

LOCAL PLAN RESOURCES

Head of Service: Viv Evans, Head of Planning

Wards affected: (All Wards);

Urgent Decision?(yes/no) No

If yes, reason urgent decision required:

Appendices (attached):

Summary

The report seeks approval for the additional resources required to have an up-to-date Local Plan in place by the Government deadline of December 2023.

Recommendation (s)

The Committee is asked to:

- (1) To approve the increase in budget of £712,000, as set out in section 2.23.2 of this report, for additional activities identified in the preparation and adoption of a new Local Plan.**
- (2) To approve the reallocation of resources and additional funding of £29,583 to complete existing workstreams as set out in sections 2.23.1 and 2 of this report.**
- (3) To approve the use of New Homes Bonus Grant totalling £741,583 currently held in the Corporate Projects Reserve to fund the increased cost of delivering the Local Plan.**

1 Reason for Recommendation

- 1.1 To seek approval for the additional resources required to prepare and adopt an up-to-date local plan for the Borough. The existing plan dates back to 2007 and is therefore over 13 years old. The age of the plan has placed the Council at risk of challenges to the planning decisions it makes. In addition, the Council is at risk of being placed under 'special measures' by central Government for not making sufficient progress on preparing an up-to-date plan. This risk remains until the Council has an up-to-date plan in place.

Strategy and Resources Committee

30 March 2021

2 Background

Local Plan

- 2.1 The development plan for the Borough is the key suite of documents used to make planning decisions. The Council's current Local Plan comprises the Core Strategy (2007), Plan E (2011) and the Development Management Policies document (2015). Together with the Surrey Minerals and Waste Plans, these make up the statutory Development Plan for the Borough.
- 2.2 Section 19(1B) - (1E) of the Planning and Compulsory Purchase Act 2004 sets out that each local planning authority must identify their strategic priorities and have policies to address these in their development plan documents.
- 2.3 It is a legal requirement that planning decisions must be taken in line with the development plan unless material considerations indicate otherwise. Plans should set out a vision and a framework for the future development of the area, addressing needs and opportunities in relation to housing, the economy, community facilities, infrastructure, conserving and enhancing the natural and historic environment, mitigating and adapting to climate change, and achieving well designed places. It is essential that plans are in place and kept up-to-date. National planning policy and legislation requires that Local Plans should be reviewed and updated where necessary every five years.
- 2.4 The primary document of the existing plan dates back to 2007 and is thus over 13 years old. It now pre-dates all three versions of the National Planning Policy Framework (NPPF), and is considered out of date in many respects. The age of the plan has placed the Council at risk of challenges to the planning decisions it makes.
- 2.5 It is important to emphasise that the preparation and adoption of a Borough Local Plan is a legal requirement and not optional. If the Government considers that a planning authority is underperforming, including in its plan-making duty, it can place the authority under special measures¹ or intervene in other ways². This could ultimately result in the authority losing any decision-making powers in relation to planning.

¹ <https://www.gov.uk/government/publications/local-plan-intervention-letters-to-councils>

²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/929139/20200107_Letter_from_the_Secretary_of_State_South_Oxfordshire.pdf

Strategy and Resources Committee

30 March 2021

- 2.6 The current deadline for authorities to have an up-to-date plan is by the end of 2023. The ongoing pandemic and lockdown coupled with the Government's indecision over revising the housing need figures for councils in England has led to delay and uncertainty over the timetable for producing the Local Plan and has also raised the issue of whether to continue with the existing emerging plan or to work towards a new-style local plan as indicated in the Government's Planning White Paper published in August 2020.
- 2.7 Following the decision of the Licensing and Planning Policy Committee on 4 March 2021, it has been decided to progress the Regulation 18 part 2 consultation in autumn 2021 with the intention to adopt a new Local Plan for the Borough by December 2023.
- 2.8 A number of pieces of work are required to be undertaken to refresh the evidence base for the new Local Plan including assessing the impacts of Covid-19 and also to react appropriately to the many changes to the current planning system introduced in the last 24 months. These include greater emphasis on the need to respond to climate change and new issues such as biodiversity net gain/accounting, and the need to consider how the impact of removing land from the Green Belt could be offset by compensatory improvements.

Existing resources for plan-making

- 2.9 The preparation and delivery of the Local Plan is carried out primarily by the Planning Policy team. When the team is fully staffed, there are 5 officers (comprising two full time posts and three part-time). In terms of specific resources dedicated to planning policy work, this translates to 3.34 officers (based on full time equivalent). In the past year, the Planning Policy Manager role has been vacant. This was an informed decision while the Council considered which direction it would take with its new Local Plan.
- 2.10 It is important to note that the Planning Policy team does not solely prepare and progress the local plan - it performs many other functions and tasks that may be indirectly related to plan-making. These include:
- drafting responses to Government and neighbouring authority planning consultations
 - maintaining the Brownfield Land and Self and Custom Housebuilding Registers
 - compiling the Authority Monitoring Report
 - supporting neighbourhood planning
 - providing policy comments on planning applications.

Strategy and Resources Committee

30 March 2021

- 2.11 The team does not have any administrative support except for a small percentage of the Planning Policy CIL Officer time (equivalent to 0.14 FTE), the majority of whose time is spent on the administration and collection of CIL.
- 2.12 Existing staff resources are operating at full capacity with little spare capacity. The size of the team is comparatively small compared with other authorities and is not sufficiently robust to take on or manage any additional tasks or work areas where these may arise. Whilst the size of the existing team is adequate to cope with the day-to-day and routine workload, the publication, submission and examination of a local plan represent abnormal peaks in the workload cycle. A complement of 3.34 FTE is therefore inadequate to prepare and consult on a new Local Plan and then take it through two/three weeks of public examination hearings, particularly given the fact that the team will need to project manage the external production of the evidence needed to justify it. Whilst it would be theoretically possible to second planners from the Development Management team (or neighbouring councils) to assist, in practice, they are understaffed and overworked themselves.
- 2.13 The additional three-year fixed term contract Senior Planning Officer post for which funding is sought provides the opportunity not only to support the preparation of the Local Plan, but also to recruit a candidate with economic development expertise which could be used to take forward wider corporate objectives. Both this and the new fixed term contract Planning Officer post are considered to be essential if the Council is to stand any chance of delivering the new Local Plan by December 2023. The Senior Planning Officer position would include a skill-set which encompasses economic development to raise the in-house profile of economic development. The basic Planning Officer post is vital to provide sufficient capacity to support the preparation of the plan and the workload generated by the range of public consultations as well as policy development and research.

Recent delays in plan-making

- 2.14 The past year has been challenging for all Council services due to the coronavirus pandemic. This has required different ways of working and the delivery of services in new ways. This, coupled with the continuing changes/proposals to the planning system announced by central Government in the past couple of years, has been significant. The publication of the Planning White Paper last summer set out proposals for a complete reform of the existing planning system, including how local plans are prepared and what they contain. At the same time, the Government announced changes to the standard method for calculating local housing need.

Strategy and Resources Committee

30 March 2021

- 2.15 The Planning White Paper and proposed changes to the standard method for calculating local housing need have created significant uncertainty for many local planning authorities in the middle of reviewing their Local Plans, with some authorities publicly announcing³ that they would pause until the new system was introduced. Alongside these announcements have been Ministerial Statements and letters published by the MHCLG Chief Planner Joanna Averley, warning councils that they should continue with local plan preparation.

Timetable

- 2.16 The Local Plan programme was considered and amended by the Licensing and Planning Policy Committee in August 2020 which set out the date for the adoption of a new Local Plan by December 2022. Following recent Government announcements, a revised Local Plan Programme was subsequently agreed by the Licensing and Planning Policy Committee at its meeting on 4 March 2021. This is attached as a background paper.

Current budget for plan-making

- 2.17 In July 2019, a report to the Strategy and Resources Committee entitled '[Allocation of Planning Delivery Grant Reserve](#)' set out what remained of the Planning Delivery Grant (PDG) funding and a proposal for the allocation of those funds to support the delivery of the Local Plan.
- 2.18 At that time, the agreed funding allocations were estimates of the costs of undertaking the studies needed and it was noted in the report that the actual costs would vary. It was therefore also proposed that the Head of Planning be permitted to proceed with the procurement of these studies within the envelope of the total PDG available (£155,788) with the agreement of the Chief Finance Officer.
- 2.19 In September 2019, a further report was taken to the Strategy and Resources Committee entitled '[Local Plan Consultation](#)'. This proposed a budget up to £75,000 for the commissioning of consultation and engagement experts and the purchase of specialist software to enable residents to comment on Local Plan consultations.

³Bromsgrove, Milton Keynes, Warrington, Wychavon, Malvern Hills and Worcester

Strategy and Resources Committee

30 March 2021

2.20 The tables set out at 2.23.1 and 2 below show the existing budgets that have been agreed for Local Plan activities, and the balance currently remaining. They also detail the anticipated additional cost of work required to bring them to completion. Recommendation 2 of this report seeks agreement to reallocate the budget across those workstreams, and to an additional budget of £29,583 to complete this work. This request should be seen in the context of evidence submitted by the [Royal Town Planning Institute to the Government's Comprehensive Spending Review](#) which indicates that producing a local plan costs about £1 million per authority and can take up to four years. Indeed, costs of up to £3 million are not untypical.

Required additional budget

2.21 It is important to note that plan-making is an expensive process due to the complexity of issues, lengthy procedures and processes, all of which are time and resource intensive. Plan-making is also reliant on an up-to-date evidence base which is sensitive to external changes and or changes to national planning policy or guidance. There have been significant changes in circumstances since the last budget requests in 2019 and evidence the Council has already prepared or commissioned is gradually becoming out of date. The main changes which have caused delay in plan-making are outlined in the earlier part of the report and include the pandemic, proposed changes to the planning system and staff turnover.

2.22 In order for the Council to ensure it has an up-to-date local plan in place by the end of 2023 deadline and remove the risk of challenges to the planning decisions it takes, it needs to invest in additional resources to ensure this is the case. The external challenges caused by the pandemic and changes to the planning system, as well as other factors, mean that the delivery of the plan by the end of 2023 is unlikely with the existing resources. This has been confirmed by independent advisers who have reviewed the proposed timetable against the existing resources.

2.23 The tables below outline the existing resources previously agreed and required to complete workstreams already underway, and also the additional resources needed to make sure the Council has an up-to-date Local Plan in place by the end of 2023.

2.23.1 Existing workstreams:

Local Plan Existing Workstreams	Original Funding Allocation:	Funding Remaining	Estimated Costs Remaining	New Resources Sought	Total Cost
EEBC Masterplan ^a	£100,000	£27,962	£0	-£27,962	£72,038
Revised Strategic Housing Market Assessment ^b	£8,000	£0	£0	£0	£8,000

Strategy and Resources Committee 30 March 2021

Strategic Development Viability Assessment ^b	£21,000	£7,440	£25,000	£17,560	£38,560
Spatial Economic Development Strategy ^b	£25,000	£11,275	£25,000	£13,725	£38,725
Retail Needs Study & Town Centre Health Check ^b	£27,000	£0	£0	£0	£27,000
Sports Facilities ^b	£25,000	£0	£0	£0	£25,000
Habitats Regulations Assessment ^b	£21,000	£13,750	£10,000	-£3,750	£17,250
Professional publication of the Local Plan documents ^b	£3,000	£0	£15,000	£15,000	£18,000
Contingency ^b	£25,788	£25,788	£25,788	£0	£25,788
Local Plan Consultation inc ICT package ^c	£75,000	£37,990	£53,000	£15,010	£90,010
Total	£330,788	£124,205	£153,788	£29,583	£360,371

^a Funding for Masterplan – S&R Committee July 2018

^b Planning Delivery Grant – S&R Committee July 2019

^c Local Plan Consultation – S&R Committee September 2019

2.23.2 Additional Resources:

Additional Activities Identified	New Resources Sought
Senior Planning Officer – 3-year fixed contract	£168,000
Planning Policy Officer – 3-year fixed contract	£144,000
New design code requirement work	£115,000
Sustainability appraisal	£40,000
Gypsy and Travellers research	£15,000
Transport Assessment	£30,000
Consultants' participation in examination hearings	£15,000
Legal support - examination	£65,000
Planning Inspectorate's Fee	£100,000
Neighbourhood Planning - examination and referendum	£20,000
Total	£712,000

Strategy and Resources Committee

30 March 2021

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

- 3.1.1 The Planning White Paper is proposing significant reform to planning, including plan-making. Plan-making is very costly. To continue with the Local Plan may result in investing money and resources on a short lived Local Plan.
- 3.1.2 However, the Government has urged in a [press release](#) that councils should avoid any unnecessary delays in plan-making, emphasising the deadline of December 2023 for all councils to have up-to-date Local Plans in place.
- 3.1.3 The introduction of a revised version of the standard method for calculating local housing need caused councils to pause plan production - creating uncertainty over housing numbers. The Government [confirmed](#) in December 2020 that the existing standard method would remain unchanged except that it would apply a 35% uplift in housing numbers to Greater London and to the local authorities which contain the largest proportion of the other 19 most populated cities and urban centres in England (which do not include Epsom & Ewell Borough Council).
- 3.1.4 Resourcing issues, in part caused by the Covid-19 pandemic and other reasons including local government reorganisation and Government reforms remains a concern.
- 3.1.5 It is likely that legislation for a reformed planning system will take several years to be put into place. It is not a realistic option to wait until this is in place before work begins on a local plan. The Council remains vulnerable to challenges to its planning decisions until an up-to-date plan is in place.
- 3.1.6 Changes to planning legislation, policy and guidance may lead to new evidence being required or plans being redrafted. This will mean further unanticipated costs.
- 3.1.7 The existing local plan is outdated and the Borough has been consistently under-delivering new housing. In accordance with paragraph 11 of the NPPF, the 'presumption in favour of sustainable development' applies. The Council is therefore at risk of challenges to planning decisions - particularly in relation to speculative housing development.
- 3.1.8 The Council is at risk of being placed under 'special measures' by central Government for not making sufficient progress on preparing an up-to-date plan.

Strategy and Resources Committee

30 March 2021

3.1.9 The Government published a new consultation on 10 February 2021 on possible changes to the New Homes Bonus (NHB)⁴; amongst other things, it is proposing that NHB could be withheld or reduced to authorities until such time that an up-to-date local plan is in place.

3.2 Crime & Disorder

3.2.1 None arising from this report.

3.3 Safeguarding

3.3.1 None arising from this report.

3.4 Dependencies

3.5 The Council's Local Plan timetable and resources continue to be dependent on any future changes to planning legislation and national planning policy that impact on local authority plan-making. At present it is also dependent on the continued challenges created by the Coronavirus pandemic.

3.6 Other

3.6.1 None arising from this report.

4 Financial Implications

4.1 The preparation and production of our new Local Plan involves the Planning Policy team and various external specialists commissioned to assist with the production of the evidence base. Wider teams across the Council, including legal services, procurement and communications are key to assisting with the various elements of the work programme.

4.2 The existing resources, coupled with external challenges caused by the pandemic and changes to the planning system, as well as other factors, mean the delivery of the plan by the end of 2023 is unlikely with the existing level of resources. This has been confirmed by independent advisers who have reviewed the proposed timetable against the existing resources.

4.3 In order for the Council to ensure it has an up-to-date local plan in place by the Government's end of 2023 deadline and remove the risk of challenges to its planning decisions, it needs to invest in additional resources.

⁴ The New Homes Bonus (NHB) was introduced in 2011 to encourage local authorities to grant planning permission for new houses. Under the scheme, grant funding is provided annually by central Government matching the extra council tax raised by new-build homes, conversions and long-term empty homes brought back into use. The grant is not ring-fenced leaving the Council to decide how to spend the funding. [NHB Allocations 2020-21](#)

Strategy and Resources Committee

30 March 2021

- 4.4 The Government has also recently published a consultation on the New Homes Bonus. Amongst other things it is proposing that NHB could be withheld or reduced to authorities until such time that an up-to-date local plan is in place. Therefore there may be a financial incentive to ensure work on a new Local Plan is not stalled.
- 4.5 In 2021/22 the Council is due to receive £248,705 in New Homes Bonus funding. In recent years, the Council has set aside all NHB receipts within the Corporate Projects Reserve, in preparation to fund one-off projects such as the Local Plan. There is currently a balance of £1.8m in New Homes Bonus funding available within the Corporate Projects Reserve.
- 4.6 **Section 151 Officer's comments:** As set out in this report the Council has a statutory responsibility to deliver a Local Plan by the end of 2023.
- 4.7 The Head of Planning has advised that minimum additional resources of £741,583 are required to ensure the delivery of the Plan by December 2023. The additional funding requested can be financed from use of New Homes Bonus Grant currently available within the Corporate Projects Reserve, which currently stands at £1.8m.
- 4.8 Should any funding subsequently be awarded by MHCLG (or other bodies) to resource the workstreams identified in this report, that funding will be applied instead of New Homes Bonus and replace the equivalent sum in the Corporate Projects Reserve.

5 Legal Implications

- 5.1 Section 19(1B) - (1E) of the Planning and Compulsory Purchase Act 2004 sets out that each local planning authority must identify their strategic priorities and have policies to address these in their development plan documents. Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 stipulates that a local planning authority must complete a review of a local plan every five years, starting from the date of adoption of the local plan, in accordance with section 23 of the 2004 Act (adoption of local development documents);
- 5.2 **Monitoring Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
Effective Council
- 6.2 The new Local Plan will contribute towards delivering the Council's Visions and objectives identified in its Four Year Plan.
- 6.3 **Service Plans:** Plan-making is a matter included within the current Service Delivery Plan.

Strategy and Resources Committee

30 March 2021

6.4 **Climate & Environmental Impact of recommendations:**

6.5 The Local Plan itself has a key role in implementing a number of key objectives that are set out in our Climate Change Action Plan.

6.6 **Sustainability Policy & Community Safety Implications:**

6.7 In order to comply with Government safety guidance due to COVID-19, consultation procedures need reviewing. Consultation procedures are outlined in a separate document, the Statement of Community Involvement. The Statement of Community Involvement (SCI) was published in 14 November 2019. A further report was taken to the 10 September 2020 Licencing and Planning Policy Committee meeting seeking approval of an Addendum to the SCI in the context of the Coronavirus pandemic. The Addendum was approved for the purpose of public consultation. The public consultation on the Addendum has not yet been undertaken.

6.8 **Partnerships:**

6.9 The Council has a duty to cooperate with relevant stakeholders in the preparation of a Development Plan. The Committee will receive information on progress with the duty at appropriate points in the process.

7 **Background papers**

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- [Allocation of the Planning Delivery Grant Reserve. Strategy and Resources 30 July 2019](#)
- [Local Plan Consultation. Strategy and Resources. 24 September 2019](#)

Other papers:

- [Revised Local Plan Programme](#)
- [The Royal Town Planning Institute submission to the Government's Comprehensive Spending Review](#)
- [MHCLG press release on 19 January 2021 – "Councils urged to ensure Local Plans are up to date"](#)
- [Government response to the local housing need proposals in "Changes to the current planning system", 16 December 2020](#)