

LOCAL PLAN FUNDING UPDATE

Head of Service:	Victoria Potts, Head of Place Development
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	n/a

Summary

The report provides an updated financial position in regard to preparing a new Local Plan in line with the recently approved Local Plan timetable.

Recommendation (s)

The Committee is asked to:

- (1) To note the financial update position with regards to the Local Plan and Planning Policy staffing funding.
- (2) To note the potential shortfall in funding for 2023/24 and 2024/25
- (3) Agree to delegate authority to the Chair of Licensing and Planning Policy Committee in conjunction with the Head of Place Development to effectively and efficiently use the Local Plan funds to deliver an up-to-date and robust Regulation 19 Proposed Submission Local Plan in line with the recently approved Local Plan timetable.

1 Reason for Recommendation

1.1 A comprehensive review of the Local Plan progress and supporting evidence base was undertaken by the Head of Place Development earlier this year to understand the implications of change in legislation and local context post Covid. This consisted of reviewing the following: -

- the soundness of existing evidence base
- gaps in the evidence
- the full step by step process to reach Local Plan adoption

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- existing contractual arrangements with consultants
 - in house staffing resource levels
 - spent, committed and available funds.
- 1.2 The review enabled a detailed project plan to be developed to underpin the recently approved Local Development Scheme (LDS) 'local plan timetable', supported by anticipated costs.
- 1.3 This comprehensive review has realigned the available budget to focus on the areas of Local Plan preparation which are critical to achieving a sound Local Plan and to secure and maintain current staffing levels.
- 1.4 This has highlighted a potential shortfall in available funds post Regulation 19 which is focussed on the Proposed Submission Local Plan and the reduction in staffing levels which could have an impact at the Local Plan examination stage. Any shortfall in funding will need to be addressed by the Strategy and Resources Committee at this stage.

2 Background

2.1 Staffing resource

- 2.2 On 30 March 2021 the Strategy and Resources Committee approved two fixed term contract posts. The table below shows what was approved and how the funds have been committed.

Additional post	Funds allocated	Update
Senior Planning Officer – 3-year fixed contract	£168,000	Extension of Principal Policy Officer (covering maternity leave) additional 2 years – end early May 2024
Planning Policy Officer – 3-year fixed contract	£144,000	Planning Policy Officer 3-year fixed term – end early December 2024

2.3 Additional funds

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- 2.4 On 30 March 2021 the Strategy and Resources Committee approved an additional £400,000 to fund the preparation of the Local Plan. This was mainly for external support to prepare evidence base but also included an allowance for the estimated Examination In Public costs. This money has been added to the outstanding local plan fund of £117,830 and together, a total of £517,830 has been realigned to the most recent project plan. The anticipated costs are set out in the table below.

Financial year	Local Plan stage	Estimated cost	Description
22/23	Regulation 18 – Draft Local Plan	£272,000	Suite of draft evidence base to support the draft Local Plan Communications and the public consultation.
23/24	Regulation 19 – Proposed Submission Local Plan	£244,500	Final evidence base Legal advice Communications and the public consultation.
Total		£516,500	

- 2.5 The table above shows that the funding available is likely to be sufficient to enable the Council to reach the Regulation 19 stage.
- 2.6 However, due to the changes in legislation and local circumstances as a result of Covid resulting in the need to review evidence base and processes, the funds would not be adequate to cover the examination in public and in particular the Planning Inspectorate fees as set out below.

Financial year	Local Plan stage	Estimated cost (minimum)	Description
24/25	Submission and Examination in public	£255,000	Legal advice Programme Officer Planning Inspectorate fees Resourcing the examination

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- 2.7 The costs once the Local Plan is submitted are dependent on the length of the examination and the number of hearings, the number of issues and matters raised, and the level of expert input required into the examination process from our team of external specialist consultants. The cost for the examination can only therefore be estimated.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

- 3.1.1 None arising from this report.

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

- 3.4.1 Delivering a robust Local Plan and in line with the approved timeline is dependent on retaining sufficient staffing levels and funds to secure the external technical support required.

- 3.4.2 There is a minimum that is required in order to prepare a robust local plan. To do more for example, a wider scope, or shortening or extending the timetable, all have additional cost and human resource implications. Any deviation from the approved timeline agreed by this committee on 26 April 2022 and the supporting project plan will have cost implications.

3.5 Other

- 3.5.1 None arising from this report.

4 Financial Implications

- 4.1 This report sets out the financial implications of the Local Plan and highlights a shortfall in funds in 2023/24 to support the Local Plan through to the Examination in Public.

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- 4.2 The Local Plan will not be able to progress beyond Regulation 19 without sufficient funds. These funds will need to be secured before the Local Plan is submitted for examination. A further Local Plan funding report will be brought to this Committee post Regulation 18 Draft Local Plan consultation, which sets out an updated and refined budget shortfall figure. This will factor in recent examination costs experienced by our neighbouring authorities as well as a clearer understanding over the level of response and the types of issues and matters being raised regarding our Local Plan through the Regulation 18 consultation. Any further funding requests will need to be considered by the Strategy and Resources Committee.
- 4.3 **Section 151 Officer's comments:** Wherever possible, the service should aim to produce the Local Plan within the budget envelope agreed by Strategy and Resources Committee. As the project progresses, any request for additional resources should be supported by a robust business case for members to consider and scrutinise.
- 4.4 Should additional funding requirements arise, in the first instance the service should look to deploy existing external funding, or secure new external funding, as the Council itself faces a projected revenue budget deficit of £1.4m from 2023/24 (as reported to Full Council in February 2022), and therefore the Council's reserves are already likely to come under substantial pressure in future years.

5 Legal Implications

- 5.1 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. 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.

5.2 **Legal Officer's comments:**

A new Levelling Up & Regeneration Bill was announced in the recent Queen's Speech. While a lot of the detail has yet to emerge, there will be some significant changes to the way local plans are produced, including some additional duties as part of that process. Detailed announcements in this regard are expected over the next few months.

There is a risk that the Local Plan Budget (should Members be mindful to commit at this meeting) may not be sufficient to carry the Local Plan to adoption. The budget needs to be managed carefully to ensure costs are contained within the funding available as has been the case to date.

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6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- 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:** Preparation of the Local Plan is included within the current Service Delivery Plan.
- 6.4 **Climate & Environmental Impact of recommendations:** 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.
- 6.5 **Sustainability Policy & Community Safety Implications:**
- 6.6 The Local Plan itself has a key role in delivering sustainable development.
- 6.7 There are no Community Safety Implications.
- 6.8 **Partnerships:** The Council has a duty to cooperate with relevant stakeholders in the preparation of a Development Plan.

7 Background papers

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

Previous reports:

- Local Development Scheme 26 April 2022 (<https://democracy.epsom-ewell.gov.uk/documents/s23447/Local%20Development%20Scheme.pdf>)

Other papers:

- Local Plan Resources 30 March 2021 (<http://th-modgov-01/documents/s19367/Local%20Plan%20Resources.pdf>)
- Local Plan consultation 24 September 2019 (<https://democracy.epsom-ewell.gov.uk/documents/s13782/Local%20Plan%20Consultation.pdf>)
- Allocation of Planning Delivery Grant Reserve 30 July 2019 (<https://democracy.epsom-ewell.gov.uk/documents/s13301/Allocation%20of%20Planning%20Delivery%20Grant%20Reserve.pdf>)