



COUNCIL

AGENDA ITEM (8)

**FUNDING FOR COTSWOLD DISTRICT LOCAL PLAN AND COMMUNITY INFRASTRUCTURE
LEVY**

Accountable Member	Councillor NJW Parsons Cabinet Member for Forward Planning
Accountable Officer(s)	Philippa Lowe Head of Planning and Strategic Housing 01285 623515 philippa.lowe@cotswold.gov.uk James Brain Forward Planning Manager 01285 623549 james.brain@cotswold.gov.uk
Purpose of Report	To consider the use of monies from the Council Priorities Fund to meet the identified cost of taking the Local Plan and Community Infrastructure Levy (CIL) charging schedule through public examination.
CABINET Recommendation	That a sum of £373,500 be utilised from the Council's Priorities Fund to meet the cost of taking the Local Plan and Community Infrastructure Levy charging schedule through public examination.
Reason(s) for Recommendation(s)	The necessary work has largely been completed and has been essential for the progress through examination.
Ward(s) Affected	N/A
Key Decision	N/A
Recommendation to Council	Yes, from the Cabinet
Financial Implications	Since 2011, provision has been made within the Council's Medium Term Financial Strategy for the development of the Local Plan. Funding has been made available via the Council Priorities Fund as the Local Plan work has progressed (see Table 1). Additional funding of £373,500 will need to be allocated to fund the costs of the emerging Local Plan and CIL.
Legal and Human Rights Implications	None

Environmental and Sustainability Implications	None
Human Resource Implications	None
Key Risks	<ul style="list-style-type: none"> • Failure to meet a corporate strategy priority. • Intervention by the Secretary of State if the Council fails to publish/adopt its Local Plan. • Delay in examination process if Plan is not based on robust and evidence. • Failure to adopt the Local Plan will impact the Council's ability to maintain a five-year housing supply, which directly increases the potential of off-plan development and appeals.
Equalities Impact Assessment	None specifically required

Related Decisions	<p>Cabinet 7th November 2014 - Funding for Local Plan preparation</p> <p>Cabinet 7th November 2013 - Funding for Local Plan preparation</p> <p>Portfolio Holder for Forward Planning 21st March 2013 - Switch from preparing Core Strategy to comprehensive Local Plan</p> <p>Cabinet 3rd November 2011 - Funding for LDF Core Strategy</p> <p>Funding approvals within Medium Term Financial Strategy and Budgets as per Council decisions in February each year 2011/12 to 2017/18.</p>
Background Documents	None
Appendices	Appendix 'A' - Topics and Studies

Performance Management Follow Up	Implement Council decision
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<p>Background</p> <p>1. <u>Executive Summary</u></p> <p>1.1 This report provides a summary of the work and associated resources required to have taken the Local Plan and Community Infrastructure Levy (CIL) through examination. The report also sets out details of the associated costs which have been incurred to enable progress to this key stage, most notably the programmed examination hearing sessions.</p> <p>1.2 The Local Plan and the CIL have both reached an advanced stage in the Plan-making process, with all the programmed examination hearing sessions completed during October, November and December 2017.</p> <p>1.3 If the programmed timetable is followed, then the Council would see its Local Plan examination concluding 12 months earlier than the local average. This includes those authorities that have pursued a Core Strategy style plan and still have the task of preparing local borough and district plans and CILs.</p>
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1.4 The Council has directed appropriate resources to manage risks of delays and legal challenges, and to ensure the Local Plan is sound. A summary of funding and expenditure (see Tables 1, 2 and 3) identifies the need to transfer £373,500 from the Council's Priorities Fund to meet the costs incurred.

1.5 The additional budget requirement has arisen from a number of elements, but in particular:

- the retention of technical and professional support;
- the cost of compiling evidence and ensuring the evidence base is kept up-to-date; and
- examination costs.

2. General Background Information

2.1 Strategic planning (the Local Plan) is a statutory requirement and it must be based on robust and up-to-date evidence and be open to public scrutiny.

2.2 The Local Plan is a Council strategy that provides much-needed certainty to local communities, businesses and infrastructure providers over a 10 to 20 year period. Strategic planning by its very nature is resource intensive, but its benefits are profound and far-reaching.

2.3 The Government requires all local planning authorities to have an up-to-date local plan and that it be reviewed every five years. Moreover, Planning Inspectorate advice makes clear that evidence-base documents relating to retail, employment and housing should be no more than three years old - any older and the evidence is at risk of having been overtaken by events. Furthermore, the government announced (by way of Written Ministerial Statement on 16th November 2017) that it would intervene in local plan production where local planning authorities have failed to publish a local plan (Regulation 19 stage) by 31st March 2018.

2.4 The scale of work required to produce a Plan is substantial and, to ensure that the Local Plan is found sound and legally compliant, it is vital the process is adequately resourced.

2.5 To ensure the Plan is sound and legally compliant, the Council produced and commissioned over 100 documents. The key studies are listed in **Appendix 'A'**. These documents provide the necessary justification and objective assessment to underpin the soundness and legal compliance of the Plan.

2.6 To be legally compliant, the Council must adhere to regulations, amongst other requirements, which include the need to undertake formal consultations. During the plan-making process, the Council received approximately 18,000 representations which required additional resources to manage this high level of engagement.

3. Resources - Funding, Expenditure and Shortfall

3.1 The Council has allocated around £1.3 million to deliver the Local Plan and CIL, as follows:-

Table 1

Allocation per annum	Funding (£)
2011/12	100,000
2012/13	100,000
2013/14	175,000
2014/15	250,000
2015/16	250,000
2016/17	165,360
2017/18	250,000
(A) Total funding for Local Plan	1,290,360

3.2 Table 2 below shows expenditure on the Local Plan on a year-by-year basis:-

Table 2

Expenditure on Local Plan per annum	Spend (£)
2011/12 and 2012/13	172,905
2013/14	71,920
2014/15	176,817
2015/16	337,152
2016/17	281,567
2017/18 forecast to year end	440,499
(B) Total expenditure for Local Plan	1,480,860
(C) Funding Shortfall at 2017/18 (B - A)	190,500

3.3 Expenditure can broadly be categorised into the following areas:-

- preparation work prior to submission, e.g. gathering new evidence and updating the evidence base, engagement and facilitating consultations, liaison with stakeholders, etc.;
- the examination process, in particular the costs of the Inspector, Programme Officer, expert witness, consultants and counsel; and
- securing in-house professional and technical expertise.

3.4 Collecting and publishing evidence is an essential and ongoing exercise throughout the plan-making process. The studies listed in Appendix 'A' give a sense of the breadth of evidence gathered and the extent of inquiry at the public hearings.

3.5 The examination continues to progress without an adjournment and the Council's evidence base, expert witness, consultants and counsel have all been central to the progress to date.

3.6 To expedite the submission and examination of the Local Plan and CIL, the Forward Planning team secured additional town planning and project management expertise on fixed term contracts. This expertise provided the necessary resources to achieve key milestones and it helped to minimise the impact of losing two senior permanent officers at critical stages during 2017.

3.7 Table 3 below identifies committed and estimated spend during the 2018/19 financial year:-

Table 3

Committed and estimated spend for Local Plan and CIL during 2018/19	Amount (£)
Retained in-house professional expertise	103,000
Inspector	115,000
Programme Officer	10,000
Additional evidence and studies	30,000
Total committed and estimated spend for Local Plan and CIL	258,000
<i>Less Funding approved by Council (Feb 2018)</i>	<i>(£75,000)</i>
(D) Funding Required for 2018/19	£183,000
(E) Total Funding Required from Council Priorities Fund	£373,500

3.8 The cost of the Inspector and Programme Officer is based on advice from the Planning Inspectorate and the Programme Officer. Inspector's fees and the Planning Inspectorate administration costs are currently around £1,000 per day. The Planning Inspectorate has recently

confirmed the cost of the examination up to and including 5th January 2018 is £78,298; however, this does not include expenses incurred by the Inspector for travel, hotels and subsistence. Assuming the examination timetable continues as planned, the total cost of the Inspector's fees and the Planning Inspectorate administration is estimated to be around £115,000.

3.9 The Programme Officer largely worked on a part-time basis prior to and after the hearings and full-time during the hearings. The daily rate is £165 and the total cost to date is therefore in the region of £10,000.

3.10 It is vitally important to retain in-house professional expertise especially prior to and during the examination. Fixed term contracts (FTCs) are being used to good effect and they have provided resilience and capacity in the Forward Planning team to manage the local plan making and examination process. FTCs have been central to the expeditious nature of the examination timetable and helped to mitigate the loss of two officers during 2017. These contracts were due to expire during 2018/19 - however, the additional CIL funding agreed at Council in February 2018 enabled contracts to be extended to retain the expertise. The resources necessary to administer CIL and undertake Local Plan work over the medium term will form part of a resources review for the service area during this financial year to feed into budget process for 2019/20.

3.11 Table 2 identifies a funding shortfall of £190,500 for the period to the end of 2017/18. Table 3 shows that, during the 2018/19 period, committed and estimated spend are set to increase the shortfall to £373,500.

3.12 Compared to neighbouring authorities, the Council has accrued expenditure over a shorter period of time due to consolidating the Local Plan and CIL examinations, and the expeditious progress of the examination to date. Be that as it may, costs are comparable with other local planning authorities.

3.13 This item was considered by the Cabinet on 19th April 2018; and the Cabinet commended the recommendation as presented to the Council for approval.

4. Timetable to Adoption

4.1 The examination hearings were held during October, November and December 2017. The Inspector published a Main Modifications Note on 16th January 2018; which marked the next stage in the examination process, namely a consultation on Main Modifications to the submitted Local Plan, which ran from Monday 19th February 2018 to Wednesday 4th April 2018.

4.2 Although the scheduled hearings have now closed, the examination remains open and, in exceptional circumstances, further hearings could be called.

4.3 Assuming no further issues of soundness are identified, the Council could be in a position to adopt the Plan within 12 weeks of the close of consultation on the Main Modifications, i.e. by the end of June 2018, based on the following:-

- two weeks to review representations on Main Modifications and send to Inspector;
- five weeks for Inspector to finalise his report;
- three weeks for Planning Inspectorate Q&A;
- two weeks for Council to fact-check Inspector's report.

4.4 If this draft timetable is met, the examination process would have been completed in less than 12 months. To put this into context, Stroud District took 23 months; and the Joint Core Strategy authorities (Gloucester, Cheltenham and Tewkesbury) took 35 months for their respective inspectors to find their plans sound. Looking at neighbouring authorities outside of Gloucestershire, it has taken on average 24 months for local plans to be found sound.

(END)