategy Statement which would include the preferred level of growth and the broad principles governing the types of development that it aimed to accommodate, within the emerging Local Plan.

Since the coalition Government came to power in May 2010, the national planning policy landscape had changed considerably from that put in place by the previous administration. In particular, the Government had pursued plans to abolish the Regional Spatial Strategies (RSS) which had previously provided the basis for the level of growth that each local authority area should anticipate, allowing the necessary levels of housing, employment and retail land to be allocated to accommodate that growth.

National economic policy had changed significantly too and was now framed by the global economic situation with an emphasis on cutting public spending and promoting growth initiatives to stimulate a sluggish economy that was still struggling to move out of recession. Both the localism agenda and the Government's Plan for Growth, which set out its economic policy, highlighted the need for economic growth and increased housing delivery.

These twin principles were reflected in the draft National Planning Policy Framework (NPPF) on which the Council agreed its response to the Government's consultation in October 2011. The intention behind the draft NPPF was to radically simplify national planning policy and guidance which was reduced from over 1,000 pages to around 60 pages in the draft document. The content of the draft NPPF appeared to reflect a view that planning policy and process had, in the past, been a barrier to growth. It also reinforced the message that the planning framework should directly contribute to the delivery of growth, an aspiration that permeated throughout the wider national agenda.

In order to help stimulate growth and change potentially negative public perceptions of the impact of growth in their locality, the Government introduced new funding mechanisms for Local Authorities that provided a financial reward for the local area, e.g. the New Homes Bonus Scheme and were considering other approaches, e.g. Business Rates Retention Scheme, whilst at the same time considering reducing the amount of funding that Councils would receive from Government through the Revenue Support Grant.

In the light of the changing national policy framework, in 2010 the Council suspended its previous work on developing a new Core Strategy to replace the current, still extant, Local Plan 1996-2011. That work had been governed by the requirements of the West Midlands RSS which envisaged a housing growth requirement of 10,800 new homes in the District in the period 2006-2026, equating to an average 540 homes per annum over the 20 year period. The RSS also required a housing growth allocation for Coventry which could not have been accommodated by sites within the city boundary and which would have resulted in at least a further 3,500 homes having to be accommodated within Warwick District. The addition of these 'overspill' homes would have increased the level of housing growth that needed to be accommodated within the Core Strategy to 14,300 homes, an average of 715 new homes per year.

Once the Coalition Government had signalled its intention to abolish the RSS the Council decided to suspend work on the previous Core Strategy in order to take stock of the changed situation in which responsibility for determining the level of future housing growth had passed from regional to local government, allowing decisions to be made on the future shape of the District, including the level and distribution of housing and economic growth. With Royal Assent to the Localism Act, the mechanism by which the RSS would be abolished was now complete, although the current RSS provisions were likely to remain in place until, at least, March 2012.

Although the RSS would be abolished, the need for a robust Local Plan (Core Strategy) would remain. The draft NPPF recognises Local Plans as a key element of the planning framework. Each local planning authority was therefore required to set out, within their Local Plan, their strategic objectives for the development of their locality over a 15 year period.

In developing its new Local Plan, the Council had consulted on a number of scenarios featuring differing levels of economic and housing growth as a means of stimulating public debate on future of the District and how it should look in 2028. In September this year, Council agreed the process as to how the Local Plan would be developed. Subsequently briefings had been held to inform all Councillors and key partners on the key findings of national planning policy changes, public consultation, studies on population growth and housing need, economic assessment, transport and green infrastructure and leisure provision. As an outcome of the process agreed in September 2011, Councillors of all parties used and weighed all of the information provided in the briefings to consider what they believe should be this Council's strategic priorities.

The significant communality between the outcome of these discussions had enabled the production of a Strategy Statement 'The Future and Sustainable Prosperity of Warwick District', and this was attached at Appendix One of the report. Subject to approval of the Strategy Statement, and in particular the level of desired economic and housing growth articulated within it, would govern the next stages of the development of the Local Plan. This work would

be undertaken in the period leading up to the March 2012 Council meeting. At that meeting members would determine the 'Preferred Options' for the Local Plan, which would subsequently be the subject of public consultation.

Whilst the proposed Strategy Statement would provide the basis for the Local Plan, approval of the plan would, like the previous Core Strategy before it, ultimately depend on the outcome of an independent examination. This examination was designed to assess conformity to national planning policy and the robustness of the evidence base on the plan that had been constructed. In particular, the independent examiner would test the 'soundness' of the rationale and evidence base used to design the plan and whether the level of growth contained within it was deemed to be 'deliverable' with regard to the availability of 'suitable' sites and the robustness of the supporting Infrastructure Delivery Plan. The draft NPPF built on the existing requirement of maintaining a 5 year 'rolling supply' of identified sites suitable for accommodating housing growth and increased this 'supply' requirement by a further 20% to address issues of flexibility and deliverability.

The Council had already gathered a significant evidence base that would inform both the development of the Local Plan and the preparation for the examination. The consultation exercise undertaken between March and July 2011 also tested whether the key 'Issues and Options' that the plan would need to address had been correctly identified.

Members needed to be mindful that in particular the level of economic and housing growth they ultimately selected would have to pass the 'soundness' test at independent examination. A note summarising the current and proposed government advice on identifying the necessary land for housing was attached at Appendix Two of the report. There was significant evidence of need from the Strategic Housing Market Assessment (SMHA), as set out in section 7 of the report, to suggest that a reasonably high level of growth, in the range of 595 to 715 homes per annum, should be accommodated within the Plan.

However, the SHMA was only one piece of evidence that the Council would need to consider. Further detailed consideration of population growth trend information and how this could be influenced by decisions made in regard to the desired level of economic activity that the Council aspired to would need to be made during the preparation of the Preferred Options and the draft Local Plan itself. As a demonstration of the complexity of the work that would be need to be completed in the lead up to the finalisation of Preferred Options the table, set out at Appendix Three, of the report, detailed the levels of potential employment growth, taken from an analysis undertaken by the Coventry & Warwickshire Local Enterprise Partnership, that could be created by development of the listed sites.

The difficulty in interpreting this information in Local Plan terms was around the assumptions made on the number of jobs that would be filled by local people were this level of growth to materialise and the potential impact on existing commuting patterns. Some of these issues had been explored within the SHMA but the example illustrates the level of work that still needs to be completed.

The latest public consultation highlighted, as did previous consultation exercises on the previous Core Strategy, the significant public interest in the level of housing growth that would need to be considered and addressed by the new Local Plan. However, housing growth could not be determined in isolation without reference to, and analysis of, population and economic data and the detailed

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assessments of deliverability and suitability of potential sites on which it was to be accommodated. In particular, the Council would need to balance what level of housing growth could reasonably be accommodated without causing significant detriment to the quality of the local environment or which could not be supported by the appropriate infrastructure.

At this stage however, the Council was unable to fully test what was a 'sound' level of growth hence the recommended approach of selecting a preferred 'in the region of' level (as set out in the Strategy Statement) to enable the impacts of that level of growth to be considered at a site specific level during the preparation of the Preferred Options and draft Local Plan itself. This process would mean a more specific growth figure could be determined once the environmental and infrastructure impacts had been considered and deliverability fully assessed. This approach was entirely consistent with that set out in the September 2011 Executive report. An extract of that report showing how the Local Plan would be developed up to the Preferred Options stage in March 2012 was attached at Appendix Four, to the report.

Nevertheless, in overall housing supply terms, as the note at Appendix Two indicated, the Council needed to plan for a level of growth that would apply to each of three separate 5 year periods that make up the 15 years of the plan period (this would be 2013 to 2028 as the plan would not be implemented until its adoption in late 2013/14). In addition, an allowance could be made for 'windfalls' in the final 5 year period subject to the availability of allocated sites.

An initial assessment of a level of housing growth in the region of 550 new homes per annum on allocated sites was considered to be an appropriate basis upon which the Local Plan could be developed, enabling the detailed assessments as set out to be conducted to test the appropriateness of that level of growth. A housing allowance of that order would provide a total of 8,250 new homes over 15 years.

Part of the detailed assessment required relates to a future windfall allocation which, as Appendix Three of the report highlighted, would only potentially be appropriate for years 11-15 of the new Local Plan period. If such a windfall allowance was to be determined to be appropriate the level of any such allowance would need to be closely examined. However, evidence from the current Local Plan period (1996-2011) showed that an allocation of a windfall allowance of 1,793 homes would be justified if it was considered appropriate that the allowance should be based on an average of the windfall completions over the full 15 year period covered by that plan.

The full number of completions on windfall sites, compared to those derived from sites allocated within the current Local Plan, was set out in Appendix Five to the report. An average based on the full Local Plan period had the advantage of covering both the period of the highest windfall numbers during periods of a strong housing market and the lower growth periods associated with the market recession.

To illustrate the impact of any future windfall allocation, if an allowance of 1,793 windfall homes was added to a base position of 550 homes per annum (8,250 over the full 15 year period) a Local Plan based on this level of housing growth would provide an average of 670 new homes per annum over the plan period. Such a figure was well within the range of potential need indicated by the SMHA, indicating a potentially low level of risk that such a plan would be deemed 'unsound' at examination.

The Council would be exposed to a significant risk should the independent examination deem that the draft Local Plan it had submitted was 'unsound'. The draft NPPF stated that in the absence of an up to date Local Plan, the presumption would be that any application for development would be granted if it accorded with national planning policy. Therefore, in the absence of an approved Local Plan the balance in decision making would be significantly tilted in favour of landowners/developers.

The consequences of such a scenario would directly conflict to the entire thrust of national planning policy which sought to ensure that all development and growth was 'plan-led' and locally determined. It was therefore critical that the Council ensured it achieve the adoption of its new Local Plan in accordance with the timetable set out at Appendix Six, to the report, and that members remained aware that a failure to pass the 'soundness' test at the examination stage would mean this could not be achieved. Members were also reminded that a separate report elsewhere on the agenda (Annual Monitoring Report and review of the Local Development Scheme) recommended that this timetable be approved for submission to the Department of Communities and Local Government.

The finding at examination that the draft Local Plan was 'unsound' would also require the Council to start the process of preparing a new, sound, plan afresh. This would incur significant additional, unplanned, expense at a time that the Council was seeking to make considerable savings from its revenue budgets.

The timetable at Appendix Six covered the period from March 2012 onwards. Council would be asked to approve the Preferred Option at its meeting of 28 March 2012 by which time the initial 'soundness' testing of the preferred level of growth would have been tested, as set out at paragraph 3.13 of the report. Council would also receive an initial draft of the set of strategic delivery plans that would accompany the final draft Local Plan (i.e. the version submitted to the Secretary of State for examination and approval) and ensured that the Council could deliver its Vision.

The final recommendation was for the development of a Community Infrastructure Levy (CIL) scheme for the District which, it was proposed, should be developed in parallel to the Local Plan. CIL was not a new initiative introduced by the Coalition but had been retained and promoted as an optional incentive that Council's could choose to adopt, designed to encourage growth.

Once established, CIL would apply to most new building, with a locally determined scale of charges based on the size and type of new development. The monies delivered through CIL would go into a central 'pot' that could be used to mitigate the consequences of development by funding infrastructure, e.g. flood defences, open space, recreation and sport, roads and transport facilities, education and health facilities.

To enable a CIL scheme to be adopted it would need to be tested by independent examination like the Local Plan itself. Recent advice from the Planning Inspectorate was that it could be preferable to seek a CIL Examination either simultaneously or (preferably) just after a Local Plan Inquiry, where possible utilising the same Inspector for both hearings.

The other advantage of running the development of a CIL scheme in conjunction with the Local Plan process was that it would allow adoption prior to

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2014. After that date, changes to the rules on 'pooling' of funding derived from section106 agreements would limit the effectiveness of the use of this source of funding to deliver major infrastructure projects.

The recommendations in the report were proposed by Councillor Caborn, duly seconded and it was:

RESOLVED that

- (1) the strategy statement 'The future and sustainable prosperity for Warwick District' as set out at appendix one, of the report, as the basis for the Council to prepare a Local Plan for the period to 2028, be approved;
- (2) the future work, to be undertaken prior to the recommendation of Preferred Options to the March 2012 Council meeting, to enable the environmental and infrastructure impacts and the deliverability of preferred growth figure contained within the strategy statement to be fully tested, be noted;
- (3) the proposed timetable for adoption of the Local Plan as set out at appendix six, of the report;
- (4) the risks of the Local Plan being deemed to be 'unsound' at independent examination, be noted,
- (5) the adoption of a Community Infrastructure Levy for the District, be brought forward, in parallel with the timetable for the development of the Local Plan.

61. Annual Monitoring Report & Review of the Local Development Scheme

The report sought approval for the Annual Monitoring Report 2011 (AMR) submission to the Secretary of State in accordance with the Local Development Regulations. The AMR assessed the extent to which existing planning policies and proposals were being implemented against a range of indicators.

The AMR also monitored progress on the preparation of planning policy documents and therefore informed the review of the Council's Local Development Scheme (LDS). This was a project plan that outlined what planning policy documents the Council intended to prepare. The Council approved its current LDS in January 2011 and this was brought into effect in February 2011 following its submission to the Secretary of State.

Therefore, the report also sought approval for a revised LDS to be submitted to the Secretary of State in light of progress that the Council had made during 2011, and changes agreed by Executive in September to the Local Plan timetable.

The Council were required to submit an Annual Monitoring Report (AMR) to the Secretary of State each year. The AMR recorded the extent to which the Council's planning policies were achieving their objectives having regard to a range of indicators. The 2011 AMR therefore monitored progress on the implementation of key policies from the adopted Local Plan, as well as its

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supporting Supplementary Planning Documents, for the monitoring period April 2010 to March 2011.

In line with Government guidance, the AMR recorded progress towards meeting targets or milestones originating from local, regional or national policy. This included progress towards meeting the Structure Plan employment land requirements, the adopted Regional Spatial Strategy housing requirements and the Corporate Strategy target for the provision of affordable housing.

The Executive Summary of the AMR provided a summary of performance against the detailed indicators. The complete AMR was attached to the report as Appendix B.

The AMR recorded the Council's progress in preparing planning policy documents as set out in its Local Development Scheme (LDS). This annual review provided an opportunity to update the LDS in light of progress made during the year. The current LDS was approved by Executive in January 2011. The draft proposed LDS was set out in full in Appendix A, to the report.

The factors that resulted in the requirement to amend the timetable for the Local Plan (Core Strategy) in the LDS were set out in the report to September Executive (Interpreting the Vision – The Way Forward to 2028), and a revised draft timetable was also included. In this context, and as progress was being made towards achieving this timetable, no further revisions were recommended at this stage.

It was important for the Council to set out its programme for other planning policy documents that would be required to support the Local Plan after its adoption. As agreed by Executive last year, work had already commenced on an Area Action Plan for Warwick Town Centre. Its timetable was amended to reflect the current position and the revised timetable for the Local Plan, as the process onwards to adoption of the Area Action Plan was recommended to be aligned with the Local Plan in order to potentially reduce the costs of examination by an Inspector.

As also agreed previously, an Area Action Plan for Leamington Town Centre was to be prepared recognising the need to plan for the longer term strategic retail, office and leisure requirements of the District, and address wider issues such as regeneration, conservation and transportation. The changes and delay in the process of preparation of the Local Plan meant that resources would not be freed up to commence this work in 2012 and it was therefore recommended to be deferred for 12 months to commence in 2013.

These changes would create additional capacity towards the end of 2013 to begin preparation of further area action plans, for example for Kenilworth town centre or the deprived wards, or assist in the preparation of neighbourhood or parish plans as indicated within the Localism Act and Draft National Planning Policy Framework. However, it was considered appropriate to wait until the Localism Act was fully enacted and details of the process for bringing forward neighbourhood plans were finalised, before further development plan documents were proposed.

There was a possibility that minor changes may be required either before submitting the LDS to the Secretary of State or following their response. In the light of this, and so as not to delay the LDS coming into effect, it was felt prudent to allow for authority to be given to the Deputy Chief Executive, in

consultation with the Development Portfolio Holder, to agree any minor changes to the document that may be needed. Should any change of substance to the document be required, these changes would be brought back to Executive for approval.

RESOLVED that

- (1) the Annual Monitoring Report, be approved, for submission to the Secretary of State;
- (2) the draft Local Development Scheme, including the project plans attached as Appendix A to the report, be approved, for submission to the Secretary of State;
- (3) the Local Development Scheme shall be approved, to have effect from the date when the Secretary of State notifies the Council that he does not intend to direct the authority to amend the Scheme; and
- (4) authority be delegated to the Head of Development Services, in consultation with the Development Portfolio Holder, to agree any minor amendments to the Local Development Scheme prior to, or after submission to the Secretary of State.

62. **GOVERNMENT CONSULTATION ON COMMUNITY INFRASTRUCTURE LEVY: DETAILED PROPOSALS AND DRAFT REGULATIONS FOR REFORM**

The Government set out proposals to reform the Community Infrastructure Levy (CIL) within the Localism Act and was now consulting on the detailed implementation of these in relation to delivering neighbourhood funding and the use of CIL to provide affordable housing.

The Community Infrastructure Levy (CIL) came into force in April 2010 through the Community Infrastructure Regulations 2010 and was later amended through the Community Infrastructure (Amendment) Regulations 2011. The CIL allowed local authorities to charge a levy on new development to raise funds to provide the infrastructure needed to support development. Single and second tier local authorities could charge and spend the levy and were known as charging authorities. The charging rates imposed were based on the size and type of development and must be subject to consultation and supported by evidence relating to impact on the economic viability of development. Charging authorities may pass funds to other bodies such as upper tier authorities and use CIL monies to fund the development of infrastructure outside their administrative area.

The government was seeking views on the detailed implementation of proposals to reform the CIL set out in the Localism Bill. A set of draft regulations together with a consultation document outlining the effect of these had been published. The consultation period closed on 30 December 2011.

Due to the significant potential for the future use of CIL to enable improvements for communities it was considered important that the Council respond to the consultation. This report highlights the key aspects of the

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proposed reforms in relation to neighbourhood funding and the use of CIL for affordable housing and proposed a draft response, as set out at Appendix A, to the report.

Full details of the consultation proposals were available from the Communities and Local Government website.

RESOLVED that

- (1) the Government's Community Infrastructure Levy Consultation: Detailed Proposals and Draft Regulations for Reform, be noted; and
- (2) the response to the Government's Community Infrastructure Consultation questions as set out in Appendix A to the report, be approved.

63. **COMMON SEAL**

It was

RESOLVED that the Common Seal of Warwick District Council be affixed to such deeds and documents as may be required for implementing decisions of the Council arrived at this day.

(The meeting ended at 7.36 pm)

CHAIRMAN
25 January 2012