



Local Plan Grant

Report Author

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Purpose of Report

To endorse the acceptance of a Local Plan Grant from the Ministry for Housing, Communities and Local Government (MHCLG) and to approve the creation of the appropriate revenue budget to enable the grant to be allocated and spent.

Recommendations

Cabinet is asked to:

- 1. Endorse the acceptance of the Local Plan grant funding of £227,962.50 Local Plan Grant from the Ministry of Housing, Communities and Local Government.**
- 2. Delegate authority to the Deputy Chief Executive and s151 Officer to establish the appropriate revenue budgets to enable the Local Plan funding to be allocated in accordance with the grant conditions.**

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Does the report contain any exempt or confidential information not for publication?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 Council has been awarded funds to support the delivery of the Local Plan. The funds (£227,962.50) are ringfenced to be spent on the preparation of the Local Plan, and the budgets will be amended to reflect this. The spending plan may cross over financial years and where required, funding will be formally carried forward as part of the revenue outturn process.

Completed by: David Scott – Assistant Director of Finance and Deputy s151 Officer.

Legal and Governance

- 1.2 The Council has power to accept grant funding under section 1 of the Localism Act 2011.
- 1.3 Acceptance and use of the grant must be applied solely for lawful planning purposes and in accordance with grant conditions.
- 1.4 As the grant exceeds the threshold for a key decision, the authority to accept the funds lies with Cabinet.
- 1.5 The creation of a budget line to allocate and spend the grant must comply with the Council's Financial Regulations (and other relevant provisions of the Constitution) and the statutory duties of the Section 151 Officer. Proper financial controls monitoring and audit arrangements must be in place.
- 1.6 Provided that the grant conditions are capable of being complied with and appropriate governance arrangements are in place, it is not thought there are any substantive concerns with Cabinet endorsing acceptance of the funding and approving the creation of the associated budget.

Completed by: Graham Kitchen, Director of Law and Governance (Monitoring Officer)

2. Background to the Report

- 2.1 Delivering the Council's Local Plan Review is an ambition identified in the Council's Corporate Plan 2024-2027. The Local Plan sets out the Council's

strategic planning policies and identifies land to ensure sustainable growth including the delivery of housing and employment opportunities.

- 2.2 There have been many changes in recent years to the planning system including a significant increase in the amount of housing growth the Council is expected to plan for. The Government, in December 2024, increased housing requirements for Local Authorities across the country. The housing requirements for South Kesteven increased from approximately 650 dwellings per annum to 895 dwellings per annum. As a result, the Council has had to review its local plan housing allocations to ensure that this increased housing need can be properly planned for.
- 2.3 Following the changes to the housing requirements, the Government announced funding to support local authorities with local plan delivery for those Councils that were at the Regulation 19 stage of Local Plan preparation. South Kesteven was not at this stage so was not eligible for any funding at that time.
- 2.4 The Government subsequently announced further funding for local authorities with local plan delivery for where the local plan was at Regulation 18 stage; this was the stage that South Kesteven was at. The purpose of the funding was to ensure that local authorities are well-equipped to support and implement the changes in the National Planning Policy Framework (NPPF). These changes included a significant uplift in the minimum housing requirements for South Kesteven from 650 dwellings per year to 895 dwellings per year.
- 2.5 The change to the Council's housing need requirements has meant that the Council has had to carry out additional work to identify additional housing sites in order to meet the Council's housing needs. This has also meant that an additional consultation at the Regulation 18 stage was required; this took place in Summer 2025. This has also resulted in additional cost to the Council because the evidence base for the Local Plan has had to be reviewed with additional work commissioned.
- 2.6 A total of 85 local authorities at Regulation 18 stage were awarded a share of £19,376,812. There was no requirement to submit an expression of interest or to agree to a Memorandum of Understanding (MOU) around how the fund was to be spent however it will need to be ring-fenced for the Local Plan preparation work.
- 2.7 South Kesteven was awarded a total of £227,962.50. This funding is to support the additional work that is necessary as a result of the additional housing requirements and other changes to national planning policy.
- 2.8 Whilst there was no requirement to sign an MOU, the Government is monitoring how local authorities are using the funding and the Council will complete the questionnaires as required.

2.9 The grant has been provided to support local authorities with the additional costs associated with progressing local plans under the current regulations. It is anticipated that the funds will be used to fund the following activities:

- Project management support
- Additional work relating to the Sustainability Appraisal and Habitats Regulations Assessments (associated with the additional housing sites)
- Water cycle study (additional work due to new housing sites)
- Infrastructure delivery plan (additional work due to the new housing sites)
- Landscape sensitivity assessment and associated landscape evidence
- Additional highways modelling work

3. Key Considerations

3.1. The Council will need to carry out the additional work associated with the Local Plan preparation. The funding will therefore financially support the Council with this process.

4. Other Options Considered

4.1 Whilst the Council could return the funds to government, the additional work still needs to be carried out, and this would place additional pressures on the Council's budgets; this option has therefore been discounted.

5. Reasons for the Recommendations

5.1. The work will need to be carried out regardless of whether or not the Council uses the funding. By using the funding and not returning it to government, this will lessen the burden on the Council's own budgets.