

## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 22 October 2013

#### **BUSINESS RATE POOLING**

##### **Issue for Decision**

Discussions are under way between the Kent Councils to review whether to establish a business rates pool for 2014/15. Any proposal will need to be submitted to Communities and Local Government by 31 October. This report sets out the background and seeks Cabinet agreement to delegate a decision on whether to enter a scheme to the Director of Regeneration & Communities.

##### **Decision Made**

- a) That, in principle, the inclusion of this Council in the Kent application to the Department of Communities and Local Government for a Business Rates Pool for 2014/15, subject to satisfactory governance arrangements and membership providing a financial advantage to the area covered by the pool, be agreed;
- b) That delegated authority be given to the Director of Regeneration & Communities, in consultation with the Leader of the Council, to make a final decision, following assessment of the final membership and governance arrangements.

##### **Reasons for Decision**

One element of the Business Rates Retention (BRR) scheme that came into force on 1<sup>st</sup> April 2013 is the option for local authorities to develop a Business Rates Pool and effectively opt out of the national arrangements. By opting out of the national arrangements in this way, the local authorities in the pool will increase the gain made locally from growth in business rates.

The national BRR scheme has a damping mechanism in place to limit individual gains/losses. The system uses a Safety Net (to limit losses) which is funded through a Levy (on disproportionate gains). Similar arrangements will need to apply locally within a pool so, along with the gain from business rates growth, a pool risks loss from having to cover business rates reductions without the national safety net provisions.

In 2012/13 when the opportunity to develop a Pool was available for 2013/14 the authorities in Kent were involved in the development of a Kent wide agreement on a local council tax support scheme. The option to pool was felt to be an unknown risk at that time and the resources to

evaluate and develop the optimum pool were not available. Now the Department for Communities and Local Government (DCLG) has requested local authorities that wish to create pools for 2014/15 onwards to make an application including details of membership and governance arrangements by 31<sup>st</sup> October 2013. This year the Kent Finance Officers group along with Kent Chief Executives and Kent Leaders have all been considering the possibility of developing a Pool.

In Kent all districts pay the maximum levy at 50% of the local share of all growth. The County Council, the Fire & Rescue Authority and Medway Council are all top up authorities receiving a large payment from the national scheme. Initial modelling of the outcome of a pool, based on future estimated growth and current data for each Kent district was completed on behalf of the Kent Finance Officers' Association by LG Futures. This modelling suggested that a Kent wide pool would return a net gain to the region providing the County Council, the Fire & Rescue Authority and Medway Council were involved.

In a small number of districts in Kent there is expected to be a need for safety net funding. The greater benefit to the region would occur if those authorities at risk of requiring support through the safety net mechanism were excluded from the pool and were supported by the national scheme.

Modelling has continued to identify the optimum pool of authorities. The modelling, based on local growth assumptions, suggests a net gain for the area covered by the pool in each of the next four years. This is summarised below:

<b>Business Rates Retained:</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
Optimum authorities individually	251.5	258.9	267.5	278.2
Optimum authorities as a pool	253.9	261.7	270.5	282.4
Gain	2.3	2.7	3.1	4.2

Members should note that the significant gain is made by the County Council, the Fire & Rescue Authority and Medway Council. In some modelled scenarios the gain by Maidstone Borough Council is as little as £25,000. Sensitivity analysis has shown that the pool is stable. The current predictions suggest growth is on average 3% per annum over the next four years and the pool will not be at risk of overall loss unless the average annual growth fell to zero.

At this time six authorities are considering the potential of a pool. This group of six consists of the County Council, the Fire and Rescue Authority, Medway Council and the three district councils within the Mid Kent Improvement Partnership. Modelling a pool of these six authorities provides the following gain. Members should note that within this table there is no change to the gain made by this Council.

<b>Business Rates Retained:</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
Six authorities individually	237.2	244.0	252.2	261.7
Six authorities as a pool	238.0	245.0	253.7	263.6
Gain	0.8	1.0	1.4	1.9

At this time governance arrangements are not finalised. Due to the urgency of the final decision and application it was necessary to seek provisional approval to membership of the pool. It was also necessary to recommend a delegation to the Director of Communities & Regeneration. The delegation will only be acted upon if membership of the pool is beneficial to the area covered by the pool, including this authority.

### **Alternatives considered and why rejected**

The Cabinet could have chosen, as have some districts in Kent, not to become a member of the pool this year. The success or failure of a pool is measured by actual results whereas the decision to enter a pool is made on the estimates provided by each member. Trust in the validity of the estimates provided by each member is implicit in the decision to pool. The risk exists that the total value of business rates within the pool will not reach the value of accumulated business rates needs baselines and to avoid this risk the Council could have chosen not to enter the pool.

Assuming the estimates provided by each authority are accurate, the current expectation is that the potential members of the pool will generate growth in 2014/15. Choosing not to enter the pool at this time could mean a loss of a further years levy on growth within the borough.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: <b>30 October 2013</b>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 22 October 2013

#### **MAIDSTONE BOROUGH LOCAL PLAN PUBLIC CONSULTATION DRAFT - GROUP 1 DEVELOPMENT MANAGEMENT POLICIES**

##### **Issue for Decision**

Cabinet approval to undertake public consultation on the draft Maidstone Borough Local Plan (under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012)

##### **Decision Made**

That consideration of Policy DM20 (Mooring Facilities and Boat Yards) be deferred and the remaining 14 Policies in the first group of development management policies for the Maidstone Borough Local Plan (as attached at Appendix A to the report of the Head of Planning and Development) for public consultation at the Preparation stage of the local plan process (Regulation 18) be agreed, subject to the following amendments:-

- i) Clarification be provided in the guidance for Policy DM2 (Renewable and low carbon energy schemes) concerning the principles of conditions for temporary and permanent planning consents;
- ii) Policy DM17 (Town centre uses) Paragraph 1 ii. be amended to make reference to cumulative impact assessments; and
- iii) The words "an important regeneration site, as its priority" in Policy DM17, Paragraph 12.102, be amended to read "an important regeneration site, as a priority".

##### **Reasons for Decision**

The draft core strategy 2011 set a broad policy framework for planning decisions and the core policies within the document were the key development management policies within that framework. On 13 March 2013 Cabinet approved a revision to the council's Local Development Scheme. As a result, a single Maidstone Borough Local Plan is to be prepared for the period 2011 to 2031, and much of the work to date on the core strategy will be carried forward to the new plan. The local plan will retain the broad policy framework from 2011, together with the strategic site allocations that were subject to public consultation in 2012, but it will also include additional detailed policies for development management, together with the balance of site allocation policies.

The Maidstone Borough Local Plan will have a similar format to the former core strategy:

- An introduction setting out the purpose of the document and the local plan process, with an explanation of how the public can submit their comments on the draft policies and draft site allocations;
- An explanation of which documents the council must have regard to in preparing their local plans, such as the National Planning Policy Framework and local evidence;
- A spatial portrait of the borough, which highlights key local issues for the council;
- The spatial vision and objectives for the local plan, which are influenced by the council's higher tier policies and strategies;
- The spatial strategy for the borough, which will set targets for housing and economic development and define where new development will be focused;
- The inclusion of spatial policies for the town centre, urban area, rural service centres and other larger village settlements, and the countryside;
- Detailed development management policies (including the core policies);
- An explanation of how the strategy will be delivered, including the delivery of (and priorities for) supporting infrastructure; and
- Site allocation policies, which will set out the what, where, when and how allocated development sites will be delivered.

Through the iterations of the core strategy, Members have previously given consideration at various stages of plan production to the spatial strategy and spatial policies, core policies, development delivery and strategic site allocations. Core policies, development delivery policies and strategic site allocations to the north west and south east of the urban area and at Newnham Park, all of which had been subject to sustainability appraisal and amended through public consultation, were approved by Cabinet in March 2013 for the next round of public consultation. Some of these policies will require updating as a result of additional information received since they were last considered by Members, and redrafted in some instances to ensure consistency of format for a single local plan.

Public consultation (known as "preparation" or Regulation 18<sup>1</sup> consultation) is an informal stage of public engagement and is expected to commence in early 2014. Following consideration of the comments received during this consultation, the local plan will be appropriately amended, and Member approval will be sought to undertake the more formal second round of public consultation next year (known as "publication" or Regulation 19<sup>2</sup>).

Policies in the Maidstone Borough Local Plan have been designed to avoid repetition, so the local plan should be read as a whole when determining planning applications. A table of policies was included at Appendix B to the report of the Head of Planning and Development.

The Local Development Scheme, agreed at Cabinet in March 2013, indicated that Reg. 18 (Preparation) public consultation on land allocations and policies

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<sup>1</sup> The Town and Country Planning (Local Planning) (England) Regulations 2012

<sup>2</sup> At Regulation 19 the council will be consulting on the penultimate draft of the local plan before submitting the document to the Secretary of State for examination. It is important to note that the council would need to take a step back and re-consult the public on any major changes to the local plan following Regulation 19 consultation.

would take place in October/November 2013. Two key workstreams were highlighted as critical to ensuring a robust evidence base would support the local plan at public consultation, namely; the Strategic Housing and Economic Development Land Availability Assessments (SHLAA/SEDLAA) and Strategic Housing Market Assessment (SHMA).

The SHLAA and SEDLAA assess the supply of land for housing and employment development respectively in the borough and determine the most sustainable and deliverable sites to take forward for consideration as land allocations. This project is nearing completion but cannot be finalised until the SHMA, which informs the council of its housing needs, is at a similar stage. At present there is a further piece of work required to assist in sensitivity testing the SHMA objectively assessed housing need for Maidstone.

The decision to undertake economic futures analysis for the SHMA stems from draft guidance set out in the recent National Planning Practice Guidance (2013), and will assist the council in understanding the deliverability of its objectively assessed needs. Consultants have been commissioned to undertake this analysis and a draft consultants' report is expected in mid-November. Once this analysis is complete the council will be in a position to finalise the local plan in draft form for public consultation.

With further work required to finalise housing need and supply, it is not possible at this time to accurately determine housing targets, the spatial distribution of development and land allocations. It therefore follows that key parts of the local plan evidence base, like the Integrated Transport Strategy (ITS) and the Infrastructure Delivery Plan (IDP) cannot be completed at this time. This has a knock-on effect on the policies that can be brought forward for consideration. For example, certain development management policies are intrinsically linked to the wider spatial policies for the borough (e.g. DM14 Park and Ride – linked to ITS and Spatial Strategy SS1) and it would be difficult for Cabinet to properly consider these policies in isolation.

It was therefore intended to bring policies to the forthcoming Scrutiny and Cabinet meetings in groups, with the first group (attached at Appendix A to the report of the Head of Planning and Development and listed below) consisting of policies that are not affected by the SHLAA or SHMA process, any of the overarching spatial policies for the borough, or the Integrated Transport Strategy. The policies included in the first group have been through Planning, Transport and Development Overview and Scrutiny committee on 20 August 2013. This group mainly comprises design policies for all development and management policies for the town centre. For your reference, Appendix B to the report of the Head of Planning and Development included a table showing all the policies that will form the local plan.

The report of the Head of Planning and Development focused on Group 1 development management policies for consideration by Cabinet. This list of Group 1 policies is as follows:

Group 1	
Development Management Policies for Maidstone Borough	
DM1	Sustainable design and development (CS6)

DM2	Renewable and low carbon energy schemes
DM3	Principles of good design
DM4	Residential garden land
DM5	External Lighting
DM6	Signage and shop fronts
DM7	Residential extensions, conversions and redevelopment
DM8	Non-conforming uses
DM17	Town centre uses
DM18	District centres, local centres and local shops and facilities
DM19	Residential premises above shops and businesses
DM20	Mooring facilities and boat yards
Development Management Policies for the Town Centre	
DM25	Primary shopping frontages
DM26	Secondary shopping frontages
DM27	Leisure and community uses in the town centre

At the meeting, Officers recommended that Policy DM20 be deferred and an amended version of this Policy be considered by the Planning, Transport and Development overview and Scrutiny Committee in November as part of the Group 2 local plan policies.

Of the remaining 14 policies presented to Cabinet for approval in group 1, only one policy was approved at March Cabinet (DM1 – Sustainable Design and Development). A new policy (DM2) addresses the emerging issue of ensuring that renewable and low carbon energy schemes are carefully considered and meet strict criteria protecting landscape, heritage, residential amenity, ecology and biodiversity.

A further new policy (DM8) addresses non-conforming uses in the borough, which typically don't fit satisfactorily in densely populated areas. This policy has been developed based on advice from officers and responds to a previous policy vacuum in determining planning applications that may impact negatively on residential amenity, landscape or ecology because of noise, noxious odours, or increased traffic, particularly in rural locations.

Although a number of minor points were made with respect to some of the policies being considered, the main thrust of Scrutiny comments focused on the need for further new policies to address live/work units and the expansion of existing businesses in the countryside, both of which will form part of a second group of policies that will go to Scrutiny committee (19 November) and Cabinet (27 November) for Member approval.

Minor amendments to certain Group 1 policies have also been made following further officer-level consultation. The following points summarise the amendments made:

- Policy DM1 (Sustainable Design Standards) - includes an amendment to criterion 4 which strengthens the policy to ensure that a minimum water efficiency standard equivalent to Code for Sustainable Homes Level 4 is reached that is not negotiable
- Policy DM2 (Renewable and Low Carbon Energy Schemes) – new policy addressing development such as wind turbines and solar farms

- Policy DM3 (Principles of Good Design) – includes an amendment to the supporting text which highlights the importance of protecting on site biodiversity and geodiversity through good design and appropriate densities. The policy is also strengthened with the inclusion of a new criterion which aims to maximise the opportunity for sustainable elements to be incorporated into new development where appropriate, through the siting of development
- Policy DM5 (External Lighting) – this policy is strengthened by the addition of a criterion which ensures that the relevant lighting standards as set out in the Code for Sustainable Homes and BREEAM are met

Policies DM25 and DM26 relate to the primary and secondary shopping frontages in the town centre. For clarity plans which illustrate the location of these frontages were included in Appendix C to the report of the Head of Planning and Development. These frontages will be identified on the consultation layer of the policies map when the local plan is published for Regulation 18 consultation.

Once the three groups of development management policies have been presented to Cabinet over the coming months the local plan will be presented to Cabinet, via Scrutiny, as a whole.

At the meeting, Officers further recommended that the words "... an important regeneration site, as its priority" in paragraph 12.102 be amended to read "... an important regeneration site, as a priority".

Members raised concern regarding the principles of conditions for temporary and permanent planning consents and felt it was important that Policy DM17 included reference to cumulative impact assessments.

### **Alternatives considered and why rejected**

The new development management policies (as attached at Appendix A to the report of the Head of Planning and Development) (apart from Policy DM 20 which is to be deferred) are considered ready for approval to form part of the consultation draft of the Maidstone Borough Local Plan. Approval of the policies at this point gives them more weight and shows confidence in taking them forward in the local plan at public consultation when other workstreams are complete. Members will have the opportunity to consider the local plan as a whole prior to Reg. 18 public consultation.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: **30 October 2013**