

**Open**

## **Cabinet**

## **Agenda**

**To be held remotely  
6pm  
Wednesday, 16th September 2020**



## **Cabinet**

### **The Cabinet Members and their responsibilities:-**

<b>Councillor G Ballinger</b>	<b>Leader of the Council &amp; Strategy &amp; Finance</b>
<b>Councillor F Oborski MBE</b>	<b>Deputy Leader &amp; Economic Regeneration, Planning &amp; Capital Investments</b>
<b>Councillor N Martin</b>	<b>Housing, Health, Well-being &amp; Democratic Services</b>
<b>Councillor H Dyke</b>	<b>Culture, Leisure &amp; Community Protection</b>
<b>Councillor J Thomas</b>	<b>Operational Services</b>

### **Scrutiny of Decisions of the Cabinet**

The Council has one Scrutiny Committee that has power to investigate policy issues and question members of the Cabinet who have special responsibility for a particular area of the Council's activities. The Cabinet also considers recommendations from this Committee.

In accordance with Section 10 of the Council's Constitution, Overview and Scrutiny Procedure Rules, and Standing Order 2.4 of Section 7, any item on this agenda may be scrutinised by the Scrutiny Committee if it is "called in" by the Chairman or Vice-Chairman of the Overview & Scrutiny Committee and any other three non-Cabinet members.

*The deadline for "calling in" Cabinet decisions is 5pm on Monday 28<sup>th</sup> September 2020.*

Councillors wishing to "call in" a decision on this agenda should contact Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster. Telephone: 01562 732763 or email [louisa.bright@wyreforestdc.gov.uk](mailto:louisa.bright@wyreforestdc.gov.uk)

### **Urgent Key Decisions**

If the Cabinet needs to take an urgent key decision, the consent of the Scrutiny Committee Chairman must be obtained. If the Scrutiny Committee Chairman is unable to act the Chairman of the Council or in his/her absence the Vice-Chairman of the Council, must give consent. Such decisions will not be the subject to the call in procedure.

### **Declaration of Interests by Members – interests of members in contracts and other matters**

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct ("the Code") requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members' Code of Conduct as set out in Section 14 of the Council's constitution for full details.

### **Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)**

DPI's and ODI's are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council's Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

1. The Cabinet meeting is open to the public except for any exempt/confidential items. These items are normally discussed at the end of the meeting. Where a meeting is held remotely, “open” means available for live or subsequent viewing.
2. Members of the public will be able to hear and see the meetings by a live stream on the Council's website:

<https://www.wyreforestdc.gov.uk/streaming.aspx>

3. This meeting is being held remotely online and will be recorded for play back. You should be aware that the Council is a Data Controller under the Data Protection Act 2018. All streamed footage is the copyright of Wyre Forest District Council.

#### **For further information**

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732763 or email [louisa.bright@wyreforestdc.gov.uk](mailto:louisa.bright@wyreforestdc.gov.uk)

Documents referred to in this agenda may be viewed on the Council's website - [www.wyreforestdc.gov.uk/council/meetings/main.htm](http://www.wyreforestdc.gov.uk/council/meetings/main.htm)

Wyre Forest District Council

Cabinet

Wednesday, 16th September 2020

To be held remotely

Part 1

Open to the press and public

<b>Agenda item</b>	<b>Subject</b>	<b>Page Number</b>
<b>1.</b>	<b>Apologies for Absence</b>	
<b>2.</b>	<b>Declarations of Interests by Members</b>  In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered.  Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
<b>3.</b>	<b>Minutes</b>  To confirm as a correct record the Minutes of the meeting held on the 7th July 2020.	<b>7</b>
<b>4.</b>	<b>CALL INS</b> a verbal update will be given on any decisions which have been "called in" since the last meeting of the Cabinet.	
<b>5.</b>	<b>Items Requiring Urgent Attention</b>  To consider any item which, in the opinion of the Chairman requires consideration at the meeting as a matter of urgency.	
<b>6.</b>	<b>Public Participation</b>  In accordance with the Council's Scheme for Public Speaking at Meetings of Cabinet, one member of the public has registered to speak in order to present a petition.	

7.		
	<b>Councillor G Ballinger</b>	
<b>7.1</b>	<b>Budget Monitoring First Quarter 2020-21</b> <p>To consider a report from the Corporate Director: Resources which briefs members on the Council's financial performance for Quarter 1 ending 30th June 2020 and presents the current projected outturn position for the 2020-21 financial year. It provides forecasts on the capital programme 2020-21 and the final capital outturn for 2019-20 against programme.</p> <p><i>Please note that the appendices to this report have been circulated electronically and a public inspection copy is available on request.</i></p>	15
8.		
	<b>Councillor F Oborski MBE</b>	
<b>8.1</b>	<b>Section 106 Planning Viability Priorities</b> <p>To consider a report from the Head of Strategic Growth to agree the prioritisation of allocating funding achieved through planning obligations across the various elements on sites where there is a shortfall in meeting the costs of all obligations following a viability assessment.</p> <p>To also consider recommendations from the Overview and Scrutiny Committee from its meeting on 8<sup>th</sup> September 2020 (to follow)</p>	30
<b>8.2</b>	<b>Response to Planning Consultations</b> <p>To consider a report from the Corporate Director: Economic Prosperity &amp; Place to agree responses to the two Government consultations on the planning system – 'Planning for the Future' and 'Changes to the current planning system'.</p> <p>To also consider recommendations from the Overview and Scrutiny Committee from its meeting on 8<sup>th</sup> September 2020 (to follow)</p>	37
<b>9.</b>	<b>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</b>	
<b>10.</b>	<b>Exclusion of the Press and Public</b> <p>To consider passing the following resolution:</p> <p>"That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of "exempt information" as defined in paragraph 3 of Part 1 of Schedule 12A to the Act".</p>	

Part 2

Not open to the Press and Public

<b>11.</b>		
<b>11.</b>	<b>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</b>	

**WYRE FOREST DISTRICT COUNCIL  
CABINET  
HELD REMOTELY  
7TH JULY 2020 (6 PM)**

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**Present:**

Councillors: G W Ballinger (Chairman), F M Oborski MBE (Vice-Chairman), H E Dyke, N Martin and J W R Thomas.

**Observers:**

Councillors: J F Byng, V Caulfield, R H Coleman, P Dyke, C Edginton-White, S Griffiths, I Hardiman, M J Hart and C Rogers.

**CAB.11 Apologies for Absence**

There were no apologies for absence.

**CAB.12 Declarations of Interests by Members**

No declarations of interest were made.

**CAB.13 Minutes**

**Decision: The minutes of the Cabinet meeting held on 20th May 2020 be confirmed as a correct record and signed by the Chairman.**

**CAB.14 Call Ins**

No decisions had been called in since the last Cabinet meeting.

**CAB.15 Items Requiring Urgent Attention**

There were no items requiring urgent attention.

**CAB.16 Public Participation**

There was no public participation.

Councillor C Rogers joined the meeting at this point, (6.04pm).

**CAB.17 COVID-19 Recovery Framework**

A report was considered from the Chief Executive to adopt the framework for recovery from COVID-19 in respect of the Council and its services.

The Leader of the Council invited the Chief Executive to present the report.

The Chief Executive explained that the report dealt with recovery from the COVID-19 pandemic and raised a number of significant issues. He outlined the key points from the report and said that a lot of the recovery of individual services had now happened, however there were still a few facilities which the Council had not fully opened, such as the splash pad in Brinton Park which remained shut in accordance with Government legislation. He added that the report touched on economic recovery which was an ongoing piece of work with organisations across Worcestershire which involved all of the Council's, the Local Enterprise Partnership, Chamber of Commerce and others.

The Chief Executive further explained that the most significant issues in the report related to the Council as an organisation, and they focused on the recommendations in terms of arrangements for future working by staff. He said a very significant proportion of office based staff had been moved onto home working, and it raised the issue of the extent to which the Council embed that as the new operating model; it was not about retaining things precisely as they are. He added that the report explained about maximising home working at the optimum level, however clearly there were some functions and activities that will always have to be done in a building and cannot be done at home, for example some aspects of running an election; you would not be able to have postal vote opening done at someone's house, that clearly would have to be done at a suitable alternative location. He said the recommendation to Council was to commence a process of consultation with staff and trade unions about embedding some of this change to working models.

The Leader of the Council formally moved the recommendations for approval. The Cabinet Member for Economic Regeneration, Planning & Capital Investments said that it was important that we recognised that as we emerge from COVID-19, not only will there be a new normal, there is also a massive opportunity in terms of the Council's green agenda by looking at minimising travel wherever possible, which in turn minimises the amount of emissions we produce. She added that it was important that a proper consultation with staff and unions took place to find out how home working could be maximised at an optimum level without disadvantaging any individual members of staff. She also welcomed the consultation with members of the Council as some were more comfortable with using remote technology than others. To that end, she said she was happy to second the proposals and commend the report to Council.

**Decision: Cabinet Decided to:**

- 1.1 ADOPT the framework in Appendix 1 of the report;**
- 1.2 RECOMMEND TO COUNCIL that it authorises the Head of Paid Service to initiate formal consultation with staff and unions with a view to maximising home working at the optimal level, in order to minimise the building space that the Council occupies (paragraphs 4.3 and 4.4), with a further report to Council no later than December 2020 to seek Council's approval of any changes to terms and conditions;**
- 1.3 CONTINUE to use remote meeting technology wherever possible**



**for all informal meetings involving Cabinet members including Cabinet advisory panels and, if legislation is changed permanently to allow its formal meetings to be held remotely, to continue to use remote meeting technology for such meetings;**

- 1.4 RECOMMEND TO COUNCIL that a survey of Councillors should be undertaken about the impact of remote working on them, with a report and any recommendations being submitted to Council in September.**

Councillor I Hardiman joined the meeting at this point, (6.13pm).

**CAB.18 Financial Stress Testing re Coronavirus Pandemic Impact**

A report was considered from the Corporate Director: Resources which provided a second briefing for members on the impact of the current Coronavirus Pandemic on the Council's financial performance for 2020-21 and beyond.

The Leader introduced the report and formally moved the recommendations for approval. He said the ongoing pandemic continues to place unprecedented stress on the Council's budget in the short term. The authority was seeing the reduction in or even complete failure of some of its income streams for at least part of the current financial year. Together with cost pressures in certain services and cash flow implications, this will mean the authority will have to take action to safeguard the Council's budget in the medium term.

He added that the Local Government Association, Societies of District and County Council Treasurers and District Councils' Network continued to lobby hard on the sector's behalf for additional funding. The announcement of further funding made on the 2<sup>nd</sup> July was very welcome, however what is clear is that this Council, together with the majority of Councils stills faced significant financial challenges. He said the total impact still remained uncertain as society and the economy were only in the early stages of recovery and it is likely to take many months for the "post-COVID" position on expenditure and income to emerge.

The Leader outlined the key points from the report. He explained that the Government had announced a raft of financial assistance initiatives to help the community, businesses and local authorities through the pandemic. He said the Council had been extremely efficient and speedy in distributing this help to businesses and council tax payers and thanked all the staff involved for doing this work so effectively.

The Leader invited the Corporate Director: Resources to present the report.

The Corporate Director: Resources explained that after the report was published the Ministry of Housing, Communities and Local Government (MHCLG) announced a Support Package for Local Authorities – COVID-19 and Beyond. She said all members had received a high level briefing with links to all the papers from the Chief Executive on the evening of the 2<sup>nd</sup> July, and she thanked the Chief Executive for all of his work undertaken with the District

Council's Network to lobby the Government which has contributed to the achievement of this new more comprehensive funding support.

The Corporate Director: Resources outlined the main points of what the new support included. She advised members that a further £500 million of funding to cover local authority spending pressures had been announced. She added that most of this money would almost certainly go to County Councils, however was hopeful that District Councils would receive something. She further explained that also included was a co-payment mechanism for irrecoverable Sales, Fees and Charges income, with the Government covering 75% of losses beyond 5% of planned income. She said this was very welcome, however more detail was awaited and it may not cover all areas of income.

The Corporate Director: Resources further explained that the announcement was now allowing the authority to defer the impact of council tax and business rate losses by phasing them over 3 years. She said the authority was seeing significant reductions in council tax and business rate payments despite the relief and hardship fund payments. She said the situation was very worrying and the authority was expecting an increase in people claiming council tax reduction support when the Government's furlough scheme comes to an end. She said the new arrangement does not compensate the authority for this lost income, however it does allow for it to be spread over 3 years.

In conclusion she said that whilst overall the funding shortfall would reduce from previous forecasts given, more detail was needed to allow accurate estimates to be made of what will inevitably still be a funding shortfall, which would result in a significant additional use of reserves and the need to accelerate savings plans. She assured members that she would continue to work with her team and officers across the Council on the forecasts, to refine and improve them as more information emerges.

On behalf of the Cabinet, the Leader thanked the Corporate Director: Resources, and her hard working team for the incredible job they were doing.

The Cabinet Member for Economic Regeneration, Planning & Capital Investments seconded the proposals and said that members were being incredibly well served by officers and welcomed the briefings which were provided following statements from Central Government.

**Decision: Cabinet Decided:**

- 1.1 That the projected budgetary impact of the Coronavirus Pandemic outlined in the report and related actions both taken so far and planned for the future be noted.**

**Cabinet Approved:**

- 1.2 That Delegated Authority to the end of September 2020 is granted to the Corporate Director: Resources, in consultation with the Corporate Leadership Team and the Cabinet Member for Strategy and Finance to use General Reserves to replace reduced income and increased expenditure that is not covered by government**

**funding.**

- 1.3 That Delegated Authority is granted to the Corporate Director Resources in consultation with the Cabinet Member for Strategy and Finance to make in-year transfers from General Reserves to the General Risk and Innovation Fund Earmarked Reserves.**

Councillor V Caulfield left the meeting at this point, (6.26pm)

**CAB.19 Review of Public Space Protection Orders and Results of the Consultation Process**

A report was considered from the Chief Executive which outlined the results from the consultation process regarding the dog control Public Space Protection Order (PSPO) and the restriction of alcohol consumption in Bewdley and Stourport-on-Severn PSPOs, and outlined the implementation process if the PSPOs are agreed.

The Cabinet Member for Culture, Leisure and Community Protection presented the report and formally moved the recommendations for approval.

It was noted that the map shown in Appendix 4 for restricting consumption of alcohol in Bewdley was confirmed as incorrect, and that the PSPO would cover the same area as the existing order. It would therefore cover the whole of the Riverside Meadows park, including Northwood Lane area on the Wribbenhall side of the river.

The Cabinet Member for Culture, Leisure and Community Protection explained that following a review of the district wide dog control PSPO and PSPOs restricting alcohol consumption in Bewdley and Stourport-on-Severn, a formal consultation process for each PSPO commenced on 19<sup>th</sup> May and ran until 15<sup>th</sup> June 2020. She added that a range of stakeholders were consulted and a questionnaire was made available on the Council's website, along with a press release and numerous media messages to make residents aware that the consultation was taking place.

She added that whilst the majority of dog owners were very responsible people, the results of the consultation showed that some residents had concerns about dog fouling and other related issues; the PSPOs was an important tool to be able to deal with these concerns.

The Cabinet Member for Culture, Leisure and Community Protection thanked everyone that took part in the consultation, and also members of the Overview and Scrutiny Committee for thoroughly debating the subject. She confirmed that the position of professional dog walkers would be looked at under the 6 month review of the PSPOs.

The Chairman of the Overview and Scrutiny Committee, Councillor M Hart, said that the Committee had given the item full deliberation and consideration and supported the Cabinet proposals.

**Decision: In line with the recommendations from the Overview and**

**Scrutiny Committee from its meeting on 2<sup>nd</sup> July 2020, Cabinet decided that:**

- 1.1 A Public Space Protection Order regarding dog controls, within the specified area, outlined in Appendix 4 of the report, is implemented.**
- 1.2 A Public Space Protection Order to restrict the consumption of alcohol within the specified area of Bewdley, based on the same area as the existing order, is implemented.**
- 1.3 A Public Space Protection Order to restrict the consumption of alcohol within the specified area of Stourport-on-Severn, outlined in Appendix 4, is implemented.**
- 1.4 The Public Space Protection Orders are reviewed 6 months after their implementation.**
- 1.5 Council Officers and Partners to give due consideration and implement appropriate actions regarding issues that have been raised through the consultation but are not suitable for inclusion in a PSPO.**

**CAB.20 Community Led Housing Policy**

A report was considered from the Corporate Director: Economic Prosperity and Place which shared the progress on Community Led Housing (CLH) and sought approval for the updated CLH policy.

The Cabinet Member for Housing, Health, Wellbeing and Democratic Services presented the report and formally moved the recommendations for approval.

She explained that the CLH policy and pledge was approved by Cabinet in February 2018. Since that time a vast amount of work had been done within the district and nationally which meant that it was necessary to update the CLH.

The Cabinet Member for Housing, Health, Wellbeing and Democratic Services outlined the work that had been completed or was underway, and explained the key changes to the CLH policy. She confirmed that to date no houses had been built, however the CLH Co-ordinator was regularly working with the Wyre Forest Community Land Trust to identify a number of possible development opportunities across the Wyre Forest.

The Cabinet Member for Economic Regeneration, Planning & Capital Investments seconded the proposals. She said that she was looking forward to some exciting schemes coming forward for the local community.

The Chairman of the Overview and Scrutiny Committee acknowledged how difficult it was to get the Community Led projects off the ground. He thanked the Cabinet Member for allowing the Committee to consider the report in

advance of Cabinet and said the Committee fully supported the recommendations.

**Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 2<sup>nd</sup> July 2020;**

**Cabinet decided that:**

- 1.1 The Community Led Housing Policy is approved.**
- 1.2 Delegated authority be given to Corporate Director: Economic Prosperity and Place, in consultation with the Cabinet Member for Housing, Health, Wellbeing and Democratic Services to agree future changes to the Community Led Housing Policy.**

**CAB.21 Property Flood Grants – Amendment to Capital Programme**

A report was considered from the Corporate Director: Economic Prosperity and Place which outlined the process for the Government funded Property Flood Grants to be distributed to affected residents and businesses.

The Cabinet Member for Housing, Health, Wellbeing and Democratic Services presented the report and formally moved the recommendation for approval.

She said that unfortunately Wyre Forest District suffered from the effects of flooding in February 2020, particularly in Bewdley. The Property Flood Grant funding from DEFRA was greatly received and an amendment to the capital programme was required to distribute the grants.

The Cabinet Member for Housing, Health, Wellbeing and Democratic Services thanked the Overview and Scrutiny Committee for the extensive meetings they were having regarding the flooding. She added that it was important that local residents and businesses knew that the authority was taking this issue very seriously.

The Cabinet Member for Economic Regeneration, Planning & Capital Investments seconded the proposal.

The Chairman of the Overview and Scrutiny Committee said that the funding from DEFRA was very much welcomed, and the Committee fully supported the Cabinet proposal to Council.

On behalf of the Cabinet, the Leader thanked the Chairman of the Overview and Scrutiny Committee for their current scrutiny exercise into the February 2020 flooding. He said they were doing a phenomenal amount of work and was impressed by the expert witnesses they had called to date.

**Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 2<sup>nd</sup> July 2020;**

**Cabinet RECOMMENDED to Council that:**

- 1.1 there is an amendment to the Capital Programme to include expenditure of £650,000 to provide Property Flood Grants fully matched by DEFRA funding, noting that the exact level of expenditure will be dependent of the number of eligible applicants received.**

Councillors P Dyke and I Hardiman left the meeting this point (6.55pm).

**CAB.22 Bromsgrove Street Car Park Developer Agreement**

A report was considered from the Corporate Director: Economic Prosperity and Place to agree a proposed Agreement with the Council's former Glades Leisure Centre site development partner, Cordwell, in respect of the public car park at Bromsgrove Street and its usage in relation to the proposed cinema led leisure scheme planned for the former leisure centre site.

The Cabinet Member for Economic Regeneration, Planning & Capital Investments presented the report and formally moved the recommendations for approval. She explained that the Coronavirus pandemic had hampered the finalisation of the development work, however it was ongoing and it had become clear that the cinema developer would need a car park to be maintained on the Bromsgrove Street car park site.

The Cabinet Member for Economic Regeneration, Planning & Capital Investments outlined the principles of the draft agreement. She said the proposal was a good deal for both the Council and for the people of Wyre Forest. She added that as the county came out of lockdown, she was hopeful that the cinema developers would be able to come forward with their planning application for the development of the site.

The Chairman of the Overview and Scrutiny Committee said the proposal was fully supported by the Committee. He said it was entirely legitimate for the cinema operator to want visitors to be able to park as close to the venue as possible and it was right and proper that the Council enter into a formal agreement with Peveril Securities Ltd.

**Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 2<sup>nd</sup> July 2020;**

**Cabinet AGREED:**

- 1.1 To delegate to the Corporate Director: Economic Prosperity & Place in consultation with the Council's Solicitor and the Cabinet Member for Economic Regeneration, Planning & Capital Investments authority to finalise and sign the proposed Agreement.**

There being no further business, the meeting closed at 7.02pm.

**WYRE FOREST DISTRICT COUNCIL**

**CABINET**  
**16<sup>th</sup> September 2020**

**Budget Monitoring First Quarter 2020-21**

<b>OPEN</b>	
<b>CABINET MEMBER:</b>	Councillor G Ballinger, Leader of the Council and Cabinet Member for Strategy and Finance
<b>RESPONSIBLE OFFICER:</b>	Corporate Director: Resources
<b>CONTACT OFFICERS:</b>	Tracey Southall Ext. 2100 <a href="mailto:Tracey.southall@wyreforestdc.gov.uk">Tracey.southall@wyreforestdc.gov.uk</a> Helen Ogram Ext. 2907 <a href="mailto:Helen.Ogram@wyreforestdc.gov.uk">Helen.Ogram@wyreforestdc.gov.uk</a> Lisa Hutchinson Ext. 2120 <a href="mailto:Lisa.Hutchinson@wyreforestdc.gov.uk">Lisa.Hutchinson@wyreforestdc.gov.uk</a> Kath Pearsall Ext.2165 <a href="mailto:Kathryn.pearsall@wyreforestdc.gov.uk">Kathryn.pearsall@wyreforestdc.gov.uk</a>
<b>APPENDICES:</b>	Appendix 1 - Wyre Forest District Council Revenue Budget Total Requirements - District Council Purposes Appendix 2 - Final Capital Outturn against Programme 2019-20 Appendix 3 - Capital Programme 2020-21 with slippage from 2019-20 Appendix 4 - Budget Risk Matrix Appendix 5 – Analysis of Outstanding Debt <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>

**1. PURPOSE**

- 1.1 The purpose of the report is to brief members on the Council's financial performance for Quarter 1 ending 30<sup>th</sup> June 2020 and to present the current projected outturn position for the 2020-21 financial year. It provides forecasts on the capital programme 2020-21 and the final capital outturn for 2019-20 against programme.
- 1.2 It builds on the May and July Cabinet Reports on Financial Stress Testing re Coronavirus Pandemic Impact. In addition to the usual information presented in the Quarterly Budget Monitoring reports, the report provides key information relating to estimates of the Council's financial position for the next three years, highlighting the scale of the revised Funding Gap that will be need to be closed to bring expenditure into line with income.

Revenue – the forecast outturn is an estimated net overspend of £1.415m.

Capital – the forecast outturn is £31.1m (£11.9m excluding the Capital Portfolio Fund and Development Loans Fund). £414k of the programme is currently forecast to be re-profiled to future financial years.

1.3 The report informs members of the Housing Benefit Overpayment debt position and the Sundry/Property debt position as at 30<sup>th</sup> June 2020.

- **Housing Benefits overpayment recovery-** The total debt outstanding at 30<sup>th</sup> June 2020 is £1.498m which represents a 13% decrease over the balance outstanding at the end of Quarter 1 2019-20, including debts within payment terms.
- **Sundry/Property Debt** - The total debt outstanding at 30<sup>th</sup> June 2020 (Quarter 1) on the Council's ledgers was £1.178m which represents a 9.71% decrease over the balance outstanding at the 30<sup>th</sup> June 2019 (Quarter 1) including debt within payment terms.
- The overdue debt (not within payment terms) has increased by £220,000; compared to the same period in 2019-20.
- BNP Paribas collect the rent for four of the Council property assets acquired from the Capital Portfolio Fund. The overdue debt (not within payment terms) outstanding at 30<sup>th</sup> June 2020 (Quarter 1) from these property tenants was £98,150, an increase over the position at the end of March of £90,000.

## 2. **RECOMMENDATIONS**

The Cabinet is asked to:-

- 2.1 **NOTE the projected budget variations and comments outlined within this report and appendices 2 to 5**
- 2.2 **NOTE the exercise of delegated powers granted to the Corporate Director: Resources in consultation with the Cabinet Member for Strategy and Finance to use General Reserves to replace reduced income and increased expenditure as a result of the Coronavirus pandemic that is not covered by government funding and APPROVE that this delegation is extended to the end of December 2020.**
- 2.3 **AGREE that a decisive savings plan to address the significant deterioration in the Council's finances be formulated as a priority and included in the December Medium Term Financial Strategy (MTFS) or that earlier reports are taken as appropriate.**

## 3. **BACKGROUND**

- 3.1. Budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The 2020-23 MTFS was approved by Council on 26<sup>th</sup> February 2020. The MTFS incorporated growth and savings items that impact on 2020-21 budgets and performance is measured against the original budget presented within the 2020-23 Strategy (Appendix 1). The current forecast shows an overspend against the original budget of £1.415m.
- 3.2. The ongoing COVID-19 pandemic is placing unprecedented stress on our budget in the short term. We continue to experience the reduction in or even complete failure of some of our income streams for at least part of 2020-21. Together with cost pressures in certain services



and cash flow implications, this means we will have to take action to safeguard the Council's budget in the medium term.

- 3.3. If the Government does not provide full funding to mitigate the financial losses, the Council's reserves will be used at a faster rate than predicted in the MTFS, the Funding Gap will increase and a more radical approach will be necessary to accelerate the Savings plans after the most significant period of the pandemic has passed and movement restrictions have been significantly relaxed.
- 3.4. The Ministry of Housing, Communities and Local Government (MHCLG) continue to undertake monthly data collection exercises to gauge the degree of impact of the ongoing pandemic on public sector finances. Submissions for April to August have been made for this Council. So far the MHCLG response to these data collection exercises has been fairly positive, although further funding in particular to meet income losses is still required.
- 3.5. So far the Government has provided £3.7bn of generic funding and, following continued hard lobbying by the LGA, Societies of District and County Council Treasurers and District Councils' Network, an "income guarantee" was announced on 2<sup>nd</sup> July but details of how it would operate were confirmed only on 24<sup>th</sup> August. Previously, there was concern that the grant funding was significantly lower than the additional costs and lost income being faced by district councils. The position has been improved as a result of the "income guarantee" (also referred to as the "co-funding mechanism"). However, in summary, it meets only 71.25% of eligible losses and only for the financial year 2020-21 – all rental income is excluded, for example, and therefore in total the income guarantee leaves a significant impact for the Council. Unless the Government extends the income guarantee to 2021-22, any loss of income in that year would fall wholly to the Council, which is the assumption in this report. Separate arrangements have been announced to support councils in dealing with loss of council tax and business rates income within the collection fund. Unless further assistance is announced as part of the Comprehensive Spending Review, this would merely see the impact spread over three financial years, as set out in Table 4.3.
- 3.6. Reports were considered by Cabinet on the 20<sup>th</sup> May 2020 and the 7<sup>th</sup> July, setting out early formal briefings for members on the financial impact of the Pandemic. The July meeting approved the use of General Reserves to replace reduced income and increased expenditure not covered by government funding up until the end of September 2020. This report presents the overall budget monitoring report for Quarter 1 including the latest position in relation to the financial forecast of the net impact of the ongoing pandemic. It requests the extension to the end of December 2020 of the flexibility for the Corporate Director: Resources, in consultation with the Cabinet Member for Strategy and Finance, to use General reserves to replace reduced income and increased expenditure that is not covered by government funding: the extension aligns with the timing of the revised budget which will be presented as part of the 2021-24 MTFS report.
- 3.7. The balanced budget approved by Council focuses on ensuring that the Council optimises the full range of income sources that affect its overall budget including Council Tax and Business Rates revenue, external specific grants, fees and charges and other elements of income from commercial activities including returns from property and treasury investments.
- 3.8. The latest forward projection of business rates income for 2020-21 shows a reduction of £1.305m (local share) against the assumptions built into the MTFS. This will be confirmed as the year progresses. Wyre Forest District Council was a member of the Pan Worcestershire business rates pool 75% pilot for 2019-20. For 2020-21 the Worcestershire Pool has reverted back to the national 50% retention scheme. Whilst the Pooling arrangement includes a Safety Net mechanism, this is applied to overall Pool performance so it cannot be assumed it would mitigate losses at this early stage. Latest Council tax projections show a loss of £474k against

assumptions included in the MTFS giving a total projection for Collection fund losses of £1.779m due to the COVID-19 Pandemic. MHCLG have confirmed that these losses can be spread over 3 future years, although technical detail is awaited, so this report assumes the loss will not be realised in 2020-21 but will be spread equally over the next three years. These early assumptions will be refined as more information becomes available.

- 3.9 The 2020-23 Medium Term Financial Strategy makes modest assumptions about the income stream that is expected to be generated from the Capital Portfolio Fund and the Development Loans Fund. Regular reports on the Portfolio Performance are made to Overview and Scrutiny Committee by Jones Valerio our retained specialist property consultants.

#### 4 **FINANCIAL PERFORMANCE**

##### 4.1 **Overview**

The monthly budget monitoring includes the forecast position for the current financial year. Revenue summary shows net expenditure by Directorate and where some costs are funded by reserves this is incorporated.

Revenue The approved budget is £11.463m and the forecast outturn is £12.878m which is an overspend of £1.415m.

Capital The original approved programme was £9.5m. Slippage from 2019-20 totalled £22.0m and includes £7.7m from the Capital Portfolio Fund and £10m from the Development Loans Fund. The 2020-21 adjusted budget is £31.5m. The updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2020-21, including slippage from 2019-20 are enclosed as Appendix 3.

##### 4.2 **Latest estimates of the revised financial position - Table 4.2 Starting Position**

<b>Projection of Reserves as per Approved Budget - Revised for 2019-20 Final Accounts Saving</b>			
<b>Reserves Statement</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>
Reserves as at 1st April	4,833	4,348	3,934
Increase to Working Balance			
Contribution (from)/to Reserves	(485)	(414)	(835)
Reserves as at 31st March	<b>4,348</b>	<b>3,934</b>	<b>3,099</b>
<b>Funding Gap</b>	<b>2020-21 £</b>	<b>2021-22 £</b>	<b>2022-23 £</b>
Localism Savings to be achieved	135,000	245,000	350,000
Wyre Forest Forward savings not yet achieved	188,370	544,750	221,130
Additional Income Generation target not yet achieved	25,000	75,000	100,000
Depot 2020 additional rental WFH	50,000	50,000	50,000
Efficiency Savings in approved Business cases	18,000	18,000	18,000
Efficiency Savings 2%. 1%, 1% 1%	57,660	161,310	161,310
Sub-total	474,030	1,094,060	900,440
Use of reserves in current financial strategy	485,290	413,700	834,990
<b>Balance of savings to be identified and implemented = Funding Gap Before COVID-19</b>	<b>959,320</b>	<b>1,507,760</b>	<b>1,735,430</b>

4.3 **Table 4.3 The Refreshed Position - Estimate of Net Impact of COVID-19 (excluding Government Grants pass ported to third parties)**

IMPACT OF COVID-19 - estimate mid August 2020				
	2020-21 £	2021-22 £	2022-23 £	NOTES
<b>COVID-19 - Additional Costs/Lost Income</b>				
Additional Costs	1,239,960			Excluding town centre costs covered by EDRF. See tables in 4.7.2 for analysis
Loss of non Collection Fund Income	2,619,000	792,500		25% loss assumed 21-22
Loss of HB Overpayments/bad debt provision	290,000	145,000		50% loss assumed 21-22
Loss of WFDC share of Council Tax (including extra CTRS costs)	474,110	237,060		50% loss assumed 21-22
Loss of WFDC share of Business Rates	1,305,000	326,250		25% loss assumed 21-22 but to be refined
Expenditure in relation to EDRF Town Centre Funding	90,196			
Other reduced costs and extra income as a result of Covid (extra income from Garden Waste, printing and energy cost savings)	- 86,200	- 76,200	- 76,200	From table 4.2.2 July 7th Cabinet report less £10k after 20/21 to reflect hybrid working. £65k extra income garden waste
<b>Total COVID Additional Costs/Lost Income</b>	<b>5,932,066</b>	<b>1,424,610</b>	<b>- 76,200</b>	
<b>Government Funding not pass ported</b>				
Emergency Grant Funding Received in 2020-21 (note £50k accounted for in 2019-20 but costs in 2020-21)	- 1,189,880			£50,074 accounted for in 2019-20
New Burdens Funding	- 130,000			
EDRF Town Centre Funding	- 90,196			
Income Co-Funding	- 1,304,930			Assumptions: all lost rental income including capital portfolio excluded. Co-funding agreement will not extend to future years - All depot income covered.
Homelessness	- 4,500			
Additional Housing benefit on Homelessness expenditure	- 144,000			Detailed separately from cost on Delta returns.
<b>Total COVID Government Funding</b>	<b>- 2,863,506</b>	<b>-</b>	<b>-</b>	
<b>Other COVID Related Variances</b>				
Spread of 2020-21 Collection Fund Losses over 3 years	- 1,779,110	593,040	593,040	No collection fund loss in 2020-21 they will trip over into 23-24
Ongoing Collection Fund Losses (accounted for in year after they occur)		- 563,310	563,310	Collection Fund losses realised in year after they occur
<b>Total Other COVID Related Variances</b>	<b>- 1,779,110</b>	<b>29,730</b>	<b>1,156,350</b>	
<b>TOTAL ESTIMATE OF NET IMPACT - COVID-19</b>	<b>1,289,450</b>	<b>1,454,340</b>	<b>1,080,150</b>	

Table 4.3 shows the current estimate of the net impact of COVID-10 on the revenue budgets for 2020-21 to 2022-23 based on latest assumptions of funding from government. This table does not therefore include the significant funding paid to the Council and passported to businesses, individuals and other third parties. This funding was detailed in the July Financial Stress Testing Cabinet report and includes:

- £952k Hardship Funding paid to Council Tax Payers in receipt of Council Tax Reduction Support;
- £22.5m paid to this Council on the 1<sup>st</sup> April to fund grants to businesses;
- £15.7m of business rate reliefs implemented for eligible businesses in Wyre Forest;
- £1.153m grant funding for local discretionary business grants for business that did not meet the eligibility criteria for the mandatory scheme;
- Circa £10k for the Kidderminster BID.

The position regarding further specific grant funding towards the extra costs of support for Leisure is not yet known. Detailed guidance regarding claims for co-funding for eligible sales, fees and

charges income losses has recently been received and assumptions included in Table 4.3 will be verified in due course.

#### 4.4 Other Costs, Savings etc as at Quarter 1

Other Pressures/Income/Potential Savings				
	2020-21 £	2021-22 £	2022-23 £	NOTES
Staff Terms and Conditions	-	200,000	200,000	Forecast extra annual cost of pay and grading review but actual costs unknown
Green Street Depot R and M	10,000	10,000	10,000	Extra (non-Covid) costs for Green Street
Icelandic Investment Repayment	- 9,830			Final Heritable payment
One -off abortive costs of Bridge Street proposal formerly capital - maximum figure assumed	192,000			Additional costs re Planning Cttee refusal 18th August 2020
Ongoing Homelessness Costs re Bridge Street and costs not covered by COVID funding	50,000	100,000	100,000	Additional costs re Planning Cttee refusal 18th August 2020
Savings achieved- Revenues	-	- 36,570	- 58,150	Savings from deletion of vacant posts
Summer Play schemes savings R055/Events	- 30,820	- 31,080	- 31,080	Summer play schemes cancelled for 20-21 due to COVID - savings are casual pay budget and budget for running expenses net of lost income. Service now ceased by WFFC: responsibility for town councils to fund in 2021-22 if they wish to do so.
Pensions reduction in employers oncost rate from 18.8% to 18.2% 20/21, 21/22 and 22/23	- 38,500	- 40,800	- 41,600	Release into general reserves - score against WFF savings target
Pensions upfront Payment discount	- 47,200	- 145,500	- 244,000	3 year upfront payment discount - could count towards WFF savings - score as above
<b>Sub Total Other Pressures/Savings</b>	<b>125,650</b>	<b>56,050</b>	<b>- 64,830</b>	

Table 4.4 shows the additional costs, one-off and ongoing, that the Council is exposed to as a result of the decision by the Planning Committee not to approve the planning application for the Bridge Street redevelopment. These were set out in the confidential briefing note that was provided to all Members on the 8<sup>th</sup> June, and many of the figures had been included in formal reports to the Overview and Scrutiny Committee and Cabinet in July 2019. The ongoing costs arise because, based on cross-party support for this proposal in the Overview and Scrutiny Committee and Cabinet in July 2019, the approved MTFS included the favourable impact that the Bridge Street project would have had on the homelessness budget. The consequence of the Planning Committee's decision is a worsening of the Council's financial position.

#### 4.5 Overall Adverse Variance Quarter 1 and Impact on Funding Gap

	2020-21 £	2021-22 £	2022-23 £
<b>Overall Adverse Variance Q1</b>	<b>1,415,100</b>	<b>1,510,390</b>	<b>1,015,320</b>
<b>Revised Funding Gap July 2020</b>	<b>2,124,420</b>	<b>3,018,150</b>	<b>2,750,750</b>
<b>Previous savings Gap April 2020</b>	<b>959,320</b>	<b>1,507,760</b>	<b>1,735,430</b>
<b>Increase in Funding Gap - increase in take from reserves*</b>	<b>1,165,100</b>	<b>1,510,390</b>	<b>1,015,320</b>
* for 2020-21 £250k foregone WFF savings already in current funding gap			

#### 4.6 Forecast of Revised Reserves Position

<b>Revised Projection of Reserves - Revised for 2019-20 Final Accounts Saving</b>			
<b>Reserves Statement</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>
Reserves as at 1st April	4,833	3,183	1,259
Increase to Working Balance			
Contribution (from)/to Reserves	(1,650)	(1,924)	(1,850)
Reserves as at 31st March	3,183	1,259	(592)

Table 4.6 shows that reserves are forecast to run-out during 2022-23, a proactive approach will be proposed as part of the 2021-24 MTFS to avoid this scenario.

#### 4.7 Summary Revenue Forecast variances by Directorate

4.7.1 The following table details the current projected outturn position of £1.415m and variances against the original budget for each Directorate, also the net income from the Capital Account that determines the total net revenue expenditure, approved by Council on 26<sup>th</sup> February 2020. Income losses and additional expenditure is included together with the latest forecasts of government funding that is retained by the council.

4.7.2 Each specific Directorate table has a column headed "income growth/grant". With the exceptions of income growth achieved in respect of green waste and a final dividend payment received in respect of one of the historic investments with an Icelandic bank, this column shows the estimated amount of income that will be funded under the Government's income guarantee. Emergency Grant Funding for additional costs is shown against the Chief Executive and Solicitor to the Council Directorate.

<b>DIRECTORATE</b>	<b>Original Budget</b>	<b>Estimated Outturn</b>	<b>Variance to Original</b>	<b>Q1 YTD Profiled Budget</b>	<b>Q1 YTD Actual</b>	<b>Q1 Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive: Depot, Leisure and Culture	4,422	5,394	972	1,028	944	(84)
Resources	3,690	4,027	337	924	3,092	2,168
Economic Prosperity and Place	1,591	2,666	1,075	377	416	39
Chief Executive and Solicitor to the Council	1,373	304	(1,069)	344	467	123
Capital Account	387	487	100	97	(417)	(514)
<b>TOTALS</b>	<b>11,463</b>	<b>12,878</b>	<b>1,415</b>	<b>2,770</b>	<b>4,502</b>	<b>1,732</b>
<i>Projected Service Revenue Account Budget Shortfall</i>		<b>1,415</b>				

Underspends and income denoted by ()  
\*Current approved budget

The Quarter 1 full year outturn projection (at 31<sup>st</sup> March 2021) is an over spend of £1.415m.

The following budget pressures and savings have been identified:

**Chief Executive Directorate; Depot. Leisure and Culture Services**

SERVICE AREA	Cost Pressures	Income Shortfall	Cost Reduction	Income Growth /Grant
	£	£	£	£
Waste and Recycling	24,000			
Leisure Contract	507,400	551,000		(393,000)
Summer Play Schemes			(30,820)	
Parking and Enforcement		561,000		(366,000)
Parking Weavers Wharf		33,000		(19,000)
Trade Waste Contracts		141,000		(79,000)
Bulky Collections and Ext Works		30,000		(17,000)
Bewdley Museum		101,000		(70,000)
Green Waste				(65,000)
Garage, Driver Training, Trees and Grounds		142,000		(92,000)
Parks and Green Space		3,000		
Cemetery		1,000		
Green Street Depot Repairs and maintenance	10,000			
<b>TOTALS</b>	<b>541,400</b>	<b>1,563,000</b>	<b>(30,820)</b>	<b>(1,101,000)</b>
Total Variance				972,580

**Chief Executive and Solicitor to the Council**

SERVICE AREA	Cost Pressures	Income Shortfall	Cost Reduction	Income Growth /Grant
	£	£	£	£
Unassigned Miscellaneous costs	62,760		(21,200)	(60,930)
Misc. Pay costs	20,000			
Wyre Forest Forward Savings not achieved	250,000			
Emergency Grant Funding received in 2020-21				(1,189,880)
New Burdens funding				(130,000)
<b>TOTALS</b>	<b>332,760</b>	<b>0</b>	<b>(21,200)</b>	<b>(1,380,810)</b>
Total Variance				(1,069,250)

**Resources Directorate**

SERVICE AREA	Cost Pressures	Income Shortfall	Cost Reduction	Income Growth /Grant
	£	£	£	£
Housing Benefit Admin	9,600			
Customer Services (The Hub)	9,600			
Revenues	39,600			
ICT	49,000			
Pensions upfront payment discount			(47,200)	
Pensions - reduction in employers oncost rate from 18.8% to 18.2%			(38,500)	
Court Costs		70,000		(45,000)
Housing Benefit O/payments and bad debt provision	240,000			
Bad debt provision (General)	50,000			
<b>TOTALS</b>	<b>397,800</b>	<b>70,000</b>	<b>(85,700)</b>	<b>(45,000)</b>
Total Variance				337,100

## Economic Prosperity and Place Directorate

SERVICE AREA	Cost Pressures	Income Shortfall	Cost Reduction	Income Growth /Grant
	£	£	£	£
PPE Equipment and Cleaning	40,000			
Homelessness (Covid-19)	228,000			(144,000)
Property Rental Capital Portfolio		310,000		
Property Rentals Ind. Estates and Forest House		150,000		
Property Rentals WFH		150,000		
Markets		14,000		(9,000)
Land Charges income		42,000		(27,000)
Licensing		60,000		(35,000)
Planning income		110,000		(66,000)
Building Control		40,000		(26,000)
Expenditure in relation to ERDF Town Centre Funding	90,196			(90,196)
One-off abortive costs of Bridge Street proposal (formerly capital)	192,260			
Homelessness - Additional costs re Planning Cttee refusal 18th August	50,000			
Government Funding - Homelessness				(4,500)
<b>TOTALS</b>	<b>600,456</b>	<b>876,000</b>	<b>0</b>	<b>(401,696)</b>
	<b>Total Variance</b>			<b>1,074,760</b>

## Capital Account

CAPITAL ACCOUNT	Cost Pressures	Income Shortfall	Cost Reduction	Income Growth /Grant
	£	£	£	£
Treasury Interest (received) (Delta return £11k)		110,000		
Icelandic Dividend (reversal of impairment)				(9,830)
<b>TOTALS</b>	<b>0</b>	<b>110,000</b>	<b>0</b>	<b>(9,830)</b>
	<b>Total Variance</b>			<b>100,170</b>

## Other Corporate Variances

Other Corporate Variances such as pay and administrative costs will continue to emerge and will be reported at Quarter 2 as part of the December MTFS report. All variances will be further investigated and refined as part of the ensuing revised budget process and also reported at Quarter 2. It is likely that the net receipt from the recovery of Housing Benefit overpayments currently budgeted for at circa £290k pa will reduce, perhaps by up to £50k pa, but this is still in the process of validation so will be confirmed for Quarter 2.

## 4.8 Earmarked Reserves

- 4.8.1 The Council's earmarked reserves totalled £8.715m at 1<sup>st</sup> April 2020. The total balance remaining uncommitted at 30<sup>th</sup> June 2020 was £7.396m.
- 4.8.2 Following a review of Earmarked Reserves in 2018, a General Risk Reserve was created and some individual reserves were written back to service accounts. The new methodology has resulted in fewer reserves being created as carrying forward under spends as earmarked reserves has been explicitly discouraged. The current level of the General Risk Reserve is £367k.



Earmarked Reserves	Quarter 1 Summary of Funding			
	Total Reserves at 1st April £000	Expenditure Q1 £000	Commitments £000	Reserve Remaining £000
External Funding	1,393	88	16	1,289
External Funding / WFDC Budget	201	1	0	200
Shared Service	542	2	0	540
WFDC Budget	6,110	10	1,100	5,000
General Risks Reserve	469	0	102	367
<b>TOTAL</b>	<b>8,715</b>	<b>101</b>	<b>1,218</b>	<b>7,396</b>

## 4.9 External Income Performance

4.9.1 External Income is an important element within the finances of the Council, it affects the level of resources available to fund services and makes an important contribution to a balanced budget. The COVID-19 pandemic has significantly reduced income levels as summarised in Table 4.3 and shown for each Directorate in the tables that follow. On the 2<sup>nd</sup> July, MHCLG announced a Support Package for Local Authorities – COVID-19 and Beyond. This included a co-payment mechanism for irrecoverable sales, fees and charges income, with the Government covering 75% of losses beyond 5% of planned income – this is very welcome. Full technical details were released only on 24<sup>th</sup> August and this confirms that it does not cover all areas of income. An early estimate based on the figures included in the Table in 4.3 is that of the £2.619m income (excluding income from business rates and council tax) the council may have to fund up to £1.314m because property rental income streams are excluded from any claim and only 71.25% of other lost income streams are to be funded. This sum represents more than the whole of the final accounts savings from last year that have been added into available reserves in the table in 4.6.

4.9.2 The Commercial Activity Programme Board considers net income (mainly Depot related) after marginal costs are taken into account. The table below shows the gross income for the areas considered by the board. The table below shows current (quarter 1) projections which include the impact of COVID-19 so are considerably reduced compared to budget. However, the MHCLG co-funding mechanism should compensate us for a proportion of this loss (part of the overall estimate of £1.314m detailed in 4.9.1).

Commercial Activity Areas	Gross Income from Commercial Activity				
	2019-20 Outturn £	Current Year 2020-21			Most Likely Outturn (Loss)* £
		Original £	YTD Month 3 £	Estimated Outturn £	
Parking and Enforcement	(1,439,270)	(1,603,530)	(106,284)	(1,009,530)	594,000
Waste Collection (Garden and Trade waste Services)	(1,056,903)	(1,071,100)	(480,300)	(965,100)	106,000
Wyre Forest Leisure Centre	(531,642)	(541,520)	0	9,480	551,000
Garage, Tree Gang, Grounds Maintenance and Driver Training	(356,462)	(379,460)	(29,599)	(237,460)	142,000
Parks and Green Spaces	(131,905)	(213,980)	(93,036)	(210,980)	3,000
Bewdley Museum & TIC	(86,166)	(138,570)	(10,493)	(37,570)	101,000
Cemetery	(195,189)	(52,900)	(16,744)	(51,900)	1,000
Other		42,000	0	42,000	0
<b>TOTAL</b>	<b>(3,797,537)</b>	<b>(3,959,060)</b>	<b>(736,456)</b>	<b>(2,461,060)</b>	<b>1,498,000</b>

\* Loss shown before Government support grant

Note that ( ) denote income budgets, under spends or overachievement of income targets



#### 4.10 Capital Programme

4.10.1 The approved (original) capital programme 2020-21 is £9.5m. There is re-phasing (slippage) from 2019-20 of £22.0m, and re-phasing to 2021-22 of £414k.

4.10.2 The gross expenditure to date is £0.3m (1%).

4.10.3 The updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2020-21, including slippage from 2019-20 is provided at Appendix 3.

4.10.4 Capital Programme variances are summarised in the table below:

	Commentary	£000
Re-phasing from 2020-21 to 2021-22	Chief Executive and Solicitor to the Council	414
<b>Total</b>		<b>414</b>

4.10.5 The majority of the Council's Capital Programme is financed from borrowing which has a revenue implication through interest charges and the statutory Minimum Revenue Provision (MRP).

### 5 CAPITAL PORTFOLIO FUND AND DEVELOPMENT LOANS FUND

5.1 The Capital Portfolio Fund supports regeneration, economic growth and housing allied to the Council's income generation/commercialism objectives. The Development Loans Fund will help deliver the Council's regeneration and economic development objectives in terms of both housing and commercial regeneration, whilst also potentially generating future income streams. External Support has been procured to ensure that specialist advice and financial due diligence is readily accessible to support future proposals.

Capital Portfolio Capital Fund	Expenditure		Committed
	Purchase Price/ Development Cost	SDLT, Fees and Capitalised Costs	
	£000	£000	£000
<b>Acquisitions at 1st April 2019</b>			
Worcester Street/High Street Retail Units, Kidderminster	1,034	51	
Stratford Court Offices, Solihull	6,110	424	11
Buntsford Gate Offices, Bromsgrove	1,487	87	
Forest House Start-up Units, Kidderminster	730	37	
<b>Acquisitions 2019-20</b>			
Riverside Food and Beverage Units, Kidderminster	2,420	135	43
Goldthorn Road Industrial Unit	4,100	240	28
<b>Committed Schemes</b>			
Industrial Units, Kidderminster		395	33
	15,881	1,370	114
Total Capital Expenditure		17,251	17,365
Total Capital Approval			26,500
<b>Balance of Funds remaining (Max)</b>			9,135

Note: Balances include transactions and commitments at 30<sup>th</sup> June.

The table below summaries the current projection of the revenue impact of the Capital Portfolio Fund acquisitions in 2020-21:

Property	2020-21 Original £	2020-21 Est. Outturn £
<b>EXPENSES</b>		
Property Expenses	235,620	235,620
General Expenses	52,260	52,260
Recharges	44,980	44,980
Increased bad debt provision		100,000
<b>COST OF CAPITAL</b>		
Capital Financing (MRP & Interest)	1,445,920	1,445,920
<b>GROSS INCOME</b>	(2,183,620)	(1,973,620)
<b>NET INCOME BEFORE TRANSFER TO RESERVES</b>	(404,840)	(94,840)
Variance		310,000
<b>NET POSITION AFTER TRANSFER TO RESERVES</b>		
Transfer to sinking fund/risk reserve (20%)	18,150	18,150
<b>Net Revenue Impact 2020-21</b>	(386,690)	(76,690)
<b>Variance to Approved budget (OE to Outturn)</b>		<b>310,000*</b>

\*( ) denotes income, budget savings and over achievement of income targets

## 6 **FUNDING GAP AND WYRE FOREST FORWARD SAVINGS PROGRAMME**

6.1 The 2020-23 MTFS projects a funding gap in 2022-23 of just over £1.7m, so against this background, even before the pandemic, it was essential that expenditure was kept within the overall approved budget and that longer term savings proposals continued to be developed so that the Council had as much flexibility as possible to meet the challenges which lie ahead.

6.2 Prior to COVID-19 the Council had made very significant strides in responding to the reduction in Government funding. Austerity has required local government to reshape radically what it does: in the period since 2010 Government funding for the Council has fallen by circa 49% in absolute terms (more in real terms). In Wyre Forest, we have used three main tools as part of our Wyre Forest Forward transformation programme:

- Making ourselves as efficient as we can be internally, including use of “systems thinking” reviews;
- Growing our income;
- Using alternative delivery vehicles, including shared services with other councils and working with local organisations such as Parish and Town councils, to reduce costs.

6.3 However, it is well documented that the COVID-19 pandemic has placed unprecedented pressure on the council finances and the Cabinet reports on Financial Stress testing taken in May and July showed the inevitability of a significant increase in the funding gap due to the unlikely prospect of the Government providing full funding to mitigate losses. This is in

addition to the non-achievement of assumed savings within the approved MTFS as resource has been diverted away from savings plans to manage the local impact of the pandemic in the first part of 2020. This report includes the assumption that £250k of the total £474k target generic savings for 2020-21 will not be achieved. Tables 4.2 to 4.5 show why the funding gap is forecast to grow in 2020-21 to 2022-23. Table 4.5 shows a predicted significant increase of circa £1m in the funding gap for each of these years. The reason for the significant increase in 2021-22 and 2022-23 is the deferment of collection fund losses from 2020-21 together with the assumption of income losses continuing to some degree but without ongoing government co-funding.

**7. Supplementary Estimates and Virements**

- 7.1 Service managers who wish to incur expenditure that falls within approved Council Policy, for which either there is no or insufficient provision within approved estimates, may incur that expenditure by virement (transferring from one approved budget cost centre to another) or by supplementary estimate, subject to specified conditions as set out in the Financial Regulations – 6.7 and 6.8.
- 7.2 The Corporate Director: Resources will continue to exercise approved delegation to replace lost income/increased expenditure, currently estimated to be up to £1.3m for the year, until the December MTFS report, when the additional use of reserves will be confirmed.

**8. LEGAL AND POLICY IMPLICATIONS**

- 8.1 The Local Government Act 2003 (sections 25–29) placed additional duties on Local Authorities on how they set and prioritise budgets.
- 8.2 Section 28 places a statutory duty on an authority to review its budget from time to time during the year. If the Budget Monitoring Report shows that there has been deterioration in the Authority's financial position, the Authority must take such action as it concludes necessary. The Cabinet currently reviews the Budget on a quarterly basis. Cabinet has been provided with two forecasts of the impact of the COVID-19 pandemic in May and July, due to the significant financial impact and uncertainty about government support to mitigate it. The budget monitoring report for Quarter 1 updates the estimates and takes account of the most recent announcements of Government funding.
- 8.3 Our External Auditor Grant Thornton makes an assessment based on the annual programme of external audit work. The focus is on ensuring there are proper arrangements in place for securing financial resilience and that the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness. Additional assurance work is being undertaken for the 2019-20 Statement of Accounts audit to provide evidence that the Council remains a Going Concern.
- 8.4 Under section 114 of the Local Government Finance Act 1988, the chief financial officer in consultation with the monitoring officer has the power to issue a report if there is, or is likely to be an imbalanced budget. A full council meeting must then take place within 21 days to consider the notice. In the meantime, no new agreements involving spending can be entered into. The impact of this would effectively be to "freeze" the financial activity of the council in terms on any new/non-essential expenditure. There is no plan to do so at present and it is understood that MHCLG are considering further measures, in addition to the funding and other changes mentioned above, to minimise the risk of any council being the subject of a section 114 notice. CIPFA has implemented a temporary modification to its guidance for councils under budgetary pressure due to COVID-19, to give them the time and space to

explore alternatives to freezing spending via section 114 notices: this would include notification to the Government. These guidance changes could remain in place for several months.

**9 EQUALITY IMPACT ASSESSMENT**

This is a financial report and there is no requirement to undertake an Equality Impact Assessment.

**10 RISK MANAGEMENT**

- 10.1 The inability to deliver a balanced budget is one of the Council's key corporate risks. The Budget Risk Matrix has been reviewed to reflect the current assessment of risk. A copy is enclosed for information as **Appendix 4**.
- 10.2 There is a significant risk that the savings and income targets included within the approved MTFS that are now estimated to be significantly greater due to the impact of the pandemic, will not be achieved in full, because of the scale of them and the fact that they will require politically controversial proposals and decisions.
- 10.3 Relying on reserves to get us through until 2023 depends on further savings being implemented and the rate of drawing on reserves not increasing significantly. However, there are major external risks that could undermine the position. The delayed reforms to local government finance represent significant uncertainty. It is impossible to predict how and when they will affect Wyre Forest. New homes bonus might not survive (it is not funding distributed on the basis of needs), although alternative incentive mechanisms to encourage housing growth or other actions might be introduced. A significant internal risk in the longer term relates to the grading review, that is now progressing and could result in extra costs as estimated in Table 4.3.
- 10.4 The Council would face significant risk if action to formulate and implement a savings and recovery plan is delayed. This risk has grown exponentially with the COVID-19 pandemic and will continue to grow as time passes, given known and unknown future pressures such as those mentioned in this report.

**11 CONCLUSIONS/ACTION**

- 11.1 The information contained within Appendices 2, 3, 4 and 5 provides Members with an overview of financial trends within the period to 30<sup>th</sup> June 2020. The estimates and assumptions included in this report will continue to be updated and refined as more information becomes available and the position will be clarified as part of the revised budget process.
- 11.2 The Council undoubtedly needs to become a smaller organisation with fewer staff if financial sustainability is to be achieved. This will result in the Council doing less as the scale of reduction required goes far beyond that which might be absorbed with no impact on current services and activity.
- 11.3 Decisive action is needed to agree a plan of action for what changes the Council now wishes to pursue. Appropriate time has to be allowed for matters such as consultation with service users or staff, negotiation with other parties (e.g. for asset or service transfer or creation of shared services), finalisation of legal agreements or contracts etc. Concentrating what could be a very significant amount of activity in the period between September 2020 and April 2021

(to ensure full year savings are achieved from then) has risks. These are not just internal, such as capacity, but importantly are also external if progress depends on other organisations. While decisions by Cabinet and Council will be required in that period, it may be impractical to implement all changes in full from 1<sup>st</sup> April 2021 but that does not mean that implementation should be delayed to April 2022: change will be required on an ongoing basis as soon as it is possible to implement it.

**12. CONSULTEES**

Corporate Leadership Team  
Cabinet  
Service Managers

**13. BACKGROUND PAPERS**

Council 26<sup>th</sup> February 2020  
Strong Leader Report on Provisional Final Accounts 2019-20, 9<sup>th</sup> June 2020  
Medium Term Financial Strategy 2020-23

Hyperlink to Committee Reports  
<http://www.wyreforest.gov.uk/council/meetings/main.htm>

**WYRE FOREST DISTRICT COUNCIL**

**CABINET**  
**16<sup>th</sup> SEPTEMBER 2020**

**Section 106 Planning Viability Priorities**

<b>OPEN</b>	
<b>CABINET MEMBER:</b>	Councillor Fran Oborski- Cabinet Member for Economic Regeneration, Planning and Capital Investments
<b>RESPONSIBLE OFFICER</b>	Corporate Director: Economic Prosperity & Place.
<b>CONTACT OFFICER</b>	Kate Bailey, Head of Strategic Growth
<b>APPENDICES:</b>	None

**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to agree the prioritisation of allocating funding achieved through planning obligations across the various elements (such as education, highways and affordable housing) on sites where there is a shortfall in meeting the costs of all obligations following a viability assessment.

**2. RECOMMENDATION**

**The Cabinet is asked to DECIDE that:**

- 2.1 **The priority list set out in paragraph 4.10 of this report is used to determine the allocation of s106 obligations where the viability of sites is deemed to be such that not all policy requirements can be met.**

**3. BACKGROUND**

- 3.1 Planning obligations, under s106 of the Town and Country Planning Act 1990, are a mechanism which mitigate the impact of a development proposal to assist in making it acceptable in planning terms, that might not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S106 obligations are often referred to as 'developer contributions' along with highway contributions and the Community Infrastructure Levy (where these have been introduced). Planning obligations run with the land, are legally binding and enforceable.
- 3.2 The common uses of planning obligations are to ensure that necessary infrastructure is provided on and off site to enable the development to take place and to secure affordable housing; and to specify the type and timing of this housing. Other uses might include securing financial contributions for education provision or other matters which are reasonably required in order to make the development acceptable. However, these are not the only uses for a s106 obligation. A s106 obligation can:

- a) restrict the development or use of the land in any specified way

- b) require specified operations or activities to be carried out in, on, under or over the land
- c) require the land to be used in any specified way; or
- d) require a sum or sums to be paid to the authority on a specified date or dates or periodically.

3.3 The legal tests for when a s106 obligation can be used are set out in regulation 122 and 123 of the Community Infrastructure Levy Regulations 2010 as amended and the National Planning Policy Framework (NPPF). The tests are that an obligation must be:

- necessary to make the development acceptable in planning terms
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

3.4 The amount of s106 contribution differs in each planning application as each site has different characteristics which dictate the need for s106 to be applied. Generally, the amount of s106 contribution which each site can make is a product of the financial viability of bringing a site forward for development; an unviable site is unlikely to be developed. Therefore, the amount of s106 contribution recommended by the planning officer when reporting to Planning Committee follows negotiation about where the line of viable and unviable lies and how much the development can afford to contribute before it becomes unviable.

3.5 The national Planning Practice Guidance (PPG) states the role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan. Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

3.6 The viability sections of the Planning Practice Guidance (PPG) (Chapter 10) were completely rewritten in 2018. The changes provide clarity and confirm best practice, rather than prescribe a new approach or methodology. Having said this the emphasis of viability testing changed significantly. The, now superseded, requirements for viability testing were set out in paragraphs 173 and 174 of the 2012 NPPF which said:

*173 ... To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.*

*174 ... the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle...*

3.7 The PPG confirms it is appropriate for Local Plan makers to use site typologies to determine viability at the plan making stage. Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers can also undertake site specific viability

assessment for sites that are critical to delivering the strategic priorities of the plan, in the case of the Council's Plan submitted for Examination earlier this year, this was the case with the Eastern Kidderminster Expansion site. A viability assessment already existed for Lea Castle, the other major growth site in the Submitted Plan, and accompanied the planning application.

- 3.8 The purpose of viability testing is now to ensure that '*maximum benefits in the public interest*' has been secured. If the maximum viable benefit is secured, but not all impacts are mitigated, it becomes a matter of planning judgment whether to allow a development proposal to proceed or not.
- 3.9 The Council's current policy is set out in the Planning Obligations Supplementary Planning Document (SPD) (2015) and covers developer contributions around physical, social and green infrastructure. Affordable Housing contributions are covered in the Council's Affordable Housing SPD (2014).
- 3.10 As part of the Local Plan Review the Council has developed an Infrastructure Delivery Plan (IDP). The purpose of the Wyre Forest Infrastructure Delivery Plan (WFIDP) is to set out the infrastructure requirements as part of the evidence base to support the proposals contained in the Wyre Forest Local Plan Review (WFLPR), which covers the period 2016 to 2036. Importantly the IDP seeks to;
- Review the existing capacity of physical, social and green infrastructure provision across the District.
  - Identify the infrastructure needs required to serve the proposed level of growth within the District.
  - Identify the delivery mechanisms required in order to implement the required infrastructure.
  - Where possible, identify the responsible delivery body and provide a broad indication of costs.
  - Identify what funding sources might be available to facilitate implementation.
- 3.11 There are a number of other obligations on developers that have been included in the Viability Assessment work which was developed as part of the evidence base for the Submitted Local Plan as they are imposed on developers through the Local Plan policies, but that aren't shown as separate planning obligations for the purpose of s106. These obligations include;
- 3.11.1 All new developments over 100 square metres gross, or one or more dwellings, should incorporate the energy from renewable or low carbon sources equivalent to at least 10% of predicted energy requirements,
- 3.11.2 The provision of self-build units or serviced plots on sites of 50 dwellings or more
- 3.11.3 20% of properties on all major housing developments to meet the higher access standards (Part M Building Regulations (Access to and use of buildings), (Category 2 M4(2), accessible and adaptable dwelling); and a further 1% of the overall number of housing units to meet Category 3 M4(3), wheelchair user dwellings standards.
- 3.12 When there are insufficient s106 contributions available through a development site to satisfy all of the matters which require a contribution (because the site would



otherwise be unviable), and the planning judgment reached is that the development should nonetheless be permitted to proceed in the public interest, the Council has to prioritise where it will allocate the monies which are available. Logically such prioritisation would reflect the Council's Corporate priorities which are;

- a safe, clean and green living environment
- supporting a successful local economy
- good quality and affordable homes for all

On that basis affordable housing and open spaces are likely to be top priorities, or where the development can directly contribute to economic growth. Accordingly, priorities around education and community facilities might be lesser priorities as they don't directly contribute to the Corporate Plan Priorities or other funding streams maybe available to deliver them. Clearly key infrastructure (generally such as highways or drainage) which is necessary to enable the development to take place at all also has to be a priority as they do contribute to the living environment and can negatively affect the local economy if not undertaken.

#### **4. KEY ISSUES**

- 4.1 As part of the Local Plan making process various viability assessments were undertaken as part of the evidence base. The original study in 2017 undertaken by HDH Planning and Development Ltd was based on undertaking financial appraisals of sites, the output of which is the Residual Value. The Residual Value is the maximum that a developer could be expected to contribute from a site and still make an adequate return and retain the viability of the site for development purposes. For a site to be viable the Residual Value must exceed the Existing Use Value (EUV) by a sufficient margin for to induce the landowner to sell (so called EUV+)
- 4.2 In the study a range of typologies (i.e. types of developments) were modelled to reflect the expected future development (based on current use, size and geographic distribution, etc). In addition, 12 potential strategic sites were modelled, based on estimates of their strategic infrastructure and mitigation requirements provided by Worcestershire County Council (WCC). It is acknowledged that modelling is never totally representative, however the aim of the work was to broadly test development viability of sites likely to come forward over the plan period and to inform the selection of sites. The Council should only be proposing to allocate sites in the Local Plan which are viable and have a reasonable expectation of being capable of delivery. As the plan advanced, more detailed s106 expected costs came to light through feedback from statutory and non-statutory consultees (worst case scenarios were used) and some market changes occurred.
- 4.3 Overall the vast majority of sites represented by the typologies were shown as deliverable and the Council can be confident that they will be forthcoming. The exceptions were some of the brownfield sites, including Lea Castle, but with a degree of policy flexibility most sites were deliverable. The work sensitivity tested a number of different scenarios around affordable housing percentages, the tenure split within affordable housing and social versus affordable rent and these, coupled with the Housing Needs Study 2018, helped to settle the policy position of 25% affordable housing with a 65:35 split between rented and intermediate types of home ownership which was part of the Submitted Plan.

- 4.4 The Pre-Submission Viability Note was published in June 2019 to assist with the finalisation of the Local Plan. It considered further changes to the NPPF (Feb 2019), PPG (May 2019), CIL regulations and the new RICS guidance (May 2019). It also updated information concerning the strategic sites and the Council's policy changes. At the time this work was undertaken, there was some more detailed estimates of the strategic infrastructure costs for both strategic sites that had been included in the updated Infrastructure Delivery Plan (based on the worst case scenario) and these were included in the Pre-Submission Viability Note.
- 4.5 The strategic infrastructure and mitigation costs did cause viability to worsen and so the Viability Note proposed policy changes to potentially improve viability. This included increasing the numbers on sites, pursuing other sources of infrastructure funding and reconsidering strategic infrastructure, affordable housing and density requirements. All these options were considered by the Local Plan Review Panel and officers will continue to look for alternative sources of funding for infrastructure or to reduce requirements where this still leaves the development acceptable.
- 4.6 Overall the viability assessment takes a cautious approach and uses averages and the best cost estimates available at the time but still identifies that the Local Plan sites are deliverable. However, as the Taylor Wimpey (east of Kidderminster) and Homes England (Lea Castle) viability assessments show, both have involved policy compromises in the form of a reduced contribution of affordable housing.
- 4.7 This reduction in supply of affordable housing delivered through s106 sites has an impact on both the residents of Wyre Forest, who have a reduced range of housing options if they are in receipt of a lower income, and on the finances of the council who are funding unprecedented numbers of households in emergency accommodation due to the lack of an affordable housing supply to move people into.
- 4.8 Where viability assessments show that the developer will be unable to meet all policy requirements on a site, it is proposed that a prioritisation of infrastructure requirements is agreed by the Council so that the provision of affordable housing isn't always reduced first from the developers obligations. This will be site specific as each site will bring forward its own individual and specific requirements, but the prioritisation model should broadly follow the corporate priorities outlined in 3.12 above.
- 4.9 Where sufficient funding is not available to cover all planning s106 obligations it will be necessary to prioritise the list of "asks" and may require the Council to decide that some obligations aren't met at all. It may be possible to still fund these obligations through other funding streams or alternatively it may be these particular obligations aren't as essential as others to make the development acceptable. The Council could prioritise the elements in relation to the agreed corporate plan whilst also taking into consideration the essential infrastructure needed specific to any site, such as highways or drainage.
- 4.10 The amount of s106 contribution allocated to each prioritised element will differ from site to site and will be subject to the detailed negotiations undertaken by the planning officer on behalf of the Council. Where it is the case that not all policy requirements can be met it is proposed that the Officers will prioritise in the following order:

- On and/or off site infrastructure necessary to make the development acceptable
- Affordable housing
- Open space and recreation
- Education
- Other stakeholder contribution requests such as infrastructure costs associated with health provision or the police

- 4.11 The recently (August 2020) published White Paper “Planning for the Future” which is currently out for consultation proposes a number of changes to the current system of planning obligations including setting the a nationally set, value-based flat rate charge (the ‘National Infrastructure Levy’) that replaces both the Community Infrastructure Levy and the current system of planning s106 obligations. The government aim is that the new Levy will raise more revenue than under the current system of developer contributions and “deliver at least as much – if not more – on-site affordable housing as at present”.
- 4.12 The White Paper proposes to give local authorities greater powers to determine how developer contributions are used, including by expanding the scope of the Levy to cover affordable housing provision to allow local planning authorities to drive up the provision of affordable homes. The Government plans to extend the scope of CIL and remove the exemptions from it to capture changes of use through permitted development rights, so that additional homes delivered through this route bring with them support for new infrastructure.
- 4.13 The White Paper acknowledges that a reformed Infrastructure Levy will also need to have considered the impact of this change on areas with lower land values. The Council’s response to the White Paper is subject of a separate report to this Cabinet meeting.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The aims of the s106 planning obligations are necessary to make the development acceptable in planning terms. Where a site isn’t policy compliant due to viability it has generally been the case that affordable housing provision is compromised first and this has a direct consequence on the ability of the council to meet the housing needs of those who can’t afford to purchase on the open market. This, in turn, impacts on the Council’s budget as each year more households approach the Council as homeless as they are unable to afford housing to meet their own needs. In 2019/20 the council spent over 70k (net) on emergency accommodation as it wasn’t able to rehouse households into appropriate accommodation when they became homeless.
- 5.2 There are other funding streams available to infrastructure providers, such as the County Council or the Local Enterprise Partnership, that can be bid for to reduce the burden on planning obligations. This includes bidding for government programmes for highways (the Local Growth Fund or Housing Infrastructure Fund for example) or education provisions, however the Council recognises that the opportunities for bidding might be limited.

**6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 Planning obligations are enshrined in the s106 of the Town and Country Planning Act 1990.
- 6.2 The Council currently has a Planning Obligations SPD which outlines when planning obligations apply and the levels they are set at.

**7. EQUALITY IMPACT NEEDS ASSESSMENT**

- 7.1 An EIA screening has been undertaken and no adverse impacts were identified for groups with protected characteristics.

**8. RISK MANAGEMENT**

- 8.1 The purpose of planning s106 obligations is to help make development acceptable. If the viability of the site means funding for the developer contributions is limited then the site may get delivered but without vital elements, which may be unacceptable to the Council and local community. The alternative is that the site doesn't get delivered. Through having a hierarchy of prioritised planning obligations agreed, the Council is making it clear what must normally get delivered on the site, whilst still enabling the development to take place.

**9. CONCLUSION**

- 9.1 The majority of sites in the emerging Local Plan are deemed to be viable. However, it may turn out that there are unforeseen challenges to policy compliance posed by the two large strategic sites and large scale brownfield sites. Where viability has been tested, and full policy compliance cannot be achieved, the Council can then determine a set of priorities that are met by the actual funding available. This will enable development to still take place and a developer contribution made to all the infrastructure requirements.

**10. CONSULTEES**

- 10.1 WFDC Development Manager
- 10.2 WFDC Principal Solicitor
- 10.3 CLT

**11. BACKGROUND PAPERS**

- 11.1 Viability Topic Paper
- 11.2 Infrastructure Delivery Plan

**WYRE FOREST DISTRICT COUNCIL****CABINET****16<sup>th</sup> September 2020****Response to Planning Consultations**

<b>OPEN</b>	
<b>CABINET MEMBER:</b>	Cllr Fran Oborski – Deputy Leader and Cabinet Member for Economic Regeneration, Planning & Capital Investments
<b>RESPONSIBLE OFFICER:</b>	Mike Parker - Corporate Director: Economic Prosperity & Place
<b>CONTACT OFFICER:</b>	Mike Parker ext 2500 Mike.parker@wyreforestdc.gov.uk
<b>APPENDICES:</b>	Appendix 1 – Draft response to ‘Planning for the Future’ Appendix 2 – Draft response to ‘Changes to the current planning system’

**1. PURPOSE OF REPORT**

- 1.1 To agree responses to the two Government consultations on the planning system – ‘Planning for the Future’ and ‘Changes to the current planning system’.

**2. RECOMMENDATION**

**Cabinet is recommended to AGREE:**

- 2.1 **The draft consultation responses for formal submission.**

**3. BACKGROUND**

- 3.1 In August the Government announced to consultations on changes to the planning system; a ‘root and branch’ overhaul of the planning system in a White Paper Entitled ‘Planning for the Future’, the deadline for which responses have to be submitted is 29<sup>th</sup> October 2020; and a more detailed series of changes to the existing planning system entitled ‘Changes to the current planning system’ for which responses are required to be submitted by 1<sup>st</sup> October 2020. There is overlap between the two in some areas. The full consultation documents can be found here:  
<https://www.gov.uk/government/consultations/planning-for-the-future>

And here:

<https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

- 3.2 The 'Planning for the Future' document is a fundamental review of the entire planning system which the Government considers "outdated and ineffective". The original planning legislation began in 1947 and the amendments to it over the intervening years the Government likens to extensions to a house such that the house is now "no longer fit for human habitation". The paper proposes "radical reform unlike anything we have seen since the Second World War".

#### **4. KEY ISSUES**

- 4.1 The 'new vision for England's planning system' is structured around five proposals:
- "First, we will streamline the planning process with more democracy taking place more effectively at the plan-making stage, and will replace the entire corpus of plan-making law in England to achieve this;
  - Second, we will take a radical, digital-first approach to modernise the planning process. This means moving from a process based on documents to a process driven by data;
  - Third, to bring a new focus on design and sustainability;
  - Fourth, we will improve infrastructure delivery in all parts of the country and ensure developers play their part, through reform of developer contributions;
  - Fifth, to ensure more land is available for the homes and development people and communities need, and to support renewal of our town and city centres."
- 4.2 The consultation is then structured around three pillars:
- Planning for Development
  - Planning for beautiful and sustainable places
  - Planning for infrastructure and connected places

Appendix 1 to this report sets out the proposed responses to the consultation questions.

- 4.3 The 'changes to the current planning system' consultation makes proposals across four areas:
- The standard method for assessing housing numbers in strategic plans;
  - Delivering First Homes;
  - Small sites planning policy;
  - Extension of the Permission in Principle consent regime.

Appendix 2 to this report sets out the proposed responses to the consultation questions.

- 4.4 In terms of the impact of these suggested changes on the Council, even when they are finalised, it will be minimal as the Council has already submitted its next Local Plan for Examination. The suggested changes to the new methodology for calculating housing need based on current data would see an increase in the number of new dwellings to be provided annually in the district increasing from the 276 in the submitted Local Plan to 353 under the proposed changes. Nationally, against the Government's desire to construct 300,000 dwellings per annum, there would be a

supply of 337,000 new units, which gives some headroom for reduced delivery. Importantly the consultation sets out the proposed transition arrangements and is specific for those authorities at the consultation stages of their new local plan (giving 3 or 6 months to transition), but for authorities like Wyre Forest with a submitted plan it will mean that the number of units proposed in the Submission version. Once it is adopted, will apply until a further new Local Plan is adopted in the future. Likewise the First Homes policy will not apply to the Submitted Plan nor its adopted version, only to the next local plan.

In terms of the 'Planning for the Future' changes, again this will only impact the authority at its next local plan following the adoption of the Submitted Plan. Here, the transition arrangements will be either 30 months after the new legislation comes into effect or for authorities such as we expect to apply to Wyre Forest, 42 months where a Plan has been adopted within the past three years before the legislation came into effect or where a Plan has been submitted for Examination.

**5. FINANCIAL IMPLICATIONS**

- 5.1 There are no financial consequences arising directly from this report, but once coming into effect the changes through the consultations may have consequential financial impacts.

**6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 There are no direct legal or policy implications arising from the report.

**7. EQUALITY IMPACT NEEDS ASSESSMENT**

- 7.1 An Equalities Impact Screening Assessment is not required.

**8. RISK MANAGEMENT**

- 8.1 The Council is always proactive in responding to significant consultations such as these in order to help shape the national policy to enable smooth delivery locally.

**9. CONCLUSION**

- 9.1 Appendices 1 & 2 set out the Council's proposed responses to the consultations.

**10. CONSULTEES**

- 10.1 Cabinet/CLT

**11. BACKGROUND DOCUMENTS**

'Planning for the Future' – August 2020

'Changes to the current planning system' – August 2020

## Planning for the Future

White Paper August 2020

1. What three words do you associate most with the planning system in England?

A. Inclusive/Fair/Comprehensive

2(a). Do you get involved with planning decisions in your local area?  
[Yes / No]

A. Yes

2(b). If no, why not?  
[Don't know how to / It takes too long / It's too complicated /  
I don't care / Other – please specify]

A.

3. Our proposals will make it much easier to access plans and contribute your views to planning decisions. How would you like to find out about plans and planning proposals in the future?  
[Social media / Online news / Newspaper / By post /  
Other – please specify]

A. As Local Planning Authority this will be direct.

4. What are your top three priorities for planning in your local area?  
[Building homes for young people / building homes for the homeless /  
Protection of green spaces / The environment, biodiversity and action  
on climate change / Increasing the affordability of housing / The design  
of new homes and places / Supporting the high street / Supporting the  
local economy / More or better local infrastructure / Protection of  
existing heritage buildings or areas / Other – please specify]

A. Supporting economic growth that improves social, environmental and economic wellbeing/providing more affordable homes/reducing impact on climate change.

5. Do you agree that Local Plans should be simplified in line with our proposals?  
[Yes / No / Not sure. Please provide supporting statement.]

A. No. The case for change is well made inasmuch as successive Governments (including this one) have tried to manage and change the planning system to suit various ends and that to continue to amend the system further is not necessarily going to be the best way forward. The Prime Minister's comments in the foreword to the consultation are, though, rather unnecessarily dismissive of the existing planning system which has lasted the test of time because it is fundamentally still the most appropriate way in which to determine the future of land uses throughout the country. It is important in undertaking the 'root and branch' review of planning that the White Paper proposes to ensure that the 'baby is not lost with the bathwater'. The current



planning system which has a focus on 'spatial planning' embraces the understanding that planning is more than just designating land for a use on a plan; that is planning at its basest level. The proposals in the White Paper are an oversimplification of what a Local Plan should be about – integrating social, environmental and economic wellbeing into a multi-dimensional document which delivers a truly 'spatial' outcome. There is no mention of what the local authority's vision and ambition for their area might be, all of which is part of the richness of a spatial strategy. If the Government adopts the simplified approach suggested it will revert the Local Plan to a series of land use allocations without ensuring the delivery of those wider societal needs. What is proposed in terms of 'growth', 'renewal' and 'protected' areas isn't really radically different to the existing Local Plan process where larger scale land releases are proposed (i.e. Growth areas), brownfield redevelopment sites are allocated (i.e. Renewal areas) and areas such as Greenbelt, SSSI, AONBs etc are protected; so it is considered that whilst the Local Plan process would benefit from acceleration, the basis principles of enhancing social, environmental and economic wellbeing should not be lost at the expense of dumbing the document down to a land zoning plan.

6. Do you agree with our proposals for streamlining the development management content of Local Plans, and setting out general development management policies nationally?

[Yes / No / Not sure. Please provide supporting statement.]

A. No. Whilst a generic set of DM policies set at a national level is considered appropriate (as is the case currently), it is important that local authorities are able to provide additional DM guidance as they deem appropriate at the local level. The idea that the DM approach can be standardised runs contrary to the White Paper's own proposals in terms of encouraging more community involvement as well as the 'beautification' agenda. The character and therefore the quality of local areas is because they are unique, and the preservation of that uniqueness is part of what makes parts of the country beautiful and distinct. A standardised approach to managing development with nationally set policies undermines that distinctiveness. Further, the Government will find it even more difficult than at present to get communities to engage in the planning process if they feel they have 'no say' in matters when they do engage because it's all 'set centrally' at a national level. It is counterproductive to expect local engagement with no devolved authority to set a local mark on development.

7(a). Do you agree with our proposals to replace existing legal and policy tests for Local Plans with a consolidated test of "sustainable development", which would include consideration of environmental impact?

[Yes / No / Not sure. Please provide supporting statement.]

A. Yes. The existing tests have become too process driven and less outcome driven and this had led to increasing challenge and delay to the adoption process; this should be streamlined.

7(b). How could strategic, cross-boundary issues be best planned for in the absence of a formal Duty to Cooperate?

A. Whilst the DtC is clearly not delivering the intended outcomes the Government does need to resolve the issue of matters which span administrative boundaries. The only sensible and clear manner to do this is via a modern replacement for the Structure Plan.

8(a). Do you agree that a standard method for establishing housing requirements (that takes into account constraints) should be introduced?  
[Yes / No / Not sure. Please provide supporting statement.]

A. No. This is a difficult question to answer as it's already the case that the Government has adopted a standard method for housing requirements that takes into account constraints (such as Greenbelt or AONBs), it just doesn't arrive at the collective 300,000 number which Government has set. Setting the standardised methodology to achieve that number in the manner intended in the White Paper cannot be dressed up in any other way than the top down distribution of a housing requirement for each area, no longer based on local need, but on contributing to the national target. This again is counter intuitive to the White Paper's desire to increase local engagement; rather than engage, it is likely to pit communities against the planning system as they will feel that they have no say in the amount of new housing that their area has to provide. The notion of a centralised approach to determining local conditions which might justify an area providing fewer than the required number of dwellings is also rejected.

8(b). Do you agree that affordability and the extent of existing urban areas are appropriate indicators of the quantity of development to be accommodated?  
[Yes / No / Not sure. Please provide supporting statement.]

A. Yes, as a method with which to calculate the standard methodology, using housing stock with an affordability adjustment is preferable to the current household projections basis.

9(a). Do you agree that there should be automatic permission for areas for substantial development (Growth areas) with faster routes for detailed consent?  
[Yes / No / Not sure. Please provide supporting statement.]

A. No. There is a real danger that the combined 'dumbing down' of the Local Plan to a zoning map and the granting of automatic permissions will not create the quality of development that would otherwise be achieved through the DM process and will allow developers to 'cherry pick' those parts of the growth area development which are easier or more profitable to undertake and will result in other areas neglected or overlooked with a piecemeal approach to development that lacks cohesion. Further, this is once again inconsistent with the desire to see communities engage with the planning system. This automatic approval approach is a charter for developers to 'ask forgiveness, rather than permission' and create development which communities have no say in. If the Government does continue to progress this proposal it is imperative that a new fee regime accompanies it whereby developers, land promoters and landowners pay a fee to have a site designated as a Growth area as the effect is the same as granting an outline [planning consent and it is important that the local authority is able to properly resource its teams to enable full

and proper consideration of all of the implications for the development of areas designated as Growth areas.

9(b). Do you agree with our proposals above for the consent arrangements for *Renewal* and *Protected* areas?

[Yes / No / Not sure. Please provide supporting statement.]

A. No. again the concept of automatic approvals suggested here is not supported for the same reasons as stated above at 9(a).

9(c). Do you think there is a case for allowing new settlements to be brought forward under the Nationally Significant Infrastructure Projects regime?

[Yes / No / Not sure. Please provide supporting statement.]

A. No. Decisions on such matters no matter their scale should remain at the local level.

10. Do you agree with our proposals to make decision-making faster and more certain?

[Yes / No / Not sure. Please provide supporting statement.]

A. No. Some of the proposals covered by this question that are set out in the White Paper could be supported, such as, in part, the digitisation proposals, but even this cannot be supported in full. The idea that planning applications can be reduced to a binary series of numbers that can be read digitally is impossible to conceive as the planning process is a very visual one. Whilst it is clear that the Government sees the future of planning as a digitally automated approval process this completely undermines the very heart of planning which relies on the visualisation of development proposals. Some elements of the process could be speeded up by digital means such as templates for advertisements and shorter application forms but digitising the validation process will simply create applications with shortcomings that then need to be resolved when the application is live and that simply lengthens the determination process. The concept of refundable fees is also rejected, the application fee is designed to cover the cost of determining the application (although Government has always failed to address the fact that the full cost is not in fact covered by the fee), it is not the price of 'buying the permission' that should be refunded if targets are not met. The planning system should not be allowed to lapse into a target driven process at the expense of it being outcome driven.

11. Do you agree with our proposals for digitised, web-based Local Plans?

[Yes / No / Not sure. Please provide supporting statement.]

A. Yes this agreed in principle to enable a standardised format and easy access which will also assist cross administrative boundary sites and matters, however care must be had in making assumptions that this will enable everyone to access the information and some regard needs to be had to broadband access capabilities for some parts of the country as well as for access by those with less digital knowledge and capabilities. The impact of this on some of the protected groups needs to be

taken account of in the equality impact assessment. Further explanation needs to be given about the expected role of the 'prop-tech' companies which are mentioned throughout the document.

12. Do you agree with our proposals for a 30 month statutory timescale for the production of Local Plans?

[Yes / No / Not sure. Please provide supporting statement.]

A. Yes, this is a suitable ideal to be aiming for, however in order for this timescale to be reached it has to be understood that it will take time for the full gamut of White Paper changes to be put in place and it could take some time before the 30 month timescale could be reasonably applied. It will also be necessary to ensure that local authorities are sufficiently resourced in advance of the adoption of this timescale for it to be realistically delivered. Government needs to take care with the degree of engagement proposed in the new timescale and process; based on the proposals the only meaningful consultation takes place at the end of 18 months when the Council submits the Plan to the Inspector. This could have one of two impediments; firstly it will be the first time that the authority will be aware of any sound reasons why the Plan might not be capable of implementation, what happens then? Is the Plan still submitted for the Inspector to deal with those issues that might arise? Secondly it will be the first meaningful engagement with the public, statutory consultees and stakeholders on the authority's plan and all of the response to that will be shunted to the inspector to consider and this has the potential to delay the adoption for the remaining 12 months of the 30 months.

13(a). Do you agree that Neighbourhood Plans should be retained in the reformed planning system?

[Yes / No / Not sure. Please provide supporting statement.]

A. Yes as they enable local community input into the planning system, but Government needs to be consistent; as stated above the idea of a 'top down' housing number requirement plus the streamlining of the consultation stages associated with the Local Plan, plus the grant of outline permission via the proposed growth areas in the plan will not garner local support such that communities will feel that they have a degree of control over what happens in their area and this may have a negative impact on the communities' view of the value of Neighbourhood Plans.

13(b). How can the neighbourhood planning process be developed to meet our objectives, such as in the use of digital tools and reflecting community preferences about design?

A. If neighbourhood planning is to truly be an integral part of the new planning system some other areas of the proposals set out in the White Paper will need to be re-thought otherwise the value of engagement will be diminished (see answer to Q13(a) above).

14. Do you agree there should be a stronger emphasis on the build out of developments? And if so, what further measures would you support?

[Yes / No / Not sure. Please provide supporting statement.]

A. Yes. This is an area which the Government has overlooked in this overhaul of the planning system. It is not necessary to restate the numbers here of rates of planning permissions granted, nor the speed of decisions nor the number of new homes sat in unimplemented planning approvals, that is all well known, but an example can be found here <https://www.constructionenquirer.com/2020/02/20/one-million-homes-with-planning-permission-not-built/> where it suggests that in the past decade over a million homes have been granted consent but not implemented. The Government has mistaken the failure to deliver the national target for housing as all being the fault of the planning system and that fails to understand and respond to the failure of housebuilders to deliver those approvals at a faster rate. The Letwin report should have received far more coverage in this White Paper than it has and the Government should be doing more to address the impediments to build out that the report identifies, such as the shortage of skilled labour to deliver homes at the scale the Government expects. There is no mention in the White Paper of waste and minerals planning which cannot be overlooked if materials are going to be available to supply the construction industry to be able to build more units and faster. But the Government needs to go further; since the Fixing our Broken Housing Market paper the Government has failed to act in any meaningful way to put in place more penalties for developers and landowners who fail to implement residential permissions or to equip the local authorities with more powers to step in and take control of such sites. This White Paper once again fails to deal with this issue and until it is properly addressed no matter how much reform of the planning system takes place it continues to ignore the fact that delivery for the most part lies in hands of a few large scale housebuilders.

15. What do you think about the design of new development that has happened recently in your area?

[Not sure or indifferent / Beautiful and/or well-designed / Ugly and/or poorly-designed / There hasn't been any / Other – please specify]

A. Generally well designed due to the quality of the DM service which the Council operates, backed up by a Local Plan that reflects local support.

16. Sustainability is at the heart of our proposals. What is your priority for sustainability in your area?

[Less reliance on cars / More green and open spaces / Energy efficiency of new buildings / More trees / Other – please specify]

A. Energy efficient new buildings; production of renewable energy sources; provision of electric vehicle charging points; planting more trees.

17. Do you agree with our proposals for improving the production and use of design guides and codes?

[Yes / No / Not sure. Please provide supporting statement.]

A. Yes, the wider use of design guides and codes with inclusive involvement in their production is welcomed.

18. Do you agree that we should establish a new body to support design coding and building better places, and that each authority

should have a chief officer for design and place-making?  
[Yes / No / Not sure. Please provide supporting statement.]

A. Not sure. Good design and the professional specialist to support it are not new concepts and shouldn't require another 'new body' to support the production of codes and guides. It would be far preferable for local authorities to be properly resourced to be able to have the design specialisation 'in house' or as a locally shared resource between a number of partner authorities. Requiring a specifically designated post at chief officer level within the authority is overly prescriptive, unnecessary and is not supported.

19. Do you agree with our proposal to consider how design might be given greater emphasis in the strategic objectives for Homes England?  
[Yes / No / Not sure. Please provide supporting statement.]

A. Yes, one could be forgiven for asking "isn't this the case anyway?", if it isn't then it should be. However, in order for this to be effective, Government also needs to consider how HE can achieve this whilst at the same time satisfying the Treasury requirement to get the best value for the sale of HE owned land as the two are often incompatible bedfellows and in the experience of this local authority the Treasury requirement will always prevail.

20. Do you agree with our proposals for implementing a fast-track for beauty?  
[Yes / No / Not sure. Please provide supporting statement.]

A. No, this is too simplistic and most likely to create controversy and be counter productive possible causing more delay to the process. The concept of 'beauty' will mean different things to different parties and ultimately is a judgement of subjectivity and taste, even if there are design codes and guides available. The concept of 'beauty' cannot be reduced to a black and white 'tick box' exercise, ultimately someone has to exercise judgement over what is beautiful. The idea of fast tracking a proposal which looks good also belies the complexity of other elements of the development which are also required to ensure that the proposal is acceptable; for example a 'beautiful' proposal which creates complex highway matters may not render it capable of being fast tracked.

21. When new development happens in your area, what is your priority for what comes with it?  
[More affordable housing / More or better infrastructure (such as transport, schools, health provision) / Design of new buildings / More shops and/or employment space / Green space / Don't know / Other – please specify]

A. Affordable housing/infrastructure/design quality.

22(a). Should the Government replace the Community Infrastructure Levy and Section 106 planning obligations with a new consolidated Infrastructure Levy, which is charged as a fixed proportion of development value above a set threshold?

[Yes / No / Not sure. Please provide supporting statement.]

A. Not sure. Whilst the opportunity to streamline and review the CIL and s106 arrangements is welcomed and a consolidation may be the most appropriate outcome there are some elements of what is being proposed which are of concern. In order to ensure that sites are built out successfully, viability has to be a consideration and this will be affected by local circumstances; the suggestion that there should be a minimum below which a levy would not apply is rejected as for smaller districts and where land values are lower, it may mean that vital infrastructure does not get provided. The proposal to 'back-end' the payment of levies and to levy at the point of occupation is also rejected. In many cases to enable to construction of larger development sites the infrastructure needs to go in first, not at the end. The Government's suggestion that local authorities could borrow against their levy implies that the initial cost of providing infrastructure should be borne by the taxpayer and then reclaimed from the developer, this idea is rejected, it should be for the developer to fully fund the infrastructure required to deliver their development. Further the idea of levying at point of occupation is also rejected as this will cause additional resource from the local authority to chase payment and at the same time most likely delay occupation with the real risk that the prospective new homeowner is the party that suffers most if developers are slow to pay.

22(b). Should the Infrastructure Levy rates be set nationally at a single rate, set nationally at an area-specific rate, or set locally?

[Nationally at a single rate / Nationally at an area-specific rate / Locally]

A. Locally. It is important that the levy reflects local costs and values and should remain the purview of the local authority, not central government.

22(c). Should the Infrastructure Levy aim to capture the same amount of value overall, or more value, to support greater investment in infrastructure, affordable housing and local communities?

[Same amount overall / More value / Less value / Not sure.

Please provide supporting statement.]

A. More value. It is important for local communities to see that new development provides all of the necessary infrastructure to ensure that it builds a community and not just endless housing estates. It is important for local government finance that costs of key infrastructure is not borne by the local population, but directly by the developer.

22(d). Should we allow local authorities to borrow against the Infrastructure Levy, to support infrastructure delivery in their area?

[Yes / No / Not sure. Please provide supporting statement.]

A. Yes, notwithstanding the comment above this added flexibility would be welcomed as long as it is not seen as the way to force local authorities to have to forward fund infrastructure that is otherwise the responsibility of the developer.

23. Do you agree that the scope of the reformed Infrastructure Levy should capture changes of use through permitted development rights?

[Yes / No / Not sure. Please provide supporting statement.]

A. Yes, with increasing flexibilities allowed through permitted development which can put the same pressure on local infrastructure which development permitted by virtue of a permission does, it is fair that the levy should apply equally to PD developments.

24(a). Do you agree that we should aim to secure at least the same amount of affordable housing under the Infrastructure Levy, and as much on-site affordable provision, as at present?  
[Yes / No / Not sure. Please provide supporting statement.]

A. Yes, there should be no relaxation on the amount of affordable housing which should be provided.

24(b). Should affordable housing be secured as in-kind payment towards the Infrastructure Levy, or as a 'right to purchase' at discounted rates for local authorities?  
[Yes / No / Not sure. Please provide supporting statement.]

A. The new levy should aim to ensure that new affordable homes of a good quality are provided on site by the developer and if the quality of development falls below the required standard then the local authority should be able to reject it and revert to requiring a cash contribution.

24(c). If an in-kind delivery approach is taken, should we mitigate against local authority overpayment risk?  
[Yes / No / Not sure. Please provide supporting statement.]

A. The developer should not have the opportunity to claim overpayments.

24(d). If an in-kind delivery approach is taken, are there additional steps that would need to be taken to support affordable housing quality?  
[Yes / No / Not sure. Please provide supporting statement.]

A. Yes. This is a curious question given the White Paper's confidence expressed elsewhere that good, even 'beautiful', design will be achieved through the application of codes and guides; under those circumstances it should not be possible for developers to build lower quality affordable homes, unless Government is suggesting that developers will cut corners and produce poorer homes because they are affordable? The possibility of a distinction in design between market homes and affordable homes must be eliminated as it is now.

25. Should local authorities have fewer restrictions over how they spend the Infrastructure Levy?  
[Yes / No / Not sure. Please provide supporting statement.]

A. Yes, the local authority and the community it represents should have maximum flexibility about how it spends its levy.

25(a). If yes, should an affordable housing 'ring-fence' be developed?  
[Yes / No / Not sure. Please provide supporting statement.]



A. yes, it is considered sensible that a minimum amount of the levy is ringfenced to support the delivery of affordable housing to ensure that there is a good pipeline of delivery. Combined with the flexibility suggested by Q25 above it would then be possible for the authority, if it so wished, to add more of the levy to the affordable housing minimum amount.

26. Do you have any views on the potential impact of the proposals raised in this consultation on people with protected characteristics as defined in section 149 of the Equality Act 2010?

A. Regarding digitising accessibility to the local planning process, Government needs to ensure that those with protected characteristics who may find they become excluded from the planning system, is given careful consideration.

# Changes to the current planning system

## Consultation on changes to planning policy and regulations

**Q1: Do you agree that planning practice guidance should be amended to specify that the appropriate baseline for the standard method is *whichever is the higher of the level of 0.5% of housing stock in each local authority area OR the latest household projections averaged over a 10-year period?***

**A. Yes. This is a much fairer way of apportioning the housing numbers as it looks at the wider picture of historical growth and not just projecting forward recent historic trends. Where projections are lower due to recent poor growth, it may help to boost the numbers required. In the case of Wyre Forest District, there is quite a disparity between the 2 figures with the dwelling stock figure being 75% of that derived from the latest household projections.**

**Q2: In the stock element of the baseline, do you agree that 0.5% of existing stock for the standard method is appropriate? If not, please explain why.**

**A. Yes. 0.5% is considered to be an appropriate baseline figure to use.**

**Q3: Do you agree that using the workplace-based median house price to median earnings ratio from the most recent year for which data is available to adjust the standard method's baseline is appropriate? If not, please explain why.**

**A. Yes. It takes into account any undersupply of housing which would increase the house price and also changes to local earnings. The data is also updated annually which makes it more robust.**

**Q4: Do you agree that incorporating an adjustment for the change of affordability over 10 years is a positive way to look at whether affordability has improved? If not, please explain why.**

**A. Yes, it is important to look how affordability has changed over a reasonable time frame in order to gain true picture of the local situation. A single year of house sales could be skewed by a large new development. This method would be more accurate.**

**Q5: Do you agree that affordability is given an appropriate weighting within the standard method? If not, please explain why.**

**A. Yes, the revised method will give the issue greater weighting.**

**Q6: Authorities which are already at the second stage of the strategic plan consultation process (Regulation 19), which should be given 6 months to submit their plan to the Planning Inspectorate for examination?**

**A. The Wyre Forest District Local Plan (2016 - 2036) was submitted to the Secretary of State for Examination on 30th April 2020 and therefore this question is not relevant to the Authority.**

**Q7: Authorities close to publishing their second stage consultation (Regulation 19), which should be given 3 months from the publication date of the revised guidance to publish their Regulation 19 plan, and a further 6 months to submit their plan to the Planning Inspectorate?  
If not, please explain why. Are there particular circumstances which need to be catered for?**

**A. The Wyre Forest District Local Plan (2016 - 2036) was submitted to the Secretary of State for Examination on 30th April 2020 and therefore this question is not relevant to the Authority.**

**Q8: The Government is proposing policy compliant planning applications will deliver a minimum of 25% of onsite affordable housing as First Homes, and a minimum of 25% of offsite contributions towards First Homes where appropriate. Which do you think is the most appropriate option for the remaining 75% of affordable housing secured through developer contributions? Please provide reasons and / or evidence for your views (if possible):**

**i i) Prioritising the replacement of affordable home ownership tenures, and delivering rental tenures in the ratio set out in the local plan policy.**

**ii ii) Negotiation between a local authority and developer.**

**iii iii) Other (please specify)**

**A. i) as this retains the primacy of the Local Plan; this Council is currently at 'submission' stage with the local plan and would prefer that once adopted the delivery of the remaining 75% is based on the local plan policy using the evidence supporting the local plan.**

**With regards to current exemptions from delivery of affordable home ownership products:**

**Q9: Should the existing exemptions from the requirement for affordable home ownership products (e.g. for build to rent) also apply to this First Homes requirement?**

**A. This would seem sensible and consistent with the NPPF.**

**Q10: Are any existing exemptions not required? If not, please set out which exemptions and why.**

**A. None**

**Q11: Are any other exemptions needed? If so, please provide reasons and /or evidence for your views.**

**A. None**

**Q12: Do you agree with the proposed approach to transitional arrangements set out above?**

**A. Yes, this Council has submitted its Plan for Examination and is satisfied that the First homes policy will not apply.**

**Q13: Do you agree with the proposed approach to different levels of discount?**

**A. Agreed. Wyre Forest District has lower earnings, both by location of employment and by residence than the West Midlands or Great Britain. House prices are also lower but affordability is an issue for many residents either to buy or rent a property. Also there are differentials within the district where house prices within the urban areas are generally higher in the market towns and rural areas than in the main town centres.**

**Q14: Do you agree with the approach of allowing a small proportion of market housing on First Homes exception sites, in order to ensure site viability?**

**A. Agreed, ensuring viability is important. In Wyre Forest District viability is an issue on many sites both brownfield and some green field sites and therefore allowing a small proportion of market housing may make the site viable. If this was not allowed sites may not be built due to lack of viability.**

**Q15: Do you agree with the removal of the site size threshold set out in the National Planning Policy Framework?**

**A. No, this is not agreed, removing the 1Ha or 5% of the settlement size has the potential to generate site development of disproportionate scale for some smaller settlements in rural areas and would undermine their overall character.**

**Q16: Do you agree that the First Homes exception sites policy should not apply in designated rural areas?**

**A. No. Disagree that the First Homes policy should not apply to designated rural areas. In Wyre Forest District some of the rural areas especially the rural east of the district tend to be some of the least affordable places to purchase property and many people are forced to move from rural areas that they have grown up in due to property values. The affordability issues in the rural areas are a combination of above average property prices and below average wages that are generally offered in the district. For first time buyers to be able to remain in these areas the First Homes exception sites policy should apply as this is where it is needed most. Paragraph 66 states that rural exception sites will be retained and planning guidance will be updated in due course, therefore more clarity is required.**

**For each of these questions, please provide reasons and / or evidence for your views (if possible):**

**Q17: Do you agree with the proposed approach to raise the small sites threshold for a time-limited period?**

**(see question 18 for comments on level of threshold)**

**A. No, this is not agreed. Whilst the sentiment is understood in terms of supporting SMEs the reality for smaller predominantly rural districts the smaller sites make a considerable contribution to the development of housing in the district as a whole and therefore the predominance of affordable housing provision. Raising the threshold will simply reduce the overall affordable housing provision that the district is able to provide and will not be compensated for by other larger sites.**

**Q18: What is the appropriate level of small sites threshold?**

- i i) Up to 40 homes**
- ii ii) Up to 50 homes**
- iii iii) Other (please specify)**

**A. iii) as per answer to Q17 the threshold should not be amended. In Wyre Forest District if the threshold was raised to 40 homes, 20 allocated sites in the Submission Plan would be affected and if it was raised to 50 homes 22 allocated sites in the Submission Plan would be affected and the number of affordable dwellings in the district would therefore be reduced.**

**Q19: Do you agree with the proposed approach to the site size threshold?**

**A. No, see answer to Q17 above.**

**Q20: Do you agree with linking the time-limited period to economic recovery and raising the threshold for an initial period of 18 months?**

**A. If the Government proceeds with raising the threshold then it should only be for a maximum period of 18 months.**

**Q21: Do you agree with the proposed approach to minimising threshold effects?**

**A. Agreed**

**Q22: Do you agree with the Government's proposed approach to setting thresholds in rural areas?**

**A. Agreed.**

**Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?**

**A. None**

**Q24: Do you agree that the new Permission in Principle should remove the restriction on major development?**

**A. In principle the lifting of the limit is supported, but it is a considerable increase in scale to move from 10 units to 150 and it is felt that the Government should place a limit of 50 dwellings on the upper threshold to which PiP should be available.**

**Q25: Should the new Permission in Principle for major development set any limit on the amount of commercial development (providing housing still occupies the majority of the floorspace of the overall scheme)? Please provide any comments in support of your views.**

**A. Yes, limits should be set to avoid the possibility of residential schemes becoming a 'Trojan horse' for commercial developments which might not otherwise have received planning permission and which might undermine Local Plan policy or which need much tighter control than would be the case with PiP.**

**Q26: Do you agree with our proposal that information requirements for Permission in Principle by application for major development should broadly remain unchanged? If you disagree, what changes would you suggest and why?**

**A. No, this is not agreed. To be consistent with the approach being proposed in the 'Planning for the Future' consultation the inclusion of a design code should be necessary to give confidence that quality will not be diminished; such a code should also specify the number of storeys of any new development.**

**Q27: Should there be an additional height parameter for Permission in Principle? Please provide comments in support of your views.**

**A. Yes, see answer to Q26.**

**Q28: Do you agree that publicity arrangements for Permission in Principle by application should be extended for large developments? If so, should local planning authorities be:**

- i) required to publish a notice in a local newspaper?**
- ii) subject to a general requirement to publicise the application or**
- iii) both?**
- iv) disagree**

**If you disagree, please state your reasons.**

**A. ii) this would then enable the local authority to determine the best methodology appropriate to its local area.**

**Q29: Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?**

**A. No, it is unrealistic to assume that determining PiP applications will be any less onerous than dealing with an outline planning application and the fee structure should reflect that.**

**Q30: What level of flat fee do you consider appropriate, and why?**

**A. To match an outline planning application.**

**Q31: Do you agree that any brownfield site that is granted Permission in Principle through the application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why.**

**A. Agreed**

**Q32: What guidance would help support applicants and local planning authorities to make decisions about Permission in Principle? Where possible, please set out any areas of guidance you consider are currently lacking and would assist stakeholders.**

**A. None**

**Q33: What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome?**

**A. The main drawback is a reduced fee for the local authority which would be rectified by not proposing a reduced fee for PiP applications.**

**Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.**

**A. None**

**Q35: In light of the proposals set out in this consultation, are there any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the Public Sector Equality Duty?**

**If so, please specify the proposal and explain the impact. If there is an impact – are there any actions which the department could take to mitigate that impact?**

**A. None**