

A meeting of the Executive will be held remotely on Monday 13 July 2020, at 6.00pm and available for the public to watch via the Warwick District Council [YouTube channel](#).

Membership:

Councillor A Day (Chairman)

Councillor J Cooke

Councillor R Hales

Councillor J Falp

Councillor J Matecki

Councillor M-A Grainger

Councillor A Rhead

**Also attending (but not members of the Executive):**

Chair of the Finance & Audit Scrutiny Committee

Councillor J Nicholls

Chair of the Overview & Scrutiny Committee

Councillor A Milton

Green Group Observer

Councillor I Davison

Liberal Democrat Group Observer

Councillor A Boad

Labour Group Observer

Councillor G Cullinan

**Agenda**

1. **Declarations of Interest**

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be disclosed during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

2. **Minutes**

To confirm the minutes of the meeting held on 29 June 2020

**(To follow)**

**Part 1**

(Items upon which a decision by Council is required)

3. **Review of Local Government Structure in Warwickshire**

To consider a report from the Chief Executive

**(Pages 1 to 32)**

## **Part 2**

(Items upon which a decision by Council is not required)

4. **Adoption of the Affordable Housing and Developer Contributions SPDs**  
To consider a report from Development Services **(Pages 1 to 111)**
5. **Review of Significant Business Risk Register**  
To consider a report from Finance **(Pages 1 to 2)**
6. **Final Accounts 2019/20**  
To consider a report from Finance **(Pages 1 to 20)**
7. **Warwick District Leisure Development Programme – Kenilworth Facilities**  
To consider a report from Cultural Services **(Pages 1 to 14)**
8. **Use of Delegated Powers – Additional Recurring Budget for the Financial Management Solution**  
To consider a report from Finance **(Pages 1 to 5)**
9. **Community Stadium and Associated Developments**  
To consider a report from Cultural Services **(Pages 1 to 11)**
10. **Public and Press**  

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following items by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Item Nos.	Para Nos.	Reason
	1	Information relating to an individual
	2	Information which is likely to reveal the identity of an individual
11, 12	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
11. **Business Loans**  
To consider a confidential report from the Chief Executive **(Pages 1 to 10)**  
**(Not for publication)**
12. **Minutes**  
To confirm the confidential minutes of the meeting held on 29 June 2020

Published Wednesday 1 July 2020

General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

Telephone: 01926 456114

E-Mail: [committee@warwickdc.gov.uk](mailto:committee@warwickdc.gov.uk)

For enquiries about specific reports, please contact the officers named in the reports You can e-mail the members of the Executive at  
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# Executive

Minutes of the meeting held remotely on Monday 29 June 2020, which was broadcast live via the Council's YouTube Channel.

**Present:** Councillors Day (Leader), Cooke, Falp, Grainger, Hales, Matecki and Rhead

**Also present:** Councillors: Boad (Liberal Democrat Group Observer), Nicholls (Chair of Finance & Audit Scrutiny Committee); Milton (Chair of Overview & Scrutiny Committee); and Davison (Green Group Observer).

## 1. **Declarations of Interest**

Minute number 3 (IV) - Community Infrastructure Levy (CIL) Project List for 2020/21

Councillor Falp declared an interest because she was a Whitnash Town Councillor and did not speak or vote on the item.

## 2. **Minutes**

The minutes of the meeting held on 12 February 2020 were taken as read and signed by the Chairman as a correct record. Members also noted that Appendix D to the Minutes of 12 February 2020 had changed substantially since the meeting.

### **Part 2**

(Items upon which a decision by the Council was not required)

## 3. **Urgent Decisions Made under Delegated Powers CE (4)**

Due to the Coronavirus outbreak, and in line with the self-isolation Government advice, the meetings of the Executive were temporarily cancelled. As a **result, decisions were taken under the Chief Executive's** delegated authority CE(4).

The items below were urgent matters which could not wait until the next Executive meeting. Due to the Coronavirus outbreak, it was not known when the Council meetings would resume. This resulted in the use of delegated power CE(4), which stated:

*"The Chief Executive be authorised to deal with urgent items that occur between meetings, in consultation with the relevant Deputy Chief Executive, Head(s) of Service (if available) and Group Leaders (or in their absence Deputy Group Leaders), subject to the matter being reported to the Executive at its next meeting."*



(I) **Use of Delegated Powers – Amendment to the Statement of Community Involvement**

The Executive considered a report from Development Services.

The provision of a Statement of Community Involvement (SCI) was a statutory requirement. Warwick District **Council's SCI required an update** in order for consultations to be able to continue in times of crisis such as the global pandemic taking place at the time.

The provision of a Statement of Community Involvement (SCI) was a statutory requirement, and needed to be reviewed and refreshed every five years. The proposed SCI would not constitute a review of the document, and a full revision would take place during 2020.

The SCI update inserted provision for undertaken consultations in times of national crisis, such as the Coronavirus pandemic taking place at that time. This change meant that consultations took place solely online at the time, with hard copies of documents (usually viewed at deposit points) unavailable.

The proposed amendment was in line with government guidance and had been reviewed by legal officers.

In terms of alternative options, none were considered as the decision was already made and the report was for information only.

**Resolved** that the decision taken by the Chief Executive, after Consultation with Group Leaders, under delegated authority CE(4) to agree to the amendments to the Statement of Community Involvement (attached as Appendix 1 to the report).

(The Portfolio Holder for this item was Councillor Cooke)

(II) **Use of delegated powers - Service Area Plans for 2020/21**

The Executive considered a report from the Deputy Chief Executive (AJ) **requesting the approval of the Council's Service Area Plans for 2020/21.**

Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was cancelled. As a result, the decisions on the agenda for that meeting were taken under the Chief **Executive's delegated authority CE(4). The Service Area Plans (SAP) at Appendices A-J to the report were agreed as the Council's programme of work for the financial year 2020/21.**

From 1 April 2020, the Council would have ten Service Areas – Assets; Chief **Executive's Office; Cultural Services; Development Services; Finance; Health & Community Protection; ICT; Housing Services; Neighbourhood Services;** and People and Communications - each of which, following consultation with

the respective Portfolio Holders, produced an annual SAP. The SAP comprised five parts:

- Part 1 - Purpose of the Services Provided
- Part 2 - Managing Service Delivery
- Part 3 - Managing and Improving People
- Part 4 - Budget (Main budgetary pressures and changes)
- Part 5 - Managing Planned Changes, Major Work-streams and Projects

The individual plans sought **to describe a Service Area's scope of services** and projects, and how delivery would be managed through the respective **Service Area's resources**. In aggregate, the SAPs were the programme of work for the Council for the financial year in question.

The Executive was asked to agree the SAPs at Appendices A-J, noting that the Plans were produced so as to be consistent with the Business Strategy, General Fund and Housing Revenue Account Budgets and Climate Emergency Action Programme. Performance against the SAPs would be reported to Executive twice-yearly.

In terms of alternative options, none were considered as the decision was already made and the report was for information only.

**Resolved** that the decision taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE(4) to agree the Service Area Plans (SAP) at appendices A-J **as the Council's** programme of work for the financial year 2020/21, and that the Plans have been produced so as to be consistent with the Business Strategy, General Fund and Housing Revenue Account Budgets and Climate Emergency Action Programme agreed by Council on 26<sup>th</sup> February 2020, be noted.

(The Portfolio Holders for this item were Councillors Cooke, Day, Falp, Hales Matecki, Morris and Rhead)  
Forward Plan Reference 1,121

### (III) **Use of delegated powers - Relocation of Kenilworth Rugby Football Club**

The Executive considered a report from Development Services informing Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to approve the Council entering negotiations for the purchase of land currently occupied by Kenilworth Rugby Football Club (hereafter referred to as KRFC) at Thickthorn Kenilworth, and also to take proactive steps to help facilitate the development of land at Warwick Road for sporting use.

Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was

cancelled. As a result, the decisions on the agenda for that meeting were **taken under the Chief Executive's delegated authority CE(4).**

In September 2017, Warwick District Council adopted the Warwick District Local Plan 2011-2029. **Local Plan policy DS11 'Allocated Housing Sites'** addressed the allocation of land for housing development and associated infrastructure. Site H06 – East of Kenilworth (Thickthorn) – was given an indicative allocation of 760 dwellings and included two parcels of land occupied by KRFC. The club benefitted from the freehold of a parcel of land c.1.8 hectares in area, which included **the club's first team pitch and** clubhouse, shown at Appendix 2 to the report, and also occupied a larger parcel of land, c.7.6 hectares in area, shown in Appendix 1 to the report, and physically separated by the smaller parcel, under a 999 year long-leasehold (over 965.5 years remained) from the freeholder Stoneleigh Estates.

KRFC wished to improve and expand the use of its facilities, and to locate onto a single site, and this was not possible at the existing sites it occupied. It therefore approached the Council to see whether an alternative site was available.

Local Plan policy DS23 allocated land for outdoor sports and recreation in Kenilworth. In relation to the matter under consideration it stated that:

***"and land at Warwick Road (SP2), Kenilworth, as shown on the Policies Map, is allocated for provision of outdoor sport.***

***Appropriate facilities associated with the provision of outdoor sport will be permitted provided that they preserve the openness of the green belt and do not conflict with the purposes of including land within it".***

KRFC considered that by relocating their current site to SP2, shown at Appendix 3 to the report, it could improve and expand its facilities whilst consolidating facilities on one site.

KRFC was approximately 34.5 years into the 999-year lease. Its plan was to sell its freehold interest in the main club site at Glasshouse Lane, to partly fund the relocation of the club. In tandem with its landlord, respective **interests in the larger 'Cowpatch' site would be surrendered** contemporaneously to a third-party, for a capital sum. That capital sum was estimated to be considerable and based on the work that KRFC had already undertaken would: enable new facilities to be developed at the Warwick Road site; enable an endowment to be put aside to ensure the long term future of KRFC; and allow for a payment to be made to Stoneleigh Estates. Discussions took place between KRFC and Stoneleigh Estates over a number of years and they were in agreement to this approach.

The capital sum to be paid to Stoneleigh Estates had still to be agreed between the parties, however, KRFC was clear that this sum needed to take into account of the need to develop the Warwick Road site and provide the endowment. If these elements were not agreed, then KRFC would be unable to move and given the length of tenure benefitting KRFC, Stoneleigh Estates would receive no capital sum.

KRFC and Warwick District Council (WDC) officers had worked closely over the last few years to arrive at the position where Local Plan policies were in **place to facilitate KRFC's move**, and the Council had supported the rugby club in their negotiations with the landowner of the Warwick Road site and also with Network Rail (the new site spanned a railway line and access was required over existing railway bridges). Whilst KRFC had been clear that they were looking for best value from offers for their land, the relationship with the Council led KRFC to consider whether it would be advantageous for the Club to enter into a deal with the Council whereby the Council would take a **freehold interest in one or both of KRFC's current sites**. KRFC therefore indicated that if the Council was able to meet its valuation of the site, then it would be happy to do a private deal with the Council.

KRFC indicated that they intended **to market the 'Cowpatch' in the near future**, with the first team pitch site anticipated to be marketed at a later date. Based on discussions with the club it appeared less likely that the Council would be able to compete with the market for the smaller site.

If the Council was unsuccessful in meeting the valuation of the club and therefore did not purchase the site, officers would also consider if there were any opportunities whereby the Council could work with any successful bidder to take on the affordable housing element to be provided within the scheme.

The following strategic approach was **followed with regards to KRFC's** relocation to Warwick Road:

- KRFC would fund the construction of the new facilities at Warwick Road with the funds it received from the sale of the current sites;
- **If able to meet KRFC's valuation for the sites**, WDC would promote and/or develop the Thickthorn land for housing;
- **If unable to meet KRFC's valuation** for the sites, the land would be sold to private developer(s) and WDC would see the return of the up-front funding it has provided; and
- The development of the Thickthorn land would result in the following:
  - A share for Stoneleigh Estates
  - KRFC share arising from its interest in the land
  - A share for KRFC to pay for the construction of the facilities on site.

Executive made it clear that it wished to take a more proactive role in the housing market, but had **been stymied by the Council's lack of land in its** ownership available for development. This meant that any significant house-building programme would rely on the purchase of land at market rate. The proposal put forward by KRFC enabled officers to explore land purchase of a significant scale.

To undertake the work necessary to progress the negotiations, officers needed to call on professional assistance, for example, surveys, legal advice, market intelligence and site capacity work. A budget with sufficient funds (the Housing Strategy and Development budget) was available to undertake this work and therefore no additional funding was sought from Executive for this. It was also necessary for much internal work to produce the business

case to ensure the proposal was affordable to the Housing Revenue Account and the General Fund.

If officers determined that they wished to recommend to Executive that an offer should be **made for either of KRFC's sites and satisfactorily negotiated** with KRFC, then a report(s) would need to be submitted to Executive and/or Council for the necessary permissions and release of funding.

The Executive was made aware in making a decision on recommendations 2.3 and 2.4 in the report that recent experience of others sites had demonstrated that even with such an arrangement, as outlined in the report, this neither guaranteed a successful land purchase, nor committed the Council to make a bid that matched or exceeded any market offer. The Council would undertake its own valuation and site capacity work which would form the basis of any offer, and if that suggested a value that was notably lower than what a private developer was able to offer, then it might be inappropriate for the Council to continue to compete for the site(s).

The relocation of KRFC to Warwick Road was a key part of the delivery of the Local Plan in Kenilworth. The relocation would provide the town and District with enhanced leisure facilities and would enable the development of the two rugby club sites for residential development, which together could enable around 200 dwellings to be delivered. This was important in delivering a comprehensive development in East Kenilworth as required by the Local Plan and reinforced by the Land East of Kenilworth Development Brief. Without **the Council's support with up-front funding**, there was a risk of delay in the relocation of the club and therefore housing delivery. Whilst the Council was satisfying its five-year housing land supply and the Housing Delivery Test, delays on large sites potentially put this at risk.

The opportunity to **purchase KRFC's current site** was one of a number of opportunities that had been explored, which might make possible the **Council's long-held** ambition of delivering an extensive house-building programme. However, this opportunity would only have arisen if, in effect, the Council was **prepared to put itself "in the shoes" of a developer**.

KRFC was a community sports club and had limited funds. To take its plan forward, KRFC relied on a developer providing up-front at-risk funding so that it could achieve the necessary planning consent to hopefully move to the Warwick Road site. At the time of writing, it was estimated that the cost of **this work would be up to £300k. The developer's position would be that in** return for providing this funding, it would have secured an option on the Thickthorn land so that it would ultimately be the freeholder when KRFC moved.

If the Council wished to secure the land with the prospect of developing housing, it needed to act in a commercial manner by providing the up-front funding. However, there was a way to do this and release the up-front funding to KRFC without waiting for all the legal agreements for land purchase to be completed. It was proposed that WDC and KRFC should enter into a similar agreement as the Council had with Kenilworth Wardens, as described below.

Facing similar circumstances, WDC agreed an approach with the neighbouring community sports club, Kenilworth Wardens, whereby the Council would provide forward funding. In that situation, a formal Project Agreement between the two parties was made and set out how the two parties would work together on the project. The agreement included details of the security that the Council had over this forward funding, which was through a charge on the existing land. The charge would remain in force until the preliminary funding was repaid to the Council either by:

- (a) If the project proceeded to Phase 2 (Acquisition and Disposals), the preliminary work funding paid by the Council would be deducted from the **club's** return when the Council purchased the Thickthorn Land (unless otherwise agreed by the parties); or
- (b) In the event that the project did not proceed to Phase 2 and the Thickthorn Land was disposed of at any point in the future, the preliminary work funding paid by the Council needed to be repaid within five working days of the Thickthorn Land being disposed of. The Agreement acknowledged that there could be a requirement for additional funding in excess of the initially agreed amount to carry out the preliminary work and under such circumstances, both parties needed to agree whether or not to continue with the Project and if so, how the remainder of the preliminary work would be funded.

It was possible that should WDC provide up-front funding and planning permission was not achieved or the land values did not provide enough funding to enable KRFC to move, then WDC would have a charge against land that could not be developed.

If Members agreed to the approach, then it was recommended that the Executive agrees to make available up to £300k from the New Homes Bonus to enable KRFC to complete all the necessary steps to submit a planning **application subject to appropriate security being put in place. The Council's** Head of Finance and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), in conjunction with the Portfolio Holders for Finance and Development Services, would **work with the Council's solicitors to ensure** that the necessary security was achieved and that an appropriate commercial return was received. Within the Budget report agreed in February, £300,000 was included in the Revenue Budget to accommodate this transaction. This was funded from the Business Rate Retention Volatility Reserve in 2020/21, with the Business Rate Retention Volatility Reserve to be replenished from the anticipated New Homes Bonus in 2021/22.

Council officers remained committed to supporting the KRFC relocation project as it would enable the delivery of Local Plan housing and outdoor sport allocations; enable the comprehensive development of allocated land in east Kenilworth in accordance with the Local Plan and the Land East of Kenilworth Development Brief; and would provide residents of the District with new and enhanced outdoor sports facilities. Without additional forward funding, there was a risk that the project would stall and impact upon the delivery of housing on the existing site.

A formal Project Agreement needed to be drafted and put in place relating to the up-front funding and how both parties would communicate and work together in relation to the relocation project. In order to draft the legal agreement and apply the charge on the land, the Council required legal expertise. The Project Agreement followed a similar approach, as followed with Kenilworth Wardens and their relocation project.

In terms of alternative options, no alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that Executive notes the decisions taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE(4) to:

- (1) note the Warwick District Local Plan position as it relates to KRFC;
- (2) **note the financial principles underpinning KRFC's** plan to move to a new site;
- (3) agree that officers enter into negotiations with KRFC for the in-principle purchase of the land allocated in the Local Plan for housing at site H06 occupied by KRFC thereby helping to facilitate the relocation of KRFC to land at Warwick Road and that the terms of funding for the land purchase **are developed by the Council's Heads of Finance** and Housing and Deputy Chief Executive & Monitoring Officer (DCX (AJ)), in consultation with the Portfolio Holders for Finance, Housing and Development Services, having taken appropriate **advice from the Council's solicitors**. Should negotiations lead to a satisfactory conclusion, then a report(s) will be submitted to Executive and/or Council for the necessary permissions and release of funding;
- (4) agree to make available up to £300k from the New Homes Bonus to enable KRFC to complete all the necessary steps to submit a planning application and achieve all the necessary consents for its relocation subject to appropriate security **being put in place as agreed by the Council's Head of Finance and Deputy Chief Executive & Monitoring Officer (DCX (AJ))**, in consultation with the Portfolio Holders for Finance and Development Services, having taken appropriate advice from **the Council's solicitors; and**
- (5) delegate the details of a legal agreement (and applying a charge on the land) that will be required to be entered into with KRFC relating to

the up-front funding to the Council's DCX (AJ) and Section 151 Officer and that expenditure was authorised of up to £3,000 in legal costs funded from the Service Transformation Reserve to draft and complete the necessary legal agreement.

(The Portfolio Holders for this item were Councillors Cooke, Hales and Matecki)  
Forward Plan Reference 1,117

(IV) **Use of delegated powers - Community Infrastructure Levy (CIL)  
Projects List for 2020/21**

The Executive considered a report from Development Services informing Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to approve the proposed CIL Projects list for 2020/21 as the basis for focusing the distribution of CIL receipts collected during the year.

Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was cancelled. As a result, the decisions on the agenda for that meeting were **taken under the Chief Executive's delegated authority CE(4).**

In March 2019, Executive agreed the "Regulation 123 List" projects that the Council would fund from anticipated CIL receipts in 2019/20. This formed the basis on which CIL contributions received were distributed in the previous year. An additional project was added to the 2019/20 list in November 2019 (the Whitnash Civic Centre and library).

Table 1 below identified all those CIL projects contained within the CIL Projects List, indicated how much CIL income was allocated to each project in 2019/20, and set out how much it estimated would be spent by the end of March 2020.

<b>Table 1: Spending on CIL Projects in the 2019/20 CIL Projects List</b>		
	<b>CIL spending for 2019/20 (£)</b>	
<b>Infrastructure Project</b>	<b>Agreed</b>	<b>Actual spend</b>
Destination Parks	Nil	Nil
Bath Street Improvement Scheme	195,000	45,000
Emscote Road Multi Modal Corridor Improvements	200,000	100,000
Warwick Town Centre Improvement works	373,000	373,000
Kenilworth Leisure (Phase 2): Castle Farm Recreation Centre	Nil	Nil
Medical facilities - N Leamington (Cubbington/Lillington)	60,000	60,000
Wayfinding in Leamington, Kenilworth and Warwick	£70,000	Nil



<b>Table 1: Spending on CIL Projects in the 2019/20 CIL Projects List</b>		
	<b>CIL spending for 2019/20 (£)</b>	
<b>Infrastructure Project</b>	<b>Agreed</b>	<b>Actual spend</b>
Whitnash Civic Centre and Library	410,000	410,000 (*)
PLUS CIL Administrative charge	60,000	60,000
<b>Total</b>	<b>1,368,000</b>	<b>1,048,000</b>
* This money was allocated in 2019/20, however would not be drawn down by Whitnash Town Council until later in 2020 during the construction of the centre.		

In terms of understanding how much money the Council was likely to have available from CIL contributions to fund projects over the following five years, it was possible to estimate this using the latest Local Plan housing trajectory. If the Housing Trajectory was achieved for 2019/20, CIL was predicted to deliver the following as set out in table 2. (It should be remembered that a proportion of CIL receipts (15% or 25%) needed to be distributed to Town and Parish Councils and therefore was not available to the District Council to allocate).

<b>Table 2: Estimate of future CIL income to Warwick District Council</b>			
	<b>Total (£)</b>	<b>If 15% passed to parish councils (£)</b>	<b>If 25% passed to parish councils (£)</b>
2020/21	6,020,500	5,037,000	4,444,000
2020 - 2025	30,827,300	26,226,000	23,140,000

To this income should be added an estimated £1,013,000 of CIL income that was collected, but would remain unspent as at 31 March 2020 (taking account of all spending commitments in the 2019/20 CIL Projects List in table 1). Therefore, the amount of money available for projects within the CIL Projects List was predicted to be in the range of £5,458,000 to £6,050,000 for 2020/21, and £24,153,000 to £27,238,000 for the period 2020 to 2025.

It was noted that the actual amount of CIL received was not easy to predict accurately. CIL was payable within 60 days of developments starting on site, and was entirely dependent upon the rate at which new development came forward. Nevertheless, the above figures were the best estimate the Council could provide at the time for likely future level of CIL income.

In the Autumn of 2019, the Government changed CIL regulations to remove Regulation 123 and with it, the legal requirement to produce a list of CIL-funded projects. It was, however, still considered good practice to produce a list of CIL Projects, and this gave the Council a clear basis and mandate on which to allocate CIL receipts. For this reason, officers undertook the same

process as in previous years to seek to identify possibly infrastructure projects that CIL could fund, and to recommend which ones the Council should support. This process involved consulting with Infrastructure Providers including Warwickshire County Council, NHS South Warwickshire Foundation Trust, the Clinical Commissioning Group, the Police, and other services within Warwick District. These providers submitted proposals for consideration for inclusion in the list for 2020/21. A full description of all submitted proposals was set out in Appendix 2 to the report.

In August 2017, prior to the introduction of CIL and in consultation with the Development Portfolio Holder, the following criteria was put forward as the basis for assessing proposals for the (then) Reg. 123 list:

- Identified benefits of project:
  - Relationship to development proposed within the Local Plan
  - Extent to which project addressed current and projected issues
  - Anticipated impact on infrastructure capacity once project completed;
- Identification of the project within the IDP (Infrastructure Development Plan);
- Overall cost of project;
- Required level of funding from CIL (taking account of other sources of funding and the degree to which these are committed); and
- State of progress (was the scheme clearly planned and deliverable within the timescale envisaged?).

These criteria formed the basis upon which CIL projects were considered annually since that time. In the Autumn of 2019, and following the declaration of the climate emergency in Warwick District, Councillors asked that a further criterion should be added to assist in assessing proposals for 2020/21, that of the extent to which the proposal supported the commitments made to the climate emergency.

These criteria were included within the forms that infrastructure providers were asked to complete and was also used to assess proposals. An analysis of the submitted proposals against these criteria was undertaken and was set out in Appendix 3 to the report.

These criteria were identified to provide a way of fairly assessing infrastructure proposals from different organisations. In doing so, officers were conscious that, although Warwick District Council was the CIL charging authority and had the ultimate say on where CIL money was spent, the purpose of CIL was to collect money to spend on infrastructure that the community needed. In this context, the relationship between the CIL Projects List and the Infrastructure Delivery Plan (IDP) was important. The IDP was underpinned by an evidence base which was prepared alongside the Local Plan. Schemes in the IDP were therefore identified as being priorities to address the impact of growth. It was therefore, reasonable to use the IDP as the starting point for the CIL Projects list and officers were confident that the benefits of these schemes had been evidenced and tested alongside the Local Plan preparation and examination.

Notwithstanding this, it was also noted that the IDP was a dynamic document which recognised and responded to changing infrastructure needs. It also needed to be kept under regular review with new items of infrastructure included where these were justified. For this reason, the Council established an IDP Member Reference Group to review and update the IDP and assess the schemes that were proposed for inclusion on the CIL Projects List. This group met quarterly, and was used to assess these proposals as part of preparing this report. The IDP Member Reference Group supported the list of proposals on the CIL Projects List and the proposed distribution of CIL contributions for 2020/21, as set out in the report.

The schemes set out in Appendices 2 and 3 total, potentially, were in excess of £38m. There was clearly insufficient projected income to fund all of these projects and so an element of prioritisation was needed. In recommending a way forward, the following principles were proposed to underpin this prioritisation:

- It was predicted that between £24,153,000 and £27,238,000 would be available for the period 2020 to 2025. In line with the approach taken in previous years (and recognising the risk that development might not come forward in line with the Housing Trajectory), it was advised that the Council only committed funds in line with the more cautious estimate (i.e. assuming that 25% of all CIL receipts were handed over to Parish Councils). Therefore, a minimum of £24,153,000 was estimated to be available to fund CIL projects between 2020 and 2025; and
- The Development Portfolio Holder and IDP Member Reference Group suggested that the Council did not identify projects to meet all of the anticipated income (in line with the more cautious estimate) but held some of this in reserve. A figure of 15-20% was suggested as being held in reserve. The reason for this was that there might be occasions during the year when new projects emerged, which would be legitimate and would benefit from CIL contributions. If there was **no "headroom" with the CIL Projects List**, then the Council had less flexibility to support new projects. An example of this that came forward during 2019/20 was the Whitnash Civic Centre and library proposal.

On this basis, it was recommended that two of the projects for which bids were made, were not included in the CIL Projects List for 2020/21.

- Medical facilities (Leamington town centre): This scheme (up to £6.5m requested) could potentially have been suitable and eligible for CIL, in particular, recognising that there was significant population growth in Leamington town centre, and that this was taking place on a large number of sites. The scheme was, however, at a very early stage (no site had been identified at this stage and little feasibility and design work was undertaken) and so the project required further development before it could be considered further. Also, other sources of project funding had yet to be fully explored; and
- Newbold Comyn: This funding (£10.03m requested) was required to support improvements to Newbold Comyn, following an options

assessment and public consultation that took place during 2018 and 2019. The amount included in the bid reflected the amount proposed by the consultant. This scheme could potentially have been suitable and eligible for CIL. The scale of the funding request was, however, beyond the limit of anticipated CIL income over the following five years. Furthermore, the scheme was still at a consultative stage and final proposals had not been agreed, nor had all opportunities for outside funding, including private sector investment, been fully explored. (A draft masterplan for Newbold Comyn was to be considered by Executive in March 2020.)

Table 3 in the report listed the prioritised infrastructure projects which were recommended for inclusion in the List for 2020/21. In some cases, it was not proposed that the full amount of the bid should be supported, and the reasons for this were set out in the table. It was noted that all of the projects were on the (2019/20) CIL Projects List unless indicated.

Within Table 3, there was a CIL Administrative charge. CIL charging authorities were entitled under regulations to take up to 5% of CIL income as an administrative charge. In order to implement and deliver CIL, the Council had to employ a full-time CIL Administrative Officer and had to invest time and resources changing its systems and procedures. Whilst it was not proposed that the Council took its full 5%, an administrative charge of £325k (i.e. £65k per year) was considered reasonable. This was a small increase from the £60,000 agreed in 2019, which was **built into the Council's Medium Term Financial Strategy**.

Taken together with the list of schemes detailed in Table 3 in the report, it brought the total amount committed within the CIL Projects List to £19,925,000. This was against a project CIL income of £24,153,000. This left a reserve of £4,228,000, approximately 17% of the total, in line with the recommendations of the IDP Member Reference Group. (It was noted, however, that whilst there was a reserve projected over the subsequent five years, none of this would be available during 2020/21. This was explained in the paragraphs below).

As set out above, it was estimated that between £5,458,000 and £6,050,000 would be available from CIL contributions to spend in 2020/21. Taking the lower (more conservative) figure as the basis on which CIL contributions would be available, the following was recommended as the basis on which CIL receipts will be distributed in 2020/21.

<b>Table 4: Proposed distribution of CIL contributions in 2020/21</b>	
<b>Infrastructure Project</b>	<b>Proposed 20/21</b>
Destination Parks	Nil
Bath Street Improvement Scheme	£150,000
Emscote Road Multi Modal Corridor Improvements	£115,000
Kenilworth Leisure (Phase 2): Castle Farm Recreation Centre	£5,000,000

Medical facilities - N Leamington (Cubbington/Lillington)	Nil
Wayfinding in Leamington, Kenilworth and Warwick	£105,000
Europa Way bridge	Nil
Whitnash Civic Centre & Library	£250,000
PLUS CIL Administrative charge	£65,000
<b>Total</b>	<b>£5,685,000</b>

It was noted that there was an estimated shortfall of £227,000 in projected income against planned expenditure in 2020/21. Given that this was less than 4% of the total estimated income, and that the income was based on a **more cautious estimate in any event, this level of possible "overspend" was** considered reasonable. Notwithstanding this, it was recognised that it was possible that actual income during 2020/21 would be less than that projected. In the event that this happened, it was recommended that the amount given to the Kenilworth Leisure (Phase 2) project was reduced accordingly and not that each project took a proportionate reduction in funding (as was the practice in previous years).

Where CIL income was to be distributed to external partners, legal agreements were put in place to set out when payments would be made and ensure that any CIL contributions were spent appropriately. For projects delivered by the Council, Service Level Agreements were entered into with the relevant Head of Service.

To summarise therefore, the Council projected and recommended the following:

Minimum income to the Council from CIL between 2020/2025 (including any receipts carried forward from 2019/20)	£24,153,000
Total value of schemes on which this income can be spent (2020/25) (including an allowance for a CIL admin fee)	£19,925,000
Total CIL income to the Council from CIL during 2020/21 (including any receipts carried forward from 2019/20)	£5,458,000
Total recommended requested during 2020/21 from those infrastructure projects on the proposed CIL Projects list.	£5,685,000

The existing Scheme of Delegation allowed for the Head of Development Services to enter into agreements, providing for the transfer of funds received through CIL. The wording of the existing delegation specifically referred to CIL Regulation 123. Given that Regulation 123 was no longer in operation, a minor amendment to this wording was required, as set out in the recommendation.

In terms of alternatives, no alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that the Executive note the decisions taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE (4) to:

- (1) note the amount spent during 2019/20 on CIL Projects from the current CIL Projects List and the anticipated level of CIL Contributions to be received by the Council in the next five years;
- (2) approve the CIL Projects List for 2020/21 set out in Appendix 1 to the report;
- (3) approve that paragraphs 3.19-20 and table 4 in the report are used as the basis for distributing CIL receipts collected during 2020/21; and
- (4) amend the existing delegated authority to the **Head of Development Services as follows: "To enter into agreements providing for the transfer of funds received, as a result of payments to the Council under the Community Infrastructure Levy Regulations 2010 (CIL), to an infrastructure provider for a scheme which has been agreed by the Council"**.

**Recommends** to Council that the Scheme of Delegation be updated to reflect this change.

(The Portfolio Holder for this item was Councillor Cooke)  
Forward Plan Reference 1,102

(V) **Use of delegated powers - Newbold Comyn Draft Masterplan**

The Executive considered a report from Neighbourhood Services. Following the closure of the golf course at Newbold Comyn, a series of studies and public consultations had been carried out in order to develop a draft Masterplan. The report informed Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to agree a final Masterplan for the site.

Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was cancelled. As a result, the decisions on the agenda for that meeting were taken under the **Chief Executive's delegated authority CE(4)**.

The Sport Leisure and Culture Consultancy (SLC) were initially appointed in September 2018, to carry out a study looking into future uses for Newbold Comyn.

Following completion of this study and a further report to Executive in March 2019, SLC were re-appointed to carry out further work including a more detailed public consultation, Masterplan development and business planning. The report provided an update on each of these elements.

Engagement with identified stakeholders, together with a comprehensive public consultation exercise, was undertaken during September, October and November 2019, seeking feedback on the facility options developed during the initial study.

**The purpose of this consultation was to inform the Council on the public's** view of which facilities were to be included in the Masterplan. The responses were to be reviewed alongside an assessment of need and a consideration of financial sustainability.

The key conclusions emerging from the consultation were detailed below. A full breakdown of the results could be found at Appendix 1 to the report.

- the online survey generated a total of 3,346 responses;
- the vast majority of consultees were positive about enhancing opportunities for increasing physical activity at Newbold Comyn;
- the facility options with the strongest support through the online survey were nature trails, extension to the nature reserve, improving pedestrian routes, cycle trails and routes, adventure play area and café/visitor centre;
- the facility options with the strongest support through the c. 400 attendees of the two public drop-in sessions were exactly the same as the online survey. This demonstrated a clear consensus amongst local people about which facilities they favoured the most;
- support was indicated for activities that created a **'sense of wellbeing'**, and could be integrated into the existing landscape and were low cost or free to access;
- concern was expressed about the character of the site being spoilt and the impact upon wildlife and ecology of any over-development;
- transport to and from Newbold Comyn by public transport, bicycle and on foot could be enhanced;
- dog walkers wished to retain the unrestricted access to Newbold Comyn that they currently enjoy;
- improving disability access across the site was mentioned several times in the online survey comments and during the public consultation drop-in sessions; and
- mixed views were expressed, regarding golf at Newbold Comyn – some were strongly supportive of reinstating a full golf-course or the **'front 9 holes'** and some were strongly against reinstating any golf provision.

On 19 November 2019, SLC facilitated a workshop with Warwick District Council (WDC) Members and Officers to agree which facility options should be taken forward to the next stage of the feasibility study and Masterplan.

SLC took Members through an exercise to appraise the facility options which considered the need and viability of each proposed facility option. Each

option was then given a priority rating. A full summary of this workshop could be found as Appendix 2 to the report, however, due to commercial sensitivities, needed to be considered as private and confidential.

It was agreed that those facility options identified as a High or Medium priority should be taken forward to the next stage to test the feasibility of each one.

Facility Group	Priority Rating
Cycle trails / pedestrian routes / exercise trim trail	High
Extended nature reserve / nature trails	Medium / High
Artificial turf pitch	High
Redesigned golf offer – driving range, par 3, footgolf	Low
Outdoor Activity Centre – High ropes, climbing, zip wires, archery, dry tobogganing, woodland craft	Medium
Adventure golf / Pitch and Putt	Medium
Adventure Play	Medium
Skate park	Low
Café / Visitor Centre	High
Community garden / sensory garden	Low

A draft business case and feasibility report was produced which provided capital costs and options for management and operational arrangements for each facility.

The cost for delivering the draft Masterplan was £10,030,600. This figure was made up of capital and project costs. Further work needed to take place to identify funding sources and delivery models for each facility.

It was recommended that this viability work should take place over the coming months, and a final business case should be brought back to the Executive for approval in the summer, along with the final Masterplan. As agreed by the Executive at its 21 August 2019 meeting, the draft Masterplan was subject to a final public consultation.

The purpose of this consultation was to understand the public and **stakeholder's views on the draft Masterplan**. The feedback would inform any changes before a final version was brought back to Executive, alongside the business case referred to in paragraph 3.11 in the report.

The draft Masterplan proposed for consultation was included in Appendix 4 to the report.

It would consist of an online survey which would include an interactive map of the site. This would allow participants to review each facility on its own or to look at the site in its entirety.

There would also be public drop in sessions where the project team would be able to talk through the facility mix and provide further advice on the design.



Historically, these events had been very popular, so SLC would be in attendance to support officers.

There were a number of vacant outbuildings adjacent to Newbold Comyn. For clarity, Appendix 3 to the report showed each of the barns, referred to as:

A: The old clubhouse; and

B: The barns.

In the feasibility work carried out, a variety of uses for the outbuildings were considered which could have potentially supported the facilities and activities proposed through the Masterplan.

**The outcome of this work was that building 'A' could** add value to the wider project. The draft Masterplan proposed that the former golf club was re-purposed to serve outdoor activities. Minor reconfigurations to the internal layout were proposed to provide a reception area and lobby, a meeting/briefing room, a store for hire cycles and toilets.

The **buildings referred to as 'B' did** not have an identified use within the Masterplan. This position was informed by indicative budget estimates to repurpose the barns from their former agricultural use alongside a commercial appraisal that was presented to the Executive at its 21 August 2019 meeting. This commercial appraisal also stated that to **'do nothing' with the 'B' outbuildings**, was not an acceptable option.

On a short term basis, a potential use was identified as providing storage and workshop facilities for a local dance company, who had been based in the District for 30 years and who were at risk of being displaced from the town if an alternative was not found. This was subject to Executive approval, and the recommendations were provided in a separate report.

The long term future use would be decided once an Asset Review had taken place as part of the implementation of the Asset Management Strategy. This review would dictate the level of future investment and ensure that any future use was **capable of meeting the Council's needs and objectives**.

In terms of alternative options, no alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that Executive note the decisions taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE(4) to:

- (1) note the progress made by SLC on their study to determine the future of Newbold Comyn;
- (2) approve the proposed methodology for a further public consultation exercise which will seek views on the proposed Masterplan; and

- (3) note the work done to date in regard to the outbuildings and agree the next steps for determining their future use.

(The Portfolio Holder for this item was Councillor Norris)  
Forward Plan Reference 1,104

(VI) **Use of delegated powers - Local Development Scheme (LDS)**

The Executive considered a report from Finance informing Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to approve a refreshed Local Development Scheme (LDS). The LDS set out the work of the Planning Policy team over the next three years in terms of the production of planning documents, was a requirement of the Planning and Compulsory Purchase Act 2004 and was updated annually.

Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was cancelled. As a result, the decisions on the agenda for that meeting were **taken under the Chief Executive's delegated authority CE(4)**.

The adoption and publication of a Local Development Scheme was a statutory requirement of the Planning and Compulsory Purchase Act 2004, which laid out the coverage and duration of the document required. This included a provision for an annual review of the Scheme to ensure it remained relevant and up-to-date.

The Warwick District Local Plan (2011–2029) was adopted in September 2017 and as such, a revision of the LDS was required to detail the Development Plan Documents (DPDs) and Supplementary Planning Documents (SPDs) that were required to support the Local Plan and add further detail for applicants and decision makers.

Much of the programme of work was driven by commitments within the Local Plan. As well as these commitments, additional work would arise in response to either local planning issues or changes in national legislature. Where possible, these were factored into the scheme, and a refreshed LDS was produced annually to reflect progress made and any new areas of policy being worked on.

The 2019 LDS was adopted by the Executive in February 2019. A subsequent update to the LDS was approved by the Executive in November 2019 to allow for the introduction of a significant new DPD related to climate change and the rearrangement of other areas of work.

The LDS removed the proposed Leamington Area Action Plan (AAP) from the work programme. This piece of work was on hold whilst the Creative Quarter and Leamington Neighbourhood Plan progressed. It was considered that work on both projects, as well as the work done on the Leamington Town Centre Visioning, was sufficiently advanced as to render the production of an AAP superfluous.

This LDS also included a separate work stream on the revision, consultation and adoption of a new Statement of Community Involvement (SCI) during 2020. A review of SCIs was required every five years, with the current one being adopted in January 2016.

The LDS proposed no other significant changes to that which was approved in November 2019, and set out the areas of work to be covered in 2022 that were not included in that paper.

The National Planning Policy Framework required Local Plans to be reviewed every five years to ensure that they remained relevant and continued to deliver the growth laid out in the plans. Work on the Plan Review would begin in earnest, with the identification and assembly of the required evidence base as well as identifying areas to update as a result of the publication of the revised National Planning Policy Framework in 2019. It was expected that this work would fully engage any capacity within the team over the period of the LDS, shown in Appendix 1 to the report.

In terms of alternative options, no alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that the Executive note the decision taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE(4) to note the content of the LDS (Appendix 1 to the report) and to agree the adoption of the LDS and its proposals for delivery of planning documents over the forthcoming three years.

(The Portfolio Holder for this item was Councillor Cooke)  
Forward Plan reference 1,083

(VII) **Use of delegated powers - Canalside Pre-Submission Development Plan Document (DPD) – Request to Consult**

The Executive considered a report from Development Services. The Warwick District Local Plan 2011-2029 was adopted in September 2017 and contained a commitment to bring forward a Development Plan Document (DPD) for the canalside.

A further commitment was made in the Local Development Scheme to produce relevant DPDs outlined in the Local Plan, such as the canalside.

Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was cancelled. As a result, the decisions on the agenda for that meeting were **taken under the Chief Executive's delegated authority CE(4).**

The adopted Local Plan stated **in policy DS17 'Supporting Canalside Regeneration and Enhancement'** that the Council would prepare and adopt a DPD, identifying areas for regeneration in the urban area suitable for other

uses and areas for protection throughout the canal network. The DPD set out policies for the assessment of planning applications in the canalside area.

Part of the commitment for the protection of the canal and surrounding areas was addressed through the designation of a Canal Conservation Area in January 2019. This was acknowledged and referenced in the DPD.

The DPD:

- identified the issues with regard to the use of the canals, both real and perceived, and the opportunities that a canalside location could provide;
- provided specific policies for the three areas outlined in the Local Plan for consideration as residential sites where there were currently employment uses and vacancies and assesses other potential sites;
- provided a range of policies dealing with: the use of the canal towpaths as a pedestrian/cycle route linking towns and countryside; access; protection of heritage assets, biodiversity and infrastructure; design of new developments; signage and public art;
- considered the future role of the canal itself and the potential to utilise as a source of water and contribute to urban cooling in helping to combat climate change; and
- recognised and acknowledged the benefits that the canalside area could have on health and wellbeing.

The Local Plan proposed three older areas of canalside employment for consideration for residential use. These areas were Sydenham Industrial Estate, Cape Road/Millers Road and Montague Road. Development of part of the Sydenham Industrial Estate for residential use took place with the area to the west of Sydenham Drive and immediately adjacent to the canal given over to new housing.

Following the decline in the use and interest in the canals post WWII, there had been a resurgence in interest in the canal network throughout the country. It was recognised that the canals formed a useful resource and as well as providing a network of tow paths that joined towns and countryside and providing a backdrop for leisure pursuits, they were also a valuable resource in providing places of peace and tranquillity, supporting the health and wellbeing of all who used them.

Examples of regeneration elsewhere and particularly in the bigger cities, Birmingham for example, demonstrate how this resurgence of interest and investment in the canals could assist with the regeneration of surrounding areas, providing a catalyst for new uses to be found for vacant land and buildings and raising awareness of the opportunities provided by the canals.

The pre-submission draft of the DPD, at Appendix 1 to the report, dealt with these issues and provided responses to these with policies that would be utilised by officers dealing with planning applications. Specific policies dealt with the redevelopment of redundant sites for residential use and a series of other opportunity sites were identified, examined and assessed for suitability to be taken forward for this and other appropriate uses.

As a DPD, the document followed the same procedure as the Local Plan, in that this final stage of formal consultation was required to test the soundness and legality of the document before it was placed before an independent inspector at public examination. The report of the inspector would be binding on the Council and any amendments needed to be made to the DPD before it was brought back to Executive for adoption, and to Council for ratification. At that point, it would carry the same weight as the Local Plan and become part of the planning framework for development.

In terms of alternative options, no alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that the Executive note the decisions taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE (4) to:

- (1) note the content of the pre-submission document (Appendix 1 to the report) and approve it for a six-week public consultation, in accordance with **the Council's adopted Statement of Community Involvement (SCI)**;
- (2) note the Report of Public Consultation (Appendix 2 to the report) and the responses thereto. The consultation ran from 21 October to 2 December 2019 and a total of 26 respondents submitted comments with a total of 90 responses;
- (3) note the Sustainability Appraisal Report (Appendix 3 to the report) that has been prepared by consultants to accompany the pre-submission document; and
- (4) note that following the public consultation the pre-submission version of the DPD and the SA Report will be submitted to the Secretary of State and an Examination in Public will follow. After this the **Inspector's report will be brought before Executive** with final amendments to the document which will then be considered for adoption.

(The Portfolio Holder for this item was Councillor Cooke)  
Forward Plan Reference 1,080

#### (VIII) **Motionhouse Dance & Leamington Town Hall**

The Executive considered a report from Cultural Services informing Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to agree to the proposals for Warwick District Council to partner with Motionhouse Dance company in order to create a new 'creation space' **in the Assembly Hall within Leamington Town Hall.**

Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was cancelled. As a result, the decisions on the agenda for that meeting were **taken under the Chief Executive's delegated authority CE(4)**.

Founded in 1988 by Louise Richards and Kevin Finnan MBE, the dance company Motionhouse created world-class dance-circus productions that toured extensively around the world. The company created full-length productions for theatre touring, flexible work for outdoor festivals, and large-scale 'spectacles'. **Their innovative productions, which integrated** athletic physicality, digital imagery and emotive musical scores, were popular with audiences and the company was highly regarded nationally and internationally.

Motionhouse had been based in Royal Leamington Spa for over 30 years, and created their productions in the town and toured them to audiences across the UK. They also performed in the USA, China, Japan, Australia and Korea as well as touring regularly throughout Europe, helping to put Royal Leamington Spa and Warwick District on the international cultural map.

Motionhouse was one of only two organisations based within the District that received regular grant funding from the Arts Council of England (ACE) as a National Portfolio Organisation (NPO). ACE stated that Motionhouse was an important organisation for them and that the company contributed greatly to **the delivery of ACE's goals and their mission of "Great Art for Everyone"** (a letter of support from ACE was included at Appendix A to the report). ACE recognised that Motionhouse was one of the most celebrated touring dance companies in the country. ACE also valued **the organisation's enormous contribution to the region and in particular Motionhouse's engagement with** the local community and the work delivered with young people in the District. The company was also considered to be stable, well managed, with good governance and an excellent track record.

Motionhouse had been a strategic partner of Warwick District Council for many years and grant funded as a Key Client of Cultural Services. They were also an existing tenant of the Council, with their offices and education studio space located in Spencer Yard in Royal Leamington Spa. Having a nationally recognised organisation like Motionhouse based in the town, benefitted the local creative economy, and organisations like this were integral to the **Council's plans to develop Leamington's Creative Quarter and other key** actions included within the wider Creative Framework.

In 2017, Motionhouse Dance joined forces with the British furniture **manufacturer, Vitsoë, under a five-year** partnership to create a new dance creation space in the Vitsoë headquarters building in Royal Leamington Spa. **The co-habitation was conceived by Vitsoë and Motionhouse as a symbiotic** and like-minded working arrangement and it received a great deal of attention from the national arts press and funders as a unique partnership between a cultural organisation and the manufacturing sector. The initiative received a significantly large amount of capital investment from ACE in order to create and equip a purpose built, state of the art rehearsal and

development space so that Motionhouse could create new, innovative work at a larger scale than previously possible.

When Vitsoe first moved to its new building in Leamington Spa in May 2017, it had surplus warehouse space that it offered to share with Motionhouse, **until such time it would be needed by Vitsoe. This was originally thought by all parties to be at least five years, and this time period was a condition of the ACE investment into the project.** The availability of this space allowed Motionhouse to grow and develop the quantity and quality of its performances work, and the company was thriving more than ever. Meanwhile Vitsoe's global growth – selling to 70 countries – led to the need for more production space. **The result of this growth was that Vitsoe could no longer accommodate Motionhouse's rehearsal space at the heart of its building.** However, Vitsoe would continue to support Motionhouse and provide a limited amount of storage and vehicle parking at **the Vitsoe site.** (A letter of support from Mark Adams, Managing Director of Vitsoe, was included as Appendix B to the report).

At the end of November 2019, Vitsoe was forced to give Motionhouse six **months' notice to vacate their building, meaning that** they needed to leave by 31st May 2020. This caused several serious and immediate issues for the company.

- Firstly, the success of their business model relied upon the continual development of new work which pushed the artistic boundaries of dance-circus and **digital projection. Motionhouse's large, purpose built creation space** at Vitsoe was crucial to this and without it, they would be unable to develop this work and service the demand for their productions from the market;
- Secondly, ACE invested heavily in the current creation space and the capital funding was awarded with various grant conditions attached, including the length of time that the space would be in place for. If an alternative space was not found, these grant conditions would be broken; and
- Furthermore, **as part of the standard conditions of Motionhouse's NPO funding,** they needed to submit their new business plan to ACE before the end of March 2020 in order to retain their grant during the next funding cycle. Therefore, because the creation space was a key part of their business model, Motionhouse urgently needed to secure new premises for it, before the new business plan was submitted, or they risked putting their core ACE funding in jeopardy, which would have potentially catastrophic repercussions for the company.

Council officers worked closely with both Motionhouse, Vitsoe and ACE since November 2019 to explore alternative options including, after agreement **with the Portfolio Holder for Culture, assessing the suitability of the Council's** own asset base. No suitable commercial alternatives were found to be available within the District. Potentially suitable premises that met **Motionhouse's very specific requirements, such as large, high-ceilinged industrial warehouses,** were found to be prohibitively expensive and also in very short supply. Any opportunities presented by the Creative Quarter were several years from being delivered. After an extensive search over the

previous three months, Motionhouse had exhausted all potential options for alternative premises within the local area.

This situation presented a unique opportunity to develop a substantial, innovative partnership between a national creative company and Warwick District Council. To this end, the transformation of the Assembly Hall in Leamington Town Hall into a creation and rehearsal space for the company was proposed by officers.

This opportunity was extremely timely, in light of the recent development of the Creative Framework and the progression of plans for the Creative Quarter. It was proposed that by placing Motionhouse at the physical centre of Royal Leamington Spa, it would have made **the company's work more** visible and accessible, opening access to local residents, instilling pride in the local community, and attracting more visitors to the town centre. It would also animate an under-used public space on the high street, visibly showcasing a global arts company and celebrating Royal Leamington Spa as the core of a nationally acknowledged creative hub.

This project would involve the Council granting Motionhouse a five-year License to Occupy in order to allow them sole use of the Assembly Hall for their development work. Essentially, this would result in the replication of their current **specialist 'black-box' theatrical space within the room, complete** with dance floor, stage lighting and digital projection equipment. To enable this, Motionhouse would invest heavily in the project (estimated to be upwards of £80,000). The costs to de-install from the Vitsoe site and construct a free standing structure to support a new creation space were very high for a medium sized, not-for-profit arts organisation.

**Motionhouse's technical team commissioned a specialist company to manage** the project to remove of all equipment from Vitsoe, design the new structure **and potentially install it within in the Town Hall. Motionhouse's board** approved the use of its reserves to cover the cost of such a relocation at the board meeting on the 20 January 2020. Fortunately, Motionhouse had built up reserves for some years, and so they were financially stable and had the funds available to meet this significant one-off cost. **The Council's Finance** team was **able to verify this after being given access to Motionhouse's** accounts.

At that time, the trussing structure installed in the Vitsoe building was **designed to be removable (a design choice created to protect ACE's original** investment). However, as the Town Hall was a Grade II listed building a new, bespoke free standing structure had to be built inside the Assembly Hall to replicate the **black-box creation space. The Council's Conservation team** was consulted as part on-going feasibility work and had no objections to the proposed changes, providing it did not interfere with the fabric of the building and it was a temporary structure (i.e. not fixed to fabric of the building).

Officers were nearing the end of the feasibility stage of this project which explored whether it was operationally possible to install the creative space into the Assembly Hall, and gauged the impact upon other users of the



**building. The Council's Assets team** undertook specialist structural and acoustic surveys to ensure the solution was practical and that the impact on other users of the building could be minimised.

As part of on-going discussions between Motionhouse and the Council, the company agreed to offer a new creative space for the town as part of this project. There was the ability to offer facilities to other users when Motionhouse took their latest production on tour every year and vacated the space. The intention was that the Council would partner with Motionhouse and utilise this space as a new live performance venue for the town, on the occasions when they were not rehearsing (**Motionhouse's full** proposal was included at Appendix C to the report).

However, it was inevitable that the use of the Assembly Hall for this purpose would displace existing users, **including some of the Council's own functions** that currently took place there. The annual income to the Council generated from the hire of the room for events would be replaced by rental income of the same amount from Motionhouse, so budgeted income levels would remain the same. However, the Council needed to provide alternative spaces for regular users of the Assembly Hall. Officers were satisfied that this was possible, either by utilising other spaces within the Town Hall or relocating them to the Assembly Rooms at the Royal Pump Rooms. Fortunately, the event spaces at the Royal Pump Rooms had been placed under the **management of the Council's Arts team since the removal of the Pump Rooms** from the Creative Quarter project, so this was easily achievable.

Motionhouse would invest heavily in the necessary infrastructure using their financial reserves and also install several hundred thousands of pounds of technical equipment into the space. Therefore, they required a minimum of a five-year agreement in order to protect this investment. ACE were highly supportive of the project but, understandably given the context, they would also require a minimum of a five-year commitment from the Council as part of their funding arrangement with Motionhouse. ACE also required a formal decision (in the form of Executive approving the recommendations of this report) from the Council to provide the assurances they required that their investment would be protected. ACE indicated that they were keen to support and publically promote what they saw as an innovative and exciting partnership between a local authority and an arts organisation.

In respect of the wider, future use of the Town Hall officers saw this as overwhelmingly positive opportunity to begin to test the use of the building in a different way, one that is consistent with the aims of the Leamington Town Centre Vision and the recently adopted Creative Framework. The partnership with Motionhouse could be used as an anchor point to attract further investment and explore the development of a new creative hub within the building as an alternative option **to those previously explored. 'Creative hubs'** were commonly found in town centres across the UK and had an established model. They were often located within re-purposed civic buildings, with the aim of energising failing highstreets and supporting the creative community to grow.

At the time, the Town Hall could **facilitate the storage of all of the company's** extensive sets and touring equipment. As part of the proposed partnership the Council would also provide storage and workshop facilities in a different **site under a straightforward lease agreement. The 'large barn' on the** Newbold Comyn site was likely to be used for this purpose. The agreement for storage would be limited to a two-year lease as this kept other long-term options open for the development of the barns as part an Asset Review in line with the Asset Management Strategy. Motionhouse were content with this, as it would be significantly easier for them to source an alternative storage solution during those two years. Other than the proposal for short-term storage by Motionhouse, there were no viable alternative proposals for the Newbold Comyn barns. The Asset Management Strategy would review the future of these assets, with projects such as the Newbold Comyn Masterplan providing additional detail regarding alternative use. At the time, they were used for limited storage, with on-going maintenance and repair covered by the Planned Preventive Maintenance (PPM) programme managed by the Asset Management Team.

As part of the feasibility study for this project, officers approached other tenants within the Town Hall, including Royal Leamington Spa Town Council (RLSTC), the constituency office of Matt Western MP for Warwick & **Leamington, and the Council's** CCTV monitoring team. They made the following comments:

- That the Town Hall was a publically owned building and so the Assembly Hall should remain accessible to the local community in some form;
- That noise generated both from rehearsal activity and accompanying music would need to be contained within the Assembly Room to avoid disruption;
- **Possession of the Mayor's Parlour by the RLSTC** might need to be reviewed in the future, depending on the wider impact;
- That the reduced availability of the Assembly Hall would add to the pressure on accommodation of large public meetings elsewhere in the Town. For example, the Town Hall Council Chamber would be too small a venue for the RLSTC Annual Town Meeting and alternative accommodation would need to be found;
- It potentially limited consideration of future proposals for use of the Town Hall for the period of the occupation;
- The Creative Framework recognised the current absence of space in the District for creative and cultural activities; and
- The logistics of bringing equipment into the Town Hall, particularly via the lift, were limited and would require careful consideration.

Extensive work to explore the feasibility of this project had already taken place and the above points were considered fully.

- The agreement with Motionhouse would include provision for use of the Assembly Hall by the community – primarily as a performance space operated by the Council's **Arts team. Motionhouse** also committed to increasing their own existing educational and community programmes to ensure the space is fully utilised;

- Work had been done to assess the impact of noise generated by **Motionhouse's activity upon other users of the building. The company** spent a full day on-site rehearsing a production as they normally would to test the acoustics. It was found that the noise transference was no more disruptive than current uses of the space. The Assembly Hall was already licenced for live music and performances – with restrictions. However, there were measures that Motionhouse and the Council could put in place to further reduce this transference, as it would occur on a more frequent basis;
- **The noise transference into the Mayor's Parlour and Room 21, both of** which were located directly next to the Assembly Hall, was found to be minimal during testing. The impact upon these spaces was considered to be minor;
- The Arts team analysed the Town Hall booking data from the previous three years and identified those priority community organisations that regularly used the Assembly Room and would require alternative spaces – either at the Royal Pump Rooms or the Royal Spa Centre (or potentially remain within the Assembly Hall). Officers would work constructively with these groups to minimise disruption;
- Various alternative future uses for the Town Hall were explored over the previous eight years and none had passed the feasibility stage. The subsidisation of the operation of the Town Hall remained a significant cost to the Council and a solution to maximise its use whilst reducing the ongoing cost of the building was required. Officers believed that the phased development of a creative hub could provide a feasible, and exciting, alternative future for the Town Hall;
- The Creative Framework identified the need for additional creative spaces within the District, and Royal Leamington Spa in particular. The partnership with Motionhouse presented an opportunity for the Council to **explore a business case to develop a 'creative hub' within the Town Hall** which could meet the aims of the Framework and attract key stakeholders to assist in its delivery; and
- There were numerous logistical challenges presented by the Town Hall, all of which required careful planning and systems of work.

No alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that the Executive note the decisions taken by the Chief Executive, after consultation with Group Leaders, under delegated authority CE (4) to:

- (1) approve the proposal for Motionhouse Dance to be granted a Licence to Occupy for Leamington Town Hall Assembly Hall for a duration of up to five years; and to approve the proposal to grant a commercial lease to Motionhouse Dance for the **'large barn'** at the Newbold Comyn site for a duration of up to two years;
- (2) delegate authority to the Head of Cultural Services and the Arts Manager to negotiate Heads of Terms

and further details of the agreement with Motionhouse Dance within the scope proposed in this report; and

- (3) note the intention of officers to begin work on **exploring the feasibility of developing a 'creative hub' within Leamington Town Hall, with the aim of increasing the use of the building and lowering the cost of operating the asset to the Council.** Proposals will be brought forward to Executive for consideration at a later time.

(The Portfolio Holder for this item was Councillor Grainger)  
Forward Plan Reference 1,123

(IX) **Use of delegated powers - Driver Medical Statement – Temporary Measures in response to COVID (19)**

The Executive considered a report from Health and Community Protection. In response to pressures on the NHS, and as a result of the Covid-19 pandemic, officers recognised that taxi and private hire drivers could no longer obtain a DVLA Group 2 medical examination. The report informed Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to approve a temporary measure that could be put in place to support drivers when renewing or wanting to retain a driver (hackney carriage or private hire) licence.

At the time, new and renewing drivers were required to undergo a DVLA Group 2 medical examination and submit a report with their application. This was to be undertaken once every three years, or when requested to do so by officers. The medical assessment had to be carried out at one of the three nominated locations:

- **Applicant's own doctor;**
- Croft Medical Centre, Sydenham, Leamington Spa; and
- Driver Medicals, Coventry.

Once a licensee had reached age 65, an annual medical was required in order for the licence to remain valid.

The onus was on the applicant to provide appropriate medical proof from the GP or nominated practitioner at their own expense. The Regulatory Manager/ Committee might consider issuing a licence if they were satisfied that the report showed a clean bill of health, and that the applicant was a fit person to recommence driving and was deemed to be of no danger to the public.

Failure to provide a medical statement could have resulted in a licence lapsing or not being able to be renewed.

A temporary and time limited self-declaration option was proposed.

Since any new driver applications were not able to be processed due to restrictions in place for training, this option was only available to existing drivers on the WDC register.

In terms of alternative options, no alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that Executive note the decisions taken by the Chief Executive, after Consultation with Group Leaders, under delegated authority CE(4) to:

- (1) agree to a time-limited (six months initially) time frame to allow drivers additional time to obtain a GP certified medical statement, subject to them providing a Self-Declaration Statement attached as Appendix 1 to the report;
- (2) agree that the option to self-certify be kept in place until the 2 September 2020 or the Covid-19 pandemic has been declared over, whichever is the soonest; and
- (3) agree that officers halt the application process and suspend the licence of any applicant that declares any new medical conditions until such a time as they can reasonably supply a full DVLA Group 2 Medical report.

(The Portfolio Holder for this item was Councillor Falp)

(X) **Use of delegated powers – Vehicle and Driver Renewals – Temporary Measures in response to COVID (19)**

The Executive considered a report from Health and Community Protection, informing Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders.

Hackney carriage and private hire drivers were permitted to work under the transport exemptions. However, in response to Government guidance on business closures and social distancing measures recommended to help reduce the spread of Covid-19, and a reported drop in demand for service, officers had recognised that many had stopped trading.

Officers had also recognised that many of the hackney carriage and private hire workforce operated as 'sole traders' and as such were having difficulty accessing the government small business relief schemes.

The report outlined measures that could be put in place temporarily to support drivers and vehicle owners to ensure that they retained their driver (hackney carriage or private hire) or vehicle licence.

Officers were being contacted daily by licence holders, asking if they had to renew their licences in order not to lose them, in accordance with the licensing requirements at the time, as laid out in the Drivers and Operators Handbook.

All hackney carriage and private hire licences were granted for a specified period and needed renewing. Those periods varied (a maximum of one year for a vehicle licence, three **years for a driver's licence and** five years for an **operator's licence**). The costs involved also varied (from £88.25 for a six-month vehicle renewal, £430 for a three-year driver renewal (plus the medical examination fee), £835 for a five-year Private Hire Operator renewal).

Unlike many other renewable licences, there was no statutory mechanism for renewal contained in the legislation, and therefore no mechanism for a local authority to extend the duration of any of these licences. However, guidance issued by the Local Government Association and advice from Warwickshire County Council Legal Services, on this matter, suggested that Warwick District Council could legally decide what **to do with 'expired' licences**. Legal advice had been received on all of the proposals considered within this report and fell within Warwick District Council decision making powers under the applicable legislation.

LGA guidance also confirmed that, as the fees for Taxi Licensing were set locally, there was more discretion for reducing or deferring payments for licence holders/applicants.

Where vehicles, and hackney carriage/private hire drivers, continued to trade, licence holders were required to renew them to ensure that they are operating legally

In terms of alternative options, no alternative options were considered as the decision was already made and the report was information only.

**Resolved** that the Executive note the decision taken by the Chief Executive, after Consultation with Group Leaders, under delegated authority CE(4) to:

- (1) Agree to implement the following proposal for a time-limited (six months initially) period:

To allow licence holders, that are not working, to **have a 'licensing holiday' and allow their licences to be paused 'without consequence' whilst they have no income. At a future date, and within a given time period, the licence holder can 're-licence' the original driver or vehicle licence as if it were a renewal at the appropriate renewal licence fee. Further details are included as Appendix 1 to the report.**

(The Portfolio Holder for this item was Councillor Falp)

(XI) **Use of delegated powers - Variation of contract value - Pinnars & Sons Ltd**

The Executive considered a report from Assets informing Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders to, in accordance with the Warwick District Council code procurement practice, agree to extend the contract value of the existing contract with Pinnars and Sons Ltd.

The contract was to provide repairs and maintenance services to corporate and commercial premises owned by the Council, and also to provide services in relation to works in preparation for the Commonwealth Games, and in relation to other large corporate projects.

The contract commenced in 2013 and was due to end in 2023, at which point it would be re-tendered.

The contract was initially let in 2013 and was extended in 2015, in accordance with the contract. It had a contract value of £5 million in total, and was due to expire in 2023, at which point it would be re-tendered.

However, due to significant additional requirements for work in relation to the Commonwealth Games, and other large corporate projects, not anticipated when the contract was originally let, it was likely that this contract value would be insufficient to cover all of the work required.

Time constraints and issues around Covid-19 and the construction industry meant that it was unlikely that the Council could negotiate an early end to the contract and secure a new contract through a competitive tendering process, in time for works to be carried out in the required time period.

The Council was satisfied with the quality and timeliness of work carried out by Pinnars and Sons Ltd, and it was believed that it was appropriate for the contract value to be extended at the time.

Warwick District Council Procurement section had been consulted and had certified that this proposal was commercially reasonable, and that it would support the recommendation.

In terms of alternative options, no alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that the Executive note the decision taken by the Chief Executive, after Consultation with Group Leaders, under delegated authority CE(4) to: agree that in accordance with the Warwick District Council, Code of Procurement Practice and Financial Regulations, an exemption is granted to vary the existing contract and that the total contract value is increased from £5 million to £7.5 million pounds, for the remaining life of the contract.

(The Portfolio Holder for this item was Councillor Matecki)

(XII) **Use of delegated powers**

The Executive considered a report from the Deputy Chief Executive (BH) informing Members of an urgent decision taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to **allow grant instalment payments to be made to Shakespeare's England, the Destination Management Organisation (DMO) for South Warwickshire.**

The Council contributed funding to Shakespeare's England since the DMO was created in 2013. In March 2019, the Executive approved a further three-year grant to the organisation of £75,000 per annum.

However, the Executive's decision to award the grant had conditions attached to it, one of which was the agreement of a local set of Key Performance Indicators (KPIs) which needed to be measured and reported **back to WDC as part of the annual report from the CEO of Shakespeare's England** to the Overview & Scrutiny Committee. The wording of the relevant condition was:

*'agreement of revised objectives and performance indicators in respect of Shakespeare's England's activities to promote Warwick District, with authority delegated to the Head of Development Services, in consultation with the Business Portfolio Holder, to conclude the agreement prior to the first payment being made'.*

The annual grant to the DMO was paid through four quarterly instalments, the first of which, following the funding renewal decision, was due in September 2019. Consequently, during the summer of 2019 officers worked **in collaboration with the CEO of Shakespeare's England with a view to** developing a set of KPIs to be presented to the Board meeting in October 2019. In the anticipation that these KPIs would be approved at the Board meeting, it was felt that the first instalment would be released shortly after that meeting.

Eight draft KPIs were put before the Board, five of which were accepted as they had been agreed with the CEO and included in her report, but a further three had been submitted after that report had been circulated and the Board felt unable to approve these without a longer period of time to consider them. This decision meant that, as the wording of the March Executive decision explicitly **required a set of KPI's to be agreed prior to the** first payment being made, the Council was unable to release either the September 2019 instalment payment or a subsequent one that became due in December 2019.

A further difficulty had also arisen as a result of the discussions held during the debate on the proposed KPIs at the October Board meeting with one of the other Councils that provided **funding to Shakespeare's England querying** the legal basis for imposing KPIs. Officers subsequently sought advice from Warwick Legal Service (WLS).



Following consultation with WLS, Officers were satisfied that the Council could provide the grant (i.e. release the held payments and future payments as per the 2019 agreement) through an agreement with the DMO Board that the WDC grant needed to be spent on specific purposes.

As it had become clear by early January 2020 that the non-payment of the WDC grant was **beginning to adversely impact on the DMO's cash flow and** operating profit projections for the coming year, a situation that was creating significant concern amongst the members of the Board, discussions were held with the Portfolio Holder and Group Leaders to explore how the situation could be resolved prior to the Board meeting scheduled for 23rd January 2020.

This resulted in the use of delegated power CE(4), which states:

***"The Chief Executive be authorised to deal with urgent items that occur between meetings, in consultation with the relevant Deputy Chief Executive, Head(s) of Service (if available) and Group Leaders (or in their absence Deputy Group Leaders) subject to the matter being reported to the Executive at its next meeting."***

In consultation with the Group Leaders it was agreed that the March 2019 Executive decision should be varied and instead of seeking formal KPIs, the Council grant was provided subject to agreement that it should be spent on the following specific purposes:

- Building relationships between WDC and SE;
- Increasing WDC Business membership;
- Holding tourism forums and network events within the Warwick District;
- Seeking out tourism news, events and activity in Warwick District;
- Carrying out social media campaigns (targeted at Warwick District Council);
- Promotion of WDC Events;
- **Increasing new Shakespeare's England members in Warwick District;**
- and
- Increasing the number of overnight visitors in Warwick District.

The use of the delegated powers allowed the Portfolio Holder and officers to **obtain the agreement of the Shakespeare's England Board to the revised** approach at the January Board meeting. Officers needed to agree processes **with the Shakespeare's England** CEO to ensure that evidence was provided to demonstrate that the grant had been spent on these purposes for the next report to the Overview and Scrutiny Committee in September 2020.

In terms of alternative options, none were considered as the decision was already made and the report was for information only.

**Resolved** that the Executive noted the decision taken by the Chief Executive, after Consultation with Group Leaders, under delegated authority CE(4) and the reasons for it as set out in section 3 of the report and above.

(The Portfolio Holder for this item was Councillor Rhead)

(XIII) **Use of Delegated Powers - Rural/Urban Capital Improvement Scheme (RUCIS) Application**

The Executive considered a report from Finance informing Members of an urgent decision that was taken by the Chief Executive under delegated authority CE(4), following consultation with Group Leaders, to approve the following four Rural/Urban Capital Improvement Scheme grant applications.

- Lapworth Cricket Club to install an electronic scoreboard on the existing scoreboard fascia to digitise the scoring process and to purchase and fit out a shed with electrics, shower and changing facilities for match umpires in order to meet the standards required to continue to play competitive matches in the Cotswold Hills league.
- Kenilworth Cricket Club to replace a faulty changing room boiler which provided heating and hot showers and was at end-of-life, replace a self-propelled mower which was also faulty and at end-of-life, and purchase a brush-cutter.
- Wren Hall towards their phase 2 improvement programme specifically to include; a) plastering, decorating, flooring, sound system, stage with lighting, tables and chairs for a new assembly room, b) a new external **shed to be used as a storage facility**, c) **new gates to the hall's car park**, d) **new signage**, and e) **recommissioning of the hall's alarm system**.
- Heathcote Parish Church for Warwick Gates Community Centre to fence off the side and rear perimeter and include two secure push-bar gates to secure the building perimeter, to deter anti-social behaviour.

Due to the Coronavirus outbreak and in line with the self-isolation Government advice, the 18 March 2020 meeting of the Executive was cancelled. As a result, the decisions on the agenda for that meeting were **taken under the Chief Executive's delegated authority CE(4)**.

The Council operated a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grants recommended were in **accordance with the Council's agreed scheme and would provide funding to help the projects progress**.

All four **projects contributed to the Council's Fit for the Future Strategy**.

**Lapworth Cricket Club**

The cricket club was the only sports club within the village, without which there would be fewer opportunities for the community to enjoy and participate in sports activities, which could potentially result in disengaging and weakening the community, and an increase in anti-social behaviour and obesity (including in children). The project work would digitise the match scoring process, which would hopefully encourage younger members to

continue to participate, and it would also ensure that match umpire changing facility requirements were met, without which the club would be unable to continue to play competitive matches in the Cotswold Hills league.

### **Kenilworth Cricket Club**

Without the club, there would be fewer opportunities for the community to enjoy and participate in sports activities, which could potentially result in disengaging and weakening the community, and an increase in anti-social behaviour and obesity (including in children). The project would replace the current boiler that was at end-of-life and would again provide functional showers; it would also replace the current mower that was at end-of-life, which was necessary to maintain the pitch to a playing standard, both of which were essential requirements for the continued running and use of the club.

### **Wren Hall**

The hall was the only centre facility within the local area to offer community activity and events, without which there would be fewer opportunities for the community to enjoy and participate in social, arts and cultural activities, which could potentially have resulted in disengaging and weakening the community, and an increase in anti-social behaviour. The project would create a more fit-for-purpose facility which would increase activity and events opportunities for the community.

### **Heathcote Parish Church for Warwick Gates Community Centre**

Without the community centre, there would be fewer opportunities for the community to enjoy and participate in social, sports, arts and cultural activities, which could potentially have resulted in disengaging and weakening the community and an increase in anti-social behaviour and obesity (including within children). The project would secure the side and rear perimeter to deter anti-social behaviour, resulting in the community feeling safer especially when using the centre for the many activities on offer

In terms of alternative options, no alternative options were considered as the decision was already made and the report was for information only.

**Resolved** that the Executive note the decisions taken by the Chief Executive, after Consultation with Group Leaders, under delegated authority CE(4) to approve a Rural/Urban Capital Improvement Grant for:

### **Lapworth Cricket Club**

Lapworth Cricket Club of 80% of the total project costs to install an electronic scoreboard on the existing scorebox facia and to purchase and fit out a shed with electrics, shower and changing facilities for match umpires, up to a maximum of £7,618 including vat

subject to receipt of the following:

- Written confirmation from Lapworth Parish Council to approve a capital grant of £750 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by Lapworth Cricket Club's cash reserves which have been evidenced through their annual accounts and the provision of recent bank statements).

As supported by Appendix 1 to the report;

### **Kenilworth Cricket Club**

Kenilworth Cricket Club of 69% of the total project costs to replace a faulty changing room boiler which provides heating and hot showers, replace a self-propelled mower which is also faulty and purchase a brush-cutter up to a maximum of £1,633 excluding vat subject to receipt of the following:

- Written confirmation from Kenilworth Town Council to approve a capital grant of £630 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by **Kenilworth Cricket Club's cash reserves which** have been evidenced through their annual accounts and the provision of recent bank statements)

As supported by Appendix 2 to the report;

### **Wren Hall**

Wren Hall of 49% of the total project costs towards their phase 2 improvement programme specifically to include; a) plastering, decorating, flooring, sound system, stage with lighting, tables and chairs for a new assembly room, b) a new external shed to be used as a **storage facility, c) new gates to the hall's car park, d) new signage, and e) recommissioning of the hall's** alarm system, up to a maximum of £30,000 including vat.

As supported by Appendix 3 to the report.

### **Heathcote Parish Church for Warwick Gates Community Centre**

Heathcote Parish Church for Warwick Gates Community Centre of 80% of the total project costs to fence off the side and rear perimeter and include two secure push-

bar gates to secure the building perimeter, up to a maximum of £2,784 including vat subject to receipt of the following:

- Written confirmation from Warwick Town Council to approve a capital grant of £596 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by:
  - a) **50% from Heathcote Parish Church's cash** reserves which have been evidenced through their annual accounts and the provision of recent bank statements; and
  - b) **50% from Cllr Jacqui Grey from her monthly Councillor's Allowance.**

As supported by Appendix 4 to the report.

(The Portfolio Holder for this item was Councillor Hales)

#### 4. **Public and Press**

**Resolved** that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following items by reason of the likely disclosure of exempt information within the paragraph of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Minute Nos.	Para Nos.	Reason
5(I), 5(II), 5(III), 6	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The items below were considered in confidential session and the full details of these were included in the confidential minutes of this meeting.

#### 5. **Confidential Items**

##### (I) **Use of delegated Powers – Compulsory Purchase Order – Land at Leper Hospital Site, Saltisford, Warwick**

The Executive considered a confidential report from the Deputy Chief Executive (AJ).

The recommendations in the report were approved.

(The Portfolio Holder for this item was Councillor Cooke)

(II) **Use of delegated powers – HR and Payroll System**

The Executive considered a confidential report from Human Resources.

The recommendations in the report were approved.

(The Portfolio Holder for this item was Councillor Day)

**Use of delegated powers – Acquisitions and Disposals of Land and Property North of Gallows Hill, Warwick**

The Executive considered a confidential report from the Chief Executive.

The recommendations in the report were approved.

(The Portfolio Holders for this item were Councillors Matecki and Hales)

6. **Confidential Appendix 2 to Minute Number 127 (V) – Newbold Comyn Draft Masterplan**


The Executive noted an appendix from Neighbourhood Services.

7. **Minutes**

The confidential minutes of 12 February 2020 were approved and signed by the Chairman as a correct record.

(The meeting ended at 6.11pm)

CHAIRMAN  
13 July 2020

		Executive – 13 July 2020	Agenda Item No. <b>3</b>
<b>Title</b>		Review of Local Government Structure in Warwickshire	
<b>For further information about this report please contact</b>		Chris Elliott, Chief Executive <a href="mailto:chris.elliott@warwickdc.gov.uk">chris.elliott@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>		All wards of the District	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>		No	
<b>Date and meeting when issue was last considered and relevant minute number</b>		Not applicable	
<b>Background Papers</b>		None	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	No

Officer/Councillor Approval		
Officer/Councillor	Date	Name
Chief Executive	29/06	Chris Elliott/Andrew Jones
Head of Service	29/06	All
CMT	29/06	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	29/06	Mike Snow
Monitoring Officer	29/06	Andrew Jones
Portfolio Holder	29/06	Councillor Day
Consultation & Community Engagement		
The recommendation proposes that engagement and consultation be undertaken with the local community.		
Final Decision?		No
Suggested next steps (if not final decision please set out below)		
That research be commissioned and be reported back		
That further reports on the specified areas be presented for consideration		

## 1. Summary

- 1.1 The purpose of this report is to seek formal endorsement to provide the necessary decisions in relation to the joint statement that was issued by the present the Leader of the Council and the Leader of Stratford District Council on 24 June 2020.
- 1.2 It is clear that the Government is committed to a white paper that will consider the development of devolution across England, this white paper is expected to have significant implications for local government structures, especially in two-tier areas, the white paper is expected to be released in the Autumn of 2020. In order for our councils to influence this debate it is considered that a jointly commissioned review of the existing and potential options for local government structures within Warwickshire should be undertaken urgently.
- 1.3 In addition to this review and ahead of its findings it has been identified that there are a number of opportunities for closer working with Stratford on Avon District Council that can explored in order to assist with the financial pressures that both authorities are facing as a result of the COVID-19 pandemic.

## 2. Recommendations

- 2.1 The Executive agrees that the joint statement (Appendix 1) that was issued by the Leader of the Council and the Leader of Stratford on Avon District Council (SDC) be endorsed, and in doing so:
  - i) Agrees to a jointly commissioned review of local government across South Warwickshire and the wider Warwickshire County area;
  - ii) that the Leaders of this Council and of SDC invite all of the other Borough/District Councils in the County, Warwickshire County Council and the Warwickshire Association of Local Councils (WALC) on behalf of the town and parish councils, to participate in the review as equal partners.
  - iii) that the Leader of the Council be the Council's nominee on a multi Council working party to steer the review.**
  - iv) that the Leadership Co-ordinating Group (i.e. all the Political Group **Leaders and the Executive)** act as this Council's internal steering group of the review and the joint work with SDC.
  - v) that the brief for the review be delegated to the Chief Executive in consultation with the Leader and the Leadership Co-ordinating Group and that the report be procured as a matter of urgency.
  - vi) that provision of cost for the review be made from a source to be determined by the S151 Officer (at the time of writing the cost has not been determined and will be affected by the number of Councils participating).
- 2.2 The Executive agrees in the context of the joint statement to exploring with SDC, in relation to the following:
  - i) Sharing of Senior Management Team posts across the two authorities;
  - ii) Exploration of shared contracts across the two authorities; and,



iii) That agreement be given in principle to conducting a Joint Core Strategy/Local Plan Review and that a further paper be presented setting out details of a proposed programme, a member and officer governance.

Further reports to be presented to Employment and/or Executive on all of the items above as soon as possible.

2.3 Subject to the agreement to 2.1 above it is recommended to Council that:

- (1) That the principle of joint working with SDC be included as part of **the Council's Business Strategy**.
- (2) That agreement(s) be entered into with SDC pursuant to section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Councils as may be required.

### 3. **Reasons for the Recommendations**

#### **Recommendation 2.1**

- 3.1 On 24 June 2020 a joint statement entitled **"Taking a fresh look at local government in South Warwickshire"** was issued by the Leader of the Council and the Leader of SDC. This followed an informal meeting of the Cabinet from Stratford on Avon District Council and Executive from Warwick District Council. A copy of the statement is attached at Appendix 1.
- 3.2 The main purpose of these discussions was to consider the impact of the anticipated white paper in relation to devolution that was announced **within the Queen's speech before Christmas**. It has been widely reported **that in considering the devolution and "levelling-up" agenda there will** need to be reform of local government, especially in two-tier areas. It is expected that the white paper will be issued in the Autumn of this year.
- 3.3 The collective view from the Leaders is that in order to ensure that we are prepared and able influence the debate on this issue within Warwickshire that work should commence now on undertaking a review of the local government structures within the county. It is proposed that this review should be jointly commissioned by all of the districts and boroughs, the County Council and WALC, (representing parish and town councils) and that the results should then be used for submissions to central government in proposing any changes necessary. This would need to be supported by regular communications with all Councils and with the community.
- 3.4 In addition to the opportunities surrounding future devolution there are also a number of other reasons why this would be an appropriate time to undertake such a review, including:
  - the tremendous pressures on services faced by all tiers of local government from communities wanting improvements in public services and in the management of place

- the tremendous financial pressures faced by all tiers of local government over the past 10 years and now exacerbated by the COVID-19 emergency, potentially compromising the delivery of public services
- **the erosion of the connection between people's association with a sense of place and the span of democratic arrangements in place governing them**
- the continued lack of clarity, transparency and democratic accountability for local community leadership between the tiers of local government to the detriment of local communities
- the barriers between local government and other public agencies that prevent effective action to address important local issues.

The world has changed since the current local government structure came into being in 1974 almost 50 years ago and it needs to change significantly to better reflect the needs of local people and the circumstances within it is operating.

- 3.5 It is expected that in undertaking the review each of the potential options for local government reorganisation will need to be assessed against jointly agreed criteria, which are expected to include areas such as the need to:
- Reflect and deliver a clearly understood sense of place
  - Provide clarity of local community political leadership to local people, to government and to other public agencies for a clearly understood sense of local place
  - Offer clarity of vision reflecting community ambitions for a clearly understood sense of place
  - Deliver effective and efficient arrangements for the provision of quality services whether directly, indirectly or shared, to achieve the set vision for community ambitions for a clearly understood sense of place
  - Deliver wider improvement changes to public sector service delivery arrangements for the local community for a clearly understood sense of place
- 3.6 Whilst it will be up to the review to identify what options will need to be considered for such a review, it is likely that there are at least four that would need to be fully evaluated including:
1. Status Quo – no changes from the present political/administrative arrangements;
  2. **Creation of a South Warwickshire "Super-District"** – this option would see the full merger of Stratford on Avon DC and Warwick DC, but would still operate in a two tier environment
  3. Single Council Unitary Warwickshire - the creation of a Warwickshire wide unitary authority
  4. Two Council Unitary Warwickshire - in relation to this option **government have already stated "any new unitary council's population would be expected to be in excess of 300,000"**. The current population

of Warwickshire is estimated to be 571,010 (mid 2018) and by 2030 would be in excess of 600,000, and therefore would lend itself to a maximum of two authority areas.

In relation to all of the above options, the potential for changing role of town and parish councils should feature. Likewise, members should also be aware that changes in the local government sector could and should presage changes in linked public sector areas such as health and social care; community safety; and in supporting the local economy/training.

- 3.7 Attached at Appendix 2 is a Briefing Paper in relation to "*Local government in England; structures*" which was prepared for the House of Commons library. This is a useful analysis of the options and issues that would need to be considered under such a review.
- 3.8 At the time of writing, the cost of undertaking the review of options and the research with the local community has not been determined but an update will be given by the time of the meeting. In addition, it is as yet unclear how many of the other local authorities will wish to participate in the review. However, authority is requested to proceed with the wider dialogue on this issue and if successful then to delegate authority to the Leader of the Council to participate in the review with the Leaders of the other Borough/District Councils, the County Council and representatives of WALC. Within this Council it is suggested that the Leadership Co-ordinating Group which brings the Executive and the Leaders of all the political groups of the Council together, acts as **this Council's internal** steering group for the review and the work with SDC. This governance activity would be enabled by informal senior officer meetings and Leader/Deputy Leader meetings.
- 3.9 The brief for the review will need to be agreed and procured as soon as possible, and it is suggested that the brief for the review be delegated to the Chief Executive in consultation with the Leader of the Council and the Leadership Co-ordinating Group, on behalf of this Council.

## **Recommendation 2.2**

- 3.10 The joint statement referred to in 2.1 also identified that there are a number of joint working arrangements already in place between Stratford on Avon District Council and Warwick District Council, namely:
- the South Warwickshire Health Improvement Partnership;
  - the South Warwickshire Crime Reduction Partnership
  - **Shakespeare's England, our destination management organisation** which we jointly founded to promote our local tourism;
- 3.11 In addition to these joint partnerships there is also a shared Business Rates team and the Councils also share an Information Governance Officer post. Given the financial pressures that both authorities are facing as a result of the ongoing COVID-19 pandemic the discussions between the

Cabinet/Executives also considered potential areas where joint working could be extended including:

i) Senior Management Team – across the two authorities there are currently 4 vacancies at Senior Management Team level. It is suggested that proposals are developed to take advantage of these vacancies across the 2 authorities and share a number of specific posts. Whilst at least at this stage two discrete Senior Management Teams could be maintained, the financial benefits could be shared across the two authorities. The sharing of posts in the way can be achieved through s113 of the Local Government Act 1972. These would be interim arrangements until the review of local government structures has been completed/implemented. A further report will be presented on the detail of this if agreed.

ii) Joint Contracts – both Councils have contracts of significant value which are approaching retendering. It is suggested that through joint working single tenders could be placed to ensure that the greatest economies of scale and good service across South Warwickshire could be achieved. This would both preserve service provision and would also help to reduce costs during the current challenging financial environment. It is also expected that further efficiencies could be achieved through the joint management of contractors by each authority. A further report will be presented on the detail of this if agreed.

iii) Joint Spatial Planning – Within the Coventry and Warwickshire sub region there have been and are extensive discussions ongoing about developing a sub-regional spatial framework. Both Councils are part of that discussion. Whilst there seems to be general agreement there is no agreed proposal to consider and implement. Meanwhile, both SDC and WDC are committed to reviewing their respective Local Plans/Core Strategies in 2021, though in reality preparatory work should start now. Given the close relationship between the plans, as demonstrated by the extensive joint work undertaken in the development of the existing agreed Local Plan/Core Strategy proposals; it makes sense to undertake the planned reviews at the same time as one co-ordinated effort.

It is suggested therefore that agreement be given in principle for the reviews to be undertaken jointly and that a detailed report be brought forward to Cabinet/Executive as soon as possible setting out the proposed programme and the governance of the work both from a members and an officer perspective. Of necessity this may also cover other work that each **Council's respective policy terms may also be undertaking**. Such statutory work can be dovetailed with a sub-regional framework should that proceed. Given the strong shared economic geography between Stratford on Avon and Warwick DC the proposal for a joint plan would not only deliver significant savings in relation to the commissioning of the evidence base, but there would also be savings through the examination stage by the Planning inspector.

## Recommendation 2.3

- 3.13 Whilst the areas above will need to be developed further, it is proposed that given the need to provide capacity at Senior Management Team the principle of sharing posts with SDC be adopted and that a business case is developed as a matter of urgency, which if positive is subject to Employment Committee approval. It would be necessary for Council to approve the principle of extending the use of s113 agreements to SDC.

## 4. Policy Framework

### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several key projects. This report shows the way forward for implementing a significant part of one of the Council's key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Becoming a net-zero carbon organisation by 2025 Total carbon emissions within Warwick District are as close to zero as possible by 2030 Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
The proposal could assist with the attainment of the Council's objectives across all its policy priorities.		
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the</b>

		<b>Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our <b>customers' needs</b> Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
The initial proposals will help to address vacant posts in the Senior Management Teams of both Councils.	In addressing people and finance issues it will enable the Council to better maintain or improve services.	This would help the Council to address the unfolding financial issue arising from the Covid 19 emergency on top of the underlying pressures.

## 4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies but none are particularly relevant here.

## 4.3 Changes to Existing Policies

The Council's Business Strategy should be updated to reflect this area of work as it will be significant. However, it is not anticipated that this would divert the Council from tackling Climate Emergency as the central plank of its policy objectives and indeed working closer with SDC should aid that objective. Likewise, **the Council's work on the Governance Review should not be hindered** and indeed may assist by enabling the closer involvement of members.

## 4.4 Impact Assessments

None at this stage.

## 5. Budgetary Framework

- 5.1 At this point other than the cost of contributing toward the review there is no immediate budgetary impact. However, the proposals if implemented should enable beneficial financial impacts to occur in the short term in respect of the joint work with SDC. The cost of the review would be funded from a source to be determined by the S151 Officer.
- 5.2 The potential for change within WDC of working with SDC is significant and could create a significant body of additional work for the transitional

phase and given the extensive work programme already of the Council some additional resource will be needed.

## **6. Risks**

- 6.1 There is clearly a risk that the money and effort expended on the review and the joint work may not deliver the expected benefits for WDC and more importantly for its communities. This is best mitigated by ensuring an effective brief for the wider review and that in the detailed papers for the joint work that the benefits are clearly identified, quantified and assessed for deliverability.
- 6.2 The process of examining options for local government reorganisation has the potential to affect relationships between existing bodies. The mitigation for this should be involvement of all Councils on an equal basis.

## **7. Alternative Option(s) considered**

- 7.1 The Executive could decide not to endorse the statement or follow through on the proposed actions. Such a response would however, leave the Council and its citizens exposed pending the White Paper in the autumn.



## Taking a fresh look at local government in South Warwickshire

The Stratford on Avon District Council Cabinet met informally with the Executive from Warwick District Council to explore ways to work together for the benefit of the people of South Warwickshire and indeed the wider County.

The purpose of these discussions was to consider the best way for our local government to evolve for the benefit of our residents ahead of an expected white paper in relation to devolution scheduled to be released by government later this year.

We already have successful experience of working together, through the South Warwickshire Health Improvement Partnership; the South Warwickshire Crime reduction partnership and Shakespeare's England, our destination management organisation which we jointly founded to promote our local tourism offer around the World. The two authorities share a number of characteristics and a large proportion of our residents live in one authority area and travel to work in the other.

As we look to the future of our communities across South Warwickshire now is the time to capture the lessons learnt from the current COVID crisis and review the way our Councils could better meet the needs of our residents, taking advantage of new opportunities that are emerging for our communities and businesses.

Local government is playing a significant role in positively addressing the impact of the coronavirus pandemic on our way of life. Supporting our businesses and communities as we adjust during this period of uncertainty, has required our Councils to embrace changes to the way we work.

Like so many other organisations at this time, our Councils are looking to be more agile and efficient, to address the emerging economic challenges and capitalising on the issues around the climate emergency, all the while providing the best possible services to you. There are also a number of opportunities which could be developed quickly including jointly procuring contracts; addressing a number of vacancies at senior officer level that could lead to the possibility of sharing posts across the two management teams, as well as the possibility of producing a joint Core Strategy / Local Plan for our communities to secure long-term benefits.

These initial discussions are at an early stage and would need to be subject to formal decisions at both authorities. However, our discussions will hopefully pave the way for a wider dialogue with other local government partners with the view of forming a common position for debate with central government as the anticipated devolution white paper comes forward, which is expected in the Autumn.

A handwritten signature in blue ink, appearing to read "Andrew Day".

Cllr Andrew Day  
Leader, Warwick District Council

A handwritten signature in black ink, appearing to read "Tony Jefferson".

Cllr Tony Jefferson  
Leader, Stratford on Avon District Council





## BRIEFING PAPER

Number 07104, 8 June 2020

# Local government in England: structures

By Mark Sandford

### Inside:

1. Local government structures
2. Functions of local government
3. Elections to local government
4. Boundary changes and restructuring
5. Local government finance
6. Structures: history



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# Summary

This note contains basic details of the structure and functions of English local government. It outlines the system of counties, districts and unitary authorities), and other bodies such as fire and rescue authorities, combined authorities, and Police and Crime Commissioners.

Section 3 explains the system of local government elections, including the systems of electing by 'halves' and 'thirds' used in many local authorities. It also provides details of the local government franchise (those eligible to vote).

Section 4 provides details of the legal process for structural change in English local government. This includes the merger of district councils and the creation of 'unitary authorities' to replace 'two-tier' local government – i.e., county and district councils. Section 4 provides details of current restructuring plans and recent changes, and discusses Government guidance on proposals for unitary local government. The Appendix provides a breakdown of the division of responsibilities between county and district councils in two-tier areas.

Section 5 provides brief details of the financing of English local government, including an explanation of the annual Local Government Finance Settlement. Additional details can be found in the Library briefing [\*Local government finances\*](#), and details of the 2020-21 settlement process can be found in the Library briefing on the [\*Local Government Finance Settlement 2020-21\*](#).

Section 6 provides some historical information about the development of local government in England.

# 1. Local government structures

## 1.1 Local authorities in England

The systems of local government in each part of the UK have developed separately, though often in parallel. This note focuses on local government in England: local government is devolved to Scotland, Wales and Northern Ireland. It outlines the structure and functions of English local government, together with elections and historical development.

English local government is divided in some areas into county councils (the upper tier) and district councils (the lower tier). A major reform in 1972 established county and district councils throughout England, Wales and Scotland (excluding three Scottish island authorities). Since then, unitary authorities have been established in a number of areas. The creation of unitary authorities has frequently been contingent on Government policy, or local initiative, at a given time, rather than any rationale relating to local economy, geography or identity.

The two tiers have distinct functions, though they overlap in some matters. In other areas, 'unitary authorities' carry out all local government functions. There are 339 local authorities in England, of which 25 are county councils, 188 are district councils, and 126 are single-tier authorities. Of the latter, 33 are London boroughs and 36 are metropolitan boroughs.<sup>1</sup>

Additionally, a further tier of parish and town councils exists in some parts of England (see the Library standard note [\*Parish and town councils: recent issues\*](#)): these number some 10,000 across England. District, county and unitary authorities are sometimes referred to as 'principal councils' to distinguish them from parish and town councils, whilst parish and town councils sometimes refer to themselves as 'local councils' to distinguish themselves from principal councils.

Wales has 22 unitary authorities (also known as county councils or county borough councils), and Scotland has 32 unitary authorities. Both Wales and Scotland also contain 'community councils', roughly equivalent to parish and town councils in England. As of 2014, Northern Ireland has 11 district councils, but does not have (and has never had) an equivalent to parish and town councils.

## 1.2 Fire and rescue authorities / Police and Crime Commissioners

There are 45 fire and rescue authorities in England (including the London Fire Commissioner) and three in Wales. Some are 'combined fire authorities', covering more than one upper-tier local authority area.

<sup>1</sup> These figures take account of recent and proposed mergers, including new authorities in Buckinghamshire and Northamptonshire which have been formally established but have yet to hold their first elections at the time of writing: see section 4 for more information.

Others cover a single upper-tier area, and may form a department of the county or unitary authority.

There are 38 Police and Crime Commissioners (PCCs) in England, including the Mayor of London, plus four in Wales. Police and Crime Commissioners are directly-elected, with elections taking place in 2012, 2016 and 2021.

PCCs have the power to take on responsibility for fire and rescue in their area. As of May 2020 this has taken place in Essex, North Yorkshire, Northamptonshire and Staffordshire. In addition, the directly-elected mayoralties in Greater London and Greater Manchester are each responsible for both functions.

In England, the boundaries of each of these types of authority are mostly based on the county areas established under the *Local Government Act 1972* (see section 5.2 below).

Both Scotland and Northern Ireland have a single fire and rescue service and a single police service, but no directly-elected PCCs.

### 1.3 Other authorities

The Common Council of the City of London, and the Council of the Isles of Scilly, are often described as 'sui generis' (unique) authorities. In functional terms they are unitary authorities, despite their very small populations (they are included in the figures given in section 1.1 above). It is common for Acts of Parliament to mention specifically that they extend to each of these areas.

The Greater London Authority exercises a range of functions in transport, policing, planning, fire and rescue, housing and economic development. It is not a local authority for most purposes and is not included in the figures in section 1.1. In other parts of England, central government manages some of the functions that it undertakes for London. Further details can be found in the Library briefing paper CBP05817, [The Greater London Authority](#).

Ten combined authorities have been established in England under the [Local Democracy, Economic Development and Construction Act 2009](#). These are not local authorities but joint legal bodies through which groups of authorities can work together. They too are not included in the figures in section 1.1. Further information is available in the Library briefing paper [Devolution to local government in England](#).

Local authorities may establish joint waste authorities under section 205 of the *Local Government and Public Involvement in Health Act 2007*. Four have been established in London (West London, North London, Western Riverside, and East London) with others in Greater Manchester (excluding Wigan) and Merseyside. The Greater Manchester Combined Authority absorbed the waste authority on 1 April 2018.

## 2. Functions of local government

A breakdown of the functions of county and district councils in two-tier areas can be found in the Appendix. Councils in single-tier areas undertake all of these functions. Some are 'concurrent' responsibilities, which may be undertaken by either tier of government.

Under section 101 of the [Local Government Act 1972](#), counties and districts are at liberty to agree to undertake functions for one another. If they do so, the responsibility for the function remains with the council to which it belongs in law.

Many public services are delivered by national organisations that are not accountable to local government. Examples include health services (via the NHS), welfare benefits and employment services, probation, and prison services.

Many further national organisations have been established by Government to carry out functions and/or distribute funding, but they are not accountable to local government. Examples include the Environment Agency, Natural England, the Homes and Communities Agency, Highways England, the Arts Council, the Skills Funding Agency and the Education Funding Agency. Many local authorities will have working relationships with these bodies, but they are accountable to their sponsoring central government department. They are often known as non-departmental public bodies (NDPBs), or 'quangos'.

All parts of England are covered by (at least) one Local Enterprise Partnership. These are voluntary bodies, established in 2010-11 to co-ordinate economic development and growth policy in local areas. They have a close working relationship with local authorities (and any combined authority) in their area, frequently with councillors sitting on their management boards, but they are not formally accountable to local authorities. Further details can be found in the Library briefing paper [Local Enterprise Partnerships](#).

### 2.1 Intervention in local government

In England, the Government has broad legal powers to intervene in the running of a local authority, which permit the takeover of any local functions by the Secretary of State or appointees. Intervention takes place under section 15 (6) of the [Local Government Act 1999](#).

Each intervention begins with a formal direction notice. Typically powers are returned to the local authority after a period of years, although they may not all be returned at once. Some interventions have been preceded by reports based on 'best value' inspections, though this is not a legal requirement for an intervention to take place.

Formal Government interventions in the running of local authorities are rare. The circumstances of each intervention have been quite different. For instance, the Government intervened in Rotherham MBC in the light of a report on child sexual exploitation in the borough by Dame Louise

Casey. An earlier intervention in Hackney was focused on social services, education and waste management.

To date, eight interventions have taken place under the 1999 Act:

- 1 London Borough of Hackney (2001-2007)
- 2 Hull City Council (2003-2006)
- 3 Stoke-on-Trent City Council (2008-2010)
- 4 Doncaster Metropolitan Borough Council (2010-2014)
- 5 London Borough of Tower Hamlets (2014-2017)
- 6 Rotherham Metropolitan Borough Council (2015-2019)
- 7 Anglesey Council (2009-2013: intervention by Welsh Government)
- 8 Northamptonshire County Council (2018-present)

In each case, the Secretary of State (the Welsh Ministers in Wales) appointed 'commissioners' to take over certain functions of the councils in question. The breadth of commissioner responsibilities has varied between the interventions.<sup>2</sup> The Communities and Local Government Committee examined two interventions in its 2016 report [\*Government interventions: the use of Commissioners in Rotherham and Tower Hamlets\*](#).

There is no fixed policy governing when the Government should intervene in a local authority. In its evidence to an inquiry by the Communities and Local Government Committee in 2016, the Government stated that statutory intervention was very much a last resort:

Statutory intervention ... is part of wider strategies that the Government uses to monitor risk and ensure accountability in local government. ... It acts as an effective backstop should significant failings be identified.<sup>3</sup>

<sup>2</sup> See Clive Grace, Steve Martin, Tim Allen and Mike Bennett, evidence to Communities and Local Government Committee, June 2016

<sup>3</sup> DCLG, [\*Evidence submitted by the Department for Communities and Local Government\*](#), CLG Committee inquiry, June 2016

## 3. Elections to local government

### 3.1 Electoral systems and wards

Local authorities in England and Wales use the First Past the Post electoral system. Local authorities in Scotland and Northern Ireland use the Single Transferable Vote, with multi-member wards.<sup>4</sup>

Local authorities are divided into wards, represented by councillors. Wards are based on parish areas where they exist. The [Local Government Boundary Commission for England](#) carries out 'electoral reviews', of ward boundaries in England, as it sees fit. Up to 2009 there was a statutory requirement for every authority to be reviewed every 10-15 years.<sup>5</sup> Currently, reviews take place at the discretion of the Commission.<sup>6</sup> Its current practice was outlined in a response to a Parliamentary Question in February 2019:

The [Boundary] Commission administers a rolling programme of electoral reviews and can include local authorities if they meet one or more of the following criteria:

- If a council has high levels of electoral inequality, where some councillors represent many more, or many fewer, voters than the average for the local authority area. The Commission targets authorities where the number of electors in 30% or more wards or divisions varies from the average of the council by 10% or more. Where one ward or division varies by 30% or more, the Commission will also consider carrying out a review. In both cases, the Commission will carry out a review if it believes the variances will not be corrected, without a review, within a reasonable period of time.
- If a council has not undergone an electoral review in more than 12 years.
- Where the Commission has been asked to carry out an electoral review.<sup>7</sup>

Ward boundaries are required to take account of community identity and the need to achieve 'effective and convenient local government'. There is no requirement for ward boundaries to take account of Parliamentary constituencies, though county ward changes should have regard to district wards and vice versa.

Some local authorities have single-member wards, whilst others have multi-member wards. In each case, under the First Past the Post system, voters can vote for as many councillors as there are vacant seats. Therefore, if all three members of a three-member ward face re-election on the same date, the elector will have three votes. The major political parties commonly put forward as many candidates as there are seats

<sup>4</sup> See the Library standard note [Voting systems in the UK](#) for further details of each of these.

<sup>5</sup> See section 13 (3) of the [Local Government Act 1992](#).

<sup>6</sup> See section 56 (1) of the [Local Democracy, Economic Development and Construction Act 2009](#).

<sup>7</sup> House of Commons [PQ 222690 2017-19](#)



available in the ward. It is common for all councillors in a multi-member ward to come from the same party.

## 3.2 Elections by halves and thirds

Some local authorities elect 'by thirds'. Each councillor serves for a four-year term, with elections held for one-third of councillors each year, followed by a fourth year with no elections. This pattern is common in metropolitan councils, and it is also used in some district councils, with the fourth year being used for the county council elections. A small number of councils elect by halves (half of the councillors retiring every two years). In such councils, it is possible for the political balance – and hence the council leadership – to change at each election.

The Government has published [a list of councils and their electoral patterns](#).

A council electing by thirds or by halves may resolve to change its electoral cycle so that all councillors are elected every four years.<sup>8</sup> A council cannot make the opposite change – i.e. moving from full elections to electing by thirds or by halves – unless it is reverting to a pattern of electing by thirds or by halves that it has used in the past.<sup>9</sup> A two-thirds majority of all councillors voting is required for either of these changes.

## 3.3 The franchise

Individuals who are citizens of the UK, Republic of Ireland, a Commonwealth country or a member state of the European Union and who are 18 years old or over, and resident in the UK, may register to vote in local elections in the UK. In Scotland, the voting age for local and devolved elections is 16 years or over. In Wales, a Bill lowering the voting age for local elections to 16 years is currently in the Senedd.

## 3.4 Turnout

Turnouts for UK local government elections have long been far lower than those for general elections. Despite some claims to the contrary, this is not a recent phenomenon but can be traced back to the establishment of UK local government. Average turnouts in UK local elections have varied between 30% and 45% since 1980, except for local elections which coincide with Parliamentary elections, which typically attract a similar turnout to Parliamentary elections. More detailed figures are available in the Library standard note [Elections: turnout](#) (SN01467).

<sup>8</sup> See [Local Government and Public Involvement in Health Act 2007](#), s31-36.

<sup>9</sup> Ibid., s37-52.

## 4. Boundary changes and restructuring

### 4.1 Creating a unitary authority

The procedure for the creation of a unitary authority can be found in sections 1-7 of the [Local Government and Public Involvement in Health Act 2007](#).

The Secretary of State can 'invite' a proposal from a local authority to make a proposal for a county or district, or group of districts, to become unitary. The [Local Government Boundary Commission for England](#) (LGBCE) can be, but need not be, asked for advice on any matter related to the proposal. Regulations may be made covering how local authorities should go about preparing their proposal. The Secretary of State may then make an order implementing the proposal, or s/he may reject the proposal.

The regulations must be approved by both Houses of Parliament. In practice, such regulations are normally debated in the Lords but not in the Commons.

The Government has published guidance indicating the criteria on which it would assess proposals for mergers or restructuring (see section 4.4 below). This replaces previous guidance which applied to the 2007-09 'round' of restructuring.<sup>10</sup>

### 4.2 District council mergers

Where two district councils wish to merge into a single district council, a separate procedure exists, in sections 8-10 of the 2007 Act. Under this procedure, the LGBCE may undertake a review at the request of the Secretary of State **or** of a local authority. The review may propose boundary changes, including the alteration of a boundary, the abolition of a 'local government area' (i.e. a council area), and the constitution of a new local government area.

This legal procedure would also be used to implement a proposal to divide a council into two or more councils. However, no district council units have been divided since the 1972 reorganisation. The trend in recent decades has been towards larger rather than smaller units, as reflected in the Government's current criteria for structural change (see section 4.4 below).

The creation of new parish councils is also a separate legal procedure. This takes place under part 4 of the [Local Government and Public Involvement in Health Act 2007](#). Further details can be found in the Library briefing paper [Parish and town councils: recent issues](#).

There is no legal procedure to 'promote' a parish or town council to become a district council or unitary authority. Any attempt to create a

<sup>10</sup> DCLG, *Invitation to councils in England to make proposals for future unitary structures*, 2006

new district council would have to take place under the procedure outlined above. There would be no formal role for a pre-existing parish or town council.

### 4.3 Structural changes since 2010

The financial pressures on local authorities during the 2010-15 Parliament led to calls from some quarters for the creation of more unitary authorities, as a means of saving money.

The ‘Heseltine report’, *No Stone Unturned*, proposed a fully unitary system of local government for England in late 2012. The Government rejected this recommendation, stating that it would prefer “authorities not to be distracted by structural change”.<sup>11</sup> This reflected the views of the then Secretary of State, Eric Pickles, who opposed any suggestions of reorganisation during his tenure from 2010 to 2015.<sup>12</sup>

The following changes have taken place to local authority boundaries in England since 2010. The first three new councils in the table below are merged district councils, and the remainder are new unitary authorities. The net effect has been to increase the number of unitary authorities by 3, to decrease the number of district councils by 17, and to decrease the number of county councils by 3 (as Buckinghamshire and Dorset are now regarded as unitary authorities rather than county councils).

**Table: changes to local government boundaries in England, 2010-**

New council	Predecessor councils	Date of first elections	Orders
Somerset West & Taunton	Taunton Deane DC, West Somerset DC	2019	<a href="#">Order</a> <a href="#">Lords debate</a>
East Suffolk	Suffolk Coastal DC, Waveney DC	2019	<a href="#">Order</a> <a href="#">Lords debate</a>
West Suffolk	Forest Heath DC, St Edmundsbury DC	2019	<a href="#">Order</a> <a href="#">Lords debate</a>
Bournemouth, Christchurch and Poole	Bournemouth, Poole, Christchurch DC, Dorset CC (part)	2019	<a href="#">Order</a> <a href="#">Lords debate</a>
Dorset	Dorset CC (part), East Dorset DC, West	2019	<a href="#">Order</a>

<sup>11</sup> DCLG, [Government response to the Heseltine Report](#), Cm 8587, 2013, p.54; [HCDdeb 12 Nov 2012](#) cc7-8

<sup>12</sup> See, for instance, [HCDdeb 12 Nov 2012](#) c8; [HCDdeb 21 Oct 2010](#) c1155.

	Dorset DC, North Dorset DC, Purbeck, Weymouth & Portland		<a href="#">Lords debate</a>
Buckinghamshire	Buckinghamshire CC, Wycombe DC, Chiltern DC, South Bucks DC, Aylesbury Vale DC	2021 (postponed from 2020)	<a href="#">Order</a> <a href="#">Lords debate</a>
West Northamptonshire	Daventry DC, South Northamptonshire DC, Northampton BC, Northamptonshire CC (part)	2021 (postponed from 2020)	<a href="#">Order</a> <a href="#">Lords debate</a>
North Northamptonshire	Corby BC, Kettering BC, Wellingborough BC, East Northamptonshire DC, Northampton CC (part)	2021 (postponed from 2020)	<a href="#">Order</a> <a href="#">Lords debate</a>

Other proposed mergers have not gone ahead: for instance, a merger between Babergh and Mid-Suffolk district councils was postponed in early 2018, and one between West Devon and South Hams district councils was rejected in October 2017.

Unitary local government has also been mooted in a number of other localities, including East Lancashire, Cumbria, Leicestershire, Oxfordshire, Hampshire and Lincolnshire.<sup>13</sup> Of these, Oxfordshire submitted a formal proposal, but this was later abandoned.

## 4.4 Government guidance

The then Secretary of State, James Brokenshire, made a written statement on 22 July 2019 which set out the criteria used by the Government to assess requests for restructuring and for district council mergers:

I confirm that I will assess any locally-led unitary proposal that I receive against the criteria for unitarisation which we announced to Parliament in 2017 and which I and my predecessor have consistently used since then. These criteria state that subject to Parliamentary approval a proposal can be implemented, with or without modification, if I conclude that across the area as a whole the proposal is likely to:

- improve the area's local government;

<sup>13</sup> LGC Briefing, [“The Siege of Oxford part ii”](#), 6 February 2017; David Paine, [“Districts cast doubt over two-unitary plan”](#), *Local Government Chronicle*, 1 February 2017; Jon Bunn, [“County leader pushes for unitary referendum”](#), *Local Government Chronicle*, 24 January 2017; Mark Smulian, [“Push for ‘Greater Portsmouth’ unitary as devo bid falters”](#), *Local Government Chronicle*, 7 February 2017; House of Commons [PQ 281718 2017-19](#), 3 Sep 2019

- command a good deal of local support across the area; and
- cover an area that provides a credible geography for the proposed new structures, including that any new unitary council's population would be expected to be in excess of 300,000.

On district council mergers, I confirm that where two or more district councils submit a proposal to merge, I will assess this against the criteria for mergers which we announced to Parliament in November 2017 and which we have used since then. The statutory process for such mergers does not involve my inviting proposals, and I recognise that particularly small district councils may wish to propose merging as a natural next step following a number of years of successful joint working, sharing of services and senior management teams.

The criteria for district council mergers are that, subject to Parliamentary approval, a proposal to merge would be implemented if I had reached a judgement in the round that if so implemented it would be likely to:

- improve the area's local government;
- command local support, in particular that the merger is proposed by all councils which are to be merged and there is evidence of a good deal of local support; and
- the area is a credible geography, consisting of two or more existing local government areas that are adjacent, and which, if established, would not pose an obstacle to locally-led proposals for authorities to combine to serve their communities better and would facilitate joint working between local authorities.<sup>14</sup>

The latter criteria repeat a statement made on 7 November 2017 by the then Secretary of State, Sajid Javid.<sup>15</sup> They are also in line with guidance provided to councils in Northamptonshire following the publication of the Caller report in February 2018.<sup>16</sup>

## 4.5 Consent for structural change

Section 15 of the [Cities and Local Government Devolution Act 2016](#) gives the Secretary of State general powers to disapply the provisions of the 2007 Act in respect of boundary change. The initial aim was to provide an expedited procedure for creating unitary authorities, and for reviewing ward boundaries and councillor numbers within local authorities or for the review of local authority areas. Where a new combined authority is to be created, this would allow the simultaneous creation of unitary authorities, if this was desired locally.

The 2016 Act permitted this disapplication only where the 'relevant authorities' consent – i.e. those which would be directly affected by a

<sup>14</sup> [HCWS 1790 2017-19](#), 22 July 2019

<sup>15</sup> [HCWS 232 2017-19](#), 7 Nov 2019

<sup>16</sup> MHCLG, [Invitation to submit a proposal for a single tier of local government in Northamptonshire](#), 27 Mar 2018. For more information on the events leading up to reorganisation in Northamptonshire, see the Library briefing [Local authority financial resilience](#).

proposal. A section of the Act permitting restructuring where only one of the affected authorities consented expired on 31 March 2019.

The 2019 changes in Dorset also featured regulations under section 15 which gave retrospective authority to the Dorset local authorities to make a proposal without a formal invitation.<sup>17</sup>

<sup>17</sup> See the draft [\*Dorset \(Structural Changes\) \(Modification of the Local Government and Public Involvement in Health Act 2007\) Regulations 2018\*](#)

## 5. Local government finance

Local government finance is extremely complex. This section of the paper presents a very brief framework of the key sources of funding and procedures for allocating funds to local authorities.

### 5.1 Sources of finance

English local authorities have four principal sources of finance, as follows. The bulk of the funds from these sources is not 'ring-fenced' – i.e., local authorities can spend the money as they choose.

#### Council tax

Local authorities set their own levels of council tax and retain all of the revenues locally. Council tax bands are fixed by the Government, and properties are allocated to the bands by the Valuation Office Agency (VOA). Annual rises in council tax are subject to 'referendum principles' set by the Secretary of State (see the Library briefing [Council tax: local referendums](#)).

#### Business rates

Local authorities collect business rate revenue. Some of this is retained locally, some passed to central government, and some redistributed within the sector (see the Library briefing [Business rates](#)). The Government intends the sector to retain a larger proportion of rate revenue in the future ('75% business rate retention': see the Library briefing [Reviewing and reforming business rates](#)). This was to have been introduced from the 2019-20 financial year, but it has now been postponed to 2022.

Currently, local government as a whole retains 50% of business rates revenue (the 'local share'), with the other 50% being passed to central Government (the 'central share'). The 'local share' is subject to a system of redistribution between authorities (the 'tariff and top-up' system). In short, areas with high rate revenues pay a 'tariff' in, and areas with low rate revenues receive a 'top-up' out. Additionally, a number of areas have piloted local retention of 100% of rate revenue from 2017 onwards.

#### Central government grants

Central government passes a number of grants to local authorities. The largest is the annual Revenue Support Grant (RSG). This grant is not ring-fenced.

Some additional grants are ring-fenced (e.g. the Public Health Grant). Others are not, and may be spent as local authorities choose (e.g. the New Homes Bonus, Rural Services Delivery Grant). Each of these grants are distributed between authorities according to separate criteria.

## Local fees and charges

Local authorities have hundreds of powers to charge fees for services provided.<sup>18</sup> In most cases, fees must not exceed the cost of providing the service, and in many cases fee levels are set nationally. The income is retained locally but must be treated as a contribution to the provision of the service for which it is paid. Thus it does not constitute a separate source of revenue in local government accounts.

Local authorities may also receive commercial income deriving from their ownership of assets, or from investments.

## 5.2 The Local Government Finance Settlement

### Funding included

Each year, levels of central government grant for local authorities in England are decided via the annual Local Government Finance Settlement. This involves the setting of redistribution provisions for business rates revenue ('tariffs' and 'top-ups') and the fixing of Revenue Support Grant levels. These sums, together with a few smaller grants are known as an authority's Settlement Funding Assessment (SFA).

The annual settlement covers all county, district and unitary authorities in England, plus fire and rescue authorities and the Greater London Authority. It has also recently included mayoral combined authorities.

Police and education funding are not included in the annual settlement. Nor are figures for housing benefit (which is administered by local government to central government requirements). However, some central government statistical publications list all of these lines of funding as elements of 'local government funding'.

The funding mentioned here solely consists of revenue funding. Local authorities also receive annual allocations of capital funding, which must be accounted for separately (see the Library briefing paper [Local government in England: capital finance](#)).

Local government finance is devolved to Scotland, Wales and Northern Ireland. In each of the devolved territories, the devolved legislature operates a comparable annual procedure, though with differences regarding the funds included.

### Annual practice

The Government is required by statute to publish Revenue Support Grant allocations annually, and the House of Commons must approve the settlement.<sup>19</sup> Practice in recent years has been for a draft settlement to be published in mid-December, and a final settlement in early to mid-February, before the start of the relevant financial year in April. [The](#)

<sup>18</sup> These powers are found in multiple Acts of Parliament: a comprehensive list is not available.

<sup>19</sup> See sections 78 and 78A of the *Local Government Finance Act 1988*. The law is silent on what happens if the House of Commons fails to approve the settlement.



[Library has published a briefing paper](#) on the Local Government Finance Settlement for 2020-21.

In December 2015, for the first time in recent decades, the Government published indicative funding levels for the following four financial years (2016-20). Local authorities were given the opportunity to 'sign up' to a four-year settlement:

The Government will offer any council that wishes to take it up a four-year funding settlement to 2019-20. As part of the move to a more self-sufficient local government, these multi-year settlements can provide the funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners. Councils should also use their multi-year settlements to strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents.<sup>20</sup>

Funding levels for individual authorities agreed at this time can be found on the website of the Department for Communities and Local Government (DCLG).<sup>21</sup>

It is commonplace for funding streams to be transferred in and out of the finance settlement each year. This makes it difficult to provide meaningful figures for how much an individual authority's funding has risen or fallen over several years, as it is not possible to directly compare like with like. The four-year settlement between 2016 and 2020 is an exception to this: but in other years, the Government has published adjusted figures for the current year alongside the forthcoming settlement to allow direct comparison to be made.

<sup>20</sup> DCLG, [The provisional Local Government Finance Settlement 2016-17 and an offer to councils for future years](#), December 2015, p. 24

<sup>21</sup> See the spreadsheet entitled [Core Spending Power: supporting information](#).

## 6. Structures: history

### 6.1 Pre-1972

Elected county councils were established in England and Wales by the *Local Government Act 1888*, and district councils by the *Local Government Act 1894*. A number of larger towns and cities were permitted to opt out from county government under the 1888 Act: these became 'county boroughs'. The 1888 Act included criteria through which authorities could apply for county borough status in the future. Similar structures were introduced by the *Local Government (Ireland) Act 1898* and the *Local Government (Scotland) Act 1889*.

### 6.2 The 1972-74 reforms

The *Local Government Act 1972* reorganised the whole of England (except London) and Wales into a two-tier structure, with 45 county councils as upper-tier authorities and 332 district councils as the lower tier. Six of the counties, and 36 of the districts, were 'metropolitan counties' and 'metropolitan boroughs' respectively: the division of functions between the two tiers in metropolitan areas was different to that in non-metropolitan areas. In addition, London was governed by the Greater London Council (GLC) and 32 London boroughs.

Immediately prior to the reorganisation, England had 46 county councils, 79 county boroughs, 32 London boroughs, 449 urban districts, 227 metropolitan boroughs, and 410 rural districts.<sup>22</sup> The changes came into effect on 1 April 1974.

The six 'metropolitan counties' all covered newly-constituted geographical areas, with most including parts of two or three traditional county areas. Their boundaries took strong account of 'functional economic geography' – essentially uniting cities with their economic hinterlands. Metropolitan counties handled police, fire, passenger transport, waste disposal, economic development and land-use planning. These counties were abolished by the *Local Government Act 1985*, following the Conservative government's 1984 white paper *Streamlining the Cities*.

An equivalent reorganisation took place in Scotland under the *Local Government etc. (Scotland) Act 1973*, which replaced 33 counties, 197 burghs and 196 district councils with nine regional councils, 53 district councils, and three unitary authorities (Orkney, Shetland and the Western Isles). The *Local Government Act (Northern Ireland) 1972* replaced 55 district councils, two counties, six county boroughs and ten boroughs with 26 district councils in Northern Ireland.

London had previously been reorganised under the *London Government Act 1963*, with changes taking effect in 1964. This Act introduced one county council, 32 boroughs, and left the City of London untouched. The area covered by the new Greater London Council had previously been covered by the London County Council (with 28 boroughs, smaller

<sup>22</sup> Lord Redcliffe-Maud, *Royal Commission on Local Government*, 1968, p. 21

than the current ones), Middlesex County Council, and a patchwork of municipal boroughs and urban district councils.

A number of local authorities were permitted to retain the title of 'borough council' or 'city council' following the 1972 reforms, despite taking on the status of a district. These are honorific titles and have no implications for these authorities' functions.

## 6.3 Structural changes since 1972

A number of further reforms to local authority structures have taken place since 1972 (see the Table below; see also the table in section 4.3). The overall effect has been to reduce the overall number of authorities and councillors, and to move further towards a pattern of unitary authorities and a move away from the two-tier structure of the 1972 reforms.<sup>23</sup>

**Table: changes to local government structure in England since 1972**

Year	Change
1986	Abolition of the six metropolitan county councils and the Greater London Council, passing some of their functions to joint boards and some to borough councils in their areas
1994	Replacement of two-tier structure in Scotland and Wales with 32 and 22 unitary authorities respectively
1996-98	Creation of 46 new unitary authorities across England
2003-04	Proposals for unitary authorities in the North-East, Yorkshire & Humber and North-West regions, accompanying plans to introduce elected regional assemblies in the North of England. Neither plan succeeded.
2007-09	Creation of nine new unitary authorities across England, in an application-based process
2014-15	Merger of 26 district councils into 11 larger district councils in Northern Ireland. Proposals for the merger of 22 unitary authorities in Wales into 10-12 larger unitary authorities
2019-	Occasional creation of new unitary authorities on request in England


<sup>23</sup> See Office for National Statistics, [Historical boundary change](#), for details of changes up to 1998; Office for National Statistics, [United Kingdom: Local Authority Districts, Counties and Unitary Authorities, 2012](#), for subsequent changes.



# Appendix: functions of local authorities in England

Function	Tier
Arts and recreation	County / district
Births, deaths and marriage registration	County
Building regulations	District
Burials and cremations	District
Children's services	County
Coastal protection	District
Community safety	District
Concessionary travel	County
Consumer protection	County
Council tax and business rates	District
Economic development	County / district
Education, including special educational needs, adult education, pre-school	County
Elections and electoral registration	District
Emergency planning	County
Environmental health	District
Highways (not trunk roads), street lighting and traffic management	County
Housing	District
Libraries	County
Licensing	District
Markets and fairs	District
Minerals and waste planning	County
Museums and galleries	County / district
Parking	County / district
Passenger transport (buses) and transport planning	County
Planning	County / district
Public conveniences	District
Public health	County
Social services, including care for the elderly and community care	County
Sports centres, parks, playing fields	District
Street cleaning	District
Tourism	County / district
Trading standards	County
Waste collection and recycling	District
Waste disposal	County



 <b>Executive 13 July 2020</b>		<b>Agenda Item No.</b> <b>4</b>
<b>Title</b>	Adoption of the Affordable Housing and Developer Contributions SPDs	
<b>For further information about this report please contact</b>	David Butler, Business Manager Policy & Delivery (01926 456017) <a href="mailto:David.butler@warwickdc.gov.uk">David.butler@warwickdc.gov.uk</a>  Tony Ward, Senior Planning Officer (01926 456503) <a href="mailto:Tony.ward@warwickdc.gov.uk">Tony.ward@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive, 13 November 2019, Item 12	
<b>Background Papers</b>	Warwick District Local Plan 2011-2029	

<b>Contrary to the policy framework:</b>		No
<b>Contrary to the budgetary framework:</b>		No
<b>Key Decision?</b>		Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>		Yes (1,083)
<b>Equality Impact Assessment Undertaken</b>		Yes
The Local Plan has been subject to an equalities impact assessment which assessed the implications of consultations on equalities.		
<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	08/06/2020	Chris Elliott
Head of Service	08/06/2020	Dave Barber
CMT	08/06/2020	Chris Elliott/Andy Jones/Bill Hunt
Section 151 Officer	08/06/2020	Mike Snow
Monitoring Officer	08/06/2020	Andy Jones
Finance	08/06/2020	Mike Snow
Portfolio Holder(s)	08/06/2020	Cllr John Cooke
<b>Consultation &amp; Community Engagement</b>		
Public consultation took place between 02/12/2019 and 24/02/2020		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **Summary**

- 1.1 The Warwick District Local Plan 2011 – 2029, adopted in September 2017, contains commitments to bring forward Supplementary Planning Documents on a number of matters.
- 1.2 The draft versions of the Affordable Housing SPD and Developer Contributions SPD were subject to a period of public consultation between 2<sup>nd</sup> December 2019 and 24<sup>th</sup> February 2020. This report sets out the outcome of the consultations and recommends adoption of the final drafts of the SPDs.

## 2. **Recommendation**

- 2.1 That the Executive notes the statement of community consultation (Appendix 1) and approves the adoption of the Affordable Housing SPD (Appendix 2).
- 2.2 That the Executive notes the statement of community consultation (Appendix 3) and approves the adoption of the Developer Contributions SPD (Appendix 4).

## 3. **Reasons for the Recommendation**

### Affordable Housing

- 3.1 The previous Affordable Housing SPD was adopted in 2008, since when Warwick District Council have adopted the Local Plan and the government have introduced and updated the National Planning Policy Framework.
- 3.2 The Affordable Housing SPD has been developed in conjunction with Housing Services, and therefore gives the Council the most up-to-date and sound basis to require and deliver the affordable housing the District requires.
- 3.3 The SPD was taken out to public consultation for 12 weeks, an extended period to ensure there was ample opportunity to respond to the consultation given the Christmas period and the general election.
- 3.4 The representations are summarised in Appendix 1, along with the officer response, and details of any actions that need to be taken as a result. These have now been made, and Appendix 2 is the final draft of the document.
- 3.5 Once adopted, the SPD will become a material factor in the determination of planning applications, and will aide applicants by clearly articulating the affordable housing requirements in the District.

### Developer Contributions

- 3.6 **This is the Council's first Developer Contributions SPD. The requirement for its production was identified in the current Local Plan in order to support the Plan's delivery.**
- 3.7 The Developer Contributions SPD has been developed to set out how the Council will secure developer contributions from eligible development. The SPD includes a Template Section 106 framework to regularise and expedite the efficient production of consistent legal agreements.
- 3.8 The SPD was taken out to public consultation for 12 weeks, an extended period to ensure there was ample opportunity to respond to the consultation given the Christmas period and the general election.



- 3.9 The representations are summarised in Appendix 3, along with the officer response, and details of any actions that need to be taken as a result. These have now been made, and Appendix 4 is the final draft of the document.
- 3.10 Once adopted, the SPD will become a material factor in the determination of planning applications, and will aide applicants by clearly articulating planning obligations that may be necessary to support development in the District.

#### 4. Policy Framework

##### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
The SPDs will aid in delivery of appropriate affordable housing and in the provision of Section 106 contributions for other matters	The Developer Contributions SPD will help ensure adequate Section 106 monies will be accrued from developments	The Developer Contributions SPD will help ensure adequate Section 106 monies will be accrued from developments
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>

<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right Behaviours	<u>Intended outcomes:</u> Focusing on our <b>customers' needs</b> Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
The SPDs will aid officers in the determination of planning applications.	The SPDs will ensure that appropriate contributions are raised from developments within the District.	The SPDs will ensure that appropriate contributions are raised from developments within the District.

#### 4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies. The Local Plan is one of the key strategies, cutting across many of the FFF strands.

#### 4.3 **Changes to Existing Policies**

This document seeks to support the new policies adopted within the Local Plan and adheres to national and local policies rather than changing them.

#### 4.4 **Impact Assessments**

The Consultation has been **undertaken in line with the Council's Statement of Community Involvement (SCI) 2016** approved by Executive in January 2016. The SCI specifically seeks to ensure that all relevant sectors of the community are consulted. The Local Plan has been subject to an equalities impact assessment which assessed the implications of consultations on equalities.

#### 5. **Budgetary Framework**

- 5.1 The costs of conducting the consultations and reviewing the responses were covered within the existing budget framework.

#### 6. **Risks**

- 6.1 There are no specific risks related to adopting either of the SPDs.

#### 7. **Alternative Option(s) considered**

- 7.1 The Executive could decide not to adopt the Affordable Housing SPD, however this would hinder the provision of the right mix and quantum of affordable housing in the District.

- 7.2 The Executive could decide not to adopt the Developer Contributions SPD, however this may hinder the efficient delivery of development and any associated physical and social infrastructure needed to make it acceptable in planning terms.

## 8. **Background**

- 8.1 The Affordable Housing SPD consultation received 64 representations, as detailed in Appendix 1.
- 8.2 As outlined in Appendix 1, there were minor amends to the text of the consultation draft, none of which required the document to be re-consulted upon.
- 8.3 The Developer Contributions SPD received 85 representations, as detailed in Appendix 3.
- 8.4 As a result of the representations outlined in Appendix 3, there were minor amends to the text of the consultation draft, none of which required the document to be re-consulted.
- 8.5 After further consideration by officers, it was considered useful to re-order the types of obligation in part 2 of the SPD. The document now groups obligations sought by the District Council and those sought on behalf of Warwickshire County Council. This adjustment does not change the substance of the content or require re-consultation.

## Appendix 1

## Affordable Housing SPD

### Report of Public Consultation

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71635	John Coleman	William Davis	SPD ignores other intermediate tenures included in the NPPF and therefore is contrary to Policy H2. The SPD should make specific reference to the definitions in Annex 2 of the NPPF.	Agreed. Text amended to reference further intermediate tenures as per Annex 2.
71624	Rosamund Worrall	Historic England	No comments.	Noted
71625	Sharon Jenkins	Natural England	No comments.	Noted
71626	Sarah Jones	Barton Willmore on behalf of IM	SPD should be expanded to reference additional paras of the NPPF and PPG.	In the interests of brevity we do not feel that the SPD needs to repeat parts of the NPPF and PPG unless specifically necessary (such as Annex 2 included in the appendices).
71626	Sarah Jones	Barton Willmore on behalf of IM	SPD should stipulate that Neighbourhood Plan policies are not expected to seek in excess of the Local Plan policy requirement, and that any that do must be the subject of a neighbourhood plan viability assessment.	It is for each Neighbourhood Plan, its public consultation process and its subsequent examination to determine the appropriateness of its policies, including conformity with the strategic policies of the Local Plan. It would be inappropriate for this SPD to set requirements to be applied to all future NPs.
71627	Sarah Jones	Barton Willmore on behalf of IM	The 'site size' should be reworded so that it is clear that barriers such as land ownership and landowner intentions are accounted for. Further, redraft to be clear that the Council is not seeking to control the density of developments beyond where density is being used to purely circumvent the provision of affordable housing.	The site size section already details the considerations undertaken by the Council. Where sites are functionally dependent on each other (for example) it may be appropriate to consider them as a whole and an affordable housing requirement placed. We do not feel that the additional considerations suggested merit inclusion.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
				The SPD states that the Council will have regard to density within the context of sites avoiding the 10 dwelling threshold. Appropriate density is already a consideration in all applications as per Local Plan policy BE2, and so there is no risk that the SPD will harm development density on sites that are responding appropriately to the policy and environmental context.
71628	Sarah Jones	Barton Willmore on behalf of IM	Support for the site viability section. The SPD should refer to the PPG approach on viability and viability assessments to ensure consistency with national policy.	Noted, although references to the PPG are considered superfluous within the SPD as NPPF and PPGs will need to be considered alongside the Local Plan and all other relevant policy documents.
71629	Sarah Jones	Barton Willmore on behalf of IM	Clarification on whether land is included in off-site contribution. It should be demonstrated that the uplift calculations do not go beyond the Local Plan 40%. Text should clarify that financial contributions should be rounded down.	The text is already clear with regards to compliance with H2 regarding provision of land. The explanatory text already demonstrates that the uplift provides for 40% affordable housing once the additional market dwellings are considered. There is no intention for financial contributions to be rounded down and the table already makes it clear that numbers are rounded up, in line with elsewhere in the SPD.
71630	Sarah Jones	Barton Willmore on behalf of IM	Flexible approach to tenures, types and sizes is supported, and could be strengthened by references to site-specific circumstances. Encouragement for bungalows should note the potential implications for site design and density.	Support is noted although additional examples will not be added in the interests of brevity. Site specific implications as a result of bungalow provision will be reviewed on a case-by-case basis. Bungalows are encouraged, but will be assessed in the context of compliance with other policies of the Development Framework.
71631	Sarah Jones	Barton Willmore on behalf of IM	Any future environmental DPD should take into account of the governments Future Homes Standards consultation (2019)	Noted and agreed that the future DPD will need to take this into account.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71632			The Section106 template should be clearer that some elements of information requested will not be finalised at the point of an outline application (such as the overall housing mix)	The template is provided as a starting point of negotiation and this Council's expected outcomes. Should some information be unavailable at the point of negotiation then this will be addressed in a case-by-case basis. The text will be amended to emphasise this.
71633	Sarah Jones	Barton Willmore on behalf of IM	The timescales and triggers for delivery should provide for deviations from the proposed to provide flexibility	The template is provided as a starting point of negotiation and this Council's expected outcomes. The timescales and triggers include constitute best practice. Should site-specific information require different triggers then this will be considered on a case-by-case basis.
71634	Sarah Jones	Barton Willmore on behalf of IM	It is considered unnecessary for the standards of construction to be included in the legal agreement as they will be a part of designs and plans of the approved application.	The inclusion of such provisions within the template 106 is considered appropriate, irrespective of documents that may have been submitted as part of the planning process.
71622	Jayne Topham	Warwick Town Council	Support the proposed document.	Noted.
71621	Richard Timothy	Highways England	No comments.	Noted.
71623	Reiss Graham	HS2	No comments.	Noted.
71683	Malwina Idziac	Canal & River Trust	No comments.	Noted.
71592	Anna	Delta Planning on behalf of AC Lloyd	The Government will soon be releasing a White Paper to introduce the concept of First Homes, the SPD should include this now.	Whilst we recognise that policy changes may occur, it is not appropriate to second guess the nature of unreleased White Papers, and so have not include potential future models of Affordable Housing.
71593	Anna	Delta Planning on behalf of AC Lloyd	The SPD should make clear that although on-site provision is a priority alternative can be considered where appropriate was permitted by Policy H2	We feel that this point is already sufficiently made within the Local Plan and in the chapter of the SPD that relates to alternative provisions.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71594	Anna	Delta Planning on behalf of AC Lloyd	Fractions should be rounded up and down to ensure development is delivered at the most appropriate levels	Given the Affordable Housing requirement in the District the most appropriate level of provision is provided by rounding any fractions upwards.
71595	Anna	Delta Planning on behalf of AC Lloyd	Definition of “smaller schemes” when regarding conversion schemes. And, these issues could be present for larger schemes, and some allowance should be made for individual assessments so the off-site contributions can be used when appropriate.	The mention of a small conversion scheme is merely by way of an example of a circumstance that might struggle to provide its AH requirement on site. It is clearly not intended to be an exhaustive list of possible circumstances, and broadening the example would serve no useful purpose.
71596	Anna	Delta Planning on behalf of AC Lloyd	Conflict between p18 and 20 with regards to tenure split.	Noted. The text will be amended to resolve the conflict.
71597	Anna	Delta Planning on behalf of AC Lloyd	Some of the bullet points in the draft S106 will only be provided at reserved matters stage,	Noted. The text will be amended to emphasise the principle that this is provided as a comprehensive template to be amended as circumstance dictates.
71598	Anna	Delta Planning on behalf of AC Lloyd	Conflict with NPPF in terms of limitation on rural exception sites, too restrictive, and the use of the words “small scale” are ambiguous	Section 7 details that rural exception sites will need to respond to the nature and size of existing settlement. The definition of small cannot therefore be set to a specific number as that will depend on the location, as well as other factors. We do not feel that there is a fundamental contradiction between the NPPF and the adopted Local Plan policy H3 which uses the words “small in scale”.
71599	Anna	Delta Planning on behalf of AC Lloyd	2 year consent for rural sites considered too restrictive given the overwhelming need for affordable housing in the district as a whole.	We feel that the slightly shortened consent is appropriate in rural exception sites to ensure that the provision of such affordable housing happens quickly, and solely for the purpose of needed AH provision.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71600	Anna	Delta Planning on behalf of AC Lloyd	Self build housing can be a form of affordable housing and this should be mentioned within the SPD	Noted and agreed, self build will be referenced.
71601	Anna	Delta Planning on behalf of Deeley Group	The Government will soon be releasing a White Paper to introduce the concept of First Homes, the SPD should include this now.	Whilst we recognise that policy changes may occur, it is not appropriate to second guess the nature of unreleased White Papers, and so have not include potential future models of Affordable Housing.
71602	Anna	Delta Planning on behalf of Deeley Group	The SPD should make clear that although on-site provision is a priority alternative can be considered where appropriate was permitted by Policy H2	We feel that this point is already sufficiently made within the Local Plan and in the chapter of the SPD that relates to alternative provisions.
71603	Anna	Delta Planning on behalf of Deeley Group	Fractions should be rounded up and down to ensure development is delivered at the most appropriate levels	Given the Affordable Housing requirement in the District the most appropriate level of provision is provided by rounding any fractions upwards.
71604	Anna	Delta Planning on behalf of Deeley Group	Definition of “smaller schemes” when regarding conversion schemes. And, these issues could be present for larger schemes, and some allowance should be made for individual assessments so the off-site contributions can be used when appropriate.	The mention of a small conversion scheme is merely by way of an example of a circumstance that might struggle to provide its AH requirement on site. It is clearly not intended to be an exhaustive list of possible circumstances, and broadening the example would serve no useful purpose.
71605	Anna	Delta Planning on behalf of Deeley Group	The preferred tenure split is unclear as conflicting information is provided. Definitions of tenure could assist in making the requirement clear.	Noted. The text will be amended to resolve the conflict.
71606	Anna	Delta Planning on behalf of Deeley Group	The details to be submitted are applicable to full planning applications only.	Noted. The text will be amended to emphasise the principle that this is provided as a comprehensive template to be amended as circumstance dictates.



Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71607	Anna	Delta Planning on behalf of Deeley Group	Conflict with the NPPF in terms of limitations on rural exemption sites, definitions are needed.	Section 7 details that rural exception sites will need to respond to the nature and size of existing settlement. The definition of small cannot therefore be set to a specific number as that will depend on the location, as well as other factors. We do not feel that there is a fundamental contradiction between the NPPF and the adopted Local Plan policy H3 which uses the words “small in scale”.
71608	Anna	Delta Planning on behalf of Deeley Group	2 year consent too restrictive to boost rural affordable housing.	We feel that the slightly shortened consent is appropriate in rural exception sites to ensure that the provision of such affordable housing happens quickly, and solely for the purpose of needed AH provision.
71609	Anna	Delta Planning on behalf of Deeley Group	Self build housing can also be a form of affordable housing and this should be referenced within the SPD	Noted and agreed, self build will be referenced
71647	Leonie Stoate	Tetlow King on behalf of West Midlands Housing Association Planning Consortium	SPD cannot vary the JSHMA mix and should retract the proposed mix. SPD should remove all requirements to retain affordable housing in perpetuity unless explicitly relating to rural exception sites	<p>It is appropriate for SPDs to add additional detail to policies, such as a revision to the evidence base as long as such revision do not introduce new policy or exceed the existing Local Plan policies. Revising the preferred mix of affordable housing without altering the overall provision is considered appropriate for an SPD.</p> <p>The Local Plan already contains the provision for AH to remain affordable in perpetuity (see Policy H2 g) and para 4.21) and so the SPD will retain this requirement.</p>
71649	Leonie Stoate	Tetlow King on behalf of West Midlands	Support for the integration of AH throughout sites, although consider the term “pepper-potting” outdated and	Noted. A non-binding range for a “small cluster” will be provided as a guide to aid developers.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
		Housing Association Planning Consortium	imprecise. "Small cluster" should have a size or range applied to it.	
71684	Nicole Burnett	Gladman Developments	Support the recognition that tenure split may need revising with more up-to-date evidence in the future. However, emphasis should be made that although this is the preferred split, in some circumstances negotiations can take place to vary this.	P18 already states underneath the table of tenure split "These may vary site by site and early engagement with Council officers is recommended, who will be able to advise the required tenure mix for a specific site"
71685	Nicole Burnett	Gladman Developments	Note that the typology mix differs from the SHMA. Urge that the SPD makes clear that mix is a guide rather than a fixed requirement, with the specific mix discussed on a site by site basis	As above.
71686	Nicole Burnett	Gladman Developments	Note that the Government will soon launch a "First Homes" White Paper consultation and that the SPD may need updating in the future to remain consistent with Government objectives	Noted, and any relevant updates will be made in due course, should they be required.
71687	Kathryn Ventham	Barton Willmore on behalf Barwood	SPD should be expanded to reference additional paras of the NPPF and PPG.	In the interests of brevity we do not feel that the SPD needs to repeat parts of the NPPF and PPG unless specifically necessary (such as Annex 2 included in the appendices).
71688	Kathryn Ventham	Barton Willmore on behalf Barwood	SPD should stipulate that Neighbourhood Plan policies are not expected to seek in excess of the Local Plan policy requirement, and that any that do must be the subject of a neighbourhood plan viability assessment.	It is for each Neighbourhood Plan, its public consultation process and its subsequent examination to determine the appropriateness of its policies, including conformity with the strategic policies of the Local Plan. It would be inappropriate for this SPD to set requirements to be applied to all future NPs.
71689	Kathryn Ventham	Barton Willmore on behalf Barwood	The 'site size' should be reworded so that it is clear that barriers such as land ownership and landowner intentions are accounted for.	The site size section already details the considerations undertaken by the Council. Where sites are functionally dependent on each

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			Further, redraft to be clear that the Council is not seeking to control the density of developments beyond where density is being used to purely circumvent the provision of affordable housing.	<p>other (for example) it may be appropriate to consider them as a whole and an affordable housing requirement placed. We do not feel that the additional considerations suggested merit inclusion.</p> <p>The SPD states that the Council will have regard to density within the context of sites avoiding the 10 dwelling threshold. Appropriate density is already a consideration in all applications as per Local Plan policy BE2, and so there is no risk that the SPD will harm development density on sites that are responding appropriately to the policy and environmental context.</p>
71690	Kathryn Ventham	Barton Willmore on behalf Barwood	Support for the site viability section. The SPD should refer to the PPG approach on viability and viability assessments to ensure consistency with national policy.	Noted, although references to the PPG are considered superfluous within the SPD as NPPF and PPGs will need to be considered alongside the Local Plan and all other relevant policy documents.
71691	Kathryn Ventham	Barton Willmore on behalf Barwood	Clarification on whether land is included in off-site contribution. It should be demonstrated that the uplift calculations do not go beyond the Local Plan 40%. Text should clarify that financial contributions should be rounded down.	The text is already clear with regards to compliance with H2 regarding provision of land. The explanatory text already demonstrates that the uplift provides for 40% affordable housing once the additional market dwellings are considered. There is no intention for financial contributions to be rounded down and the table already makes it clear that numbers are rounded up, in line with elsewhere in the SPD.
71692	Kathryn Ventham	Barton Willmore on behalf Barwood	Flexible approach to tenures, types and sizes is supported, and could be strengthened by references to site-specific circumstances.	Support is noted although additional examples will not be added in the interests of brevity. Site specific implications as a result of bungalow provision will be reviewed on a case-by-case

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			Encouragement for bungalows should note the potential implications for site design and density.	basis. Bungalows are encouraged, but will be assessed in the context of compliance with other policies of the Development Framework.
71693	Kathryn Ventham	Barton Willmore on behalf Barwood	Any future environmental DPD should take into account of the governments Future Homes Standards consultation (2019)	Noted and agreed that the future DPD will need to take this into account.
71694	Kathryn Ventham	Barton Willmore on behalf Barwood	The Section106 template should be clearer that some elements of information requested will not be finalised at the point of an outline application (such as the overall housing mix)	The template is provided as a starting point of negotiation and this Council's expected outcomes. Should some information be unavailable at the point of negotiation then this will be addressed in a case-by-case basis. The text will be amended to emphasise this.
71695	Kathryn Ventham	Barton Willmore on behalf Barwood	The timescales and triggers for delivery should provide for deviations from the proposed to provide flexibility	The template is provided as a starting point of negotiation and this Council's expected outcomes. The timescales and triggers include constitute best practice. Should site-specific information require different triggers then this will be considered on a case-by-case basis.
71696	Kathryn Ventham	Barton Willmore on behalf Barwood	It is considered unnecessary for the standards of construction to be included in the legal agreement as they will be a part of designs and plans of the approved application.	The inclusion of such provisions within the template s106 is considered appropriate, irrespective of documents that may have been submitted as part of the planning process.
71697	Andrew Lowe	Turley on behalf of Taylor Wimpey	Taylor Wimpey believes that there is considerable scope to refine the draft SPD in order to ensure that the Council's aspirations are met, without stifling development or compromising viability. These are set out in our attached representations and subsequent responses	Noted. We feel that the SPD provides suitable guidance and flexibility in order to deliver appropriate development with the much-needed levels of affordable housing.
71968	Andrew Lowe	Turley on behalf of Taylor Wimpey	This section must be amended to acknowledge that the principal evidence	We disagree, the JSHMA remains relevant. A review of the JSHMA will occur in line with the

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			<p>base, the 2015 JSHMA, is outdated and potentially inconsistent with subsequently revised national policy and guidance.</p> <p>It should also explicitly recognise the value of secondary datasets for the purposes of assessing local housing needs within villages and rural areas, and make clear that such alternatives to primary household surveys exist</p>	<p>Plan Review, and if substantial changes in emphasis or need occur as a result then this SPD will be reviewed and refreshed at that point.</p> <p>Household surveys remain the best way of demonstrating and articulating the housing need within a small area. The use of housing registers does not differentiate between need emanating from within a locale and those that want to move from elsewhere, therefore we retain our preference for household surveys where used appropriately to supplement need demonstrated in the JSHMA.</p>
71699	Andrew Lowe	Turley on behalf of Taylor Wimpey	<p>The SPD must aim to provide the greatest possible flexibility, avoiding unnecessary financial burdens and allowing schemes to reflect their local context. Acknowledging the dated nature of the JSHMA will ensure that there remains sufficient scope and flexibility to depart from the specified mix of affordable housing types and tenures where justified by more up-to-date evidence.</p> <p>Taylor Wimpey objects to the proposed rounding of fractions, as any calculations must accord with standard mathematical principles.</p> <p>The methodology for calculating off-site financial contributions should be revised</p>	<p>See response to rep 71968 regarding the JSHMA.</p> <p>Given the overwhelming need for affordable housing in the District we need to ensure that sites provide the maximum volume of affordable housing possible. A review of other authorities Affordable Housing policies reveal some policies that round all fractions up, some that round all fractions down and some that round to the nearest whole numbers. We are therefore satisfied that the approach is suitable and established.</p> <p>The off-site contribution calculation ensures that 40% affordable housing is provided per development. Clearly if a site is providing 60 market dwellings on site, the contribution should equate to 40 affordable dwellings off-site</p>

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
				(thereby equalling a total of 100 units built with a 60/40 split).
71701	Andrew Lowe	Turley on behalf of Taylor Wimpey	The draft SPD must be amended to recognise the value of secondary datasets for the purposes of assessing housing needs, as an alternative to primary household surveys that have inherent limitations.	See response to rep 71698
71707	Jessica Graham	Savills on behalf of Lioncourt Strategic Land	<ul style="list-style-type: none"> <li>- the percentage of Social Rent should be reduced further to enable the mix to achieve the requirements of NPPF paragraph 64.</li> <li>- the proposed housing mix table should be removed from page 19 and the 'Housing Types and Sizes' section of the SPD should be amended to 'encourage' the development of more two and three bed affordable dwellings.</li> <li>- the requirement for 5% of affordable rented properties to be bungalows should be removed.</li> <li>- clarity is sought on the requirement for the proposed Starter Home restrictions</li> </ul>	<ul style="list-style-type: none"> <li>- The full text of the NPPF (para 64 in conjunction with footnote 29) make it clear that shared owner should be 10% of the overall affordable housing contribution from a site.</li> <li>- The wording already in place is unambiguous in stating that the mix is guidance and that mix and tenure is to be negotiated and agreed with Housing Services.</li> <li>- There is no requirement set for bungalows, but there is a note that they are encouraged.</li> <li>- The sales restriction set for Starter Homes is set at 15 years to ensure that they are developed for genuine starter homes and are not quickly resold or rented. The significant requirement for affordable dwellings justifies this approach.</li> </ul>
71708	Tom Biggs	St. Joseph Homes	<ul style="list-style-type: none"> <li>- We request that additional wording is added to describe the conditions whereby variance from the tenure split would be acceptable.</li> <li>- We request that the Council do not</li> </ul>	- The provided tenure split is already caveated with the note that it will vary from site to site and that engagement and negotiation with Council officers is advised. We do not consider further wording necessary.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			<p>completely discount 1-bedroom shared ownership units completely.</p> <p>- We request the Council consider the social value contribution made by developments when calculating the affordable housing contribution.</p>	<p>- Whilst we do not prefer 1-bedroom shared ownership units for the reasons given in the SPD, the table is guidance and should be negotiated with Council officers. Additional text will be added to make this clearer.</p> <p>- Whilst we note St Joseph's commitment to other areas of developing a site (such as landscaping, public realm, etc.) it would not be appropriate to factor this into reducing overall affordable housing requirements.</p>
71716	Kate Low	Pegasus on behalf of Northern Trust	Northern Trust welcome the confirmation that the definition of affordable housing applied is as per that set out in the NPPF at Annex 2.	Noted.
71717	Kate Low	Pegasus on behalf of Northern Trust	The draft text suggests that a ' <i>threshold of 10 units</i> ' will be applied when considering affordable housing provision in new schemes. This does not accord with Local Plan Policy H2 which sets a threshold of 11 or more dwellings, or a total floor space of over 1,000m <sup>2</sup> . The wording set out in the draft SPD should be amended to accord with Local Plan Policy H2.	The NPPF places the threshold as 10, and therefore the SPD follows the highest tier of document available. The Local Plan policy will be reviewed and altered during Plan Review.
71718	Kate Low	Pegasus on behalf of Northern Trust	Northern Trust support the recognition that some development proposals may be unable to meet all of the relevant affordable housing requirements whilst remaining viable and deliverable. Northern Trust support the requirement to submit a viability assessment where this is the case.	Noted.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71719	Kate Low	Pegasus on behalf of Northern Trust	Northern Trust welcome the Council's recognition that the tenure split may be revised by subsequent SHMA's or successor document to represent the most recent and robust evidence which Northern Trust welcome and fully support. In this regard, and noting that the SHMA Update is based upon data which is some 5 years old, it would important that the SPD confirms that this evidence base will be updated in a timely manner noting the NPPF's requirement to deliver a wide range and variety of homes.	The provision of a robust evidence base is requirement set in the NPPF, is reconfirmed in the Local Plan. It is therefore not felt necessary to state again in the SPD.
71720	Kate Low	Pegasus on behalf of Northern Trust	<p>Mix doesn't take into account the risks of single occupants in two-bedroom properties paying the "bedroom tax".</p> <p>Insufficient flexibility overly prescriptive rules from Councils can delay developments, and Northern Trust encourages the Council to be more flexible.</p> <p>There is no sufficient evidence regarding bungalow need.</p>	<p>The 'bedroom tax' does not apply to those that rent a shared ownership property.</p> <p>We believe that there is sufficient flexibility and guidance in the SPD to help developers speed up rather than slow down the production of appropriate planning applications and developments.</p> <p>The SPD encourages the provision of bungalows but does not make it a requirement. The issue of insufficient evidence is therefore irrelevant.</p>
717121	Kate Low	Pegasus on behalf of Northern Trust	The commentary provided under this subheading relating to Starter Homes and Discount[ed] Market Sales is confusing and no context is provided as to the purpose of this text. However, in respect of the starter homes, it is assumed that this text relates to the proposed restriction period for the	Noted. This information is provided within the context of retaining affordability, and an amendment will be made to make this clear. The starter home and discounter market sales resale provision is set at a level that reflects the significant levels of affordable housing requirement in the District. The wording for



Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			<p>resale of starter homes. It is important that any such restriction period is properly considered and evidenced noting the impact that having a restricted period which is too long can make it difficult for first-time buyers to move on to a larger (or smaller) new home and can put off first-time buyers from taking up such products.</p> <p>It is unclear what the text relating to Discount[ed] Market Sales relates to or its purpose and we would reserve the right to comment on this further once this has been made clear. Nevertheless, we would note that references to 'determined by local incomes' in considering what is market value does not accord with the definition of such affordable housing within the NPPF.</p>	<p>starter homes restrictions will be amended to clarify that re-selling is possible as long as it is to eligible applicants at the appropriate discount, thereby addressing the concern regarding first-time buyer's ability to move on.</p>
71722	Kate Low	Pegasus on behalf of Northern Trust	<p>Northern Trust support the recognition that affordable homes should be pepper potted across larger schemes, yet still provided in clusters. Providing small clusters allows for easy management of properties by Registered Providers.</p>	Noted.
71723	Kate Low	Pegasus on behalf of Northern Trust	<p>Although Northern Trust do not object to the suggested timescales for delivering affordable homes, or the need to ensure that affordable homes are delivered in a timely manner, it is recommended that a degree of flexibility is applied to this approach to take into account schemes where it can be demonstrated that, as a</p>	<p>The provided text is part of the template Section 106, appended to the SPD. Whilst the template articulates the strong preference of the Council, there may be unique site circumstances that mean that the delivery of affordable housing needs to be amended. These negotiations will take place during the drafting of the legal agreement.</p>

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			result of viability or phasing requirements, it would not be possible to bring forward the affordable housing in the manner envisaged through the draft SPD. It is therefore recommended that the suggested timescales will be applied unless evidence is provided to allow slight amendments to the timescales for affordable delivery.	

Warwick District Council

# AFFORDABLE HOUSING

SUPPLEMENTARY  
PLANNING DOCUMENT

March 2020







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## SECTION 1

# Introduction

This Supplementary Planning Document (SPD) expands upon those housing policies in the adopted Warwick District Local Plan (2011 – 2029) which are concerned with the provision of affordable housing. These policies include:

- Policy H2 Affordable Housing
- Policy H3 Affordable Housing on Rural Exception Sites

The supplementary information in this SPD provides guidance and information to developers of housing sites on aspects such as:

- the Council's definition of affordable housing
- when affordable housing will be sought on private housing development sites
- how much affordable housing will be required
- what types of affordable homes are most needed in Warwick District
- ways in which the Council and its partners will ensure that the affordable homes meet the needs of those unable to afford housing on the open market
- how the affordable homes can remain affordable
- how the Council will ensure the appropriate delivery of affordable housing

## SECTION 2

# Policy Background



### National Planning Policy Framework (NPPF)

The NPPF has a number of paragraphs that detail the definition of Affordable Housing, along with how such a need is identified and how it is to be met. In the interests of brevity these paragraphs have not been repeated here, but provided in Appendix ii. However, it is clear from the conditions within the NPPF that the adequate meeting of Affordable Housing needs should be one of the key tenets of a Local Plan.

### The Warwick District Local Plan 2011 – 2029

The District's Local Plan was adopted in September 2017. The Plan contains a number of policies concerned with the appropriate provision of affordable housing in the district and these are reproduced in full in Appendix i.

### Neighbourhood Plans

Neighbourhood planning is designed to empower local communities to play a direct role in planning the areas where they live and work. Once made, Neighbourhood Plans form part of the development plan and are used to guide decision making in the planning application process. Neighbourhood Plans are required to conform with strategic policies of the Local Plan, however they may seek to differ from non-strategic policies where there is sufficient local evidence on which to do so.

The Local Plan policies which relate to affordable housing (see above) are not defined as strategic policies. There is a potential therefore, that neighbourhood plans could seek to require a different amount of affordable housing provision within their neighbourhood area, provided there is a local justification. Where a 'made' (adopted) neighbourhood plan does include different affordable housing policies to those in the local plan, these policies will take precedence (where they differ) over the local plan and this SPD.



## SECTION 3

# Establishing Housing Need

### Other relevant policies, strategies and documents

#### Housing and Homelessness Strategy 2017 – 2020

Warwick District Council's Housing and Homelessness Strategy was produced in 2017, and is founded on the key principles of the Sustainable Communities Strategy. It is intended that it will be reviewed on an annual basis to measure achievement against its objectives. Objective 2 of the Housing and Homelessness Strategy is about meeting the need for new housing across the district.

#### Definition of affordable housing

The Warwick District Local Plan sets out that affordable housing should meet the definition set out in Annex 2 of the NPPF in terms of tenure, affordability and provider. The definition in the NPPF (February 2019) is reproduced in Appendix ii. This SPD focuses on the provision of affordable housing specifically as social rented, affordable rented and shared ownership types. All other types of affordable housing (as per Annex 2 of the NPPF, and including self build affordable housing plots) will only be considered where it can be demonstrated that the provisions as laid out in the SPD for both on-site and off-site provision cannot be met.





## Housing Need in Warwick District

Housing need in the district is evidenced by a number of different studies at sub-regional, district and parish levels, principally the Joint Strategic Housing Market Area (JSHMA) study, last updated in 2015. This Council is committed to updating its evidence base frequently, and this SPD will be updated with the most relevant evidence as and when it is available.

The adopted Local Plan was produced prior to the introduction of the Standard Methodology for establishing housing need. The Objectively Assessed Need (OAN) for housing established through the Local Plan is for a minimum of 16,776 dwellings over the plan period, of which 40% should be within the affordable housing categories.

The JSHMA proposed an affordable housing typology. However, given local expertise with regards to the desirability on 1 bed properties, this SPD varies that guidance with a more appropriate mix of sizes to meet the needs of the district (see following chapter for further details).

## Village / Parish Housing Needs Assessments

The Housing Assessment 2006 included a sample survey in the rural area as a whole but, due to the large number of small settlements and the small numbers of households, this sample was insufficient to be meaningful at parish level. However, the assessment did identify a clear need for affordable housing in the rural area generally.

A better way of estimating need in rural villages or parishes is to carry out a housing needs survey or assessment where every household receives a questionnaire. Some parishes carry this out as part of a wider Parish Plan survey. The Warwickshire Rural Housing Association also carries out such surveys on behalf of parishes where there is a prospect of providing affordable housing locally. The Council is able to advise as to whether such surveys have recently been carried out.

## South Warwickshire Housing Market Area Gypsy and Traveller Accommodation Assessment

Gypsy and Traveller Accommodation is to be addressed in a dedicated Development Plan Document (DPD), as set out in the adopted Local Plan.



## SECTION 4

# Affordable Housing Requirements

### The Amount of Affordable Housing

The Council will require 40% of the total (gross) number of dwellings provided on the site to be affordable. Where a scheme is amended to increase the number of dwellings, following the grant of planning permission, a proportionate increase in the amount of affordable housing will also be required.

Policy H2 (Affordable Housing) sets out the affordable housing requirement on residential development sites (see Appendix i for full policy). Applicants should note that this Council will seek Affordable Housing contributions on sites of 10 or more dwellings. All schemes providing self-contained units of accommodation, whether in new-build or conversion schemes, will be subject to the policy.

It is expected that the affordable housing will be provided on the development site. This will ensure that new developments contribute towards mixed and balanced communities.

### Rounding of fractions

There will be occasions where meeting the affordable housing requirement will not result in a round number of dwellings. For example, if a development is of 16 dwellings, the 40% affordable housing requirement is for 6.4 houses. **In such cases, the fraction shall be rounded up to the nearest whole number** – in this instance to 7 dwellings

This approach will ensure that applicable sites will deliver at least 40% Affordable Housing, thereby ensuring the delivery of much needed housing opportunities.

### Site Size

Where the site is a subdivision of a larger site or adjacent to another potential housing site, the site size for threshold purposes will be taken to be the larger development site. Thus where a site has been subdivided, or is in separate ownerships, the site size will be all the sites taken together.

In determining whether two or more adjacent development sites should be considered as one, the council will consider the following:

- whether a previous application incorporated parts of both sites;
- whether the sites are inter-dependent in any way – for example, functionally or physically;
- whether there is a community of interest between the two owners; and/or
- whether there is a reasonable prospect of developing both sites together

In applying the threshold of 10 units, the Council will have regard to the density of the development as well as the numbers of units proposed. For example, there may be instances where a scheme, which provided less than 10 dwellings, is judged to have an inappropriate density in order to circumvent the policy requirement. In such cases the Council may refuse the application if the density of the development is contrary to local and national policy.





### Site Viability

It is expected that developers will be aware of their obligations in respect of affordable housing, and other planning requirements, at the outset and that the financial implications of these will have been taken into account prior to negotiations on the purchase of the land. Where applicants claim that they are unable to provide 40% affordable housing because this would make the scheme unviable, the Council will require written evidence of the costs of the scheme. It is common practice that the Council will ask its independent viability expert to review the applicant's submission, the reasonable costs of which is borne by the applicant

In cases where the Council is satisfied that the scheme could not be viable with 40% affordable housing, officers will negotiate with the applicant on either the mix of homes to be delivered or the numbers to be provided. In doing so, they will take into account the affordable housing priorities in that particular location and the nature of the overall development.

### Vacant Building Credit (VBC)

As per para 63 of the NPPF in order to support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due will be reduced by a proportionate amount, equivalent to the existing gross floorspace of the existing buildings. This calculation should be submitted to the authority for approval at the point of application. This Credit does not apply to vacant buildings which have been abandoned or have been vacated for the sole purpose of redevelopment. VBC can be applied for on sites that demolish a vacant building to make way for housing development, and for applications bring a vacant building back to use as dwellings.

The proportion of the vacant building floor space as part of the total new floor space should be used to calculate the proportion of the affordable housing required by the policy, as summarised in the simple formula:

$$\text{(Net change in Floorspace/Proposed Floorspace)} \times \text{Policy Requirement} = \text{Site Affordable Housing Requirement}$$

Illustrative example:

- a proposed new development for 100 homes (with a floor space of 125 sq.m each) results in total proposed floor space of 12,500 sq.m.
- Policy H2 requires 40% affordable housing – which equates to 40 affordable homes and 60 market homes.
- However, there are existing vacant buildings on the site with a floorspace of 5,000 sq.m.
- The difference between the gross floorspace of the vacant buildings and the proposes new build floor space is 7500 sq.m
- Therefore the affordable Housing requirement on this site is  $(7500/12500) \times 40 = 24\%$ . This equates to 24 dwellings.



Alternative Developer Contributions

In line with paragraph 62 of the NPPF and policy H2 of the Local Plan, the presumption is that the affordable homes will be provided on the development site. This will ensure that the development provides a mix and balance of homes. The preferred approach is where the developer builds the homes and transfers them to a Registered Provider (RP).

There may be exceptional circumstances where it is not possible to provide affordable housing on the site. This is provided for within Policy H2 of the Local Plan and the supporting text (paragraphs 4.26-4.27), although the developer will be required to demonstrate why it is not practicable to deliver affordable housing on-site. Circumstances could include, for example, a small conversion scheme where it is not possible to separate the affordable housing from the market housing and where this would present difficulties in terms of management arrangements and service charges.

In such instances, the Council may agree to a financial contribution in lieu of the affordable housing. This financial contribution would be used to support the provision of affordable housing in other locations. The contribution will be calculated on the basis that the site size, in terms of dwellings, is equal to 60% of the gross housing provision, and that the other 40% is to be provided elsewhere. This takes into account the increased number of market dwellings provided on the site (100% as opposed to 60% – see Table below).

ON-SITE AFFORDABLE HOUSING PROVISION		OFF-SITE AFFORDABLE HOUSING PROVISION		
Gross no. of homes	Affordable provision – 40% of the gross no. of homes*	No. of market homes on site (assumed to be 60% of gross homes)	Gross no. of homes to be provided (market homes/0.6)	Off-site affordable requirement (gross no. of homes – market homes)
35	14	35	58	23
50	20	50	83	33
100	40	100	166	66
230	92	230	383	153

\*all numbers rounded up to the nearest whole number

Alternatively, the Council may consider the provision of the affordable housing on an alternative site if such a site can be identified and secured for the provision of housing to meet the needs of the district. As with the example cited above, the amount of affordable housing to be provided off-site will reflect the increase in the number of market homes which can be provided on the development site itself.

In the case of both financial contributions and off-site provision, the details of the arrangements will be set out in a planning (Section 106) agreement, a template for which is provided at the end of this SPD.

Calculating the Off-site Contribution

In calculating a commuted sum the following approach will be used:

Step A

The applicant must provide details of the different types and sizes of homes within the proposed scheme. The Council, in liaison with the developer, will determine what proportion of each of these house types would be required to be affordable if the Council’s affordable housing policy were to be met. The key consideration should be meeting the overall provision of affordable bedspaces (40%) and the ratio between social and intermediate bedspaces.

Step B

The applicant must provide details of the open market value (OMV) of these identified affordable homes. This should be based on local evidence of similar schemes and supported by a valuation prepared by an RICS Registered Valuer.

Step C

The applicant must submit evidence to demonstrate how much an appropriate Registered Provider [RP] would purchase the affordable housing units for on the basis that the dwellings remain affordable units. This can be provided as either a) as a cash price for each affordable unit or b) as a % of the OMV for affordable home types the RP would normally pay (i.e. the RP transfer rate).

The applicant should calculate the ‘cost to developer’ if the affordable units were to be provided on site. The cost will be equivalent to the difference between the open market value and the price that the Registered Provider would be prepared to pay, e.g. If a house is worth £200,000 on the open market and a registered provider would purchase the property for £120,000 then the ‘cost to developer’ would be £80,000. Similarly, if the RP would pay 60% of the OMV for a house the developer would bear the remaining 40% of the value, i.e. the ‘cost to developer’ would be £80,000.

Appropriate evidence is considered to be a letter from at least two Registered Providers that are active in Warwick District. The Council will use the average RP transfer rate to calculate the cost to developer. In the absence of submitted evidence that has been endorsed by the Registered Providers the Council will use its own evidence to determine the ‘cost to developer’. This evidence is likely to be based on recent transactions across the District and is therefore likely to change over time.

Step D

Once the total ‘cost to developer’ is calculated for the scheme the Council will include an uplift to the financial contribution to reflect the fact that if the affordable homes are provided off-site the number of homes in the total scheme actually increases, as detailed in the previous section.

Affordability and Tenure

The affordable homes to be provided must meet the definition of affordable housing as outlined in Annex 2 of the NPPF (see Appendix (ii) for details). However, within this definition there are different types of affordable housing needs which we must meet. These include the range from those households with sufficient funds/income to enter the intermediate market to those whose needs can only be met in the social rented sector. The 2013 SHMA, reaffirmed by the 2015 update, demonstrated a need for a minimum of 85% social rented and affordable rented housing and a maximum of 15% intermediate housing unless the developer can demonstrate that such a mix is inappropriate on the particular site.

Taking the above, the usual split of tenure types that the Authority seeks is;

SOCIAL RENTED	AFFORDABLE RENTED	SHARED OWNERSHIP
60%	25%	15%

These may vary site to site and early engagement with Council officers is recommended who will be able to advise the required tenure mix for a specific site.

This tenure split may be revised by subsequent SHMAs or successor documents, at which point this above advice will be amended to represent the most recent and robust evidence.

Housing Types and Sizes

A mix of dwelling types and sizes (both market and affordable) will be required on all sites in order to create sustainable communities. In determining the types of homes, developers should have regard to the nature of the site and the needs of the District as well as the guidance in this SPD. The Council has produced a housing mix guidance document that distills the findings of the most recent SHMA, and help developers design policy-appropriate schemes.

However, this SPD seeks an affordable housing mix that differs from that modelled in the SMHA. The SHMA notes the following;

“Our strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.” [para 9.39]

Individual authorities may therefore decide to provide an alternative proportion of one bedroom homes, in particular taking account of the fact that one bedroom homes:

- make no provision for future household growth;
- restrict opportunities to have guests to stay;
- restrict opportunities for people to exercise access rights to their children;
- do not accommodate couples who need a bedroom each, for example because of disability; and
- do not present an attractive option for people looking to downsize.

This council applies this paragraph to seek the provision of more two-beds and fewer one-beds but with the total of the two within the sum of the above two ranges, i.e. 55-65%. This recognises that there are households with a one-bedroom need (single people and couples) that will be accommodated in shared ownership properties (where the housing assessment is based upon ability to pay not household size) and bungalows for older people where the under-occupation charge does not apply. This ensures that there are sufficient properties to address one-bed and two-bed needs.

The SHMA does not require any of the typologies to be provided as single story dwellings. However, the authority recognises that there is significant demand for such properties and the provision of bungalows as part of the affordable housing mix is encouraged as below.

	ONE BED	TWO BED	THREE BED	FOUR BED	TWO BED BUNGALOW
Rented	15%	45%	30%	5%	5%
Shared ownership	0%	66.7%	33.3%	0%	0%

Where there is evidence of need, specialist or supported housing or sites for gypsies and travellers may be accepted in lieu of general needs affordable housing.

The above typology split is the preferred approach of the authority. Should the specific site requirements render this mix unachievable then early engagement with Council officers is recommended in order to provide the most suitable mix.

Housing Costs

Affordable housing for rent must meet the definition set out in the NPPF. The test of affordability for intermediate housing is based on the relationship between the occupation cost of the property and average income levels. This relationship is tested using a “multiplier” which, in this District, is a maximum of 3.5. Another test of affordability for intermediate housing is that the occupation costs should not exceed 33% of average income of newly forming households.

- In summary, the following principles should be taken into account in setting housing costs:
- In rented housing, rents should be at or below Housing Corporation benchmarks and within the limits prescribed by the Rent Service for receipt of full housing benefit.
  - In intermediate housing, the rent charged on un-owned equity should be at the target level set by the Housing Corporation (2.75% of un-owned equity per annum in 2007)
  - In intermediate housing, the maximum multiplier applicable between occupation costs and average income is 3.5.
  - In intermediate housing, occupation costs should not exceed 33% of average income

The affordable rent level, which includes service charges, should be no more than the Local Housing Allowance caps for each area and in this District, are normally no more than 70% of open market value.



## Affordability in Perpetuity

The Council will need to ensure that the affordable homes remain affordable for as long as they are needed. The best way of ensuring this is by transferring the homes to a Registered Provider. In cases where a RP is not involved in the delivery of the affordable housing, the Council will require the provider to agree to the retention of the homes in perpetuity in a Section 106 agreement. Exceptions are made for mortgagees in possession of the affordable homes, people who have "staircased" to 100% ownership and people who have exercised their "right to acquire" an affordable home.

In cases where the provision of Starter Homes has been justified, a 15 years post sale resale and lettings restriction will apply. Within this period, sales of the dwelling will be prohibited unless sold to a qualifying first-time buyer at the appropriate discount. This requirement will extend for 15 years from point of initial purchase, irrespective of number of sales.

In cases where the provision of Discounted Market Sales dwellings has been justified, these must be sold at least 20% less than market value determined by local incomes and local house prices. Provision must be made within a Section 106 agreement to ensure housing remains at a discount for future eligible households.

## Meeting Local Needs in Perpetuity

The Local Plan policy sets out the basic principles which must be met in order to ensure that the homes meet local needs, in perpetuity, which cannot be met in any other way.

People with a demonstrable need to be housed in the locality include:

- people who currently live in the parish and have done so continuously for at least the last 2 years and are seeking more suitable accommodation;
- people who have lived in the parish for at least 2 years out of the last 10 years;
- people who used to live in the parish and who have immediate family (mother, father, son, daughter, brother or sister) living in the parish;
- people who have relatives living in the parish to whom it is desirable to live near for support e.g. elderly relatives, young families; and
- people who have been permanently employed in the parish for at least 12 months.

The housing to be provided must meet the needs identified in the survey in terms of type, size and tenure. They should ideally be provided, and subsequently managed, by a Registered Provider. However, other providers such as Community Land Trusts would also be acceptable providers. All organisations must have local management to ensure the effective maintenance of the dwellings.

The tenure of housing will normally be social rented. This is because other forms of subsidised housing, such as shared ownership housing, is often still too expensive for those in housing need. However, a small proportion of intermediate housing will be considered where appropriate the cost is affordable. Affordability of such homes is assessed by comparing the weekly cost of the property with the amount considered to be affordable to those earning the average income of newly forming households. Evidence of affordability will be required.

Affordable homes provided by way of a rural exception scheme will need to be secured to ensure that they are always only available to local people with a housing need. The preferred and most appropriate means of doing this is by involving a Registered Provider in the provision and subsequent ownership and management of the homes.

The homes should be made available both initially and subsequently to people who have a local connection and a proven housing need. Initial occupants should ideally be those identified in the housing needs assessment. If the property later becomes available, it will be offered firstly to people with a housing need and a local connection from within the village or parish in which it is situated. In the unlikely event that no one comes forward, the home will be offered to those from neighbouring parishes with a similar local connection to that parish and a proven housing need.

Social rented homes provided in a rural exception scheme will always remain in the ownership of the provider, usually a Registered Provider. There will be no opportunity for tenants to buy the home under the "right to acquire" scheme. In the case of shared ownership or shared equity properties, part owners will not be able to buy the homes outright. This will ensure that the homes remain affordable to local people and are never sold on the open market.



## SECTION 5

# Design of Affordable Housing

The Council is committed to ensuring that all new housing is built to a high standard of design so that communities, both now and in the future, will be stable and healthy whilst living in clean, safe and sustainable environments. All schemes will need to comply with Local Plan policies addressing design, most notably policies SC0, BE1, and BE2. The Local Plan also explains the need to take account of Building for Life 12 and the Garden Towns and Suburbs guidance in major schemes.

### Integration of Market and Affordable Homes

In designing a housing development scheme, it is important that the scheme is designed as a whole, with both the market and the affordable homes together, rather than as two separate schemes. This is so that the principles of a safe and sustainable development, in terms of layout and orientation, can be applied to both elements of the scheme. If the two elements of the scheme are designed independently, there may be insufficient regard to the effects of the design and layout of one part of the scheme upon the other.

The Council considers that in order to ensure the creation of mixed and integrated communities, the affordable housing should not be visually distinguishable from the market housing in terms of build quality, materials, details, levels of amenity space and privacy.

The affordable homes should not generally be restricted to one part of the site, particularly in larger schemes where they should be distributed evenly across the site, a process known as “pepper potting”. Small clusters spread across the site are preferred. Whilst the range of dwellings that constitute a ‘small cluster’ will vary by site, clusters will ordinarily be of 5-8 dwellings in number. Planning applications should include plans which identify the location of the affordable homes.

### Environmental impacts of housing

All development impacts the environment both during construction and once occupied. This Council has recognised that there is a Climate Emergency and that all activity taking place within the District should be aware of, and respond to, this.

It is strongly encouraged that all development reduces its carbon footprint to as little as possible, and the Council itself is aiming to be carbon neutral by 2025. Developers should consider the volume of embedded carbon within the fabric and construction methods, understanding that the choices of construction materials and methods can significantly impact on the environmental sustainability of a home. Consideration should also be made to the future impact of the dwelling, its production method and efficacy in retaining and storing heat and energy to limit environmental impact, and future occupant’s utilities bills. Council officers would be pleased to discuss these matters further, including examples of best practice within the District and elsewhere.

A future Development Plan Document will be produced to embed these principles into the development process.

### Space standards

The Council has not yet adopted spatial standards for the development of new housing. As detailed elsewhere within this SPD, there should be no visible difference between the market and affordable housing provided on a site, and this extends to the dimensions of the dwelling, car parking provision the dwelling’s associated amenity space.



## SECTION 6

# Delivering Affordable Homes

### Obtaining Planning Permission

Developers are strongly advised to speak to the Council's Planning and Housing Officers prior to the submission of a planning application. They will be able to advise the applicant of the affordable housing requirements. The developer is advised to open negotiations with a RSL/RP, or other affordable housing provider, at an early date so that a scheme can be worked up which is acceptable to all parties and the funding can be determined.

On submission of a planning application, the applicant should be able to supply the following details of the scheme:

- The overall mix of housing
- The number of affordable homes to be provided
- The location on the site
- The numbers of social rented and intermediate homes (full and reserved matters applications only)
- The sizes and types of each home (full and reserved matters applications only)
- Alternative arrangements to on-site provision (in exceptional cases only)

The developer should consider whether they wish to hand over serviced plots to the affordable housing provider or build homes on behalf of, and to the agreed specifications of, an affordable housing provider and then sell to them at an agreed price. Where social rented housing is provided, the cost to the provider should be not more than the amount which the provider can finance from proposed rents. Where intermediate housing is provided, it should be offered to the provider at a price which will enable them to offer the house at an affordable cost/rent to a household in need.

### Timescale for Delivery

The Council will need to ensure that the affordable homes are built alongside the market homes.

The best way of achieving this is to include a clause in a Section 106 agreement to the effect that, where completed units are sold to an affordable housing provider,

- no more than 50% of the open market dwellings shall be occupied until 50% of the affordable houses are ready for occupation; and
- no more than 95% of the open market dwellings are occupied until all of the affordable houses are ready for occupation.

Where serviced land is transferred to a provider, or a financial contribution is paid instead, the Section 106 agreement will state that no more than 50% of the open market dwellings shall be occupied until the affordable housing land is transferred to the provider or the financial contribution is paid to the Council.



## Legal Agreements

The agreement will normally cover the following aspects of the scheme (in relation to affordable housing):

- the number of affordable homes;
- the timing of the construction of the affordable homes in relation to the development of the rest of the site;
- the transfer of the homes to, and management by, a Registered Social Landlord (or as otherwise agreed by the District Council);
- the allocation of the homes to persons on the HomeChoice lettings scheme (or successor schemes);
- the retention of the homes as affordable housing on a rented or shared ownership basis (subject to exceptions for mortgagees in possession, people who staircase to full ownership and people who exercise their Right to Acquire);
- the sizes and tenure of the affordable homes (full planning permission or reserved matters only) and
- the standards of construction of the affordable homes (full planning permission or reserved matters only).

The Council has produced a template Section 106 Agreements for residential developments which can be found in Appendix iii and a comprehensive template, covering all aspects of Section 106 agreements (including legal definitions), has been produced as part of the Council's Developer Contributions SPD.





## SECTION 7

# Rural And Entry Level Exception Sites

### Rural Exception Sites

Paragraph 77 of the NPPF allows small groups of affordable homes to be built, subject to planning permission, in rural settlements to meet the needs of that settlement on sites where housing development would not normally be allowed. Local Plan Policy H3 sets out the requirements for the circumstances which must be demonstrated to define a site as a rural exception site. These circumstances are considered in greater detail below.

### H3 (a) Housing need

Needs Surveys may be carried out as part of a Parish Plan or as a one-off housing needs assessment/ appraisal or survey. The involvement of the Parish Council is desirable but not essential. Some needs surveys are carried out by Warwickshire Rural Housing Association which is the main provider of rural affordable housing in Warwick District. A Housing Needs Survey is only ever a “snapshot” of housing need in an area and in determining whether the information in a Needs Survey is still valid the Council will consider:

- the age of the survey;
- the size of the settlement; and
- the extent to which there has been any change in the supply of affordable housing since it was carried out

Surveys should normally cover the parish in which the housing is to be provided. Surveys must aim to gather information on the realistic, rather than aspirational, housing needs of residents. They must aim to gather information on existing housing circumstances; future housing requirements; disposable income and savings; and links with the village/parish. The results should also be able to show that any genuine housing need cannot be met in any other way. Although surveys could be carried out of the needs of clusters of settlements/parishes, ultimately the information should be analysed on an individual settlement/parish basis because the affordable housing must meet the needs of the settlement in which it is located.

Further advice and information on carrying out, and interpreting the results of, a housing needs survey can be obtained from Warwickshire Rural Housing Association and/ or the Rural Housing Enabler for Warwickshire.

Where an existing HNA exists there is no requirement for the developer to undertake another – see Local Validation List.

### H3 (b) Size, Design and Location of the Scheme

In Warwick District rural sites tend to accommodate less than 8 dwellings mainly because villages are small in size. The acceptability of sites, in terms of size, will therefore depend upon:

- the level of the identified need;
- the nature and size of the existing settlement; and
- the nature and size of the site and the way in which it relates to the existing settlement

All the dwellings must meet an identified need in a recent survey. However, notwithstanding the level of need, only small scale developments will be allowed and these should blend well into the existing settlement.

The design and layout of the scheme should be essentially rural in character and should integrate well with the styles and materials which predominate in the surrounding area. Although the development may be an exception in terms of settlement policy, the scheme should comply with all other planning policies contained within the Local Plan and, where applicable, the Neighbourhood Plan.

The scheme must be located within, or adjoining, an existing settlement with at least one of the basic services, as detailed in para 4.34 of the Local Plan. Rural exception housing will not normally be allowed in, or adjoining, settlements without one of the basic services. Where proposals are put forward in such settlements, very strong justification will be required as to why affordable housing is appropriate in this location. Proposals in the open countryside will not be acceptable.

## Rural Exception Sites in the Green Belt

A large proportion of the rural area of Warwick District is designated as Green Belt. The Government accepts rural exception schemes in the Green Belt but greater controls are needed to ensure that the fundamental objectives of the Green Belt are not harmed – in particular, the retention of the open nature and rural character of the countryside.

## Entry level exception sites

Paragraph 71 of the NPPF sets out a new requirement for local planning authorities to support the development of entry-level exception sites. Such developments are intended to provide housing suitable for first time buyers or those looking to rent their first home where there is a need to be met, that isn't being met elsewhere. Such sites should comprise entry level homes that offer one or more types of affordable housing as defined in Annex 2 of the NPPF.

The additional physical requirements of entry-level exception sites, are broadly similar to the requirements of local plan policy H1(d), for building in the open countryside.

## Obtaining Planning Permission for rural exception sites

Applicants should hold discussions with the Council's Housing and Planning Officers at the earliest opportunity in order to establish whether the site, the subject of a planning application, is suitable for affordable housing. The applicant should involve the local community in drawing up the scheme.

The information which must be supplied with a valid planning application is set out in the Local Validation List. This sets out when and what type of information is required, and this is aligned with the requirements of the Local Plan and this SPD.

Applications should be accompanied by the findings of the housing needs survey with an indication of which specific needs will be met. It is because the housing is aimed at meeting specific needs that the permission will only be valid for 2 years – beyond this period, the specific needs of the village/parish may have changed. However, since many rural exception schemes depend upon external funding, a 3-year permission will be considered if this is essential in order to allow sufficient time to apply for, and receive, the funding.

The owners of the affordable homes will be expected to enter into a planning (Section 106) Agreement with the Council to ensure that:

- development is not commenced until contracts for the purchase of the land have been exchanged with an agreed provider;
- the affordable dwellings are only occupied by persons who qualify as being in housing need and who have a local connection
- the affordable dwellings are not sold outright to any occupier

A template Section 106 agreement is provided as Appendix iii

# Appendices

## Appendix i – Local Plan Policies

### Strategic Policy DS2 – Providing the homes the district needs

The Council will provide in full for the Objectively Assessed Housing Need of the district and for unmet housing need arising from outside the district where this has been agreed. It will ensure new housing delivers the quality and mix of homes required, including:

- a) Affordable homes
- b) A mix of homes to meet identified needs including homes that are suitable for elderly and vulnerable people; and
- c) Sites for gypsies and travellers

### H0 – Housing

To ensure the district has the right amount, quality and mix of housing to meet future needs this Plan will:

- a) Provide in full for the district's housing requirement
- b) Ensure new housing development is in locations which enable sustainable lifestyles, protect the aspects of the district that are most highly valued and which, where appropriate, support and regenerate existing communities; and
- c) Ensure new housing delivers the quality and mix of homes needed in the district including affordable homes, a mix of homes to meet identified needs (including homes that are suitable for older and vulnerable people) and sites for gypsies and travellers.

### H1 – Directing New Housing

Housing development will be permitted in the following circumstances:

- (e) Elsewhere in the open countryside; where:
  - i. the development is for rural affordable housing in accordance with Policy H3;

### H2 – Affordable Housing

Residential development on sites of 11 or more dwellings or where the combined gross floor space is more than 1,000 sq.m will not be permitted unless provision is made for 40% affordable housing.

The amount of affordable housing, the form of provision, its location on the site and the means of delivery of the affordable element of the proposal will be subject to negotiation at the time of a planning application. The viability of the development will be a consideration in such negotiations.

Planning permission will not be granted until satisfactory arrangements have been made to secure affordable housing as determined by the following principles:–

- a) The affordable housing will be provided on site as either serviced land or dwellings, or a combination of the two;
- b) The sizes, types and tenures of homes provided will be determined on the basis of local need as identified in the Strategic Housing Market Assessment and, where appropriate, by other local needs surveys and information;

- c) The accommodation provided will be genuinely available to those households who have been identified as being in housing need;
- d) The affordable housing will be well integrated into the overall scheme along with the market housing with consistent qualities of materials, design and open spaces;
- e) The affordable housing will meet the definition of affordable housing set out in Annex 2 of the National Planning Policy Framework (NPPF) in terms of tenure, eligibility and provider. If the NPPF is replaced by later national guidance while this policy H2 remains in force then, at the time of consideration of a planning application, the definition of affordable housing shall be taken to be as defined in such later national guidance.
- f) The affordable housing will be built within an agreed timescale; and
- g) The affordable housing will be available as such in perpetuity, where practicable, and only to those with a demonstrable housing need.

The Council will, in exceptional circumstances, accept contributions of equivalent value in lieu of on-site delivery. This should include financial contributions, land or off-site provision of affordable homes. In such cases, the developer will be required to demonstrate why on-site delivery is not practical.

### H3 – Affordable housing on rural exception sites

The development of affordable housing to meet the local needs of a village or parish may be permitted in locations which would not normally be released for housing, provided that:

- a) the proposal will meet a particular local housing need, as identified in detailed and up to date evidence from a parish or village housing needs assessment, and it can be demonstrated that the need cannot be met in any other way;
- b) the proposed development will be small in scale, of appropriate design and located within, or adjoining, an existing settlement; and
- c) the following principles are established:
  - i. all of the housing provided will only be available (both initially and for subsequent occupancies) to those with a demonstrable housing need and, first and foremost, to those with a need to be housed in the locality;
  - ii. the type of accommodation, in terms of size, type and tenure, to be provided will reflect the needs identified in the housing needs assessment;

In locations outside of the green belt, the Council will consider the cross-subsidisation of the affordable homes with some market homes provided that:

- a) the number of market homes is the minimum necessary to deliver the affordable housing;
- b) the size and type of the market homes meet a local need as evidenced in a parish or village housing needs assessment; and
- c) a development appraisal is provided to the Council as supporting evidence.

## Appendix ii – NPPF definition of affordable housing

### Paragraph 61

Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).

### Paragraph 62

Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:

- a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
- b) the agreed approach contributes to the objective of creating mixed and balanced communities.

### Paragraph 63

Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.

### Paragraph 64

Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:

- a) provides solely for Build to Rent homes;
- b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
- c) is proposed to be developed by people who wish to build or commission their own homes; or
- d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.

### Paragraph 71

Local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home), unless the need for such homes is already being met within the authority's area. These sites should be on land which is not already allocated for housing and should:

- a) comprise of entry-level homes that offer one or more types of affordable housing as defined in Annex 2 of this Framework; and



- b) be adjacent to existing settlements, proportionate in size to them<sup>33</sup>, not compromise the protection given to areas or assets of particular importance in this Framework<sup>34</sup>, and comply with any local design policies and standards.

#### Paragraph 77

In rural areas, planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs. Local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this.

#### The NPPF provides the following definition of affordable housing (Annex 2):

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.





## Appendix iii – Template Section 106 agreement

**Please note that this Section 106 template encompasses information and requirements that might not be appropriate at certain stages of the planning process. This template is considered as a starting point for legal negotiation and will be amended on a case-by-case basis accordingly.**

**This Council has an adopted Developer Contributions SPD that provides a full Section 106 template document along with all relevant Section 106 definitions, including those for Affordable Housing.**

## THIRD SCHEDULE

### The Owner's Covenants with the Council

#### Part 1: Affordable Housing

- 1.1 Prior to the Commencement of Development the Owner shall submit the Affordable Housing Scheme for the approval of the Council and shall notify the Council in writing of the anticipated date for completing the construction of the Affordable Housing Units within the Development and shall use reasonable endeavours (and shall demonstrate to the reasonable satisfaction of the Council that such endeavours have been made) to enter into a binding contract ("the Contract") with a Registered Provider for the construction and sale of the Affordable Housing Units within 6 months of the date of Commencement of the Development to such Registered Provider at a price in accordance with paragraph 1.2.
- 1.2 The price to be paid by the Registered Provider to the Owner for the transfer of the Affordable Housing Units shall be a percentage of the value of the properties if they were sold on the open market (as at the intended date of the exchange of contract in respect of the Affordable Housing Units) to be agreed between the Owner and the Registered Provider being such a percentage to enable the Affordable Housing Units to be made available without the need for the Registered Provider to apply for Homes England grant funding and to enable the Shared Ownership Units to be made available to purchasers at a mortgage cost of each unit to be no more than three and a half times the average household income of newly forming households within Warwick District
- 1.3 The terms of the Contract relating to the type and size of the Affordable Housing Units and the rent to be paid for the Affordable Rented Units shall be in full accordance with the Affordable Housing Scheme and the Contract shall provide for the transfer of the freehold or leasehold title of the Affordable Housing Units on the following terms:
  - 1.3.1 The Owner will deduce good and marketable freehold or leasehold title to the Affordable Housing Units and will transfer the Affordable Housing Units with full title guarantee with vacant possession and subject to all existing entries under title number [insert title no.] as at the date of this Deed but otherwise the transfer shall be free from any other rights or encumbrances save for any existing rights and encumbrances and such other rights reservations and covenants as are

reasonably necessary to enable the Owner to develop the rest of the Application Site and those disclosed as at the date of this Deed;

- 1.3.2 The Transfer shall grant rights of access and passage of services and other rights reasonably necessary for the beneficial enjoyment of the Affordable Housing Units
- 1.4 The Owner covenants that the Affordable Housing Units shall be allocated to persons registered on Home Choice Allocation Schemes.
- 1.5 The Affordable Housing Units shall not be Occupied other than as Affordable Housing SAVE THAT this Deed SHALL NOT be binding or enforceable against any mortgagee or chargee or receiver appointed by the mortgagee or chargee which shall have the benefit of a legal mortgage or charge secured against all or any of the Affordable Housing Units and any person who shall derive title directly or indirectly from such mortgagee or chargee or receiver appointed by the mortgagee or chargee (other than a Registered Provider) Provided Always that the mortgagee or chargee or receiver appointed by the mortgagee or chargee or any successors in title to such mortgagee, chargee or receiver shall have obtained a Certificate from the Council (acting reasonably) stating that it has followed the procedure set out in the Seventh Schedule to this Deed nor shall this Deed be binding or enforceable against any Protected Tenant
- 1.6 Subject always to paragraphs 1.5, 1.9 – 1.14 below the Owner covenants not to dispose of their interest in the freehold of the Affordable Housing Units or any part thereof (except by way of mortgage) other than to a Registered Provider
- 1.7 The Owner covenants that it will require in the contract that the Registered Provider shall keep the Council's Housing Strategy & Development Officer for the time being informed in writing as to the addresses of the Affordable Housing Units
- 1.8 The Owner covenants to require in the Contract that the rent to be charged by the Registered Provider for the Social Rented Units when first let and for all subsequent lets must conform to Regulator of Social Housing's 'Regulatory Framework for Social Housing in England from April 2015' or such other amount as may be permitted by any subsequent publication then in force and the rate of increase shall be no greater than the rate stipulated in Annex A of aforementioned publication or if such rate of increase shall cease to be or otherwise not stipulated by the Regulator of Social Housing the rents shall be increased by no greater than Retail Price Index + 1% per annum.
- 1.9 If despite having used reasonable endeavours the Owner is unable to enter into a contract with a Registered Provider for the sale of the Affordable Housing Units in accordance with the provisions of this Schedule within 6 months from the Commencement of Development then the Owner may at any time afterwards give notice to the Council ("the First Affordable Housing Notice") stating that it has failed to enter into a Contract in which event the provisions of paragraph 1.10 shall apply
- 1.10 If the Owner serves a First Affordable Housing Notice in respect of the Development then the Council may at any time within 3 months of the service of the First Affordable Housing Notice nominate by written notice to the Owner ("the Nomination Notice") any other affordable housing provider ("the Nominee") to purchase the Affordable Housing Units within that Development for an alternative affordable housing scheme proposed by the Owner and as approved by the Council but otherwise on the terms set out in this Schedule.

- 1.11. If the Council serves a Nomination Notice in respect of the Development in accordance with paragraph 1.10 the Owner shall use reasonable endeavours (and shall demonstrate to the reasonable satisfaction of the Council that such endeavours have been made) to enter into a contract with the Nominee for the sale of the Affordable Housing Units within the Development in accordance with the provisions of this Schedule within 6 months of the date of service of the Nomination Notice.
- 1.12. If after service of the First Affordable Housing Notice the Council fails to serve a Nomination Notice or following the service of a Nomination Notice within 6 months of the Owner having used their reasonable endeavours fail to enter into a Contract with the Nominee within 6 months of the date of service of the Nomination Notice in accordance with paragraph 1.11 then the Owner shall make an offer in writing to transfer the Affordable Housing Units in a Serviced Condition to the Council, freehold, free from incumbrances, with vacant possession and with full title guarantee for a price of the lower of the actual build costs of the Affordable Housing Units as demonstrated by the Owner on an open-book basis or a valuation-based estimate of the Affordable Housing Units to be carried out by the Valuation Office Agency and the Council shall confirm in writing within 14 days whether it will accept the offer and if accepted then on completion of such transfer the Owner shall be deemed to have provided the full number of Affordable Housing Units in discharge of their obligations under this Schedule.
- 1.13. If the offer described in paragraph 1.12 above is not accepted by the Council then the Owner may serve a notice on the Council (the "Payment Notice") stating that it will pay to the Council a sum (the "Housing Contribution") which will be calculated by the Council in accordance with the Eighth Schedule in place of the Owner providing the Affordable Housing Units and the provisions of paragraph 1.14 shall take effect.
- 1.14. On service of the Payment Notice in respect of the Development then:
  - 1.14.1. The Owner shall pay to the Council the Housing Contribution within 20 working days of the Payment Notice being served on the Council;
  - 1.14.2. On payment of the Housing Contribution the Owner shall be entitled to sell or otherwise dispose of the Affordable Housing Units as Open Market Housing Units free of all obligations and restrictions
- 1.15. The Owner covenants with the Council that the Affordable Housing Units to be built on the Application Site shall be constructed according to the standards required by building regulations in force at the relevant time
- 1.16. The Owner covenants that the Affordable Housing Units shall be provided for disposal to a Registered Provider in a Serviced Condition and in any event of any disagreement as to whether the Affordable Housing Units are in a Serviced Condition a dispute shall be taken to have arisen which shall be dealt with under the provisions of Clause 17 of this Deed
- 1.17. Where all or some of the Affordable Housing Units shall be provided for disposal to a Registered Provider or the Council the Owner covenants with the Council not to cause suffer or permit Occupation of more than 50% of the Open Market Housing Units until 50% of the Affordable Housing Units have been transferred in a Serviced Condition to a Registered Provider or the Council in accordance with the provisions of this Schedule.

- 1.18. If 1.17 applies the Owner covenants with the Council not to cause suffer or permit Occupation of more than 95% of the Open Market Housing Units until all of the Affordable Housing Units have been transferred in a Serviced Condition to a Registered Provider or the Council in accordance with the provisions of this Schedule and any outstanding Housing Contribution (if any) has been paid to the Council in accordance with the provisions of this Schedule.
- 1.19.. The Owner covenants with the Council to notify the Council's Housing Strategy & Development Officer of sales of the Open Market Housing Units in stages of 25% within 14 days of completion of the sale of the last Open Market Housing Unit in each stage of 25%.

## Seventh Schedule

### Mortgagee in Possession

1. The covenants contained in this Deed shall not be binding on a mortgagee or chargee or receiver appointed by the mortgagee or chargee (or administrative receiver) which shall have the benefit of a legal mortgage or charge secured against any of the Affordable Housing Units ("the Mortgaged Properties") or any person who shall derive title directly or indirectly from such mortgagee or chargee or receiver (or administrative receiver) appointed by the mortgagee or chargee ("the Mortgagee") (except in the case of a purchaser which is a Registered Provider of Social Housing) PROVIDED THAT the following procedure shall have been followed in all respects:
  - 1.1 The Mortgagee acting pursuant to an event of default shall:
    - 1.1.1 first serve written notice on the Council's Head of Housing Services of its intention to seek possession of the Mortgaged Properties no less than seven days prior to the commencement of such action.
    - 1.1.2 at the time it commences such action send copies of any notices or other documents served in relation to such action to the Council's Head of Housing Services.
    - 1.1.3 use its reasonable endeavours to the reasonable satisfaction of the Council's Head of Housing Services over a period of 12 weeks from the date on which it serves notice pursuant to paragraph 1.1.1. to dispose of the Mortgaged Properties to a Registered Provider of Social Housing approved in writing by the Council (such approval not to be unreasonably with-held or delayed) on terms which are reasonable in all respects to enable the same to be used for the purposes specified in this Deed and for a consideration determined in accordance with paragraph 7 below.
  - 2 If the Mortgagee is unable within the said period of 12 weeks to dispose of the Mortgaged Properties in accordance with paragraph 1.1.3 and the Council shall have certified in writing that it is satisfied that the Mortgagee has complied with paragraph 1.1.3 (or the Mortgagee has issued a Deemed Certificate) then the Mortgagee shall be entitled to sell or otherwise dispose of the Affordable Housing Units as Open Market Dwellings free from all obligations or restrictions insofar as they relate to the use and occupation of the Affordable Housing
  - 3 The Mortgagee shall provide written progress reports to the Council showing the steps it has taken to comply with Paragraph 1.1.3 above at 4, 8, 10 and 12 weeks from the date on which it served notice pursuant to paragraph 1.1.1. Such reports shall include:-

- 3.1. The names addresses and contact details of the registered providers of social housing which it has approached with a view to disposing of the Mortgaged Properties.
- 3.2 Any valuation of the Mortgaged Properties carried out at that time on the behalf of the Mortgagee.
- 3.3. Details of any part played by the Regulator of Social Housing and the details of the contact at the Regulator of Social Housing
- 3.4 Any written offers made by a registered provider of social housing to purchase the Mortgaged Properties.
- 3.5 The acceptance by the Mortgagee of an offer made in accordance with sub paragraph 3.4 above.
- 3.6 Written consent authorising any registered provider of social housing which the Mortgagee has approached with a view to disposing of the Mortgaged Properties and the Regulator of Social Housing to disclose the details of any confidential negotiations relating to such disposal to the Council.
- 3.7 Any other information relating to the disposal of the Mortgaged Properties that the Mortgagee considers appropriate
- 4 The Council shall within 14 days of the expiry of the 12 week period provided for in paragraph 2 above deliver to the Mortgagee a certificate stating whether or not the Mortgagee has complied with the provisions of paragraph 1.1.3. In the event that the Council certifies that the Mortgagee has not complied with the provisions of paragraph 1.1.3 such certificate will state what steps the Mortgagee must take to secure such compliance. If the Council has not delivered the above certificate to the Mortgagee within the above period of 14 days (or the arbitrator referred to in paragraph 6 below confirms that the Mortgagee has complied with the provisions of paragraph 1.1.3) the Mortgagee shall be entitled to certify that it has complied with paragraph 1.1.3 ("The Deemed Certificate ") and such certificate shall operate as a deemed certificate of satisfaction for the purposes of paragraph 2
- 5 Paragraph 4 above shall not prevent the Council from delivering to the Mortgagee a certificate stating whether or not the Mortgagee has complied with the provisions of paragraph 1.1.3 at any time following 4 weeks from the date that the Mortgagee served the notice pursuant to paragraph 1.1.1.
- 6 In the event that the Council has delivered a certificate in accordance with paragraph 4 above and there is a dispute between the parties in relation to whether the Mortgagee has complied with the provisions of paragraph 1.1.3 then either party may elect to refer such dispute to be determined by arbitration by a person appointed by the President for the time being of the Law Society

- 7 The consideration in accordance with paragraph 1.1.3 above shall be determined subject to any leases or tenancies subsisting the amount of such consideration to be agreed between the Registered Provider of Social Housing and the Mortgagee and failing such agreement to be determined by a Member of the Royal Institution of Chartered Surveyors acting as an expert and not as an arbitrator to be appointed by joint agreement of the parties or in default of agreement on application by either party by the President for the time being of the Royal Institution of Chartered Surveyors (the cost of his appointment and acting to be met by the parties in equal shares) and for the avoidance of doubt such consideration shall not be less than the amount due and outstanding to the Mortgagee under the terms of the mortgage or charge including all principal monies interest and costs and expenses incurred by the Mortgagee in respect of the mortgage or charge
8. Provided that at all times the rights and obligations in this Seventh Schedule shall not require the Mortgagee to act contrary to its duties under the charge or mortgage

## EIGHTH SCHEDULE

### The Housing Contribution

1. The Housing Contribution shall be a sum equivalent to the lower of the actual build costs of the Affordable Housing Units as demonstrated by the Owner on an open-book basis or a valuation-based estimate of the build-costs of the Affordable Housing Units to be carried out by the Valuation Office Agency and based upon a number of units calculated in accordance with Paragraph 5.15 of the Affordable Housing SPD and which shall be applied by the Council towards the provision of Affordable Housing within Warwick District and Part 1 of the Fifth Schedule shall apply in respect of the repayment of this contribution.
2. Where there is a dispute regarding the amount of the Housing Contribution then such dispute may be referred to arbitration in accordance with Clause 17 of this Deed.





**Warwick District Council**  
**Riverside House**  
**Milverton Hill**  
**Royal Leamington Spa**  
**CV32 5HZ**



**INVESTORS  
IN PEOPLE**

### Appendix 3

### Developer Contributions (SPD)

#### Report of Public Consultation

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71752	John Coleman	William Davis	Viability SPD makes reference to developer profits typically being 17.5-22.5%. Argued that it should be assessed as 20% of GDV (as per the council's CIL Viability Study 2016).	Agreed. Text amended to reference the percentage quoted in the CIL Viability Study.
71753	John Coleman	William Davis	Threshold for Contributions Threshold for contributions for residential development should omit reference to 1000sqm in line with annexe 2 of the NPPF	Agreed. Text to be deleted / amended accordingly.
71754	John Coleman	William Davis	Highways / Transport Asks for clarity as to how any overlap of CIL related strategic highway schemes and any overlap with S106 requests in these areas will be dealt with.	No action required – with the deletion of Reg 123 overlaps/ potential double dipping is not an issue.
71755	John Coleman	William Davis	Also asks for a reference as to how the Annual Infrastructure Statement (CIL) and the S106 funding of strategic Highway schemes will be articulated.	Agreed – text to be added accordingly.
71756	John Coleman	William Davis	Local Employment and Training Strategies Submission states that there is no policy in the current Local Plan setting a requirement for Employment / Training Strategies. The Council should not use the SPD to extend	Local Employment and training strategies are supported by the Council. They can be beneficial in terms of creating local employment opportunities and negate unsustainable travel and transport issues. The SPD encourages this

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			the remit of the existing Development Plan Policies.	approach, however it is not a mandatory requirement. Adjustments to the text on p22 will articulate this.
71624	Rosamund Worrall	Historic England	Noted that the 'other contributions' section would make provision for any historic environment requirements that may be necessary in respect of a development proposal	Noted
71625	Sharon Jenkins	Natural England	No comments.	Noted
71724	Sarah Jones	Barton Willmore on behalf of IM	Legislative Context SPD should be expanded to make reference to the Community Infrastructure Regulations and relevant sections of the NPPF and PPG ,particularly the standard approach to viability assessments.	In the interests of brevity we do not feel that the SPD needs to repeat parts of the NPPF and PPG unless specifically necessary.
71725	Sarah Jones	Barton Willmore on behalf of IM	Legislative Context SPD needs to make specific reference to the relationship between CIL, and S106 with regard to Infrastructure funding (including the requirement for Local Authorities to set out an Annual Infrastructure Statement).	Agreed. The SPD should be amended to include reference to the Annual Infrastructure Statement.
71726	Sarah Jones	Barton Willmore on behalf of IM	Procedures / Process (Viability) Support is given to the SPD statement that recognises that some development proposals may be unable to meet all of the relevant policy and planning obligations while remaining economically viable / deliverable.	Noted.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71727	Sarah Jones	Barton Willmore on behalf of IM	SPD should stipulate that Neighbourhood Plan policies are not expected to seek in excess of the Local Plan policy requirement, and that any that do must be the subject of a neighbourhood plan viability assessment.	Noted. Text to be added to make this point.
71728	Sarah Jones	Barton Willmore on behalf of IM	The text of the SPD should replicate the assumptions made / indicated on the CIL and Section 106 elements of the Council's website that that set out the financial assumption for infrastructure contributions per dwelling on sites of various thresholds	It is not considered necessary to replicate this information in the emerging SPD. The figures in question are guidance only and not 'target' figures. The wording in the SPD as set out indicate that sites of various sizes and complexity will be subject to due consideration with regard to physical and capacity characteristics.
71729	Sarah Jones	Barton Willmore on behalf of IM	Support for the site viability section. The SPD includes reference to the Council's acceptance that in cases where a scheme is unable to meet the required S106 contributions the cumulative benefit of the scheme will be a material consideration	Noted,
71730	Sarah Jones	Barton Willmore on behalf of IM	Monitoring and Enforcement It is accepted that a 'monitoring fee' is appropriate , however consideration of a 'cap' to ensure that these fees are not an excessive burden on development should be considered.	The text is already clear with regards to the requirement for developments to pay a monitoring fee with regard to S106 and Planning Obligations. The formula used has a proven track record and has been established as appropriate. If in the event this prejudiced viability a developer can of course challenge it via an EVA (Economic Viability Assessment).
71731	Sarah Jones	Barton Willmore on behalf of IM	Part 1 Appendix 3 – S106 Template Appendix 3 provides a standard template, however consideration of the standard terms and trigger points should be added	No action required. The standard terms for stage payments/ triggers are not considered particularly onerous; the benefit/ strength of the template approach provided is that it provides a standardised

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			related to the site and size of the development.	approach/ basis for negotiation. Naturally on a case by case basis there is the opportunity for further negotiation/ possible variation.
71732	Sarah Jones	Barton Willmore on behalf of IM	Standardised metrics and worked examples should be used in the SPD to give an indication of contributions required for developments of various capacities.	The SPD recognises that 'one size does not fit all' with regard to the computation of developer contributions being sought. It is considered that worked examples may be observed as rigid 'target' figures which , if anything may prove to be unhelpful in many instances.
71733	Sarah Jones	Barton Willmore on behalf of IM	It is considered unnecessary for the standards of construction to be included in the legal agreement as they will be a part of designs and plans of the approved application.	The inclusion of such provisions within the template 106 is considered appropriate, irrespective of documents that may have been submitted as part of the planning process.
71734	Sarah Jones	Barton Willmore on behalf of IM	The affordable housing section of the SPD should make a cross reference to the Council Affordable Housing SPD.	Noted. Appropriate cross referencing should be added.
71735	Sarah Jones	Barton Willmore on behalf of IM	With regard to the air quality references in the SPD, mention could be made of the DEFRA Emissions Factor Toolkit as a useful aid to inform potential mitigation. Cross reference to the Air Quality SPD should be made.	Agreed. Cross reference to the Air Quality SPD should be added. However precise details of mitigation requirements should remain within the Air Quality document. DEFRA Technical Guidance is clearly referenced in the Air Quality SPD.
71736	Sarah Jones	Barton Willmore on behalf of IM	Contributions towards community safety and policing should be in accordance with the tests applied by the CIL Reg. 122(2).	Noted
71737	Sarah Jones	Barton Willmore on behalf of IM	Biodiversity Offsetting. It is noted that the Council is stipulating a minimum 30-year	The 30-year management stipulation is explained in detail on the WCC website (the link

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			maintenance period in relation Biodiversity Offsetting schemes. This should be justified with regard to relevant evidence and, including costs and periods sought by other Authorities (recognising that 25 years is also used as a benchmark).	to the WCC detailed guidance regarding biodiversity offsetting is signposted in this SPD. This has been applied successfully and has been evidenced/ justified by the County Council Ecology experts.
71738	Sarah Jones	Barton Willmore on behalf of IM	Education. The SPD should reflect the detailed contents of the Warwickshire County Council's 'Developers Guide to Contributions for Education and Early Provision' August 2019.	In the interests of brevity, we do not feel that the SPD needs to replicate in totality the detailed provisions/ content of the WCC developers guide. The WDC SPD sets out key issues and clearly 'signposts' by way of a link the need to consult the more detailed WCC document. Further reference to the CIL Reg 122 (2) tests is noted.
71739	Sarah Jones	Barton Willmore on behalf of IM	Local Employment and Training Strategies The practicalities of implementing such plans should be fully recognised within the SPD. The SPD objectives should be caveated to state they will be achieved where it is feasible, both economically and practically.	Noted. Additional text should add the caveat requested and afford developers who may not be able to utilise Local Labour etc. the opportunity to state their case (and substantiate it).
71758	Richard Timothy	Highways England	No comments.	Noted.
71759	Reiss Graham	HS2	No comments.	Noted.
71683	Malwina Idziac	Canal & River Trust	The C and RT request a specific reference to recognise that the canal network is a valuable multifunctional asset. Text should be added to recognise this and that where appropriate contributions may be secured from development to enhance towpaths and	Additional text will be added to accommodate this and recognise the value of the canal network as an asset.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			the canal corridors. Cross reference to the canalside DPD would also be beneficial	
71611	Anna	Delta Planning on behalf of Deeley Group Ltd	Page 11 – the document refers to the national PPG in that affordable housing tariff style obligations should not be sought from developments of 9 dwellings or less, or a max of 1000 sq.m. This is not consistent with National Guidance that requires planning obligations should be sought from developments of 10 or more homes (major development).	Noted. The SPD should be revised to mirror the requirements as per the NPPF and revised accordingly
71613	Anna	Delta Planning on behalf of Deeley Group Ltd	The SPD makes an allowance for viability arguments to be put forward where the level of developer contributions would render a project unviable. In these cases, an Economic Viability Assessment (EVA) can support a proposal and contributions can be negotiated. This approach is welcomed.	Noted.
71615	Anna	Delta Planning on behalf of Deeley Group Ltd	Procedures/ Process – Figure 3 needs editing. There is a duplication of ‘application refused’ within the flow chart.	Agreed – amendment to be made accordingly
71618	Anna	Delta Planning on behalf of Deeley Group Ltd	Money obtained via unilateral undertakings can be returned to developers if unspent. The SPD states otherwise.	The position taken by the SPD is correct
71740	Nicole Burnett	Gladman Developments	In order to avoid confusion, it is suggested that the Council make clear which stakeholder is responsible for the requests and, where possible, the delivery of each contribution tied to a development	No action required. The SPD already refers to WDC being the LPA that co-ordinates the requests from stakeholders. Further text can be added to ensure that developers are aware of the public facing system available on the Council’s website that enables interested parties to check progress on payment / delivery of obligations etc.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71741	Nicole Burnett	Gladman Developments	Contribution requests should be made as soon as possible in the planning process and should be evidenced/ made in accordance with paragraph 56 of the NPPF.	This is already reflected in the SPD.
71742	Nicole Burnett	Gladman Developments	In terms of delivery of infrastructure and monies collected from a development Gladman request that information regarding how and where this is delivered is shared with the applicant.	Noted. Covered by existing monitoring/ reporting provisions already operating.
71773	Kathryn Ventham	Barton Willmore on behalf Barwood	Legislative Context SPD should be expanded to make reference to the Community Infrastructure Regulations and relevant sections of the NPPF and PPG ,particularly the standard approach to viability assessments.	In the interests of brevity we do not feel that the SPD needs to repeat parts of the NPPF and PPG unless specifically necessary.
71774	Kathryn Ventham	Barton Willmore on behalf Barwood	Legislative Context SPD needs to make specific reference to the relationship between CIL, and S106 with regard to Infrastructure funding (including the requirement for Local Authorities to set out an Annual Infrastructure Statement).	Agreed. The SPD should be amended to include reference to the Annual Infrastructure Statement.
71775	Kathryn Ventham	Barton Willmore on behalf Barwood	Procedures / Process (Viability) Support is given to the SPD statement that recognises that some development proposals may be unable to meet all of the relevant policy and planning obligations while remaining economically viable / deliverable.	Noted.



Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71776	Kathryn Ventham	Barton Willmore on behalf Barwood	SPD should stipulate that Neighbourhood Plan policies are not expected to seek in excess of the Local Plan policy requirement, and that any that do must be the subject of a neighbourhood plan viability assessment.	Noted. Text will be added to the document to cover this point.
71777	Kathryn Ventham	Barton Willmore on behalf Barwood	The text of the SPD should replicate the assumptions made / indicated on the CIL and Section 106 elements of the Council's website that that set out the financial assumption for infrastructure contributions per dwelling on sites of various threshold	It is not considered necessary to replicate this information in the emerging SPD. The figures in question are guidance only and not 'target' figures. The wording in the SPD as set out indicate that sites of various sizes and complexity will be subject to due consideration with regard to physical and capacity characteristics.
71778	Kathryn Ventham	Barton Willmore on behalf Barwood	Support for the site viability section. The SPD includes reference to the Council's acceptance that in cases where a scheme is unable to meet the required S106 contributions the cumulative benefit of the scheme will be a material consideration	Noted,
71779	Kathryn Ventham	Barton Willmore on behalf Barwood	Monitoring and Enforcement It is accepted that a 'monitoring fee' is appropriate , however consideration of a 'cap' to ensure that these fees are not an excessive burden on development should be considered.	The text is already clear with regards to the requirement for developments to pay a monitoring fee with regard to S106 and Planning Obligations. The formula used has a proven track record and has been established as appropriate. If in the event this prejudiced viability a developer can of course challenge it via an EVA (Economic Viability Assessment).
71780	Kathryn Ventham	Barton Willmore on behalf Barwood	Part 1 Appendix 3 – S106 Template Appendix 3 provides a standard template, however consideration of the standard terms and trigger points should be added	No action required. The standard terms for stage payments/ triggers are not considered particularly onerous; the benefit/ strength of the template approach provided is that it provides a standardised

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			related to the site and size of the development.	approach/ basis for negotiation. Naturally, on a case by case basis there is the opportunity for further negotiation/ possible variation.
71781	Kathryn Ventham	Barton Willmore on behalf Barwood	Standardised metrics and worked examples should be used in the SPD to give an indication of contributions required for developments of various capacities.	The SPD recognises that 'one size does not fit all' with regard to the computation of developer contributions being sought. It is considered that worked examples may be observed as rigid 'target' figures which , if anything may prove to be unhelpful in many instances.
71782	Kathryn Ventham	Barton Willmore on behalf Barwood	It is considered unnecessary for the standards of construction to be included in the legal agreement as they will be a part of designs and plans of the approved application.	The inclusion of such provisions within the template 106 is considered appropriate, irrespective of documents that may have been submitted as part of the planning process.
71783	Kathryn Ventham	Barton Willmore on behalf Barwood	The affordable housing section of the SPD should make a cross reference to the Council Affordable Housing SPD.	Noted. Appropriate cross referencing should be added.
71784	Kathryn Ventham	Barton Willmore on behalf Barwood	With regard to the air quality references in the SPD, mention could be made of the DEFRA Emissions Factor Toolkit as a useful aid to inform potential mitigation. Cross reference to the Air Quality SPD should be made.	Agreed. Cross reference to the Air Quality SPD should be added. However precise details of mitigation requirements should remain within the Air Quality document. DEFRA Technical Guidance is clearly referenced in the Air Quality SPD.
71785	Kathryn Ventham	Barton Willmore on behalf Barwood	Contributions towards community safety and policing should be in accordance with the tests applied by the CIL Reg. 122(2).	Noted
71786	Kathryn Ventham	Barton Willmore on behalf Barwood	Education. The SPD should reflect the detailed contents of the Warwickshire	In the interests of brevity, we do not feel that the SPD needs to replicate in totality the

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			County Council's 'Developers Guide to Contributions for Education and Early Provision' August 2019.	detailed provisions/ content of the WCC developers guide. The WDC SPD sets out key issues and clearly 'signposts' by way of a link the need to consult the more detailed WCC document. Further reference to the CIL Reg 122 (2) tests is noted.
71787	Kathryn Ventham	Barton Willmore on behalf Barwood	Local Employment and Training Strategies The practicalities of implementing such plans should be fully recognised within the SPD. The SPD objectives should be caveated to state they will be achieved where it is feasible, both economically and practically.	Noted. Additional text should add the caveat requested and afford developers who may not be able to utilise Local Labour etc. the opportunity to state their case (and substantiate it).
71743	Maxine Kennedy	Turley on behalf of Taylor Wimpey	Taylor Wimpey supports the overall objective of the Developer Contributions SPD, however it wishes to identify areas where it believes the document can be clarified.	Noted.
71744	Maxine Kennedy	Turley on behalf of Taylor Wimpey	Outdoor sports facilities – The document states that Section 106 agreements will specify necessary contributions to individual (physical) projects, however in some circumstances, the payment of a commuted sum for pitch maintenance may prove to be appropriate. With reference for a payment to be made for pitch maintenance it is not clear what mechanism the Council will use to calculate a developer contribution so as to ensure the contribution would be proportionate to the level of demand generated by the development. Will the payment be ongoing or a one off payment at a fixed sum The SPD should provide more	The SPD will require the consideration of on-site provision as a first option, however if there are other, existing pitch locations within a reasonable distance of the development that could be enhanced the requirement can be commuted in the form of a capital payment to improve capacity. Financial obligations would have to be proportionate to the development.  The SPD should make a cross reference to Section 4 of the Adopted SPD (Public Open Space 2019) and the detailed provisions that can be found regarding such matters.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			detail on this to ensure it is compliant with CIL Reg 122.	
71745	Maxine Kennedy	Turley on behalf of Taylor Wimpey	<p>Education – It is important to ensure that where a new school is required that the school costs are divided proportionately across the developments that contribute/ trigger the requirement.</p> <p>Where a developer is required to provide an area of land greater than that necessary to meet its own school places requirement this should be receive a compensatory payment for the additional land on an agreed basis. The SPD should make it clear as to what basis this value is measured.</p> <p>Phased payments for educational contributions should be utilised so as not to threaten development viability.</p>	<p>Agreed. Text to be added to the document accordingly.</p> <p>The SPD will include additional text to reflect the point made about redeeming land value. “Consideration will be given to the value of required education land when the quantum identified exceeds that required by the development.</p> <p>Agreed , already stipulated in the SPD.</p>
71746	Maxine Kennedy	Turley on behalf of Taylor Wimpey	<p>Indoor Sports facilities – The draft SPD sets out that the Council’s Indoor Sports and Leisure Strategy provides the evidence base to inform the Council’s identification of new requirements. Contributions are required from ‘major developments’, however there is no definition of ‘major development’ provided. Contributions to infrastructure should be proportionate to the development that is providing the finance.</p>	<p>The SPD could add that the definition of major development is that that is utilised in the NPPF. i.e. 10 dwellings or more or over 1000sqm for non-residential development.</p> <p>The SPD refers to the fact that all contributions have to be justified and proportionate to the development in question ( CIL Reg 122 (2) compliant)</p>
71747	Maxine Kennedy	Turley on behalf of Taylor Wimpey	<p>Health – In order to confirm a ‘need’ for health care provision it is necessary to understand the need generated from new</p>	<p>The SPD clearly states that when assessing healthcare need SWFT and the CCG will be consulted and that they will do the necessary</p>

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			development and the existing capacity within existing healthcare. The SPD does not provide any clarification as to how the council intends to conduct or assess demand / existing healthcare capacity. No sign post is given as to where this information lies or is established. Flexible payments of contributions (instalments) should be considered.	analysis / make their case for appropriate and proportionate contributions.  The payment structure of contributions is given consideration on a case by case basis.
71748	Maxine Kennedy	Turley on behalf of Taylor Wimpey	Open Space and Green Infrastructure – the SPD implies that developments may be required to address existing deficits of open space provision.	This submission has misinterpreted the document – the SPD refers specifically to the detailed Public Open Space SPD. Within this document the genesis of local standards and the detail of how appropriate and proportionate developer contributions are sought is clearly articulated.
71749	Maxine Kennedy	Turley on behalf of Taylor Wimpey	The SPD should clearly state that the County and District Council's will adopt a flexible approach with regard to phasing of the payments of contributions so as to ensure viability / deliverability of development is not threatened.	The SPD and associated template S106 documentation clearly indicate phased payment / trigger points for specific forms of contributions. These have been consolidated into a framework S106 and all trigger points etc. have been tested and found to be appropriate. In all cases any variation on stage payments etc. can be the subject of negotiation, the Councils template SPD clearly sets the context for such negotiation.
71706	Tom Biggs	St. Joseph Homes	Requested that some wording is added in order to clarify the Council's position on double – dipping'. Changes to the CIL Reg's and the removal of the 123 list requirement has resulted in a degree of uncertainty.	'Double-dipping' is not an issue as Section 106 and CIL are finance/ infrastructure regimes that can now be applied to the same infrastructure project. Section 106 monies are attributed to the Council's Section 106 monitoring regime (are publicly accountable) whereas CIL projects are

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
				similarly itemised on the Council's Infrastructure Funding Strategy.
71766	Kate Lowe	Pegasus on behalf of Northern Trust	Northern Trust welcome the production of the SPD and offer their support for it.	Noted.
71767	Kate Lowe	Pegasus on behalf of Northern Trust	Viability – support the recognition that some developments may be unable to meet all of the relevant policy and planning obligation requirements whilst remaining viable and deliverable. Supports the identification of a return of between 17.5% and 22.5% as being a reasonable developer return.	Noted.
71768	Kate Lowe	Pegasus on behalf of Northern Trust	Northern Trust support the recognition that some development proposals may be unable to meet all of the relevant requirements whilst remaining viable and deliverable. Northern Trust support the requirement to submit a viability assessment where this is the case. Text should be added to indicate what particular contributions would be prioritised.	Noted. Added text would be of little use as each case regarding reduced contributions would be considered with regard to its locality and identified priorities (some of which may be very localised).
71769	Kate Lowe	Pegasus on behalf of Northern Trust	It is important that flexibility is provided to ensure that sustainable development opportunities are delivered. Including phased payments/ infrastructure delivery so as to ensure sites come forward to fruition.	Noted. No action required as the Council already accepts that phasing of payments and infrastructure development are a necessary consideration in the planning process.
71770	Kate Lowe	Pegasus on behalf of Northern Trust	Some evidence should be provided to substantiate the threshold of contributions being required from 10 or more dwellings as opposed to 11 or more dwellings with regard to affordable housing Local Plan policy H2.	It appears that Local Plan policy H2 is at odds with the Government (NPPF) definition of major development (11 or more dwellings).  The SPD should adhere with the NPPF definition.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
71771	Kate Lowe	Pegasus on behalf of Northern Trust	Instead of all affordable housing to be retained in perpetuity these paragraphs should be amended to only require certain affordable products to be retained in perpetuity, namely affordable housing to rent and discounted market sales housing.	The Affordable Housing SPD exempts a few types of AH from being held in perpetuity. It is considered appropriate to retain the principle of perpetuity in the Developer Contributions SPD and then point people to the AH SPD for full details and the limited exemptions.
71772	Kate Lowe	Pegasus on behalf of Northern Trust	The requirement for affordable housing to be transferred to a 'Registered Provider, the Council or equivalent' is not appropriate given that not all affordable housing products need to be managed by such bodies. As such, amendments should be made to make reference to the need to only transfer certain types of affordable housing to the Council, Registered Provider or other bodies.	Revise to take the detailed wording and approach to this set out in the Affordable Housing SPD
	Jasbir Kaur	Pegasus on behalf of Northern Trust	Air Quality – The criteria for those developments requiring air quality / pollutant mitigation (contributions) is imprecise and does not provide the necessary clarity. Instead the policy should refer to the air quality SPD to ensure a consistent and clear approach is taken.	No action required. Air quality considerations are considered to be appropriately covered in the SPD. There is a direct link in the emerging document to the very detailed requirements of the detailed (Adopted) Air Quality SPD.
71761	Andrew Morgan	Pegasus on behalf of Northern Trust	Community Safety and Policing – agreed that these contributions should be assessed on a case by case basis.	Noted.

Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
		Warwickshire County Council	Welcomes / supports the Developer Contributions SPD	Noted.
71762		Place Partnership (on behalf of Warwickshire Police)	Procedures/ Process: General Approach Warwickshire Police endorse the inclusion of Community safety / policing being included within the list of infrastructure sought from planning obligations. This is wholly in accordance with the Local Plan and the NPPF.	Noted
71763			Planning Obligations – WP request that the third bullet point of this section is amended to read ‘ Offset relevant adverse impacts , for example, on the environment, education, social, <b>emergency services</b> , recreational and community facilities and transport that arise from development where the development might otherwise been refused because of these adverse impacts.’	Noted. The bullet point should be amended accordingly.
71764			Community Safety and Policing – suggests that the following amendments are made to strengthen the text... “The Council will therefore require development (where required and appropriate), to contribute towards the delivery of infrastructure to serve new developments and mitigate against their impact upon existing police resources.  This is because paragraphs 8, 26 and 92 of the NPPF (2019) together confirm that sustainable development means securing a	Noted. The text should be amended to give the opportunity for development (other than residential) to be considered against the requirements for the police infrastructure needed to ensure safety/ police cover. It is not deemed necessary to embrace all of the text as it replicates DM1 and sections of the NPPF that is considered unnecessary.



Ref no:	Respondent	Organisation/Company	Summary of Comments	Council Response
			<p>safe environment through the delivery of social infrastructure needed by communities. In this respect paragraphs 20 and 95 together state policies should deliver development that makes sufficient provision for security infrastructure through using the most up to date information available from the police. This is reflected in Local Plan Policy DM1 – Infrastructure contributions. ...., Accordingly contributions may include the following.....</p> <p>This brings development other than residential into consideration (those associated with the night time economy for example).</p>	
71765			Appendix 3 – Template of Draft Section 106 Requirements. – support for the form of this Template is forwarded.	Noted.

Warwick District Council

# DEVELOPER CONTRIBUTIONS

SUPPLEMENTARY  
PLANNING DOCUMENT

April 2020







**Our agreement with Warwick District Council  
for consent to develop Heathcote Park  
includes contributions from us towards**

- Country Park £268,800
- Education £280,245
- School transport £35,233
- GP surgery £267,400
- Indoor sports facilities £145,432
- Outdoor sports facilities £9,927
- Library £7,661
- Police £42,338



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## PART 1

# Purpose of this Document



**The Warwick District Local Plan (adopted September 2017), sets out the planning policies for the growth and, in places, regeneration of the District to 2029.**

**It specifies a significant amount of growth for the district in terms of new homes required and development needed to provide economic growth and related employment opportunities. Given the amount of growth identified, this SPD will be an important document which sets out how the Council will secure developer contributions from eligible development. This will be an essential requirement in order to assist in the delivery of new and improved infrastructure that our communities require and to ensure that the planned growth is sustainable.**

When determining a planning application, Local Planning Authorities (LPA's) consider the need to apply specific conditions, restrictions, activities, operations and contributions, necessary to make the development acceptable in planning terms. These are referred to as 'planning obligations' (also referred to as developer contributions).

The purpose of this Developer Contributions Supplementary Planning Document (SPD) is to provide clarity regarding Warwick District Councils approach to seeking developer contributions that are necessary to provide the physical, social and green infrastructure to support high quality development outcomes and sustainable planning objectives.

## This SPD will explain:-

- How developer contributions will be secured (including the policy basis and procedures, types of contributions, methodology of calculation, timing and process of collection);
- Clarifies the relationship between planning conditions, planning obligations and the Warwick District Council Community Infrastructure Levy (CIL);
- Provides a mechanism to help ensure the timely provision of infrastructure to support growth:

## This SPD comprises two parts:

**Part One** sets out Warwick Districts overall approach to securing planning obligations. In addition, it explains how the SPD complies with national and local policy, and deals with procedural matters relating to the drafting and enforcement of Section 106 matters.

**Part Two** sets out the types of obligation that the Councils may seek to secure from development. It also identifies the relevant policy basis, types of development to which the obligation may apply, thresholds over which the obligation may be sought and, where possible the basis on which the level of the obligation will be calculated.

The SPD will also provide prospective developers with clarity on the relationship between the various methods utilised to secure contributions. These include Section 106 planning obligations (or Unilateral Undertakings), Section 278 agreements under the Highways Act 1980 and the use of planning conditions. The document will also explain the relationship between the aforementioned and charges made on development associated with the Councils adopted Community Infrastructure Levy (CIL). This SPD will outline details of some of the key contributions often required and signpost potential developers to detailed advice that may be available with regard to specific infrastructure requirements.

The SPD will also include a series of issue specific S106 templates in order to try and regularise and expedite the efficient production of consistent legal agreements.

In the determination of planning applications for new development Warwick District Council must take into account a wide range of considerations required to ensure the acceptability of a proposal. One of these considerations is whether the development would generate a need for new or improved infrastructure, services or facilities, without which the development would be unacceptable in planning terms.

Local authorities must therefore ensure that such infrastructure needs are addressed and that new development is deemed acceptable. These developer contributions may, in some instances, be delivered directly by the developer, or by way of a financial contribution to the Council for it to arrange for the necessary investment to be made.





# Legislative Context

## National Planning policy context

The National Planning Policy Framework (NPPF) identifies that local planning authorities should consider whether otherwise unacceptable development could be made acceptable through the use of conditions or planning obligations. It highlights that planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition (NPPF paragraph 54).

The NPPF (paragraph 56) restates the three statutory tests for planning obligations which are defined in the CIL Regulations and identifies that where obligations are being sought or revised, local planning should take account of changes in market conditions over time and, where appropriate, be sufficiently flexible to prevent development from being stalled (paragraph 57).

Section 106 of the Town and Country Planning Act 1990 (as amended) provides the mechanism for planning obligations to be secured from development. In addition, The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) sets out additional legislation on the use of planning obligations.

Regulation 122(2) of the CIL Regulations defines that for a planning obligation to be taken into consideration when granting planning permission, it must be:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development

Regulation 123 of the CIL Regulations placed limitations on the pooling of planning obligations whereby no more than five separate planning obligations could be entered into to enable the funding or provision of a single infrastructure project. It is important to note that as of the 1st September 2019 new legislation (The Community Infrastructure Levy (Amendment) (England)) (No2) Regulations will have removed the pooling restriction's. Council's now have the flexibility to utilise multiple Section 106 contributions to fund a single infrastructure project (if necessary/ desirable) or to utilise S106 and CIL generated income for the same purpose (previously this was not permitted).

In relation to viability, NPPF paragraphs 34, 56 and 57 make it clear that development should not be subject to such a scale of obligations and policy burdens, that the viability of the scheme is threatened. It also identifies that authorities should assess the likely cumulative impact on development viability of all existing and proposed local standards and policies when taken together with national requirements, and that this cumulative impact should not put implementation of the plan at risk and should facilitate development throughout the economic cycle / plan period.

The emphasis on deliverability has further been strengthened by provisions within the Growth and Infrastructure Act 2013 which enable developers to apply to the local planning authority to modify affordable housing requirements set out in section 106 agreements where the requirements would make the development economically unviable.

National Planning Guidance (PPG) states that obligations must be fully justified and evidenced, and where affordable housing contributions are being sought, obligations should not prevent development from progressing. It also highlights that where local planning authorities require affordable housing obligations or tariff style contributions to infrastructure they should be flexible in their requirements and policies should be clear that such obligations will take into account specific circumstances.

**It should be noted that the National Guidance (NPPF) identifies that in order to prevent overburdening small schemes contributions for affordable housing and tariff style obligations should only be sought from major developments. The definition of major development is 'for housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000 sq.m or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015.**



## Local Policy Context

### Warwick District Council Local Plan 2011-2019

The Local Plan sets out the overarching development strategy for the District to 2029. It includes strategic policies, allocations and designations for the future change and growth of Warwick District. This plan also includes local policies for Development Management purposes.

[https://www.warwickdc.gov.uk/info/20410/new\\_local\\_plan](https://www.warwickdc.gov.uk/info/20410/new_local_plan)

Policy DM1, (Infrastructure Contributions) sets out the rationale for seeking developer contributions, whilst Policy DM2 (Assessing Viability) sets out the framework for the consideration of any viability concerns that may arise. (See appendix 1)

#### Other key planning policy documents include:

Supplementary Planning Documents (SPD's). SPD's expand upon and provide further detail to policies in Development Plan Documents.

[https://www.warwickdc.gov.uk/info/20794/supplementary\\_planning\\_documents\\_and\\_other\\_guidance](https://www.warwickdc.gov.uk/info/20794/supplementary_planning_documents_and_other_guidance)

#### The Infrastructure Delivery Plan

This is a live document adjusted over time and contains the physical, green and social infrastructure required to support development over the Local Plan period.

[https://www.warwickdc.gov.uk/info/20376/planning\\_policy/1200/infrastructure\\_delivery\\_plan](https://www.warwickdc.gov.uk/info/20376/planning_policy/1200/infrastructure_delivery_plan)

It should also be noted that the Council's Local Development Scheme (LDS) sets out the intended programme for the preparation of key planning policy documents throughout the plan period. It should be consulted periodically as it will highlight when new SPD'S (that may influence developer contributions) will be emerging.

The latest LDS can be viewed on the Council's website.





# Types of Developer Contributions

## What are planning Obligations?

A planning obligation is secured by either a deed of agreement or a unilateral undertaking made under planning legislation (Section 106 of the Town and Country Planning Act 1980 (as amended)) in association with a planning permission for new development. It is normally applied to aspects of development that cannot be controlled by imposing a planning condition or by the use of other statutory controls.

Planning obligations are legally binding and enforceable if planning permission is granted. The obligations remain with the title holder of the land in question. They can cover almost any relevant issue such as the provision and funding of types of infrastructure or services and future maintenance.

Planning obligations should only be used where it is not possible to address the unacceptable impact of development through a planning condition (NPPF, paragraph 54).

In addition, CIL Regulation 122 states that the use of planning obligations should only be sought where they meet all of the following three tests:

- They are necessary to make a development acceptable in planning terms
- They are directly related to a development
- They are fairly and reasonably related in scale and kind to the development

Planning obligations are linked to the land within the planning application, rather than the person or organisation that develops the land. It is, therefore, recorded as a land charge, and obligations under it run with the land ownership until they are fully complied with.

It should be noted that where Neighbourhood Plan policies apply they are not expected to seek contributions in excess of the Local Plan policy requirements. Any that might seek to do so must be the subject of a Neighborhood Plan viability assessment.

## What is Community Infrastructure Levy (CIL)?

CIL is a levy which allows local authorities to fund infrastructure by charging on new development in their area, CIL contributions raised will go towards the costs of infrastructure. Warwick District Council (WDC) completed the necessary consultation exercises and underwent a successful CIL Inspection: CIL has now been formally adopted by the Council with effect from 18th December 2017. Once adopted CIL is fixed, non-negotiable and enforceable.

The principle is that all eligible developments must pay the CIL charge, alongside any S106 planning obligations; the CIL charging rates are based on viability testing, and an identified need for infrastructure. The process for securing CIL payments is set out in the Charging Schedule and is summarised in the table below. Further information can be found on the Council’s website and in the CIL element of the National Planning Practice Guidance.

Figure 1.

Community Infrastructure Levy (CIL) Process Overview table:

STEPS	COMMUNITY INFRASTRUCTURE LEVY
1	Alongside Planning Application, applicant / agent completes and submits a ‘determining whether a development may be CIL liable form’ including the relevant floorspace and development type details. An Assumption of Liability Notice should be included with the application.
2	The Council will determine the levy based on the current CIL Charging Schedule.
3	Once in receipt of the relevant forms WDC produces a draft Liability Notice, in consultation with the Agent / Applicant to ensure details are correct before being issued.
4	When planning permission is granted and an Assumption of Liability form has been received, a Liability Notice will be issued and the Levy rate will be registered.
5	Where a party wishes to apply for relief / exemption from the CIL levy, they are required to submit the relevant CIL relief / exemption forms to the Council prior to the commencement of development. Relief / exemptions will be considered and where they are granted Liability Notices will reflect this. No development can be ‘self-assessed’, all potential exemptions must be applied for and granted by WDC.
6	Liable party is required to submit a Commencement Notice prior to any works starting on site.
7	Once an Assumption of Liability Notice and Commencement Notice have been received, a Demand Notice/s will be issued (if relevant) to the person/s liable to pay the CIL in accordance with the CIL Payment Instalments policy. Where a Commencement Notice is not submitted the payment will be due in full on the presumed commencement date.
8	On final payment of the outstanding CIL charge, the Council Land Charges Section will remove the CIL liable amount from the Land Charges Register.

The CIL Charging Schedule that sets out the financial requirements with regard to particular land uses can be viewed at: -

[https://www.warwickdc.gov.uk/downloads/file/4740/cil\\_charging\\_schedule\\_final](https://www.warwickdc.gov.uk/downloads/file/4740/cil_charging_schedule_final)

WDC is responsible for collecting CIL monies due. A proportion of the money collected is distributed to Town and Parish councils in which developments fall; 15% - 25% of the total amount received dependant on whether a Neighbourhood Plan has been adopted. This proportion must be spent to support the impact of developments on local communities.

It is not intended that CIL replaces S106 agreements. S106 agreements will be used alongside CIL to secure infrastructure requirements. S106 infrastructure may be physically off-site, but must be clearly linked to the development site and needed to make the development acceptable in planning terms. Unlike funding from S106, CIL funds can be spent on a wide range of infrastructure to support development without the need for a direct geographical or functional relationship with the development.

The relationship between CIL and Section 106

CIL monies are intended to provide for infrastructure support rather than specifically to make development proposals acceptable in planning terms. Government guidance specifies that site specific mitigation will still be sought through the use of planning obligations.

The Council produces an Annual Infrastructure Statement in order to indicate its priority infrastructure projects to be financed from CIL income over a specified 12 month period.

Planning Conditions

Planning conditions cannot require the transfer of land ownership or the payment of monies. They are attached to planning permission and set out details or required standards, timeframes and works which must be carried out at prescribed stages in the development process. They may also require further details to be submitted in order to make a proposal acceptable.

The NPPF paragraph 55 states that planning conditions should only be attached to a planning permission where they are necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects.

Where there is a choice between imposing planning conditions and entering into a planning obligation to manage the impacts of a new development, the use of planning conditions is always preferable.

However, planning conditions;

- Cannot be used to secure financial contributions
- Cannot be used in relation to land outside the application site; and
- Can be appealed by the applicant if they believe them to be unreasonable

Where the above restrictions cause an issue in appropriately mitigating the impact of development; the LPA may use a planning obligation.

Section 278 Agreements

Where a development requires works to be carried out on the existing adopted highway, an Agreement will need to be completed between the developer and Warwickshire County Council under Section 278 of the Highways Act 1980. Examples of such works could be the construction of new access/ junction improvement of the highways/ junctions, or safety related works such as traffic calming or improved facilities for pedestrians and cyclists.

Figure 2.  
Summary of Planning Mechanisms used for mitigation against the impacts of development

MECHANISM	DETAILS	EXAMPLE USES
Planning Conditions	To make otherwise unacceptable development permissible – these may restrict the use of development, or require specific, approval via a discharge of condition prior to commencement	Noise and odours Landscaping Materials Working Hours
S106 Planning Obligations	To make otherwise unacceptable development permissible by imposing controls that cannot be secured by planning conditions. These may be financial or non-financial and provided on or off site.	Provide affordable housing Address site specific impacts Deliver essential Infrastructure
S278 Highways Agreements	Agreements to provide for alterations to the adopted highway to be funded by developers	Highway Improvements

## Procedures/ Process

### General approach

It is the purpose of this SPD, once adopted to give developers guidance of the scope of developer contributions that they will have to consider as part of their intended development process. In many instances this will embrace contributions towards CIL, S106 and or S278 agreements.

Albeit that previous pooling restrictions did, in some instances, curtail the use of planning obligations it is expected that in many instances (where appropriate) planning obligations will still be sought for infrastructure matters related to the following: -

- Affordable Housing
- Air Quality Initiatives
- Outdoor Sports Facilities/ Playing pitches
- Indoor Sports Facilities
- Health Infrastructure – Local GP Surgeries / health centres and Hospitals
- Community Safety / Policing
- Biodiversity Offsetting
- Open space and Green Infrastructure
- Sustainable Drainage Systems (SuDS)
- Education
- Highways and Transport
- Local Labour Agreements
- Libraries
- Community Halls
- Other Infrastructure which is required to mitigate the direct impact of a development.

It should, however, be noted that this is a general guide and development proposals will continue to be assessed on a case by case basis with the individual circumstances of each site being taken into consideration when identifying infrastructure requirements.

### Planning Obligations

The Local Planning Authority (LPA) will assess each application to determine if a planning obligation is needed and if so what it should address. It will do this in consultation with other public bodies responsible for infrastructure provision. Warwickshire County Council, for example, is a major provider of services and infrastructure.

The LPA, and other key agencies, will use planning obligations to:

- Secure general planning requirements that are necessary to allow the development to be permitted and where this cannot be achieved by way of planning conditions
- Ensure that there is satisfactory infrastructure to allow the development to proceed and that the infrastructure provided will be maintained: and

- Offset relevant adverse impacts, for example, on the environment, education, social, emergency services, recreational and community facilities and transport that arise from the development where the impact might otherwise have been refused because of those adverse impacts.

## Process

### Pre-Application Discussions

As part of any pre-application discussions the LPA will seek to agree the requirements and Heads of Terms for any planning obligation.

It is the Council's strong preference, where applications and associated planning obligations are more complex, that negotiations occur, and agreement on Heads of Terms is achieved, prior to the submission of a planning application. Pre-application discussions can help to resolve potential problems and issues which may otherwise delay the determination of a planning application.

It is recommended in the Council's Validation List that draft Heads of Terms accompany any application that requires a planning obligation. Indeed, the Local Validation list will be a useful starting point to shape/ identify the range of issues / infrastructure that a development is likely to need to consider and address.

The Council's Local Validation List can be seen at: -

**[https://www.warwickdc.gov.uk/downloads/file/4958/local\\_validation\\_list\\_-\\_adopted\\_may\\_2018](https://www.warwickdc.gov.uk/downloads/file/4958/local_validation_list_-_adopted_may_2018)**

### Unilateral Undertakings

In cases where a planning obligation is only dealing with financial contributions the LPA will encourage developers to make a unilateral undertaking and to make the relevant contributions on the granting of planning permission and / or at different stages of the development.

### Cross Boundary Applications

Where a planning application site falls partly in another local planning authority area the Council will, as far as possible, work to coordinate proportionate planning obligation requirements with that authority. If, however, agreement cannot be reached, the Council will seek obligations for the portion of the site that falls within Warwick District.

### Viability

The Council will seek to secure a fair and reasonable developer contribution without adversely affecting the ability for new development to take place across the District. Paragraph 57 of the NPPF emphasises the need for consideration of viability and costs in plan making and decision taking processes. It is recognised that some development proposals may be unable to meet all of the relevant policy and planning obligation requirements while remaining economically viable and deliverable, either in whole or part.

As the Council recognises the wider benefits of development to the District in terms of the associated outputs from the development such as regeneration or helping meet housing need then, in such circumstances the Council will consider a request from the developer, applicant, or landowner to reduce the level of planning obligations on the basis that it is not financial viable to provide or pay (whether in part or full) any Section 106 planning obligation requirements or charges deemed necessary and appropriate.

Such requests must clearly demonstrate to the Council what the developer, applicant or landowner is prepared to fund in terms of planning obligations, the reasons why the development cannot support the full planning obligation requirements (such as high abnormal costs), including comprehensive evidence which must include an Economic Viability Assessment (EVA) in order for the Council to take it into account as a material consideration.

The assessment should be submitted, if possible, at the pre-application stage of the planning process to enable the request to be considered and verified by the Council.

EVA's should be accompanied by a detailed explanatory statement which clearly shows the residual value of the land and therefore the price payable is not sufficient to incentivise the landowner to release the land for the proposed development and would otherwise hold the land undeveloped until a time where their incentivised price could be reached.

Developers will be required to work on a fully 'open book' basis and the EVA must contain prices, costs and assumptions that reflect the proposed development including anticipated sales prices supported by comparable market evidence and costs supported by tendered quotations or BCIS data.

All viability submissions will be carefully considered by the Council. Once submitted the Council's professional advisors will review the information provided to support a reduction in the required planning obligations to initially determine if sufficient information has been provided to support the request. Following this the Council's advisors will carry out an independent appraisal of the site to determine if acceptable development would be viable which would bring forward development of the site.

The land value and the developer's return elements of the appraisal will be determined as to what is sufficient to incentivise both parties to sell and develop the scheme. These will broadly be reflective of the returns currently being sought and accepted within the market, including any adjustment to account for the market risk of the scheme. Developers return will typically range between 17.5% and 22.5%.

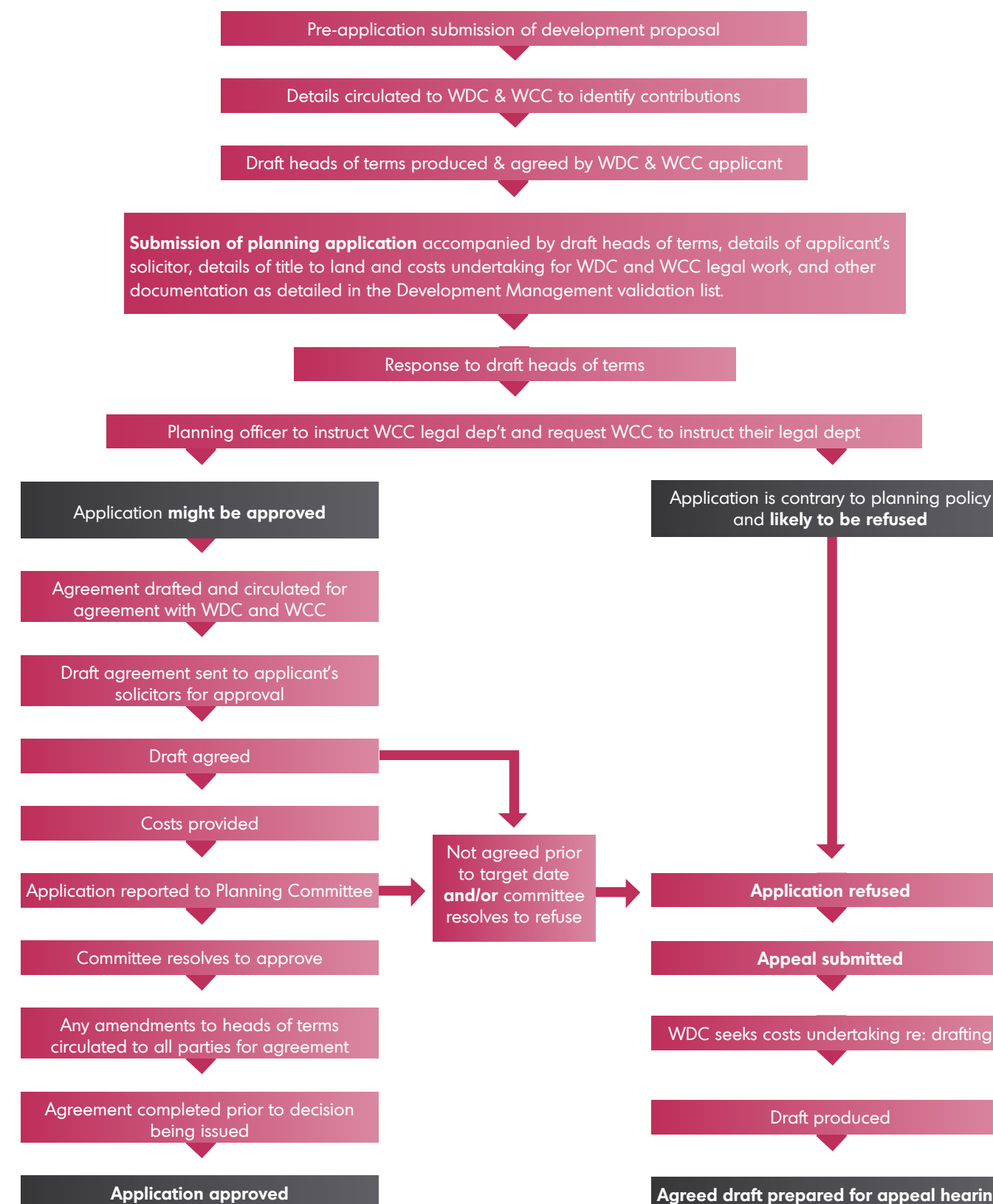
The Council will not take into account the price paid or agreed by the applicant for the land whilst reviewing the viability assessment, but will consider what a reasonable land value would be which is sufficient to incentivise the land owner to sell or develop for the proposed scheme based upon a number of factors including case law, market conditions and guidance.

### Negotiation of reduced contributions

The Council is under no obligation to accept a reduction in the required level of planning obligations and may ultimately refuse the planning obligation if the applicant will not provide these. If it can be demonstrated that a scheme is unable to fund the required section 106 contributions and this is accepted by the Council, then the Council will consider the cumulative benefit of the scheme. The Council will also consider how the need for required obligations can/may be met from an alternative source than the developer with a view of negotiating a reduced requirement from the scheme.

**Figure 3**

**Development Contributions – The Section 106 Process**





## Securing Timing of Payments/ Fees

Financial contributions (apart from legal costs, which are usually paid prior to the completion of the agreement), and standard administration charges will need to be paid prior to the implementation of planning permission or in accordance with a programme of agreed stage payments.

Prior to the making of a Planning Obligation, the developer should note the financial contributions payable and the corresponding triggers or payment dates as specified in the agreement.

The developer should notify the Council, or County Council if relevant of a trigger point being reached and their intention to pay the financial contribution. When a trigger point has been reached the Council will calculate the total financial contribution payable and will provide a copy of this calculation to the developer. Once the developer has agreed the calculation the Council will issue an invoice to the developer for the agreed sum. The Council will not accept payment of any financial contribution unless accompanied by a valid invoice. The Council will, if necessary charge interest on late payment in line with the terms set in the agreement.

Upon receipt, financial contributions will be held in a specific account before being transferred to the relevant internal departments or third parties (e.g. other public sector bodies, parish council etc.) responsible for spending the contribution. The District Council will work with the County Council to expedite the transfer of monies to other agencies quickly and efficiently.

The Section 106 agreement will include a clause detailing how and when any unspent funds will be refunded. Given that a unilateral undertaking, necessarily, does not have the Council as a party, there cannot be any obligations on the Council to return any unspent monies.

All receipts and spending of financial contributions and the discharge of Section 106 obligations will be recorded and monitored by the Council. This will be achieved by the publication of a quarterly monitoring report as well as the Council's annual Infrastructure Funding Statement.

Please note that financial contributions paid to Warwickshire County Council (i.e. those relating to highways and education and relevant administration and monitoring fees) will be subject to a different process and developers are advised to refer to WCC's guidelines or contact the WCC Infrastructure Team at: - [infrastructureteam@warwickshire.gov.uk](mailto:infrastructureteam@warwickshire.gov.uk) for further information.

## Fees

The Council's legal costs of preparing a Planning Obligation will be borne by the developer. These costs will be based on an hourly rate and will depend on the complexity of the agreement and the length of time taken to settle the draft and proceed to completion. The Council will therefore require developers to provide a 'cost undertaking' to pay for the Council's reasonable fees, prior to it being able to instruct its acting solicitors. It should be noted, that the Council's reasonable fees will need to be met even if the planning obligation is not completed.

Standard unilateral undertakings will be subject to an administration charge covering legal costs and if necessary the transfer of money to third parties.

## Monitoring and Enforcement

The Council monitors all planning obligations and will work with developers to ensure that financial contributions and non-financial obligations are delivered on-time. Monitoring fees will be charged in order to undertake such work. The monitoring fee will be derived using a formula that considers the complexity of the agreement (the number of obligations in a particular agreement), the number of officer hours required the monitoring officer's salary rate and the number of years it is estimated that monitoring will be required for a particular development.

Monitoring activities will include: -

- the request, management and distribution of financial contributions and other obligations associated with the deed;
- monitoring on-line systems for planning officers, managers and the public domain;
- checking recording and updating each trigger-point (timing requirement);
- physical monitoring of the development site (site visits)

The monitoring fee (and its calculation) will be stipulated in each agreement. The monitoring fees formula is shown in full in the template S106 document (Appendix 3 of this SPD).

## Enforcement

Where there is evidence of non-compliance with a Planning Obligation (such as the non-payment of financial contributions, failure to comply with an obligation, or failure to notify the Council of a due payment or event as required), the Council will seek to recover all reasonable administration costs incurred. This could include, for example, site visits, the recovery of any unpaid monies and / or correspondence.

If it is clear that matters within the planning obligation are not being complied with, the Councils Legal Team may be instructed to take appropriate action to secure compliance. This could include for example, seeking a court injunction.

## Indexation

Contributions are based upon the costs of infrastructure. Financial contributions will therefore be indexed (i.e. index –linked to inflation) to ensure that they retain their 'original' real value. The base date and appropriate index to be applied will be set out in the legal agreement.

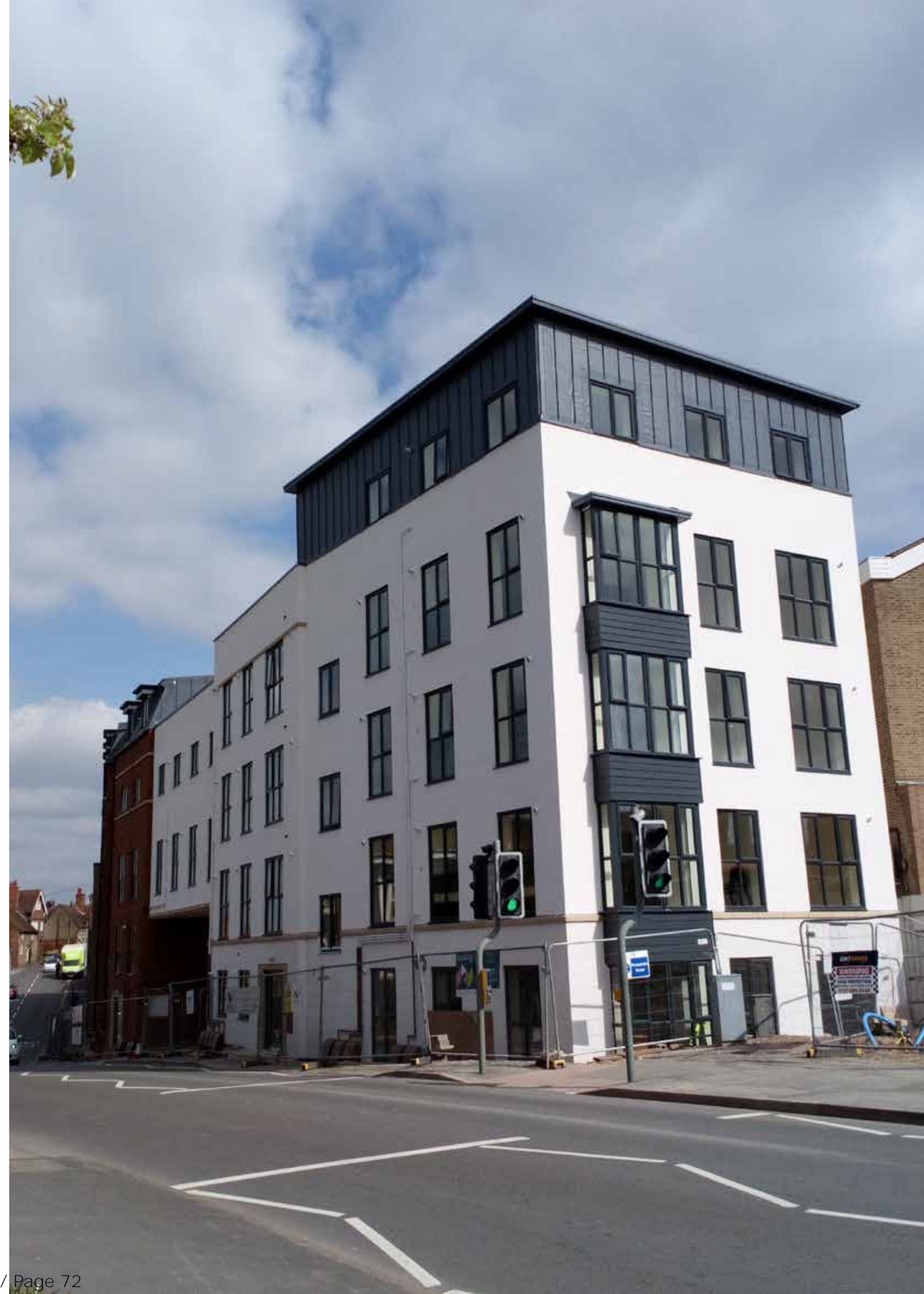
Where a formula has been set for the calculation of contribution levels (e.g. contractor rates), any cost figures will be updated periodically to take account of inflation and are the sums required at the time of negotiation.

All payment levels will be subject to an inflation factor adjusted according to the fluctuations between the date of the obligation and the quarter period in which payment is due to the District Council, the County Council will also adjust payments to it but these may be subject to different measures of inflation.

## PART 2

# Developer Contributions

This part of the SPD sets out the key types of contributions that the Council may seek to secure from development and how it identifies with the relevant policy basis, types of development to which the obligation will apply, thresholds over which the obligation will be sought and, where possible the basis on which the level of obligation will be sought. Contributions covered by this SPD relate primarily to residential developments. Non-residential development requirements, such as those associated with retail and commercial development will be considered on a case by case basis.





## Threshold for Contributions – Residential development

Developer contributions will be required from all residential development on sites of 10 or more dwellings or where the site has an area of 0.5 hectares or more. The Council will have regard to the whole development site in applying the site size threshold, regardless of whether applicants seek to subdivide, fragment or phase proposals.

## Affordable Housing

The NPPF requires Councils to set their own policies where affordable housing is needed and sets out a requirement to undertake a strategic Housing Market Assessment (SHMA) in order to understand and meet objectively assessed affordable housing needs.

As evidenced by the most recent SHMA and the updated Assessment of Housing Need for Coventry and Warwickshire (which included an assessment of affordable housing need in each local authority area), Warwick District has a high level of need for affordable housing. The Council's Local Plan sets out its Affordable Housing Policy requirement in Policy H2 (Affordable Housing).

For the purposes of the Council's affordable housing policy the definition of affordable housing applied is that as set out in the NPPF (Annex 2). This includes social rented, affordable rented and intermediate tenure housing provided to eligible households.

The amount of affordable housing, the form of its provision (tenure), its specific location on site and the means of delivery of the affordable element of the proposal will be subject to negotiation at the time of the planning application. The viability of the development may be a consideration in such negotiations.

It is the Council's policy position that in the majority of cases affordable housing should be provided on site in order to ensure that developments contribute towards creating mixed and balanced communities. Affordable housing should be integrated within the development and in larger developments provided in a variety of locations. The quality of the affordable housing should be such that it is not readily identified as being any different to the market housing provided.

## Commuted Sums and Off-site Provision

There may however be instances where the location, setting or characteristics of the development are not compatible with delivering the type of affordable housing required. In such cases the Council and the developer may jointly agree either to use an alternative site, to be provided by the developer, for the provision of affordable housing and, or a financial contribution that is broadly the equivalent value to the cost of the developer of providing the affordable homes on-site.

## Perpetuity

Where appropriate, the Council requires affordable housing to be provided in perpetuity through the planning obligation agreement. In order to ensure wherever possible, affordable housing continues to be available to those in housing need, and managed to acceptable standards. The Council prefers the legal interest and management of the affordable housing produced through the planning obligation to be transferred to a Registered Provider, the Council or equivalent.

## Restrictions on development

When applicable there will be a restriction on commencing the development, or phases therein, until the affordable housing details (e.g. location, type etc.) have been approved by the Council, and thereafter there will be an obligation to comply with the approved details. The Council will impose a restriction on the development or subsequent phase, preventing occupation of the private / open market units on site until such time as the affordable housing units are either completed and / or transferred to a Registered Provider (or the Council).

Detailed Supplementary Planning Guidance with regard to Affordable housing is provided on the Council's website.

## Air Quality

Promoting sustainable development is a key focus of the adopted Local Plan. The need to consider the effects of development on air quality, and how it can contribute towards improvements and mitigate against adverse impacts, is identified as a key challenge to ensuring sustainable development. The criteria for the assessment of development proposals and the mitigation measures with regard to air pollutants is set out in detail in Air Quality and Planning Supplementary Planning Document. This can be viewed on the Council's website.

Reducing travel by car and managing traffic congestion is a major challenge. Maximising the opportunity to shift from dependency on cars to sustainable modes of transport is also identified as a key policy objective.

Air quality is a particular issue in a number of specific locations within Warwick District's towns. These areas have been declared Air Quality Management Areas (AQMAs) and Clean Air Zones (CAZ). Given that transport is a primary cause of air quality issues in these places any development that may add to the problems must identify an appropriate mitigation strategy.

Local Plan Policy TR2 (Traffic Generation) requires development that results in significant negative impacts on air quality within the defined Air Quality Management Areas and Clean Air Zones on the health and wellbeing of residents in the locality to undertake necessary mitigation measures to be agreed with the County Council.

All new development within or immediately adjacent to Local AQMAs, or those with traffic routed through and AQMA may be subject to Section 106 agreements which require measures to offset increases in local pollutant emissions, and/ or make an appropriate financial contribution towards improvement measures or air quality monitoring.

The following are examples of mitigation measures that may be required: -

- Measures during the construction of new development including dust control, site monitoring and plant emissions
- Improved access to public transport
- The provision of on-site and off-site facilities for cycling and walking
- The management of car parking
- Traffic management
- Road Infrastructure

- Green Travel Plans
- Monitoring of Air Pollution

With regard to traffic, the Council will calculate the contributions sought based on the scale of the development and the trip generation for different uses. A full list of potential air quality mitigation measures can be viewed in chapter 5 of the Air Quality SPD.

## Outdoor Sports Facilities

The Council recognises the important role that spatial planning has in supporting healthy lifestyles and that it is important that sufficient land is made available for outdoor sports provision. As the population of the District grows, new teams will be generated which will put stress on, or exceed current playing pitch provision.

The Adopted Local Plan sets out a range of Policies in its section on Healthy, Safe and Inclusive Communities that will assist in the delivery of additional outdoor sports facilities to cater for population growth during the plan period. The provision of outdoor sports facilities also forms an integral part of the Public Open Space SPD (adopted April 2019). This can be viewed on the Council's website.

The Council's key strategy for the provision of sports pitches focuses on the ongoing development of key hubs. These hubs will require a variety of work, including but not limited to new pitches and facilities as well as improvements to existing pitches to allow for increased rates of usage. There may, however be development sites that generate demand that it is inappropriate to meet in a hub environment, and these sites will be expected to contribute towards other, appropriate projects.

To identify and quantify its need in relation to sports pitches, the Council regularly updates its Playing Pitch Strategy (PPS) that reviews team generation rates as well as the current available infrastructure capacity across a range of sports. Where a deficiency is demonstrated then a plan is put in place to address this, and it is appropriate that developments that are contributing to the increased demand contribute to the costs of providing increased infrastructure. The costs of these improvements are estimated in the PPS. The use of the Sport England calculator will also be utilised in shaping future requirements and the relevant costs.

The latest Playing Pitch Strategy was produced in 2018 and is available on the Council's website at: [www.warwickdc.gov.uk/info/20733/council\\_policies\\_and\\_plans/388/strategies\\_and\\_policies#sports](http://www.warwickdc.gov.uk/info/20733/council_policies_and_plans/388/strategies_and_policies#sports)

Section 106 Agreements will specify necessary contributions to individual (physical) projects, however in some circumstances, the payment of a commuted sum for pitch maintenance may prove to be appropriate.

## Indoor Sports Facilities

In a complementary strategy to outdoor sports provision, the Council identifies and plans for the necessary provision, expansion or improvement of indoor sports facilities across the District. Where there are identified deficiencies in provision contributions will be sought from development to finance new or make enhancements to existing indoor sports facilities.

The Council periodically refreshes its evidence used to underpin the production of an Indoor Sports Facilities Strategy. From this study new requirements are identified and estimates of the related costs are quantified.

The latest data on indoor sports facilities is in the Indoor Sports and Leisure Strategy that can be viewed at :

[www.warwickdc.gov.uk/info/20733/council\\_policies\\_and\\_plans/388/strategies\\_and\\_policies#sports](http://www.warwickdc.gov.uk/info/20733/council_policies_and_plans/388/strategies_and_policies#sports)

Section 106 Agreements will specify necessary contributions to individual (physical) projects, however in some circumstances, the payment of a commuted sum for maintenance may prove to be appropriate.

## Health

There are two main types of health provision: primary and secondary (acute) health care. Primary care focuses on the treatment of minor injuries and illnesses, and deals with minor surgery and the ongoing treatment of chronic conditions these services are provided by GP'S at doctors' surgeries or health centres. Secondary care covers care, provided predominantly at hospitals for conditions that cannot be dealt with by primary care services. It includes medical and mental health services.

New residential development will be expected to contribute towards the provision of additional health care infrastructure generated by its population growth where there is insufficient existing capacity. It should be well located to serve the development. This may include financial contributions and/ or the provision of land and buildings to enable the provision of doctor's surgeries/ health centres and other health facilities to serve the local population, or the upgrading or extension of current facilities and services in some locations.

The impacts of proposed developments on health should be assessed at the earliest stage of the design process to avoid negative impacts and ensure positive health outcomes for the community as a whole. Subject to an identified need in the locality, contributions may be sought for the following health infrastructure:

New health facilities (these may be co-located with other health or social care providers);

- Construction costs for additional facilities/ extensions, adaptations or alterations which are required to meet the needs of the development
- Finance to ensure that the health services have the appropriate infrastructure available to deliver their service commitments.

Warwick District's acute and community health services are provided by the South Warwickshire NHS Foundation Trust (SWFT); they also provide for the healthcare needs of the population of Stratford District. Accordingly, developer contributions are also sought from residential development in both of these localities in order to enable the appropriate and timely delivery of healthcare infrastructure / services across South Warwickshire.

At the local, primary care level the NHS South Warwickshire Clinical Commissioning Group (CCG) is responsible for ensuring that there is an appropriate network of NHS doctors surgeries with the necessary capacity / ability to provide for localised health care.

When planning applications are registered SWFT and the CCG will be consulted in order that they may assess and inform the District Council of any identified need for a developer contribution. In some instances, large residential allocations may require the provision of new 'bespoke' surgeries to provide local healthcare needs. In these instances, negotiations may include the necessary provision of a package of land and finance to enable a surgery to be provided.

## Community Safety and Policing

Warwickshire Police is the police force that covers Warwick District. Warwickshire Police have advised that the anticipated planned growth in the District will place a significant extra demand on existing police resources. The Council will therefore require residential development (where required and appropriate), and certain non-residential developments that may have resource implications for policing to contribute towards the delivery of infrastructure to serve new developments and mitigate against their impact upon existing police resources.

Contributions may include the following: -

- Staff set-up costs – the cost of equipping and setting up new officers required to police new communities and neighbourhoods (not salary).
- Provision of new vehicles and bikes
- Premises- contributions towards the adaption/ alterations or extension of existing premises for new officers to base themselves or work out of
- Mobile IT – provision of suitable kit and equipment to enhance the mobility and flexibility of officers when working

Requirements and contributions will be assessed on a site by site basis when a specific need or item of infrastructure that is directly related to the development is identified. The costs relating to the proposed infrastructure items or area-based initiatives will be applied proportionately to the size or the potential occupancy of the development. Some non-residential developments may also create further requirements for police infrastructure, an example being those that may have an impact on the nighttime economy

## Biodiversity Offsetting

Helping to secure improvements to biodiversity is one of the key roles in achieving sustainable development. The loss of habitats and species, is a key issue to be addressed as wildlife and habitats have a wide variety of positive functions that contribute to ecosystems, food provision and the regulation of climate.

National policy aims to halt the net loss of biodiversity and is striving for gains. This is reflected in Local Plan policies NE2 (Protecting Designated Biodiversity and Geodiversity Assets) and policy NE3 (Biodiversity).

New developments are required to avoid negative impacts on existing biodiversity. Where this is not possible, mitigation measures should be identified; if these are not possible on site, then they should be offset elsewhere as a compensatory measure.

Warwickshire County Council Ecology Services will assess the impact of developments on their locations. Using their biodiversity impact assessment calculator, a Biodiversity Impact score is produced if it indicates that there will be a net loss of then mitigation via an offsetting scheme will be required. The offsetting scheme will require the identification of an alternative (receptor site or sites) accompanied by a management plan for the provision and maintenance over a minimum of a thirty-year period. If no alternative sites can be provided, then the developer can enter into agreement with the County Council to fund improvements to a site promoted by the County Council. Further information regarding biodiversity offsetting can be obtained from the County Council at : <https://www.warwickshire.gov.uk/biodiversityoffsetting>

## Open Space and Green Infrastructure

The Local Plan seeks to ensure that new development safeguards and enhances the area's existing Green Infrastructure by creating new, and improving the quality and capacity of existing open spaces as well as connectivity within the green spaces network.

Residential as well as certain employment development employing over 100 full time equivalent employees), will be expected to contribute to the quality of Warwick District's open spaces and green infrastructure networks. The amount and type of contribution will be proportionate to the scale of the development and the likely impact on the local open spaces/ green spaces network.

The Local Plan policy position regarding the protection, provision and maintenance of open spaces and sport / recreational facilities is set out in Policies HS1 to HS7.

Each development site represents unique opportunities for open space provision and applicants should engage with officers of the District Council's Development Management team and Green Spaces team at an early stage in the planning process.

Residential and appropriate non-residential development should comply with the open space standards that are detailed in the Public Open Space Supplementary Planning Document (SPD) that was approved in April 2019. This SPD gives very detailed guidance on how the Council will seek physical and financial contributions towards the creation and maintenance of open spaces (of various typologies).

It is the ambition of the SPD to ensure that new development brings forward public open space that reflects and replicates the District's historical levels of open space. In doing so it will ensure that existing and emerging communities have appropriate levels of access to high quality green space networks.

The Public Open Space Supplementary Planning Document also includes details regarding playing pitch requirements, areas for play and social interaction for children and youths, allotments and sustainable urban drainage schemes. Information regarding the design and management of such assets is also included as well as template Section 106 Agreements.

Specific guidance on the adoption/transfer, management and maintenance requirements relating to open space and SuDS are set out in the SPD and are a very important consideration that should be addressed and agreed early in the planning process.

The Open Space SPD can be viewed on the Council's website:



## Sustainable Drainage Systems (SuDS)

There are areas in the District that have been identified as being at risk of flooding. Flood risk arises from rivers, canals, sewers, surface water and ground water. Policies FW1 and FW2 of the adopted Local Plan seek to manage and reduce flood risk by using a sequential testing approach to development.

Developers will therefore have to demonstrate that account has been taken of flood risk from all sources, and that the proposed development incorporates mitigation and management measures appropriate to the use and its location. The Council also requires developers to improve water efficiency and reduce surface water run-off through the use of a range of Sustainable Drainage Systems (SuDS).

Details of the requirements associated with the provision of SuDS is located within the Council's Public Open Space SPD (April 2019).

Flood defence measures that may be deemed necessary to a development to mitigate specific impacts of that development, (including SuDS) will normally be sought through a planning condition. However, in certain circumstances a section 106 agreement may be required.

**Education** (including primary, secondary, pre-school, further education and special needs education)

The NPPF (paragraph 72) states that the Government attaches great importance to ensuring that sufficient choice of school places is available to meet the needs of existing and new communities. This approach is further developed in the adopted Local Plan as it is accepted that housing proposals will generate the need for additional educational capacity for all age groups and to support those pupils with special educational needs.

Warwickshire County Council (WCC) has a statutory responsibility to ensure that there are sufficient school and childcare places available to local children and young people living within the county of school age and whose parents want their children to be educated by the state. It is important that these places are available within a reasonable travel distance for all those of school age occupying new residential development. Warwick District has worked with WCC to establish future requirements that include adding capacity to existing schools and where necessary, the planning and delivery of new schools. Much of this is itemised in the Council's Infrastructure Delivery Plan.

Residential developments will be required to contribute towards the provision of educational infrastructure where there is not enough spare capacity in existing appropriate schools to meet the needs generated by the development. This may include financial contributions and / or the provision of land and buildings to enable new schools to be provided or for existing schools to be extended. Developments which are of such a scale as to require the provision of a new school will be expected to fully fund the most appropriate size of school which would be sufficient to accommodate the projected pupil generation. Where a new school is serving the needs of multiple developments, the cost of the school will be shared proportionately across the relevant developments. Consideration will be given to the value of required education land.

Where a new development is proposed in an area with sufficient projected capacity, no financial contribution will be required; however, where the proposed development would result in insufficient projected capacity a contribution will be required. If there is insufficient capacity to accommodate the increase in pupils likely to be generated by a development and the development itself cannot enable

the necessary provision, then Warwickshire County Council will raise objection to the development. It is in the interests of the developer and to potential residents to ensure that schools are able to accommodate the additional pupils generated by their development. It is recommended that developers contact the County Council's education team at the earliest possible stage to ascertain whether there would be a requirement for additional education provision within the locality of their proposed development.

**[www.warwickshire.gov.uk/obligations-service-area/education-early-years-provision/1](http://www.warwickshire.gov.uk/obligations-service-area/education-early-years-provision/1)**

In circumstances where it is not possible to provide school places within a reasonable walking distance an additional contribution towards the cost of providing transport for children to school may be required. The contribution will reflect the cost of providing the transport for a defined period of time. It must be stipulated that this is a fall –back position that will be reluctantly utilised (as the overriding majority of new development should be in suitable sustainable locations with acceptable levels of access to schools).

The planning policy approach for seeking contributions from appropriate development is set out in Policy DM1 – Infrastructure Contributions that defines the general approach of seeking contributions to provide school places at existing or expanded schools. Policy DS12 specifically allocates land for new schools required to support the large scale housing growth at Kenilworth and South of Warwick and Leamington.

The requirement to consider contributions towards educational facilities will apply to all urban and rural residential developments which are likely to generate demand for school places. Contributions will not be sought from studio or one bedroom dwellings, institutional accommodation exclusively for undergraduate students or from sheltered/ elderly housing and other specialist housing developments where children will not live.

## Highways / Transport

It is critical to the successful and sustainable growth of Warwick District that transport improvements are delivered. Warwickshire County Council (WCC) is responsible for the maintenance of the local highway network within Warwick District. WCC also produces the Warwickshire Local Transport Plan and is responsible for traffic management and road safety as well as further responsibilities in relation to public transport, school transport and public rights of way.

**[www.warwickshire.gov.uk/directory/30/publications/category/179](http://www.warwickshire.gov.uk/directory/30/publications/category/179)**

The Warwickshire Transport Plan provides the strategic framework for transport in the County. It sets out likely transport infrastructure requirements and priorities for Warwick District aimed at tackling congestion, promoting sustainable travel, safer roads, improving public health and wellbeing, and improving the street environment. Specific schemes are itemised in the Warwick District Infrastructure Delivery Plan.

The District Council's strategy, as set out in the adopted Local Plan for managing growth is to locate development in sustainable locations and identify appropriate and deliverable measures to meet the transport needs of the District. The transport objectives of the policies included in the Local Plan (policies TR1 to TR5) are consistent with the Local Transport Plan and focus on a number of high priority options, including;

- Improvements to buses and rail developments
- Improvements to major congestion hotspots
- Cycle parking and cycle and pedestrian routes to key destinations

- Better integration of transport and land uses planning to reduce the need to travel
- Improved public transport information
- Improved pedestrian crossing facilities
- School / business travel plans
- Improvements to the Rights of Way Network

All new developments will be required to provide financial and / or in-kind contributions to mitigate the transport impacts of the development. This will support delivery of the infrastructure and services needed to facilitate travel by sustainable modes. It will also enable improvements to be made to the local and strategic road and rail networks.

[www.warwickshire.gov.uk/obligations-service-area/transport/1](http://www.warwickshire.gov.uk/obligations-service-area/transport/1)

Where there is likely to be a transport impact there will be a requirement for developers to support any planning application with a Transport Assessment (TA). The type and level of any contributions towards transport infrastructure provision will be considered in the TA and negotiated with the Highway Authority (WCC).

Detailed technical pre-application discussions with WCC on the transport assessment are essential for major developments.

Direct infrastructure provision, financial and other contributions (including those for bus services) towards mitigating measures will be included in a planning obligation (Section 106) The implementation of any physical changes to the highway network required to accommodate, or mitigate the effects of a proposal will be managed through a highways agreement with the Highway Authority (Section 278 Agreement). For major schemes it will be necessary to define the highways agreements at the time planning permission is granted. In such cases the highways agreement will be referred to in, and linked to, the planning agreement. This will ensure certainty and transparency of implementation requirements and costs for all parties.

In addition to local transport mitigation, S106 contributions will be required for strategic transport schemes (identified in the IDP) related to the impacts of cumulative growth.

Developers may also be required to prepare and agree the content and implementation of a Travel Plan to mitigate the impact of a development on the transport system and environment. This will be a standard requirement for major developments and depending on the nature of the development, the Plan may be secured by either a condition or planning obligation. Travel Plans for major development will normally include targets for modes of travel to and from the site and monitoring arrangements. There will be a need for financial commitments and incentives and/ or penalties for non-compliance

In instances where a development may be served by a road that is not to be adopted, the Council will require agreement to be put in place to enable access for Council refuse collection and for the necessary maintenance and management of Council adopted open space, SuDS etc.

## Development and delivery of Local Employment and Training Strategies – Local Labour Agreements

Warwick District Council will support and promote the use of local people and business through the construction and implementation stages of proposals, particularly major proposals that generate significant levels of employment through the development phase. The practicalities of implementing

such strategies are recognised. Developers who may wish to contest this approach will be required to substantiate their case for non-compliance.

It will seek agreement with developers to secure appropriate planning obligations for employment and training initiatives as part of development proposals.

In common with most other local authorities, applications for major development to Warwick DC will be expected to develop and implement an 'Employment and Skills Plan' (ESP) identifying opportunities for employment and up-skilling of local people through the implementation of the development. These ESP's will support the priority aims of Supporting Prosperity and Sustainable Communities that the District Council has identified in the emerging local plan and corporate policy documents.

An ESP will be required for developments that are for 100 (or more) dwellings or 5000 sq.m (or more) of commercial development.

This approach will be applied by the Council wherever possible to ensure that :-  
Local people benefit from new job opportunities created by major developments in the District. Local people are provided with opportunities to gain skills needed for employment in growth industries. Local people have access to lifelong-learning and the promotion of "learning communities"<sup>1</sup>.  
The environmental impact of unnecessary travel is minimised by maximising local employment opportunities.

The Council will ask developers to prepare and submit an ESP as part of the planning process and it will be subject to discharge post-decision through the use of appropriate conditions.

Delivery would be via s106 (discussed pre-submission and prior to determination – planning permission will be granted subject to the completion and signing of a s106 in cases where agreement is outstanding at the time of determination).

If a development qualifies, the applicant will be asked to liaise with the Council's Economic Development Team, to determine the content of the ESP and help the applicant network with appropriate partners in the community such as colleges / schools, jobcentres, training bodies etc. ESP details will be subject to negotiation on a site-by-site basis. Companies with established training programmes will be able to have them taken into account.

The ESP may refer to opportunities being provided both during the construction phase (for the developer and subcontractors) and the occupation phase (primarily in the case of commercial developments and therefore aimed at the occupier). There may also be cases where a financial contribution towards support agencies may discharge relevant elements of the ESP.

The objectives of this plan are to:

- Demonstrate the use of local labour from within the developer's project team and the wider company;
- Where feasible (economically and practically), procure goods and services from local contractors;
- Encourage sub-contractors and suppliers to support employment from the local community;
- Demonstrate recruitment and training opportunities within the contractor's company;

<sup>1</sup>A learning community is a group of people who share common academic goals and attitudes, who meet semi-regularly to collaborate on classwork. Such communities have become the template for a cohort-based, interdisciplinary approach to higher education.



- Provide opportunities for local residents to access jobs created during the construction phase of the development and subsequent occupation;
- Reduce economic inactivity in the local area, and
- Support the development of skills within the local community

Contents of the ESP can include:

1. Recruitment through Jobcentre Plus and other local employment vehicles;
2. Work trials and interview guarantees to those attending jobs clubs;
3. Pre-employment training;
4. Apprenticeships;
5. Vocational Training (NVQ);
6. Work experience (14-16 years, 16-19 years and 19+ years);
7. School, college and university site visits;
8. Construction Skills Certification Scheme (CSCS) Cards;
9. Supervisor training;
10. Leadership and Management Training;
11. Support with transport, childcare and work equipment;
12. In-house training schemes; &
13. Financial support to pre-employment jobs clubs [etc.].

Previous ESP's for applications within Warwick District have included (but not exclusively):

- Financial Support for an Employee Support "Gold Programme" for the removal of barriers to Employment;
- Financial Support for Jobs Clubs to enhance opportunities for local unemployed;
- Support for Jobs Clubs and guarantees for interviews for those accessing the jobs clubs;
- Support for, and attendance at, annual Jobs Fair (where appropriate);
- The encouragement of suppliers to buy and employ locally;
- The creation of training opportunities and apprenticeships;
- Supporting local unemployed people to reskill (including CSCS or safety certs) with local providers e.g.: Warwickshire College;
- 16-19 years – skills/training transition into work;
- Site visits for Warwickshire College Construction course students;
- Advertising job vacancies through jobs clubs and JCP for a period before they go on general release;
- Contractors: to seek to employ labour locally;





- To encourage subs to look to hire machinery and operators (eg: excavators, road sweepers, etc.) from local plant hire firms;
- Encourage sub-contractors to liaise with local training providers;

Pre-employment:

- Offer of apprenticeships to locals;
- Operate local workshops in conjunction with JCP and college to advise potential applications on how to prepare for job applications and interviews;
- Partner with local training providers to equip local candidates with the skills required pre-employment;
- Promote job opportunities through other avenues.

A Pro forma for Local Labour Agreement and further information is attached to this SPD as Appendix 2 (below).

### Other Contributions

The list of types of Infrastructure and developer contributions required set out above should not be considered exhaustive as there may be situations where other contributions will be sought towards mitigating the impact of a specific development. In these instances, specific obligations will be negotiated on a case by case basis between the applicant, The Council and any other relevant third party. For example, the canal network is a recognised multi-functional District-wide asset. In appropriate, circumstances they may wish to secure contributions for canal enhancement works from development.

## LOCAL PLAN POLICIES

# Appendix 1



## Plan Delivery Policies

### DM1 Infrastructure Contributions

Development will be expected to provide, or contribute towards provision of:

- a) Measures to directly mitigate its impact and make it acceptable in planning terms, and
- b) Physical, social and green infrastructure to support the needs associated with the development.

Infrastructure and mitigation measures will be provided in a timely manner to support the objectives of the Plan.

The Council will, where appropriate, seek to secure site-specific infrastructure investments and / or contributions as well as off-site contributions and / or investments. The nature and scale of these will be related to the form of development and its potential impact on the site and surrounding area. The cumulative impact of developments will also be taken into account.

Developer contributions in the form of Planning Obligations and / or Community Infrastructure Levy (CIL) will contribute towards strategic infrastructure required to support the overall development in the Plan.

The Council will work in partnership with infrastructure providers and other delivery agencies in updating the Infrastructure Delivery Plan to ensure an up to date evidence base regarding infrastructure requirements and costs is maintained.

### Explanatory Text

- 6.1** New development places pressure on existing infrastructure, such as schools, roads, open spaces, sports facilities, health facilities, emergency services and community halls. It is therefore important that new development proposals provide for or, contribute towards, investment in infrastructure. This is key to ensuring that cohesive communities and a good quality of life are achieved for both existing communities and emerging communities.
- 6.2** This policy seeks to support policies elsewhere within the Local Plan to ensure that appropriate mechanisms are in place to secure these contributions. The Community Infrastructure Levy (CIL) will be a key part of this. CIL contributions will be required from all viable development types (except those exempted within the CIL scheme) to contribute towards strategic offsite infrastructure. In parallel with the CIL scheme, contributions will also be sought towards the provision of on-site infrastructure and other offsite infrastructure that is not included with the CIL Regulation 123 list. This will be negotiated through planning obligations (e.g. section 106 agreements).
- 6.3** It is important that the cumulative impacts of all the development proposed in this Plan are taken into account in agreeing contributions. Some infrastructure impacts occur as a result of an accumulation of development. For instance, it may be the case that a particular development does not in itself trigger the need for a new road junction, but in combination with other developments a new road can be demonstrated as necessary. In this case, it is important that all developments contribute, not just the development that comes forward at the time the junction requirement is triggered. For this reason, the cumulative impacts of development will be considered in calculating appropriate levels of infrastructure contributions.



6.4 A key aspect of this policy will be the Infrastructure Delivery Plan (IDP). This will set out what infrastructure is required, when it is required, how much it will cost and what part of the overall cost will require contributions from development. It is important that this is kept up to date along with the evidence base that informs the IDP.

DM2 Assessing Viability

Developments will be expected to comply with the policies set out elsewhere in this Plan (including those policies that refer to the provision and funding of infrastructure), unless it can be demonstrated that the policies will result in the development being unviable.

Applicants should discuss viability concerns with the Council at the earliest possible stage in the development process.

Proposals that are unable to comply with the Plan’s policies on viability grounds must be accompanied by a detailed Viability Assessment. The Viability Assessment will be independently reviewed by a viability specialist appointed by the Council at the applicant’s expense.

Where the Viability Assessment demonstrates that the Plan’s policies are likely to impact on the viability of a proposal, the applicant should discuss the implications of this with the Council.

Explanatory Text

- 6.5 National planning policy requires that careful attention is given to viability and the costs of development. For plans to be deliverable, development must be viable and should not be subject to obligations and policy burdens that undermine viability. Development should provide competitive returns to a willing landowner and willing developer.
- 6.6 The Council has undertaken a viability assessment of the proposals in this Plan, including requirements for affordable housing and development standards. The viability assessment has also been cross-referenced to the likely infrastructure costs associated with the Plan. This work indicates that as a whole, the Plan’s proposals are viable; in the main, development proposals should be able to comply with the policies of the Plan and contribute to the costs of infrastructure through the CIL scheme without threatening viability.
- 6.7 However, specific circumstances may arise that mean planning obligations and policies make a development unviable that would otherwise contribute positively to the delivery of the Plan. In these cases, applicants will be expected to demonstrate how planning obligations and policies result in the development being unviable by preparing a Viability Assessment. The Viability Assessment should be undertaken in accordance with the RICS guidance note on “Financial Viability in Planning” or any updates of this guidance.
- 6.8 The Council will appoint a viability specialist to undertake an independent review of the Viability Assessment. Where this independent review supports the case that planning obligations and policies will result in the development being unviable, the Council will negotiate with applicants to agree which policies or planning obligations will be compromised and to what extent. The applicant will be required to fund the independent review of the Viability Assessment

Delivery and Monitoring

DELIVERY AND MONITORING ACTIVITIES	
Area of Activity	Description of Activity
An on-going assessment of Plan viability	<ul style="list-style-type: none"><li>Factors affecting the viability of the Plan and the delivery of specific proposals within the Plan will be monitored on an annual basis. This will include changes to land values, the housing and the employment markets, development costs and the impact of the planning obligations and policies associated with this Plan. Where these factors indicate a significant change, the Plan Viability Assessment will be reviewed. This in turn will inform the need to review the CIL scheme and the policies of the Plan</li></ul>
Development Plan Documents to align with this Plan	<p>Within the Plan period, the Council will seek to adopt three Development Plan Documents to align with the Plan:</p> <ul style="list-style-type: none"><li>Gypsy and Traveller Site Allocations DPD</li><li>Canalside DPD</li><li>Leamington Town Centre Area Action Plan</li></ul>
Development Briefs and Supplementary Planning Documents	<p>To support the delivery of the Plan, the Council will review or adopt Development Briefs and Supplementary Planning Documents / Guidance in relation to the following:</p> <ul style="list-style-type: none"><li>Parking Standards;</li><li>Residential Design;</li><li>Affordable Housing;</li><li>Sustainable Buildings;</li><li>Green Space;</li><li>Health Impacts (in conjunction with Public Health);</li><li>East of Kenilworth Development Brief;</li><li>Whitnash East / South of Sydenham Development Brief.</li></ul>
An Infrastructure Delivery Plan	<p>An Infrastructure Delivery Plan (IDP) will be prepared and maintained, setting out:</p> <ul style="list-style-type: none"><li>Infrastructure requirements associated with the Plan and any DPDs prepared that align with this Plan</li><li>The costs of infrastructure requirements</li><li>Sources of funding for infrastructure</li><li>Infrastructure delivery mechanisms and responsibilities</li><li>The IDP will be supported by a sound evidence base, prepared and maintained in partnership with infrastructure providers</li><li>The IDP will be reviewed on at least a biannual basis to take account of updated evidence, changing opportunities and requirements and market forces</li></ul>

DELIVERY AND MONITORING ACTIVITIES	
Area of Activity	Description of Activity
The potential to use compulsory purchase orders to bring forward essential elements of the Plan	<ul style="list-style-type: none"> <li>The Council will consider the use of compulsory purchase order (CPO) powers to ensure land is available to deliver essential infrastructure and other essential elements of the Plan</li> </ul>
Ongoing work relating to duty to co-operate	<ul style="list-style-type: none"> <li>The Council will continue to co-operate with other councils and bodies to ensure that cross-border issues of strategic significance are addressed. This will cover a range of issues including housing provision, employment land, green belt and infrastructure planning and delivery.</li> </ul>
Neighbourhood Plans	<ul style="list-style-type: none"> <li>The Council will support the preparation and adoption of Neighbourhood Plans. Neighbourhood Plans should be in general conformity with the policies and proposals in this Local Plan. In particular, they should conform with, and plan positively to support, the policies set out in the Development Strategy chapter of this Local Plan. On adoption of the Local Plan, the Council will provide further guidance to neighbourhood planning groups relating to strategic policies in the Local Plan.</li> <li>Where Neighbourhood Plans come forward and are “made”, they will be encompassed as part of the Development Plan for the area. In recognition of the importance of neighbourhood plans to local people and places, the Council will give weight to policies within “made” neighbourhood plans in line with national policy, including ensuring that non-strategic policies set out in neighbourhood plans take precedence over Local Plan policies where these are in conflict.</li> <li>The Council will ensure that priorities identified in neighbourhood plans for enhancing or providing new facilities will be aligned with the infrastructure delivery plan. Information on local infrastructure requirements will be established, reviewed and updated alongside the district-wide Infrastructure Delivery Plan.</li> <li>In accordance with national regulations, a meaningful proportion of CIL funds will be passed to the relevant parish or spent by the District Council on behalf of the community in which the development is located.</li> </ul>
Reviewing the Plan	<ul style="list-style-type: none"> <li>Throughout the Plan period, the Council will monitor evidence and issues that could render the Plan out of date and as a result could trigger a review or partial review. The circumstances in which the Plan will be reviewed are set out in Policy DS19. Policy DS19 also commits the Council to undertaking a comprehensive review of circumstances before 31st March 2021 to assess whether a partial or full Plan review is required.</li> </ul>

The development management process	<ul style="list-style-type: none"> <li>The process for determining planning applications is central to the delivery of the Local Plan. Planning applications will be determined in accordance with the policies and proposals in this Plan and national planning policy. To aid the process for determining planning applications, applicants should understand the relevant sections of the Plan and any support documents and guidance and should ensure that proposals comply with the proposals and policies prior to submission. To assist in this, the Council welcomes pre-application discussions. Where proposals do not accord with the Plan’s proposals and policies they will not normally be approved.</li> </ul>
Monitoring the Local Plan	<ul style="list-style-type: none"> <li>The delivery and impact of the Plan’s proposals and policies will be monitored on an annual basis. This information will be collated and presented in an annual monitoring report. The annual monitoring data will be used to assess the ongoing effectiveness of the Plan and to inform decisions about the need to review the Plan and associated documentation.</li> </ul>

LOCAL LABOUR AGREEMENT  
(PREFERRED FORMAT AND FURTHER CONSIDERATIONS)

Appendix 2

Between Warwick District Council  
and  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX for XXXXXXXXXXXXXXXXXXXX

Planning Application Number:	
Date:	

## Introduction

Building upon initial commitments made in the main planning application (identified above), this document provides the basis of the Local Labour Agreement (LLA) made between Warwick District Council (the Council) and \*\*\*\*\* (the Owner). This LLA relates to both the construction and operational (delete as appropriate) phases of this development.

## Context

\*\*\*\*\* and the Council have a mutual interest in the successful development of \*\*\*\* to ensure that it supports the local economy and benefits the broader community. The development of the site carries potential employment benefits for the local area, with the applicant proposing the creation of a number of new full and part time posts at a variety of skill levels and occupations and offers the creation of new facility which will offer new opportunities for both local businesses and individuals.

Warwick District residents may benefit significantly from this investment. Developments such as this one present residents with an excellent opportunity to gain employment and improve skills locally, where possible using public transport, cycling and walking as part of the implementation of the local travel plan.

The careful management of developments such as this will help shape the local labour force to meet industry requirements, raise ambitions and aspirations and help residents to understand better the employment and training opportunities available to them.

## The Agreement

### 6.5 Na

1. In the event where the Development is considered likely to employ **10 or more** people:
  - 1.1. The Owner shall in connection with the **construction** of the Development:
    - 1.1.1. Submit an Employment and Skills Plan (ESP), substantially in the form of that set out in Appendix A to this Agreement, to the Council for its written approval at least [ ] months before the commencement of the Development on site, such approval to include the date by which the ESP and Method Statement are to be implemented by the Owner;
    - 1.1.2. Comply with and implement the approved ESP and Method Statement and provide the Council with information as required to demonstrate its compliance with the ESP and Method Statement;
    - 1.1.3. Provide to the Council on a monthly (or quarterly) basis a report outlining the achievements during the previous month against the ESP and Method Statement and the employment and skills Key Performance Indicator, and provide details of the various employment and skills activities delivered in the month;
    - 1.1.4. Attend a meeting with the Council (to be convened by the Council) after the completion of the Development to review the completed Development and the Owner's performance against the Key Performance Indicators and related targets (including the performance of the employment and skills Key Performance Indicator), the ESP and Method Statement and to consider the scope for further improvement on future Developments.

- 1.2. The Council covenants with the Owner that within 28 days of the submission by the Owner of the ESP and Method Statement the Council shall either approve the ESP and Method Statement in writing or suggest reasonable amendments thereto in writing save that if at the end of the 28 day period the Council has not approved the ESP and Method Statement or provided comments in writing suggesting appropriate amendments to the ESP and Method Statement such failure to comment in writing shall be taken as approval of the ESP and Method Statement.
2. In the event where the Development is regarded as likely to employ **less than 10** people the Owner shall in connection with the **construction** of the Development:
  - 2.1. Use reasonable endeavours to ensure that:
    - 2.1.1. [50%] of employment opportunities generated during the construction phase should be for Local People;
    - 2.1.2. All new temporary and permanent vacancies including apprenticeships not identified in the Employment and Training Plan to be reported to Jobcentre Plus in advance of recruitment; Jobcentre Plus will promote vacancy details to local job seekers and are able to match suitable candidates to job specifications for consideration by the developer/contractor and sub-contractor(s);
    - 2.1.3. [50%] of the businesses contracted and sub-contracted in the construction phase of the Development to be Local Businesses;
    - 2.1.4. All sub-contracting and tendering opportunities to be advertised locally to make Local Businesses aware of the opportunities, timescales and procedures to be adopted in tendering for available work.
  - 2.2. The Owner shall use reasonable endeavours to provide promptly the monitoring information required. The monitoring information will include the submission to the Council every 6 months from project commencement headline non-identifiable information as agreed by this LLA in the format at Appendix C.
3. Where applicable, the Owner shall in connection with the **operation** of the Development use reasonable endeavours to:
  - 3.1. Ensure that [50%] of employment opportunities generated at the operational phase should be for Local People;
  - 3.2. Work with Jobcentre Plus in the development and implementation of an Employment and Training Plan to deliver a targeted recruitment and training campaign linked directly to the operational jobs within the Development to prepare the local labour market and match suitable candidates to job specifications including:
    - 3.2.1. Guaranteed job interviews for local unemployed residents who have undertaken specific pre-employment training related to the development, the target for which is [25%] of the starting workforce;
    - 3.2.2. All new vacancies to be advertised in local newspapers such as the Leamington Courier, Warwickshire Telegraph and on the Universal Jobmatch online service;
    - 3.2.3. To recruit [ ] apprentices, provide [ ] work experience placements for those unemployed, [ ] work experienced placements for those aged 14-18 years in education associated with the operation of the Development;



- 3.3. Provide promptly the monitoring information required. The monitoring information will include the submission to the Council every 6 months from project commencement headline non-identifiable information as agreed by this LLA in the format at Appendix C.
- 4. The Owner shall issue a written statement to its prospective contractors and sub-contractors at the stage of tendering for work and contracts associated with the construction of the Development. This will state that any company invited by the Owner shall be given clear written details of the obligation to use all reasonable endeavours to abide by the sites LLA, and subsequently that company must include a similar term within its contracts.
- 5. The Owner shall issue a written statement to its prospective operator associated with the operation of the Development. This will state that any company invited by the Owner shall be given clear written details of the obligation to use all reasonable endeavours to abide by the sites LLA obligations.

Appendix A: LLA Headline Information – Employment and Skills Plan for Construction Phase

Appendix B: LLA Headline Information - Pro-forma for Construction Phase

Appendix C: LLA Headline Information - Pro-forma for Operational Phase

Marketing and public relations

Where positive evidence arises of relevance to this LLA, the Council will be happy to work with [\*\*\*\*], where reasonable time allows, on media releases.

Equal opportunities

[\*\*\*\*] will offer equal opportunity to all, regardless of race, colour, nationality, ethnic origin, sex (including gender reassignment), marriage, disability or age. All applicants and employees will be treated equally in respect of recruitment, promotion, training, pay and other employment policies and conditions. Reasonable adjustments will be made to accommodate those with special needs.

Defining 'local'

A local person or business is defined here as a person resident within Warwick District Council's geographical boundaries (the local area) at the time of their initial application for employment in relation to the Development.

Local procurement is defined as the procurement of goods or services from a company or company branch located within the Coventry and Warwickshire area.

Review

[\*\*\*\*] and the Council reserve the right to make changes if required due to unforeseen changing circumstances. Any changes must be agreed in writing by both parties and both parties must act reasonably.

This LLA will be valid for five years, after which it should be reviewed.

We the undersigned, commit to this Local Labour Agreement, and pledge to use reasonable endeavours to fulfil the conditions above.

.....	.....
For and on behalf of	For and on behalf of
Warwick District Council	[XXXXXXXXXXXXXXXXXXXXXX]
Dated.....	Dated.....

LLA Headline Information

Appendix A to LLA Agreement with \*\*\*\*\*

Pro-forma for Construction Phase for small projects

When completed please email to: [economic.development@warwickdc.gov.uk](mailto:economic.development@warwickdc.gov.uk)

Date	
Author	
Site Name	
Developer	
Main Contractor	
End User operation(s)	
% of businesses contracted and sub contracted that are local businesses	
Brief details of sub-contracting and tendering opportunities advertised locally to make Local Businesses aware of the opportunities, timescales and procedures to be adopted in tendering for available work	
Number of Local People Employed	
Brief details of all new vacancies to be advertised in local newspapers such as the Leamington Courier and on the JCP service	

% of employment opportunities generated for Warwick DC residents	
Number of guaranteed job interviews for local unemployed residents who have undertaken specific pre-employment training related to the development	
Number of apprentices (starts and completions)	
Number of work experience placements for those unemployed	
Number of work experience placements for those aged 14 – 18 years in education	
Number of work experience placements for those aged 14 – 18 years in education	
Additional labour market measures	
Anticipated new vacancies	

LLA Headline Information

Appendix B to LLA Agreement with \*\*\*\*\*

Pro-forma for Construction Phase for small projects

When completed please email to: [economic.development@warwickdc.gov.uk](mailto:economic.development@warwickdc.gov.uk)

Date	
Author	
Site Name	
Operator	
% of businesses contracted and sub contracted that are local businesses	
Brief details of sub-contracting and tendering opportunities advertised locally to make Local Businesses aware of the opportunities, timescales and procedures to be adopted in tendering for available work	
Number of Local People Employed	
Brief details of all new vacancies to be advertised in local newspapers such as the Leamington Courier and on the JCP service	

% of employment opportunities generated for Warwick DC residents	
Number of guaranteed job interviews for local unemployed residents who have undertaken specific pre-employment training related to the development	
Number of apprentices (starts and completions)	
Number of work experience placements for those unemployed	
Number of work experience placements for those aged 14 – 18 years in education	
Additional labour market measures	
Anticipated new vacancies	

# Additional Information

## Planning Agreements

A Planning Agreement is a legal document (a deed) which can be entered into by “any person with an interest in the land”, but who is usually the developer who is seeking planning consent.

The inclusion of community benefit clauses in planning agreements (e.g. requiring planners to target jobs created in their development) can ensure the number of job opportunities for local residents is maximised.

## Conditions / Section 106 Agreements

It is suggested that the following models may be considered as example clauses to be included in the Section 106 Agreement but each agreement would have its own customised clauses drawn up by the Council's legal service, policy and development management teams to ensure agreements deliver targets and planned outcomes.

Condition:

The development permitted by this planning permission shall not be started by the undertaking of a material operation as defined in section 56(4)(a-b) of the Town and Country Planning Act 1990 until details of a Local Labour Agreement have been agreed in writing with the Local Planning Authority.

Item:

The developer shall pay the Council (or such other party as the Council shall direct in writing) the sum of £xx,xxx) for the provision of vocational training facilities for the local community.

Item:

The developer shall use all reasonable endeavours to create a minimum of xxx construction apprenticeships for local young people and endeavour to employ xx % from the local community.

Item:

The developer shall use all reasonable endeavours to source or procure a proportion of materials and services from local providers.

TEMPLATE OF DRAFT SECTION 106 REQUIREMENTS

# Appendix 3

**Planning Obligation by Deed of Agreement under  
Section 106 of the Town and Country Planning Act 1990**

Relating to the development of land at  
Planning Reference No. W

Dated : 2019

(1) WARWICK DISTRICT COUNCIL

(2) WARWICKSHIRE COUNTY COUNCIL

(3)

(4)

**Warwick District Council  
Riverside House  
Milverton Hill  
Leamington Spa  
CV32 5HZ  
DX 29123 Leamington Spa 1  
Tel: 01926450000  
Fax: 01926 456611**



DATE	2019	"Air Quality Type 3 the Air Mitigation Contribution"	means the sum of £ to be applied towards Quality Provision and which shall be paid in accordance with the Part [ ] of the Third Schedule
<b>Parties</b>		"Air Quality Provision"	means the provision of air quality monitoring equipment and/ or provision of other assistance or support in respect of projects relating to air quality monitoring and management within the Council's area described as "Type 3" mitigation in the Council's "Air Quality and Planning Supplementary Planning Document (January 2019) at the absolute discretion of the Council. For the avoidance of doubt "Type 3" mitigation shall include a feasibility study evaluating the efficacy of available mitigation measures implemented within the Council's Air Quality Management Areas.
(1) <b>Warwick District Council</b> of Riverside House Milverton Hill Leamington Spa CV32 5HZ ("the Council")		"Allotment Contribution"	means the sum of £ towards the development of allotments in, or if not within 5 years, towards the improvement of allotments in which shall be paid in accordance with Part 2 of the Third Schedule
(2) <b>Warwickshire County Council</b> of Shire hall, Warwick CV34 4RR ("the County Council")		"Application"	means the application for full planning permission dated submitted to the Council for the Development and allocated reference number W
(3) <b>("the Owner")</b>		"Application Site"	means the land which is the subject of the Application and against which this Deed may be enforced as shown edged red on the Plan.
(4) <b>("the Mortgagee")</b>		"Bus Service Contribution"	means the sum of £ to be applied towards [the enhancement of the existing bus service, provision of a new bus stop along and for the maintenance of the bus shelter for a 5 year period and which shall be paid in accordance with Part 2 of the Third Schedule.
<b>Introduction</b>		"Commencement of Development"	means the date on which any material operation (as defined in Section 56(4) of the Act) forming part of the Development begins to be carried out other than (for the purposes of this Deed and for no other purpose) operations consisting of site clearance, demolition work, archaeological investigations, investigations for the purpose of assessing ground conditions, remedial work in respect of any contamination or other adverse ground conditions, diversion and laying of services, erection of any temporary means of enclosure, the temporary display of site notices or advertisements and "Commence" "Commenced" and "Commence Development" shall be construed accordingly.
1 The Council is the local planning authority for the purposes of the Act for the area in which the Site is situated.		"Contributions"	means the and reference to "Contribution" shall be construed accordingly.
2 The County Council is the Education Authority and Highway Authority for the area in which the Site is situated.		"Cycle Link Contribution"	means the sum of £ to be applied towards and which shall be paid in accordance with Part 2 of the Third Schedule
3 The Owner is the freehold owner of the Site which is registered at HM Land Registry under Title Number WK.			
4 The Mortgagee is proprietor of a legal charge registered at HM Land Registry against Title Number WK			
5 The Owner has submitted the Application to the Council and the parties have agreed to enter into this Deed in order to secure the planning obligations contained in this Deed.			
6 The Council resolved on to grant the Planning Permission under planning reference number W subject to the prior completion of this Deed.			
<b>Now this Deed Witnesses as Follows:</b>			
<b>Operative Part</b>			
<b>1 Definitions</b>			
For the purposes of this Deed the following expressions shall have the following meanings:			
"Act"	means the Town and Country Planning Act 1990 as amended		
"Affordable Housing Scheme"	"Affordable Housing" means affordable housing as defined in the National Planning Policy Framework		
"Affordable Housing Units"	means a scheme providing for the types, size and tenure of the Affordable Housing Units and the percentage rent (relative to local market rents) to be paid for the Affordable Rented Units.		
"Affordable Rented Units"	means 40% (rounded up to the nearest whole number) of the total number of Dwellings to be constructed on the Application Site which will be provided for the purposes of Affordable Housing and shall be comprised of		
	means Affordable Housing to be constructed pursuant to the Affordable Housing Scheme and in accordance with Part 1 of the Third Schedule and shall be let at a rent of no more than the mid-point between target Social Rent and 80% of market rent (inclusive of service charges where applicable) or such other rent level as shall be permitted to be charged by a Registered Provider or as a Registered Provider shall otherwise be permitted to charge as a matter of law.		

"Development"	means the Development of the Application Site by the	"Management Company"	means a fully constituted company capable of managing and maintaining the Public Open Space and/or SUDS, a copy of its memorandum and articles of association having been provided to and approved by the Council prior to the transfer of the Public Open Space and/or SUDS.
"Dwellings"	means the Affordable Housing Units and the Open Market Housing Units and reference to "Dwelling" shall be construed accordingly.		
"Education Contribution"	means the sum of £ to be applied as follows in accordance with Part 1 of the Fourth Schedule:  £ towards making necessary adaptations to existing schools to support the attendance at the school identified in a child's EHC Plan (hereinafter known as "the Secondary SEN Contribution")  £ towards the provision of teaching facilities at (hereinafter known as "the Primary Contribution")  £ towards making necessary adaptations to existing schools to support the attendance at the school identified in a child's EHC Plan (hereinafter known as "the Primary SEN Contribution ")	"Monitoring Fee"	means the sum paid to the Council for the purpose of monitoring and supervising compliance with the obligations contained in this Deed which shall be calculated as follows:  Monitoring Fee = A x B x C x D  Where:  A = Number of Obligations to be monitored  B = £39.64 (Calculated by WDC Finance and based on the monitoring Officer's salary and supporting infrastructure requirements)  C = 5 (number of hours of officer time handling each contribution. Max of 8 site visits per year)  D = number of years for the expected monitoring of the Application Site
"Help To Buy Agent"	means agents appointed by Homes England to administer sales of Shared Ownership housing in the West Midlands.		
"Highways Contribution"	means the sum of £ to be applied towards and which shall be paid in accordance with Part 1 of the Fourth Schedule		
"Home Choice Allocation Scheme"	means the Council's choice-based lettings scheme which relates specifically to the Affordable Housing Units or where this allocation scheme is superseded the Council's housing allocations scheme in force at the time.	"National Planning Policy Framework"	means the National Planning Policy Framework dated February 2019 or where the National Planning Policy Framework has been superseded such successor document.
"Homes England"	means a body established under Part 1 of the Housing and Regeneration Act 2008 (as amended) as the national housing and regeneration agency for England or any such successor national housing and regeneration agency for England.	"National Rent Regime"	means the regime under which the rents for tenants of Social Rented Units are set by The Regulator of Social Housing or its equivalent successor body.
"Indoor Sports Facilities Contribution"	means the sum of £ to be applied towards and which shall be paid in accordance with Part 2 of the Third Schedule.	"Occupation" and "Occupied"	means occupation for the purposes permitted by the Planning Permission but not including occupation by personnel engaged in construction, fitting out or decoration or occupation for marketing or display or occupation in relation to security operations
"Interest"	interest at 4% per cent above the base lending rate of the HSBC Bank Plc from time to time	"Off-Site Play Provision Contribution"	means the sum of £ to be applied towards enhancing or improving play area and which shall be paid in accordance with Part 2 of the Third Schedule.
"Library Contribution"	means the sum of £ to be applied towards improving, enhancing and extending the facilities or services at. This may include purchase of additional stock, targeted collections, additional seating/study spaces or related facilities, improved family facilities and targeted promotions to inform new residents of services available to them and shall be paid in accordance with Part 1 of the Fourth Schedule.	"Open Market Housing Units"	means dwelling houses constructed pursuant to the Planning Permission which are not Affordable Housing Units.
		"Outdoor Sports Facilities provision Contribution"	means the sum of £ to be applied towards the and improvement of and which shall be paid in accordance with Part 2 of the Third Schedule.
		"NHS Hospital Improvements Contribution"	means the sum of £to be applied towards and shall be paid in accordance with Part 2 of the Third Schedule.

"NHS Doctors Surgeries Contribution"	means the sum of £            to be applied towards the improvement and/or extension of            Medical Centre and shall be paid in accordance with Part 2 of the Third Schedule
"Plan"	means the plan attached to this Deed
"Planning Permission"	means the full planning permission subject to conditions to be granted by the Council pursuant to the Application as set out in the Second Schedule.
"Planning Obligations"	means those obligations contained in the Third Schedule and the Fourth Schedule to this Deed and reference to "Planning Obligation" shall be construed accordingly.
"Police Infrastructure Contribution"	Police Infrastructure Contribution means the sum of £            to be applied towards the provision of equipment, vehicles and premises for the Safer Neighbourhood Team and which shall be paid in accordance with Part 2 of the Third Schedule
"Protected Tenant"	means any tenant or leaseholder who: <ul style="list-style-type: none"> <li>(a) has exercised the right to acquire an Affordable Rented Unit or a Social Rented Unit (as the case may be) pursuant to the Housing Act 1996 or any statutory provision for the time being in force; or</li> <li>(b) has exercised any statutory right to buy an Affordable Rented Unit or a Social Rented Unit; or</li> <li>(c) purchased 100% of the equitable shares of a Shared Ownership Unit so that the said leaseholder or purchaser owns the Dwelling.</li> </ul>
"Registered Provider"	means a registered provider of social housing as defined in Part 2 of the Housing and Regeneration Act 2008 who is registered with the Regulator of Social housing pursuant to Chapter 3 of Part 2 of the said Act and has not been removed from the register pursuant to Section 118 or Section 119 of that Act and which is party to the District Council's Joint Commissioning Partnership or if not a party to the District Council's Joint Commissioning Partnership or if not a registered provider of social housing as defined in Part 2 of the Housing and Regeneration Act 2008 as otherwise agreed in writing by the Council (acting reasonably).
"Regulator of Social Housing"	means a body established under section 80A of the Housing and Regeneration Act 2008 (as amended) as the body responsible for the regulation of social housing providers in England and shall include any predecessor (where the context so allows) or successor regulatory body for social housing providers.
"Relevant Index"	means the appropriate index utilised and calculated in accordance with the [ ] Schedule.

"Rights of Way Contribution"	means the sum of £            towards improvements to public rights of way within a 1.5 mile radius of the site which for the avoidance of doubt are footpaths numbers            and which shall be paid in accordance with Part 1 of the            Fourth Schedule
"Section 73 Consent"	means a planning permission granted pursuant to Section 73 of the 1990 Act which varies and/or removes any condition to which the Planning Permission and/or to which such planning permission granted pursuant to Section 73 of the 1990 Act was granted subject to.
"Serviced Condition"	means access to services including roads sewers gas electricity water and telecommunications up to the boundary of each Affordable Housing Unit rendering them ready for immediate Occupation.
"Shared Ownership"	means Affordable Housing Units where an initial equity share is sold by the Registered Provider to qualifying persons under the Home Choice Allocation Scheme and via the Help To Buy Agent with a rent charged on the unsold equity. Where Shared Ownership is allowed the initial mortgage cost for each Shared Ownership Unit must be no more than three and a half times the average household income of newly forming households within Warwick District
"Shared Ownership Lease"	means a lease including the covenants set out in the Shared Ownership Lease published by the Regulator Of Social Housing granted to a qualifying person by the Registered Provider on an equity share basis whereby the qualifying person shall pay for the initial percentage in multiples of 25% or such other multiples of percentage of equity share the Registered Provider in conjunction with the Council may require PROVIDED THAT such initial percentage SHALL NOT exceed 75% in the first instance and the qualifying person being entitled to purchase the remaining percentage of equity share in further tranches to enable 100% ownership.
"Shared Ownership Unit"	means such Affordable Housing Units that will be made available by way of a Shared Ownership Lease with a Registered Provider.
"Social Rented"	means Affordable Housing where the rents are subject to the National Rent Regime.
"Affordable Housing SPD"	means the Council's Supplementary Planning Document in respect of Affordable Housing dated January 2008 or where this document is superseded the Supplementary Planning Document in respect of Affordable Housing currently adopted by the Council

"Sustainable Travel Pack Contribution"	means the sum of £75 per Dwelling to be used for the purpose of providing information packs to be provided to the initial Owner and/or occupiers of the Dwellings to promote sustainable travel and road safety in the local area to be applied in accordance with Part 1 of the Fourth Schedule.
"Warwick District"	means the geographical area falling under the jurisdiction of the Council.
"Working Days"	means any day upon which the London clearing banks are open for business.

## 2 Construction of this Deed

- 2.1 Where in this Deed reference is made to any clause, paragraph or schedule or recital such reference (unless the context otherwise requires) is a reference to a clause, paragraph or schedule or recital in this Deed.
- 2.2 Words importing the singular meaning where the context so admits include the plural meaning and vice versa.
- 2.3 Words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner.
- 2.4 Wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can be enforced against all of them jointly and against each individually unless there is an express provision otherwise.
- 2.5 Any reference to an Act of Parliament shall include any modification, extension or re-enactment of that Act for the time being in force and shall include all instruments, orders, plans regulations, permissions and directions for the time being made, issued or given under that Act or deriving validity from it.
- 2.6 References to any party to this Deed shall include the successors in title to that party and to any deriving title through or under that party and in the case of the Council and County Council the successors to their respective statutory functions save where specifically provided to the contrary by this Deed.

## 3 Legal Basis

- 3.1 This Deed is made pursuant to Section 106 of the Act.
- 3.2 The covenants, restrictions and requirements imposed upon the Owner under this Deed create planning obligations pursuant to Section 106 of the Act and are enforceable by the Council and the County Council in their respective statutory capacities against the Owner, the successors in title of the Owner and any persons claiming through or under the Owner an interest or estate in the land or any part thereof.
- 3.3 To the extent that any of the obligations contained in this Deed are not planning obligations within the meaning of the Act, they are entered into pursuant to powers contained in Section 111 of the Local Government Act 1972 and Sections 1 to 8 of the Localism Act 2011.

## 4 Conditionality

This Deed is conditional upon:

- (i) the grant of the Planning Permission; and
- (ii) the Commencement of Development

SAVE FOR the provisions of Clauses 8.1, 15, 16 and 17 legal costs clause arbitration jurisdiction and delivery clauses which shall come into effect immediately upon completion of this Deed.

## 5 The Owner's Covenants

- 5.1 The Owner covenants with the Council to observe and perform the covenants as set out in the Third Schedule.
- 5.2 The Owner covenants with the County Council to observe and perform the covenants as set out in the Fourth Schedule.

## 6 The Council's Covenants

- 6.1 The Council covenants with the Owner to observe and perform the covenants as set out in Part 1 of the Fifth Schedule; and
- 6.2 The County Council covenants with the Owner to observe and perform the covenants as set out in Part 2 of the Fifth Schedule.

## 7 Confirmation of Interest

The Owner hereby warrants and confirms that apart from the parties hereto there are no other persons with a legal and equitable interest in the Site or any part thereof.

## 8 Miscellaneous

- 8.1 The Owner shall pay to the Council and County Council on completion of this Deed the reasonable legal costs of the Council and County Council incurred in the negotiation, preparation and execution of this Deed.
- 8.2 The Owner shall notify the Council's Head of Development Services and the Housing Strategy Manager in writing of the Commencement of Development.
- 8.3 It is hereby agreed and declared that unless specifically agreed no provisions of this Deed shall be enforceable under the Contracts (Rights of Third Parties) Act 1999
- 8.4 This Deed shall be registrable as a local land charge by the Council.
- 8.5 Where the agreement, approval, consent or expression of satisfaction is required by the Owner from the Council and/or the County Council under the terms of this Deed or the Owner is required to serve notice upon the Council and/or the County Council:
  - (i) such agreement, approval or consent or expression of satisfaction shall be given in writing and shall not be unreasonably withheld or delayed and any such agreement, consent, approval or expression of satisfaction;
  - (ii) shall be given on behalf of the Council by the Head of Development Services and on behalf of the County Council by the Strategic Director of Communities or their nominee;



- 8.6 Following the performance and satisfaction of all the obligations contained in this Deed the Council shall upon written request from the Owner effect the cancellation of all entries made in the Register of Local Land Charges in respect of this Deed.
- 8.7 Insofar as any clause or clauses of this Deed are found (for whatever reason) to be invalid illegal or unenforceable then such invalidity illegality or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Deed.
- 8.8 This Deed shall cease to have effect (insofar only as it has not already been complied with) if the Planning Permission shall be quashed, revoked or otherwise withdrawn or expires prior to the Commencement of Development.
- 8.9 No person shall be liable for any breach of any of the planning obligations or other provisions of this Deed after it shall have parted with its entire interest in the Site but without prejudice to liability for any subsisting breach arising prior to parting with such interest.
- 8.10 Nothing in this Deed shall prohibit or limit the right to develop any part of the Site in accordance with a planning permission (other than the Planning Permission) granted (whether or not on appeal) after the date of this Deed.
- 8.11 Nothing contained or implied in this Deed shall prejudice or otherwise affect the rights powers duties and obligations of the Council in the exercise of its functions either as Local Planning Authority or in any other capacity and that all rights powers duties and obligations under any public and private statutes byelaws and regulations may be as fully and effectually exercised as if the Council was not a party to this Deed.
- 8.12 If there is any conflict between the terms of this Deed and any conditions attached to the Planning Permission the latter shall take precedence.
- 8.13 If there is any conflict between the terms of this Deed and the terms of any previous agreement the terms of this agreement shall take precedence.

## 9 Monitoring

- 9.1 The Owner hereby agrees to notify the Council and the County Council of the Commencement of Development within 21 (twenty one) days of the occurrence of the same PROVIDED THAT default in giving notice or confirming the date by exchange of correspondence shall not prevent the Commencement of Development or the operation of this Deed.
- 9.2 The Owner hereby agrees to notify the Council and where appropriate the County Council of the reaching of any of the Occupation or completion thresholds contained in this Deed such notification to be given within 7 (seven) days of the reaching of such threshold PROVIDED THAT default in giving notice shall not prevent the continuation of the Development or operation of this Deed.
- 9.3 Immediately upon the Commencement of Development the Owners shall pay to the Council the Monitoring Fee which shall be used by the Council for the purpose of monitoring and supervising compliance with the obligations contained in this Deed.

## 10 Mortgagee's Consent

The Mortgagee acknowledges and declares that this Deed has been entered into by the Owner with its consent and that the Site shall be bound by the obligations contained in this Deed and that the security of the mortgage over the Site shall take effect subject to this Deed SAVE THAT the Mortgagee shall have no liability under this Deed unless it takes possession of the Site in which case it will be bound by the obligations contained in Seventh Schedule.

## 11 Notices

- 11.1 Any notice consent or approval required to be given under this Deed shall be in writing and shall be delivered personally or sent by prepaid first class post or Recorded Delivery post or facsimile transmission.
- 11.2 The address for service of any such notice consent or approval as aforesaid shall be on the Council, the County Council and the Owner at the addresses aforesaid or such other address for service as shall have been previously notified in writing by the Council, the County Council and the Owner to all the other parties to this Deed save that payments of any monies to the Council shall be addressed specifically for the attention of the Head of Development Services and detailing the obligations to which the payment relates.
- 11.3 The address for service of any such notice consent or approval as aforesaid shall be on the County Council addressed to the Strategic Director of Communities, Communities, Barrack Street, Warwick CV34 4SX SAVE THAT payments of monies to the County Council shall be addressed for the attention of the Infrastructure Delivery Manager, Communities, Barrack Street, Warwick CV34 4SX.
- 11.4 A notice consent or approval under this Deed shall be deemed to have been served as follows:
- 11.4.1 if personally delivered at the time of delivery
  - 11.4.2 at the expiration of forty eight hours after the envelope containing the same was delivered into the custody of the postal authority within the United Kingdom
  - 11.4.3 if sent by facsimile transmission at the time of successful transmission
- 11.5 In proving such service it shall be sufficient to prove that personal delivery was made or that the envelope containing such notice consent or approval was properly addressed and delivered into the custody of the postal authority in a prepaid first class or Recorded Delivery envelope (if appropriate) or that the facsimile was successfully transmitted on a tested line as the case may be.

## 12 Waiver

No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default.

## 13 Change in Ownership

The Owner agrees with the Council to give the Council immediate written notice of any change in ownership of any of its interests in the Site occurring before all the obligations under this Deed have been discharged such notice to give details of the transferee's full name and registered office (if a company or usual address if not) together with the area of the Site or unit of occupation purchased by reference to a plan.

## 14 Indexation

Any sum referred to in the Third Schedule shall be increased by an amount equivalent to the increase in the Relevant Index from the date of this Deed (or if later, the date the amount (where not fixed in this Deed) is finally agreed or determined) until the date on which such sum is payable.

## 15 Interest

If any payment due under the Third Schedule is paid late, Interest will be payable from the date payment is due to the date of payment.

## 16 VAT

All consideration given in accordance with the terms of this Deed shall be exclusive of any value added tax properly payable.

## 17 Arbitration

In the event of any dispute or difference arising out of this Deed between the parties (other than a dispute or difference relating to a matter of law or concerning the meaning or construction of this Deed) such dispute or difference shall be referred to a sole arbitrator to be agreed between the parties and being a member of the Royal Institution of Chartered Surveyors or in the absence of agreement on the application of any party by the President of the Royal Institution of Chartered Surveyors and in these respects these presents shall be construed as a submission to arbitration within the meaning of the Arbitration Act 1996 the cost of such referral to be borne equally by the Parties.

## 18 Jurisdiction

This Deed is governed by and interpreted in accordance with the law of England and Wales.

## 19 Delivery

The provisions of this Deed (other than this clause which shall be of immediate effect) shall be of no effect until this Deed has been dated.

## 20 Liability of Individual Household Utility Companies and Registered Providers

20.1 The covenants contained in this Deed shall not be enforceable against individual purchasers or lessees or their respective mortgagees and successors in title of each of the Dwellings on the Application Site constructed pursuant to the Planning Permission or any Protected Tenant nor shall any obligation be enforceable against utility companies in relation to any parts of the Application Site acquired by them for electricity sub-stations gas governor stations or pumping stations or any of the operational functions of such companies or against anyone whose only interest in the Application Site or any part of it is in the nature of the benefit of an easement or covenant.

20.2 The covenants contained in this Deed shall not be enforceable against any Registered Provider acquiring an interest in the Application Site pursuant to Part 1 of the Third Schedule to this Deed SAVE THAT such Registered Provider shall be bound by the provisions of the said Part 1 of the Third Schedule.

## 21 Further Section 73 Consent

21.1 If any Section 73 Consent is granted after the date of this deed:

21.2 the obligations in this deed shall relate to and bind such Section 73 Consent; and

21.3 the definitions of Application, Development and Planning Permission (other than for the purpose of clause 1) shall be construed to include reference to (respectively) the planning application for the Section 73 Consent the development permitted by the Section 73 Consent and the Section 73 Consent itself.

### Provided that:

21.4 nothing in this clause shall fetter the discretion of the Council or the County Council in determining any planning application for a Section 73 Consent and the appropriate planning obligations required in connection with the determination of the same;

21.5 to the extent that any of the obligations in this deed have already been discharged at the date that a Section 73 Consent is granted they shall remain discharged for the purposes of the Section 73 Consent; and

21.6 the Council and the County Council reserve the right to insist upon the completion of a separate planning obligation by deed of agreement in connection with any Section 73 Consent if they (acting reasonably) consider it desirable to do so.

21.7 In the event of a different s.106 obligation agreed by the Council being binding on any Section 73 Consent, this obligation shall not apply to that Permission if that separate s.106 obligation expressly states that it is in substitution for the obligations in this obligation

## 22 Execution

This Deed may be executed in any number of counterparts each of which when executed and delivered shall be an original and all the counterparts together shall constitute one and the same instrument.

## 23 Severability

If any part of this Deed shall be declared unlawful or invalid by a court of competent jurisdiction or a Planning Inspector or the Secretary of State on Appeal finds that one or more of the Planning Obligations are not compliant with the CIL Regulations then (to the extent possible) the offending provisions or each one or more of the Planning Obligations as the case may be will be severed from this Deed and the remainder of this Deed shall continue with full force and effect.



**FIRST SCHEDULE**

[Details of the Owner’s Title, and description of the Site]

**SECOND SCHEDULE**

[Form of notice of planning permission]

## THIRD SCHEDULE

### The Owner's Covenants with the Council

#### Part 1: Affordable Housing

- 1.1. Prior to the Commencement of Development the Owner shall submit the Affordable Housing Scheme for the approval of the Council and shall notify the Council in writing of the anticipated date for completing the construction of the Affordable Housing Units within the Development and shall use reasonable endeavours (and shall demonstrate to the reasonable satisfaction of the Council that such endeavours have been made) to enter into a binding contract ("the Contract") with a Registered Provider for the construction and sale of the Affordable Housing Units within 6 months of the date of Commencement of the Development to such Registered Provider at a price in accordance with paragraph 1.2.
- 1.2. The price to be paid by the Registered Provider to the Owner for the transfer of the Affordable Housing Units shall be a percentage of the value of the properties if they were sold on the open market (as at the intended date of the exchange of contract in respect of the Affordable Housing Units) to be agreed between the Owner and the Registered Provider being such a percentage to enable the Affordable Housing Units to be made available without the need for the Registered Provider to apply for Homes England grant funding and to enable the Shared Ownership Units to be made available to purchasers at a mortgage cost of each unit to be no more than three and a half times the average household income of newly forming households within Warwick District
- 1.3. The terms of the Contract relating to the type and size of the Affordable Housing Units and the rent to be paid for the Affordable Rented Units shall be in full accordance with the Affordable Housing Scheme and the Contract shall provide for the transfer of the freehold or leasehold title of the Affordable Housing Units on the following terms:
  - 1.3.1. The Owner will deduce good and marketable freehold or leasehold title to the Affordable Housing Units and will transfer the Affordable Housing Units with full title guarantee with vacant possession and subject to all existing entries under title number [insert title no.] as at the date of this Deed but otherwise the transfer shall be free from any other rights or encumbrances save for any existing rights and encumbrances and such other rights reservations and covenants as are reasonably necessary to enable the Owner to develop the rest of the Application Site and those disclosed as at the date of this Deed;
  - 1.3.2. The Transfer shall grant rights of access and passage of services and other rights reasonably necessary for the beneficial enjoyment of the Affordable Housing Units
- 1.4. The Owner covenants that the Affordable Housing Units shall be allocated to persons registered on Home Choice Allocation Schemes.
- 1.5. The Affordable Housing Units shall not be Occupied other than as Affordable Housing SAVE THAT this Deed SHALL NOT be binding or enforceable against any mortgagee or chargee or receiver appointed by the mortgagee or chargee which shall have the benefit of a legal mortgage or charge secured against all or any of the Affordable Housing Units and any person who shall derive title directly or indirectly from such mortgagee or chargee or receiver appointed by the mortgagee or chargee (other than a Registered Provider) Provided Always that the mortgagee or chargee or receiver appointed by the mortgagee or chargee or any successors in title to such mortgagee, chargee or receiver shall have obtained a Certificate from the Council (acting reasonably) stating that it has followed the procedure set out in the Seventh Schedule to this Deed nor shall this Deed be binding or enforceable against any Protected Tenant
- 1.6. Subject always to paragraphs 1.5, 1.9 – 1.14 below the Owner covenants not to dispose of their interest in the freehold of the Affordable Housing Units or any part thereof (except by way of mortgage) other than to a Registered Provider
- 1.7. The Owner covenants that it will require in the contract that the Registered Provider shall keep the Council's Housing Strategy & Development Officer for the time being informed in writing as to the addresses of the Affordable Housing Units
- 1.8. The Owner covenants to require in the Contract that the rent to be charged by the Registered Provider for the Social Rented Units when first let and for all subsequent lets must conform to Regulator of Social Housing's 'Regulatory Framework for Social Housing in England from April 2015' or such other amount as may be permitted by any subsequent publication then in force and the rate of increase shall be no greater than the rate stipulated in Annex A of aforementioned publication or if such rate of increase shall cease to be or otherwise not stipulated by the Regulator of Social Housing the rents shall be increased by no greater than Retail Price Index + 1% per annum.
- 1.9. If despite having used reasonable endeavours the Owner is unable to enter into a contract with a Registered Provider for the sale of the Affordable Housing Units in accordance with the provisions of this Schedule within 6 months from the Commencement of Development then the Owner may at any time afterwards give notice to the Council ("the First Affordable Housing Notice") stating that it has failed to enter into a Contract in which event the provisions of paragraph 1.10 shall apply
- 1.10. If the Owner serves a First Affordable Housing Notice in respect of the Development then the Council may at any time within 3 months of the service of the First Affordable Housing Notice nominate by written notice to the Owner ("the Nomination Notice") any other affordable housing provider ("the Nominee") to purchase the Affordable Housing Units within that Development for an alternative affordable housing scheme proposed by the Owner and as approved by the Council but otherwise on the terms set out in this Schedule.
- 1.11. If the Council serves a Nomination Notice in respect of the Development in accordance with paragraph 1.10 the Owner shall use reasonable endeavours (and shall demonstrate to the reasonable satisfaction of the Council that such endeavours have been made) to enter into a contract with the Nominee for the sale of the Affordable Housing Units within the Development in accordance with the provisions of this Schedule within 6 months of the date of service of the Nomination Notice.
- 1.12. If after service of the First Affordable Housing Notice the Council fails to serve a Nomination Notice or following the service of a Nomination Notice within 6 months of the Owner having used their reasonable endeavours fail to enter into a Contract with the Nominee within 6 months of the date of service of the Nomination Notice in accordance with paragraph 1.11 then the Owner shall make an offer in writing to transfer the Affordable Housing Units in a Serviced Condition to the Council, freehold, free from incumbrances, with vacant possession and with

full title guarantee for a price of the lower of the actual build costs of the Affordable Housing Units as demonstrated by the Owner on an open-book basis or a valuation-based estimate of the Affordable Housing Units to be carried out by the Valuation Office Agency and the Council shall confirm in writing within 14 days whether it will accept the offer and if accepted then on completion of such transfer the Owner shall be deemed to have provided the full number of Affordable Housing Units in discharge of their obligations under this Schedule.

- 1.13. If the offer described in paragraph 1.12 above is not accepted by the Council then the Owner may serve a notice on the Council (the "Payment Notice") stating that it will pay to the Council a sum (the "Housing Contribution") which will be calculated by the Council in accordance with the Eighth Schedule in place of the Owner providing the Affordable Housing Units and the provisions of paragraph 1.14 shall take effect.
- 1.14. On service of the Payment Notice in respect of the Development then:
  - 1.14.1. The Owner shall pay to the Council the Housing Contribution within 20 working days of the Payment Notice being served on the Council;
  - 1.14.2. On payment of the Housing Contribution the Owner shall be entitled to sell or otherwise dispose of the Affordable Housing Units as Open Market Housing Units free of all obligations and restrictions
- 1.15. The Owner covenants with the Council that the Affordable Housing Units to be built on the Application Site shall be constructed according to the standards required by building regulations in force at the relevant time
- 1.16. The Owner covenants that the Affordable Housing Units shall be provided for disposal to a Registered Provider in a Serviced Condition and in any event of any disagreement as to whether the Affordable Housing Units are in a Serviced Condition a dispute shall be taken to have arisen which shall be dealt with under the provisions of Clause 17 of this Deed
- 1.17. Where all or some of the Affordable Housing Units shall be provided for disposal to a Registered Provider or the Council the Owner covenants with the Council not to cause suffer or permit Occupation of more than 50% of the Open Market Housing Units until 50% of the Affordable Housing Units have been transferred in a Serviced Condition to a Registered Provider or the Council in accordance with the provisions of this Schedule.
- 1.18. If 1.17 applies the Owner covenants with the Council not to cause suffer or permit Occupation of more than 95% of the Open Market Housing Units until all of the Affordable Housing Units have been transferred in a Serviced Condition to a Registered Provider or the Council in accordance with the provisions of this Schedule and any outstanding Housing Contribution (if any) has been paid to the Council in accordance with the provisions of this Schedule.
- 1.19. The Owner covenants with the Council to notify the Council's Housing Strategy & Development Officer of sales of the Open Market Housing Units in stages of 25% within 14 days of completion of the sale of the last Open Market Housing Unit in each stage of 25%.

## Part 2: Financial Contributions

### Air Quality Type 3 Mitigation Contribution

1. The Owner covenants with the Council to pay the Air Quality Type 3 Mitigation Contribution to the Council prior to Occupation of 50% of the Dwellings.

### Outdoor Sports Facilities Contribution

2. The Owner covenants with the Council to pay the Outdoor Sports Facilities Contribution to the Council in two instalments as set out below.
  - 2.1. 1st Installment: 50% of the Contribution prior to the Occupation of 50% of the Dwellings
  - 2.2. Final Installment: 50% of the Contribution prior to the Occupation of 90% of the Dwellings

### Indoor Sports Facilities Contribution

3. The Owner covenants with the Council to pay 50% of the Indoor Sports Facilities Contribution to the Council prior to the Occupation of 50% of the Dwellings and the remaining 50% of the Indoor Sports Facilities Contribution to the Council prior to the Occupation of 90% of the Dwellings

### NHS Doctors Surgeries Contribution

4. The Owner covenants with the Council to pay 50% of the NHS Doctors Surgeries Contribution to the Council prior to the Occupation of 50% of the Dwellings and the remaining 50% of the NHS Doctors Surgeries Contribution to the Council prior to the Occupation of 90% of the Dwellings

### Police Infrastructure Contribution

5. The Owner covenants with the Council to pay 50% of the Police Infrastructure Contribution to the Council prior to the Occupation of 50% of the Dwellings and the remaining 50% of the Police Infrastructure Contribution to the Council prior to the Occupation of 90% of the Dwellings

### Nhs Hospital Improvements Contribution

6. The Owner covenants with the Council to pay 50% of the NHS Hospital Improvements Contribution to the Council prior to the Occupation of 50% of the Dwellings and the remaining 50% of the NHS Hospital Improvements Contribution to the Council prior to the Occupation of 90% of the Dwellings

### Allotments Contribution

7. The Owner covenants with the Council to pay 50% of the Allotments Contribution to the Council prior to the Occupation of 50% of the Dwellings and the remaining 50% of the Allotments Contribution to the Council prior to the Occupation of 90% of the Dwellings.

Off-Site Play Provision Contribution

8. The Owner covenants with the Council to pay 50% of the Off-Site Play Provision Contribution to the Council prior to the Occupation of 50% of the Dwellings and the remaining 50% of the Off-Site Play Provision Contribution to the Council prior to the Occupation of 90% of the Dwellings.

Part 3: Biodiversity Offsetting

Definitions:

"Biodiversity Impact Assessment"	means the use of the current and locally adopted Defra Biodiversity Offsetting metrics to calculate the biodiversity impact of the scheme measured in Biodiversity Units as at the date of this Deed.
"Biodiversity Loss"	means a negative Biodiversity Unit score
"Biodiversity Offsetting Scheme"	means a scheme which will deliver biodiversity enhancements which shall not be less than the Biodiversity Impact Assessment score
"Biodiversity Units"	means the product of the size of an area, and the distinctiveness and condition of the habitat it comprises to provide a measure of ecological value
"DEFRA Biodiversity Offsetting Matrix"	the Defra mechanism to quantify impacts on biodiversity that allows biodiversity losses and gains affecting different habitats to be compared and ensure offsets were sufficient to compensate for residual losses of biodiversity
"Reserved Matters"	in respect of this Part 3 means the details to be approved by the Council or the Secretary of State in relation to the landscaping of the area in question, the layout of the area in question and its relationship with adjoining development
"WCC Financial Contribution Calculator"	means the mechanism used to calculate the fixed sum contribution being in accordance with the methodology set out in Appendix 1 attached to this Deed

The Owner covenants with the Council as follows:

- 1.1 The approved Reserved Matters shall not result in a Biodiversity Impact Assessment score for the Development as a whole greater than Biodiversity Units or such other number as may be proposed by the Owner and agreed by the Council.
- 1.2 Where there is a Biodiversity Loss, Commencement of Development (here including site clearance, demolition work, remedial work in respect of any contamination or other adverse ground conditions, the erection of a site office and the creation of a site compound) shall not take place until a Biodiversity Offsetting Scheme has been submitted to and approved in writing by the Council ("the Approved Scheme"). The Approved Scheme shall be approved with the purpose of ensuring that the Development shall not result in a Biodiversity Loss in accordance with the National Planning Policy Framework; unless otherwise agreed with the Council
- 1.3 The Approved Scheme shall either

1.3.1 include: -

1.3.1.1 the identity of an appropriate receptor site or sites;

1.3.1.2 a management plan for the provision and maintenance of such offsetting measures for not less than thirty (30) years from the date of implementation of the Approved Scheme;

1.3.1.3 the provision of contractual terms to secure the delivery of the offsetting measures; or

1.3.2 provide for a fixed sum contribution to be paid to Warwickshire County Council within three (3) months from the date of the approval of the Reserved Matters or prior to the Commencement of Development (whichever is the later) such sum to be calculated using the WCC Financial Contribution Calculator ("the Bio-Diversity Contribution"). The Bio-Diversity Contribution for the Development as a whole shall not exceed three hundred and twenty four thousand one hundred and sixteen pounds (£) and the County Council shall use the contribution to enhance and secure long term management of biodiversity within the vicinity of the Application Site;or

1.3.3 provide for a Bio-Diversity Contribution in conjunction with the proposals pursuant to paragraph 1.3.1 above of this Part 3
- 1.4 If paragraph 1.3.1 above applies the Owner covenants to implement the Approved Scheme and not to carry out any changes to the Approved Scheme without the written consent of the Council.



Part 4: Employment

- 1. The Owner covenants with the Council that:
  - 1.1 at least twenty (20) Working Days before Commencement of Development it shall submit a local employment and training strategy in relation to the construction phase of the Development to the Council for its approval (such approval not to be unreasonably withheld or delayed); and
  - 1.2 it shall implement the local employment and training strategy for the construction phase of the Development by the date set out in the approval of the Council
- 2 The Council covenants with the Owner that within twenty (20) Working Days of the submission by the Owner of the local employment and training strategy for the construction and operational phases of the Development, the Council shall either approve the local employment and training strategies or suggest reasonable amendments therein in writing SAVE that if at the end of the twenty eight (28) day period the Council has not approved the local employment and training strategies or provided comments in writing suggesting appropriate amendments to the local employment training strategy such failure to comment in writing shall be taken as approval of the terms of the obligations set out in the submitted local employment and training strategies

Part 5: Open Space

Definitions:

- “Grounds Maintenance Contract” means the Council’s contracts with providers of grounds maintenance including but not exhaustively, the management and maintenance of hard and soft landscaping; and play areas.
- “Public Open Space Completion Certificate” means a certificate issued by the Council to the effect that the Public Open Space has been laid out in accordance with the Public Open Space Scheme to the reasonable satisfaction of the Council and the issue of an Public Open Space Completion Certificate shall commence the Public Open Space Maintenance Period in respect of the whole or the part of the Public Open Space to which the Public Open Space Completion Certificate relates
- “Public Open Space Final Certificate” means a certificate issued by the Council which shall be conclusive evidence that the Public Open Space has been properly maintained during the Public Open Space Maintenance Period to the effect that the Public Open Space is finally complete and any defects which have become manifest since the issue of the Public Open Space Completion Certificate have been remedied and all outstanding works identified in the aforementioned Certificate have been completed together with, where applicable any outstanding works required by the ROSPA Final Inspection Report

- “Public Open Space Maintenance Period” means a period of at least 12 months commencing with the issue of the Public Open Space Completion Certificate and ending with the issue of the Public Open Space Final Certificate
- “Public Open Space” means the areas to be provided within the Application Site for public recreation and amenity space to meet the standards specified within the Public Open Space SPD in accordance with the Public Open Space Scheme and any Reserved Matters Application and [for outline applications] provided in a location to be agreed in writing with the Council. OR [for full planning applications] to be provided in the location coloured blue for identification purposes on the Plan [ ] which are to be permanently retained and maintained as public open space to serve the Development
- “Public Open Space Commuted Maintenance Sum” means the sum that shall be paid by the Owner to the Council prior upon the Public Open Space Transfer for the purposes of future maintenance of the Public Open Space to be calculated in accordance with the formula set out in Part [ ] of the [ ] Schedule
- “Public Open Space off-site contribution” means a sum which shall be calculated in accordance with the Public Open Space SPD in order to meet any shortfall in Public Open Space provision in accordance with para [ ] of Part [ ] of the [ ] Schedule. Any Public Open Space Balancing Contribution shall be used for the provision of off site open space and/or towards the enhancement of existing off site open space provision and shall be paid in accordance with para [ ] in Part [ ] of the [ ] schedule
- “Public Open Space Scheme” means a written detailed scheme: of works for the laying out and maintenance of the Public Open Space to include
  - (i) the design, specification and landscaping including any play equipment and associated equipment, boundary treatments
  - (ii) the programme for the delivery of the Public Open Space Works
  - (iii) details of the maintenance programme that shall be implemented to repair and replace equipment, facilities or landscaping to be submitted to and approved in writing by the Council

For the avoidance of doubt the Public Open Space Scheme is a separate and an additional requirement to any requirement to submit a landscaping scheme in accordance with a planning condition imposed upon the Planning Permission or as part of any Reserved Matters approval.
- “Public Open Space Works” means the works to be carried out in accordance with the approved Public Open Space Scheme



"Public Open Space SPD"	means the Council's Supplementary Planning Document in respect of Public Open Space dated April 2019 or where this document is superseded the Supplementary Planning Document in respect of Public Open Space currently adopted by the Council
"Royal Society for the Prevention of Accidents (RoSPA) Report"	means a report and risk assessment issued by an independent qualified assessor and dated not more than 11 months prior to the date on which it is provided to the Council confirming the safety of all elements of the Public Open Space including any SUDS, play area equipment and associated equipment on the Public Open Space
"Royal Society for the Prevention of Accidents (RoSPA) Final Inspection Report"	means a report and risk assessment issued by an independent qualified assessor and dated no more than three months prior to the date on which it is provided to the Council confirming the safety of all elements of the Public Open Space including any SUDS play area equipment and associated equipment on the Public Open Space at the end of the Public Open Space Maintenance Period

The Owners hereby covenant and undertake as follows:

Public Open Space Delivery

1. Commencement of Development shall not take place until:
  - 1.1. the Owners have submitted the Public Open Space Scheme to the Council which for the avoidance of doubt shall be separate and additional to any landscaping scheme or any other scheme required to be submitted in accordance with a planning condition; and
  - 1.2. the Council has approved the Public Open Space Scheme in writing (such approval not to be unreasonably withheld or delayed)
2. Prior to Occupation of 70% of the Dwellings the Owner shall complete the Public Open Space to the reasonable satisfaction of the Council as evidenced by the Public Open Space Completion Certificate.
3. Upon the completion of the Public Open Space Works the Owners shall notify the Council in writing
4. 40 Working Days from receipt of the Notice served pursuant to paragraph 3 above the Council shall inspect the Public Open Space Works and shall, if satisfied that the works have been carried out in strict accordance with the Public Open Space Scheme and the Owner has provided to the Council a satisfactory ROSPA Report together with transferable guarantees and warranties relating to play area equipment and other associated equipment, issue the Public Open Space Completion Certificate.
5. In the event that the Council inspects the Public Open Space Works and identifies necessary remedial works (which it will notify to the Owners in writing within 15 Working Days of the inspection having been carried out), the Owners shall carry out such remedial works to the reasonable

satisfaction of the Council and send written Notice to the Council to re-inspect the Public Open Space.

6. The procedure set out in paragraphs 3, 4 and 5 shall be repeated in respect of the Public Open Space Works until such time as the Council either;
  - 6.1 issues the Public Open Space Completion Certificate or;
  - 6.2 fails to inspect the Public Open Space Land within 40 Working Days of the receipt of a written Notice where proof of delivery to the Councils Head of Development Services can be provided, in which case the Public Open Space Completion Certificate shall be deemed to have been issued 40 Working Days following receipt of the Notice or;
  - 6.3 fails to issue the Public Open Space Completion Certificate within 40 Working Days of the inspection where no remedial works have been identified in which case the Public Open Space Completion Certificate shall be deemed to have been issued 40 Working Days following the inspection

Public Open Space Maintenance

7. The Owner shall;
  - 7.1 maintain the Public Open Space in strict accordance with the Public Open Space Scheme until such time as the Public Open Space is transferred to the Council and
  - 7.2. from the date the Public Open Space Certificate of Practical Completion is issued or deemed issued allow free unrestricted use and access of the Public Open Space for the general public at all times of the day and night PROVIDED THAT use and access maybe restricted in the following circumstances:
    - 7.2.1 in the event of emergency such that access and use by the general public should be prevented by reasons of health and safety
    - 7.2.2 in the event that any works to the Public Open Space need to be undertaken which would necessitate, as a direct result of the said works, access and use by the general public being prevented PROVIDED THAT if any such closure is to last longer than 7 Working Days or for more than 10 Working Days in any 3 month period then the Owner shall first obtain the Council's prior written approval to the closure.
8. The Owner shall notify the Council in writing at the end of the Public Open Space Maintenance Period and invite the Council in writing to inspect the Public Open Space with a view to issuing the Public Open Space Final Certificate
9. 40 Working Days from receipt of the Notice served pursuant to paragraph 8 above the Council shall inspect the Public Open Space and shall, if satisfied that the Public Open Space has been properly maintained during the Public Open Space Maintenance Period and the Owner has provided to the Council a satisfactory ROSPA Final Inspection Report together with any transferable guarantees and warranties relating to play area equipment and other associated equipment not previously supplied to the Council shall issue the Public Open Space Final Certificate.

10. In the event that the Council inspects the Public Open Space and identifies necessary works (which it will notify to the Owners within writing within 15 Working Days of the inspection being carried out) the Owners shall carry out remedial works to the reasonable satisfaction of the Council and send written Notice to the Council to re-inspect the Public Open Space.
11. The procedure set out in paragraphs 8, 9 and 10 shall be repeated in respect of the Public Open Space until such time as the Council either
- 11.1 issues the Public Open Space Final Certificate; or
- 11.2 fails to inspect the Public Open Space within 40 Working Days of the receipt of a written Notice where proof of delivery to the Councils Head of Development Services can be provided in which case the Public Open Space Final Certificate shall be deemed to have been issued 40 Working Days following receipt of the Notice; or
- 11.3 fails to issue the Public Open Space Final Certificate within 40 Working Days of the inspection where no remedial works have been identified in which case the Public Open Space Final Certificate shall be deemed to have been issued 40 Working Days following the inspection.

Public Open Space Transfer

12. The Owner shall continue to maintain the Public Open Space in accordance with the Public Open Space Scheme and permit unrestricted public access in accordance with paragraph 7 above until its transfer.
13. Prior to commencement of development the Owner shall offer to transfer the Public Open Space Land to the Council on the terms set out in the Ninth Schedule hereto, such offer to be in writing, addressed to the Head of Development Services and served on the Council via recorded delivery ("the Offer"). For the avoidance of doubt the Owner shall pay the costs of the transfer of the Public Open Space and the transfer will contain a covenant that the Public Open Space shall not be used for anything other than amenity open space for the enjoyment of the general public and the Council shall confirm in whether it accepts the Offer within 40 Working Days of receipt of the Offer.
14. Where the Council confirms in writing that it does not accept the Offer the Owner may elect to transfer the Public Open Space to a Management Company.
15. Where the Public Open Space is transferred to a Management Company under paragraph 14 above the Management Company shall be expected to meet the requirements set out at Appendix 1 of the Public Open Space SPD and the Councils written approval shall be required before the transfer shall take place.
16. On completion of the transfer of the Public Open Space Land to the Council the Owners shall pay to the Council the Public Open Space Commuted Maintenance Sum

Formulae For Calculation Of Open Space Maintenance Sum

17. The Open Space Maintenance Sum shall be calculated in accordance with the following formula:

$$((\text{Rate} \times \text{area in square metres}^*) + 28\% \text{ markup}) \times 20 \text{ years.}$$

\*or equivalent unit of measure here:-

- 17.1 The Rate is based on the schedule of rates from the Council's Grounds Maintenance Contract current at the date of transfer,
- 17.2 28% mark up calculated on (rate x area in square metres) being the cost to the Council of the management of the Grounds Maintenance Contract

Part 6: Suds

Definitions

"Foul/Surface Water Drainage and Sewerage"	means the sewers and drains to be constructed or completed within the Application Site pursuant to the Planning Permission or such sewers and drains that may already exist at the time Planning Permission is granted
"SUDS"	means visible surface water drainage measures/features which will be located within the Application Site and which shall include the following to serve the Application Site: (a) swales watercourses and ditches; (b) attenuation ponds and infiltration basins; (c) soakaways; but shall exclude (unless otherwise specified on any application for Reserved Matters) any such measures or features located within the curtilage of any Dwelling constructed on the Application Site
"SUDS Alternative Body"	means any statutory water undertaker that is legally permitted to adopt or otherwise manage and maintain surface water drainage features and measures
"SUDS Commuted Sums"	means a commuted sum for maintenance of the SUDS (for 20 years) determined in accordance with Paragraph 2.1.3 of Part 7 of this Schedule
"SUDS Completion Certificate"	means a certificate issued by the Council which shall be conclusive evidence that the SUDS have been laid out in conformity with this Deed to the reasonable satisfaction of the Council and the issue of a SUDS Completion Certificate shall commence the SUDS Maintenance Period in respect of the whole or part of the SUDS to which the SUDS Completion Certificate relates;

"SUDS Final Certificate"	a certificate to be issued by the District Council which shall be conclusive evidence that the SUDS have been properly maintained during the SUDS Maintenance Period;
"SUDS Land"	means the land on which SUDS are to be located whose size and exact location shall be determined as a result of a Reserved Matters Application and whose exact size shall be approved pursuant to the SUDS Specification
"SUDS Maintenance Period"	means: <ul style="list-style-type: none"> <li>(a) in the event the SUDS are to be transferred to the Council the period shall be 12 months from the date of the SUDS Completion Certificate or such longer period as a statutory water undertaker that is legally permitted to adopt or otherwise manage and maintain surface water drainage features may reasonably require whether or not the SUDS are transferred to that statutory undertaker; or</li> <li>(b) the period shall be 12 months from the date of the SUDS Completion Certificate or such longer period as a statutory water undertaker that is legally permitted to adopt or otherwise manage and maintain surface water drainage features may reasonably require whether or not the SUDS are transferred to that statutory undertaker; or</li> <li>(c) in the event the SUDS are to be transferred to a statutory water undertaker that is legally permitted to adopt or otherwise manage and maintain surface water drainage features and measures the period shall be up to 24 months from the date of the SUDS Completion Certificate or such shorter period as agreed by that statutory undertaker</li> </ul>
"SUDS Specification"	means a detailed specification to be prepared by or on behalf of the Owner by a suitably qualified and professionally approved person carrying appropriate professional indemnity insurance and which detailed specification shall include (where applicable): <ul style="list-style-type: none"> <li>(a) Hydraulic calculations;</li> <li>(b) Details of control devices and flow control measures;</li> <li>(c) Geotechnical design criteria;</li> <li>(d) Permeability assessment;</li> <li>(e) Proposed design specification and landscaping and boundary treatments;</li> <li>(f) Life-saving equipment (e.g. lifebelts);</li> <li>(g) Warning and information signage;</li> <li>(h) Proposals to seek to minimise long term maintenance and a long term maintenance scheme ("the Maintenance Scheme"); and <ul style="list-style-type: none"> <li>(i) Proposals to seek to maximise ecological benefit;</li> <li>(j) The exact location and dimensions of the SUDS;</li> <li>(k) A construction programme for the SUDS setting timings for commencement through to completion of the SUDS;</li> </ul> </li> </ul>

- (l) Both a ROSPA assessment/certificate and CDM designer's risk assessment evidencing that the SUDS can be operated safely;
- (m) Suitable Public Liability Insurance for the above

"SUDS Transfer"	means a transfer by the Owner of the unencumbered freehold interest in the SUDS on terms to be agreed but which shall nevertheless: <ul style="list-style-type: none"> <li>(a) include terms which would not restrict public access;</li> <li>(b) include terms which would not directly or indirectly affect the construction servicing or occupation of the part of the Application Site that is retained by the Owner;</li> <li>(c) include reservation of rights of access over the SUDS;</li> <li>(d) include the grant of any rights reasonably necessary for the proposed end use of any adjoining land;</li> <li>(e) include for the benefit of the SUDS the grant of any rights of access over any adjoining land which rights are reasonably required for the management and maintenance of the SUDS for its purpose for public open space, water attenuation and surface water drainage purposes;</li> <li>(f) be at consideration of £1;</li> <li>(g) include a covenant that the SUDS shall not be used for any purpose other than for public open space, water attenuation and surface water drainage purposes associated with the Development;</li> <li>(h) include obligations on the part of the transferee to maintain the SUDS in full accordance with the Maintenance Scheme comprising part of the SUDS Specification; and <ul style="list-style-type: none"> <li>(i) include obligations on the part of the Owner to bear the reasonable legal and professional costs of the other parties to the transfer;</li> </ul> </li> </ul>
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## Provision Of Suds

The Owner and the Council covenant with each other as follows:

1. Prior to Commencement of Development and as part of the Reserved Matters Applications the Owner shall submit to the Council in writing for approval the SUDS Specification
2. Development shall not Commence until the Council has approved the SUDS Specification by way of Reserved Matters Applications.
3. Prior to the Occupation of any Dwelling or use of any buildings (being buildings other than those forming part of a Dwelling) the Owner shall layout install and complete the relevant SUDS:
  - 3.1 to the reasonable satisfaction of the District Council as evidenced by the issuing of a SUDS Completion Certificate; and
  - 3.2 in accordance with the approved SUDS Specification.

4. Following completion of the SUDS:

- 4.1 the Owner shall serve notice on the Council inviting them to inspect the SUDS and to issue a SUDS Completion Certificate confirming that such works have been completed to the Council's reasonable satisfaction provided that in order that the notice served by the Owner shall be validly served it shall be accompanied by:—
- (i) a RoSPA assessment and certificate evidencing that the SUDS in their completed form can be operated safely; and
  - (ii) a confirmation from a SUDS expert that the SUDS in their completed form are either:—
    - (1) built in accordance with the relevant approved SUDS Specification; or
    - (2) where there is a variation from the relevant approved SUDS Specification, identification of any variation and confirmation that the SUDS in their completed form fulfil the SUDS requirements for the development
- 4.2 if the Council inspects the SUDS and identifies any defects requiring remedial works, the Council will notify the Owner of the defects within 15 Working Days of such inspection. The Owner shall complete any necessary remedial works to the reasonable satisfaction of the Council;
- 4.3 upon completion of any remedial works, the Owner shall serve notice on the Council inviting them to inspect the remedial works identified by them pursuant to paragraph 4.2 and to issue a SUDS Completion Certificate confirming that such works have been completed to the Council's reasonable satisfaction

PROVIDED THAT if the Council fails to inspect the SUDS within 30 Working Days of receipt of a notice of invitation from the Owner pursuant to paragraphs 4.1 or 4.3 or fails to issue a SUDS Completion Certificate within 30 Working Days of the inspection where no remedial works have been identified then the SUDS Completion Certificate shall be deemed to have been issued at the end of those specified periods PROVIDED FURTHER THAT the inspection procedure identified in paragraphs 4.1 and

- 4.3 shall be repeated until such time as the Council issue or are deemed to have issued a SUDS Completion Certificate in relation to the SUDS AND PROVIDED FURTHER THAT nothing shall prevent the Owner undertaking the SUDS in phases or in individual component parts and seeking SUDS Completion Certificates for each such phase or part of SUDS.

5. On expiration of the SUDS Maintenance Period the Owner shall:

- 5.1 serve notice on the Council inviting them to inspect the SUDS and issue a SUDS Final Certificate confirming that such works have been maintained to the Council's reasonable satisfaction;
- 5.2 if the Council inspects the SUDS and identifies all necessary remedial works, the council will notify the Owner of the required remedial works within 15 Working Days of such inspection and the Owner will thereafter complete such remedial works to the reasonable satisfaction of the Council;
- 5.3 upon completion of all remedial works, serve notice on the Council inviting them to inspect the remedial works identified by them pursuant to paragraph 5.2 and issue a SUDS Final Certificate confirming at such works have been completed to their reasonable satisfaction

PROVIDED THAT if the Council fails to inspect the SUDS within 30 Working Days of receipt of a notice of invitation from the Owner pursuant to paragraphs 5.1 or 5.3 or fails to issue a SUDS Final Certificate within 30 Working Days of the inspection where no remedial works have been identified then the SUDS Final Certificate shall be deemed to have been issued at the end of those specified periods PROVIDED FURTHER THAT the inspection procedure identified in paragraphs 5.1 or 5.2 shall be repeated until such time as the Council issue or are deemed to have issued a SUDS Final Certificate in relation to the SUDS PROVIDED FURTHER THAT nothing shall prevent the Owner undertaking the SUDS in phases or in individual component parts and seeking SUDS Final Certificates for each such phase or part of the SUDS.

6. The Owner shall:

- 6.1 maintain the SUDS in accordance with the approved SUDS Specification until such time as the SUDS are transferred to the Council or at the Council's election a SUDS Alternative Body pursuant to the Maintenance Scheme; and
- 6.2 from the date the SUDS Completion Certificate is issued or of deemed issue of the SUDS Completion Certificate to allow free unrestricted use and access of the SUDS for the general public at all times of the day and night PROVIDED THAT use and access may be restricted in the following circumstances:
- 6.2.1 in the event of emergency such that access and use by the general public should be prevented for reasons of health and safety;
  - 6.2.2 where any part of the SUDS shall for health and safety purposes be proposed to be permanently fenced off or where other means are used to permanently prevent use and access by the general public this shall be documented and approved in the SUDS Specification.

7. The Owner shall save as otherwise agreed in writing by the Council (acting reasonably):

- 7.1 not locate any Utilities or Foul/Surface Water Drainage and Sewerage in on or under the SUDS Land other than those public surface water sewers directly associated with and connected to the SUDS features;
- 7.2 not locate the SUDS Land within an area of the Application Site that at the time Planning Permission is granted already has Utilities or Foul/Surface Water Drainage and Sewerage located within such area; unless these are to be relocated.



## Part 7: Transfer Of The Suds Land

The Owner covenants with the Council as follows:

1. No later than 30 Working Days after the issue of a SUDS Completion Certificate to serve written notice on the Council either:
  - 1.1 offering to the Council the SUDS Land to adopt and offering to transfer to the Council the SUDS Land pursuant to the SUDS Transfer ;
  - 1.2 at the Council's election offering to transfer to a SUDS Alternative Body the SUDS Land pursuant to the SUDS Transfer.
2. In the event that the Council accepts the offer to adopt and take a transfer of any part of the SUDS Land then the Owner shall:
  - 2.1.1 following the issue or deemed issue of the SUDS Final Certificate in relation to the relevant part of the SUDS, execute and deliver to the Council the SUDS Transfer in respect of such part of the SUDS Land;
  - 2.1.2 the transfer will take place either
    - (a) as soon as practicably possible after the issue of the relevant SUDS Final Certificate in relation to the SUDS for the whole of the SUDS Land; or
    - (b) where individual SUDS Final Certificates are issued or deemed to be issued in relation to various parts of the SUDS the transfer of the relevant SUDS on which the said SUDS have received a SUDS Final Certificate will occur as soon as practicably possible after the SUDS Final Certificate has been or is deemed to have been issued in respect of the relevant SUDS

PROVIDED ALWAYS THAT the transfer(s) of the whole of the SUDS Land whether it occurs as a result of one or more transfers shall be completed prior to whichever shall be the first to occur of 75% of the Dwellings being Occupied within the relevant Area or the bringing into use of the last building (being buildings other than those forming part of a Dwelling) constructed as part of the Development and the Owner shall bear the reasonable legal and professional fees of the parties to the transfer(s) and any SDLT costs of the transfer (s).

  - 2.1.3 on completion of such SUDS Transfer to pay to the Council the relevant proportion of the SUDS Commuted Sum (such proportion being calculated by reference to the area of the land being transferred against the total area of the SUDS Land within the Application Site) and the quantum of such commuted sum shall be agreed between the Owner and the Council prior to the date of transfer based on the details set out in the approved SUDS Specification and the Council will covenant in the transfer to thereafter maintain the SUDS in accordance with the Maintenance Scheme.

3. Where the Council elects not to accept the offer of the transfer of the SUDS Land to it the Council shall be entitled to notify the Owner in writing of an SUDS Alternative Body to whom the Council elects that the offer to transfer the SUDS Land should be made by the Owner PROVIDED THAT the Council shall notify the Owner in writing of any proposed election of a SUDS Alternative Body at any time before the date 20 Working Days after the receipt of the notice served pursuant to paragraph 1 of this Part 7 AND PROVIDED FURTHER THAT if the Council shall not have elected an SUDS Alternative Body by the expiry of the said 20 Working Days it shall be deemed that the Council does not wish to elect an SUDS Alternative Body and that the Council will accept the transfer to it of the SUDS Land.
4. Where the Council has elected an SUDS Alternative Body and has notified the Owner before the expiry of the 20 Working Days the Owner shall forthwith write to the SUDS Alternative Body offering to transfer the Open Space Land and/or SUDS Land pursuant to the Open Space Land Transfer to the SUDS Alternative Body.
5. In the event that the SUDS Alternative Body accepts the offer to transfer the SUDS Land to it the Owner shall:
  - 5.1.1 following the issue or deemed issue of the SUDS Final Certificate in relation to the relevant part of the SUDS, execute and deliver to the SUDS Alternative Body the SUDS Transfer in respect of such part of the SUDS Land;
  - 5.1.2 the SUDS Transfer will take place either:
    - (a) as soon as practicably possible after the issue or deemed issue of the relevant SUDS Final Certificate in relation to the SUDS for the whole of the SUDS Land; or
    - (b) where individual SUDS Final Certificates are issued or deemed to have been issued in relation to various parts of the SUDS the transfer of the relevant SUDS Land on which the said SUDS have received a SUDS Final Certificate will occur as soon as practicably possible after the SUDS Final Certificate has been issued or deemed to have been issued in respect of the relevant SUDS

PROVIDED ALWAYS THAT the transfer(s) of the whole of the SUDS Land whether it occurs as a result of one or more transfers shall be completed prior to whichever shall be the first to occur of 75% of the Dwellings being Occupied or the bringing into use of the last building (being buildings other than those forming part of a Dwelling) constructed as part of the Development; and the Owner shall bear the reasonable legal and professional fees of the parties to the transfer(s) and any SDLT costs of the transfer(s)

  - 5.1.3 on completion of such SUDS Transfer to pay to the SUDS Alternative Body the relevant proportion of the SUDS Commuted Sum (such proportion being calculated by reference to the area of the land being transferred against the total area of the SUDS Land within the Application Site) and the quantum of such commuted sums shall be agreed between the Owner and the Council prior to the date of transfer based on the details set out in the approved SUDS Specification and the SUDS Alternative



Body will covenant in the transfer to thereafter maintain the SUDS in accordance with the Maintenance Scheme.

6. No more than 75% (seventy five percent) of the Dwellings shall be permitted to be Occupied or the last building (being buildings other than those forming part of a Dwelling) constructed as part of the Development shall be permitted to be brought into use (whichever shall be the first to occur) until such time as:

6.1 the whole of the SUDS Land has been offered to be transferred to either the Council or a SUDS Alternative Body; and

6.2 a SUDS Final Certificate has been issued or deemed to have been issued in relation to all parts of the SUDS.

#### 7. Owner's Obligations to Transfer

7.1 The Owner shall only transfer the SUDS Land to either:

(a) the Council, or

(b) a SUDS Alternative Body nominated by the Council.

FOR THE AVOIDANCE OF DOUBT neither the Council nor the SUDS Alternative Body is obliged in any event to take a transfer of the SUDS Land in the event the SUDS have not been constructed in accordance with the approved SUDS Specification or a SUDS Final Certificate has not been issued but at all times the Council or the SUDS Alternative Body must act reasonably and in good faith and the Council must not unreasonably resist the transfer of the SUDS Land to it.

8. Any dispute under Parts 6 or 7 of this Third Schedule shall be referred to arbitration in accordance with Clause 17 of this Deed.

9. Where neither the Council nor any SUDS Alternative Body nominated by the Council are willing to take a transfer of the SUDS Land the Owner may upon Occupation of 75% (seventy five percent) of the Dwellings transfer the SUDS to a Management Company.

10. The Owner covenants to transfer the SUDS to a Management Company on the basis that one of its primary objectives is to maintain and manage the SUDS to the reasonable satisfaction of the Council

## Fourth Schedule

### The Owner's Covenants With The County Council

#### Part 1

#### Financial Contributions

#### The Owner Covenants With The County Council As Follows: Education Contribution

1. To pay 10% of the Education Contribution to the County Council upon Commencement of Development, to pay 50% of the Education Contribution prior to occupation of 30% of the Dwellings and to pay the remaining 40% of the Education Contribution to the County Council prior to the Occupation of 60% of the Dwellings

#### Libraries Contribution

2. To pay the Libraries Contribution to the County Council prior to Occupation of 50% of the Dwellings

#### Sustainability Travel Pack

3. Prior to or on the Commencement of Development to pay the Sustainability Travel Pack Contribution to the County Council

#### Bus Service Contribution

4. To pay the Bus Stop Contribution to the County Council prior to Occupation of 50% of the Dwellings

#### Cycle Link Contribution

5. To pay the Cycle Link Contribution to the County Council prior to Occupation of the Dwellings.

#### Highways Contribution

6. To pay the Highways Contribution to the County Council prior to Occupation of the Dwellings.

#### Rights of Way Contribution

7. To pay the Rights of Way Contribution to the County Council prior to Occupation of the Dwellings

# FIFTH SCHEDULE

## THE COUNCILS AND COUNTY COUNCILS COVENANTS

### PART 1 Council's Covenants

#### Repayment of contributions

- 1 The Council hereby covenants with the Owner to use all sums received from the Owner under the terms of this Deed for the purposes specified in this Deed for which they are to be paid or for such other purposes for the benefit of the Development as the Owner and the Council shall reasonably agree PROVIDED THAT such purposes comply with Regulation 122 of the Community Infrastructure Levy Regulations 2010.
- 2 The Council covenants with the Owner that it will pay to the Owner such amount of any payment made by the Owner to the Council under this Deed which has not been expended or committed in accordance with the provisions of this Deed within ten years of the date of receipt by the Council of such payment.
- 3 The Council shall provide to the Owner such evidence, as the Owner shall reasonably require in order to confirm the expenditure of the sums paid by the Owner under this Deed PROVIDED THAT such request shall be made in writing to the Council's Head of Development Services where the sum relates to open space provision or the Housing Strategy Manager where the sum relates to affordable housing.

#### Discharge of obligations

- 4 At the written request of the Owner the Council shall provide written confirmation of the discharge of the obligations contained in this Deed when satisfied that such obligations have been performed.

### Part 2

#### County Council's Covenants Repayment of contributions

- 1 The County Council hereby covenants with the Owner to use all sums received from the Owner under the terms of this Deed for the purposes specified in this Deed for which they are to be paid or for such other purposes for the benefit of the Development as the Owner and the County Council shall reasonably agree PROVIDED THAT such purposes comply with Regulation 122 of the Community Infrastructure Levy Regulations 2010.
- 2 The County Council covenants with the Owner that it will pay to the Owner such amount of any payment made by the Owner to the County Council under this Deed which has not been expended or committed in accordance with the provisions of this Deed within ten years of the date of receipt by the County Council of such payment.

- 3 The County Council shall provide to the Owner such evidence, as the Owner shall reasonably require in order to confirm the expenditure of the sums paid by the Owner under this Deed PROVIDED THAT such request shall be made in writing to the County Council's Infrastructure Delivery Manager.

#### Discharge of obligations

- 4 At the written request of the Owner the County Council shall provide written confirmation of the discharge of the obligations contained in this Deed when satisfied that such obligations have been performed.

### Sixth Schedule

#### Indexation

- 1 In this Schedule:

- 1.1 "Relevant Index" means:

- 1.1.1 In respect of the, the All Terms Retail Prices Index published by the Office of National Statistics contained in the Monthly Digest of Statistics (or contained in any official publication substitution therefor) or such other index as may from time to time be published in substitution therefor or if for any reason the index shall be abolished there shall be substituted for the purposes of this Schedule such index of food price costs (including the altered All Items Retail Prices Index) as may from time to time be published by or under the authority of any Ministry or Department of her Majesty's Government and if no such index is published the parties thereto shall endeavour to agree such other index as shall most closely reflect changes in the costs of living; and
- 1.1.2 In the case of the, the All in Tender Price Index of Buildings Cost Information Services ("BCIS") as published by the Royal Institute of Chartered Surveyors ("RICS") or in the event that the RICS shall change the basis of compilation or cease to compile or publish the said Index such other Index as the parties hereto shall agree or in default of agreement such index as shall be determined by the Arbitrator appointed by the President of the RICS of the purposes of this Deed in all cases to ensure as nearly as possible that the sum of money involved shall fluctuate in accordance with the general level of the building industry costs.
- 1.1.3 In the case of the, the Baxter Index which is the Department of Transport Local Government and the Regions Monthly Bulletin of Indices-Civil Engineering Formula 1990 Series to be weighed in the proportions Labour and Supervision 25% Plant and Road Vehicles 25% Aggregate 30% and Coated Macadam and Bitumen Products 20%

- 1.2 "Base Index Date" means the date of the grant of Planning Permission or such other date in respect of a particular sum as may be specified in this Deed with particular reference to Clause 13

hereof in respect of sums not fixed in this Deed but remaining to be agreed or determined at a later date.

- 1.3 **"Base Index Figure"** means the figure published in respect of the Relevant Index immediately prior to the Base Index Date
- 1.4 **"Final Index Date"** means the figure published or otherwise agreed or determined in respect of the Relevant Index immediately prior to the respective dates upon which the Contributions are paid.
- 2 The Contributions shall be increased to such sum if any in pounds sterling as shall be equal to the sum calculated according to the following formula:

Increased Sum = A

x

C

B

Where "A" equals the Contribution  
"B" equals the Base Index Figure  
"C" equals the Final Index Figure

- 3 If after the Base Index Date there should be any change in the Base Index Figure by reference to which changes in the Relevant Index are calculated, the figure taken to be shown in the Relevant Index after such change shall be the figure which would have been shown in the Relevant Index if the said Base Index Figure had been retained and the appropriate reconciliation shall be made.
- 4 If any substitution for the said All Items Retail Prices Index or the BCIS Index or Baxter Index or any index previously substituted therefor shall occur the parties hereto shall endeavour to agree the appropriate reconciliation between the Relevant Index substituted on the one hand and the All Items Retail Prices Index or the BCIS Index or Baxter Index or any index previously substituted therefor on the other hand.

Seventh Schedule

Mortgagee In Possession

1. The covenants contained in this Deed shall not be binding on a mortgagee or chargee or receiver appointed by the mortgagee or chargee (or administrative receiver) which shall have the benefit of a legal mortgage or charge secured against any of the Affordable Housing Units ("the Mortgaged Properties") or any person who shall derive title directly or indirectly from such mortgagee or chargee or receiver (or administrative receiver) appointed by the mortgagee or chargee ("the Mortgagee") (except in the case of a purchaser which is a Registered Provider of Social Housing) PROVIDED THAT the following procedure shall have been followed in all respects:
- 1.1 The Mortgagee acting pursuant to an event of default shall:
- 1.1.1 first serve written notice on the Council's Head of Housing Services of its intention to seek possession of the Mortgaged Properties no less than seven days prior to the commencement of such action.

- 1.1.2 at the time it commences such action send copies of any notices or other documents served in relation to such action to the Council's Head of Housing Services.
- 1.1.3 use its reasonable endeavours to the reasonable satisfaction of the Council's Head of Housing Services over a period of 12 weeks from the date on which it serves notice pursuant to paragraph 1.1.1. to dispose of the Mortgaged Properties to a Registered Provider of Social Housing approved in writing by the Council (such approval not to be unreasonably with-held or delayed) on terms which are reasonable in all respects to enable the same to be used for the purposes specified in this Deed and for a consideration determined in accordance with paragraph 7 below.

- 2 If the Mortgagee is unable within the said period of 12 weeks to dispose of the Mortgaged Properties in accordance with paragraph 1.1.3 and the Council shall have certified in writing that it is satisfied that the Mortgagee has complied with paragraph 1.1.3 (or the Mortgagee has issued a Deemed Certificate) then the Mortgagee shall be entitled to sell or otherwise dispose of the Affordable Housing Units as Open Market Dwellings free from all obligations or restrictions insofar as they relate to the use and occupation of the Affordable Housing
- 3 The Mortgagee shall provide written progress reports to the Council showing the steps it has taken to comply with Paragraph 1.1.3 above at 4, 8, 10 and 12 weeks from the date on which it served notice pursuant to paragraph 1.1.1. Such reports shall include:-
- 3.1. The names addresses and contact details of the registered providers of social housing which it has approached with a view to disposing of the Mortgaged Properties.
- 3.2 Any valuation of the Mortgaged Properties carried out at that time on the behalf of the Mortgagee.
- 3.3. Details of any part played by the Regulator of Social Housing and the details of the contact at the Regulator of Social Housing
- 3.4 Any written offers made by a registered provider of social housing to purchase the Mortgaged Properties.
- 3.5 The acceptance by the Mortgagee of an offer made in accordance with sub paragraph 3.4 above.
- 3.6 Written consent authorising any registered provider of social housing which the Mortgagee has approached with a view to disposing of the Mortgaged Properties and the Regulator of Social Housing to disclose the details of any confidential negotiations relating to such disposal to the Council.
- 3.7 Any other information relating to the disposal of the Mortgaged Properties that the Mortgagee considers appropriate

- 4 The Council shall within 14 days of the expiry of the 12 week period provided for in paragraph 2 above deliver to the Mortgagee a certificate stating whether or not the Mortgagee has complied with the provisions of paragraph 1.1.3. In the event that the Council certifies that the Mortgagee has not complied with the provisions of paragraph 1.1.3 such certificate will state what steps the Mortgagee must take to secure such compliance. If the Council has not delivered the above certificate to the Mortgagee within the above period of 14 days (or the arbitrator referred to in paragraph 6 below confirms that the Mortgagee has complied with the provisions of paragraph 1.1.3) the Mortgagee shall be entitled to certify that it has complied with paragraph 1.1.3 ("The Deemed Certificate ") and such certificate shall operate as a deemed certificate of satisfaction for the purposes of paragraph 2
- 5 Paragraph 4 above shall not prevent the Council from delivering to the Mortgagee a certificate stating whether or not the Mortgagee has complied with the provisions of paragraph 1.1.3 at any time following 4 weeks from the date that the Mortgagee served the notice pursuant to paragraph 1.1.1.
- 6 In the event that the Council has delivered a certificate in accordance with paragraph 4 above and there is a dispute between the parties in relation to whether the Mortgagee has complied with the provisions of paragraph 1.1.3 then either party may elect to refer such dispute to be determined by arbitration by a person appointed by the President for the time being of the Law Society
- 7 The consideration in accordance with paragraph 1.1.3 above shall be determined subject to any leases or tenancies subsisting the amount of such consideration to be agreed between the Registered Provider of Social Housing and the Mortgagee and failing such agreement to be determined by a Member of the Royal Institution of Chartered Surveyors acting as an expert and not as an arbitrator to be appointed by joint agreement of the parties or in default of agreement on application by either party by the President for the time being of the Royal Institution of Chartered Surveyors (the cost of his appointment and acting to be met by the parties in equal shares) and for the avoidance of doubt such consideration shall not be less than the amount due and outstanding to the Mortgagee under the terms of the mortgage or charge including all principal monies interest and costs and expenses incurred by the Mortgagee in respect of the mortgage or charge
8. Provided that at all times the rights and obligations in this Seventh Schedule shall not require the Mortgagee to act contrary to its duties under the charge or mortgage

## Eighth Schedule

### The Housing Contribution

1. The Housing Contribution shall be a sum equivalent to the lower of the actual build costs of the Affordable Housing Units as demonstrated by the Owner on an open-book basis or a valuation-based estimate of the build-costs of the Affordable Housing Units to be carried out by the Valuation Office Agency and based upon a number of units calculated in accordance with Paragraph 5.15 of the Affordable Housing SPD and which shall be applied by the Council towards the provision of Affordable Housing within Warwick District and Part 1 of the Fifth Schedule shall apply in respect of the repayment of this contribution.

2. Where there is a dispute regarding the amount of the Housing Contribution then such dispute may be referred to arbitration in accordance with Clause 17 of this Deed.

## Ninth Schedule

### Transfer Of The Open Space

1. The Owner shall transfer ownership of the Public Open Space (excluding highway related land or engineering / land drainage functions of SUDS/ balancing ponds) to the Council in accordance with the requirements set out below:
2. The Public Open Space is transferred with vacant possession free from any encumbrances on completion.
3. The Owner shall transfer with Full Title Guarantee.
4. The Owner shall ensure that the Council has the right to access the Public Open Space from the public highway to enable the land to be maintained
5. The National Conditions of Sale (20th Edition) shall be deemed to be incorporated so far as they are not inconsistent with the provisions of these conditions.
6. Title should be deduced in accordance with the Land Registration Act 2002. The purchase price is nil consideration.
7. In the transfer of the Open Space Land to the Council the Council will covenant with the transferor for themselves and their successors in title that the same will run with and bind the land into whosoever hands the same may pass:
8. Not to develop the Open Space Land or any part thereof for any purpose whosoever save for the erection of non-commercial buildings ancillary to its recreational purposes to the intent that it shall remain in perpetuity as Public Open Space for the enjoyment of the general public
9. To maintain the Open Space Land in reasonable condition to a reasonable standard and conforming to good horticultural practice.

IN WITNESS whereof the parties hereto have executed this Deed on the day and year first before written.

THE COMMON SEAL OF WARWICK DISTRICT COUNCIL )  
was affixed in the presence of: )

Authorised Signatory:

THE COMMON SEAL OF WARWICKSHIRE COUNTY COUNCIL )  
was affixed in the presence of: )

Authorised Signatory:

EXECUTED AS A DEED by \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 in the presence of: \_\_\_\_\_ )

Director:

Director/Secretary:


EXECUTED AS A DEED )  
 )  
In the presence of:- )





**Warwick District Council**  
**Riverside House**  
**Milverton Hill**  
**Royal Leamington Spa**  
**CV32 5HZ**



 <b>EXECUTIVE</b> <b>13 July 2020</b>		<b>Agenda Item No.</b> <b>5</b>
<b>Title</b>	Significant Business Risk Register	
<b>For further information about this report please contact</b>	Richard Barr Audit & Risk Manager Tel: 01926 456815 email: <a href="mailto:richard.barr@warwickdc.gov.uk">richard.barr@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	12 February 2020 – Executive	
<b>Background Papers</b>	Minutes of Senior Management Team	
<b>Contrary to the policy framework:</b>	No	
<b>Contrary to the budgetary framework:</b>	No	
<b>Key Decision?</b>	No	
<b>Included within the Forward Plan? (If yes include reference number)</b>	No	
<b>Equality Impact Assessment Undertaken</b>	No (N/A: no direct service implications)	

Officer/Councillor Approval		
With regard to report approval all reports <u>must</u> be approved as follows		
Title	Date	Name
Chief Executive/Deputy Chief Executive	29 June 2020	Chris Elliott
Head of Service	29 June 2020	Mike Snow
CMT	29 June 2020	CMT
Section 151 Officer	29 June 2020	Mike Snow
Monitoring Officer	29 June 2020	Andrew Jones
Finance	29 June 2020	As S151 Officer
Portfolio Holder(s)	29 June 2020	Councillor Andrew Day
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below) N/A		

## 1 **Summary**

- 1.1 This report sets out the latest version of the Council's Significant Business Risk Register for review by the Executive. It has been drafted following a review by the Council's Senior Management Team and the Leader of the Council.

## 2 **Recommendations**

- 2.1 That Executive should review the Significant Business Risk Register attached at Appendix 1 and consider if any further actions should be taken to manage the risks facing the organisation.
- 2.2 That Executive should note the emerging risks identified in section 10 of this report.

## 3 **Reason for the Recommendations**

- 3.1 This report seeks to assist members fulfil their role in overseeing the **organisation's risk management framework. A very useful source of guidance on the responsibilities of members and officers with regard to risk management came from the Audit Commission in its management paper, "Worth the risk: improving risk management in local government":**

**"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:**

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- **approve the council's** policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the chief executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate **aspects of risk management in their area of responsibility."**

## 4 Policy Framework

### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities.	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB.	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels.
<b>Impacts of Proposal</b>		
<p>The Significant Business Risk Register is based on the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of risk in an organisation; risk issues need to be discussed and debated and mitigation put in place, in order to prevent them materialising. It does not mean, however, that all risks recorded are immediately impending or are likely to happen. Paradoxically, to not debate risks is to help them more likely to materialise.</p> <p>It is worth members re-apprising themselves of the basis on which risks are scored in relation to likelihood and impact – see Appendix 3. The probability of a risk being realised, and how many times it might happen, is assessed over a number of years, not as if it is going to happen tomorrow.</p>		

<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting

All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours.	Increase the digital provision of services.	Continued cost management Maximise income earning opportunities Seek best value for money.
<b>Impacts of Proposal</b>		
Although there are no direct policy implications, risk management is an essential part of corporate governance and will be a major factor in helping to achieve the above outcomes.		

#### 4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

#### 4.3 **Changes to Existing Policies**

This section is not applicable but it should be noted that if the report on a Strategic Business Plan elsewhere on this Executive agenda is agreed then the SBRR may need to be amended to reflect the contents of that eventual Plan.

#### 4.4 **Impact Assessments**

This section is not applicable.

### 5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

### 6 **Risks**

- 6.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with a weak risk management process.

### 7 **Alternative Options Considered**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

### 8 **Background**

- 8.1 The Significant Business Risk Register (SBRR) records all significant risks to the **Council's operations, key priorities, and major projects. Individual services also have their own service risk registers.**



- 8.2 **The SBRR is reviewed quarterly by the Council's Senior Management Team and the Council Leader and then, in keeping with members' overall responsibilities** for managing risk, by the Executive. The latest version of the SBRR is set out as Appendix 1 to this report.
- 8.3 A summary of all the risks and their position on the risk matrix, as currently assessed, is set out as Appendix 2.
- 8.4 The assessments of risk are judgemental, being based on an assessment of the likelihood of something occurring and the impact that might have. Appendix 3 sets out the guidelines that are applied to assessing risk.
- 8.5 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour (e.g. on-line), the former set of risks would be within the area shaded red, whilst the latter would be within the area shaded green; the mid-range would be seen as yellow.

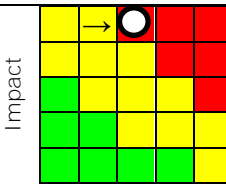
## 9 **Recent Movements in Risk**

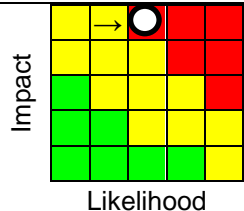
- 9.1 Senior Management Team has undertaken a major review of the SBRR in light of the ongoing pandemic. Nearly all of the risks identified in the register have been impacted by the consequences of the virus. Whilst there is still a great deal of uncertainty about the outcome, it is clear that the Council will need to review the way it has responded to events and develop an action plan to enhance its response should there be a similar scenario in the future.

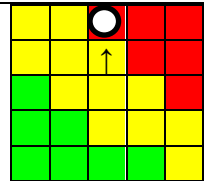
## 10 **Emerging Risks**

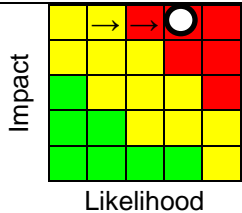
- 10.1 As part of the process of assessing the significant business risks for the Council, some issues have been identified which at this stage do not necessarily represent a significant risk, or even a risk at all, but as more detail emerges may become one. These have been mentioned in previous reports but as their status has not changed they are included again for completeness.
- Funding – at the time of writing, the Government is considering what further financial support it can offer to Councils following the imposition of Lockdown. The outcome of these deliberations will largely govern the **Council's approach to service delivery and community support and** development going forward.
  - Brexit – **already recognised as a potential trigger to some of the Council's** existing risks, this issue will be kept under review so that as details **emerge of exactly what the Country's new trade and political** relationships may mean, generally for local government and specifically **for this Council, the implications for the Council's risk environment can be** considered further.

## Significant Business Risk Register

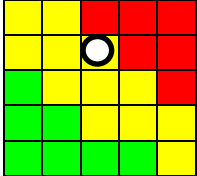
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Performance Management Risks</b>				
1. Fit for the Future Change Programme not managed appropriately/effectively.	<p>Poor organisational communication.</p> <p>Conflicting priorities and priorities increasing in number.</p> <p>Unable to dedicate appropriate resources due to the impact on existing services.</p> <p>Poor management.</p> <p>Ineffective use of project management or systems thinking.</p> <p>Lack of funding.</p> <p>Business Strategy can't be agreed due to no overall political control.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Reduced service levels.</p> <p>Non or reduced achievement of objectives.</p> <p>Adverse financial impacts.</p> <p>Reputational damage.</p> <p>Demoralised and demotivated staff.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Project prioritisation. (SMT)</p> <p>SMT are Programme Board. (SMT)</p> <p>Fit for the Future change programme and associated governance arrangements. (SMT)</p> <p>Budget monitoring process. (HoF)</p> <p>Clear communications, Staff Focus Group. (SMT)</p> <p>People Strategy Action plan. (SMT)</p> <p>Strong leadership to ensure priorities are managed to a deliverable level. (SMT)</p> <p>Securing additional resources to support existing service provision. (CMT)</p> <p>Projects drawn up within RIBA framework. (SMT)</p> <p>Business Strategy agreed by Members and appropriately managed (CMT).</p> <p><b>Commercial investment strategy to be developed and reported to Executive – Date tbc DCX (BH)</b></p> <p><b>Service Transformation Work Programme to be developed and reported to Executive – Date tbc DCX(AJ)</b></p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	 <p>Impact</p> <p>Likelihood</p>

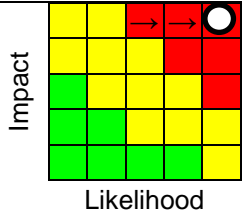
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Performance Management Risks (Cont.)</b>				
2. Risk of sustained service quality reduction.	<p>Shortage of staff resources and staff skills and knowledge.</p> <p>Staff skills and resources diverted to service redesign proposals as part of delivering Fit For the Future and other emerging corporate priorities.</p> <p>Cannot afford cost of maintaining service quality.</p> <p>Partners such as WCC make service cuts.</p> <p>Health pandemic e.g. Corona Virus.</p> <p>Contractor failure.</p> <p>Unplanned termination of contract by contractor.</p> <p>Housing numbers not achieved.</p> <p>Increase in Members' and Citizens' expectations.</p> <p>Greater demand on services from increases in the population as well as societal, technological and legislative changes.</p> <p>Changes in members' and citizens' expectations.</p> <p>Lack of funding for Climate Change Action Plan.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Poor customer service and reductions in income.</p> <p>Lack of direction with critical projects and services being compromised.</p> <p>Public lose confidence in Council's ability to deliver.</p> <p>Demoralised and de-motivated staff.</p> <p>Additional costs attached to re-procuring contract, including legal fees.</p> <p>Loss of New Homes Bonus.</p> <p>Failure to adapt to 'New Normal' caused by climate change.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Effective Management of Change Programme. (CMT)</p> <p>Agreeing additional resources where service quality is reduced. (CMT)</p> <p>Strong leadership to manage priorities to a deliverable level. (SMT)</p> <p>Effective vacancy control. (SMT)</p> <p>Service Reviews. (SMT)</p> <p>Workforce Planning. (SMT)</p> <p><del>Launch of employee branding and recruitment package (July 2017) developed by Workforce Steering Group. (HR Manager)</del> Erstwhile information.</p> <p>Effective contract management supported by appropriate legal support. (SMT)</p> <p>Enhanced Performance Management System. (SMT)</p> <p><del>Corporate Workforce Steering Group project completed in respect of salary review, and impact of National Living Wage. (HR Manager)</del> Erstwhile information.</p> <p><del>Corporate Workforce Steering Group project ongoing in respect of Apprenticeships. (HR Manager)</del> Erstwhile information.</p> <p><b>Ongoing identification of where pressure points are and development of action plans as part of the Business Strategy review.</b> Erstwhile information.</p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	 <p>Impact</p> <p>Likelihood</p>

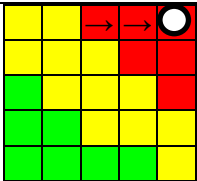
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Performance Management Risks (Cont.)</b>				
3. Risk of major contractor going into administration or deciding to withdraw from the contract.	<p>Poor procurement of contractor.</p> <p>Poor contract management.</p> <p>Poor management of company.</p> <p>External factors.</p> <p>State of economy (including Brexit factors).</p> <p>Introduction of Living Wage.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Reduced service levels.</p> <p>Non or reduced achievement of objectives.</p> <p>Adverse financial impacts.</p> <p>Reputational damage.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Properly procured contracts. (SMT)</p> <p>Active contract management supported by appropriate legal support. (SMT)</p> <p>Business Continuity Plan. (SMT)</p> <p>Soft market testing as appropriate. (SMT)</p> <p>Parent Company Guarantees being monitored. (SAMS)</p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	<p>Impact</p>  <p>Likelihood</p>

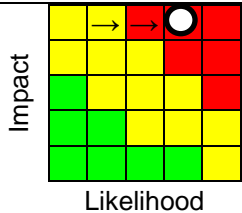
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Corporate Governance Risks</b>				
4. Risk of corporate governance arrangements not maintained effectively.	<p>Ineffective political and senior management leadership.</p> <p>Complacent attitudes.</p> <p>Delays in making, or failure to make, key decisions by Council Members.</p> <p>Breakdown of member-officer relationships.</p> <p>Election of new members that may lack relevant experience and/or knowledge of local government.</p> <p>Delays in making decisions due to no overall political control.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Breakdown in internal controls leading to: non-achievement of objectives; high volumes of staff, customer, and contractor fraud; and loss of reputation.</p> <p>Decision-making open to less officer and member scrutiny.</p> <p>Decision-making postponed as organisation is not properly prepared.</p>	<p>Council's constitution. (DCE(AJ))</p> <p>Council's strategies and policies, including Code of Financial Practice and Code of Procurement Practice. (SMT)</p> <p>Strong scrutiny arrangements. (SMT)</p> <p>Effective internal audit function. (HoF)</p> <p>Annual Governance Statement. (DCE(AJ))</p> <p>Codes of Conduct. (Members)</p> <p>Effective Political Group discipline. (Group Leaders)</p> <p>Councillor training (CMT)</p> <p>New Member/Officer Protocol introduced. (DCE(AJ))</p> <p>Local Code of Corporate Governance adopted. (DCE(AJ))</p> <p>CMT/Group Leaders meetings.</p> <p><b>Governance review being undertaken involving all Council Members – September 2020.</b></p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	<p>Impact</p>  <p>Likelihood</p>

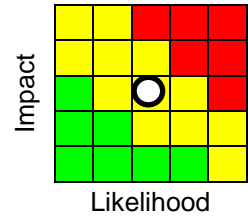
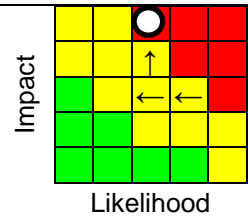


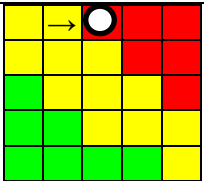
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Human Resources Risks</b>				
5. Risk of staff not developed effectively.	<p>Ineffective workforce strategies.</p> <p>Not managing staffing resources efficiently and effectively.</p> <p>Possible insufficient training budget.</p>	<p>Disruption to Council services – staff cannot undertake level or volume of work to meet all priorities.</p> <p>Poor customer service.</p> <p>‘Industrial’ action.</p> <p>Unable to meet statutory requirements.</p> <p>The potential of staff is not fulfilled.</p>	<p>Link to People Strategy. (SMT)</p> <p>New Management Framework. (HR)</p> <p>Workforce planning through Service Area Plans. (SMT)</p> <p>Service Area Training Matrices in place to feed into Corporate Training Plan. (SMT/HR)</p> <p>Regular training budget reviews in Workforce Steering Group. (WSG)</p> <p>Appropriate use of external resources. (SMT)</p> <p>Learning &amp; Development Guide including Management programme. (WSG)</p> <p><del>To develop a response to the Gender Pay Gap Report. (SMT)</del> Replaced as below:</p> <p><b>Actions to be agreed as part of Gender Pay Gap Report (SMT – Sept 2020)</b></p>	<p>Impact</p>  <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Financial Management Risks</b>				
6. Risk of insufficient finance to enable the council to meet its <del>service area plan</del> <b>business plan strategy</b> objectives (including insufficient reduction in operational costs).	<p>Poor financial planning.</p> <p>Unexpected loss of income and/ or increase in expenditure.</p> <p>FFF Projects do not achieve sufficient savings.</p> <p>Reset of Revenue Grant.</p> <p>Business Rate Retention.</p> <p>Council Tax income base reducing.</p> <p>National Economy declines.</p> <p>Local economy declines</p> <p>Tightening of Government fiscal policy.</p> <p>Changes to Government Policy.</p> <p>Reduced Government grants.</p> <p>Demographic changes.</p> <p>Focus on FFF priorities which compromise existing service delivery.</p> <p>Weak financial planning and forecasts.</p> <p>External competition.</p> <p>Member decision making.</p> <p>Council policy framework not conducive to enterprise development.</p> <p>Increased contract costs (from intro of National Living Wage)</p> <p>Housing numbers not achieved.</p> <p>Delay in fair funding review.</p> <p>Inability to agree suitable funding proposals to allow HQ relocation project to move to Phase 2 – project delivery.</p> <p>Inability to agree suitable funding proposals to allow the HQ relocation project to move to Stage 2 (delivery phase).</p> <p>Changes to funding proposals for existing schemes.</p> <p>Climate Emergency Declaration.</p> <p><b>Unfavourable Referendum result.</b></p> <p><b>Major shock to the organisation due to a significant adverse national or international event</b></p>	<p>Forced to make large scale redundancies.</p> <p>Forced to make urgent decisions without appropriate planning.</p> <p>Forced to make service cuts.</p> <p>Increased costs.</p> <p>Fines/penalties imposed.</p> <p>Landlord service becomes unviable and/or the condition of the housing stock reduces its utility and value.</p> <p>Loss of New Homes Bonus.</p> <p>Reduction in reputation.</p> <p>Unable to meet statutory requirements.</p> <p>Failure to deliver carbon-neutral objectives by 2025.</p> <p><b>Organisation ill-prepared to deal with impact on finances, service delivery and staff</b></p>	<p>Codes of Financial Practice and Procurement Practice. (HoF)</p> <p>Effective internal audit function. (HoF)</p> <p>External audit of financial accounts. (HoF)</p> <p>Effective management of FFF Projects. (SMT)</p> <p>All projects accompanied with robust financial appraisals and programme forecasts that allow the Council to understand projected funding requirements. (HoF)</p> <p>Council's constitution. (DCE(AJ))</p> <p>Financial training. (HoF)</p> <p>Robust financial planning and a Medium Term Financial Plan that can accurately forecast income and expenditure. (HoF/SMT)</p> <p>Code of Financial Practice Training. (HoF)</p> <p>Plan in place to make savings as to meet the anticipated budget shortfall. (HoF/SMT)</p> <p>Ongoing monitoring and future reports of existing assumed savings – e.g. leisure programme, office move, terms &amp; conditions review. (SMT).</p> <p>Changes to funding proposals for existing projects.</p> <p><b>Business Strategy agreed by Members and appropriately managed (CMT).</b></p> <p><b>Commercial investment strategy to be developed and reported to Executive – Date tbc DCX (BH)</b></p> <p><b>Service Transformation Work Programme to be developed and reported to Executive – Date tbc DCX(AJ)</b></p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p> <p><b>Budget Review Report to be considered at September Executive (HoF)</b></p>	 <p>Impact</p> <p>Likelihood</p>

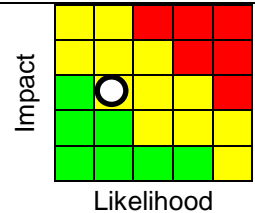
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Financial Management Risks (Cont.)</b>				
7. Risk of additional financial liabilities.	<p>Risk of revenue implications of capital schemes not being fully identified.</p> <p>Risk of loss or delay of capital receipts.</p> <p>Risk of increase in superannuation fund contributions.</p> <p>Uninsured loss.</p> <p>Risk of Medium Term Financial underestimating future revenue income and expenditure (including capital)</p> <p>Legal challenge e.g. relating to a planning development.</p> <p>Major health epidemic e.g. Corona Virus.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Greater level of savings to be sought.</p> <p>Forced to make sub-optimum and short term decision without proper planning.</p> <p>Reduced levels of service.</p> <p>Payment of compensation.</p> <p>Failure to deliver service.</p> <p>Contractual disputes.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Fit for the Future change programme. (CMT)</p> <p>Service Area and Project Risk Registers. (SMT)</p> <p>Project Management. (SMT)</p> <p><b>Development of Corporate Asset Management Strategy and an accompanying Action Plan covering all General Fund and HRA assets has been approved (scheduled for October 2019).</b> (ASG)</p> <p><b>Maintenance of a comprehensive built asset database. (AM)</b></p> <p>More effective financial planning and scenario analysis. (HoF)</p> <p>Regular monitoring of Fit for the Future. (SMT)</p> <p>Legal advice on projects. (SMT)</p> <p>Projects drawn up within RIBA framework. (SMT)</p> <p>Reserves used to smooth impact of fluctuations in income. (HoF)</p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	<p>Impact</p>  <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Financial Management Risks (Cont.)</b>				
8. Risk of not obtaining potential income sources.	<p>Ineffective management. Complacency. Lack of resources to investigate. Other priorities.</p> <p>Partner changing priorities.</p> <p>Income opportunities diminished due to significant adverse national or international event</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>More loss-making or subsidised services. Reduced income for the Housing Revenue Account that could compromise banking covenants.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>FFF Programme. (SMT)</p> <p>Effective fees and charges schemes. (HoF)</p> <p>Communications &amp; Marketing Strategy. (SMT)</p> <p>Regular reviews of financial forecasts to ensure income projections are up to date. (HoF)</p> <p>Secure additional resources to ensure existing services are not impacted as a result of a focus on FFF/corporate priorities. (HoF)</p> <p>Ongoing engagement with the CWLEP to ensure future funding opportunities are understood and assessed. (CMT)</p> <p>Engagement of appropriate advice to enable opportunities to remodel the Council's non-operational asset base to be assessed. (DCE(BH))</p> <p>DCN Income Generation and Commercialisation Review undertaken (HoF)</p> <p><b>Business Strategy 2019-2023 Paper on External Funding Opportunities.</b></p> <p><b>Commercial investment strategy to be developed and reported to Executive – Date tbc DCX (BH)</b></p> <p><b>Service Transformation Work Programme to be developed and reported to Executive – Date tbc DCX(AJ)</b></p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	

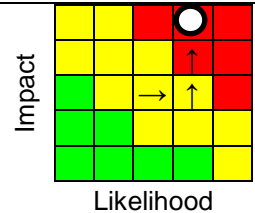
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Procurement Risks</b>				
9. Risk of improper procurement practices and legislative requirements not being complied with.	Weak governance arrangements. Ineffective procurement. Poor procurement function.	Reduced levels of service provision. Increased costs. Fines/penalties imposed.	Codes of Financial Practice and Procurement Practice. (HoF) Training of staff. (HoF/SMT) Monitoring of departmental procurement. (SMT) Procurement Strategy (incl. action plan). (HoF) Code of Procurement Practice and related documents updated. (HoF) WCC Procurement Team and WCC Legal Team providing additional support and expertise. (SMT)	
<b>Partnership Risks</b>				
10. Risk of partnerships not delivering stated objectives.	Poor management. Failure to apply a robust process for entering into partnerships. Lack of framework governing partnerships. Existing sub-regional partnerships disrupted or disbanded as a consequence of the regional focus resulting from the announcement of the West Midlands Combined Authority Major shock to the partnership due to a significant adverse national or international event	Required outcomes not achieved. Increased costs. Reduced level of service or failure to deliver service. Partnership ill-prepared to deal with impact on its objectives	Normal management arrangements. (SAMS SMT) Project Groups for significant services. (SMT) Involvement in and engagement with existing sub-regional partnerships such as CWLEP. (CMT) <b>Partnership arrangements to review impact of pandemic and consider if any specific actions are required. (SMT)</b>	

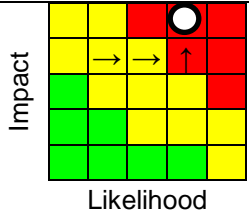
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Legal Risks</b>				
11. Risk of not complying with key legislation or legal requirements, including failure to protect data.	<p>Breakdown in governance.</p> <p>Bureaucratic mistake. For example – Not seeking legal advice; not implementing it; simply getting delivery wrong e.g. sending out wrong email.</p> <p>Lack of appropriate resources.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>External censure.</p> <p>Financial loss.</p> <p>Litigation.</p> <p>Financial sanctions/penalties</p> <p>Damage to reputation.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Constitution. (DCE(AJ))</p> <p>External legal advice. (DCE(AJ))</p> <p>Ongoing monitoring of all Executive recommendations. (DCE(AJ))</p> <p>Ongoing professional training. (SMT)</p> <p>Implementation of <del>new</del> arrangements to deal with GDPRs. (DCE(AJ))/SMT)</p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	<p>Impact</p>  <p>Likelihood</p>

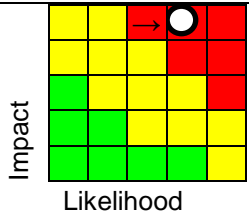


Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Information Management Risks</b>				
12. Risk of ineffective utilisation of information and communications technology.	Poor management of IT function. Lack of specialist staffing. Lack of finance. Poor training of new and existing staff on ICT systems. Poor data quality. Resistance to change from various stakeholders.	Costly services. Inefficient services. Poor customer service. Data disclosures.	ICT Strategy and Digital Transformation Strategy. (DCE(AJ)) Fully-resourced, effective and secure IT function. (DCE(AJ)) Training for staff. (DCE(AJ)) <del>Procurement of a Change Partner to work with SMT on the optimal use of ICT to support business processes in the lead up to the HQ relocation (ICT/HR/DCE (BH))</del> <b>HO relocation not proceeding as envisaged.</b> Monitoring of service plan and operational service reviews by SMT. (SMT)	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Information Management Risks (Cont.)</b>				
13. Risk of failure to protect information assets from malicious cyber-attack.	<p>Lack of staff training and awareness.</p> <p>Poor or ineffective countermeasures.</p> <p>Ineffective incident response plans.</p> <p>Inadequate penetration testing regime.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Reputational damage.</p> <p>Lost productivity.</p> <p>Recovery costs.</p> <p>Potential fines (ICO).</p> <p>Organisation ill-prepared to deal with impact on ICT systems</p>	<p>CESG approved penetration tests. (DCE(AJ))</p> <p>Patch Management Policy. (DCE(AJ))</p> <p>Anti-malware software, plus next generation AV- Intercept X. (DCE(AJ))</p> <p>Anti-malware strategy. (DCE(AJ))</p> <p>Anti-malware risk log. (DCE(AJ))</p> <p>Incident Management Policy &amp; Procedure. (DCE(AJ))</p> <p>Major Virus Response Procedure. (DCE(AJ))</p> <p>Electronic Information Backup Policy. (DCE(AJ))</p> <p>Introduction of multiple file servers to reduce target exposure and to speed up recovery (DCE(AJ))</p> <p>Introduction of temporary web site in the event of a major outage, reducing reputational damage. (DCE (AJ))</p> <p>e-learning solution (DCE (AJ))</p> <p>Next generation AV, including Intercepting Ransomware in place. (DCE(AJ))</p> <p>National Cyber security check now in place. (DCE(AJ))</p> <p><b>Implement Log Monitoring solution (DCE(AJ)) Completed</b></p> <p>Installation of Network Intrusion Detection/Intrusion Prevention solution.</p> <p>Adoption of Cloud services and infrastructure as appropriate (for example, MS Office365).</p> <p><b>Participate in LRF Programme central government questionnaire. (ICT) Survey now completed.</b></p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	<p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Asset Management Risks</b>				
14. Risk of failing to provide, protect and maintain Council-owned property (buildings and equipment).	<p>Poor management.</p> <p>Lack of finance.</p> <p>Ineffective asset management.</p> <p>Incomplete data on asset conditions.</p> <p>Lack of effective asset management planning.</p> <p>Insufficient resources to maintain assets.</p> <p>Inaction re multi-storey car parks.</p> <p>Failure of IT system.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Lack of a suitable and safe living or working environment for residents, staff and visitors.</p> <p>Sub optimum asset decisions that are poor value for money.</p> <p>Building closure.</p> <p>Closure of car parks with resultant loss of income.</p> <p>Organisation ill-prepared to deal with impact on its assets</p>	<p>Development of an Asset Strategy linked to Asset Database. (AM)</p> <p><b>Development of Corporate Asset Management Strategy and an accompanying Action Plan covering all General Fund and HRA assets has been developed. (scheduled for Sept-October 2019). (ASG)</b></p> <p><b>Maintenance of a comprehensive asset database. (AM)</b></p> <p>Overall strategic decisions regarding Council's corporate and HRA assets managed by multi-disciplinary Asset Strategy Group – chaired by Deputy Chief Executive. (DCE(BH))</p> <p>Establishment of a corporate compliance and delivery group reporting to the Asset Strategy Group (AM)</p> <p><b>Improvements to be made to end-to-end systems to manage electrical testing, asbestos management fire safety, gas servicing and Legionella monitoring through the new Assets Team structure. (AM)</b></p> <p>Ongoing work</p> <p>Appropriate systems to manage electric testing, gas servicing, asbestos management and removals, legionella testing, fire risks and health and safety assessments across all Council assets (AM/HoCP)</p> <p>Remodelling of Housing Investment Programme based on HRA stock condition survey. (AM/DCE (BH)/HoH)</p> <p>Having sufficient reserves to be able to respond to unexpected issues. (HoF)</p> <p>Completion of the review of the relocation project and proposed redevelopment of the Covent Garden site following the Executive decision not to pursue any future projects through the LLP. (AM)</p> <p><b>Review of the corporate asset planned maintenance programme's next 5-year tranche. (AM)</b></p> <p><b>Completion of the various elements of the Corporate Asset Management Strategy Action Plan (AM/HoH)</b></p> <p>Having appropriate structures to review compliance. (HoH&amp;CP) <b>SMT</b></p> <p>Fortnightly monitoring of multi-storey block improvement programme through Corporate Fire Safety Group (DCE(BH))</p> <p>Introduction of temporary web site in the event of a major outage, reducing reputational damage. (DCE (AJ))</p> <p>Financial planning for equipment and system renewal. (HoF)</p> <p>Mitigations set out in ICT Risk Register + debrief and action plan when problems have emerged.</p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	 <p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Emergency Response and Business Continuity Risks</b>				
15. Risk of a major incident not responded to effectively.	<p>Numerous causes including loss of ICT facilities/data, loss of staff, absence of effective BCP.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Partial or total loss of resources such as staff, equipment, systems.</p> <p>Major media engagement.</p> <p>Major disruption to all Council services.</p> <p>Possible legal action for damages.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Emergency plan reviewed every 6 months. (CMT)</p> <p>Business continuity plan reviewed every 6 months. (CMT)</p> <p>Ongoing training of councillors and officers named in MEP. (HoH&amp;CP)</p> <p>Review of the MEP, named officers within MEP, associated SOPs. Gaps identification and appropriate updating. (HoH&amp;CP)</p> <p>Operational testing and exercising of the MEP and vulnerability responses within Warwickshire. (HoH&amp;CP)</p> <p>Safety Advisory groups of events held within the district &amp; command and control centres for major district events. (HoH&amp;CP)</p> <p>Review completed of business continuity plans for service areas. The priorities contained within those plans to be consolidated Council-wide. (HoH&amp;CP)</p> <p>ICT Business Continuity contract, inc. annual off-site rehearsal. (ICT)</p> <p>Perimeter network protection (Firewall, 2 Factor Authentication, Spam filter, Antivirus, etc.), including penetration testing. (ICT)</p> <p>Backup and recovery procedures. (ICT)</p> <p>Provision of Counter Terrorism training. (HoH&amp;CP)</p> <p><del>Implement Log Monitoring solution (DCE(AJ))</del> <b>Completed</b></p> <p>Installation of Network Intrusion Detection/Intrusion Prevention solution.</p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	 <p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<b>Environmental Risks</b>				
<p>16. <del>Risk of climate change and environmental challenges not responded to effectively.</del></p> <p>Failure to meet District's ambition to be carbon neutral within specified timeframes.</p>	<p>Lack of expertise. Lack of finance. Failure to reduce carbon footprint. Failure to get a "Yes" vote in the Council Tax Referendum.</p> <p>Lack of support from partners / community / Government.</p> <p>Conflict between current govt. legislation guidance ambition.</p> <p>Loss of political unity / support.</p> <p>Lack of staff resource / capacity.</p> <p>Competing priorities e.g. addressing Coronavirus.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Budgetary impacts. Service changes required if long recovery phase. Loss of reputation and external censure. Disruption to services. Public health issues.</p> <p>Failure to adapt to 'New Normal' caused by climate change.</p> <p>Political consequences.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Actions included in Sustainability Action Plan. (HoH&amp;CP) e.g. electric vehicles, agile working arrangements, recycling, plastics policy, etc.</p> <p><b>Agreement of Delivery of</b> Business Strategy 2019-2023 and delivery of Climate Change Action Plan allowing members to determine extent of measures/projects to mitigate climate change and other environmental challenges that are to be included. (SMT)</p> <p><b>Climate Change Action Plan to be reviewed in light of postponed referendum. (PDCC)</b></p> <p>Procurement of professional consultancy support. (SMT)</p> <p><b>Report on Year 1 of Climate Change Action Plan.</b></p> <p><b>Climate Change Director appointed.</b></p> <p><b>Comprehensive review of the organisation's response to the pandemic with an action plan to be put in place (CMT)</b></p>	

## Key:

New narrative (since previous quarter)

Narrative transferred (since previous quarter)

~~Deleted narrative~~ (since previous quarter)

Control/mitigation that had been, in previous quarter, recorded as an action.

Comment

● = Current risk score

① ② etc = Previous risk scores

↑ → etc = trail (direction) of changes

AM	:	Assets Manager
CE	:	Chief Executive
CMT	:	Corporate Management Team
DCE(AJ)	:	Deputy Chief Executive and Monitoring Officer – Andrew Jones
DCE(BH)	:	Deputy Chief Executive – Bill Hunt
HoCS	:	Head of Cultural Services
HoDS	:	Head of Development Services
HoF	:	Head of Finance (and S151 Officer)
HoH	:	Head of Housing
HoH&CP	:	Head of Health & Community Protection
HoNS	:	Head of Neighbourhood Services
HR	:	Human Resources Manager
ICT	:	ICT Manager
SMT	:	Senior Management Team



## Summary of Significant Business Risks

APPENDIX 2

Consequences ↓	Probability of Occurrence				
	Low	Low-Medium	Medium	Medium-High	High
High			Risks 1, 2, 3, 10 & 11	Risks 4, 8, 13, 14, 15 & 16	Risks 6 & 7
Medium-High			Risks 5		
Medium			Risk 12	Risk 9	
Low-Medium					
Low					


## Methodology for assessing risk: Criteria for scoring residual risk rating

### Probability of Occurrence

Estimation	Description	Indicators
<b>5: High (Probable)</b>	Likely to occur each year (e.g. considered as more than 50% chance of occurrence in any year).	<ul style="list-style-type: none"> <li>Potential of it occurring several times within the specified period (for example - ten years).</li> <li>Has occurred recently.</li> </ul>
<b>4: Medium to High</b>	Apply judgement	Apply judgement
<b>3: Medium (Possible)</b>	Likely to occur during a 10 year period (considered as between 5% and 25% chance of occurrence in any year).	<ul style="list-style-type: none"> <li>Could occur more than once within the specified period (for example - ten years).</li> <li>Could be difficult to control due to some external influences.</li> <li>There's a history of occurrence</li> </ul>
<b>2: Low to Medium</b>	Apply judgement	Apply judgement
<b>1: Low (Remote)</b>	Not likely to occur in a 10 year period (considered as less than 2% chance of occurrence in any year).	<ul style="list-style-type: none"> <li>Has not occurred.</li> <li>Unlikely to occur.</li> </ul>

### Consequences

Estimation	Description
<b>5: High</b>	<ul style="list-style-type: none"> <li>Financial impact on the organisation is likely to exceed £500K</li> <li>Significant impact on the organisation's strategy or operational activities</li> <li>Significant stakeholder concern</li> </ul>
<b>4: Medium to High</b>	Apply judgement
<b>3: Medium</b>	<ul style="list-style-type: none"> <li>Financial impact on the organisation likely to be between £100K and £250K</li> <li>Moderate impact on the organisation's strategy or operational activities</li> <li>Moderate stakeholder concern</li> </ul>
<b>2: Low to Medium</b>	Apply judgement
<b>1: Low</b>	<ul style="list-style-type: none"> <li>Financial impact on the organisation likely to be less than £10K</li> <li>Low impact on the organisation's strategy or operational activities</li> <li>Low stakeholder concern</li> </ul>

 <b>Executive 13<sup>th</sup> July 2020</b>		<b>Agenda Item No.</b> <b>6</b>
<b>Title</b>	Final Accounts 2019/20	
<b>For further information about this report please contact</b>	Andrew Rollins andrew.rollins@warwickdc.gov.uk	
<b>Wards of the District directly affected</b>	None	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Full Council 26 February 2020 The Setting of the Council Tax for the Area of Warwick District Council 2020/21	
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes
<b>Equality Impact Assessment Undertaken</b>	N/A

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	02/07/20	Chris Elliot
Head of Service	02/07/20	Mike Snow
CMT		
Section 151 Officer	02/07/20	Mike Snow
Monitoring Officer	02/07/20	Andy Jones
Finance	02/07/20	Andrew Rollins
Portfolio Holder(s)	02/07/20	Richard Hales
<b>Consultation &amp; Community Engagement</b>		
N/A		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. Summary

- 1.1 The 2019/20 Accounts have been closed, and the draft Statement of Accounts are currently being audited by external Audit following publication on the **Council's website for a period of public review**. Subject to the outcome of the Audit, it is intended that Finance and Audit Scrutiny Committee will formally approve the Audited Statement of Accounts on the 19<sup>th</sup> August 2020.
- 1.2 This report provides a summary on the draft 2019/20 outturn with the Appendices, with the draft Statement of Accounts (available on the website) providing a detailed analysis.
- 1.3 The Executive are asked to note the financial position for 2019/20 as detailed in the report, and the decisions made under delegated authority.

## 2. Recommendations

- 2.1 That Executive note the final revenue outturn positions of the General Fund (GF) and the Housing Revenue Account (HRA), being £782.4k and £47.7k favourable respectively.
- 2.2 That Executive note the Capital Programme shows a variation of £25.9m under budget, noting the level of slippage carried forward to 2020/21 as set out in Appendix D.
- 2.3 That Executive note the allocations of the revenue surpluses which have been appropriated to the General Fund Balance Reserve and HRA Capital Investment Reserve under delegated authority, and for £490.7k of the General Fund surplus to be appropriated to the Corporate Asset Reserve in 2020/21.
- 2.4 That Executive notes the final position for Revenue Slippage and approves the Earmarked Reserve (EMR) requests of £732.2k General Fund and £39.6k HRA (Appendix C), with the requests having been approved under delegated authority by the Head of Finance in conjunction with the Finance Portfolio Holder.

## 3. Reasons for the Recommendations

- 3.1 Recommendation 2.1

The final outturn positions upon closure of the Accounts are as follows

	<b>Latest Budget £'000's</b>	<b>Actual £'000's</b>	<b>Variation £'000's</b>
General Fund	9,274	8,492	-782
HRA	-4,013	-4,061	-48
Capital Programme	54,322	28,381	-25,941

### 3.2 General Fund (Revenue)

3.2.1 The outturn for the General Fund Revenue Services for 2019/20 presents a favourable variation of £782,400. Should there be any change to the variation as a result of the ongoing External Audit, members will be updated accordingly.

3.2.2 All of the significant variations are presented in the table below.

Description	Variation £'000's	Favourable / Adverse
Corporate R&M	-490,700	F
Staffing	-175,100	F
Christmas illuminations	17,000	A
Kenilworth public Service Centre Income	-64,100	F
Interactive Futures Event Income	-£20,000	F
Benefits	81,900	A
Events at Arts Facilities (excluding staffing)	-347,000	F
Car Parking Income	49,300	A
General Fund Utilities (Electricity, Gas, Water)	78,900	A
Housing services recharges to HRA	-164,000	F
Investment interest income	-67,800	F
Planning Fee income down on the Revised (increased) Budget	240,400	A
Bereavement Services	240,000	A
Legal Fees	-169,400	F

3.2.3 An analysis by Portfolio is shown at Appendix A. IAS19 adjustments and capital charging have been excluded from this analysis as these are reversed out.

3.2.4 Net Business Rates Retained Income to the General Fund is £373,700 above the revised Budget. Under the accounting arrangements for Business Rates Retention, **the Council's share of the** increased business rates for 2018/19 have been reflected in the retained business rate income for 2019/20. The £373,700 has increased the contribution the Council has made to the Business Rate Volatility Reserve, so presenting a neutral position on the General Fund for 2019/20. Business rates retained by the Council in 2019/20 were lower than for the prior year, down £2.4m, largely reflecting the accounting requirements as opposed a variance in the rates collectable.

3.2.5 Investment Interest is higher than that budgeted. Delays in various programmed expenditure as discussed within this Report, means that there have been more balances to invest which has led to this favourable variation rather than it being due to higher interest rates. The Annual Treasury Management Report is due to be presented to Finance and Audit Committee on

19<sup>th</sup> August, which will provide more information on the 2019/20 performance. The Table below summaries the HRA and GF position.

	<b>Revised Budget £'000's</b>	<b>Actual £'000's</b>	<b>Variation £'000's</b>
HRA	-277	-490	-213
General Fund	-670	-738	-68
<b>Total Interest</b>	<b>-947</b>	<b>-1228</b>	<b>-281</b>

- 3.2.6 Vacancies across a number of teams have resulted in staffing costs being underspent by £175,100 in 2019/20. Key drivers of the underspend include vacancies within Neighbourhood Services for waste management and green space development, Finance for Revenues and Customer contact services, and within Health and Community Protection for a Community Safety Officer. Vacancies have been offset with additional staffing costs for Arts Events at the Spa Centre and Pump Rooms.
- 3.2.7 General Fund utilities budgets were overspent overall by £78,900 with electricity £31,400, gas £34,600 and water £12,900 respectively.
- 3.2.8 The Planned, preventative maintenance (PPM) corporate repairs programme is typically funded through a combination of revenue and reserve funding from the Corporate Assets Reserve, in that order. In 2019/20, the PPM programme was funded solely from the Corporate Assets Reserve, resulting in a revenue variation of £490,700. In order to support the PPM programme in future years, it will be necessary in 2020/21, to use this element of the General Fund surplus to replenish the Corporate Assets reserve. This leaves a balance of the General Fund surplus of £291,700, the appropriation of which should be considered by a future Executive meeting.

#### 3.2.9 Business (Development Services)

Increased income relating to Kenilworth Public Service Centre, including backdated utility bill service charges for WCC Library and NHS Clinic which have now been settled £48,100 and increased rental charges and lease of first floor offices £16,000. Income was received from exhibitors at the Interactive Futures Event, which when offset against costs relating to the event, generated a surplus of £20,000. New income was received in year for the Arch 4 Co-working space in the Creative Quarter £16,200. A budget has been included for this in 2020/21.

There was an adverse variation of £17,000 on the cost of the Illuminations in Kenilworth and Leamington. The contract was recently tendered, and so the budget will be reviewed in accordance with this award.

#### 3.2.10 Cultural Services

There have been an increased number of Events throughout the Arts facilities during 2019/20, in particular at the Royal Spa Centre and the Royal Pump Rooms. Income from non WDC admissions, including room bookings, concessions and events have increased by £523,000. Much of this is offset by the additional costs directly relating to the hosting of these events, including staffing £156,000 (included in the staffing variation in 3.2.6). The sites have generated a net favourable position of £191,000, the majority of which can be



attributable to the Pump Rooms. Income from other activities at the Spa Centre, such as the cinema and main shows, has been in line with budget.

### 3.2.11 Development Services

Planning Fee Income budgets were reduced during the year as part of the Revised Budget Setting Process. However, even with the reduction of £320,000 the forecast proved to be too optimistic, with income being a further £240,400 under budget. A reduction in the number of large planning applications being received during the year has been attributed to the level of fees generated during the year.

### 3.2.12 Finance

Housing benefits presented an adverse net variance of £81,900, driven by a reduction in the subsidy on benefit overpayments.

### 3.2.13 Housing Services – General Fund

Following the Housing Restructure in December 2019, the split of job roles between HRA and GF services was realigned. Recharges of staffing costs from the General Fund to the HRA has now increased by £164,000. The recharge budgets will be reviewed as part of wider piece of work looking at improving the accuracy of forecasting and efficiency of completing as part of the final accounts closedown review process later in the Summer.

### 3.2.14 Neighbourhood Services

There have been fewer cremations than forecast in 2019/20, resulting in an adverse variation of £123,100. Demand to purchase plots for future use has reduced due to the Leamington graveyard now being close of capacity, following increased demand in previous years as plots were reserved while they were still available, resulting in an adverse variation of £75,900 in Cemetery income. Going forward there will be a review of the fees for Exclusive Rights for non-residents in order to prolong availability for our own residents at Kenilworth cemetery. The effect of this should be to delay the need for a capital project to build a new Cemetery.

Car parking income has seen an adverse variance of £49,300, driven by the decline of use during March as a result of the Coronavirus pandemic and subsequent lockdown.

### 3.2.15 Strategic Leadership

There has been a significantly reduced requirement for legal services in 2019/20, resulting in a favourable variation of £169,400 on legal fees across the Council.

## 3.3 Housing Revenue Account

- 3.3.1 The Revised Budget for the HRA allocated £4.013m to be appropriated to the HRA Capital Investment Reserve. The actual outturn for 2019/20 resulted in £4.061m being transferred, an increase of £48k. This is summarised in Appendix B.

- 3.3.2 The favourable variance on Investment Interest is discussed and shown in the General Fund above (para 3.2.5), with delays to Housing purchases and construction projects resulting in higher retained reserve balances which are invested to generate interest.
- 3.3.3 Vacancies across a number of teams have resulted in employee costs being overspent by £92,100 in 2019/20. This is driven by IAS19 Pension adjustments and employee related insurance costs. These costs are offset by continued staffing vacancies across a number of services including Housing void and repairs, Lifeline services and Service Improvement. Agency staffing and overtime has been used in some instances where absolutely necessary for service delivery.
- 3.3.4.1 Repairs and maintenance have resulted in an adverse variation of £915,900. Following on from the outcome of the stock condition survey, and ongoing works as part of the fire safety in high rise properties projects, major repairs expenditure is £186,000 above budget. Responsive and void repairs have resulted in an adverse variation of £672,700. There has been an increased drive this year to make best use of the time that a property is void to ensure that when it is re-let it is to the minimum agreed standard. Across the repairs, maintenance and improvement programmes, both revenue and capital through the Housing Investment Programme, there has been increased delivery of works to ensure that none of our housing stock can be categorised as having poor or very poor components.
- 3.3.4.2 The main driver of the major repairs overspend is linked to the increased levels of co-dependent asbestos works completed, both removal and containment, as part of other component works.
- 3.3.4.3 There has been a significant amount of change in the Assets Team during the year, following the redesign that took place in November 2018, with posts being filled during the financial year. Monitoring and budget processes have been reviewed in conjunction with control processes supported and agreed by the asset manager, to ensure up to date information is shared between key service stakeholders. This will enable greater financial control going forward, and prevent works being agreed with contractors without the necessary budget and authorisation.
- 3.3.5 Members will note the depreciation charged on HRA properties, in particular housing stock, is roughly in line with forecast expectations for the year. However, depreciation on other HRA properties including shops, and equipment, has increased by £80,900 from 2018/19. This is charged as an expense to the HRA as per statutory guidelines, being transferred to the Major Repairs Reserve (MRR). The MRR is ring-fenced to be used to fund capital improvements through the Housing Investment Programme, or can be used to repay debt.
- 3.3.6 There is an adverse variation on the Bad Debt Provision of £88,500. Tenant Arrears have increased in line with the national phased implementation of Universal Credit in place of Housing Benefit to applicable HRA Tenants. There has also been an increased level of former tenant arrears.
- 3.3.7 The HRA utilities budgets were overspent by £78,400, with overspends on electricity totalling £109,900 and gas £33,500, with an underspend of £7,600 on water supplies. The electricity variation has been driven by a number of disputed bills following the change in electricity supplier last financial year.

These are currently being contested with updated meter readings and a review of all bills paid in 2019/20 being carried out. Any costs related to individual properties within one of our sheltered and the 5 very sheltered properties provided as part of communal supply are fully recovered through recharges to the tenants. However, the amount recovered is dependent on the outcome of the above meter reconciliation work.

- 3.3.8 Officers will be monitoring these budgets in 2020/21, and reviewing the budgets where necessary to ensure appropriate resource allocation going forward.

#### 3.4 Recommendation 2.2

- 3.4.1 Capital Expenditure showed a favourable variance against the latest budget of £25.941m. This is comprised of the Housing Investment Programme and Other Services. The table below summarises Budget and Expenditure by Fund, with further details within Appendix D.

	<b>Latest 2019/20 £'000</b>	<b>Actual 2019/20 £'000</b>	<b>Variance 2019/20 £'000</b>
Housing Investment Programme	40,860	20,181	-20,679
Other Services	13,462	8,200	-5,262
<b>Total Capital</b>	<b>54,322</b>	<b>28,381</b>	<b>-25,941</b>

- 3.4.2 The main reasons for these variations were:

- 3.4.2.1 Slippage due to delays in delivering agreed programmed works and projects commencing late. Budget to be carried forward to 2020/21 for these specific planned works total £24.716m on the Housing Investment Programme, and £5.693m for Other Services. Whilst this shows as a variation in the table above and in the appendices, it is not an underspend or saving. The slippage for Other Services is greater than the variation due to the Capital works funded by the Community Infrastructure Levy (CIL) in year £475,800, hence the Other Services slippage will be fully funded. While the Housing Investment Programme Slippage exceeds the underspend by £4.037m, the other works are due to be funded by either Right to buy reserves, HRA Capital investment Reserve or PWLB Borrowing, as agreed within the specific Executive approvals.

- 3.4.2.2 The increased cost of delivering Housing Investment Programme improvements identified alongside the ongoing works for fire safety in high rise properties has resulted in an adverse spend of £2.213m above the agreed original budgeted programme. The main driver of the variation is continued fire safety improvement works, with the scope of the project growing to ensure all medium to high rise properties are to a high standard. This has included a number of rewiring projects, and the replacement of windows, doors and door entry systems, with many of the works being well above the minimum safety standard. Work on dwelling roofs has also incurred additional expenditure, as following routine inspection, many were deemed to be in worse condition than was expected as per the last revision of the stock condition survey.

- 3.4.2.3 A number of major construction and acquisition opportunities for the delivery of council housing had arisen during the year, resulting in an adverse variance of £1.887m. This includes the repurchase of an ex-council house originally sold

through Right to Buy using delegated authority. It also includes a number of land and property purchases which currently remain confidential due to their commercial nature (These would have been presented to Executive previously).

3.4.2.4 As highlighted in 3.3.4.1, controls over how works are agreed have been reviewed to ensure projects have the necessary budget provision.

3.4.3 Appendix D provides a comprehensive breakdown of the variations and their drivers, and the level of budget to either be returned to reserves or slipped to 2020/21.

### 3.5 Recommendation 2.3

3.5.1 In November 2016 (Budget Review Report) Members approved that any surplus or deficit on the General Fund balance was to be appropriated to or from the General Fund Balance. Under this agreed delegation, £782,400. has been allocated.

3.5.2 Similarly, it was agreed for the Housing Revenue Account, that the balance be automatically appropriated to/from the HRA Capital Investment Reserve. £47,700 has been transferred in 2019/20.

3.5.3 It was also agreed that the Head of Finance, in consultation with the Finance Portfolio Holder, would amend these arrangements for appropriating the surpluses or deficits as necessary and would agree any further items of revenue and capital slippage.

3.5.4 As discussed in paragraph 3.2.8, £490,700 was drawn down from the Corporate Asset Reserve to fund the Pre-Planned Maintenance programme rather than using the existing revenue budget. Consequently, to help support future PPM, it is recommended that this sum is returned to the reserve in 2020/21. This leaves a net adjusted revenue surplus of £291,700 on the General Fund for 2019/20.

### 3.6 Recommendation 2.4

3.6.1 As part of the Final Accounts process, requests have been approved under delegated authority by the Head of Finance for Revenue Ear Marked Reserves. These are for previously agreed projects where it had not been possible to complete as budgeted within 2019/20, and will therefore need to carry forward budget to 2020/21.

3.6.2 These totalled £732,200 for the General Fund and £39,600 for the HRA, and are outlined in detail in Appendix C. Requests are considered against budget outturn within the specific projects and services, with requests approved only where there is sufficient budget available.

3.6.3 Members will note this is a considerable sum. Key Earmarked approvals include ongoing work relating to Europa Way, The Commonwealth Games and the car park displacement strategy pending the decision on the future of Covent Garden car park.

- 3.6.4 It is recommended that the Executive note the position on Revenue slippage. As in previous years, expenditure against these Budgets will be regularly monitored and reported to the Executive as part of the Budget Review Process.

#### 4. **Policy Framework**

##### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council's Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy."

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
The GF and HRA budgets provide the necessary resources to achieve these outcomes	The GF and HRA budgets provide the necessary resources to achieve these outcomes	The GF and HRA budgets provide the necessary resources to achieve these outcomes
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our <b>customers' needs</b> Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
The GF and HRA budgets	The GF and HRA budgets	The GF and HRA budgets

provide the necessary resources to achieve these outcomes	provide the necessary resources to achieve these outcomes	provide the necessary resources to achieve these outcomes
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#### 4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies. The 2019/20 Accounts are consistent with the relevant supporting strategies.

#### 4.3 Changes to Existing Policies

The proposed budgets are in accordance with existing policies. External Audit will identify should the Council not have followed the correct Accounting Policies. Any variations impacting on Fit For the Future projects will be incorporated into those projects. This report is looking into the previous year, only savings already achieved will be included in these figures.

#### 4.4 Impact Assessments

**The Council's Final Accounts cover the community throughout the District. It is a statement of fact and officers will have considered any impact when amending their budgets.**

### 5. Budgetary Framework

- 5.1 The Final Accounts for 2019/20 represent a historic account of the financial performance for that year and, therefore, identifies how well, or otherwise, the Budget and Policy frameworks have been complied with.
- 5.2 The variances coming out of the 2019/20 Final Accounts will continue to be reviewed with the relevant Budget Managers to understand their causes, and any implications for future budgets and to tighten monitoring for the future.

### 6. Risks

- 6.1 The draft Accounts have been published on our website on the 18<sup>th</sup> June, well in advance of the statutory deadline of 31<sup>st</sup> August. These are now subject to a review by External Audit. The main risk is that External Audit identifies significant material errors that require amendment.
- 6.2 Were significant material errors to be identified, there is a risk that having to make these amendments could delay the completion of the audit, and therefore the ability for the Statement of Accounts to be signed off at the Finance and Audit Scrutiny Committee on the 19<sup>th</sup> August. Due to Coronavirus, the statutory deadline for this was extended to 30<sup>th</sup> November, so while there would be sufficient time to make the necessary amendments and have them reviewed, this would incur additional audit fees.
- 6.3 The risks have been assessed and mitigated through a review of the Statement of Accounts process from 2018/19, on which a report was presented to Executive on 13<sup>th</sup> November. This proposed a number of changes to working practices and procedures to improve the efficiency and accuracy of the Final Accounts process. These changes have been implemented where possible, along with further changes as a result of remote working since March.





## **7. Alternative Option(s) considered**

- 7.1 The report is a statement of fact. However, how the outcomes might be treated, can be dealt with in a variety of ways, mainly the alternatives are to not allow any, or only allow some of the earmarked reserve requests to be approved.
- 7.2 Another alternative is to allow the General Fund balance to vary from the core level of £1.5m level, along with how the 2019/20 surplus is allocated. Any changes to the allocations would be implemented during 2020/21.

## **8. Background**

- 8.1 **Under the Accounts and Audit Regulations 2015, local authorities' audited** Statement of Accounts would normally be published by 31 July, with the draft accounts completed and signed by the responsible finance officer by 31<sup>st</sup> May, and uploaded for public inspection for a period which must include the first 10 working days of June.
- 8.2 However, due to the Coronavirus pandemic, The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 have been introduced. This has extended the deadline by which local authorities must commence the period for the exercise of public rights, which normally must include the first 10 working days of June, to have to commence on or before 1 September 2020. Our public inspection period commenced on 22<sup>nd</sup> June.
- 8.3 The regulation also extended the final deadline for the Council to publish the complete, audited 2019/20 Statement of Accounts from 31<sup>st</sup> July 2020 to 30<sup>th</sup> November 2020. Both amendments were introduced to provide local councils with a degree of flexibility, to mitigate the potential disruption that would be caused by the spread of coronavirus.
- 8.4 The decision was made to proceed with getting the draft Statement of Accounts completed as near to the original deadline as possible, as fully utilising the extension period would lead to disruption to other critical tasks later in the year, such as fees and charges and budget setting. Through regular contact with the External Auditors, Grant Thornton, a decision was made to commence the audit w/c 15<sup>th</sup> June, 2 weeks after the originally planned start date.
- 8.3 External Audit have been reviewing the draft Statement of Accounts, and will be carrying this completely remotely, with 5 weeks of work scheduled. Audit are expected to have completed their work by 31<sup>st</sup> July, with a view of getting the Statement of Accounts signed off at the Finance and Audit Committee on the 19<sup>th</sup> August.
- 8.4 **Collection Fund**  
  
The Collection Fund collection rates were Council Tax 98.2% (98.3% 2018/19) and NNDR 98.2 (97.8% 2019/20).  
  
The Collection Fund Accounts for 2019/20 are contained within the Statement of Accounts being presented to Finance and Audit Scrutiny Committee on 19<sup>th</sup> August and in the draft Statements currently published on the Website.

The surplus at the end of the year for Council Tax was £1.607m adverse (compared to an estimated deficit of £1.752m), reflecting a dampening of the tax base due to the number of additional dwellings in the district falling below forecasts. The **Council's share of this amounts to** £169,900 (deficit) which will be carried forward to be reflected in the 2020/21 accounts, along with any estimated balance on the 2019/20 Council Tax Collection Fund.

## 8.5 Reserves and Provisions

**Movements on the Council's Reserves and Provisions are contained within the** draft Statements currently published on the Website. More details on the **Council's reserves, and projected** levels thereof, will be included within future Budget reports.

## 8.6 Committee Reports

The following Reports have been presented to Committee

<b>Date</b>	<b>Report Title</b>	<b>Agenda Item</b>
26-Sep-18	Fees and Charges 2019/20	3
20-Feb-19	The Setting of the Council Tax for the Area of Warwick District Council 2019/20	10
13-Nov-19	Review of Final Accounts 2018/19	13
18-Dec-19	General Fund Base Budgets 19/20 and base 20/21	4
18-Dec-19	Housing Revenue Account (HRA) latest 19/20 and Base 20/21	5
12-Feb-20	GF Budget 2020/21 and Council Tax - Revenue and Capital	4
12-Feb-20	Housing Revenue Account (HRA) Budget 2020/21 and Housing Rents	5

**GENERAL FUND**

	<b>LATEST BUDGET 2019/20 £</b>	<b>ACTUAL 2019/20 £</b>	<b>VARIATION 2019/20 £</b>	
BUSINESS (Development Services)	11,832,800	5,693,424	(6,139,376)	(F)
CULTURAL SERVICES	4,771,600	4,340,575	(431,025)	(F)
DEVELOPMENT SERVICES	638,900	1,303,190	664,290	(A)
FINANCE	2,780,600	2,800,025	19,425	(A)
HEALTH & COMMUNITY PROTECTION	4,104,000	3,123,671	(980,329)	(F)
HOUSING SERVICES - GENERAL FUND	1,868,700	1,586,352	(282,348)	(F)
NEIGHBOURHOOD SERVICES	7,052,200	7,022,517	(29,683)	(F)
STRATEGIC LEADERSHIP	3,711,200	3,316,354	(394,846)	(F)
<b>TOTAL GENERAL FUND SERVICES</b>	<b>36,760,000</b>	<b>29,186,109</b>	<b>(7,573,891)</b>	<b>(F)</b>
Replacement of Notional with Actual Cost of Capital:				
- Deduct Notional Capital Financing Charges	(17,488,400)	(10,716,579)	6,771,821	(A)
- Add Cost of Loan Repayments, Revenue Contributions and Interest paid	361,500	122,579	(238,921)	(F)
Revenue Contributions to Capital	1,615,700	3,688,284	2,072,584	(A)
Contributions to / (from) Reserves	1,513,383	745,101	(768,282)	(F)
Net External Investment Interest Received	(669,800)	(737,631)	(67,831)	(F)
IAS19 Pension Adjustments Reversal	(2,308,400)	(2,920,956)	(612,556)	(F)
Accumulated Absences Account Reversal	-	(18,544)	(18,544)	(F)
Contributions to / (from) General Fund	6,624	-	(6,624)	(F)
<b>NET EXPENDITURE FOR DISTRICT PURPOSES</b>	<b>19,790,607</b>	<b>19,348,363</b>	<b>(442,244)</b>	<b>(F)</b>
Less: Revenue Support Grant	-	-	-	
Less: Business Rates Income	(7,115,700)	(7,489,418)	(373,718)	(F)
Less: General Grants	(3,401,300)	(3,367,759)	33,541	(A)
<b>NET GENERAL EXPENDITURE BOURNE BY COUNCIL TAX</b>	<b>9,273,607</b>	<b>8,491,185</b>	<b>(782,422)</b>	<b>(F)</b>
Less: Council Tax	(9,273,607)	(9,273,607)	( )	(F)
<b>NET (SURPLUS) / DEFICIT FOR THE YEAR</b>	<b>-</b>	<b>(782,422)</b>	<b>(782,422)</b>	<b>(F)</b>

**HOUSING REVENUE ACCOUNT**

	<b>LATEST BUDGET 2019/20 £</b>	<b>ACTUAL 2019/20 £</b>	<b>VARIATION 2019/20 £</b>	
Housing Repairs Supervision	890,000	843,585	(46,415)	(F)
HRA Repairs and Maintenance	5,407,800	6,323,740	915,940	(A)
Electricity	400	(380)	(780)	(F)
Gas	-	238	238	(A)
Wood Fuel - Bio-Mass boiler	-	5,444	5,444	(A)
Rates	34,900	34,938	38	(A)
Council Tax	137,100	140,449	3,349	(A)
Water Charges-Metered	40,000	33,052	(6,948)	(F)
Water Rates	-	577	577	(A)
<b>Premises</b>	<b>6,510,200</b>	<b>7,381,643</b>	<b>871,443</b>	<b>(A)</b>
Debt Recovery Agency Costs	3,900	-	(3,900)	(F)
Contributions To Provisions	72,900	-	(72,900)	(F)
Bad Debts Provision	380,200	468,739	88,539	(A)
<b>Supplies and Services</b>	<b>457,000</b>	<b>468,739</b>	<b>11,739</b>	<b>(A)</b>
Consultants Fees	-	3,275	3,275	(A)
<b>Third Party Payments</b>	<b>-</b>	<b>3,275</b>	<b>3,275</b>	<b>(A)</b>
Supervision & Management - General	3,023,900	2,680,124	(343,776)	(F)
Supervision & Management - Special	2,340,000	2,417,888	77,888	(A)
<b>Support Services</b>	<b>5,363,900</b>	<b>5,098,012</b>	<b>(265,888)</b>	<b>(F)</b>
Notional Interest	13,842,000	13,842,000	-	
Loss On Impairment/Revaluation Of Assets	-	(334,752)	(334,752)	(F)
Depreciation on Council Dwellings	5,374,000	5,374,312	312	(A)
Depreciation on Other HRA Properties	541,800	588,353	46,553	(A)
Depreciation on Equipment	10,700	62,763	52,063	(A)
<b>Capital Charges</b>	<b>19,768,500</b>	<b>19,532,676</b>	<b>(235,824)</b>	<b>(F)</b>
<b>GROSS EXPENDITURE</b>	<b>32,099,600</b>	<b>32,484,345</b>	<b>384,745</b>	<b>(A)</b>
<b>INCOME</b>				
Other Income	-	(4,650)	(4,650)	(F)
Other Licences	(4,100)	2,005	6,105	(A)
Legal Fees	-	(307)	(307)	(F)
Heating Charges	(149,400)	(164,619)	(15,219)	(F)
Service Charges	(200,000)	(200,133)	(133)	(F)
Service Charges Supporting People	(100,000)	(103,811)	(3,811)	(F)
Water Charges	(31,100)	(37,317)	(6,217)	(F)
Service Charges Leasehold	(2,000)	(5,551)	(3,551)	(F)
Rents-Housing	(24,290,200)	(24,664,221)	(374,021)	(F)
Rents-Shared Ownership	(73,700)	(61,798)	11,902	(A)
Rent Sayer Court	(490,700)	(532,549)	(41,849)	(F)
Use and Occupation - Homeless	-	(31,786)	(31,786)	(F)
Rents-Garages	(695,100)	(689,765)	5,335	(A)
Rents-Others	(331,000)	(323,896)	7,104	(A)
General Fund	(37,900)	(37,900)	-	
<b>GROSS INCOME</b>	<b>(26,405,200)</b>	<b>(26,856,298)</b>	<b>(451,098)</b>	<b>(F)</b>
<b>NET EXPENDITURE / (INCOME) FROM SERVICES</b>	<b>5,694,400</b>	<b>5,628,047</b>	<b>(66,353)</b>	<b>(F)</b>

# **HOUSING REVENUE ACCOUNT**

	<b>LATEST BUDGET 2019/20 £</b>	<b>ACTUAL 2019/20 £</b>	<b>VARIATION 2019/20 £</b>	
<b>(Continued)</b>				
<b>NET EXPENDITURE / (INCOME) FROM SERVICES</b>	<b>5,694,400</b>	<b>5,628,047</b>	<b>(66,353)</b>	<b>(F)</b>
Interest-Balances	(276,900)	(490,140)	(213,240)	(F)
Capital Charges - Adj	(100,000)	-	100,000	(A)
<b>NET OPERATIONAL EXPENDITURE / (INCOME)</b>	<b>5,317,500</b>	<b>5,137,907</b>	<b>(179,593)</b>	<b>(F)</b>
<b><u>APPROPRIATIONS:</u></b>				
Reversal of Notional Interest	(13,842,000)	(13,842,000)	-	
External Interest	4,765,600	4,765,564	(36)	(F)
Approp HRA Resource Equiv to Depn to MRR	-	5,374,312	5,374,312	(A)
Approp from CAA to Offset HRA Resources	-	(5,374,312)	(5,374,312)	(F)
Capital financing	-	9,249,311	9,249,311	(A)
Cap Fin-Rev Contr to Cap Outlay(GF+HIP)	119,600	122,300	2,700	(A)
Cont from Reserves	8,000	100,305	92,305	(A)
Contrib HRA Capital Invest Reserve (Dr)	4,013,000	4,060,698	47,698	(F)
Recognised gains/losses -asset sales	-	3,013,770	3,013,770	(A)
F Assets sales b/s val trf to I & E a/c	-	2,029,956	2,029,956	(A)
Capital financing	-	(9,249,311)	(9,249,311)	(F)
Cont from Reserves	(100,000)	(281,400)	(181,400)	(F)
rec gains/losses - fa - reversal	-	(3,013,770)	(3,013,770)	(F)
NCA Impair/Revals Losses charged to rev	-	334,752	334,752	(A)
F Asset sales trf from I & E to CAA a/c	-	(2,029,956)	(2,029,956)	(F)
employee benefits accruals (cr)	-	518	518	(A)
Net IAS19 Charges for Retirement Benefits	(878,800)	(889,685)	(10,885)	(F)
Employers Contribs payable to Pension Fd	402,000	308,394	(93,606)	(F)
Pensions Interest+Rate of Return Assets	165,700	153,247	(12,453)	(F)
<b>Transfer (To) / From HRA Balance</b>	<b>(29,400)</b>	<b>(29,400)</b>	<b>-</b>	
HRA Balance Brought Forward	(1,425,000)	(1,425,000)	-	
<b>HRA BALANCE CARRIED FORWARD</b>	<b>(1,454,400)</b>	<b>(1,454,400)</b>	<b>-</b>	



## EARMARKED RESERVE REQUESTS 2019/20

Service Area	Request	Detail	Original Request Value £	Final approval value
General Fund				
Chief Executive's Office	Identification and Development of the Digital Programme	Currently in the process of identifying and interviewing prospective consultants to assist with the development of the Digital Programme. The selection process is unlikely to be complete prior to year end	9,000	9,000
Finance	Digital Transformation	This budget was set aside for the ongoing digital transformation project. This is an evolving project which aims to encourage customers to interact with us digitally wherever possible. This is an ongoing project with demands being made on the reserve as and when further developments are needed.	49,000	49,000
Chief Executive's Office	Replacement of daisy-chained data links between RSH-Town Hall-Acorn Court	Purchase orders placed in Sept 19. Delay caused by damage to the telecom providers fibre bearer which will be used for the service.	8,400	8,400
Chief Executive's Office	Project manage and implementation of new Payroll bureau including Recruitment portal	Notice from CCC on Payroll Bureau Jan 2020 options for new system to be reviewed, implementation April 2021	5,000	5,000
Health and Community protection	Community Safety Officer	This post is a 12 month fixed term contract from October 2019 to October 2020	22,500	22,500
Chief Executive's Office	Apprentice Scheme Budget	Part of ongoing recruitment for apprentices and where different schemes finish at different times there may be a carry over to the next year	47,200	43,100
Health and Community protection	Salary savings to be used to pay for staff acting up payments, overspends on contractors, new contractors for climate change work	Delayed as requests not actioned in current year due to ill health and COVID 19	6,500	10,900
Cultural Services	Grounds Maintenance Newbold Comyn Golf Course	The GM work has been ongoing throughout 2019 and has been fully costed from the existing reserve. As the work progresses into 2020 the remainder of the budget will be required to fund it until the options for the future of the site are chosen	20,500	20,500
Cultural Services	Newbold Comyn - Shortlist and revise options and Options Appraisal. Additional consultation, procurement of ecological survey and legal advice on the final activity mix, project contingency	The project is ongoing and progressing with the timescale for the remainder of the work to be completed moving into the new financial year	21,100	21,100
Chief Executive's Office	CPO land @ Warwick Road, legal fees	CPO process has commenced but work is ongoing. This is a legal process that can take up to 18 months so providing a completion date is not practical.	27,500	27,300
Chief Executive's Office	Relocation Kenilworth Wardens, legal fees	A complex programme that has many strands requiring ongoing work..	14,300	13,000
Chief Executive's Office	ST Marys Lands revenues	The works planned for the year have not been completed due to unseasonable weather and delays in traffic assessments for the developments	36,400	36,400
Chief Executive's Office	Confidential request	Discussions with provider ongoing and this has caused delay in the next steps being agreed.	75,000	61,700
Cultural Services	Detailed work on Europa Way Masterplan		21,000	21,000
Cultural Services	Detailed work on Europa Way Masterplan		18,500	18,000
Cultural Services	Commonwealth Games 2022	New structure and plan of action following funding award and effects of Covid 19	61,200	61,200
Finance	Interim Principal Accountant Agency Contract during Closure of Accounts Process	£56,000 allocated from Contingency budget to cover contract from December 2019 to 31 July 2020	28,800	28,800
Cultural Services	Creative Forum	Continue pilot Creative Forum scheme part of a 3 year programme	2,300	2,300
Chief Executive's Office	Consultancy / Agency support for Commercial Assets Review	To fund additional support to review and make recommendations on management and commercial performance of the Councils Commercial / corporate assets in line with the Action Plan agreed by Executive as part of the Asset Management Strategy	48,500	48,500
Housing Services	Strategic Housing Market Assessment - Delayed due to change of HS Manager	Work with Development Services to establish sub-regional project to commission new Strategic Housing Market Assessment and appoint consultants to undertake the work.	30,000	30,000
Housing Services	Private Sector Stock Condition Survey	Difficulty accessing properties, more information requested from contractor. Report going 31/7/20	30,077	30,000
Neighbourhood Services	Covent Garden Closure Displacement communication	Decision about future of Covent Garden still to be made	115,700	115,500
Neighbourhood Services	Covent Garden Closure Displacement communication	Decision about future of Covent Garden still to be made	93,100	30,000
Housing Services	Housing Scheme Appraisal Software Purchase & Installation - PROVAL	Delays to procuring and installing the new proval software	19,000	19,000
Total GF Earmarked Reserves			732,200	
HRA				
HRA	Spa View Garage Development Site	Research into the net zero carbon specification has resulted in the decision to use off site manufacture for the garage sites with a view to piloting methods and monitoring. This has caused a delay in appointing consultants to progress the site	5,100	5,100
HRA	Shakespeare Avenue Garage Development Site	Research into the net zero carbon specification has resulted in the decision to use off site manufacture for the garage sites with a view to piloting methods and monitoring. This has caused a delay in appointing consultants to progress the site	5,800	5,800
HRA	The training budget was intended to train staff following the housing re-design. This was delayed and so the budget is required to train new staff when in post.	A training plan has been arranged and will be delivered in the coming year.	7,742	7,700
HRA	Consultancy Budget - Some progress has been made with development schemes, but it is proposed that this budget is rolled forward to continue this work.	There is a development programme of sites and it is proposed to make significant progress in the coming year with the recruitment of a development team in the housing re-design.	21,000	21,000
Total HRA Earmarked Reserves			39,600	
Total Earmarked Reserves			771,800	

## CAPITAL EXPENDITURE 2019/20

			<b>Latest</b>	<b>Capital</b>	<b>Actual</b>	<b>Total</b>	<b>Variation</b>	<b>Reason</b>
			<b>Estimate</b>	<b>Expenditure</b>	<b>Expenditure</b>	<b>Expenditure</b>		
			<b>£'000's</b>	<b>£'000's</b>	<b>to Revenue</b>	<b>£'000's</b>	<b>£'000's</b>	

**Housing Investment Programme 2019/20****Housing Landlord**

C239/C424	HRA Aids & Adaptations/Extensions	Responsive budget that is demand driven. Reduction in number of requests and scope of projects	673	614		614	(59)	Return to MRR
C240	Roof Covering	Stock condition worse than expected and requiring more works	1,362	1,689		1,689	327	Overspend
C242	Defective Flooring	Reactive budget	62	107		107	45	Overspend
C243	Door Entry Systems	Large ongoing project to replace door entry systems in blocks with fire alarm panels.	156	366		366	210	Overspend
C244	Window & Door Replacement	Upgrade of doors in High Rise Properties as per fire safety schedule of works	715	933		933	218	Overspend
C246	Kitchen & Bathroom Replacement	Budget for £600k of slipped works from prior year not carried forward. £200k offset with asbestos budget for Kitchen works	1,272	2,097		2,097	825	Overspend
C248	Electrical Fitments	Rewiring of blocks as part of comprehensive works carried out alongside fire safety project	637	1,779		1,779	1,142	Overspend
C249	Central Heating Replacement	Works carried out as per Stock Condition Survey requirements	1,289	1,067		1,067	(222)	Return to MRR
C251	Water Services	No planned programme, small budget kept for responsive works	10	2		2	(7)	Return to MRR
C252	Structural Improvements	Work at blocks as part of comprehensive works carried out alongside fire safety project	21	23		23	2	Overspend
C254	Improved Ventilation	Carried out as part of fire safety works in blocks	5	0		0	(5)	Return to MRR
C256	Improved Internal Layout	Work carried out to ensure fire safety compliance and compartmentisation in middle rise blocks		67		67	67	Overspend
C257	Fire Prevention Work	Additional agreed fire safety works	1,497	1,936		1,936	438	Overspend
C263	Thermal Insulation	Delays to procurement to complete works outlined by Stock Condition Survey and to meet minimum EPC standard by March 2020	539	209			(539)	Return to MRR
C265	HIP - Asbestos	Asbestos works carried out in support of Kitchen replacement work	200				(200)	Offset Kitchen overspend
C293	Garage Refurbishment	Awaiting policy decision for garage strategy. Currently responsive maintenance driven.	76	0			(76)	Return to MRR

**Housing Landlord - Major Redevelopment**

C413	Repurchase of Ex-Council Housing	Opportunity to buy back a property amongst other existing HRA stock		70		70	70	Overspend
C461	Cloister Way	Delays to properties being completed	566	1		1	(565)	Slippage to 20/21
C472	William Wallsgrove	Renovations now complete	47	47		47	0	
C512	173 Rugby Road	Final valuation received for works in prior year		-60		-60	(60)	Return to CIR
C521	Warwick Street	Work to convert property not yet started	3,840	3,155		3,155	(685)	Slippage to 20/21
C522 / C532	Purchase / Construction of Property / Land	Delays to Purchases being agreed	23,577	277		277	(23,300)	Slippage to 20/21
C525	Bremridge Close	Delays in acquiring all properties	4,101	3,934		3,934	(167)	Slippage to 20/21
C542	Triangle Development	New opportunity agreed March 2020		1,815		1,815	1,815	Overspend

**Housing Landlord**

C261	Environmental Improvements- General		178	46		46	(132)	RCCO
C262	Environmental Improvements- Tenant participation		39	8		8	(31)	RCCO

<b>Total Housing Investment Programme Variations</b>	<b>40,860</b>	<b>20,181</b>	<b>19,971</b>	<b>(20,889)</b>
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**Housing Investment Programme in Summary:**

Underspend - Budget returned to Major Repairs Reserve (MRR)  
 Underspend - Budget returned to HRA Capital Investment Reserve (HRA CIR)  
 Overspend  
 Total of slippage to 2020/21  
 Total of Items Charged to Revenue  
**Total Variances**

(908)  
 (60)  
 4,959  
 (24,716)  
 (164)  
**(20,889)**

**CAPITAL EXPENDITURE 2019/20**


			<b>Latest Estimate £'000's</b>	<b>Capital Expenditure £'000's</b>	<b>Actual Expenditure to Revenue £'000's</b>	<b>Total Expenditure £'000's</b>	<b>Variation £'000's</b>	<b>Reason</b>
<b>Other Services Capital Programme 2019/20</b>								
<b>CHIEF EXECUTIVE &amp; CWLEP PORTFOLIO</b>								
C222/C46 2/C487	Desktop Infrastructure/Infrastructure General/Physical Server Replacement	After virements of £8k between C222 & C462 there's an overall saving.	104	93	9	102	(2)	Saving
C476	Transforming The Workplace		13	10	3	13		
C510	Scanners, laptops & letter opener for elections		2	2		2		
C524	Covent Garden Electrical power supply to new offices/MSCP		98	98		98		
C454	Network Devices LAN & WAN	Scheme continuing in 20/21	20	10	9	19	(1)	Slippage
<b>TOTAL CHIEF EXECUTIVE &amp; CWLEP PORTFOLIO CAPITAL VARIATIONS</b>			237	213	21	234		<b>(24)</b>
<b>CULTURE SERVICES</b>								
C458	Leisure Centre Refurbishments Phase 1	Final expenditure for seeds/trees etc	45	42	13	55	10	Overspend (includes £2k overspend matched by S106's)
C507	Leisure Centre Refurbishments Phase 2 Kenilworth	Scheme continuing in 2020/21.	724	729	1	730	6	Resources b/fwd from 2020/21
C513	Heritage Assets Purchase	Not capital as de minimus.			3	3	3	Outside of the capital programme
C534	Local Football Pitch Facilities	Scheme continuing in 2020/21.	10		11	11	1	Resources b/fwd from 2020/21
C535	Bowling Green Improvements	Scheme continuing in 2020/21.	100	59		59	(41)	Slippage
<b>TOTAL CULTURE SERVICES CAPITAL VARIATIONS</b>			879	830	28	858		<b>(49)</b>
<b>HEALTH &amp; COMMUNITY</b>								
C473	Whitnash Community Hub	Scheme continuing in 2020/21.	219	84		84	(135)	Slippage to 20/21
C515	CCTV Replacement System	Scheme continuing in 2020/21.	900	509		509	(391)	Slippage to 20/21
<b>TOTAL HEALTH &amp; COMMUNITY SERVICES CAPITAL VARIATIONS</b>			1,119	593		593		<b>(526)</b>
<b>DEVELOPMENT SERVICES</b>								
C410	2nd Warwick Sea Scouts' Headquarters	Estimated budget not required until 20/21	249	161		161	(88)	Slippage to 20/21
C477	Norton Lindsey Community Hub	Scheme continuing in 2020/21.	39				(39)	Slippage to 20/21
C497	Playbox Theatre Loan	Complete	11	11		11		
C500	St Mary's Lands Masterplan-MUGA @	Complete	48	48		48		
C503	Kenilworth Wardens Relocation	The Wardens have not been able to progress their scheme as quickly as anticipated.	400	400		400		
C509	Norton Lindsey Village	Complete	101	101		101		
C511	Kenilworth School Loan	Scheme continuing in 2020/21.	379	379		379		
C530	Kenilworth School HIF Grant	Delay in purchase of site for new school.	8,204	3,576		3,576	(4,628)	Slippage to 20/21
C523	Leper Hospital Site	Programme of works anticipated in the project plan was unable to be completed	115	60	2	62	(53)	Slippage to 20/21
C486	Station Approach Land Purchase	Complete	200	195		195	(5)	Saving
C539	CFS Aeroproducts Loan	Misinterpretation of the payment profile.	240	140		140	(100)	Slippage to 20/21
C538	Community Infra Structure Levy-CIL			476		476	476	Outside of the capital programme
C463	Community Stadium Project	Scheme continuing in 2020/21.	92	85		85	(7)	Slippage to 20/21
<b>TOTAL DEVELOPMENT SERVICES CAPITAL VARIATIONS</b>			10,078	5,632	2	5,634		<b>(4,446)</b>
<b>FINANCE PORTFOLIO</b>								
C100	Rural & Urban Initiatives		150	130		130	(20)	Slippage to 20/21
<b>TOTAL FINANCE PORTFOLIO CAPITAL VARIATIONS</b>			150	130		130		<b>(20)</b>
<b>NEIGHBOURHOOD SERVICES</b>								
Various	Play Area Improvement Programme	Delay to some play area works due to staff resources.	384	270	13	283	(101)	Slippage to 20/21
C367	Recycling	Early delivery of recycling boxes.	80	99		99	19	Resources b/fwd from 2020/21
C402	Pump Room Gardens	Delay in final works to undercroft in bandstand and footpaths.	195	112		112	(83)	Slippage to 20/21

**CAPITAL EXPENDITURE 2019/20**

			<b>Actual</b>				<b>Variation</b>	<b>Reason</b>
			<b>Latest Estimate</b>	<b>Capital Expenditure</b>	<b>Expenditure to Revenue</b>	<b>Total Expenditure</b>		
			<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	
C489	Leamington Parking Displacement		119	112	7	119		
C505	Car Park Pay & Display Machines	Signage works in 20/21.	68	63	3	66	(2)	Slippage to 20/21
C537	St Peter's New Pay On Foot System		76	75	1	76		
C496	Tach Brook Country Park	Scheme continuing in 2020/21.	53	49	2	51	(2)	Slippage to 20/21
C536	Purser Drive Path	Possible path works in 20/21	24	22		22	(2)	Slippage to 20/21
<b>TOTAL NEIGHBOURHOOD SERVICES CAPITAL VARIATIONS</b>			999	802	26	828		<b>(197)</b>
<b>GF total</b>			<b>13,462</b>	<b>8,200</b>	<b>77</b>	<b>8,277</b>		
<b>Overall total</b>			<b>54,322</b>	<b>28,381</b>	<b>77</b>	<b>28,248</b>		

**OTHER SERVICES CAPITAL PROGRAMME IN SUMMARY:**

Total of Slippage to 2020/21	(5,693)
Total Savings	(7)
Total Resources b/fwd	26
Overspend	10
Outside Capital Programme	479
Total of Items Charged to Revenue	(77)
<b>Total Variances</b>	<b>(5,262)</b>

 <b>Executive – 13 July 2020</b>		<b>Agenda Item No.</b> <b>7</b>
<b>Title</b>	Warwick District Leisure Development Programme – Kenilworth Facilities	
<b>For further information about this report please contact</b>	Paddy Herlihy <a href="mailto:Padraig.herlihy@warwickdc.gov.uk">Padraig.herlihy@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	All wards of the District but likely to specifically affect: Kenilworth Abbey and Arden Kenilworth Park Hill Kenilworth St Johns	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive 21 <sup>st</sup> August 2019 Leisure Development Programme – Kenilworth Facilities Minute Number 31	
<b>Background Papers</b>	None	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	1133
<b>Equality Impact Assessment Undertaken</b>	No
Equality Impact Assessments will be undertaken at the appropriate stage as the project and design develops.	

<b>Officer/Councillor Approval</b>		
<b>Officer/Councillor</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	26/05/2020	Chris Elliott/Andrew Jones
Head of Service	26/05/2020	Rose Winship
CMT	26/05/2020	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	26/05/2020	Mike Snow
Monitoring Officer	26/05/2020	Andrew Jones
Portfolio Holder	01/06/2020	Councillor Mrs Grainger
<b>Consultation &amp; Community Engagement</b>		
The first stakeholder and public consultation for Phase Two of the Warwick District Leisure Development Programme took place in October 2018. The report to Executive in January 2019 reported back on the results of that consultation. The second		

consultation was undertaken in November and December 2019. The results of that consultation were reported back to <b>the Project Board and Members' Working Group</b> ; summary results were published and full results will form part of the planning application.	
<b>Final Decision?</b>	No
<b>Suggested next steps (if not final decision please set out below)</b> The report proposes that the next steps are to continue with RIBA Stage 4 design for Castle Farm Recreation Centre and to commence RIBA Stage 4 design for Abbey Fields Swimming Pool, both on the basis of the RIBA Stage 3 designs agreed by the Project Board. The report proposes the provision of additional funding to enable the design process to achieve the end of RIBA Stage 4 design for both facilities, when a further report will be brought to Executive and Council in the autumn of this year. Such a report will provide a completed design package and detailed cost estimate for consideration by Council. Please note that the report does not propose achieving the end of the entirety of RIBA Stage 4 on the RIBA Plan of Work, as this also includes the procurement of a preferred contractor at an agreed price.	

## 1. Summary

- 1.1 The current focus of the Warwick District Leisure Development Programme is the two leisure facilities that the Council owns in Kenilworth, being Castle Farm Recreation Centre and Abbey Fields Swimming Pool.
- 1.2 In August 2019 the Executive gave permission to officers to instruct the Design Team (provided and led by Mace Group) to begin the RIBA Stage 3 design process for these two sites, based on the designs approved by the Project Board during the summer of 2019 and then to proceed to the end of RIBA Stage 4.
- 1.3 The project has experienced an increase in costs for the Design Team due to prolongation of the programme and an increase in the predicted cost of the construction. In order to continue to the end of the RIBA Stage 4 design for both sites it will be necessary to provide a further amount of funding to the project. This report requests this additional funding. Please note that the report does not propose achieving the end of the entirety of RIBA Stage 4 on the RIBA Plan of Work, as this also includes the procurement of a preferred contractor at an agreed price.
- 1.4 If approval is given the Design Team will then proceed with the RIBA Stage 4 design for both buildings and a further report will be provided to Executive and Council at the end of the RIBA Stage 4 (design only), in the autumn of this year.

## 2. Recommendations

- 2.1 That Executive approves a sum of up to £391,000 be allocated from the Service Transformation Reserve for the financial year 2020/2021 in order to fund the new designs for the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre up to the end of the RIBA Stage 4 process (design only).
- 2.2 That, subject to agreeing recommendation 2.1 of this report, Executive asks officers to instruct the Design Team to complete the RIBA Stage 3 design of Abbey Fields Swimming Pool and, following approval from the Project Board, to



continue the design process to the end of the RIBA Stage 4 process (design only) for both Castle Farm Recreation Centre and Abbey Fields Swimming Pool.

- 2.3 That Executive notes the work already undertaken by the Design Team on improving the sustainability and carbon neutrality of the design of the Castle Farm Recreation Centre and the Abbey Fields Swimming Pool as shown in Appendix A to this report and instructs the Design Team to develop this work further in preparing the RIBA Stage 3 and Stage 4 reports on these projects.

### 3. **Reasons for the Recommendations**

#### Recommendation 2.1

- 3.1.1 The Executive has already given permission for the two projects in Kenilworth to proceed to the end of RIBA Stage 4. Sufficient funding was provided in previous reports to employ the Design Team to the end of this Stage of the RIBA Plan of Work, based on the tendered cost of the Design Team valid at that time.
- 3.1.2 However, since that time, the cost of employing the Design Team to the end of RIBA Stage 4 has risen for two reasons. Firstly, the programme has been delayed, for reasons given in paragraphs 3.1.3 and 3.1.4 below and this has led to prolongation costs. Under our contract with the Design Team, if the programme is extended then their fees increase as they are working on the project for a longer period of time. Secondly, the overall predicted cost of the construction has risen. This also increases the cost of the Design Team, as their fees are based on a given percentage of the predicted cost of construction.
- 3.1.3 Table One below gives a simplified picture of the delays to the project so far that have led to prolongation costs. In fact, a number of these delays overlap or otherwise interact with each other.

Table One – project prolongation

RIBA Stage	Tendered Programme Duration (weeks)	Actual Programme Duration (weeks)	Prolongation Duration (weeks)	Reason for prolongation
1	10	15	5	Appraising numerous options
1 Consultation	0	15	15	Consultation period not in tender
2	16	17	1	Minor delays
Member briefing	0	11	11	Presentations to all parties and feedback
3 – Castle Farm	15	25	10	Options with Scouts and Guides
3 – Abbey Fields	0	20	20	Re-design of pool hall and levels
4 – Design only	28	16	14	Change in project strategy due to Covid 19
4 - Procurement		<u>26</u>		
Total to end RIBA 4	69	145	76	Including 26 weeks of procurement after any project freeze

3.1.4 The following points explain the delays in more detail –

- 3.1.4.1 The RIBA Stage 1 process at both facilities was extended by the appraising of numerous options for the two facilities. 16 options were produced in total, including such suggestions as placing both swimming and indoor sport facilities on the Castle Farm site.
- 3.1.4.2 The Council required a public consultation during RIBA Stage 1 to consider the facility mix at both facilities. This had not been allowed for in the tendered programme nor included in the tendered scope of works.
- 3.1.4.3 Following the elections in May of 2019, it was agreed to pause the design process whilst presentations were given to all parties in the new Council in order to receive their feedback on the proposals at the two sites. This was a new request and so it had also not been included in the tendered programme.
- 3.1.4.4 RIBA Stage 3 at Castle Farm was delayed in order to fully appraise and evaluate a number of options with the Scout and Guide Headquarters on the site. Options included locating the facility on the Rouncil Lane site which was in the process of being purchased by the Council, and a stand-alone facility on the Castle Farm site.
- 3.1.4.5 RIBA Stage 3 at Abbey Fields was scheduled to run concurrently with RIBA Stage 3 at Castle Farm, which is why it is shown as zero weeks on the table. It was delayed by the decision of the Project Board to replace the existing indoor 25 metre swimming pool tank, rather than retaining the existing one. This decision was made when the detailed survey of the potential for flooding revealed that the existing tank is positioned low enough to be a flooding risk. This decision will provide a range of benefits to the overall design of the completed building, but it did necessitate a significant re-design of the details of some parts of the building. This delay occurred after the delay referred to in paragraph 3.1.4.4 above, and so does not run concurrently with that delay.
- 3.1.4.6 RIBA Stage 4 at both facilities is currently predicted to take longer than originally forecast. This is partly because both buildings have increased in size and complexity during the design process, and so it will take longer to complete the Full Technical Design. It is also because the procurement of the contractor will now take place after the end of the RIBA Stage 4 design process, rather than running concurrently with this process. The RIBA Stage 4 design process will therefore be completed sooner but the total time for RIBA Stage 4, including the procurement of a preferred contractor, will take longer. Note that if the project is frozen at the end of the RIBA Stage 4 design process, the procurement of a contractor will not commence until the project is unfrozen at a later date.

- 3.1.5 In addition to the prolongation costs, there has been an increase in costs for the Design Team due to the increase in the predicted cost of construction. The contract with Mace, as co-ordinators of the Design Team, and other members of the Design Team, is based on a percentage of the total predicted cost of the construction, as is usual with contracts of this sort. Therefore, if the predicted cost of the construction rises then the fees **are subject to "uplift"** rise too.
- 3.1.6 The calculation of the sums for prolongation and uplift that are due to the Design Team led by Mace are private and confidential as they demonstrate in considerable detail the prices agreed with Mace, and are therefore commercially sensitive.
- 3.1.7 The implications of the additional sums required for prolongation and uplift are that the project currently has insufficient allocated funds to complete the design process to the end of RIBA Stage 4, although it has authority from the Executive to progress to that stage. Table Two below shows that the project currently requires an additional £390,597 to fund the design process to the end of RIBA Stage 4 (design only).

Table Two – Authority from Executive and costs to the end of the RIBA Stage 4 (design only)

<b>Date of Executive meeting</b>	<b>Description – RIBA Stage</b>	<b>Amount (£)</b>
7 February 2018	RIBA Stage 1	100,000
26 September 2018	n/a	None
9 January 2019	To end RIBA Stage 3	200,000
Feb 2019 (Finance Report)	To end RIBA 3 (2019/20)	550,000
21 August 2019	RIBA Stage 3 to end RIBA 4	445,000
<b>Total project funding</b>	To the end of RIBA 4	<b>1,295,000</b>
<b>Costs to the end of RIBA 4 (design only)</b>	<b>Subject</b>	<b>Amount (£)</b>
	Tendered fee for Design Team	543,075
	Additional fees	659,257
	Further fees for Abbey Fields re-design	159,655
	Surveys and other services	375,169
<b>Total project costs</b>	To the end of RIBA 4 (design only)	<b>1,737,156</b>
<b>Additional project costs</b>	To the end of RIBA 4 (design only)	<b>442,156</b>
<b>Sums remaining in budget</b>		<b>51,559</b>
<b>Shortfall required to the end of RIBA 4 (design only)</b>		<b>390,597</b>

## Recommendation 2.2

- 3.2.1 The design process for the Castle Farm Recreation Centre is complete to the end of RIBA Stage 3, and the relevant report has been signed off by the Project Board. The decision to replace the pool tank at Abbey Fields has led to some

significant improvements in a number of parts of the building, but this has also led to elements of re-design, and so the RIBA Stage 3 process is not yet complete for this building.

- 3.2.2 The Design Team should therefore be instructed to complete the RIBA Stage 3 design process for Abbey Fields Swimming Pool and to present a RIBA Stage 3 report to the Project Board for approval. Once this approval has been received, it will then be possible for the Design Team to commence the RIBA Stage 4 (design only) process for both buildings.
- 3.2.3 Following discussions with the Executive and due to the uncertainty surrounding the availability of funding during and after the pandemic it has been decided to complete the RIBA Stage 4 design process without procuring a preferred contractor. This will enable the RIBA Stage 4 design process to be completed in a shorter timescale. The end of the RIBA Stage 4 design process will provide the Council with a final design, with its planning application decided, and a more accurate estimate of likely costs. This will enable the Council to take a decision as to whether or not to proceed with the project.
- 3.2.4 However, it should be noted that this point in the programme will not actually constitute the end of the entire RIBA Stage 4 process, as RIBA Stage 4 usually includes the appointment of a preferred contractor at an agreed price. If it is decided to proceed beyond the end of the RIBA Stage 4 (design only) process the first step will be to procure a contractor and agree a contract price. This will complete RIBA Stage 4 and prepare the project for RIBA Stage 5, which is the construction phase.
- 3.2.5 A draft programme for the project is in place, but the current situation with the pandemic means that there are many unknowns. It is not therefore presented here for consideration. It will be developed with the Leisure Development **Programme Project Board and the Leisure Development Programme Members' Working Group** as the project progresses.

### Recommendation 2.3

- 3.3.1 The Council declared the Climate Emergency whilst the design process was underway for these two buildings. However, the Executive had already decided, at their meeting on 9<sup>th</sup> **January 2019, to "instruct the design team to fully explore how the building and running of the two facilities can be as close to carbon neutrality as reasonably possible and to request that this matter is carefully addressed in subsequent reports to Executive"**.
- 3.3.2 As well as all of the carbon reduction measures that are required by the current Building Regulations, many options that could serve to reduce carbon during the use of the building have been appraised for their suitability for these two buildings. The table shown in Appendix A to this report shows each of the technologies considered and the final decision of the Board as to which technologies to include in the designs of each of the two buildings. The Leisure **Development Programme Members' Working Group also considered each of** these technologies and their suitability to these projects.
- 3.3.3 The approved technologies will now be incorporated into the design of the two new buildings. The issue of carbon neutrality will also be relevant in other design and operational issues, such as travel to the sites. The work to optimise performance in these related areas is continuing and will be reported on in

subsequent reports to Executive and Council, and highlighted as part of the Planning Application for the facilities.

#### 4. **Policy Framework**

##### 4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several key projects. This report shows the way forward for implementing a significant part of one of the Council's key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal in relation to the Council's FFF Strategy.

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
Impressive cultural and sports activities  Cohesive and active communities Increased physical activity for all the community Stimulus of better quality public facilities	Area has well looked after public spaces  Safe and vibrant public facilities where the community feel comfortable at all times	Dynamic and diverse local economy  Increased employment and income levels Tendering process will attract interest from more companies Contract will stimulate the local construction industry
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged,	<u>Intended outcomes:</u> Focusing on our <b>customers' needs</b> Continuously improve our processes Increase the digital	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management

empowered and supported The right people are in the right job with the right skills and right behaviours	provision of services	Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
The proposal will further enhance the experience of the Warwick District Leisure Development Programme team in managing large scale capital schemes	Focusing on our <b>customers' needs</b> The management of this project will assist us to continue to improve our management of large scale capital schemes	Better return/use of our assets – the new facilities will improve the <b>Council's revenue</b> position and assist us in delivering best value for money

## 4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here:

### 4.2.1 Local Plan

The Warwick District Local Plan 2011-2029 was adopted in September 2017 allocating land south of Coventry and in Kenilworth for development. Around 2,000 dwellings are allocated within Kenilworth and around 4,400 south of Coventry, with a significant proportion of the latter to come forward beyond the current plan period. The Local Plan is a key document in defining the future of Kenilworth, as well as the rest of the District. It has been necessary to get the Local Plan in place before deciding on the future of leisure provision in Kenilworth, as the changes introduced by the Local Plan will affect demand for sports and leisure facilities.

### 4.2.2 Development Brief for land east of Kenilworth

Warwick District Council has also led on the preparation of a Development Brief for land east of Kenilworth covering the strategic housing, employment and education sites. The Development Brief has now been agreed by the Council.

### 4.2.3 Neighbourhood Plan

Kenilworth Town Council has led on the preparation of a Neighbourhood Plan covering the whole town. The Plan has now been through its referendum process and has been made. It was approved by local residents with a **94 per cent 'yes' vote** from a 29 per cent turn out. The Neighbourhood Plan will now form one of the material considerations for planning decisions in the Kenilworth area.

### 4.2.4 Indoor Sports Facilities Strategy and Playing Pitch Strategy

These strategies were initially established in 2015, having carried out comprehensive audits of local provision and needs. The Council formally adopted the Strategies which now form part of the base for development of the **District's sporting provision. They have been key evidence documents for the** Local Plan, in securing s106 contributions from developers to date and in



establishing robust relationships with Sport England and national governing bodies of sport.

### 4.3 Changes to Existing Policies

None

### 4.4 Impact Assessments

Impact assessments are a vital part of the design process for any facilities constructed through the Warwick District Leisure Development Programme. Initial considerations of accessibility and other impacts are part of the ongoing process of good design. Specific assessments will be made at several times during the design process. It has already been agreed that enhanced changing facilities for customers with profound needs will be included in the new designs. The 'Changing Places' style initiative will be used as an inspiration to ensure that those with profound needs will be able to use the new facilities.

## 5. Budgetary Framework

- 5.1 The wider budgetary framework for the construction of these two facilities was laid out in detail in the report to Executive made on 21<sup>st</sup> August 2019. Most of the figures given in that report, and the rationale behind them, remain unchanged at this time and so this material will not be repeated in this report.
- 5.2 However, it is clear that what has changed in the intervening time is the financial pressures on the Council created by the Covid 19 pandemic. These pressures are subject to a rapidly changing situation at the present time, when the overall financial impact of the pandemic on the Council is hard to assess with any accuracy. For example, any slowing in the construction of new houses may or may not lead to a reduction in the amounts of Community Infrastructure Levy and s106 payments received by the Council, depending on negotiations on a site-by-site basis. Similarly, the impact of the pandemic on the construction industry and on the prices that contractors charge for construction are also subject to uncertainty at present.
- 5.3 Members will recall that the agreed Medium Term Financial Strategy agreed in February included a recurring additional £0.5m revenue costs from 2021/22 relating to the anticipated servicing of the debt charges in respect of the borrowing required for the scheme. This additional £0.5m increased the **recurring revenue deficit on the Council's General Fund to £1.8m, requiring this** level of savings to be found. Given the impact of Covid 19 and other changes faced by the Council, the revenue deficit is now looking far greater. This will be subject to a further report to Executive in August. It will not be possible for the Council to give the go-ahead to the project to RIBA 5 unless the Council can be certain it can secure the necessary revenue savings to make up the General Fund deficit and so accommodate the additional revenue costs relating to the project. This will need to be confirmed by Members before agreeing the required capital funding. As a consequence, if the revenue savings cannot be found by the Council, it is possible that progressing to RIBA 5 may not be possible until the Council has more certainty over its future finances, which may be several years away.
- 5.4 The February 2020 Budget report also agreed one off funding of £740k from New Homes Bonus. This is to fund the additional revenue costs whilst the

scheme progresses, reflecting the costs of the operator during closure and the short term funding costs. If a future decision is taken to pause the project, Members may choose at a future date that this funding be re-allocated to other priorities.

- 5.5 The recommendations within this report propose that the Council agrees funding to get the design of this project to the end of the RIBA Stage 4 (design only) process in autumn of this year. At that point the financial impact of the Covid 19 pandemic on the Council may be clearer, the impact of any new priorities for the Council will be known and a decision can be made at that time as to the future of the project.
- 5.6 As shown in Table Two above, the impact of uplift and prolongation on the cost of the Design Team and the cost of other surveys and services is that the project currently has a shortfall of £391,000 to get to the end of the RIBA Stage 4 (design only) process.
- 5.7 It is proposed that this shortfall should be met from the Service Transformation Reserve for the financial year 2020/21. The total available in this Reserve is £768,000. It is therefore proposed to use some of this Reserve in order to ensure this project is able to progress to the end of the RIBA Stage 4 (design only) process.

## **6. Risks**

- 6.1 The greatest risk to this project at present is the Covid 19 pandemic. This is having **unprecedented impacts on the Council's finances, on the construction industry and on the national economy**. The importance of the impact of the pandemic is already clear, but the actual magnitude of the changes it will produce is not yet known. Officers will monitor the impact of the pandemic on the project very closely and respond quickly to any new problems or opportunities created.
- 6.2 If the project does not go ahead then there is a risk that the required amount of indoor water space for swimming will not be available for the increased population in the Kenilworth area of the District. This will mean that local residents will have less access to indoor water space for swimming than is recommended by Sport England.
- 6.3 A Project Risk Register has been established for the current stages of the project. The Risk Register will be kept up to date throughout the project, and its content monitored regularly in order to manage risk within the project. Risks at this stage of the project include:
- Insufficient funds are available to continue with these proposals
  - In particular, the financial impact of the Covid 19 pandemic increases financial pressures on the Council to the extent that this project cannot continue
  - Work does not proceed and so these facilities are not the equal of Newbold Comyn Leisure Centre and St Nicholas Park Leisure Centre
  - Ongoing maintenance issues of existing buildings
  - Loss of income from not improving buildings
  - Heritage, car parking and other constraints limit development choices
  - Uncertainties over the Kenilworth Wardens relocation project impact on the Castle Farm proposals and particularly the planning application

- 6.4 A full Risk Workshop will be undertaken with professional services advisers and the Design Team at the beginning of the RIBA Stage 4 design process, before technical design has commenced. The Risk Register will be completely updated after this Risk Workshop.

## **7. Alternative Option(s) considered**

- 7.1 It would be possible to not undertake any improvements to the facilities at Castle Farm and Abbey Fields. If this decision was to be made then these two buildings would not have the same sort of aspirational, successful and modern facilities as the Council has provided at Newbold Comyn and St Nicholas Park. These two facilities **would not be contributing to encouraging the District's** residents to adopt an increasingly healthy lifestyle in the same way as the two refurbished facilities. Income from the contract with Everyone Active would not be maximised because attendance and income would not be enhanced by newer facilities. The opportunity would be lost to bring the buildings up to modern design standards, particularly with regard to sustainability. The buildings would not be prepared for use for another 30 years.
- 7.2 It would be possible to freeze the current design process for the two facilities until the financial impact of the Covid 19 pandemic on the Council is known in more detail and the priorities of the Council for major projects are more clearly known. However, to delay the project in this way would lead to increased costs for prolongation and for inflation. If the freeze was for more than a few weeks, the current Design Team would probably be re-deployed onto other projects, leading to a lack of continuity and additional re-start costs.

## **8. Background**

- 8.1 The Leisure Development Programme was commenced in 2015 after a strategic review of the existing sports and leisure centres owned by Warwick District Council. Phase One of the District-wide Programme was to thoroughly re-build the Newbold Comyn and St Nicholas Park Leisure Centres. This Phase was completed in 2018. Phase Two is intended to completely demolish and re-build the Castle Farm Recreation Centre and Abbey Fields Swimming Pool, both in Kenilworth.
- 8.2 The design process for the Castle Farm Recreation Centre has reached the end of RIBA Stage 3 and the RIBA Stage 3 report for this building has been signed off by the Project Board. The design process for the Abbey Fields Swimming Pool is in the RIBA Stage 3 process now.

## **APPENDIX:**

- A: Sustainability options for mechanical and electrical installations

## Appendix A - Kenilworth Leisure Redevelopment – Sustainability M&E options – Current Status


Item	Comments	Abbey Fields	Castle Farm
Combined Heat & power:	Combined heat and power require a high-water usage to be beneficial to the M&E design. Therefore, it has been included at Abbey Fields where there will be two swimming pools, but it has not been recommended for implementation at Castle Farm, as this is a “dry side” facility.	✓	✗
Air Source heat pumps – air temperature	Localised air source heat pumps for air temperature have been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
Voltage optimisation	Voltage optimisation has been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
LED lighting	LED lighting has been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
Lighting controls	Lighting controls have been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
Power Factor Correction	Power factor correction has been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
Energy Metering	Energy metering has been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
Heat Recovery Ventilation	Heat recovery ventilation has been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
High Efficiency Motors & Inverter Drives	High efficiency motors & inverter drives have been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
Intelligent Building Management System	An intelligent building management system has been included within both schemes as “best practice*” since the RIBA 2 concept design was developed.	✓	✓
Hydrogen ready boilers	It was requested by Project Board that these were reviewed, and the project team are currently looking at the availability and affordability of hydrogen ready boilers. Initial thoughts are that whilst available in the residential market, the commercial offering is significantly more limited.	✗	✗

PV Panels	<p>PV panels have been included within the RIBA 3 design at Castle Farm, following acceptance at Project Board.</p> <p>Following the approval to proceed with the re-design at Abbey Fields, the design team are now investigating the possibility of including PV on the new roof at Abbey Fields. However, it is yet to be confirmed if this is possible. The project team will advise further once the concept design for Abbey Fields is complete.</p>	?	✓
All Electric Supply	<p>The project team are currently reviewing the possibility of converting from a Gas &amp; Electric supply at Castle Farm, to purely an electric supply. Whilst there would be a capital cost increase, the significant impact will be on the operational running costs due to the price difference between a unit of gas vs electric. However, the positive of using this approach is that the supply of all energy could be renewable if a renewable supplier was used for the purchase of electricity.</p>	×	?
Air Source heat pumps – Water temperature	<p>Air source heat pumps have been rejected at both sites for two reasons. Firstly, this system requires a significant increase in plant room space due to the large volumes of what that need to be stored, which was not possible at Abbey Fields due to the restricted footprint of the site and at Castle Farm it was not deemed to be an efficient product due to the limited water requirements.</p> <p>Secondly, it was estimated that there would have been a capital cost increase of £425,000 with a 34-year payback which was deemed to not be affordable within the current budgetary constraints of the project.</p>	×	×
Ground Source heat pumps – Water temperature	<p>Ground source heat pumps have been rejected at both sites for two reasons. Firstly, this system requires a significant increase in plant room space due to the large volumes of what that need to be stored, which was not possible at Abbey Fields due to the restricted footprint of the site and at Castle Farm it was not deemed to be an efficient product due to the limited water requirements. In addition, at Abbey Fields, a Scheduled Ancient Monument (SAM) site, it was considered that significant grounds at the site would have been rejected as part of the Scheduled Monument Consent as it was non-essential.</p>	×	×
Water Source heat pumps – Water temperature	<p>Like the heat pumps above, water source too would have required significant storage space. In addition, at Castle Farm it was considered</p>	×	×

	that the water space available was not suitable for this technology due to its limited size and its local ecological value.		
Sustainable gas supplier	The members working group previously requested the project team to investigate whether it was possible to purchase gas purely from a renewable source, like is possible with Electric. However, the project team have been unable to find any supplier that guarantees that its Gas supply is from renewable sources.	x	x
Solar Thermal –hot water generation	Solar thermal works in a similar way to PV, but instead of producing electricity it heats water. It was deemed that including PV at both sites would be more beneficial than using the roof space available for hot water generation.	x	x
Biomass Boiler – hot water generation	Biomass boilers were not considered as viable options at either site due to the large and imposing massing, as well as their complicated maintenance strategies. Furthermore, the biomass is used for hot water generation, as per the CHP and therefore cannot be used in conjunction with a CHP unit.	x	x
Wind Turbines - electricity generation	WDC have previously considered wind turbines for various schemes within the District and additional studies have also been conducted to appraise the suitability of wind turbines for our area. The upshot of these studies has concluded that there is not enough wind in this area to justify the effective use of this type of provision within the District.	x	x

\*By best practice we mean that the item would not be required to meet current building regulations, but that the technology is commonly used across developments and therefore has been included within the base design.



 <b>Executive</b> <b>13 July 2020</b>		<b>Agenda Item No.</b> <b>8</b>
<b>Title</b>	Use of Delegated Powers – Additional Recurring Budget for the Financial Management Solution	
<b>For further information about this report please contact</b>	Keith Eales, Project Manager – 07817929798 or <a href="mailto:keith.eales@warwickdc.gov.uk">keith.eales@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>		
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	Yes/No If yes state why	
<b>Date and meeting when issue was last considered and relevant minute number</b>	18 December 2019 – Item 9	
<b>Background Papers</b>	None	

<b>Contrary to the policy framework:</b>	Yes/No
<b>Contrary to the budgetary framework:</b>	Yes/No
<b>Key Decision?</b>	Yes/No
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes/No
<b>Equality Impact Assessment Undertaken</b>	Yes/No (If No state why below)
Although there is no anticipated change from the use of IT resources, an impact assessment will be undertaken during the implementation to identify any specific matters arising.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	15 June 2020	Chris Elliot
Head of Service	9 June 2020	Mike Snow
CMT	15 June 2020	Leadership Group Co-ordination
Section 151 Officer	9 June 2020	Mike Snow
Monitoring Officer	9 June 2020	Andrew Jones
Finance	9 June 2020	Mike Snow
Portfolio Holder(s)	9 June 2020	Councillor R Hales
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report. N/A		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

## 1. **Summary**

- 1.1 The Executive approved the Financial Management System Replacement Project and authorised a project budget at its meeting on 18 December 2019.
- 1.2 Procurement activity has been completed and a preferred supplier identified. The procurement has highlighted a recurring £15k shortfall for the replacement IT system.
- 1.3 The Chief Executive approved the additional £15k budget under his delegated authority CE(4) after consultation with Group Leaders to avoid delaying the award of contract. The additional budget will be included in the Councils Medium Term Financial Strategy from 2021/22.
- 1.4 This report provides background and context to the approval of funding.

## 2. **Recommendation**

- 2.1 The Executive are recommended to formally note the approval of additional recurring budget of £15k from 2021/22 for the new Financial Management System, approved under the Chief Executives delegated authority CE(4).

## 3. **Reasons for the Recommendation**

- 1.1 The procurement of a replacement Financial Management System has concluded and a preferred supplier identified. The procurement activity has identified the difference between actual costs advised by the supplier and the estimate of costs that were advised and approved by the Executive in December 2019.
- 1.2 The analysis has identified that the one off cost of implementation will be comfortably within the approved capital budget whilst the recurring annual costs will exceed the available revenue budget by £15k from 2021/22.
- 1.3 Timelines for the award of contract and implementation are critical if the Council are to avoid a further years support costs with the current Financial Management System provider. A contract award after 30 June 2020 would be a significant risk to this ambition.
- 1.4 The Financial Management System Replacement Project Board were made aware of the updated budgetary position at a meeting on 9 June 2020. The Board noted that the recurring savings to be generated by the project would exceed the additional £15k recurring budget. The Board also noted that the award of contract could not be made with a budget shortfall, potentially delaying a go live of the new IT system to a point after the support contract for the current system will have expired.
- 1.5 The Project Board gave approval to seek the additional recurring £15k budget under the Chief Executives emergency delegated powers CE(4) to avoid delaying the award of contract.
- 1.6 The Chief Executive gave approval to the additional budget at a meeting with Group Leaders and CMT on 15 June 2020.
- 1.7 The additional budget will be included in the Medium Term Financial Strategy from 2021.

## 4. Policy Framework

The following sections have been copied from the originating project report approved by Executive on 18 December 2019.

### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
Not Applicable	Not Applicable	Not Applicable
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our <b>customers' needs</b> Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
The new finance solution will provide a modern and user-friendly tool for staff underpinned by role-based training and support.	The new finance solution will enable new and improved processes including improved levels of self-service for customers, whilst	The new finance solution will be implemented on a basis that optimises the investment and potential for benefits, including the reduction in costs

	supporting more flexible ways of working for staff.	associated with the simplification and removal of out of date or inefficient processes.
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## 4.2 **Supporting Strategies**

Each strand of the FFF strategy has a number of supporting Strategies – the next part of the Policy Framework should set them out. This might be the Local Plan; the People Strategy, the Playing Field Strategy and so on and the relevance of the report to them. So for example:

“Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here [...] .” **The text should** explain how the proposal is or is not consistent with the relevant supporting strategies.

## 4.3 **Changes to Existing Policies**

Not Applicable

## 4.4 **Impact Assessments**

Not Applicable

## 5. **Budgetary Framework**

5.1 Figures within the Business Case show a new Financial Systems Solution is estimated to cost £600k upfront. This includes the cost of the software, supplier support, and back-filling specific posts to free up staff to be part of the project team. The recurring cost of the system is estimated to be £100k per annum. The cost of the current systems is £63k per annum.

5.2 Funding for the new Financial Systems is proposed to be included in the February 2019 Budget report. The increased recurring cost will need to be factored into the Medium Term Financial Strategy.

5.3 The new Financial Systems, if properly implemented, will result in many benefits as detailed in the Business Case. These benefits include: -

- Improved decision-making and financial management analysis from improved access to relevant information.
- Self-service and improved access to information
- Effort saved by automating or removing processes.

More details of the benefits are included within Table 4 of the Business Case.


5.4 Some of these benefits are intangible, and will be difficult to quantify. Other benefits should result in efficiencies that in due course should lead to cashable savings. The Project Team and Senior Management Team will be charged with making sure that cashable savings are generated as a result of the system being implemented.

## **6. Risks**

- 6.1 The risk of legacy finance systems suffering a cyber-attack or a catastrophic and unrecoverable failure will increase significantly when suppliers discontinue support. The Council must avoid this risk with a procurement and replacement of the systems.
- 6.2 The procurement and implementation of a new finance solution will be managed by deploying adequate resources under appropriate governance arrangements.

## **7. Alternative Option(s) considered**

- 7.1 Alternatives to a procurement of a new finance solution were considered earlier in 2019 by joint working of Finance, Procurement and ICT. A procurement of a new integrated solution was preferred over the implementation of replacement of systems on a similar contractual and IT architecture basis.

	<b>Executive – 13 July 2020</b>	<b>Agenda Item No.</b>  <b>9</b>
<b>Title</b>	Community Stadium and Associated Developments	
<b>For further information about this report please contact</b>	Tim Wall <a href="mailto:Tim.wall@warwickdc.gov.uk">Tim.wall@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	All wards of the District but likely to specifically affect: Myton and Heathcote, Warwick	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive on 18 <sup>th</sup> December 2019 minute number 100 Executive on 28 <sup>th</sup> November 2018 minute number 96 Executive on 30 <sup>th</sup> August 2018 minute number 62 Executive on 27 <sup>th</sup> June 2018 minute number 26 Executive on 31 <sup>st</sup> May 2018 minute number 14 Executive on 5 <sup>th</sup> April 2018 minute number 161 Executive on 1 <sup>st</sup> November 2017 minute number 74 Council and Executive on 12/4/17 Executive minute number 129 (non-confidential) & 130 (confidential)	
<b>Background Papers</b>	Local Plan, Submission draft and modifications; Planning Application (W/14/1076); Planning Application (W/14/0967); Report to Executive in October 2014 re Council Housing Programme; Report to Executive in November 2014 re Sports and Leisure Review. Reports to Executive/Council in January and March 2015; April 2017, November 2017, April, May, June, August and November 2018; December 2019.	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	Yes
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference</b>	Yes



<b>number)</b>	
<b>Equality Impact Assessment Undertaken</b>	No
Equality Impact Assessments will be undertaken at the appropriate stage as the project and design develops.	

Officer/Councillor Approval		
Officer/Councillor	Date	Name
Chief Executive/Deputy Chief Executive	29.06.20	Chris Elliott/Andrew Jones
Head of Service	29.06.20	Rose Winship
CMT	29.06.20	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	29.06.20	Mike Snow
Monitoring Officer	29.06.20	Andrew Jones
Portfolio Holder	29.06.20	Councillor Matecki
Consultation & Community Engagement		
The proposals have been subject to extensive discussion with a variety of parties involved. Consultation and Community Engagement will be undertaken as part of the RIBA Stage 2 process.		
Final Decision?	No	
Suggested next steps (if not final decision please set out below)		
A further report will then come forward which will enable a conclusion to be reached on the feasibility of the project.		

## 1. Summary

- 1.1 The report seeks funding so that the next steps in the development of a new Community Stadium to complete the RIBA Stage 1 design for the stadium and to commence RIBA Stage 2 can be undertaken and alongside that an assessment of the sources of finance. A further report will then come forward which will enable a conclusion to be reached on the feasibility of the project in Spring 2021.

## 2. Recommendations

- 2.1 That the Executive note the progress on delivering the overall proposals and the masterplan at Appendix A.
- 2.2 That Executive approves a sum of up to £345,460 be allocated from the receipt of the sale of land fronting Gallows Hill for the financial year 2020/2021 in order to fund the design work on the Community Stadium to the end of RIBA Stage 2 and to manage and maintain Heathcote Hill Farmhouse and associated land for the remainder of the financial year.
- 2.3 That, subject to agreeing recommendation 2.1 of this report, Executive asks officers to instruct the Design Team to complete the RIBA Stage 1 work and commence RIBA Stage 2.
- 2.4 That work alongside the RIBA stage 1 and 2 be undertaken to assess the sources of finance to enable the scheme to be completed.

- 2.5 That a report on the work at the end of RIBA stage 2 and of the assessment of finance be presented to the Executive in early spring 2021 in order to determine financial feasibility of the Stadium project.

### **3. Reasons for the Recommendations**

#### **Recommendation 2.1**

- 3.1 The Community Stadium Scheme is part of a wider multi-faceted project. In outline form if implemented the Stadium could deliver:

- 5,000 capacity stadium and facilitate the relocation of Leamington FC from its current ground on Harbury Lane
- All weather artificial grass pitch to allow for wider community use
- Provision for Adult Community Mental Health Services and Children and **Young People's Mental Health Services**
- Gym and Studio space
- Bar/Catering/Coffee Shop provision

All of this will be subject to confirmation of demand.

- 3.2 The relocation of the football club would enable it to expand its community sports development activities and the Council to then re-use its current site as a gypsy and traveller site, thus enabling positive provision to be made but also to reinforce protection against other sites being used in an unauthorised fashion.
- 3.3 The Council acquired land from the County Council in December 2018 in order to secure the site for the stadium and land that it could sell in order to help fund the stadium. That land, 5 acres fronting Gallows Hill, is the subject of a negotiation which by the time this report is considered will have been exchanged with completion on 4 of the 5 acres by December. That scheme for a relocated car showroom and a hotel will both protect and generate jobs, as well as generate a £5.585m capital receipt for the Council.
- 3.4 The potential inclusion of accommodation for the Coventry and Warwickshire Partnership Trust (Mental Health) would also give the project a clear health and well-being outcome as well as the opportunity to consider some of their its sites in Warwick and Leamington for alternative use as housing.
- 3.5 The Council has also envisaged that it would seek to relocate the athletics track at Edmondscote alongside the stadium and widen its operation to the adjoining schools and create a more accessible athletics facility for the District. This in turn would enable part of the athletics track site to be developed for housing but that in conjunction with other land to the east and to the west it would create a new riverside park, (the Commonwealth Park), connecting Warwick and Leamington with a contiguous green space along the rivers Leam and Avon.
- 3.6 To enable that to happen, the 7 hectares currently reserved for a secondary school, part of which would be used for the relocated athletics track, would have to be freed from having to be used for that purpose. This depended upon an alternative site for the secondary school provision for the new development in the Europa Way corridor. This was secured a short while ago when the planning application for a secondary school, primary school 150 houses and country park provision was granted planning permission and a S106 was signed. The secondary school is expected to be open for September 2023. The

discussion has now started on how the 7 hectares can be used for a new primary school, new/additional SEN provision and the athletics track.

- 3.7 That discussion also raises the opportunity to acquire the site currently identified for the primary school use and to bring it together with the Farmhouse which the Council will have purchased (for circa £1m) by the time this report comes to be considered and land that the Council already owns to the north, most of which will be used for the stadium. This land could be used as the neighbourhood centre and for housing but should generate a margin on the purchase price to help fund the stadium scheme.
- 3.8 Alongside all of this are the ambitions of Myton School and by linking that in, to create a 2<sup>nd</sup> access point to Myton School as well as an enhancement to the sports provision at the school some of which is run as part of a dual facility with this Council by Everyone Active. This opportunity would help to relieve some traffic from Myton Road as well as further improve the sports provision in the immediate vicinity.
- 3.9 The Council and its partners ambition is articulated in the masterplan illustrated at Appendix A. Members should note that the spine road and cycleway serving the scheme is well advanced and should be largely complete by September with the new junction onto Gallows Hill now expected to have completion by June 2021.
- 3.10 The site opposite the proposed stadium is being developed by Vistry who have a pre agreement to deliver 40% of the 375 homes as affordable homes and so feel confident to progress construction. The Council has now entered into an agreement for an adjoining portion of land with Vistry for 54 affordable homes to be developed at a high energy efficiency standard. Subject to planning permission construction is expected in this site in the autumn 2020.

### **Recommendation 2.2 and 2.3**

- 3.11 In November 2019 the Executive gave approval for expenditure in order to progress to RIBA Stage 1 for the design of the Community Football Stadium. Members also agreed in principle to relocating the athletics track and ancillary facilities to a new site adjacent to the proposed new stadium.
- 3.12 The funding now sought will allow for completion of RIBA Stage 1 and for the project to then progress to RIBA Stage 2 and thereby obtaining a more detailed picture of the scheme along with an updated cost estimate.
- 3.13 RIBA Stage 1

The Design Team have been working with Officers and key stakeholders to develop initial designs and costings for the new stadium in line with the RIBA Stage 1 process. Now the Phase 1 desktop ground investigations have been completed as part of this work the Phase 2 ground investigations are currently ongoing on site to enable completion of RIBA Stage 1.

- 3.14 RIBA Stage 2

RIBA Stage 2 involves the preparation of Concept Design including outline proposals for structural design, building services systems, outline specifications and preliminary cost information along with relevant project strategies in accordance with design programme. Any alterations to the brief to be agreed

and Final Project Brief issued prior to start of RIBA Stage 3 Developed Design. The following site investigations are required to complete RIBA Stage 2:

- Complete Phase 2 Ground Investigation
- Drainage Strategy
- Utilities Survey
- Ecological Surveys
- Initial Archaeological and Heritage Surveys

- 3.15 The funding will also mean that the Council is able to manage and maintain the Grade 2 Heathcote Hill Farmhouse (sale due to complete mid July 2020) in a safe, secure and sympathetic manner until such a point that it becomes a focal point of the wider neighbourhood centre development.
- 3.16 The Council also requires legal and property advice in respect of the wide range of developments proposed on and around the Community Stadium site the fees for which are included in the request.

## **Recommendation 2.4**

- 3.17 At this stage of proceedings the estimated construction cost of the new stadium and with fees and on costs is £17,298,352. It is anticipated that the relocation of the athletics track from its current home to the site adjacent to the new stadium would cost in the region of £2.5 million. This would allow the current track site to be utilised for housing and a destination (Commonwealth Games Legacy) park which has an estimated cost in the region of £1 million which takes the total cost to circa £21m. This however, does not include the original land purchase cost of £3.3m, making the overall cost in excess of £24m.
- 3.18 Potentially, the various land opportunities could generate up to £19.5m but these need to have more work undertaken to assess their rigour. It is also the case that the opportunity for other funding contributions from S106, CIL, etc. need to be explored and conclusions reached.

## **Recommendation 2.5**

- 3.19 At the completion of RIBA Stage 2 and of the assessment of sources of finance a further report will need to be considered by Executive and Council in order to decide whether or not to proceed with the project. The Council will have a clear idea at that point on the deliverability of the Stadium and associated elements or otherwise.

## **4. Policy Framework**

### **4.1 Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several key projects. This report shows the way forward for implementing a significant part of one of the Council's key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Becoming a net-zero carbon organisation by 2025 Total carbon emissions within Warwick District are as close to zero as possible by 2030 Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
The proposal if implemented would deliver an impressive local sports facility and enable increased physical activity and so improved health outcomes for a wide range of the community. By enabling greater participation, it will aid a more cohesive and active community. The inclusion of health facilities will also aid improved health outcomes.	<p>The proposal in its widest sense will involve the creation of new public open spaces and will help to enhance access to good open space by more of the <b>District's resident</b> communities.</p> <p>The stadium design will need to be at the lowest possible levels of carbon emissions.</p> <p>The relocation of the Stadium and of the Athletics Track to a more accessible location would help to make the facilities accessible without necessary recourse to the use of the private car as it will be on bus routes and on cycle lanes as well as within easy reach of likely supporters.</p>	The local economy would be aided if the proposal is implemented as it will increase employment and income levels. The tendering process for construction will attract interest from more companies and so could stimulate the local construction industry.
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>

<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our <b>customers' needs</b> Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
The proposal will further enhance the experience of the Warwick District Leisure Development Programme team in managing large scale capital schemes.	Focusing on our <b>customers' needs</b> The management of this project will assist us to continue to improve our management of large scale capital schemes.	Better return/use of our assets – the Council will own the freehold of the new stadium site.

## 4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here:

- 4.2.1 The Local Plan for Warwick District provides the statutory framework for determining planning applications. The proposal broadly accords with the Plan as adopted, however it should be noted that the location of the stadium is further north within the site than proposed in the Plan. The proposals within this project for delivering a community stadium are considered the most likely way in which this policy in the Local Plan can be delivered. The Master Plan for the Community Stadium is broadly consistent with the Local Plan and its overall strategy for the Europa Way area in terms of land use and design
- 4.2.2 The Master Plan for the Community Stadium **is consistent with the Council's** Playing Pitch Strategy and emerging draft Local Football Facilities Plan in terms of type and size of football pitches and athletics provision required within the district. Both recognise a demand for football at all levels within the district that these facilities will help to meet

## 4.3 Changes to Existing Policies

None

## 4.4 Impact Assessments

Impact assessments are a vital part of the design process for any facilities constructed through the Warwick District Leisure Development Programme. Initial considerations of accessibility and other impacts are part of the ongoing process of good design. Specific assessments will be made at several times during the design process. We will consider enhanced changing facilities for customers with profound needs as part of the **new designs. The 'Changing Places'** style initiative will be used as an inspiration to ensure that those with profound needs will be able to use the new facilities.



## 5. Budgetary Framework

5.1 The current spend and committed expenditure for the project is shown below –

Item	Amount (£)
Total Executive approvals	250,000
Total spend of project funds to date	187,325
Committed expenditure 2020/21	55,628
Total spend	242,953
Balance	7,047

The sums approved by Executive in various reports in the past have almost completely now been used up by expenditure to date and committed expenditure this year. Additional approvals will be required before any more work is commissioned.

5.2 Budget provision in 2019/20

The budget provision for the project costs for the Community Stadium and related projects for the financial year 2019/20 is shown below –

Code	Amount (£)	Notes
E540 – Earmarked Reserve	0	Gallows Hill Masterplan
E541 – Earmarked Reserve	16,500	Europa Way Masterplan
E544 – Earmarked Reserve	21,000	Strategic Opportunity
1609	12,000	Main code for project
Total available for 2020/21	49,500	

5.3 The costs to the end of RIBA 2 are summarised below:

Item	Amount
Mace Fees to complete RIBA Stage 1	£18,970
Mace Fees to complete RIBA Stage 2	£157,125
Additional Fees – Surveys etc.	£93,056
Additional Fees – Legal Services, Farmhouse management etc.	£89,940
Contingency – 10%	£35,869
<b>Sub Total</b>	<b>£394,960</b>
Less £49,500 carried forward	-£49,500
<b>Shortfall</b>	<b>£345,460</b>

5.4 It is proposed that the additional sums sought be funded from the capital receipt of the 5 acres fronting Gallows Hill which in total is £5.58m albeit that it is likely to be paid in 2 tranches with the first of over £4m by Christmas 2020. This receipt has so far been allocated to cover the original land purchase and the purchase of the Farmhouse.

- 5.5 The work to date on the Stadium Project suggests that it continues to be challenging for the various anticipated sources of funding to be sufficient to fully fund the cost of the stadium but there are clearly also opportunities to be further explored.

## **6. Risks**

- 6.1 The approach taken to this project has always been to judge the risks stage by stage to enable the Council to consider an exit if it so wished. Therefore, the risk at this stage is that the funds sought are expended but a viable project is **not** subsequently demonstrated. If that were the case then the land already purchased for the stadium could still be sold and the resultant money taken as a capital receipt, though overage would be due to the County Council. The money from the sale of the 5 acres would similarly be available for other purposes though again would be subject to the overage with the County Council. The risk assessment is therefore not at this stage for the overall project. That would come at the next report where, with the benefit of additional work on the design, cost and sources of income, an overall assessment could be made.
- 6.2 If the funding is not made available then the work with the design team will not be able to progress and the project will be halted. That will mean that none of the wider benefits of the project would be able to be achieved. If the project does not progress then the Council will face issues and financial pressures in the future about funding improvements that are needed to keep the athletics track operational. If the track is not relocated then the proposal to create a new riverside park will not be possible and decisions would be needed on the future provision of an athletics track in the district, as the current track will need complete replacement in the next 5 years or so. The Council will also be without any viable site for Gypsy and Traveller position and as the Local Plan review is due to commence soon, the Council will be unlikely to complete that without addressing site provision directly. There are therefore a significant number of issues for the Council if the proposal does not proceed.
- 6.3 If the stadium does not progress, it will not be possible to continue to capitalise all of the expenditure on the scheme to date, and proposed from the funding considered within this report. This will mean that it will not be appropriate to fund these costs from the capital receipt. If this scenario becomes apparent in the future, the Council will need to fund these costs from revenue sources, which would present a significant and challenging future funding issue.
- 6.4 A significant risk to this project at present is the Covid 19 pandemic. This is **having unprecedented impacts on the Council's finances, on the construction industry and on the national economy**. The importance of the impact of the pandemic is already clear, and the actual magnitude of the changes it will produce is not yet known. Officers will monitor the impact of the pandemic on the project very closely and respond quickly to any new problems or opportunities created.
- 6.5 A Project Risk Register is being established for the current stages of the project. The Risk Register will be kept up to date throughout the project, and its content monitored regularly in order to manage risk within the project.
- 6.6 A full Risk Workshop will be undertaken with professional services advisers and the Design Team at the beginning of the RIBA Stage 2 design process, before

technical design has commenced. The Risk Register will be completely updated after this Risk Workshop.

## **7. Alternative Option(s) considered**

- 7.1 It would be possible to freeze the current design process for the stadium until the financial impact of the Covid 19 pandemic on the Council is known in more detail and the priorities of the Council for major projects are more clearly known. However, to delay the project in this way would lead to increased costs for prolongation and for inflation. If the freeze was for more than a few weeks, the current Design Team would probably be re-deployed onto other projects, leading to a lack of continuity and additional re-start costs. In reality, the next report is the better time to decide to halt or progress the project given that the capital receipts can be used to fund this proposal.







***Summary of comments made on the Executive Agenda for  
Monday 13 July 2020***

3. **Review of Local Government Structure in Warwickshire**

The Committees supported the recommendations in the report.

They highlighted the Council needed to keep focused on the overall strategic advantages of working with Stratford and from possible local government reorganisation. Therefore, it should be mindful, on this twin track approach, that the project on working with Stratford does not pre-determine the possible shape of local government reorganisation or preclude possible working with other boroughs and districts where that would be beneficial for residents and provide value for money.

4. **Adoption of the Affordable Housing and Developer Contributions SPDs**

The Committees were satisfied that the questions posed ahead of the meeting had been satisfactorily answered.

6. **Final Accounts 2019/20**

The Committees thanked the Head of Finance and his Team for the work on producing the draft financial statements for 2019/20 so promptly.

7. **Warwick District Leisure Development Programme – Kenilworth Facilities**

The Committees noted the recommendations in the report and requested that additional work be undertaken on; vehicle and active transport access to the leisure centres; and on their carbon neutrality.

(Councillors Redford and Grey requested that their support for the recommendations in the report be noted and Councillor Milton requested his objection to the recommendations in the report be noted.)

9. **Community Stadium and Associated Developments**

The Committees supported the recommendations in the report.