

# Test Valley Local Plan Delivery Funding

Report of the Planning Portfolio Holder

## Recommended:

- 1. That the MHCLG Local Plan (Regulation 18) Delivery Funding of £227,962 be added to the Local Development Framework budget.**
- 2. That the Head of Planning Policy and Economic Development be authorised to spend the MHCLG Local Plan (Regulation 18) Delivery Funding on the production of the draft Local Plan.**

### SUMMARY:

- The Council submitted an Expression of Interest for Local Plan (Regulation 18) Delivery Funding and has been awarded £227,962. This funding is to support local authorities that are at Regulation 18 stage of plan preparation with local plan delivery.
- As this funding is outside of the annual budget process, it is necessary of Cabinet to approve the increase in budget for the Local Plan and use for the purposes outlined in this report and for delegated authority to be sought.

## 1 Introduction

- 1.1** In February 2025, the Council submitted an Expression of Interest to the Ministry of Housing, Communities & Local Government for Local Plan (Regulation 18) Delivery Funding. This funding is to support local authorities that are at Regulation 18 stage of plan making to carry out the additional work required to take account of the revised National Planning Policy Framework (NPPF) (December 2024), and to submit their Local Plans for examination by December 2026. Our Expression of Interest was successful.
- 1.2** As this funding is outside of the annual budget process and will exceed a spend of more than £50,000, it is necessary for Cabinet to approve the virement of this funding towards the preparation and delivery of the Local Plan.

## 2 Background

- 2.1** The Government published a revised NPPF on 12 December 2024. The key aim of the revised NPPF is to significantly increase the delivery of homes nationally. These changes have had a significant impact on the preparation of local plans nationally.

- 2.2 Where local authorities need to amend their draft local plans to accommodate the increase in housing needs, the Government announced they would provide additional support for local authorities to carry out additional work required to take account of this. The key eligibility criteria were that the draft local plan would need to be at Regulation 18 stage and the local authority anticipate submitting their local plan for examination by December 2026. The support is to provide funding to enable Councils to meet this timeframe.
- 2.3 An updated Local Development Scheme (LDS) was approved at Cabinet on 26 February 2025 setting out a revised timescale for the draft Local Plan reflecting the need to address our significant increase in housing need. This confirms we meet the key eligibility criteria for additional support from Government, as we are currently at the Regulation 18 stage of plan preparation, and we intend to submit the draft Local Plan for examination by the end of December 2026.
- 2.4 The Council submitted an Expression of Interest which was successful and has been awarded £227,962. Other successful Councils received the same amount from the Local Plan (Regulation 18) Delivery Fund.
- 2.5 This funding will be provided via Section 31 Local Government Act powers by the 28 March 2025. Councils need to have proposals in place by the end of the financial year on how they will commit the grant funding and collaborate with MHCLG on monitoring and evaluation requirements. The Council are intending on committing this funding towards seeking additional resource to prepare the Local Plan including progressing evidence base studies and improve the efficiency of processes, such as the processing of consultation comments.

### **3 Corporate Objectives and Priorities**

- 3.1 The Local Plan is a key policy document for the Council in respect of delivering our corporate objectives set out within the Corporate Plan 2023-27 and has continually been identified within the Corporate Action Plan. It will set out the planning policy framework for the spatial aspects of delivering: sustainability to meet our communities' needs, protecting and enhancing our natural environment including biodiversity and the environmental impacts of development, and prosperity and economic growth to achieve a robust local economy for residents and businesses, protecting and enhancing the environment, and making provision for new housing, employment, community facilities and other land uses, to meet the needs of our communities. The funding awarded will support the preparation of the Local Plan and delivery of these objectives.

### **4 Options**

- 4.1 As the funding has been awarded specifically to fund the preparation and delivery of the draft Local Plan there is no option of using the money for an alternative purpose.

- 4.2 The options for consideration are a) to approve the recommendation authorising the Head of Planning Policy and Economic Development to spend the funding awarded, b) decline the recommendation or c) adopt some alternative arrangement for allocating the grant funding.

## **5 Option Appraisal**

- 5.1 Option a) of approving the additional budget and authorise the Head of Planning Policy and Economic Development to have delegated powers to spend the funding will support the preparation and delivery of the draft Local Plan in accordance with the timescale set out in the Test Valley Local Development Scheme, specifically submitting the draft Local Plan for examination by the end of December 2026.
- 5.2 Option b) Declining the recommendation. This would result in the Council not being able to utilise this funding to support the delivery of the draft Local Plan in accordance with the Test Valley Local Development Scheme. The additional resource may give opportunity for the stages of the local plan to be met quicker than that set out in the recently approved LDS. The timeline for the local plan will be kept under review.
- 5.3 Option c) of adopting a different arrangement, could delay utilisation of this funding to support the delivery of the draft Local Plan.

## **6 Risk Management**

- 6.1 Failure to agree and implement up to date strategic and local planning documents is recorded as a risk in the Council's Corporate Risk Register. A factor affecting this risk is the time frame for consultation and undertaking the relevant evidence to ensure an iterative plan making process is undertaken to inform the production of the draft Local Plan. Approval for use of this funding towards production of the draft Local Plan will contribute to the mitigation of this risk.

## **7 Resource Implications**

- 7.1 The funding of £227,962 is expected to be paid to the Council by 28<sup>th</sup> March 2025. As the expression of interest was led by the Council, officers have the responsibility for the administration and use of the funding. This can be met within existing resources.

## **8 Legal Implications**

- 8.1 The funding would assist the Council in preparing and delivery an up to date Local Plan in accordance with national legislation and regulations.

## **9 Equality Issues**

- 9.1 The recommended action results in no impacts on protected groups.

## 10 Other Issues

10.1 Community Safety – N/A

10.2 Environmental Health Issues – N/A

10.3 Sustainability and Addressing a Changing Climate – This funding will support the preparation and delivery of the draft Local Plan. Sustainability is embedded within the draft Local Plan. Both mitigation of the impact of development on climate change, and adaption to the impacts of climate change, will be issues which the Local Plan will seek to take into account, as well as responding to the declared climate emergency.

10.4 Property Issues – N/A

10.5 Wards/Communities Affected – N/A

## 11 Conclusion

11.1 The Council successfully submitted an Expression of Interest for Local Plan (Regulation 18) Delivery Funding and has been awarded £227,962. This funding is to support local authorities that are at Regulation 18 stage of the draft Local Plan preparation with local plan delivery.

<u>Background Papers (Local Government Act 1972 Section 100D)</u> <a href="#">Test Valley Local Development Scheme (February 2025)</a> <a href="#">Test Valley Revised Local Plan 2016</a> <a href="#">Draft Test Valley Local Plan (Regulation 18 Stage 2)</a>			
<u>Confidentiality</u> It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	None	File Ref:	Pp1
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