NEW LOCAL PLAN TIMETABLE AND BUDGET

Cabinet Member: Councillor David Johncock

Wards Affected: All

Officer contact: Ian Manktelow Ext:3579

Email: ian.manktelow@wycombe.gov.uk

PROPOSED DECISION

That:

(i) the timetable for preparing the New Local Plan and the Princes Risborough Town Plan set out in this report be agreed, and the statutory Local Development Scheme setting out more detail on the programme be amended by the Cabinet Member for Planning and Sustainability using his delegated powers; and

(ii) an additional budget provision of £175,000 is allocated to the project to deliver the Local Plan by 2018/19 from the Contingency Fund, with a further £90,000 made available in 2017/18 as a temporary cashflow drawdown if required to deal with the timing of expenditure and funding. The cashflow drawdown will be repaid in 2018/19.

Reason for Decision

To enable the New Local Plan and Princes Risborough Town Plan to be progressed in a timely manner, which includes meeting the Government deadline for producing Local Plans.

Corporate Implications


2. Section 15 of the Planning and Compulsory Purchase Act (2004) requires authorities to have a Local Development Scheme setting out the plans it intends to produce and the timetable for their production, and to keep it up to date.

3. The Government has set a deadline for local authorities to produce their local plans by “early” 2017 and has indicated that it is prepared to intervene in their preparation if this deadline is not met. This has significant implications for preparing the New Local Plan. The preparation of the Princes Risborough Town Plan (or Area Action Plan – a “mini local plan”) also needs to be prepared on a tighter timetable for it to be an effective plan.

4. As a result there are significant financial and other implications to ensure that the plans can be delivered. This is both because of the need to bring forward funding into earlier years, and potentially externalise some work to help speed the process. Officers have also internally challenged how the plan is delivered and whether internal resources can be diverted to the support the Local Plan.
This will have implications for other parts of the planning service, and this is set out in the report.

5. This report identifies that there is a need for additional financial resources in order to deliver the plan, amounting to around £175,000 by the end of the project in 2018/19 but with a higher deficit in the previous year of around £264,000 due to timing issues in relation to spend relative to funds available. In order to stick to the timetables set out in this report, some additional expenditure has been incurred, particularly in relation to the Princes Risborough Town Plan. It is recommended that this is addressed through the Contingency Fund.

6. This is a particularly uncertain time for preparing local plans and there are significant risks moving forward with both plans. Local plans are still failing at examinations, or examinations are being suspended while further work is done. The Government is currently consulting on changes to the National Planning Policy Framework and has appointed a Panel of Experts to review and make recommendations on improving the Local Plan system. This could well result in further changes to the system in due course. However, having no up to date plans in place leaves the Council exposed to further speculative unplanned development.

Executive Summary

7. The Government has set a deadline for producing Local Plans by early 2017 and this means that the Council has to agree a new faster timetable for producing the Local Plan to accord with this deadline. Development pressures at Princes Risborough mean that it is important to bring forward the Princes Risborough Town Plan in advance of the main Local Plan to coordinate the growth of the town and ensure it delivers the right infrastructure in a comprehensive way. This report recommends appropriate timetables for these plans. There are budgetary implications of speeding up the timetable and also of producing both plans, including the bringing forward of costs to an earlier financial year and the need to externalise some elements of work to keep to the new timetable. A deficit against the current budget is identified from 2016/17 onwards and it is recommended that this be managed through the Contingency Fund.

Sustainable Community Strategy/Council Priorities - Implications

8. The preparation of the New Local Plan and the Princes Risborough Town Plan help deliver key priorities of the Council. This includes bringing forward sustainable growth of the District in line with the Corporate Plan’s objective of sustainably regenerating the area. It includes a focus on coordinating the infrastructure provision to support that growth in line with the current emphasis on ensuring that new development is supported by the right infrastructure. The extensive engagement activity in the preparation of both plans is in accordance with the “People” priority of the Corporate Plan which focuses on engaging and working with our communities.
Background and Issues

Background

9. In the summer of 2015, the Government set a deadline of “early 2017” for producing Local Plans. Authorities that do not meet this deadline are under threat of intervention by Government with consultants being sent in to “finish the job”. The resultant programme brings forward the timetable for producing the New Local Plan by 8 months from the currently published timetable. This has implications both for the nature of the programme that is followed and the resources required.

10. The Council’s current programme, set out in a statutory document called the Local Development Scheme, also provides for the preparation of two Area Action Plans (effectively mini local plans) for Saunderton and Princes Risborough. The recent Cabinet decision in November 2015 to relating to not preparing a plan for Saunderton means that this needs to be formally deleted from the programme.

11. In relation to Princes Risborough, whilst the initial thinking was that a faster overall Local Plan programme may mean that there was no need to prepare a separate plan for Princes Risborough and this could be incorporated into the main Local Plan with associated resource savings, the increasing development pressures around the town mean that it is considered necessary to continue with the preparation of this plan in advance of the main local plan to ensure comprehensive and coordinated development and infrastructure delivery for the expanded town.

Issues

12. The issues are:

- The need to formally revise the programme (ie the Local Development Scheme) for the main Local Plan to bring it into line with the Government’s deadline and to update the programme for the Princes Risborough Town Plan to ensure that it comes forward in a timely manner;

- To address the resource implications.

Timetable for the Main Local Plan

13. In relation to the main Local Plan, it is not totally clear what the Government mean by “producing” a plan by “early 2017”. However it is assumed that this means that by March 2017 the Council is in a position to submit the plan for its formal public examination by the planning inspectorate.

14. As a result the following programme for the main Local Plan is recommended for inclusion in the Local Development Scheme. This is 8 months faster than the current programme.
<table>
<thead>
<tr>
<th>Date</th>
<th>Key Milestone</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late Jun – early Aug 16</td>
<td>Consultation on draft plan (6 weeks)</td>
<td>Approved at June Cabinet</td>
</tr>
<tr>
<td>Jan – Feb 17</td>
<td>Publication of Plan for statutory consultation (statutory 6 weeks)</td>
<td>Will require approval by Cabinet and Council in December</td>
</tr>
<tr>
<td>Mar</td>
<td>Plan submitted to Planning Inspectorate for examination</td>
<td>Subsequent timings are all dependent on the availability of the Inspector and the time taken to produce the inspector’s report.</td>
</tr>
<tr>
<td>Jul (estimate)</td>
<td>Examination hearing</td>
<td></td>
</tr>
<tr>
<td>Sept – Oct (estimate)</td>
<td>Consultation on Inspector’s main modifications</td>
<td></td>
</tr>
<tr>
<td>Nov (estimate)</td>
<td>Final Inspector’s report issued</td>
<td></td>
</tr>
<tr>
<td>Dec 17 (estimate)</td>
<td>Adoption of Plan</td>
<td></td>
</tr>
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</table>

**Timetable for the Princes Risborough Town Plan**

15. In relation to the timetable set out below for the Princes Risborough Town Plan, the key driver is to get the plan in place in a timely manner to ensure that it helps shape the growth of the town, rather than the future of the town being determined by a series of unrelated planning applications. As a result the following timetable is recommended for the Princes Risborough Town Plan (Area Action Plan):

<table>
<thead>
<tr>
<th>Date</th>
<th>Key Milestone</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb-Mar 16</td>
<td>Consultation on draft plan (6 weeks)</td>
<td>Commencing 15th February</td>
</tr>
<tr>
<td>Jun-Jul</td>
<td>Publication of Plan for statutory consultation (statutory 6 weeks)</td>
<td>Agreed at Cabinet and Special Council in June</td>
</tr>
<tr>
<td>Aug</td>
<td>Plan submitted to Planning Inspectorate</td>
<td>Subsequent timings are all dependent on the availability of the Inspector and the time taken to produce the inspector’s report.</td>
</tr>
<tr>
<td>Nov (estimate)</td>
<td>Examination hearing</td>
<td></td>
</tr>
</tbody>
</table>
16. It should be noted that in relation to both plans the timetable only allows for one more consultation stage before finalising the plan for submission to the planning inspectorate. Additional consultation will delay the programmes.

Resources

17. Funding for the Local Plan comes from a combination of the remainder of the Housing and Planning Delivery Grant and a £100,000 per year allowance from the general fund. At the start of the financial year, a total of £233,000 was available for Local Plan spend. This is then topped up by £100,000 per year.

18. Speeding up the timetable for both plans has resource implications both in terms of bringing forward certain expenditure to earlier years and potentially having to externalise work where internal resources are not adequate. Preparing two plans does ultimately cost more, particularly towards the end of the process with examination costs such as the cost of the planning inspector and legal representation.

19. Some additional expenditure has been accrued recently to ensure that the Council has kept to the timetable on the Princes Risborough Town Plan and to respond to the need for additional technical work and as a result of joint working with the Princes Risborough Steering Group and the County Council. This has comprised:

- additional urban design/master planning work;
- additional transport work;
- preparation of the sustainability appraisal scoping report and main draft sustainability appraisal report by external consultants;
- Undertaking technical work in relation to the capacity of Princes Risborough sewage treatment works.

This has amounted to £63,000 and is included within the overall budget position set out below.

20. The budget has been carefully reviewed for both plans. Some additional technical work has been identified as being required in addition to that already budgeted for, notably a final phase of transport work at Princes Risborough and ongoing external support on sustainability appraisal of both the Princes Risborough plan and the main Local Plan. However some savings have been identified including reduced costs on retail work and consultation costs.
21. There are some limited areas of work where, if the in house resource was available, then they would be done in house and external costs would be avoided, notably:

- Further urban design/master planning work on the Princes Risborough Town Plan, including in the run up to finalising the plan;
- Bringing additional resource in to analyse potentially large levels of representations on both plans at consultation stages, which with the existing resource level available would slow down plan preparation.

22. The implications of dealing with these issues in house are:

- In relation to the first of these, this work will be absorbed in house by streamlining other urban design/landscape work on the local plan and potentially by the level of urban design advice on planning applications. As a result no additional costs are incurred by the Council.
- In terms of handling a large number of representations, this is effectively a contingency issue discussed below.

23. The overall position is that there are sufficient funds to support the Local Plan in the current financial year, but it is estimated that there is an overall budget shortfall for the Local Plan of around £175,000 in 2018/19 at the end of the project, with a higher shortfall in the previous year where the peak of expenditure occurs (see Table 1).

Table 1 Estimated unspent funds or deficit year on year

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance brought forward (£)</th>
<th>Contribution from general fund (£)</th>
<th>Estimated expenditure (£)</th>
<th>End of year balance (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>+133,149</td>
<td>100,000</td>
<td>166,635</td>
<td>+66,514 (unspent – to be carried over)</td>
</tr>
<tr>
<td>2016/17</td>
<td>+66,514</td>
<td>100,000</td>
<td>316,856</td>
<td>-150,342 (deficit)</td>
</tr>
<tr>
<td>2017/18</td>
<td>-150,342</td>
<td>100,000</td>
<td>214,000</td>
<td>-264,342 (deficit)</td>
</tr>
<tr>
<td>2018/19</td>
<td>-264,342</td>
<td>100,000</td>
<td>10,000</td>
<td>-174,342 (deficit)</td>
</tr>
</tbody>
</table>
Note – this is the rolling position – ie you do not add up each year

The speeding up of the timetables has resulted in cashflow issues as certain items of spend are brought forward in the spending profile, such as some of the costs associated with examinations. The overall additional expenditure can be attributed to a number of factors. These include:

- Some additional work necessary to enable the new timetable to be adhered to, such as sustainability appraisal and urban design/master planning work;
- Additional technical work, particularly at Princes Risborough to address technical issues and joint working with the steering group, including transport work, and detailed work on Princes Risborough Sewage Treatment Works;
- Increased examination costs as a result of preparing two plans, notably legal costs and planning inspectorate costs.

24. It should be noted that the timing of expenditure is difficult to predict and the cashflow may vary from the figures shown in the table above.

25. This budget position only relates to work in the Local Plan programme and does not include a number of contingencies. As noted earlier there are a number of uncertainties in the local plan process and at a national level there is the likelihood of changes to policy and guidance which could result in additional work. So whilst some costs can be anticipated and some limited allowances are included (e.g. for the costs of consultants to support the public examination process), allowances have not been made for the following:

- An increase in Planning Inspector fees – these were last increased in 2007 and whilst there is no current proposal to increase them, it seems likely that this will happen at some point and any such increase would be substantial, potentially around 50% which may result in additional costs of around £75,000;
- Additional technical work – where it is known that there will be more work required, allowances have been made where possible. However issues can arise as a result of consultations or new issues arising and these are not factored in. This is particularly an issue with transport work where completion of a study can raise further issues that need investigation;
- Whilst some initial allowance has been made for consultant representation at examination hearings, issues can arise that may require additional consultant input and this is not allowed for;
- Handling large numbers of representations as a result of consultations. To stick to the timetable additional resource would need to be identified either externally or through re-direction of other resources;
- Additional work arising from Government changes, such as to national policy and guidance that may trigger the need for additional technical work;
- Any additional un-planned for consultations that may impinge on the timetable and resources – ie anything additional to the draft plan consultation
on the Princes Risborough Town Plan (Feb-Mar 2016) and on the main Local Plan (late Jun to early Aug 2016).

Additional funds would need to be made available for these if they arise and hence they represent risks to the budget and the timetable if resources are not available. The higher cost risks relate to Inspector’s fees, and consultancy costs for additional technical work and representation at examination hearings.

Consultation

26. The budget position has been discussed with the Corporate Director, Head of Finance and Head of Planning and Sustainability.

27. The Local Plan and Princes Risborough Town Plan are subject to extensive public consultation. These have cost implications that have been factored into the budget.

Options

28. The options in relation to the timetable and budget position are:

1. To not speed up the timetable of the plans and keep to the old timetables to reduce pressure on resources;

2. To not prepare the Princes Risborough Town Plan and incorporate it into the main Local Plan

3. To speed up the timetables and continue with the Princes Risborough Town Plan as set out in this report with the associated resource implications.

29. If option 1 is pursued the Council will miss the Government’s deadline for producing a Local Plan and the Council will then be subject to whatever intervention powers the Government decides to employ. This could include the Government appointing consultants to “take over” the plan and finish the process, and re-charge the costs of doing this to the Council. In relation to Princes Risborough a slower timetable would increase the risk of the plan being overtaken by events in terms of the current planning application/appeal pressure around the town. Longer term, if uncoordinated development happens around the town, there is likely to be an infrastructure deficit which has longer term financial implications for both district and county councils. This approach would also lead to a longer period without a plan with the risk of additional costly appeals.

30. If option 2 is pursued, the same risks apply in relation Princes Risborough that are set out in option 1. Whilst there would be some costs savings of doing this due to slower timetable and less examination costs, the wider costs of unplanned development in Princes Risborough could be extremely high.

31. Option 3 is the preferred option. Whilst there are some additional costs arising from preparing the plan quicker, these are significantly outweighed by ensuring the Government deadline is met and that a planning framework is put in place as soon as possible in Princes Risborough to address the pressures there.
Conclusions

32. Option 3 is recommended and the necessary resources to complete the Local Plan and Princes Risborough Town Plan should be identified.

Next Steps

33. The Cabinet Member for Planning and Sustainability will be asked to agree changes to the Local Development Scheme in line with this report.

Background Papers

Local Development Scheme March 2015