

APPENDIX B

Planning Policy Budget

Purpose

1. To present information about the costs of the additional work required by the Local Plan Inspector, and outline potential financial implications of the revised timetable for the Local Plan and other policy projects.

Recommendations

2. It is recommended that Cabinet consider this report and the proposed approach towards dealing with the updated financial implications.

Reasons for Recommendations

3. There are considerable costs arising from the additional work required for the Local Plan and the ensuing impact for the Local Plan Examination and other policy projects. Therefore the implications and recommended approach should be considered by EMT, as well as Cabinet.

Background

4. The Council submitted its new Local Plan for examination in March 2014 alongside the Cambridge Local Plan. At that time it was anticipated that the examination would be complete in 2014-2015 or soon after. The Planning Policy budget prepared in autumn 2014 was on this basis and on the assumption that the Council would then move to prepare Area Action Plans for Cambridge Northern Fringe East (jointly with Cambridge City Council) and the new settlements at Waterbeach and Bourn Airfield.
5. The examination hearings started later than anticipated and the process is taking longer than expected. In May 2015 the Inspectors wrote to the Councils with their preliminary findings and asked that further work be carried out. At an Extraordinary Meeting on 4 June, the Council agreed to satisfy all reasonable requests for the resources necessary to adhere to a six-month timescale. At the meeting of the Planning Portfolio Holder on 9 July 2015 it was reported that the estimated cost of the South Cambridgeshire share of the additional work was £150,000. Also on 9 July, Cabinet noted (in relation to the Position Statement: Finance, Performance and Risk end of year 2014-15 report) that the £150,000 would be met from increased General Fund reserves as at 31 March 2015.
6. A report to the Planning Portfolio Holder on 17 November 2015 provided the results of the additional work undertaken and recommended a limited number of modifications to the Local Plan for public consultation. The report included an update to the timetable for the Local Plan, with adoption now anticipated in 2017.

Considerations

7. An updated Planning Policy budget has been drafted, taking account of:
 - the additional Local Plan work to respond to the Inspectors' letter,
 - the latest estimated Local Plan examination timetable and requirements
 - consequential delay to final stages of the plan making process and other policy projects
 - latest situation in relation to the Cambridge Northern Fringe East Area Action Plan being jointly prepared with Cambridge City Council

A table summarising the net change in the budget for the current and next four financial years for the key projects is attached (Appendix A).

8. **Local Plan** - The expenditure for 2015-2016 will not be as anticipated for the reasons set out above. The Council's share of the cost of the additional work undertaken jointly with Cambridge City Council is £180,000, including costs of £50,000 for legal advice. It is proposed that this cost be covered from General Fund reserves, as noted in para 6 above.
9. The proposed budget is based on assumptions regarding the remainder of the Local Plan examination programme. The Council is still awaiting a programme from the Inspector. There will be additional hearings as the Inspector will need to consider the additional work that the Councils have undertaken at her request. The Councils will need further support from the legal adviser and from the consultants who prepared the additional work. For instance, it is expected that the relevant consultant will need to attend the hearings on the Green Belt. The proposed budget takes account of these previously unanticipated costs, and is estimated to cover all other costs towards adoption of the Local Plan.
10. The delay to the Examination programme creates budget savings of approximately £76,000 for 2015/16, and it is proposed that these savings be rolled over to 2016/17. The revised budget for the Examination estimates total outstanding costs of £346,000. The proposed roll-over would be put against this, and thereby reduce the outstanding cost to £270,000. There are further savings described below that could also be put against the cost.
11. **Cambridge Northern Fringe East Area Action Plan** - Work is progressing on the joint AAP being prepared with Cambridge City Council. This is in parallel with the Local Plan and is being led for both Councils by the City Council. The Planning Portfolio Holder considered a report on 17 November and agreed a revised timetable for the preparation of the AAP reflecting the complexity of the site and issues to be resolved. The timetable is later than previously envisaged in the budget.
12. The evidence necessary to inform the AAP is greater than initially thought, and includes the A10(N) Corridor Transport Study recently commissioned by Cambridgeshire County Council on behalf of the district councils and other stakeholders. The Corridor Study will cover the CNFE options, and also take account of the proposed new town at Waterbeach, development in Ely and East Cambridgeshire, and intensification of the Science Park. The Study is being collaboratively funded with private sector stakeholders providing 50% of the cost and the balance met from public sector partners.

13. In summary there are estimated total additional costs of £92,500 that reflect the unanticipated complexity of the project, together with an increase in contingency provision of £37,500. It is possible that part of these costs may be funded through a similar collaborative approach to that used for the A10 Corridor Study. The net change in the budget for 2015-2016 is a reduction of £6,000 and for 2016-2017 is an increase of £21,000. The cost of an examination in 2017/18 is estimated at £115,000 for South Cambridgeshire.
14. **Area Action Plans for Waterbeach New Town and Bourn Airfield New Village -** The Council's preferred approach, as laid out in the submitted Local Plan, is to prepare Area Action Plans for both new settlements. The cost of each AAP had previously been estimated as £280,000, and had previously been scheduled to commence during 2015/16.
15. The promoters of both sites have advised that they intend to prepare Development Framework Documents for approval by the Council, to be followed by planning applications. Depending on the outcome of the Local Plan process and how the promoters progress their proposals, it may not prove necessary or appropriate to prepare AAPs. It would be premature to reach a view on this at the present time and therefore, having reviewed the elements comprising these AAPs, revised provisional budget allocations of £200,000 are proposed for each AAP, but with the costs moving to 2016-2018 to reflect the timetable that has resulted from the revised programme for the Local Plan. The net change in these AAP budgets is therefore a reduction of £160,000 over the period.
16. **Community Infrastructure Levy (CIL) -** The Council submitted a CIL Draft Charging Schedule for examination in 2014. The expectation is that this will be held after the Local Plan examination. The CIL budget has been added to the Planning Policy budget as part of the current review. The net change in the Policy budget for 2016-2017 is £20,000. The budget and timetable will be reviewed next year in the light of the actual experience and timetable of the Local Plan Examination.
17. **Greater Cambridge Local Plan –** The City Deal commits to commence work on a new Joint Local Plan in 2019. The proposed budget includes a provisional budget of £50,000 for the evidence gathering stage in 2019/20; previous budget projections had included £50,000 in both 2017-18 and 2018-19 as well. The government is currently reviewing the requirements for Local Plans, and has commissioned an Expert Group to report in February 2016. This may lead to changes to process and requirements.
18. **Neighbourhood Plans –** South Cambridgeshire Parish Councils are showing an increased interest in developing Neighbourhood Plans, and seven parish councils now have designated areas and are in the midst of developing their Plans.
19. The Council as the Local Planning Authority (LPA) can apply for a grant from the Department of Communities and Local Government to cover the costs for each of the key stages in a Neighbourhood Plan (NP) that it will be responsible for, giving total grant funding for each NP of £30,000:
 - Designation by the LPA of a neighbourhood area, £5,000;
 - LPA publicises the NP after submission by local community, £5,000;
 - Examination of NP, £20,000.
20. From other LPA's experience, the cost of an examination and referendum have been estimated at £4,500 and £5,555, respectively, leaving some £19,945 for other expenditure on each NP. There are some costs in carrying out the consultations, but the main cost other than examination and referendum is staff cost.

21. This shows that the costs of a new Neighbourhood Plans Project Officer could be covered by the grant received for each NP. Therefore it is proposed that approval be sought to creating a post at an estimated cost of £34,600.

Options

22. The financial implications could be resolved in a various ways including use of New Homes Bonus, collaborative funding arrangements or deferring projects.

Implications

23. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

24. The financial appendices have been prepared with Accountancy, and the proposed approach has been informed by discussion with the Executive Director.

Risk Management

25. The budget assumptions in this report are based on current projections in terms of timescale and resource requirements, however, the progress of the Local Plan is heavily dependent upon the Inspectors' approach, and she has not yet provided a programme for the remainder of the Local Plan examination.

Consultation responses (including from the Youth Council)

26. The report has been prepared following liaison with the Planning Policy Manager at Cambridge City Council on joint planning policy projects.

Effect on Strategic Aims

Aim 1 - Engagement

27. All work on the Local Plan and other policy projects will be subject to appropriate engagement and consultation with the public and stakeholders.

Aim 2 - Wellbeing

28. The budget changes proposed support the remaining stages of the Local Plan process, including the examination that is due to resume in March 2016.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

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