

 Finance and Audit Scrutiny Committee: 29th September 2015		Agenda Item No. 7
Title	Warwick District Local Plan – Infrastructure Delivery Plan – (IDP) Progress Report.	
For further information about this report please contact	Tony Ward / Dave Barber	
Wards of the District directly affected	All Wards	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	28 th January 2015 Executive Committee (Appendix 2 of a report detailing the Local Plan documents to be submitted to Government for Examination) Minute No115	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	In F and A work programme minute 116 (10/2/15) and minute 32 (28/7/15)
Equality Impact Assessment Undertaken	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	19/9/15	Bill Hunt
Head of Service	18/9/15	Tracy Darke
CMT	19/9/15	Bill Hunt
Section 151 Officer	18/9/15	Mike Snow
Monitoring Officer	21/9/15	Andy Jones
Finance	18/1/15	Mike Snow
Portfolio Holder(s)	21/9/15	Stephen Cross
Consultation & Community Engagement		

The Draft Infrastructure Delivery Plan has been subject to public consultation/ consideration as part of the Local Plan preparation process

Final Decision?

No

Suggested next steps (if not final decision please set out below)

It is proposed that further progress reports will be prepared for Finance and Scrutiny Committee on a 6 monthly basis.

1. **Summary**

- 1.1 The purpose of this report is to update Members on progress made regarding the Infrastructure Delivery Plan associated with the Local Plan and the District's future growth requirements to 2029. This is the first of a series of intended updates that will be reported throughout the duration of the development plan process.
- 1.2 Appendix 1 (see document enclosed) provides a revised version of the IDP text and table (with new/ refreshed data marked with an asterisk / in the right hand column of the table).
- 1.3 Appendix 2 sets out progress in terms of specific key infrastructure matters. This includes the development of organisational partnerships that will be essential to ensure the delivery of the many component parts of the IDP going forwards.

2. **Recommendation**

- 2.1 That the Committee notes the content of this report and progress made
- 2.2 That Officers report back to Committee in 6 months' time with a further update

3. **Reasons for the Recommendation**

- 3.1 It is important to continually monitor the IDP programme, its financial requirements, as well as the progress regarding the delivery of the infrastructure. This will be necessary to manage and measure progress regarding the attainment of successful and sustainable growth/ development across Warwick District.

4. **Policy Framework**

4.1 **Policy Framework**

The Infrastructure Delivery Plan is a key part of the evidence that underpins the Local Plan. It has been developed in parallel with the Draft Local Plan and will continue to evolve to ensure ongoing alignment with any Local Plan modifications. In this context the IDP plays an important role in supporting corporate priorities, particularly with regard to ensure quality of life for local residents and a thriving local economy.

4.2 **Fit for the Future**

The timely delivery of the Infrastructure requirements identified in the IDP will be important to ensure that the District provides the physical, social and green infrastructure necessary to maintain Warwick District’s high quality environment, and that it continues to be prosperous and a great place to work, live and visit for future generations.

4.3 Impact Assessments

5. Budgetary Framework

5.1 Infrastructure funding will be derived from a range of sources, as set out in the IDP. To justify this funding, the comprehensive infrastructure planning set out in the IDP will be important as will the evidence base that sits behind the IDP.

The component parts of the Infrastructure Delivery Plan will require a range of partnership working with a variety of agencies in order to identify and where possible tap into relevant funding streams / initiatives throughout the plan period. This will be essential to augment finance derived from developer contributions.

5.2 Financial planning in relation to infrastructure will be a major challenge for WDC and other Local Authorities / agencies across the country and will undoubtedly require imaginative strategies/ approaches to ensure fully funded projects and their delivery going forwards. As the IDP is a continually evolving document, it is expected to be delivered through the lifetime of the local plan. It is not possible to have an IDP that is fully funded at present, for instance, infrastructure that may not be required until 2025 is likely to be funded from sources that cannot currently be anticipated.

6. Risks

6.1 In view of the importance of delivering good development and successful, healthy communities, it will be important to ensure the timely delivery of the necessary physical, social, economic and green infrastructure required across Warwick District.

6.2 Without an IDP the Council will not have a point of reference/ project management tool to ensure the successful organisation and timely implementation of the District’s infrastructure requirements.

6.3 There is an inherent risk that at some point certain infrastructure matters will have to take priority over others and utilise available funding at the cost/ delay of other less critical projects. It is hoped that this will not prove to be the case.

6.4 The Local Plan risk register which is updated on a monthly basis, contains the following risks relating to the IDP

Infrastructure and CIL					
15	CIL and Viability	CIL cannot be adopted until the Local Plan is adopted Once the site proposals have been finalised, work on viability will need to be revisited – in particular in relation to CIL and infrastructure funding. There	3	4	a) Ensure CIL scheme is ready to progress alongside Local Plan b) Regular review of the IDP c) Regular report to Scrutiny regarding Infrastructure d) We need to continue to be

		remains a risk that some of the proposed infrastructure will not be viable. Recent work on CIL income shows that a shortfall is likely if we try to deliver the entire infrastructure that is desirable. However with prioritisation, accessing additional funding stream and continued effective use of S106, it is expected that the funding gap can be managed			specific about which elements of the IDP will be funded through CIL and demonstrate that CIL income can achieve this (taking account of pooling restrictions e) We need to ensure evidence to support S106 contributions is robust and CIL compliant
16	Infrastructure funding and delivery	The issues around pooling S106 agreements is now a significant risk given that we still don't have CIL scheme in place. It is possible that funding for some infrastructure will be harder to justify in this interim period	4	3	Build on work done for Harbury Gardens (Grove Farm) to associate specific pieces of infrastructure with specific sites. This will require further detailed work on the evidence base to support infrastructure requirements – close working with Infrastructure providers who may not always grasp the importance of this. Issues around how this should be resourced are being considered, but there is likely to be a key role for the new Major Sites Officer.
17	Forward funding of major infrastructure items	In some ways this goes beyond the remit of the Local Plan, but there could be significant issues if schools and some transport infrastructure cannot be provided in advance of new development. However forward funding options are difficult and carry significant risks/costs	4	2	For a lot of infrastructure, it would be possible (though certainly not desirable) to provide after developer contributions have been received and without forward funding Work underway to look at very targeted forward funding including reducing risk by seeking external security for loans Issue around forward funding for secondary schools, remains important and unresolved. Needs close work with WCC, the schools and creative solutions

7. Alternative Option(s) considered

7.1 Given the importance of Infrastructure planning to the success of Warwick District over the forthcoming Local Plan period (and beyond) it is not considered

practical to progress without an IDP to inform decision making/ be a tool to assist in the monitoring of development progress.

8. **Background**

- 8.1 The IDP has been developed in association with the District's emerging Local Plan and is a necessary component of the development plan process as prescribed by the National Planning Policy Framework (NPPF).
- 8.2 A full description of the purpose and background to the IDP is set out in the first ten pages of the IDP master document that forms appendix 1 of this report.

Appendix 1 – Infrastructure Delivery Plan

Enclosed separately

For Transport Corridor Study Plans refer to the following webpage:

http://www.warwickdc.gov.uk/download/downloads/id/2234/in03_-_draft_infrastructure_delivery_plan_appendix_a_-_transport_corridor_strategies.pdf

Appendix 2 – Progress on key Infrastructure Requirements

Transport Infrastructure

Apportionment/ Sharing of Highway works Costs with Stratford District

1. Stratford District Council is proposing to bring forward significant housing and employment developments as part of their Core Strategy. It has been accepted that there is a strong likelihood that intended residential and employment developments at Gaydon/ Lighthorne Heath will create significant traffic movements. This increase in traffic will have implications for highway matters and the transport network within Warwick District. This is particularly relevant for the area south of Warwick and Leamington.
2. In order to establish the magnitude of this additional pressure on our network and a way of fairly apportioning costs, Warwick and Stratford District have jointly financed a study to establish the cumulative impact of traffic from their Local Plan allocations. This study has calculated traffic movements from developments and then weighted their relative impacts on the highway improvement schemes that have been identified for mitigation purposes in each District Council area (as set out in the revised IDP tables – appendix 1 of this report).
3. From this 'weighting' it has been possible to identify and apportion the amount each local authority should seek from development allocations as a proportionate contribution towards each particular mitigation project. The conclusions of this work that are relevant to Warwick District are set out on a project by project basis within the revised IDP document (Appendix 3).

4. This mechanism for fairly sharing the burden of highway infrastructure costs (where appropriate/ proven necessary) has been accepted by Stratford District Council, Warwick District Council and Warwickshire County Council(the Highway Authority) as an appropriate way forward to seek and apportion developer contributions to fund highway projects. Further close working with both authorities will be required to ensure the successful application of this regime. Appropriate Legal mechanisms/ agreements will also have to be put in place to manage the proper timing and transfer of financial capital to Warwickshire County Council in order that they can execute the delivery of transport related works.
5. In summary, some £6.2 million pounds will be sought from development within Stratford District Council to assist the financing and delivery of important (non-motorway) highway infrastructure within Warwick District. Officers will also monitor the progress of further, new allocations being proposed as part of the Stratford Core Strategy (Proposed Modifications) exercise. This may identify the occurrence of further Stratford development impacts on transport infrastructure within Warwick District (and an expanding case for further financial support from Stratford based allocations).

Warwickshire County Council Strategic Infrastructure funding bids

6. Warwickshire County Council has been successful in its endeavours to secure a bid of £3.1 million from the Growth Deal which was agreed with Government following the submission of the Coventry and Warwickshire Local Enterprise Partnership's (CWLEP) Strategic Economic Plan (SEP) in March 2014. These monies will fund a significant junction improvement package centred on Stanks' Island on the A46 (see IDP T40).
7. This is a significant success that will provide improvements to enhance capacity and operation of what is a key strategic junction within the District. Detailed design work is currently being carried out and it is envisaged that the programme of works will be delivered in 2016/17.
8. Further expressions of interest have recently been submitted by Warwickshire County Council in partnership with this Council to the CWLEP's current SEP update process. This will not only help develop a pipeline of infrastructure projects across the Coventry and Warwickshire, but it will also identify the key projects which will be put forward as part of any future Growth Deal with Government. It is hoped that further funding towards this will be announced later this year as part of the Autumn Statement). If successful, these further bids could offer considerable assistance to some of the key (and most expensive) elements of the overall IDP transport / highway package. The focus of these expressions of interest has been on the following projects:-
 - The A452 Kenilworth to Leamington Corridor including works to the A46 Thickthorn and Bericote Road roundabouts, with localised dualing of the A452 between the two junctions and a second bridge across the River Avon. The scheme would also deliver a key section of the Kenilworth to Leamington (K2L) Cycle route.
 - The A452 Europa Way Corridor, incorporating a range of improvements to dual the A452 and improve key junctions between the M40 (Junction 14)

and the Europa Way/ Myton Road roundabout. This will be a major multi-modal project that will potentially include a southern park and ride facility as well as bus priority and dedicated pedestrian and cycling facilities. It should be emphasised that footpath and cycle connectivity considerations will not be limited to Europa Way but will also involve joining this major arterial corridor back to the heartlands of the emerging residential communities, schools (including Myton in particular) and other community facilities to be built south of Warwick and Leamington.

- Works to the Bath Street/Spencer Street/Old Warwick Road/Lower Avenue area. This traffic management programme will ease congestion in this part of Leamington's Old Town by becoming a one-way gyratory, and will also enable improved public transport interchange and enhancements to pedestrian/cycle connectivity between Leamington Railway Station and the town centre. This bid has been submitted as part of a wider programme together with a bid from this Council to regenerate the area as a Creative and Digital Quarter
- Both WDC and WCC have also been working with Coventry City Council and Highways England to develop an expression of interest for a substantial improvement of the Stoneleigh Junction on the A46. It is intended that this will provide a full, grade-separated roundabout along with alterations to the nearby Dalehouse Lane/Stoneleigh Road roundabout. Officers have separately been working with the owners of Stoneleigh Park who have submitted a separate bid for a link road from the A46 roundabout into the Park which would allow traffic to by-pass Stoneleigh village. This scheme is at a very early stage of development and will require further input from WCC as Highway Authority.

9. Other positive matters related to highway infrastructure include the following:-

- The County Council has recently undertaken a review of the cycle network of the District in conjunction with Sustrans. This review will assist the County Council in the successful targeting and implementation of cycleway projects as funding becomes available over the Local Plan period.
- Officers from Stratford and Warwick District Councils have been meeting with WCC Legal in order that a strategy to obviate the pooling restrictions currently associated with Section 106 Planning Obligations can be delivered. This will be important to ensure that the proper collection of developer contributions continuous in advance of Local Plan adoption and a Community Infrastructure Levy(CIL) regime being implemented. This work is showing positive progress and it is hoped that a successful outcome can be reported back to members at the next IDP progress report.
- Finance for the delivery of Kenilworth railway station is secured and delivery is planned to be by December 2016.It should be noted that this is identified in the IDP (T???) but does not require funding from developer contributions.

- The total amount of finance that has been successfully negotiated from major planning applications thus far is £ 50.6 million (see table 1 below)

Health Infrastructure

Acute and Community Health Services

10. Members may be aware that the intended programme for the delivery of Hospital facilities is a shared strategy covering South Warwickshire (Warwick and Stratford Districts). To this end, it is intended that financial contributions from development proposals in both authority areas will be utilised to assist in the delivery of improvements to Warwick Hospital as well as a new hospital facility at Stratford (see IDP document H1-H3).

Warwick Hospital

11. There has been progress at Warwick hospital with the commencement of the construction of the new ward block needed to provide two new wards as part of the overall South Warwickshire bed strategy. The building project is largely completed and it is envisaged that the wards will be commissioned and become operational in December of this year.

Stratford Hospital

12. A new car park has been erected at this location in order to free land for the new hospital building. The new hospital building itself is currently under construction and it is anticipated for completion in early 2017. The South Warwickshire Health Foundation Trust has borrowed finance in order to fund this (and the Warwick hospital works) and will be seeking to repay this in part from developer contributions as and when they are available/ due for collection from S106 agreements.
13. These additions to hospital services are significant infrastructure advances that will serve the needs of the growing South Warwickshire area population throughout the Plan period and beyond.

Health G.P. Services

14. Since April of this year the responsibility for decision making regarding health (GP) provision has been moved from the national Health Property Services division to the Clinical Commissioning Group (CCG). A response to the growth requirements associated with the emerging Local Plan was submitted by the NHS (Property Services) and the requirements identified are currently included within the IDP (H4- H8).
15. Given the changes in governance within the NHS, it has been considered important to give the CCG the opportunity to revisit the schedule in the current IDP and to revise it if necessary. It is important that we have certainty that we

are seeking the appropriate range of GP related requirements. The Local Plan process has not had any requests regarding facilities for the treatment of mental health. This is another matter that we asking to be checked / re-visited.

16. Officers from the District and County Council are working jointly to get assurances from the CCG that we have an accurate schedule of their future requirements in our IDP. It is hoped that we will be in receipt of the definitive position regarding these matters shortly and will be able to make any adjustments that may be required before the next IDP progress report. This task (along with other Infrastructure negotiations) has been aided by the appointment of a dedicated Infrastructure Manager by WCC who will be assisted by the recent addition of a Health Planning Officer.

17. A significant amount of finance has been sought from S106 Agreements relating to the southern sites towards the new GP facility required to serve the new population that will emerge as the southern sites progress (see Southern sites progress paragraphs 30 to 35 below).

18. Discussions have also commenced with landowners regarding the master planning of the land owned by the County Council (north of Gallows Hill/ west of Europa Way) within the southern sites. This work is embracing the spatial requirements / precise location for a new GP facility. Finance has also been negotiated as part of recent S106 negotiations relating to the Grove Farm land parcel for improvements to the existing doctor's practice at Warwick gates.

Education Infrastructure

19. As part of the Local Plan process, the number and distribution of proposed new houses has required joint working between the County Council and Warwick District Council to alight on a strategy to meet the future demand for school places. This work remains ongoing.

20. The IDP sets out the number, type and location of schools that will be required to meet the pupil projection forecasts based on our current Local Plan. Not surprisingly the majority of the demand is centred in the vicinity of the major allocations south of Warwick and Leamington and in Kenilworth.

21. The District and County Councils have, in consultation / negotiation with the appropriate school bodies formed an agreed strategy regarding future Secondary Education needs south of Warwick and Leamington. This will see the current capacity at Champion school utilised and further developed with some further building. In parallel, it is intended that Myton School will instigate a large scale expansion/ modernisation programme to radically increase its capacity and ability to deliver additional pupil places.

22. With regard to Kenilworth, options are being assessed and negotiations are continuing regarding the potential to deliver a new secondary school at land at South Crest Farm (Dalehouse Lane). This proposal would provide enhanced pupil capacity whilst also combining the existing Kenilworth sixth form and secondary schools on a single site.

23. It should be noted that there is the potential within these negotiations for land sales for residential development that could provide a significant contribution to the cost of delivering a new school on land at South Crest Farm.

Secondary School Provision

24. The Myton School solution involves a £32 million pound development programme and will (in three phases) be able to increase capacity by 773 students to 2,275 places (including 450 post 16).

25. Funding will be made up from S106 developer contributions as well as the proceeds from the sale of school land for housing development (estimated at £11million). A bid is about to be submitted by the school to the Educational Funding Agency (Central Government) for £5 million pounds towards this project.

Primary School Provision

26. With regards to Primary School provision, advances are being made by officers of the District and County council regarding the delivery of the first primary school needed in association the allocations south of Warwick and Leamington.

27. Pre-planning application discussions with the developer regarding land at Lower Heathcote Farm (south of Harbury lane) have included the precise locational arrangements of this new primary school. The County Council is also currently identifying an officer group to oversee the detailed implementation of this project and has commenced the process to identify an academy sponsor to manage the school.

28. It should also be noted that the locational requirements for the other two further primary schools necessary to serve the southern sites area has been established at Myton School and at Grove Farm.

29. Other advances relating to school provision include works underway to deliver additional capacity at St Peters Primary School in Barford. The completion of these works is expected shortly. WCC has 'front-loaded' the funding of this expansion and is anticipating reimbursement from S106 funding in due course.

Southern Sites – Progress

30. Members will be aware of the significant number of planning applications that have been granted relating to sites south of Warwick and Leamington since mid-2013. In all 14 significant approvals have given permission for some 3,950 new homes.

31. These approvals have all been accompanied by signed S106 Agreements that have been successfully negotiated by officers. These negotiations have benefitted from the particular close attention of the District Council's Major Sites Monitoring Officer and the County Council's Infrastructure Manager.

32. Table 1 (below) sets out a summary of contributions that have been attributed to the range of infrastructure requirements thus far. Clearly these sums represent a significant amount of finance to aid the delivery of the IDP.
33. Officers are now working with the relevant developers with regard to master-planning and the implementation of detailed site layouts, many of which will detail the precise location of key infrastructure matters including schools, health centres, community facilities, open space, cycle and pedestrian route ways as well as other matters such as local shops/ services and opportunities for informal open space, children's play etc.

TABLE 1 – Finance Negotiated and agreed in relation to the Southern Sites (South of Warwick and Leamington) August 2013 - August 2015

Issue / IDP Topic Area	Section 106 Contributions agreed in Obligations thus far (August 2015)
Transport	15.6
Waste	
Education	28 (plus 13.5 ha land)
Health	7 Hospitals (5) G.P. Services (2)
Libraries	0.17
Indoor Sports	2.7
Arts/ Culture	
Emergency Services	0.7
Communities Facilities	0.25 ha Land
Green Infrastructure (Tachbrook Country Park)	2
Open Spaces/ Pitches	1.25
Monitoring	0.24
Totals (£ millions)	57.66

34. Negotiations with developers have successfully secured the majority of the land and finance within Section 106 agreements that is necessary for the important Country Park. This will provide a public park of some 40 .5 Hectares (100 acres) that is considered a key benefit to this locality and the District. Negotiations regarding a planning application that will secure the delivery of the

final section of land for the country park (on land currently owned by Severn Trent) are currently progressing.

35. Officers from the relevant Service Areas are developing an implementation strategy/ plan for the Country Park.

Financial Overview / strategy

36. The total amount of finance estimated to provide the current infrastructure requirements associated with the Local Plan to 2029 is £281 million.

37. Table 1 (set out above) shows progress made thus far in relation to Section 106 arrangements agreed for sites south of Warwick and Leamington. It should be noted that whilst these sums are encouraging, the precise timing of collection of this finance is, in many instances dependent on 'trigger points' that are set out within each individual application.

38. The timely delivery of some of the IDP elements may require this Council and other authorities / agencies to consider entering into agreements to borrow finance to forward fund pressing/ urgent requirements in advance of the collection of monies from developer agreements.

39. Members should also note that a significant amount of development is still to be delivered in association with the Local Plan and that this will, in most instances, be subject to S106 /CIL funding requirements. Furthermore, finance collected under a CIL regime will be more easily targeted to specific projects because it will not be constrained by the legal requirements currently associated with S106 Agreements.

TABLE 2 – Overall estimate of funding funding accrued (Sept 2015)

Issue / Finance source	Amount
S106 Committed	£58 million
Health – Hospitals	£31 million from NHS 16.5 million contribution from Stratford DC (assuming 50% split of assumed S106 funding requirements – 33 million)
Transport/ Highways (Ken Railway Station)	£11.3 million from DFT
Shared Highway / network improvement costs- to be financed by residential/ employment developments anticipated within Stratford District(precise figures subject to confirmation)	£10.45 million potentially sourced from future development proposals within Stratford District (further bids may assist with this)
'Stanks Island' A46/ Birmingham Road Improvements	3.4 million from Local Growth Deal funding SEP

Issue /Finance source	Amount
Education – Myton School Example (possible joint contribution to the overall 30 million pound proposal currently being explored)	16 million from non – S106 sources (subject to confirmation)
Section 106 /' CIL anticipated over the remaining plan period (based on current plan provisions)	£55.0 million – this is calculated by a rudimentary analysis of further housing numbers multiplied by estimated CIL average rates. It needs to be revisited and more accurately assessed in due course.
	Total financial package of £190 million towards an overall Infrastructure requirement of some £281million

40. Table 2 of this report (above) gives an indication of the current overall IDP funding position. Whilst this continues to indicate a funding gap, this is to be expected as some of the infrastructure is not required until later in the Plan period. In these cases it is likely that funding sources that cannot currently be anticipated will be available. An example of this is improvement to the motorway. This is not currently in Highways England's funding plans, but they support the proposed improvement for the medium term and it is therefore likely that HE funding will become available when required. Across all the infrastructure requirements, it is intended that, wherever possible alternative funding opportunities will be sought / bid for. An example of this being the CWLEP Local Growth Deal bidding for future infrastructure projects mentioned earlier that may, if successful; significantly ease the burden of the overall IDP monetary requirement. As the IDP evolves, it is intended that officers will be able to prepare and report more accurate estimates of the overall financial position, including as part of the next IDP progress report in March 2016.

41. Going forward, it will be very important to identify opportunities for grant funding possibilities as and when they occur to seek additional finance for our IDP projects. It should be noted that the infrastructure delivery plan is a long term project and it is inevitable that the range and availability of funding opportunities will change over time.

42. It may be that during the implementation of the Local Plan, consideration may have to be given to the prioritisation of certain infrastructure matters over others in the event it proves impossible to fully fund the full list of requirements.