

Local Plan Review Budget

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service/Lead Director	Mark Green, Director of Finance and Business Improvement Rob Jarman, Head of Planning
Lead Officer and Report Author	Ellie Dunnet, Head of Finance
Classification	Public
Wards affected	All

Executive Summary

As reported to the last meeting of the Committee on 10 February 2021, it has been identified that there may be insufficient resources in the budget to fund work on the Local Plan Review and related planning policy work. This report sets out the programme for the Local Plan Review and related projects and shows how these will be delivered within the Council's agreed budget and policy framework.

This report makes the following recommendations to this Committee:

That it notes:

1. The programme for the Local Plan Review and related projects.
2. Arrangements for funding this work in line with the Council's agreed budget and policy framework.
3. The process for monitoring actual expenditure and reporting this back to Strategic Planning and Infrastructure Committee and this Committee.

Timetable

Meeting	Date
Policy and Resources Committee	24 March 2021

Local Plan Review Budget

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Local Plan is a key part of the framework for delivering the corporate priorities. The budget for the Local Plan Review sets out in financial terms how it will be delivered, within the context of the overall budget, which reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Section 151 Officer & Finance Team
Cross Cutting Objectives	Service budgets support the cross-cutting objectives in the same way that they support the Council's other strategic priorities.	Section 151 Officer & Finance Team
Risk Management	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
Financial	Set out in body of report.	Section 151 Officer & Finance Team
Staffing	Service budgets identify the level of resources available for staffing over the medium term.	Section 151 Officer & Finance Team
Legal	There are no legal implications associated with the recommendations as the report is for noting and not for decision. The Council is under a duty to ensure that the review costs of the Local Plan Review is funded within agreed budgets and policy framework and in accordance with the provisions set out in the Council's Constitution. Under Section 151 of the Local Government Act 1972 (LGA 1972) the Section 151 Officer has statutory responsibilities in relation to the financial administration and stewardship of the authority. The financial implications set out in the main body of the report is a relevant consideration. This report helps to fulfil these responsibilities.	[Legal Services]

Privacy and Data Protection	Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report.	Policy and Information Team
Equalities	No implications.	Equalities and Corporate Policy Officer
Public Health	No implications.	[Public Health Officer]
Crime and Disorder	No implications.	Section 151 Officer & Finance Team
Procurement	The budget sets out the resources available for individual activities and therefore sets the financial framework for decisions about procurement of specific services.	Section 151 Officer & Finance Team

2. INTRODUCTION AND BACKGROUND

Local Plan Review

- 2.1 Maidstone Borough Council has a current, adopted Local Plan which covers the period 2011-2031. When examining the Plan, the government's independent Inspector stated that an early review would be required. In addition, the National Planning Policy Framework has subsequently been revised and introduced amended requirements which the Local Plan review will need to address.
- 2.2 The Local Plan plays a central part in delivery of the Council's strategic priorities. It is therefore essential that appropriate budgetary provision exists to ensure that the review is carried out to a high standard.

Funding Arrangements

- 2.3 The Council has set aside an annual budget of £200,000 for work on the Local Plan Review, above and beyond the day-to-day running costs of the in-house Planning Policy team. As the Local Plan Review is a multi-year project, it has been agreed that unused budgets may be carried forward from one year to the next.
- 2.4 At the outset of the Local Plan Review process, a detailed projection was prepared by planning officers and reported to Strategic Planning & Infrastructure Committee at its meeting on 25th June 2019. This indicated that the annual allocation would be more than sufficient to fund the necessary work over the lifetime of the review. Costs were projected to be £794,500 against an available budget of £1 million (ie £200,000 per annum for the five years 2018/19 to 2022/23).
- 2.5 At the start of the financial year 2020/21, there was £308,280 of unused budget from previous years' allocations. In line with the principle of carrying forward unused budgets from one year to the next, this was available to be used in 2020/21.
- 2.6 During 2020/21, a number of issues emerged that have created pressure on the budget for the Local Plan Review:
 - further work on sustainability appraisals and transport modelling
 - accelerated timetable for LPR completion
 - extension of contracts for specialist contractors
 - volume of responses to December 2020 consultation.
- 2.7 These were recognised at a late stage in the course of the normal annual budget setting cycle so were not reflected in budget growth proposals in the usual way. However, when budget proposals came to be considered by Service Committees, the Strategic Planning and Infrastructure Committee concluded at its meeting on 12th January 2021 that further resources should be directed to the formation and strengthening of the Council's planning policies and expressed concern expressed that the Local Plan Review budget was insufficient. The matter was accordingly referred to Policy and Resources Committee.

2.8 Policy and Resources Committee considered the recommendations from the Strategic Planning and Infrastructure Committee at its meeting on 10th February 2021. The officer report to Policy and Resources Committee noted that the recommendations of the Strategic Planning and Infrastructure Committee arose from substantive issues about the pressure on planning budgets. It was agreed by the Committee that these issues would be dealt with through the budget setting and monitoring process, as follows:

- Current year (2020/21) pressures on the planning service budget would be addressed as described in the Quarter 3 budget monitoring report, as presented to Policy and Resources Committee on 10th February.
- So far as the overall funding of the local plan review is concerned, officers would review the budget for the current local plan review, through to its prospective adoption in 2023, and would bring forward growth proposals for future years and/or proposals for budget transfers in 2021/22 in future reports to Policy and Resources and Strategic Planning and Infrastructure Committees. These would be dealt with through the budget virement process within the 2021/22 financial year.

Review of funding requirements

- 2.9 A thorough review of the work needed to bring the Local Plan Review process to completion has now been carried out by the Head of Planning and the Interim Local Plan Review Director in conjunction with finance staff. A summary of the projected costs is included in Appendix A. In drawing up these projections, every effort has been made to anticipate all the likely future requirements. Where work needs to be outsourced, a prudent estimate of the likely cost has been made, balancing the cost of obtaining advice in the market and the need for the Council to obtain value for money.
- 2.10 Recognising that an exercise such as this cannot give a precise projection of detailed expenditure, a contingency of £30,000 has been included. The amount of the contingency may increase if some lines in the programme under-spend; conversely it may be necessary to draw on the contingency if there are areas of over-spend, or new requirements emerge.
- 2.11 Note that work on the Town Centre Plan has not been included in the costs to be funded from the Local Plan Review budget, as set out in Appendix A. This is because the Head of Planning has confirmed that this work may be funded from Section 106 contributions. The Town Centre Plan is intended to be cross-cutting, including strategies that go beyond the minimum requirements of the Local Plan Review. This Committee will be consulted on its scope in due course.
- 2.12 Overall, it can be seen that an additional £200,000 will be required in 2021/22 and an additional £135,000 in 2022/23, above and beyond existing budgets. It is proposed that these additional requirements be dealt with as follows.

2021/22 – The Council has an annual corporate contingency budget of £300,000. The £200,000 will be funded from this budget. This gives less capacity for addressing other unexpected overspends, but the contingency can be replenished during the course of 2021/22 with any windfall gains.

2022/23 – The additional spend of £135,000 will be included as a proposed growth item as part of the Council’s consideration of its budget for 2022/23. This consideration starts in July 2021 with a report to Policy and Resources Committee setting out the scope for the annual update of the Medium Term Financial Strategy and the budget planning process.

Note that the existing Local Plan budget allocation for 2022/23 is £300,000, rather than £200,000. This is because £100,000 of budget allocations for future years were brought forward to 2022/23 in the Strategic Revenue Projection agreed by Policy and Resources Committee on 10th February. If possible, in year funding of £100,000 will be identified as part of the 2022/23 budget process in order to avoid having to bring forward future allocations in this way.

- 2.13 The Council will also need to consider the ongoing level of funding for local plan review work. However, by doing this as part of the regular annual process, the priority for planning work can be weighed fairly by members against other budget priorities, rather than a unilateral decision being made which could inadvertently lead to funding being reduced in an unplanned way elsewhere in the Council’s budget.

3. AVAILABLE OPTIONS

- 3.1 **Option 1:** To note the proposed course of action.
- 3.2 **Option 2:** The Committee could propose an alternative course of action.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 1 is the preferred option. It provides a good level of assurance that there is sufficient funding to deliver the Local Plan Review and related projects, and is consistent with the Council’s agreed budget policy and framework.

5. RISKS

- 5.1 The projections set out in this report remain subject to risk and uncertainty. This is mitigated by the inclusion of a contingency figure within the overall projections and will be managed during the remainder of the Local Plan Review project by regular monitoring of expenditure and any updates to the projections.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 This report responds to previous Committee feedback at Strategic Planning and Infrastructure Committee on 12th January 2021 and Policy and Resources Committee on 10th February 2021.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 In line with the commitment made to Policy and Resources Committee on 10th February 2021, the findings described in this report will be reported to Strategic Planning and Infrastructure Committee at its next meeting.
- 7.2 Actual spend against the projections set out in Appendix A will be reported quarterly to Policy and Resources Committee and the Strategic Planning and Infrastructure Committee. If at any stage it appears that overall expenditure will exceed the projected levels, officers will put forward proposals for dealing with the overspend.
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8. REPORT APPENDICES

The following document is to be published with this report and forms part of the report:

- Appendix A: Local Plan Review and related projects – projected expenditure.
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9. BACKGROUND PAPERS

There are no background papers.