

# **Warwick District Council**

## **Local Plan Examination**

### **Response to Inspector's Matters and Issues**

#### **Matter 15 - Infrastructure, delivery and monitoring**

Policy DM1 - Delivery and Monitoring Activities

Policy DM2 - Infrastructure Delivery Plan

#### **Issue**

Whether the approach to infrastructure (other than transport), delivery and monitoring is justified, effective and consistent with national policy.

**October 2016**

## Policies DM1 - DM2 Delivery and Monitoring Activities and Infrastructure Delivery Plan

### 1. What are the likely impacts of the proposed scale and distribution of development on infrastructure (other than transport)? How have these been assessed?

- a) The Spatial Strategy of the Local Plan has shaped the distribution of development and the identification and location of sites required to meet the identified level of growth for the plan period.
- b) The spatial strategy has sought to protect the Green Belt from development (where non Green Belt sites are suitable and available) and to concentrate the overriding majority of development at the most suitable and sustainable locations within and on the edge of the existing urban areas. It has also identified the acceptability for a degree of development to be located within the rural areas and this has been predominantly located within the Growth Villages (the most sustainable rural settlements).
- c) Table 1 (below) sets out the numerical breakdown of housing requirements across the district by location.

Location	Number of dwellings proposed
Urban Brownfield	1208
Edge of Kenilworth	1500
Edge of Warwick, Leamington and Whitnash	3270
Edge of Coventry	2245
Growth Villages / Rural	1146

- d) The allocation of development at sustainable locations may have benefits in terms of the formulation and delivery of additional infrastructure requirements. In many instances new development will be in close proximity to existing networks of infrastructure provision, elements of which may currently have existing capacity, or may lend themselves to enhancements / extensions to build further capacity.
- e) The scale of particular allocations will also have implications for future infrastructure requirements. Where allocations are located in close proximity and cumulatively form large urban extensions, it is more likely that there will be such additional pressure (and a necessary critical mass) to warrant the provision of new local services and facilities as on-site solutions (for example a new primary school, localised open space and community facilities).
- f) Throughout the various stages of preparation of the Local Plan, the Council has consulted infrastructure providers in order that they may determine the impact of development (and associated population growth) on their particular areas of responsibility/influence. As well as the formal consultation processes that the Local Plan has been required to undertake, the District Council also engaged with infrastructure providers through focussed workshops in order to discuss the implications of the Local Plan and development on infrastructure provision. Importantly this forum has included Warwickshire County Council as it is responsible for the provision of much of the social infrastructure that will be required to support the Local Plan and the creation of thriving communities.

- g) Infrastructure providers have taken information regarding the location and capacity of local plan allocations and assessed this and necessary demographic and household growth trends to establish future demands on infrastructure. This has been done in conjunction with an analysis of current infrastructure provision and existing (unused capacity) to determine an appropriate way of delivering new and suitable provision.
- h) The likely impacts of the growth of the District will require consideration and planning of the following examples of Infrastructure:-
- i. Physical Infrastructure
    - Electricity and gas supply and connectivity
    - Water connection and sewage treatment capabilities
  - ii. Social Infrastructure
    - Education – Primary, Secondary, S.E.N , and 0-5 provision.
    - Health – Acute and Community Health Services
    - Health – Primary CARE (GP services)
    - Indoor Sport Provision
    - Library services
    - Community Facilities (Community Halls)
  - iii. Green Infrastructure
    - Country Parks and strategic open space
    - Open space Provision
    - Sports Pitches
- i) The Council has, through the development of the IDP (IN07PM), compiled the various infrastructure requirements to form a ‘command’ document that will be used to manage and monitor the financial implications and delivery process of the assets necessary to support the Local Plan.
- j) It is accepted that the development of the IDP will be an ongoing process and will require further co-operation with infrastructure providers to identify the appropriate delivery mechanisms and timescales involved with the ongoing implementation of infrastructure projects throughout the plan period.
- k) The IDP provides a solid basis for understanding the identification and delivery of infrastructure requirements. It is however predicated on the scale and distribution of the development options set out in the submitted Local Plan and may have to be adapted in the event changes to the plan are required as a consequence of the EIP.

**2. How is it intended to address impacts on existing infrastructure and the need for new or improved infrastructure?**

- a) The infrastructure requirements that have been included in the IDP (IN07PM) have been identified through a process of consultation with a wide range of service/ infrastructure providers. The provisions required and included in the IDP have been informed by the scale and distribution of development included in the Local Plan, the implications of associated

population growth and an assessment of the capacity of current / existing infrastructure throughout the District.

- b) The evidence provided through the IDP process will be used to seek proportionate contributions from development through the planning process by Section 106 and CIL. This will be made available to infrastructure providers to fund identified and justified needs. This additional capacity will be delivered through a combination of improvements to existing facilities and, or new provision. Contributions from developments will be directly related to the scale and impact of individual development proposals.
- c) Infrastructure contributions from development will be sought through the development management planning process and the negotiation of S106 agreements at the point that proposals are submitted as planning applications. Contributions may take the form of finance and/or land depending on the scale of the development proposal. Large allocations or groups of allocations that cumulatively form urban extensions will be required to satisfy the Council that the spatial consideration and disposition of infrastructure has been satisfactorily addressed and agreed through the approval of master planning arrangements.

**3. What specific improvements are proposed or will be required? What is the likely cost? How will they be brought forward and funded?**

- a) The growth requirements of the Local Plan will bring forward a requirement for an extensive range of infrastructure proposals. Excluding transport (which is dealt with separately in Matter 14), these are itemised with estimates of costs and potential sources of funding within the IDP (IN07PM - Pages 20-37).
- b) Aside from transport, education is likely to be the most critical and expensive area of infrastructure required. It is anticipated that provision of the necessary finance for schools will be through a combined strategy that utilises developer contributions and the Government’s Free Schools Programme.
- c) It is anticipated that the other infrastructure requirements itemised in the IDP will be funded predominantly, but not exclusively through developer contributions.
- d) A summary of the non-transport Infrastructure requirements and costs are set out in the table below. It should be emphasised that this is an estimate of costs and work will continue to develop a more focussed/accurate assessment as requirements become clearer. Work will also continue to proactively identify other sources of funding to expand the income streams to meet these requirements.

<b>Infrastructure (by type)</b>	<b>Estimate of cost (£'s)</b>	<b>Estimate of anticipated finance from developer contributions (S106/CIL) and other sources. (£'s)</b>
Education	70 million	44 million
Health	67 million	20 million
Indoor Sport	24 million	17 million

Cultural Facilities	5 million	5 million
Emergency Services	6 million	2.5 million
Community Facilities/ Village Infrastructure	3 million	3 million
Green Infrastructure	12 million	12 million
Open Spaces/ playing pitches	9 million	9 million
<b>Total</b>	196 million	110 million

- e) As can be observed from the table above, if all the infrastructure set out in the IDP is considered to be essential, there is currently an assumed funding gap of some £86m in relation to the non-transport related infrastructure requirements identified to support development proposals identified through the Local Plan.
- f) The Council will continue to work with Infrastructure providers and other agencies in the identification of alternative funding sources to augment the finance required to support infrastructure provision. As the Council moves towards the introduction of CIL regime it will assess priority projects and assign CIL income to projects in order of priority. As part of this, the Council will continue to assess whether all the infrastructure proposals set out in the IDP are essential. Through this, it is likely that some schemes that are currently desirable will not be prioritised for funding unless specific funding streams can be identified.
- g) Through the combined approach of identifying alternative sources of funding and prioritising schemes, the Council considers that the funding gap will be closed and that all essential infrastructure can be funded across the whole Plan period.
- h) In most instances it will be the responsibility of the individual infrastructure providers to ensure that projects are delivered and /operational in an appropriate timescale. The District Council will, through its development monitoring regime and reference to the IDP, ensure that infrastructure providers meet their obligations to deliver projects successfully.
- i) Ensuring the delivery of infrastructure and the appropriate supply of funding from development to Infrastructure providers will be a key role for the Council's site delivery officer, particularly in relation to the large urban extensions.

**4. How will the provision of infrastructure be related in terms of timing / phasing to development proposals?**

- a) The timing of delivery for the majority of infrastructure requirements will not be a major impediment to the implementation of development proposals. The delivery and progress of on-site specific matters will however, be monitored and managed by the Council to ensure that undue delays do not occur that will impact on the ability of residents to benefit from required local facilities and services.
- b) It is recognised that the provision of transport and education infrastructure is critical and have the potential to be significant impediments on the delivery of new development. Transport is dealt with in Matter 14. With regard to education, the provision of school places and the development of new schools will require a more targeted approach to ensure they are delivered and available at the appropriate time.

- c) With particular regard to the provision of primary schools required to serve large urban extensions it will be necessary for the District Council to monitor progress in the development and implementation of school build projects by working closely with Warwickshire County Council Education Department and the County Council's Infrastructure Manager. This will ensure that schools are delivered and operational at the appropriate time in the development process. A current example of this relates to the delivery of the primary school requirements south of Warwick and Leamington. The first of three primary schools (Heathcote) is currently under construction and will be operational in September 2017. Discussions with the developer at Grove Farm regarding the location and layout requirements regarding a second primary school are currently progressing. It is anticipated that this approach will be replicated with regard to primary school requirements both at Kenilworth and Kings Hill in due course.
- d) The timing of the delivery of secondary school places is also critical. The successful implementation of school construction projects to provide pupil places associated with development South of Warwick and Leamington, Kenilworth and at Kings Hill will be a priority. The approach for secondary education in each of these three areas is set out below.
- i. **South of Warwick and Leamington:** The County Council is proposing a three phase approach to meeting the education requirements of development across this area:
- Phase 1 (up to September 2018) involves filling existing school places
  - Phase 2 (2018 to 2022) involves expanding Campion School and over time, filling the resulting capacity
  - Phase 3 (2022 onwards) involves new school provision at Europa Way.
- The strategy for the delivery of secondary school places is developed in greater detail in Matter 8 – Policy DS12 – land For Education (ED1- Myton).
- ii. **Kenilworth:** It is intended that the current secondary school at Kenilworth is relocated to land at Southcrest Farm. It is anticipated that this will be delivered and operational in September 2020. This is based on an application being submitted by the end of 2017, with construction commencing in the summer of 2018 and completing summer 2020. The strategy for the delivery of Secondary school places is developed in greater detail in Matter 8 – Policy DS12 – land For Education (ED2) Southcrest Farm, Kenilworth.
- iii. **Kings Hill/ south of Coventry:** As a result of the addition of up to 4,000 new houses in this location, there will be a need for the equivalent of two new primary schools (a total of 5 form entries) located on site and a new secondary school. The Council is working with Warwickshire County Council and the site promoters to establish the exact composition and timing of these requirements within, and beyond, the Plan period. At the point that the precise format of the school requirements is determined, the programme for its implementation and timing of delivery will be planned accordingly. It is expected that this will be clear at the time a planning application is submitted (expected shortly after the adoption of the Local Plan). This will require reference to the assumed housing trajectory for the development of Kings Hill and other allocations proposed in the locality.

**5. How will other agencies and organisations be involved? What level of commitment / agreement is there?**

- a) It is recognised that other agencies and organisations have, and will continue to play an

important part in the development and delivery of infrastructure requirements that are necessary to support the successful implementation of the Local Plan.

- b) The Infrastructure Delivery Plan (IN07PM) has been prepared in conjunction with all the key infrastructure providers and draws directly on information provided by them. There is therefore a strong level of agreement about infrastructure requirements and costs, along with a shared commitment to provide the funding and to deliver the new infrastructure
- c) Throughout the Local Plan process the District Council has established good relationships with infrastructure providers and will continue (through a range of forums) to liaise closely with them to ensure that they discharge their responsibilities to bring to fruition specific infrastructure projects in a timely manner.
- d) The District Council will monitor the progress of development and the progress of infrastructure delivery in parallel. The Council has a Sites Delivery Officer who has specific responsibilities to ensure the co-ordination of development and associated infrastructure provision.
- e) Periodically progress updates will be sought from infrastructure providers throughout the implementation of the Local Plan. This will inform regular updates to the Infrastructure Delivery Plan. The Council's Finance and Audit Scrutiny Committee will regularly monitor the IDP in terms of costs, funding and delivery.
- f) A good example of the management of the implementation process and co-operation regarding the timely delivery of infrastructure is the way that the District Council has liaised with the County Council to ensure that the first primary school required to serve the extensive development area south of Warwick and Leamington is forthcoming. The construction process is currently underway.

**6. What role will a Community Infrastructure Levy play? What are the proposals and timescale in this respect?**

- a) A Community Infrastructure Levy seeks to provide a source of funding for strategic infrastructure where section 106 agreements are not appropriate and particularly where the pooling restrictions set out in the CIL Regulations mean that Section 106 agreements cannot provide sufficient resources to meet essential infrastructure needs. The IDP (IN07PM) shows that the Plan's infrastructure costs exceed available infrastructure funding and that therefore there is a funding gap. The CIL will play an important role in helping to bridge that gap.
- b) The 2015 CIL Draft Charging Schedule (DCS) is set out in IN05 – specifically, table 3 at paragraph 5.5 provides details of the Draft Charging Schedule. This is based on the CIL Viability Studies (IN06 and EXAM3).
- c) Given that
  - i. this charging schedule is now over a year old and has not been submitted
  - ii. the Local Plan modifications have identified a significant amount of additional housing development,the Council is currently reviewing the Viability Study and based on this will prepare a refreshed DCS for consultation in late 2016. Following the consultation, the Council intends to submit the DCS in early 2017 with a view to adopting it in the summer of 2017.

- d) The 2015 DCS was accompanied by a Draft CIL regulation 123 list. This indicated an intention to use CIL to support a number of District-wide transport improvement schemes, district-wide education provision (such as SEN and early years' provision), contributions to Warwick Hospital expansion, contributions to indoor sports facilities and a range of other infrastructure. Given the passage of time since this was prepared, the Council will be preparing a revised regulation 123 list to be published in early 2017.

**7. Are Policies DM1 and DM2 justified? Are they sufficiently clear? Do they provide adequate flexibility? Are they consistent with national policy?**

**Policy DM1**

- a) Policy DM1 sets out the Council's approach to seeking infrastructure contributions from development. It is targeted at delivering necessary infrastructure associated with development. It seeks to ensure that all infrastructure contributions are compliant with the tests of the CIL regulations at the same time as ensuring timely infrastructure is provided to achieve sustainable and cohesive communities.
- b) Paragraph 157, NPPF is clear that a strategic priority of plan making should be to: "plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework". Paragraph 177 underlines the importance of understanding "district-wide development costs at the time the Local Plan is drawn up" and therefore requires that "infrastructure and development policies should be planned at the same time in the Local plan". Policy DM1 aligns with these paragraphs of the NPPF by committing the Council to preparing and maintaining an Infrastructure Delivery Plan (IDP) in partnership with infrastructure providers. This will provide clarity and certainty for developers and infrastructure providers on the likely infrastructure requirements associated with developments.
- c) The Council contends that the Policy is justified by the evidence regarding infrastructure requirements to support the development proposed in the plan – for example evidence relating to transport, education, sports facilities and open space. It is clear in that it aligns with the CIL regulations and clearly sets out that contributions will be expected. At the same time, the Policy does not place specific or inappropriate requirements on development, recognising that every site needs to be considered on an individual basis. Further, in conjunction with policy DM2 it provides flexibility where it can be demonstrated that infrastructure requirements may compromise viability.

**Policy DM2**

- d) Paragraph 173 of the NPPF requires that careful attention is given to viability in plan making and decision taking. In preparing the Local Plan, the Council has undertaken three viability assessments in 2013, 2014 and 2015 (IN06, EXAM3 and HO24PM). These demonstrate that all the sites proposed in the Plan are viable in the context of the Plan's policies and likely infrastructure costs. For this reason, the Council expects that Policy DM2 will only need to be applied in a small number of cases with exceptional circumstances.
- e) Whilst this evidence indicates that the Plan as a whole is viable and that obligations and policy burdens associated with the Plan are unlikely to threaten the viability of specific sites, the Council recognises that there may be specific circumstances relating to specific sites where development costs may not provide competitive returns. Policy DM2 seeks to provide flexibility in these circumstances recognising that many developments may make a positive contribution to the objectives and delivery of the Plan, but may not be viable in the context of



all obligations and policy requirements. In these cases the Policy requires that the viability issues are clearly demonstrated. Where it can be demonstrated that proposals are not viable, the policy encourages discussions with the Council to enable a negotiated way forward to be agreed.

- f) In summary, the Policy aligns with the national policy and provides flexibility to enable development to take place even where there are viability issues. The Policy is clear and provides guidance as to how viability assessments should be undertaken and how the Council will review and use these to assist with the delivery of development.

**8. Is the approach to delivery and monitoring sufficiently clear? Would it be effective?**

- a) The approach to delivery of the Plan is set out under a range of headings. This demonstrates the Council's commitment to ensure the Plan is delivered through a number of key activities and processes including updating viability assessments, preparing DPDs, preparing supplementary planning documents, maintaining an IDP, using CPO where necessary, continuing to cooperate with neighbours, supporting neighbourhood plans, reviewing the plan and ensuring that the development management process uses the Plan effectively.
- b) It is considered that this range of activities and processes will be effective in delivering the Plan and will ensure the Plan-led approach set out in Paragraph 17 of the NPPF is achieved.
- c) In addition, the Council will carefully monitor as set out in the table on page 172 (of the Publication Draft Plan). The outcomes of this monitoring will be published on at least an annual basis. Once the plan is adopted, details of the monitoring data to be used will be identified and published. As a minimum, this will include:
- i. Annual housing completions
  - ii. Affordable housing completions
  - iii. Annual housing land supply
  - iv. Annual employment land completions
  - v. Annual employment land supply
  - vi. Details of CIL expenditure
  - vii. Progress on the preparation of DPDs

**9. Are there modifications to these policies or the wider approach to delivery and monitoring and infrastructure which are necessary for soundness?**

- a) The Council considers that Policies DM1 and DM 2 are sound and do not require modifications. However to address representations made on behalf of Warwickshire Policy, it is proposed to amend paragraph 6.3 of the explanatory text to read *"New development places pressure on existing infrastructure whether it be schools, roads, open spaces, sports facilities, emergency services, health facilities or community halls"*
- b) With regard to the Monitoring and Delivery Table, this will need to be modified once potential modification elsewhere in the Plan have been finalised. In particular, the sections on Development Plan Documents, and Development Briefs and Supplementary Planning Documents are likely to require modification to ensure alignment with other parts of the Plan.