

Chichester District Council

THE CABINET

6 July 2021

Local Plan Review - Budget Update

1. Contacts

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2. Recommendation

- 2.1. **That Cabinet recommends to Council to approve the release of £500,000 from the Local Plan Reserve in 2021/22 and £275,000 in 2022/23 to fund necessary Local Plan technical work, specialist advice and examination costs.**

3. Background

- 3.1. The Local Plan is the statutory land-use planning document that sets out the Council's policies for the determination of planning applications and appeals. It seeks to determine the amount and location for different types of new development and includes policies to ensure that development takes place in an appropriate way. The Local Plan is the mechanism where the appropriate balance between the social, economic and environmental needs and constraints of the plan area in relation to new development are determined. The plan area covers that part of Chichester District that lies outside the South Downs National Park.
- 3.2. The Local Plan Review (LPR) Project Initiation Document (PID) was approved by Cabinet on 3 May 2016. At its meeting on 17 May 2016, Council approved a total budget of £800,000 from reserves to fund this work.
- 3.3. The purpose of the PID was to set out the framework, costs and resource implications for the production of an up to date, sound Local Plan.
- 3.4. The PID explained that much of the cost of the LPR was attributed to staff costs, primarily within the Planning Policy team. These are revenue costs which are included within the existing base budget. However, the PID went on to note that there are also a number of one-off costs associated with the production of the Local Plan and these were not part of the existing budget. These are typically consultancy fees for specific, technical

studies to provide the evidence base which is used to inform the Local Plan. For the production of the previously adopted Local Plan, these costs were included in a specific capital budget.

- 3.5. The PID estimated that the additional cost of the Local Plan Review would be £785,000. A small amount of contingency was included in the recommended budget allocation, bringing it to £800,000. This was considered sufficient to deliver the LPR over the period 2016/17 to 2019/20. It was also agreed that future reviews would be funded by setting aside £160,000 per year from the base budget.
- 3.6. The costs agreed by Council in May 2016 as set out in the PID are attached at Appendix 1 of this report for reference. It should be noted that these costs were approximate as it was expected they would be refined through the production of detailed briefs and would become more certain following the procurement process.
- 3.7. Key assumptions were made in estimating these costs. Significantly, it was considered that the Council would be able to utilise the traffic modelling work commissioned by Highways England for the A27 Chichester Bypass improvements. This would reduce the need for the Council to carry out its own transport modelling, resulting in considerable savings in consultancy fees.
- 3.8. Whilst production of the Local Plan has progressed largely in accordance with the costs, there are several notable exceptions which mean that the budget for the completion of the LPR must be updated. These exceptions are detailed below.
- 3.9. Since 2016, Highways England has withdrawn its funding for the A27 Chichester By-pass. As such, this has placed an onus upon the Council to undertake significant additional work to address the impacts upon the A27 and associated roads, and to consider how they might be mitigated.
- 3.10. As well as the additional transport modelling work, without the infrastructure proposed and funded (via the Road Investment Strategy (RIS)) by Highways England, the Council has had to consider alternative measures, including an alternative to the Stockbridge Link Road (SLR) and further feasibility work to confirm that the strategic A27 works can be delivered, to support the levels of development required. It is essential to have this evidence prepared if the Plan is to be found sound.
- 3.11. In addition, Members have previously agreed the use of the Local Plan budget to fund work on the Southern Gateway regeneration project and as a contribution towards the "Build a Better A27" project. These were not part of the original estimate agreed in 2016 and has had the effect of reducing the available LPR budget by £80,000 (£65,000 and £15,000 respectively).
- 3.12. Finally, the Local Plan Review has taken longer than originally expected, again partly due to the withdrawal of Highway England's support for the

A27 Chichester By-pass improvements through the RIS and the additional work needed around transport infrastructure has been significant. New issues have also arisen; notably the requirement for development to be nitrate neutral and other, on-going issues have not yet been resolved, including waste-water capacity. Another key assumption from the budget approved in May 2016 was that the LPR could be progressed in advance of, or in conjunction with, a full review of the Local Strategic Statement, which it is intended will deal with strategic planning issues in the Coastal West Sussex and Greater Brighton sub-region. Issues such as nitrate neutrality and wastewater are clearly strategic issues. However, given that the LPR needs to be progressed as quickly as possible, it has not been possible to take full advantage of this sub-regional mechanism to secure strategic solutions. The Council has therefore had to progress independently, which has incurred additional costs.

3.13. While progress on these matters is being made, it has extended the time required to finalise the evidence work. This has had a knock-on effect and other, key evidence base studies which were produced at the beginning of the LPR process, now need updating – including key technical assessments such as the Strategic Flood Risk Assessment (SFRA).

3.14. There is a pressing need to complete the LPR as quickly as possible so that the Plan has full statutory weight and the Council can expect decisions to be made in accordance with policies within it. In order to do this, it is estimated that as at 1 April 2021, a further £725,000 is required to be spent over the next two years. This is a best estimate as without detailed quotes, it is not possible to be precise. However, quotes for critical studies including the completion of the transport work and an update to the SFRA have been sought and these are included with the costs set out below.

Table 1 - Local Plan Budget Estimate 2021 – 2023

Transport modelling and feasibility work	£100,000
Transport feasibility work for A27 and Stockbridge Link Road	£250,000
Update to Strategic Flood Risk Assessment	£45,000
Minor updates to other studies and subsequent support at Examination	£60,000
Ongoing Viability Assessment	£60,000
Examination costs (PINS, venue, printing etc)	£110,000
Specialist legal advice	£100,000
Total	£725,000

3.15. It is acknowledged that these costs represent a significant increase over the original budget estimate in May 2016. The single biggest reason for this is the significant amount of transport work which is now required in the absence of a national highways scheme, to assess the impacts (and identify mitigation for) the effect of additional traffic upon the A27. The original estimate was for £75,000 which has already been significantly

exceeded and the anticipated further spend in the next two years (£350,000) is approximately half of the further identified costs anticipated.

- 3.16. In addition, the cost estimates going forward now include specialist legal support for the Local Plan through to Examination. This was not included in the original budget for the Local Plan review but as the work on the Plan has progressed, with further complex issues having become apparent and in line with current planning practice, it is recommended that specialist support is secured.
- 3.17. The anticipated spend profile of the outstanding budget requirement is £450,000 in 2021/22 and £275,000 in 2022/23. It should be noted that this spend profile is based on the current basis for bringing forward the Plan, including one further round of transport modelling and the need for detailed feasibility work on the envisaged local plan mitigation package, including Stockbridge Link Road. If progress with evidence justifies (or requires) a different approach to delivering the Plan, then these elements will require amending, with potential increases and/or reductions.
- 3.18. In addition, Cabinet had previously approved an allocation of £50,000 towards the costs of preparing a Gypsy and Traveller DPD which was to be funded out of the Local Plan budget. Those costs are expected to be incurred during 2021/22 and so they should be added to the overall budget to ensure they are provided for. Therefore, the anticipated spend in 2021/22 is £500,000.
- 3.19. As at 31 March 2021 the local plan reserve stood at £498,000. The current Council budget includes additional contributions from base budget to local plan reserves of £160,000 per annum for 2021/22 and 2022/23. Therefore, with additional payment to the local plan budget of £160,000 for the years 2021/22 and 2022/23, it is considered there is overall sufficient funding available to finalise the current local plan review.

4. Proposal

- 4.1 The proposal is for £500,000 to be released from the local plan reserve in 2021/22 to fund the anticipated spend in specialist work, with a further £275,000 released in 2022/23.
- 4.2 The experience of this Local Plan process has demonstrated that it is extremely difficult to accurately predict future costs for the local plan evidence base. The Government has published reforms to the planning system with the intention to make the local plan production process quicker and simpler. The total cost of the local plan review will be assessed in due course and any adjustment to the annual amount transferred to the local plan reserve can be addressed as part of the annual budget setting process.

5. Alternatives that have been considered

- 5.1 The Council has a statutory obligation to prepare a Local Plan. The funding identified in this report is essential for the Local Plan to proceed, if it is to be supported by an appropriate evidence base.
- 5.2 The only discretionary element is considered to be the Legal support during the Examination. There have been instances of Council taking Plans through Examination without such support, but this is considered extremely high risk and it is therefore not recommended.

6. Resource and legal implications

- 6.1 The resource implications for the Local Plan Review are outlined throughout this report. It is estimated that further costs of £725,000 are required to deliver the Local Plan. This amount is within the allocated budget for this work.
- 6.2 The preparation of the Local Plan Review has to follow the requirements of the 2004 Planning and Compulsory Purchase Act 2004 and associated regulations. The Town and Country Planning Act (Local Planning) (England) Regulations 2012 are of particular relevance.

7. Consultation

- 7.2 No consultation on the additional estimated spending requirement is considered necessary.

8. Community impact and corporate risk

- 8.1 There will be local communities that will be concerned about the impact of further development. However, the Council should ensure that the choices made are transparent and capable of withstanding scrutiny through the examination process. Furthermore, through implementing a plan-led process the Council will be more likely to be able to defend other sites from speculative market-led proposals for development.
- 8.2 There is a risk that the Local Plan will not be found sound and capable of adoption. The evidence base gathering and consultation phases of plan-making are important to help mitigate those risks, particularly with respect to constraints affecting where and how development can take place. In addition, working with neighbouring authorities should minimise potential risks associated with the Duty to Cooperate and professional development and training can minimise the risks associated with changes to government policy.
- 8.3 The Local Plan Review is likely to have benefits for mitigation of, or adaptation to climate change. This is a requirement of the National Planning Policy Framework. An equalities impact assessment will be produced at each stage of production of the Local Plan Review.

9. Other Implications

Are there any implications for the following?		
	Yes	No
<p>Crime and Disorder The NPPF requires that local plans should develop robust and comprehensive policies that set out the quality of development that will be expected for the area, and that planning policies should ensure that developments create safe and accessible environments where crime and disorder, and the fear of crime, do not undermine quality of life or community cohesion.</p>	X	
<p>Climate Change and Biodiversity The NPPF identifies the mitigation and adaptation to climate change, and improvements to biodiversity, as fundamental issues to address in order to deliver sustainable development. Local plans are expected to adopt proactive strategies to mitigate and adapt to climate change in line with the provisions and objectives of the Climate Change Act 2008, and to co-operate to deliver strategic priorities which include climate change. Plans should also seek to minimise the impacts on and provide net gains for biodiversity</p>	X	
<p>Human Rights and Equality Impact The Equality Act 2010 sets statutory duties on public bodies such as local authorities with regard to promoting equality and reducing inequalities of outcome. To ensure that the statutory requirements are achieved, it is intended to undertake and publish an equality impact assessment which will be published as one of the supporting documents when the Local Plan Review is submitted to the Secretary of State for formal examination.</p>	X	
Safeguarding and Early Help		X
General Data Protection Regulations (GDPR)		X
<p>Health and Wellbeing The NPPF states that planning policies and decisions should aim to achieve healthy, inclusive and safe places</p>	X	

10. Appendices

10.1 Local Plan Estimated Costs Approved by Cabinet 3 May 2016

11. Background Papers

11.1 None

Appendix 1: Estimated Costs Approved by Cabinet 3 May 2016

Table 1: Local Plan Review budget estimate	
Evidence Base Item	Cost
Housing and Economic Development Needs Assessment	£75,000
Housing and Employment Land Availability Assessment	In-house
Strategic Landscape Assessment Review and Local Landscape Assessment of Sites	£100,000
Update of Settlement Capacity Profiles	In-house
Waste Water Treatment Study	£50,000
Retail Needs Assessment	£50,000
Strategic Flood Risk Assessment	£75,000
Open Space and Built Leisure Facilities Needs Assessment	£75,000
Transport Assessment	£75,000
Gypsy, Traveller and Travelling Showpeople Needs Assessment	£25,000
Infrastructure Delivery Plan	In-house
Heritage Statement	In-house
Whole Plan Viability Analysis	£50,000
Sustainability Appraisal	In-house
Habitats Regulations Assessment	£50,000
Pollution Assessment	£50,000
Green Infrastructure Study	In-house
Consultation costs – printing/venue hire	£10,000
Examination Cost Estimate	
Programme officer + Inspector	£100,000
Total	£785,000