



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Cabinet

Tuesday, 21 July 2026

Report of Councillor Phil Dilks
Cabinet Member for Planning

Local Plan Progress and Updates

Report Author

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Purpose of Report

To consider the future direction of Local Plan preparation and associated governance arrangements

Recommendations

Cabinet is asked to:

- 1. Agree that the Council ceases work on the existing 'legacy' Local Plan.**
- 2. Agree that plan-making activities under the new Local Plan-making system are initiated.**
- 3. Delegate authority to the Assistant Director of Planning and Growth, following consultation with the portfolio holder for Planning to:**
 - a) Authorise publication of a Notice of Commencement at the earliest appropriate opportunity to start the plan-making process;**
 - b) Authorise publication of a Local Plan Timetable (based on the indicative timetable attached at Appendix A, or any variation of) to provide full details of the programme for production of the Local Plan on the Council's website;**
 - c) Authorise the carrying out of a Scoping Consultation exercise with stakeholders and publish a summary of the scoping consultation; and;**
 - d) Prepare and approve the documents and actions that are required to support the self-assessment requirements for passing Gateway 1.**

Decision Information

Is this a Key Decision?	Yes
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Connecting communities Sustainable South Kesteven Enabling economic opportunities Housing Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The preparation of a new style Local Plan will likely require additional funding. Officers are assessing the draft evidence already prepared for the legacy Local Plan to understand what additional work will be required for the preparation of a Local Plan under the new system. It is understood that there will be additional evidence/information required however the evidence already prepared can be updated rather than the process starting again.
- 1.2 Grant funding has been provided from MHCLG during 2025/26 to support the preparation of the local plan under the new system. MHCLG has been asked to confirm that the Grant Funding can be carried forward and used for the preparation of a new system Local Plan; informally it has been indicated that this will be acceptable. Subject to the agreement of carry forward, the grant funding is expected to be sufficient for the 2026/27 financial year. There has also been an underspend on a previous revenue carry forward which has been returned to the Council reserves as part of the closedown process for 2025/26. A more detailed budget plan for the long-term delivery of the local plan will be developed as part of the 2027/28 budget setting process.

Completed by: David Scott – Assistant Director of Finance and Deputy S151 Officer.

Legal and Governance

- 1.3 The Planning and Compulsory Purchase Act 2004 (as amended) (the “Act”). Section 15 (1) of the Act requires local authorities to prepare and maintain a development plan, which includes the Local Plan.
- 1.4 There is a risk of external intervention in the Local Plan, as the Secretary of State has legal powers to intervene. The Secretary of State can intervene if a local planning authority are failing or omitting to do anything it is necessary for them to do in connection with the preparation, revision or adoption of a development plan document (Planning and Compulsory Purchase Act 2004, Section 27). The Secretary of State may:
 - a) Prepare or revise (as the case may be) the document, or
 - b) Give directions to the authority in relation to the preparation or revision of the document.

Completed by: James Welbourn, Democratic Services Manager

Risk and Mitigation

- 1.5 There are a number of risks to the Council should it proceed with the preparation of a Local Plan under the legacy system. These include both financial risk and reputational risk should the plan be found unsound. There is a significant likelihood that the legacy Local Plan would be found unsound meaning further delays to the adoption of an up-to-date Local Plan.
- 1.6 Without an up-to-date Local Plan, the Council would likely be subject to speculative planning applications and there is less opportunity to delivery comprehensive infrastructure solutions.
- 1.7 There is a risk of Ministerial Intervention in the Plan-Making process if the Secretary of State considers that a Local Planning Authority is failing to make progress on the preparation of a Local Plan.

Completed by: Tracey Elliott, Governance & Risk Officer

2. Background to the Report

The Emerging Local Plan (Legacy Local Plan)

- 2.1 The Council has been preparing the Local Plan in accordance with the Local Development Scheme timetable, most recently updated in January 2026. Under the Ministry of Housing, Communities and Local Government’s (MHCLG) transitional arrangements, any Local Plan continuing under the legacy system must be submitted by the end of December 2026.

- 2.2 Since the timetable was agreed, national planning reforms and local site issues have materially changed the context for the emerging Local Plan. These changes are outside the Council's control but have significant implications for the plan's deliverability and soundness.
- 2.3 The current Local Plan programme leaves little flexibility to meet the December 2026 submission deadline. The Council would need to consult on the Regulation 19 Pre-Submission Local Plan in September and October 2026. This would be the Council's proposed final plan that would be submitted for examination.,
- 2.4 A sound Local Plan must identify enough deliverable land to meet housing need, calculated using the Government's Standard Method. If submitted for examination in its current form, there is a high risk that the Local Plan would be found unsound.
- 2.5 The main reasons for this conclusion are set out below.
- 2.6 *Poplar Farm development*
The planning permission for Poplar Farm has expired. As a result, no further reserved matters applications can be submitted under that permission. One reserved matters application for 75 dwellings was submitted before expiry. Even if that application is approved, the site would deliver more than 1,000 fewer homes than the original permission allowed. It is not yet known whether a further application will be submitted for the remaining undeveloped land, or how many homes it would propose.
- 2.7 *Housing completion rates*
Housing completions over the last five years have averaged 566 dwellings per annum. This is significantly below the Standard Method requirement of 899 dwellings per annum (as of May 2026). Unless delivery increases substantially, the cumulative shortfall against the housing requirement will continue to increase.
- 2.8 *Housing land supply against target*
The table below shows the May 2026 housing requirement, including a 10% buffer. The buffer is intended to provide choice of sites and manage the risk that some sites may not come forward as expected over the plan period. A review of the supply /deliverability of sites indicates that there will be a significant shortfall against the 10% buffer.

Housing requirement

Standard Method (as of May 2026)	899 dwellings per annum
Total housing need 2023 - 2043	17,980
10% buffer	1,798
Total housing need + 10% buffer	19,778

2.9 There are concerns about whether key sites will be delivered as assumed:

- The proposed allocation at Prince William of Gloucester Barracks could provide around 1,890 homes within the plan period. However, there are deliverability concerns about this site especially as the pre-application discussions have been delayed. If the site does not come forward, or is built out more slowly than assumed, the Council's housing land supply would reduce further.
- Anglian Water and Lincolnshire County Council have lodged holding objections relating to several development sites. Whilst it is possible that these concerns are expected to be capable of mitigation, t further evidence, discussion and negotiation may be needed. If deliverability remains uncertain, objectors are likely to argue that the plan is unsound.

2.10 Officers have considered the following ways to address the housing shortfall:

- Identifying additional sites. There is currently no readily available supply of alternative sites that have already been assessed that could close the identified gap.
- Increasing assumed build-out rates. Current assumptions are already optimistic, and recent delivery in South Kesteven is below the level needed to meet housing need. There is limited evidence to justify higher build-out rates.
- Applying higher densities to existing allocations. Opportunities to increase densities significantly are limited, so this would have only a modest effect on overall housing supply.

2.11 To identify further potential sites, the Council would need to carry out a new call for sites. Any new or additional sites would then need to be assessed through the evidence base; this poses a significant risk to the timetable.

2.12 If the Regulation 19 Pre-Submission Local Plan is not ready for consultation in September and October 2026, there will be no realistic opportunity to recover the programme and submit the final plan by the December 2026 deadline.

2.13 In summary, the legacy timetable leaves little or no scope to identify additional land and ensure confidence of submission of the Local Plan by December 2026. There is also a significant risk that housing supply will reduce further if key sites do not come forward as expected. In its current form, the Local Plan does not demonstrate enough housing supply to meet projected demand and is therefore highly likely to be found unsound at examination. Failure to submit a robust Local Plan and supporting evidence base leaves the Council vulnerable to the Examiner finding the plan unsound.

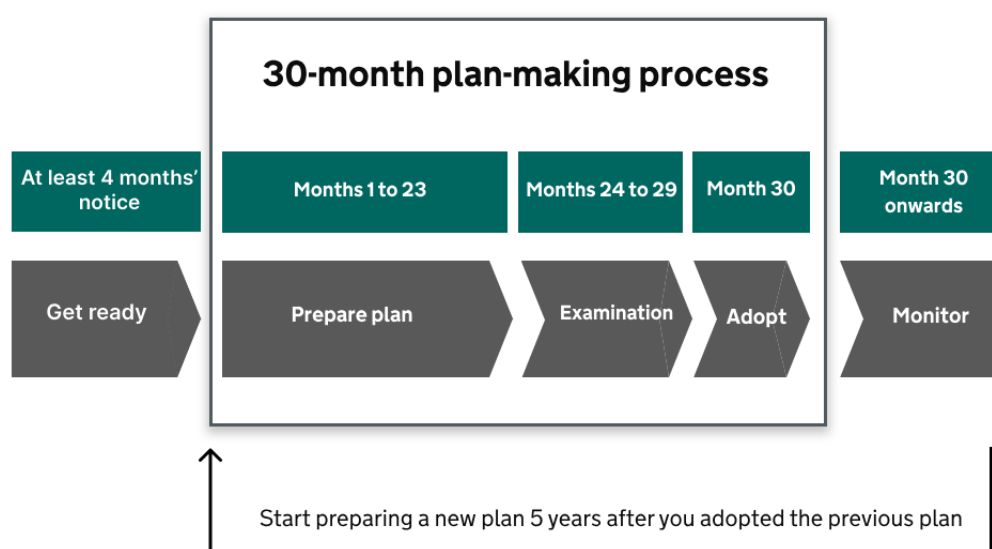
2.14 Officers have therefore considered whether the Council should cease work on the legacy Local Plan and move to the new Local Plan system.

The New Local Plan System

- 2.15 Since 2022, the Government has been progressing major reforms to the plan-making system through the Levelling-up and Regeneration Act 2023. These reforms have been supported by revised Planning Practice Guidance and a draft National Planning Policy Framework (NPPF), which was published for consultation in December 2025. The revised NPPF is expected to be published in summer 2026. It is expected that the revised NPPF will contain detailed Development Management Policies meaning that a new style Local Plan can focus on where growth should go.
- 2.16 The reforms are the most significant change to plan-making in England since the Localism Act 2011. They change how Local Plans are prepared, assessed, examined and kept up to date.

Gateway-Based Plan Making

- 2.17 Under the new system, Local Plan preparation is intended to be faster and more structured, with a defined 30-month timetable. It replaces the previous Issues and Options, Preferred Options, Draft Plan and Submission stages, which had no fixed timeframe. The new gateway approach introduces three statutory checkpoints that plans must pass to progress.



This diagram illustrates the main stages and timings in the 30-month process.

Minimum preparatory period (Gateway 1 – readiness confirmation)

- 2.18 If the Council does not submit under the legacy system, it must give notice of commencement by December 2026 and publish the Gateway 1 Self-Assessment by 30 April 2027. Publication starts the 30-month plan-making period and confirms that the necessary processes and early activity are in place.

2.19 MHCLG has advised on certain tasks that the Council must complete as well as some that are recommended to have start early. These include:

- Confirm if the Council needs to carry out a Strategic Environmental Assessment (SEA)
- Publish a local plan timetable setting out the key stages, consultation points and is realistic and deliverable within 30 months.
- Decide on the project management arrangements. To do this, MHCLG has provided a template for a Project Initiation Document (PID)
- Run an early scoping consultation to invite early engagement. This includes initial engagement to inform the emerging vision, identify key issues, and support early thinking on development needs, site opportunities and constraints, rather than consultation on fixed proposals.
- Gather Baseline information. This will involve reviewing the existing draft evidence base for the legacy local plan establishing what additional information will be required to move to the new system. It is anticipated that there will be a need to update evidence e.g. if new sites are identified however it is not expected that evidence will need to be collected from scratch.
- Carry out the self-assessment for Gateway 1 to confirm that the Council is ready to start the 30-month plan-making process.

2.20 As part of this process, the Council could address housing land supply concerns by undertaking a fresh call for sites before passing Gateway 1. The outcome would inform the evidence base and the spatial options for future development.

2.21 Gateway 1 confirms that the authority is ready to begin formal plan making, with the right foundations in place to make effective use of the 30-month timetable. It is a checkpoint on preparedness and direction, not a decision-making stage on the substance of the plan.

Months 1–23: Prepare the Plan

2.22 After Gateway 1, the 30-month timetable begins. Months 1–23 form the main plan preparation period. During this stage, the authority develops the plan's vision and outcomes, prepares and refines the spatial strategy, and drafts strategic and non-strategic policies and allocations. This work is iterative and is informed by evidence, engagement and environmental assessment.

During the initial period the following are the main activities:

- Publish the summary of the scoping consultation. This will include a summary of the main issues raised in any responses received and how we have taken these responses into account.

- Continue to develop and refine the plan's vision including looking ahead at longer term goals and aspirations for the community and local area.
 - A proportionate evidence base is prepared and refined throughout this period, covering development needs, land availability, infrastructure, deliverability and viability.
 - SEA work is integrated alongside plan development to assess environmental effects as choices are made.
 - Work with stakeholders to address issues including any cross-boundary issues
 - Prepare draft planning policies.
- 2.23 During months 1–23, it is advised that the Council completes **Gateway 2**; this is an early checkpoint with the Planning Inspectorate. The exact timing is still to be determined. It should take place once enough work has been completed for the assessor to provide meaningful advice on soundness and progress against the prescribed requirements, but early enough for that advice to be reflected in the final draft plan. There is a requirement to consult on the draft local plan during the initial 23-month period.
- 2.24 Gateway 2 is advisory and does not prevent the plan from progressing. Its purpose is to identify potential soundness issues early and help the authority address them before submission.
- 2.25 A Planning Inspectorate assessor reviews the emerging plan, discusses key issues with the authority, and provides written observations and advice, which must be published. The authority must then take this advice into account when refining the draft Local Plan before consultation and progression to Gateway 3.
- 2.26 **Gateway 3** is the final checkpoint and confirms whether the Local Plan is ready for independent examination. At this stage, the authority submits the finalised plan and supporting documents to the Planning Inspectorate. The Inspectorate considers whether the plan has been prepared in line with the new system, including whether Gateway 2 issues have been addressed and consultation has been effective.
- 2.27 A successful Gateway 3 outcome authorises submission of the plan for examination and provides confidence that it is sound, deliverable and legally compliant enough to proceed. However, Gateway 3 is also a review point. If further work is needed before submission, this could extend the 30-month programme.

Months 24–29: Submission and examination

- 2.28 Months 24–29 cover submission of the Local Plan, following Gateway 3, and the examination itself. The examination will consider whether the plan is sound, meaning that it meets the tests of soundness set out in the National Planning Policy Framework.
- 2.29 If the Inspector concludes that further work is needed to make the plan sound, the examination could be paused for up to six months. The Inspector may also recommend modifications, which may require consultation and extend the timetable. These risks also exist under the current system. The gateway process is intended to reduce them by identifying issues earlier, so they can be addressed before examination.

Month 30 – Adopt Plan

- 2.30 Once the Inspector's conclusions are received, the authority may adopt the plan, including any modifications needed to make it sound. Full Council approval is required for adoption.

3. Key Considerations

- 3.1 The new plan-making system is being introduced alongside transitional arrangements. The key issue for SKDC is to choose the route that gives the Council the best chance of producing a sound, up-to-date and durable Local Plan, while managing risk and complying with emerging national requirements.
- 3.2 The transitional arrangements allow advanced Local Plans prepared under the existing system to continue only if they are submitted by December 2026. This deadline cannot be extended.
- 3.3 As set out in this report, the Council is unlikely to be able to submit a sound Local Plan with confidence by that deadline. The deadline has been set nationally to support the transition to the new system and does not align with South Kesteven's current plan-making programme. There is therefore no realistic route to continue the legacy plan beyond December 2026.
- 3.4 Not preparing a Local Plan is not a viable option and could lead to Ministerial intervention. The practical and lower-risk option is therefore to stop work on the legacy Local Plan and begin preparing a new Local Plan under the new statutory system.
- 3.5 In accordance with the most recent Local Development Scheme (LDS), it was anticipated that if a legacy Local Plan was submitted by the December 2026 deadline that, if found sound, it would be adopted by the end 2027 at the earliest. This would assume that the examination took a year to complete and that there were no significant modifications required in order to find the Plan sound. An

indicative timeline for the preparation of a new style Local Plan has been provided in **Appendix 1** to this report. This timeline requires finessing and upon review of the existing evidence may be shortened. Whilst moving to the new system would extend the timeline for adopting a New Local Plan, it reduces the risk of the plan being found unsound.

- 3.6 Cabinet is therefore asked to agree that work on the existing legacy Local Plan ceases and that the Council starts preparing a new plan under the new system.
- 3.7 The work needed before Gateway 1 is set out earlier in this report. Cabinet is asked to delegate authority for this preparatory work so that Gateway 1 can be completed after the minimum four-month preparation period following formal notification of commencement. This would allow the 30-month plan-making timetable to begin as soon as possible.
- 3.8 The reputational risk of progressing a Local Plan that is likely to be found unsound would be significant. An orderly transition to the new Local Plan system would reduce that risk and provide a clearer route to adoption.

4. Other Options Considered

- 4.1 As outlined above, potential to apply faster build out rates, higher densities to achieve higher overall numbers has been considered and rejected.
- 4.2 Officers have in confidence consulted with MHCLG, Planning Advisory Service and the Planning Inspectorate. The common response has been to be understanding of our position and open to our proposed change in Local Plan approach. MHCLG officers have asked to be kept advised of Cabinet's decision.
- 4.3 Officers have reviewed how the Council should respond to the new plan-making system and draft guidance. Two options have been considered:

Option 1 - Continue under current regulations and submit by December 2026

- If the submission deadline is missed, or the plan is found unsound, the Council would need to restart plan preparation under the new system. This would make much of the work already undertaken abortive and create reputational risk for SKDC.
- It is no longer realistic to complete the evidence base and draft Regulation 19 Local Plan in time for consultation in September 2026. This option is therefore not feasible.

Option 2 - Transition now to the new plan-making system (Recommended)

- This would provide clarity and certainty. A single statutory pathway, with defined gateways, would reduce risk and establish clear expectations.

- It would make best use of existing work. Existing options, plan content and evidence could be developed further and redirected to address the need for additional sites to support the Council's housing supply.
- At the time of writing, the shape of Local Government Reorganisation and its implications for the Local Plan process are unknown. The indicative Local Plan timetable therefore reflects the need to consult neighbouring authorities to maximise alignment on timescales and boundaries before final timelines are confirmed.

5. Reasons for the Recommendations

- 5.1 Continuing work on the existing legacy Local Plan to its current timetable would involve abortive work and most likely fail to deliver a Local Plan capable of meeting tests of soundness. Option 1 has therefore been discounted as it carries the greatest risk to the Council.
- 5.2 Option 2 is the preferred option.

6. Consultation

- 6.1 Officers have in confidence consulted with MHCLG, Planning Advisory Service and the Planning Inspectorate. The common response has been to be understanding of our position and open to our proposed change in Local Plan approach. MHCLG officers have asked to be kept advised of Cabinet's decision.

7. Appendices

- 7.1 Indicative New Local Plan Timetable

8. Background Documents

- 8.1 Local Development Scheme 2026-2029 ([Local Development Scheme 2026 - 2029.pdf](#))