	Council - 1 December 2011	Agenda Item No. 3
Title	Interpreting the Vision – Development of the Local Plan for Warwick District	
For further information about this report please contact	<p>Chris Elliott Chief Executive 01926 456000 Chris.elliott@warwickdc.gov.uk</p> <p>Bill Hunt Deputy Chief Executive 01926 456014 bill.hunt@warwickdc.gov.uk</p> <p>Andrew Jones Deputy Chief Executive 01926 456830 andrew.jones@warwickdc.gov.uk</p>	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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	Executive 14 September 2011 Minute number 56	
Background Papers	<p>Report to Executive, 14 September 2011- Interpreting the Vision</p> <p>Business Rates Retention – Executive 12 October 2011</p> <p>Government Consultation on Draft National Planning Policy Framework – Executive 12 October 2011</p> <p>Local Plan Consultation – Executive 2 March 2011 and 9 February 2011</p> <p>Delivering Sustainable Development – Consultation Documents – Executive 7 January 2011</p> <p>Background and working papers on strategic assessments e.g. Warwickshire County Council/Highways Agency Strategic Transport Assessment; Strategic Housing Market Assessment; previous Executive reports on the Core Strategy etc.</p>	

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)	No
Equality & Sustainability Impact Assessment Undertaken	Not applicable at this stage but will be completed at Preferred Options stage
.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive		
Head of Service		
CMT		Authors
Section 151 Officer		Mike Snow
Monitoring Officer		Andy Jones
Finance		Mike Snow
Portfolio Holder(s)		Cllr. Caborn
Consultation & Community Engagement		
n/a		
Final Decision?		No
Suggested next steps (if not final decision please set out below)		
<p>The decision on this report will require the Council to prepare a preferred option for the Local Plan based on the Strategy Statement asked to be approved by the recommendations. This will then need to be considered for approval in March 2012. Similarly the other delivery plans are to be prepared in draft form for approval in March 2012.</p>		

1. SUMMARY

- 1.1 The purpose of this report is to enable full Council to debate and agree on the Strategy Statement which includes the preferred level of growth and the broad principles governing the types of development that it wishes to see accommodated within the emerging Local Plan.

2. RECOMMENDATIONS

- 2.1 That Council approves the strategy statement 'The future and sustainable prosperity for Warwick district' as set out at **Appendix One** as the basis for the Council to prepare a Local Plan for the period to 2028.
- 2.2 That Council notes that future work, to be undertaken prior to the recommendation of Preferred Options to the March 2012 Council meeting, will enable the environmental and infrastructure impacts and the deliverability of preferred growth figure contained within the strategy statement to be fully tested.
- 2.3 That Council notes the proposed timetable for adoption of the Local Plan as set out at **Appendix Six**.
- 2.4 That Council notes the risks of the Local Plan being deemed to be 'unsound' at independent examination, as set out in section 3.
- 2.5 That Council agrees to pursue the adoption of a Community Infrastructure Levy for the district, in parallel with the timetable for the development of the Local Plan.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 Since the Coalition Government came to power in May 2010 the national planning policy landscape has changed considerably from that put in place by the previous administration. In particular the Government has pursued its plans to abolish the Regional Spatial Strategies (RSS) which had previously provided the basis for the level of growth that each local authority area should anticipate allowing the necessary levels of housing, employment and retail land to be allocated to accommodate that growth.
- 3.2 National economic policy has changed significantly too and is now framed by the global economic situation with an emphasis on cutting public spending and promoting growth initiatives to stimulate a sluggish economy that is still struggling to move out of recession. Both the localism agenda and the Government's Plan for Growth, in which it sets out its economic policy, highlight the need for economic growth and increased housing delivery.
- 3.3 These twin principles are also reflected in the draft National Planning Policy Framework (NPPF) on which the Council agreed its response to the Government's consultation in October 2011. The intention behind the draft NPPF is to radically simplify national planning policy and guidance which is reduced from over 1,000 pages to around 60 pages in the draft document. The content of the draft NPPF appears to reflect a view that planning policy and process has, in the past, been a barrier to growth. It also reinforces the message that the planning framework should directly contribute to the delivery of growth, an aspiration that permeates throughout the wider national agenda.

- 3.4 In addition, in order to help stimulate growth and change potentially negative public perceptions of the impact of growth in their locality the Government has introduced new funding mechanisms for Local Authorities that provide a financial reward for the local area, e.g. the New Homes Bonus Scheme and are considering other approaches, e.g. Business Rates Retention Scheme, whilst at the same time considering reducing the amount of funding that Councils will receive from Government through the Revenue Support Grant.
- 3.5 In the light of the changing national policy framework, this Council in 2010 suspended its previous work on developing a new Core Strategy to replace the current, still extant, Local Plan 1996-2011. That work had been governed by the requirements of the West Midlands RSS which envisaged a housing growth requirement of 10,800 new homes in the district in the period 2006-2026, equating to an average 540 homes per annum over the 20 year period. The RSS also required a housing growth allocation for Coventry which could not have been accommodated by sites within the city boundary and which would have resulted in at least a further 3,500 homes having to be accommodated within Warwick district. The addition of these 'overspill' homes would have increased the level of housing growth that needed to be accommodated within the Core Strategy to 14,300 homes, an average of 715 new homes per year.
- 3.6 Once the Coalition Government had signalled its intention to abolish the RSS this Council decided to suspend work on the previous Core Strategy in order to take stock of the changed situation in which responsibility for determining the level of future housing growth had passed from regional to local government, allowing decisions to be made on the future shape of the District, including the level and distribution of housing and economic growth. With royal assent having been given to the Localism Act, the mechanism by which the RSS can be abolished is now complete, although the current RSS provisions are likely to remain in place until March 2012 at least.
- 3.7 Although the RSS will be abolished the need for a robust Local Plan (Core Strategy) remains. The draft NPPF recognises Local Plans as a key element of the planning framework. Each local planning authority is therefore required to set out, within their Local Plan, their strategic objectives for the development of their locality over a 15 year period.
- 3.8 In developing its new Local Plan the Council has already consulted on a number of scenarios featuring differing levels of economic and housing growth as a means of stimulating public debate on future of the District and how it should look in 2028. In September this year Council agreed the process as to how the Local Plan would be developed. Subsequently briefings have been held to inform all Councillors and key partners on the key findings of national planning policy changes, public consultation, studies on population growth and housing need, economic assessment, transport and green infrastructure and leisure provision. As an outcome of the process agreed in September 2011, Councillors of all parties have used and weighed all of the information provided in the briefings to consider what they believe should be this Council's strategic priorities.
- 3.9 The significant communality between the outcome of these discussions has enabled the production of a Strategy Statement 'The Future and Sustainable Prosperity of Warwick District', as set out at **Appendix One**. Subject to approval of recommendation 2.1 the Strategy Statement and in particular the level of desired economic and housing growth articulated within it will govern the next stages of the development of the Local Plan. This work will be undertaken in the period leading up to the March 2012 Council meeting. At that

meeting members will determine the 'Preferred Options' for the Local Plan, which will subsequently be the subject of public consultation.

- 3.10 Whilst the proposed Strategy Statement will provide the basis for the Local Plan, approval of the plan will, like the previous Core Strategy before it, ultimately depend on the outcome of an independent examination. This examination is designed to assess conformity to national planning policy and the robustness of the evidence base on the plan that has been constructed. In particular the independent examiner will test the 'soundness' of the rationale and evidence base used to design the plan and whether the level of growth contained within it is deemed to be 'deliverable' with regard to the availability of 'suitable' sites and the robustness of the supporting Infrastructure Delivery Plan. Members will also recall from the briefing sessions that the draft NPPF builds on the existing requirement of maintaining a 5 year 'rolling supply' of identified sites suitable for accommodating housing growth and increases this 'supply' requirement by a further 20% to address issues of flexibility and deliverability.
- 3.11 The Council has already gathered a significant evidence base that will inform both the development of the Local Plan and the preparation for the examination. The consultation exercise undertaken between March and July 2011 also tested whether the key 'Issues and Options' that the plan will need to address have been correctly identified.
- 3.12 Members will need to be mindful that in particular the level of economic and housing growth they ultimately select will have to pass the 'soundness' test at independent examination. A note summarising the current and proposed government advice on identifying the necessary land for housing is attached at **Appendix Two**. There is significant evidence of need from the Strategic Housing Market Assessment (SHMA), as set out in section 7, to suggest that a reasonably high level of growth, in the range of 595 to 715 homes per annum, should be accommodated within the Plan.
- 3.13 However, the SHMA is only one piece of evidence that the Council will need to consider. Further detailed consideration of population growth trend information and how this could be influenced by decisions made in regard to the desired level of economic activity that the Council aspires to will need to be made during the preparation of the Preferred Options and the draft Local Plan itself. As a demonstration of the complexity of the work that will be need to be completed in the lead up to the finalisation of Preferred Options the table set out at **Appendix Three** shows the levels of potential employment growth, taken from an analysis undertaken by the Coventry & Warwickshire Local Enterprise Partnership, that could be created by development of the listed sites.
- 3.14 Clearly the difficulty in interpreting this information in Local Plan terms is around the assumptions made as to the number of jobs that would be filled by local people were this level of growth to materialise and the potential impact on existing commuting patterns. Some of these issues have already been explored within the SHMA but the example illustrates the quantum of work that still needs to be completed.
- 3.15 The latest public consultation highlighted, as did previous consultation exercises on the previous Core Strategy, the significant public interest in the level of housing growth that will need to be considered and addressed by the new Local Plan. However, housing growth can not be determined in isolation without reference to, and analysis of population and economic data and the detailed

assessments of deliverability and suitability of potential sites on which it is to be accommodated. In particular members will need to balance what level of housing growth can reasonably be accommodated without causing significant detriment to the quality of the local environment or which cannot be supported by the appropriate infrastructure.

- 3.16 At this stage however, the Council is unable to fully test what is a 'sound' level of growth hence the recommended approach of selecting a preferred 'in the region of' level (as set out in the Strategy Statement) to enable the impacts of that level of growth to be considered at a site specific level during the preparation of the Preferred Options and draft Local Plan itself. This process will mean a more specific growth figure can be determined once the environmental and infrastructure impacts have been considered and deliverability fully assessed. This approach is entirely consistent with that set out in the September 2011 Executive report. An extract of that report showing how the Local Plan will be developed up to the Preferred Options stage in March 2012 is attached at **Appendix Four**.
- 3.17 Nevertheless, in overall housing supply terms, as the note at **Appendix Two** indicates, the Council needs to plan for a level of growth that will apply to each of three separate 5 year periods that make up the 15 years of the plan period (this will be 2013 to 2028 as the plan will not be implemented until its adoption in late 2013/14) and, in addition, can make an allowance for 'windfalls' in the final 5 year period subject to the availability of allocated sites.
- 3.18 An initial assessment of a level of housing growth *in the region* of 550 new homes per annum on allocated sites is considered to be an appropriate basis upon which the Local Plan can be developed, enabling the detailed assessments as set out above to be conducted to test the appropriateness of that level of growth. A housing allowance of that order would provide a total of 8,250 new homes over 15 years.
- 3.19 Part of the detailed assessment required relates to a future windfall allocation which, as Appendix Three highlights, would only potentially be appropriate for years 11-15 of the new Local Plan period. Were such a windfall allowance to be determined to be appropriate the level of any such allowance would need to be closely examined. However, evidence from the current Local Plan period (1996-2011) shows that an allocation of a windfall allowance of 1,793 homes would be justified if it was considered appropriate that the allowance should be based on an average of the windfall completions over the full 15 year period covered by that plan.
- 3.20 The full number of completions on windfall sites, compared to those derived from sites allocated within the current Local Plan, is shown in the table set out at **Appendix Five**. An average based on the full Local Plan period has the advantage of covering both the period of the highest windfall numbers during periods of a strong housing market and the lower growth periods associated with the market recession.
- 3.21 To illustrate the impact of any future windfall allocation, were an allowance of 1,793 windfall homes to be added to a base position of 550 homes per annum (8,250 over the full 15 year period) a Local Plan based on this level of housing growth would provide an average of 670 new homes per annum over the plan period. Such a figure is well within the range of potential need indicated by the SMHA, indicating a potentially low level of risk that such a plan would be deemed 'unsound' at examination.

- 3.22 Members should be aware that the Council will be exposed to a significant risk should the independent examination deem that the draft Local Plan it has submitted is 'unsound'. The draft NPPF specifically states that in the absence of an up to date Local Plan the presumption will be that any application for development will be granted if it accords with national planning policy. Therefore, in the absence of an approved Local Plan the balance in decision making would be significantly tilted in favour landowners/developers.
- 3.23 The consequences of such a scenario would be directly counter to the entire thrust of national planning policy which seeks to ensure that all development and growth is 'plan-led' and locally determined. It is therefore critical that the Council ensures that it achieves the adoption of its new Local Plan in accordance with the timetable set out at **Appendix Six** and that members remain aware that a failure to pass the 'soundness' test at the examination stage would mean this could not be achieved. Members should also note that a separate report elsewhere on the agenda (Annual Monitoring Report and review of the Local Development Scheme) recommends that this timetable is approved for submission to the Department of Communities and Local Government.
- 3.24 The finding at examination that the draft Local Plan was 'unsound' would also require the Council to start the process of preparing a new, sound, plan afresh. This would incur significant additional, unplanned, expense at a time that the Council is seeking to make considerable savings from its revenue budgets.
- 3.25 The timetable at **Appendix Six** covers the period from March 2012 onwards. Council will be asked to approve the Preferred Option at its meeting of 28 March 2012 by which time the initial 'soundness' testing of the preferred level of growth will have been tested, as set out at 3.13. Council will also receive an initial draft of the set of strategic delivery plans that will accompany the final draft Local Plan (i.e. the version submitted to the Secretary of State for examination and approval) and ensure that the Council can deliver its Vision.
- 3.26 The final recommendation is for the development of a Community Infrastructure Levy (CIL) scheme for the district which, it is proposed, should be developed in parallel to the Local Plan. CIL is not a new initiative introduced by the Coalition but has been retained and promoted as an optional incentive that Council's can choose to adopt designed to encourage growth.
- 3.27 Once established CIL would apply to most new building, with a locally determined scale of charges based on the size and type of new development. The monies delivered through CIL would go into a central 'pot' that can be used to mitigate the consequences of development by funding infrastructure, e.g. flood defences, open space, recreation and sport, roads and transport facilities, education and health facilities. Further details of the scheme are set out in section 7.
- 3.28 Before a CIL scheme can be adopted it will need to be tested by independent examination like the Local Plan itself. Recent advice from the Planning Inspectorate is that it could be preferable to seek a CIL Examination either simultaneously or (preferably) just after a Local Plan Inquiry, where possible utilising the same Inspector for both hearings.
- 3.29 The other advantage of running the development of a CIL scheme in conjunction with the Local Plan process is that it would allow adoption prior to 2014. After that date changes to the rules on 'pooling' of funding derived from

section106 agreements will limit the effectiveness of the use of this source of funding to deliver major infrastructure projects.

4. **POLICY FRAMEWORK**

- 4.1 The Strategy Statement set out at Appendix One effectively provides a more detailed interpretation of the overall Vision for the District –“To make Warwick District a great place to live, work and visit” which has been set out in the Council’s Sustainable Community Strategy (SCS).
- 4.2 Whilst an up to date Local Plan is critical to the delivery of the Council’s Vision, setting the spatial framework for the delivery of the Strategy Statement, its existence will not in itself bring forward the delivery of the various elements of that Vision. These will be achieved by the strategic delivery framework that will sit alongside the Local Plan beneath the overarching SCS.
- 4.3 It is also worth re-iterating that the absence of a Local Plan, due to its production not keeping to timetable or it being found to be unsound at examination stage would have a significant detrimental impact on the Council’s ability to deliver its Vision as set out at 3.17 and 3.18.
- 4.4 The emerging Local Plan is also the mechanism by which the Council will contribute to the delivery of the Coventry and Warwickshire Local Enterprise Partnership’s (CWLEP) Mission statement and 5 year strategy. This Council, in common with the other district/borough councils , the County Council and the City Council, has previously agreed that it will assist in the delivery of the CWLEP strategy and the Strategy Statement set out at **Appendix One** is compatible with the commitment.
- 4.5 The proposed approach contained within this report will deliver the Council’s responsibilities as a local planning authority as set out in the Localism Act, draft NPPF and the current national planning policy guidance, including the provisions of the extant RSS prior to its final abolition.
- 4.6 The current five year supply calculation is based on the adopted RSS (which will remain a part of the Local Development Plan until it is finally revoked next year). Because of the low housing requirement in the adopted RSS and our high levels of house building in the past, we can currently demonstrate the required 5 year supply of housing in relation to it. The recommendation that the Strategy Statement (and a preferred level of growth ‘in the region’ of 550 homes per annum) is adopted as the basis for the development of the new Local Plan does not create an agreed housing requirement and should therefore not compromise this position.
- 4.7 The current guidance on CIL is contained within the Planning Act 2008 (part 11, sections 205-225) and the CIL Regulations 2010 and 2011. Proposals for the revision of the existing regulations were made during the Parliamentary progress of the Localism Bill, now enacted as the Localism Act. The potential impact of these changes and a draft response to the consultation that the Government has initiated is considered in a separate report elsewhere on the agenda.

5. BUDGETARY FRAMEWORK

- 5.1 The budget allocations necessary to fund the preparation of the draft Local Plan are set out in a separate report elsewhere on the agenda (Annual Monitoring Report and Review of the Local Development Scheme).
- 5.2 Members will also be aware that over the last twelve months the Government has been undertaking a resource review of local government finance. Two initiatives directly impact on this Council, one of which has now been enacted and one upon which consultation has now closed and local government awaits central government's response.
- 5.3 The former is the New Homes Bonus scheme which seeks to reward councils for new homes that are built or long term empties that are brought back into use. There is also a further reward for each new affordable home that is built. Full details of this scheme were provided in the Executive report of December 2010
- 5.4 The second initiative is the Business Rates Retention Scheme. Full details of the proposed scheme were brought to Executive in October 2011 and the principles of the scheme as described in that report have been reproduced at **Appendix Seven**. This scheme will see the replacement of the current Revenue Support Grant (RSG) approach to financing local government, which is loosely based on need, to a system based on reward for the growth of a local authority's business taxbase.
- 5.5 The clear policy intention of these two initiatives is that Councils that embrace the growth agenda by building houses and attracting business will be rewarded by central government. The Government argues that this reward can then be directed towards local communities so that they will see the benefits of growth. Conversely, if a local authority is more restrained in its approach to growth then there will be a negative financial consequence to this. This could mean that the day-to-day services a Council provides become even more vulnerable as the replacement of RSG by Business Rates Retention may not bring the necessary funding to maintain current service levels.
- 5.6 Whilst it is too early to say what the impact will be on this Council as a result of the enactment of the Business Rates Retention Scheme, officers have been able to model the impact of the three growth scenarios on the New Homes Bonus Scheme funding the Council is likely to receive, as set out at **Appendix Eight**. This funding is guaranteed as the Government has nationally "top-sliced" Business Rates funding from the redistributed amounts Councils were expecting to receive as part of the RSG.

6. ALTERNATIVE OPTION(S) CONSIDERED

- 6.1 Members could decide on an alternative Strategy Statement to that outlines at Appendix One. This has been discounted when writing this report as it is the feedback received from all political Groups that has enabled the statement to be created.
- 6.2 Members could choose an alternative approach to that of a preferred 'in the region of' growth level as set in the Strategy Statement as the basis for the future development of the Local Plan. That has been discounted on the basis that an attempt to 'fix' a set level of housing or other growth at this stage,

before the detailed analysis described in section 3 has been completed, would potentially leave the Council's methodology for developing the Local Plan open to challenge, at any point including at the critical examination stage. The risks of the Local Plan being deemed to be 'unsound' are set out in section 3.

7. **BACKGROUND**

7.1 Population

7.1.1 A key factor for Council to take into account when making its decision on the option for growth is to consider projections for population growth. The most recent projections provided by the Office of National Statistics (ONS) is based on observed levels over the period 2003-2008 and was published in 2010. The data will obviously not be able to reflect any future significant national policy or macro-economic changes or indeed the decision an individual Council reaches in respect of its Local Plan.

7.1.2 The projections show that population will grow significantly over the next twenty five years with Warwickshire's population set to increase by 100,000+ (20%) to 635,000. This is greater than regional and national growth rates. Growth will be particularly strong in Warwick District with the population increasing from 138,000 to 172,000. There will also be large increases in the age group profiles with particular growth in the "later years" age group. The tables at **Appendix Nine** provide full details.

7.1.3 These data should be considered in conjunction with the Strategic Housing Market Assessment (see below) which, among other things, interprets the relationship between changes in population and age profile and housing need and demand. The key findings from that work are described in the next section.

7.2 Strategic Housing Market Assessment

7.2.1 Recommendation 2.4 of this report alerts Council to the risks of having the draft Local Plan found as unsound. The Council's decision and the reasons supporting that decision must be based on evidence. A key part of the evidence base is a robust and up-to-date understanding of housing need and demand within the District. An assessment of housing need is a statutory requirement to underpin policies for affordable housing provision. In order to obtain this evidence base the Council commissioned GL Hearn (GLH) and Justin Gardner Consulting (JGC) to prepare a Strategic Housing Market Assessment (SHMA). The Assessment considers future housing requirements, in terms of the number of homes required to meet need and demand. It considers the mix of housing required, in both the affordable and market sectors. It also looks at the housing requirements of specific groups, including older people, Black and Minority Ethnic (BME) households, and those with support needs.

7.2.2 The research has been undertaken in the context of the emerging national policy contained within the draft NPPF. This sets out that Councils should plan on meeting the full requirements for market and affordable housing in their areas, and plan for a mix of housing based on current and future demographic trends, market trends, and the needs of different groups in the community. Councils should identify the size, type, tenure and range of housing that is required and set policies for affordable housing. The work has been informed by and is consistent with the Government's current Practice Guidance on Strategic Housing Market Assessments (CLG, 2007).

7.2.3 The draft NPPF provides greater policy freedoms regarding development densities, levels of brown-field development and site size thresholds for affordable housing. In determining affordable housing policies, account needs to be taken of wider policies in the Plan including sustainability standards and infrastructure policies.

7.2.4 The SHMA has been informed by an interview survey of households alongside analysis of a range of wider data and consultation with stakeholders. In total, 1,520 households took part in the survey representing 2.6% of all households in the District. The number of responses provides sufficient data to allow complete, accurate and detailed analysis of need and demand across the District.

7.2.5 The findings from the research cover the twenty year period 2011-2031. Whilst this period does not precisely match the period of the Local Plan (2013-2028), it has enough alignment to enable robust extrapolation to take place. A comprehensive Executive Summary is set out at **Appendix Ten**, however, the key findings from the research are:

- The substantial growth projected in the population in their 80s may increase demand for adaptations to existing homes and for specialist housing;
- Based on past population trends and population dynamics there is a requirement for 11,900 homes over the period from 2011 to 2031, **595 homes per annum**. This would support growth in the resident labour force of around 8,250 jobs (12.3% employment growth) against forecast employment growth in the District of 11,860 jobs over this period;
- Should the Council wish to support the forecast level of economic and employment growth, the projections indicate that provision of 14,300 homes would be required (2011-31), equivalent to **715 homes per annum**;
- The stock of affordable housing in the District has declined by 3% over the previous decade - there was a net loss of 300 affordable homes. Since 2001-2, affordable housing delivery has averaged 85 dwellings a year (18% of total house-building). Over this same period the number of private sector dwellings increased by 14%;
- There is a low vacancy rate within the current housing stock as well as low levels of overcrowding (at 1.3%). The low vacancy rate means there is very limited potential to meet future requirements through better use of the existing stock;
- Over the last two years the average deposit required by a first time buyer is 23% of the selling price making it increasingly difficult for people to get on the "housing ladder". House prices on average are around 15% above the regional average and also above national averages and figures for Warwickshire as a whole;
- The housing needs assessment identifies a shortfall of **698 affordable homes per annum**. Part of the gap between the likely future need for affordable housing and future supply is likely to be met by the Private Rented Sector. Over the last two years, the Private Rented Sector has housed **392 households in housing need per annum**, supported housing benefit;

- Policy within the Council's Local Plan must take account of development viability. The recent Viability Study undertaken would support differential targets in different parts of the District (with no affordable housing in deprived areas, and up to 25% on urban extensions), with provision of no more than **30-35% affordable housing District-wide**;
- An estimated 42% of overall housing requirements (market and affordable) are for 3-bed properties, 20% for 4 or more bedrooms, 26% for 2-bed properties and 12% for 1-bed properties;
- Planning policies should be developed to respond to the key findings of the SHMA, alongside the Council's vision for the District and its ability to accommodate development. The draft NPPF sets out that local planning authorities should develop their Local Plans on the basis of meeting identified development needs (i.e. need and demand), unless there are overriding reasons why it is not sustainable to do so.

7.3 Consultation

7.3.1 As part of the evidence gathering process to enable Council to make its decision on the level of growth officers ran two consultation exercises.

7.3.2 The Council had previously engaged in discussions with local communities, businesses, voluntary groups, public organisations and landowners as part of the Core Strategy process. Building on this work, officers developed and published a consultation Paper entitled '*Local Plan – helping shape the district*'. This set out what the Council thinks are the important issues the District needs to address, together with three broad scenarios for how the district might change based on different levels of growth. This paper was accompanied by a questionnaire to obtain people's views and placed on public consultation between 18th March 2011 and 15th July 2011.

7.3.3 A range of methods were used to ensure that the consultation was publicised widely and engaged with as many individuals, organisations and stakeholders as possible: Methods of communication included the Council's website, various deposit points (One Stop Shops, Town Hall, Community Centres etc), direct correspondence to individuals and organisations (Core Strategy consultation responders, twitter followers, Parish/Town Councils, E-mail alerts), Press articles and publicity and Community Forum events. Officers also organised a number of public meetings and workshops including with private and public company stakeholders, schools, Parish/Town Council forums, 10 public meetings, business meetings. Finally 25 Exhibition/Drop-in events were held throughout the District.

7.3.4 As well as a questionnaire approach to engaging with the public, officers also commissioned a representative sample survey of 700 residents. The sample was representative of the population of the District in terms of geographical area and socio-economic characteristics. Interviewing was carried out between 4th and 24th July using a 15 minute questionnaire jointly designed by BMG Research and Warwick District Council. Full details of the consultation exercises can be found at **Appendix Eleven**.

7.3.5 Members will also be aware that the Council has conducted annual Residents Surveys to understand how the public views the Council, what services and amenities it values and what needs to be improved. The information from the most recent Survey (2010) is attached at **Appendix Twelve**. Officers consider

that this information will also assist members reach their decision on the Local Plan and accompanying Delivery Plans.

7.4 Infrastructure Studies

- 7.4.1 To deliver a strategy that provides for the future and sustainable prosperity of Warwick District, the Local Plan and Delivery Plans will need to ensure that they address infrastructure issues.
- 7.4.2 Studies are well advanced in respect of Green Space, Green Infrastructure, Play Areas and Indoor Sports Facilities, the Strategic Transport Assessment and a revision of the Strategic Housing Land Availability Assessment.
- 7.4.3 The Council's decision on the level of growth and ultimately the sites where development will take place and the consequential implications for the rest of the District, will enable officers to bring forward proposals for Members to consider in each of the four areas described above. These proposals will cover how different types of amenity can be developed, enhanced or created and the necessary funding requirements along with details of how that funding can be provided.

7.5 Community Infrastructure Levy (CIL)

- 7.5.1 The enabling legislation for CIL is already in place and a number of councils have already adopted or are working towards a CIL regime for their area. However, for a CIL to be set it is necessary to have an up to date development plan setting out the growth requirements and the strategic development framework for an area. Much of the evidence base required for the preparation of the Local Plan would also be relevant to the process required for the development of the CIL, hence the recommendation to develop them in parallel as set out at 2.5.
- 7.5.2 Currently only c6% of planning consents result in a contribution being made to the cost of the necessary supporting infrastructure by negotiated agreement (s106 contributions). CIL would change this by requiring all but the smallest building projects to contribute to the costs of additional infrastructure needed in a locality as a result of new development. CIL charges would be applied to most new developments including conversions and extensions of existing structures unless there was no extension of floor space as a result of the changes.
- 7.5.3 Although requiring a financial contribution from virtually all developments CIL is very much a pro-growth incentive designed to have a positive economic benefit and support development within local economies. By introducing a CIL charging regime all developers, including home-owners, would have 'up-front' certainty as to the cost of their CIL contribution, particularly important in terms of inward investment to the area. It would also potentially speed up the development process removing the significant delays that are associated with negotiating contributions s106 agreements.
- 7.5.4 Unlike 106 agreements, CIL contributions would not be 'ring-fenced' providing the Council with flexibility to set its own priorities as to how the money should be spent across the district. Whilst this offers the opportunity to allocate a share of the CIL monies raised in a particular locality to deliver infrastructure in that community and for local communities to better understand the benefits that new development can bring to their community, it also allows CIL to be 'pooled' to finance the bigger infrastructure projects. This would enable the

longstanding concern that members have expressed as to how the necessary infrastructure needed to support the development levels included within the Local Plan can be brought forward, particularly as CIL would provide a predictable funding stream to enable long term forward planning.

- 7.5.5 To implement CIL a draft 'charging schedule' would need to be formulated. This could cover the whole district or have differential charges for differing localities. The charging schedule would set out charges based on the scale of development and the nature of the development e.g. housing, commercial or industrial and whether it is new development or alteration to existing buildings.
- 7.5.6 The draft charging schedule would need to be subjected to public consultation prior to an independent examination in public, as with the Local Plan. It is assumed that extensive dialogue would be held with the County Council, neighbouring local authorities and local town and parish councils and it is also considered that it would be beneficial to hold developer forums and stakeholder events throughout the CIL process in order to address as many potential concerns as possible prior to the public examination

A Strategy for the Future and Sustainable Prosperity of Warwick District

This Council has, with its key partners, agreed a vision for the District, to "make Warwick District a great place to live, work and visit". The Local Plan, along with the accompanying delivery plans, is a key strategy to interpret and deliver that vision.

The Strategy of this plan is one that in order to maintain and enhance the District as a distinctive and attractive place in which to live, work and visit, intertwines:

- facilitating the growth and development of the local economy,
- providing for the growth of, and changes within, the local population,
- a strong development management framework requiring of development low carbon environmental sustainability, care for our heritage (built, cultural and natural), regeneration of those areas in need of social and economic improvement, protection of those areas of special significance, high quality of design and support by the appropriate and necessary range of transport, public service, green and other community infrastructure.

As an overall outcome of this plan, by 2028 the District will become known as a place for its "Sustainable, Garden towns, suburbs and villages" with a successful dynamic, broad based economy; catering for the needs of its growing and diverse communities.

This Strategy has been developed taking into account a wide range of information on local needs, an examination of the external environment, challenges the District as an area faces and views of the local community. The process has allowed all Councillors an opportunity to consider the information and to make a contribution.

Economy

The Plan will support a dynamic, flexible, low carbon based, mixed economy that:

- maintains what we have, ensuring existing businesses can stay or relocate within the district;
- maintains and ensures growth in our high value work sectors, e.g. smaller scale engineering, knowledge economy and creative industries;
- develops new industrial/commercial areas for a range of job creating activities;
- positively promotes and actively delivers tourism;
- maintains and promotes thriving town/shopping centres in our towns,
- continues our commitment to the Gateway site;
- seeks to attract new businesses including by marketing and via developing "Enterprise Zones" through business rate relief and use of Local Development Orders;
- promotes the regeneration of the more socially and economically deprived areas of

the District and supports the rural economy.

- enables work with the education sector to improve the communities' skills base, especially in our targeted areas.

Community

The Plan will support growth in the District in the region of 550 new homes per annum on new allocated sites (this does not include sites already with planning permission nor those the allowance proposed to be made for windfall sites in the final 5 years of the plan), the precise quantum of which will be determined at the preferred options stage following an environmental and infrastructure capacity assessment of available sites, to mirror the expected growth of and change within the local population and economy and that:

- is catered for within well designed, distinctive new and extended neighbourhoods based on the principles of Sustainable Garden towns, suburbs and villages;

- provides for (new and existing) home and neighbourhood designs that are sustainable, low cost and carbon efficient;

- provides for a diversity of provision including:

- * a range of affordable homes, including for first time buyers
- * for the elderly and vulnerable
- * for gypsies and travellers
- * for other specialised needs

- re-assesses the present split of market/social housing with a variable tariff for social/affordable housing that is sensitive to viability;

- provides for individual and community safety by design.

Infrastructure and Environment

The Plan will ensure that the district has appropriate infrastructure and design codes in place that will create and define our sustainable garden towns and villages, protects and develops the bio diversity of the area, sustainable links communities, supports our town centres, encourages a safe, healthy and active lifestyle, resolves areas of air quality and traffic management problems, makes sure public services are easily available and accessible, and minimises the impact of existing and new commercial and housing development, involving:

- a comprehensive sustainable transport package including, for example, local bus and rail services, new and diverted traffic routes, traffic free routes, a park and ride scheme, electric car promotion, cycle and footpath networks; but which does **not** include provision or support for HS2;

- green space infrastructure plan to maintain and enhance further a green and open district covering footpaths and cycle ways etc and to encourage active life styles (ability to walk to work/shop);

- developing community hubs for the joint provision of public services, including involvement of police, health, schools, leisure and cultural facilities;

- proposals to protect communities from flooding;

- making optimum use of the new financial tools available to the Council and partners to fund the infrastructure provision for the benefit of local communities - e.g. New Homes Bonus Scheme, Business Rate Retention Scheme, Community Infrastructure Levy, Section 106 agreements, Tax Increment Financing;

- distributing development across the District, linked to the availability of existing, and the provision of new infrastructure, with priority given to bringing forward brownfield land, wherever possible, over green field sites; and, ensuring that such development does not encourage or lead to the coalescence of settlements.

Involvement

The development and implementation of the Plan will involve local business and resident communities and will involve:

- working with Parish Councils, Town Councils and Neighbourhoods to deliver neighbourhood planning and design statements;

- working with our parish councils to ensure rural communities maintain their integrity with housing to suit all needs and offer rural employment opportunities;

- developing a protocol of the use of the Community Infrastructure Levy, Section 106 Agreements and the New Homes Bonus Scheme locally, linked to the catering of development.

Summary of Government Planning Policy re: Identification of Land for Housing

Setting an Appropriate Level of Housing

Government policy on setting an appropriate level of housing is set out in PPS3 (paras 32-35). This states that Local Planning Authorities should take into account:

- Evidence of current and future levels of need and demand for housing and affordability levels (including evidence in **Strategic Housing Market Assessments**; latest published household projections; economic growth forecasts; and the needs of the regional economy)
- Local and sub-regional evidence of the availability of suitable land for housing (including **Strategic Housing Land Availability Assessments**; National Land Use Databases; and the Register of Surplus Public Sector Land)
- The Government's overall ambitions for **affordability** including the need to improve affordability and increase housing supply
- A **Sustainability Appraisal** of the environmental, social and economic implications, including costs, benefits and risks of development (including consideration of the most sustainable pattern of housing, including in urban and rural areas)
- An assessment of the impact of development upon existing or planned **infrastructure** and of any new infrastructure required.

Determining how much Land is Required

PPS3 (paras 58 & 59) states that in determining how much land is required, Local Planning Authorities should not include sites for which they have granted planning permission unless they can demonstrate, based upon robust evidence, that the sites are developable and are likely to contribute to housing delivery at the point envisaged.

Allowance for windfalls should not be included in the first 10 years of land supply unless Local Planning Authorities can provide robust evidence of genuine local circumstances that prevent specific sites being identified. (Evidence of Inspectors' Reports on EIPs into Core Strategies has suggested that such "genuine local circumstances" are difficult to justify and have rarely been supported.

Delivering a Flexible Supply of Land for Housing

PPS3 (paras 52-57) outlines Government policy for ensuring a continuous supply of housing land. Drawing on information in the SHLAA, Local Planning Authorities should:

- identify sufficient **specific deliverable sites** to deliver housing in the first 5 years of the plan and
- identify a further supply of **specific developable sites** for years 6-10 and where possible, for years 11-15
- If specific sites for years 11-15 cannot be identified, then **broad locations** should be indicated

NB *The use of the words "specific", "deliverable" and "developable" means windfalls couldn't be included here. Deliverable means available, suitable and achievable within 5 years and developable means suitable with a reasonable prospect that it can be developed within the timescale envisaged.*

The **Draft National Planning Policy Framework** includes the same basic principles as PPS3.

Housing Requirements (para 28):

- Prepare Strategic Housing Market Assessment (SHMA) which should assess full housing requirements; meet household & population projections; and identify scale & mix of housing and range of tenures likely to be required
- Prepare Strategic Housing Land Availability Assessment (SHLAA) to identify availability, suitability and likely economic viability of land to meet the requirement

Significantly Increase the Supply of Housing (para 109):

- Rolling five year supply of deliverable sites plus 20%
- Specific, developable sites for years 6-10 and, where possible, 11-16
- Not make allowance for windfalls in first 10 years

Warwick District - Potential Employment Growth

Site/project	Potential Jobs	Timescale
Regency Arcade	60	Short
Queensway	100	Short
Public Service Centre	Mainly jobs relocated	Short
Ford Foundry	1,000	Short-Medium
Tachbrook Park	2,000	Short-Medium
Tournament Fields	1,000	Short-Medium
Clarendon Arcade	750	Medium
Coventry & Warwickshire Gateway	14,000 (inc. jobs in Coventry)	Medium
Leamington Station Area	TBC	Medium
North side of Talismans Sq. Circa £2M investment	30	
Stoneleigh Park	Up to 2000	Medium - Long
Kenilworth Station Project (part of NUCKLE Phase 2)	TBC	Medium - Long

Total upper end job estimates	20,940
--------------------------------------	---------------

Defining the Vision

Any good organisation will spend time assessing its priorities within the constraints of financial and other resources and a rapidly changing policy context to try to develop a plan of implementation.

Many issues/opportunities, but especially related to jobs, skills and economy, are predicated on a growth type scenario. The Council has recently concluded a public consultation on the growth options for the Local Plan and by implication which ever scenario is chosen, this will have a profound effect on the priorities the Council is able to implement and with which to be consistent policy and resource wise; e.g. if we go for low growth what actually would we do to promote employment and employers?

So the Council needs to explain what its vision for the future of the area means in principle before officers can put anything else in place. However, that choice is not a simple one either and indeed is probably getting more complicated. There are a whole series of issues that will arise as a consequence of the choice or which should influence the choice. This is inherently bigger than the Local Plan this is about the whole strategy for the area and for the Council.

Officers have summarised below some of the key issues that Councillors will need to know about and/or make decisions upon when also considering the Local Plan, they can't be determined in isolation from the vision as set out in the wider Sustainable Community Strategy.

Government Legislation/Policy

Local Government Resource Review – involving re localisation of the growth in business rates and the ability to borrow against increases in business rates (e.g. we collect £60m and get £9m back).

New Homes Bonus Scheme – source of funding for 6 years now known from surplus business rates so we can advise know on likely yield for each scenario e.g. £6m for low, £8m for medium, £10m for high – all over 6 years.

Community Infrastructure Levy (CIL) and S106 – members need to know how this will work and what it can yield as a lot of issues are about supporting infrastructure and how communities get it if they get development.

Enterprise Zone designation – even though we have not received an EZ designation, members and partners will want to consider whether to take forward the proposal even if in an amended form but if so then we get a large spurt of growth in any case which will have all sorts of impacts.

Localism Bill – members need to know how we'd deal with the relevant aspects of this Bill when enacted in November – especially re neighbourhood plans.

National Planning Policy Framework – draft has just been produced and members need to know what it says and its impact on WDC area as our plan will have to consistent with it and therefore this will have a significant influence on the decision Members must take.

Our Policy and that of Partners

Our Priorities – need to consider what Council wants for area. Is it ambitious or not? Does it want things to be done and if not then what doesn't it want doing?

Our Other Strategies – will shape and be shaped by the local Plan choice – on economy, housing, health and well being, community safety, sustainability, narrowing the gaps, community involvement/cohesion, families at risk and rurality. We should develop these in tandem with the Local Plan once we know the scenario we are heading for.

Other's priorities – need to consider plans and proposals of key partners for our area, particularly neighbouring authorities (most importantly Coventry City Council) as under the duty to co-operate the Council will need to demonstrate it has co-operated on planning issues that cross administrative boundaries, such as the Strategic requirements for housing growth. How would they be affected for good or ill by our choice? Would/should our choice be affected by their ideas?

LEP Growth Strategy – we have signed our support – what does it mean for our plan? What might a sub regional spatial statement on growth have on our area? Its Investment plan could help achieve our scenario – depending on which one chosen.

Other White Papers e.g. Open Public Service, Environment – members need to know how these other Government Policy proposals impact on the area and this Council

Other Views and Info

Public response to consultation on scenarios – this is clearly important and as a Councillor you will need to know if there a clear view or, does it differ depending on where people live and their needs?

Strategic Housing Market Assessment – this will also give the Council valuable information on the needs of the community and will be a key piece of evidence informing the decision on scenarios.

Various infrastructure studies, including the strategic transport assessment, green infrastructure, sports facilities audit, renewable resource assessment – will give Council information on supply and need and help with an investment plan for our facilities and infrastructure

Views of Employers – the views relating to needs of those generating businesses and jobs will also be important

SHLAA – Strategic Housing Land Availability Assessment will be updated

Locality Plans – being developed by the 7 localities should feed into this process of understanding local views

Residents Survey of 2010 - identifies things residents want to see improved

Population information – will help set out stats on nature of population and it will help to point toward various needs – including Index of Multiple Deprivation, mid year estimates, population projections, marketing info, Mosaic data, etc

Asset Management Plan – which will outline what properties we and our key partners have – what we can use to help make things happen – including for our partners.

State of Local Economy information - will help to illustrate challenges being faced and which scenario is best to meet them.

Conclusion

All of this will affect **all** of the Council's strategies – taking the Sustainable Community Strategy to 2028 (15 years from 2013). This will then affect our Medium Term Financial Strategy (MTFS) and the Fit for the Future (FFF) Programme and all of our other supporting corporate strategies.

However, it is important to be able to develop a reasonable degree of consensus on the way ahead within and between groups and between this Council and its Key Partners. A suggested process is set out below. This aims to take the report directly to Full Council but to allow all members to be briefed and to have a say whilst allowing the Executive and Group Leaders to exercise strategic leadership and in doing so, to see and shape the big picture. It will also though allow at the second stage for Localities to input their priorities.

A – What is the Vision?

1. Setting the scene – week commencing 24/10

- Briefings on all of the above for Group Leaders– ½ day
- Briefings on all of the above for Executive – ½ day
- Briefing on all of the above for all Councillors – 1 day (29/10 – a Saturday)
- Briefing on all of the above for Partner agencies – ½ day

2. Feedback - week commencing 31/10

- From Group Leaders to CMT/SMT
- From Executive to CMT/SMT
- From Partners to CMT/SMT

3. Drafting the Proposal - week commencing 14/11

- Group Leaders/CMT briefing on draft report and recommendations
- Executive/CMT briefing on draft report and recommendations
- Key Partners/CMT briefing on draft report and recommendations

4. Decision - week commencing 28/11

- Presentation on paper and recommendations to each Group at Special Group Meetings on 28/11 and to Key Partners on 29/11
- Full Council on 30/11

B. How do we achieve the Vision?

5. Setting the scene - week commencing 06/02/12

- Briefing for Group Leaders– ½ day
- Briefing for Executive – ½ day
- Briefing for Partner agencies – ½ day
- Briefings all Councillors in geographical groups **By 20/2**– 1/2 day each e.g. Warwick, Kenilworth, Leamington, Whitnash, Rural East, Rural West (include Town/Parish and County Cllrs too). This will allow for both possible development and possible benefits

to be outlined and developed, a town/area plan will emerge. Should aim to have Locality Plans for all areas in place by this time!

By 20/2

6. Feedback – week commencing 27/02/12

- From Group Leaders to CMT/SMT
- From Executive to CMT/SMT
- From Partners to CMT/SMT

7. Drafting the Proposal - week commencing 12/03/12

- Group Leaders/CMT briefing on draft report and recommendations
- Executive/CMT briefing on draft report and recommendations
- Key Partners/CMT briefing on draft report and recommendations

8. Decision – week commencing 26/03/12

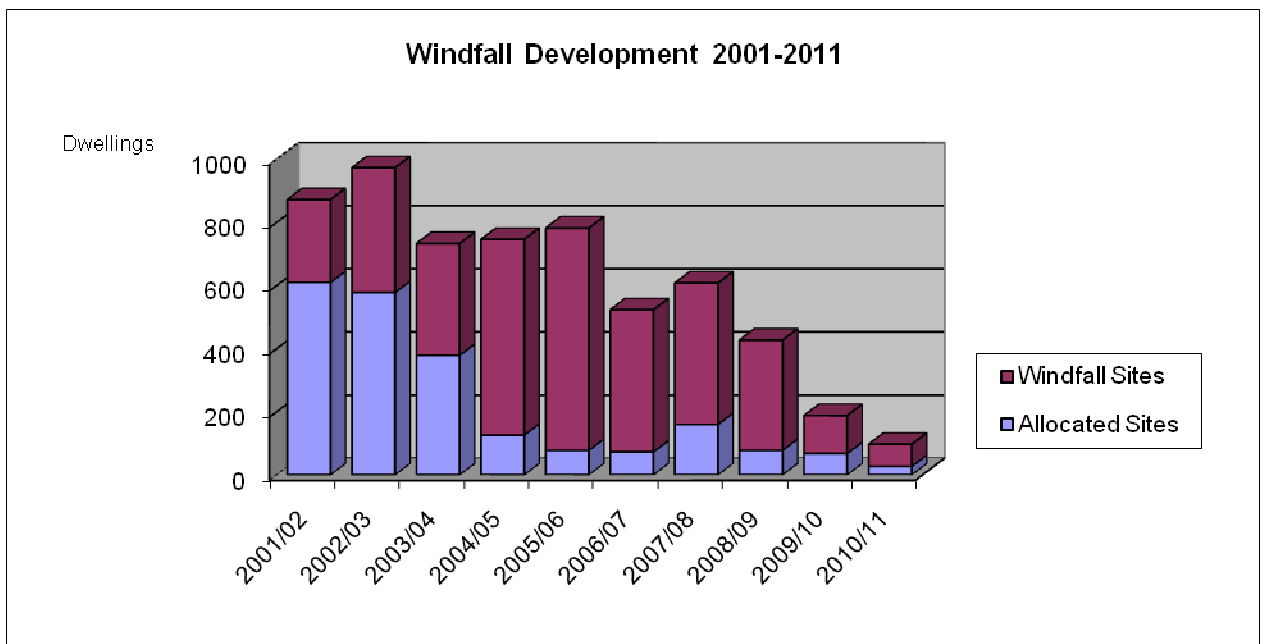
- Presentation on paper and recommendations to each Group at Special Group Meetings and to Key Partners. **26th/27th March 2012**
- Full Council to decide on the preferred options for the Local Plan for consultation but also on strategies for economy, housing, health and wellbeing, community safety, sustainability, narrowing the gaps, etc and on the priorities to be implemented by council and on resources to be deployed (investment strategy) **on 28th March 2012.**

Basically this will establish a sustainable community strategy plan for the next 15 years with a Local Plan and strategies for the other key policy areas alongside it with an Investment Strategy!

Housing Completions in Warwick District 1996-2011

Windfalls as % Total Completions

	Allocated Sites	Windfall Sites	Total	% Windfalls
1996/97	158	332	490	67.8
1997/98	153	357	510	70.0
1998/99	296	279	575	48.5
1999/00	712	250	962	26.0
2000/01	611	389	1000	38.9
2001/02	610	262	872	30.0
2002/03	578	395	973	40.6
2003/04	379	354	733	48.3
2004/05	126	620	746	83.1
2005/06	78	704	782	90.0
2006/07	73	450	523	86.0
2007/08	160	448	608	73.7
2008/09	78	349	427	81.7
2009/10	68	120	188	63.8
2010/11	27	70	97	72.2



Proposed timetable for adoption of the Local Plan

- Confirmation of Preferred Options – March 2012
- Consultation on Preferred Options - April to June 2012 (minimum 8 week consultation)
- Publication of draft Local Plan - December 2012 (6 week consultation)
- Submission to Secretary of State - April 2013
- Pre-hearing meeting - June 2013
- Examination in Public Hearing - September 2013
- Receipt of Inspector's report - February 2014
- Estimated date for adoption - March 2014

Principles of Business Rates Recovery Scheme

Extract from October 2011 Executive report:

7.1 Introduction

Currently local Councils receive funding from three main sources: grants from central government, council tax and other locally generated income (such as fees and charges for services). Grants can be received as 'specific grants' which can come with restrictions or through 'formula grant' (commonly known as Revenue Support Grant) which can be used for any purpose.

- 7.1.1 One of the main components of formula grant is National Non Domestic Rates, commonly known as Business Rates. Business rates are collected by local authorities from businesses in their areas like shops, offices, warehouses and factories, but they are currently paid into a central pool to be distributed as part of formula grant.
- 7.1.2 The Government wants to change the current system by enabling councils to keep a share of the growth in business rates in their area. The Government believes that this will make Councils more financially independent from central government and give them a strong incentive to promote local business growth.
- 7.1.3 They are not proposing to make any changes to the way businesses pay tax or the way the tax is set and the rate setting powers will remain under the control of central government. There will also be no change to the existing reliefs available to eligible business ratepayers including small businesses, charities, rural businesses, sports clubs and the voluntary sector. However the Localism bill is proposing to amend the law to allow Councils to introduce local business rates discounts, funded by the Council.

7.2 Baseline Position

Across the country, some councils collect business rates in excess of their current formula grant funding whilst others collect an amount below current funding levels. It is therefore not possible simply to allow business rates to be retained where they are paid; there needs to be a degree of re-balancing, or some councils could see very large reductions in their revenue.

- 7.2.1 Initially it will be necessary to establish a fair starting point (baseline position) for each council at the outset of the system. Once the baseline position has been established the Government proposes a re-balancing of resources by comparing the baseline position with the amount of business rates the council collects. Those authorities with business rates in excess of their baseline level of funding would pay a tariff to the Government; those authorities with business rates yield below their baseline would receive a top-up grant from the Government. The tariffs and top-ups would be self-funding and remain fixed (other than likely RPI increases). This provides the incentive in that a significant proportion of business rates growth in future years would be retained by councils.
- 7.2.2 In order to set the baseline position and ensure councils have the

opportunity to benefit from the growth incentive from day one the Government proposes to start the scheme from the councils 'current 2012-13 formula grant position. In addition they will be taking into account the spending control restrictions for Local Government for 2013-14 and 2014-15 therefore any growth within forecast levels will be retained by the Government as 'set aside' whilst growth above forecast levels will benefit the Council.

7.3 Calculating tariffs and top-ups

In order to calculate tariffs and top-up amounts, it will also be necessary to have an agreed way of measuring each council's business rate income. The Government are seeking views as to how this could be achieved for example it could be based on business rates income at a single point in time or the average over a number of years.

- 7.3.1 From the first year of introducing business rates retention, all Council's would stand to benefit from increases in their business rates and the Government's belief is that this will provide the incentive for Councils to promote business rates growth. Conversely it should prove a disincentive not to promote business growth as a rate base fall would directly affect their revenues. There will be a strong need for effective billing and collection of business rates.

7.4 Levys

There will be no cap on the amount of business rates growth an authority can benefit from under the rate retention scheme. The more any authority grows its business rates base the better off it will become. However certain L/As with disproportionate business rate tax bases could see disproportionate financial gains therefore it is proposed that the Government will collect a levy from L/As. The document seeks views on how the levy could be calculated for example it could be straight pence in the pound levy or L/As could be assigned different bands with a different levy.

- 7.4.1 The Government are also seeking views on how to use or redistribute the proceeds from the levy. Generally it is anticipated it will be redistributed to L/As that suffer from the volatility of the business rates system between valuations due to the appeals systems or sudden changes in local economic circumstances e.g. closure or relocation of a major business.

7.5 Revaluation & Transition

A revaluation of all business properties occurs every 5 years to reflect changes in the property market across the country. This can mean that business rate yields in an authority can go up or down significantly and completely out of the control of the council. The Government proposes to adjust the council tariff or top-up to negate this affect.

- 7.5.1 The current transitional relief scheme which protects business ratepayers from large increases will continue however the effects of transitional relief on the Council's finances will be stripped out of the scheme. Views are being sought as to how this can be achieved.

7.6 Non-billing authorities

The paper proposes that the incentive for growth should equally apply to counties and districts in two-tier areas to reflect levers for growth. To achieve this, a fixed percentage of all Business Rates income collected by districts in a

two-tier area will be paid to the county. The paper consults on how this percentage should be calculated

7.7 Pooling

Under rates retention system, it is proposed that a group of local authorities could come together voluntarily to form a 'pool'. There would be a single tariff or top-up for the pool which would be the sum of all tariffs or top-ups of the individual authorities. In addition there would be a single levy for the pool which would be calculated on the aggregate income and growth across authorities in the pool rather than levying each authority individually. Pools would be able to decide for themselves how they distribute aggregate revenues, including any levy proceeds.

7.8 Tax Increment Financing

In tandem with the rates retention scheme the Government are proposing to introduce Tax Increment Financing as a way of funding infrastructure investment to unlock economic growth and regeneration. The retention of business rates does not alter the current potential for local authorities to carry out borrowing under the prudential system, underpinned by the Local Government Finance Act 2003.

7.8.1 Local retention of business rates will remove the most important barrier to Tax Increment financing (TIF) schemes, namely that local authorities are currently not permitted to retain any of their business rates and therefore could not borrow against any predicted increase in business rates. Borrowing for TIF schemes would therefore fall under the prudential system, allowing local authorities to borrow for capital projects against future predicted increases in business rates growth, provided that they can afford to service the borrowing costs out of revenue resources.

7.9 Technical Papers

To support the consultation document the Department for Communities and Local Government have issued 8 technical papers. Taken together, the consultation paper and technical papers raise a number of questions about the proposed rates retention scheme, on which the Government is seeking views.

7.9.1 Technical Paper 1 details how the baseline position for an authority may be calculated and funding managed within the totals set out in the 2010 Spending review. It also proposes how the Government will maintain the right to carry out a partial reset of the scheme if the Government feels a council's resources no longer meet service pressures

7.9.2 Technical paper 2 explains how the Government proposes to calculate forecast national business rates for 2013-14 and 2014-15, given that estimates from billing authorities will not be available in time.

7.9.3 Technical paper 3 considers how non-billing authorities would be funded within the Business Rates retention scheme.

7.9.4 Technical paper 4 considers how payments and information flows to central government and between billing and non billing authorities will be administered and how the information requirements will be provided through the NNDR1, NNDR2 and NNDR3 returns

- 7.9.5 Technical paper 5 is about the design of the tariff and top-up arrangements. It also covers design option for a supplementary levy that might be applied in cases where an authority could be said to benefit disproportionately from Business Rates retention.
- 7.9.6 Technical paper 6 considers different ways to compensate councils suffering from negative volatility in the business rates system and sets out the preferred option.
- 7.9.7 Technical paper 7 sets out the Government's proposals for managing the impacts of revaluation (the next due for 2015), including the transitional relief scheme.
- 7.9.8 Technical paper 8 confirms the Government's commitment to allowing councils that host 'new' renewable energy projects to keep the additional business rates generated. New projects are defined as those entered onto the rating list from 01 April 2013

APPENDIX EIGHT

New Homes Bonus Scheme modelling

Model 1 (assuming new build of 250 per year from 14/15)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
New Build (in previous period)	189	299	200	250	250	250	
Year 1	292,450	292,450	292,450	292,450	292,450	292,450	
Year 2		516,277	516,277	516,277	516,277	516,277	
Year 3			230,275	230,275	230,275	230,275	
Year 4				287,844	287,844	287,844	
Year 5					287,844	287,844	
Year 6						287,844	
Total	292,450	808,727	1,039,002	1,326,846	1,614,690	1,902,534	£6,984,249

Model 2 (assuming new build of 500 per year from 14/15)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
New Build (in previous period)	189	299	200	500	500	500	
Year 1	292,450	292,450	292,450	292,450	292,450	292,450	
Year 2		516,277	516,277	516,277	516,277	516,277	
Year 3			230,275	230,275	230,275	230,275	
Year 4				575,688	575,688	575,688	
Year 5					575,688	575,688	
Year 6						575,688	
Total	292,450	808,727	1,039,002	1,614,690	2,190,378	2,766,066	£8,711,313

Model 3 (assuming new build of 800 per year from 14/15)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
New Build (in previous period)	189	377	200	800	800	800	
Year 1	292,450	292,450	292,450	292,450	292,450	292,450	
Year 2		516,277	516,277	516,277	516,277	516,277	
Year 3			230,275	230,275	230,275	230,275	
Year 4				921,101	921,101	921,101	
Year 5					921,101	921,101	
Year 6						921,101	
Total	292,450	808,727	1,039,002	1,960,103	2,881,204	3,802,305	£10,783,791

APPENDIX NINE

Population Projections

Warwick District Population Projections

Year	Total population (thousands)					
	2008	2013	2018	2023	2028	2033
Warwick District	138.0	146.0	153.0	160.0	167.0	172.0

Warwick District Population Projections

	Percentage change in population by age group – 2008 to 2033					
Age group	0-14 years	14-49 years	50-64 years	65-74 years	75-84 years	85+ years
Warwick District	20%	15%	16%	50%	54%	160%

APPENDIX TEN

Strategic Housing Market Assessment – Executive Summary

APPENDIX ELEVEN

Consultation Results: Issues and Options

With regard to the questionnaire a total of 469 completed questionnaires were received. Of these 325 were submitted online via the Council's e consultation system, 15 via email and 129 were submitted as paper copies. In addition to the questionnaire responses, 58 letters were received. The following tables provide information on who responded to the consultation via the questionnaire.

Respondent Category	Survey responses	Survey responses	Open letter responses	Open letter responses	Total Unique Respondents	Total Unique Respondents
Adjoining Council	0	0.0%	1	1.7%	1	0.2%
Commercial	26	5.5%	21	36.2%	38	7.5%
Councillor	3	0.6%	0	0.0%	3	0.6%
Couple	15	3.2%	1	1.7%	16	3.2%
Family	2	0.4%	0	0.0%	2	0.4%
Individual	378	80.6%	12	20.7%	382	75.8%
Organisation	15	3.2%	11	19.0%	23	4.6%
Parish Council	6	1.3%	1	1.7%	6	1.2%
Parish Councillor	1	0.2%	0	0.0%	1	0.2%
Residents' Association	3	0.6%	1	1.7%	4	0.8%
School	2	0.4%	0	0.0%	2	0.4%
Statutory Consultee	2	0.4%	7	12.1%	9	1.8%
Town Council	3	0.6%	3	5.2%	4	0.8%
Unknown / Anonymous	13	2.8%	0	0.0%	13	2.6%
<u>Total</u>	<u>469</u>	<u>100.0%</u>	<u>58</u>	<u>100.0%</u>	<u>504</u>	<u>100.0%</u>

Respondents by Community Forum Area:

Respondent Category	Survey responses	Survey responses	Open letter responses	Number of open letter responses	Total Respondents *	Total Respondents *
Kenilworth	53	11.3%	4	6.9%	56	11.1%
Leamington - North	68	14.5%	2	3.4%	70	13.9%
Leamington - South	18	3.8%	1	1.7%	19	3.8%
Warwick	70	14.9%	10	17.2%	74	14.7%
Warwick - Rural East	36	7.7%	2	3.4%	36	7.1%
Warwick - Rural West	144	30.7%	8	13.8%	147	29.2%
Whitnash	17	3.6%	2	3.4%	18	3.6%
Unknown / Anonymous	9	1.9%	0	0.0%	9	1.8%
Outside District	54	11.5%	29	50.0%	75	14.9%
Total	<u>469</u>	<u>100.0%</u>	<u>58</u>	<u>100.0%</u>	<u>504</u>	<u>100.0%</u>

- Some people responded to both the survey and the submitted open letter representations.

The questionnaire and sample survey asked the public to comment on key issues identified by officers which it is considered the Local Plan needs to address. The public was also asked to identify any issues that officers had not included in the questionnaire. The key issues identified were:

- Uncertain future of the local economy
- High house prices and lack of affordable housing
- Economic strength of the town centre
- Size and condition of public facilities and services and whether they can meet current and future needs
- Unequal opportunities to improve health and well being
- Road congestion and air pollution
- Threat of flooding of homes and businesses
- Areas of poverty in Warwick and Leamington
- Threats to the Environment
- Crime and Fear of Crime
- HS2
- Other Issues

The public was then asked which of three broad housing growth scenarios would best address the issues highlighted in the consultation response. The headline findings were as follows:

- 58% of respondents to the questionnaire (244 respondents) considered that Scenario 1 would be the best option for the District, with 28% (116 respondents) favouring Scenario 2 and 14% (59 respondents) preferring Scenario 3.
- Just over half of respondents (53%) of the sample survey considered that scenario 1 would be best for the District, with over a third (37%) preferring scenario 2, and only 10% favouring scenario 3;
- The most common reasons given by those preferring scenario 1 was that they felt the area already had enough homes, and they were against development on green belt land and preferred less impact on the environment. In relation to scenario 2, respondents preferred this scenario as it was more balanced and a compromise between competing objectives, and also recognised that more homes are needed. The overwhelming reason for those who preferred scenario 3 was the need for more housing.

There was clear support for scenario 1, many feeling this matches the views of local residents. Many felt that limiting growth in Warwick District to previously developed sites within the towns and villages would support their regeneration, and also the regeneration of the major urban areas in the region. Others felt this level of growth would reduce adding to the burdens on the existing road network and help maintain the existing quality of life. Views were also expressed in opposition to scenario one. Many felt this scenario did not reflect the recent announcements made by the Government urging Councils to 'plan for growth', or that the scenario was supported by any evidence that it would meet the future needs of the District and may therefore put pressure for more growth elsewhere in the region. This view was held by many landowners/developers.

Scenario 2 draws support on the grounds of its ability to deal with the important issues, and it is noted that this level of growth is in line with the previous figures emerging from the Regional Spatial Strategy. Others also cite the need for investment in local schools, and the potential to generate additional resources from this scenario to absorb future growth in student numbers. Similar views were expressed in opposition to scenario two as for scenario one, in that it was not supported by any evidence of future needs, nor does it reflect the Government's recent statements.

Scenario 3 draws support, mostly from the landowner/development sector with many citing it as the only scenario which can address the issues of housing and infrastructure needs that exist in the area. The economic benefits are also referenced, including its consistency with the Government's emphasis on economic growth, and the need for more housing to support the economic aspirations of the Council. Scenario 3 also drew opposition, with concerns expressed over the impact of building on green-field land, its impact on communities and possible coalescence of towns and villages. Other criticisms also included the absence of any population forecast to support the scenario.

Other scenarios were put forward. A small number of respondents have suggested no growth as their preferred scenario, citing concerns over the sustainability of growth, and that growth does not represent progress and that other methods of achieving economic activity should be found. Others suggested very little new development is needed given the number of vacant houses, shops and offices currently available, and the lack of certainty in forward planning over such a long time period given the current economic uncertainties. Some also felt that growth only served to fuel further growth in the future, which infrastructure or public services cannot keep pace with.

Others have called for growth based on local needs that provides affordable housing and housing for the elderly, which would be lower than scenario two. Alternatively, others consider the evidence of housing need and particularly affordable housing need would require levels higher than scenario 3. Others have cited greater flexibility required rather than setting a target, particularly given the uncertainty in the economy.

More generally, many comments are made that recognise the need for growth but that it should be the right development in the right place, and that it is accompanied by appropriate improvements in services and infrastructure to deal with the impacts of growth.

Residents Survey Results 2010

Warwick District Residents' Survey - 2010

Top 20 most important things about making somewhere a good place to live:

The level of crime	63%
Health Services	46%
Clean Streets	43%
Parks and Open Spaces	39%
Education provision	33%
Affordable decent housing	30%
Shopping facilities	29%
Public transport	28%
Access to nature	26%
Road and Pavement repairs	20%

Level of traffic congestion	19%
Job prospects	18%
Activities for teenagers	15%
Cultural facilities	13%
Facilities for young children	12%
Sports and leisure facilities	11%
Wage levels and cost of living	11%
Community activities	10%
Level of pollution	9%
Race relations	4%

Warwick District Residents' Survey

Top 20 most important things to improve:

Road and Pavement repairs	45%
Level of traffic congestion	37%
Activities for teenagers	36%
Affordable decent housing	24%
Job prospects	21%
The level of crime	20%
Public transport	19%
Clean Streets	18%
Facilities for young children	14%
Wage levels and cost of living	14%

Shopping facilities	14%
Community activities	13%
Sports and leisure facilities	12%
Health Services	10%
Cultural facilities	10%
Parks and Open Spaces	10%
Level of pollution	7%
Education provision	5%
Access to nature	5%
Race relations	2%