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## REPORT TO THE CORPORATE JOINT COMMITTEE

19th September, 2025

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**TITLE:** ISSUES AND OPTIONS RELATING TO THE FUNDING OF THE PRODUCTION OF THE STRATEGIC DEVELOPMENT PLAN

**AUTHOR:** Alwen Williams, Chief Executive  
Andy Roberts, Regional Strategic Planning Officer

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### 1. PURPOSE OF THE REPORT

- 1.1. This report provides information for the Corporate Joint Committee relating to the matter of funding the production of the Strategic Development Plan (SDP). This is part of the CJC's statutory duty to prepare the SDP, and the report identifies the costs of production, the present budget provision, and the level required to meet the full costs, including options to mitigate costs.

### 2. DECISION SOUGHT

- 2.1. To consider the funding issues and options set out in the attached briefing note **Appendix 1**, and to consider all options to fund the SDP as part of the budget setting process, including making further representations to Welsh Government.

### 3. REASON FOR THE DECISION

- 3.1. To ensure that the Corporate Joint Committee is made fully aware of the funding issues and options relating to the SDP to inform the budget setting process for 2026/27 and future years.

### 4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The Corporate Joint Committee considered the issue of funding for the SDP at its meeting held on Friday, 18<sup>th</sup> July 2025, as part of agreeing the draft Delivery Agreement to go out for consultation. This report presents a more detailed appraisal on the issues and options available to fully fund the SDP.
- 4.2. The attached briefing note (**Appendix 1**) provides a full breakdown of the estimated overall cost of producing the SDP, resulting from detailed work carried out by the North Wales Planning Officers in 2021. Allowing for price increases since that work was done, the overall cost of producing the SDP is assessed to be £3.276m.
- 4.3. The other CJs in Wales have made similar estimates, ranging from the figure above to £4m in one case, and concerns about funding the level of costs involved is the subject of a draft letter under consideration from CJC Chairs that is intended to go to Welsh Ministers.

- 4.4. The SDP Regulations clearly set out that the production of an SDP is a statutory duty for the CJC, and implicit with that is the responsibility to meet the full costs of doing so. Apart from some early modest start-up grant funding, there is no identified long-term funding for the SDP from Welsh Government, unlike a published commitment to support Regional Transport Plan work. As things stand, it is therefore up to the CJC to meet the full costs of the SDP.
- 4.5. Through prudent budgeting, the CJC has already made provision for, and funded early work on the SDP evidence base, alongside parallel work for the RTP. The 2025/26 CJC budget allocates a budget of £0.431m for SDP work, mostly comprising early salary costs for CJC staff, and an allocation for consultancy support. The constituent Local Authorities in the North Wales region and the National Park Authority, currently meet these budget costs via contributions to the CJC, apportioned based on population size.
- 4.6. From a resource's perspective, the CJC has engaged a lead officer internally to co-ordinate progress and to date:
- A draft Delivery Agreement has been produced and has been consulted on (subject of a separate report on this agenda).
  - Early consultancy support work has been scoped and is being costed at present.
  - The Strategic Planning Sub-Committee has been convened with a Chair and Vice-Chair elected and has met on a number of occasions.
  - A review of the budget position and funding requirements for the SDP has been undertaken.
  - In terms of the budget position, the Delivery Agreement has set out a five-year SDP plan production programme, 2026-2031, with an overall estimated cost of £3.276m.
- 4.7. Taking the current 2025/26 budget allocation for SDP (£0.431m) and projecting it forward over the five-year SDP programme from 2026, would provide a total budget of £2.158m.
- 4.8. The Strategic Planning Sub-Committee considered the SDP Funding Report at its meeting held on 4th September, 2025 and resolved to recommend to the Corporate Joint Committee that the funding of the SDP is considered as part of the budget setting process for 2026/27 onwards. In doing so, there was a consistent concern expressed in relation to the funding of the SDP and the potential impacts that this may have on Local Authority budgets.

## **5. MEETING THE FULL SDP COSTS**

- 5.1. Compared to the estimated total cost of the SDP (£3.276m) this leaves a potential budget shortfall of c£1.1m over the five-year programme, or £0.223m per year. This represents an average annual additional requirement of £32k per Local Authority each year for the five-year programme (over and above current SDP contributions), although this will vary when apportioned by population size. NB: the average contribution to the SDP in the 2025/26 budget was £61.6k. - so an increase of c.50% of the present contribution is required. It is only relevant for Members to note that as part of the calculations made by North Wales Chief Planning Officers in 2021, higher average and/or apportioned costs to local authorities were identified, than the above figures.

- 5.2. Whilst the CJC has reached a significant first milestone with the SDP in producing and consulting on the Delivery Agreement, it will not be able to formally submit the Delivery Agreement to Welsh Government for approval until it can demonstrate how it will meet all the SDP production costs. It can only do this via the 2026/27 budget setting process by demonstrating that it has set a proportionate budget to meet the year 1 costs fully, and then to provide a commitment statement to match that provision for the remaining four years of plan production.
- 5.3. The CJC has several options available to it to mitigate the budget shortfall:
- Secure an in-year (2025/26) one off grant of up to £200k that Welsh Government are currently offering, which is performance related, which would depend on the CJC approving a draft Delivery Agreement post –consultation (Sept 2025 CJC Target for DA sign off - £100k), and formal submission within this financial year (i.e. before 31<sup>st</sup> March, 2026 - £100k). The latter depends on setting a full budget as per paragraph 5.2 above.
  - Increasing the Local Authority levy for SDP in the 2026/27 financial year and making a commitment to maintain that level for a further four years.
  - Explore use of balances or reserves from previous prudent budgeting.
  - Further dialogue with Welsh Government (e.g. Chairs letter).
  - Collaborative working with local authorities that may allow salary savings to be made and used to reduce contributions in year.
  - Maximise cost-effective consultancy support.
  - Efficient interpretation of SDP Regulations to speed up plan production and reduce overall costs.
- 5.4. Ultimately, the CJC must demonstrate it can fund the production of the SDP and until it can do so, it cannot submit the DA for formal approval or make any further progress with the plan production.

## **6. NEXT STEPS**

- 6.1. Members are asked to consider and endorse the issues and options paper attached to this report and that the need to meet the costs of the SDP is factored into the budget setting process for 2026/27 onwards.

## **7. FINANCIAL IMPLICATIONS**

- 7.1. Costs will be drawn from the existing North Wales CJC budget with the necessary support from the CJC's Legal and Finance teams. The CJC will also seek to secure further funding support from the Welsh Government and explore all other relevant funding options. In terms of the present CJC budget for 2025/26 relating to the SDP, this budget would need to be increased by 50% of the current level annually, over the 2026-2031 plan production period, to meet the full costs of the SDP.

## **8. LEGAL IMPLICATIONS**

- 8.1. The Corporate Joint Committee has a statutory duty to prepare a Strategic Development Plan further to the Planning and Compulsory Purchase Act 2004 (as amended). The specific requirements and steps to produce a Strategic Development Plan are set out in The Town and Country Planning (Strategic Development Plan) (Wales) Regulations 2021.

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## APPENDICES:

### Appendix 1: SDP Funding Issues and Options Briefing Note

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## STATUTORY OFFICERS RESPONSE:

### i. Monitoring Officer:

“The report underlines the issue of funding of the Plan process and the need for the CJC to ensure resolution of this issue as a pre-condition for the submission of the Agreement to Welsh Government. The report also sets out the key issues which are still outstanding and will need to be considered by the CJC as part of its overall position on the budget and approaches to Welsh Government.”

### ii. Statutory Finance Officer:

“Setting the strategic planning budget is a decision made as part of the overall budget-setting process for the Corporate Joint Committee, as is its apportionment among the constituent councils and the national park authority. Budgeting is an iterative process, and the estimated costs of delivering the Strategic Development Plan over the next five years is under continuous consideration, whilst the estimates provided by the North Wales Planning Officers is a useful and informed basis to undertake the work.

Although paragraph 4.7 of the report and the tables in the appendix demonstrate a shortfall should the budget allocation for the Strategic Development Plan remain static over the five-year period of the programme, this has not yet been agreed by the Corporate Joint Committee. The budget for 2026/27 will be set in January 2026.

The options in paragraph 5.3 can be summarised as increasing income, reducing costs, or a combination of both. The Corporate Joint Committee has no tax raising powers therefore the only increase in income it can expect would be additional Welsh Government grants or an increase in the levy charged on the six constituent councils and Eryri National Park Authority. Welsh Government is unlikely to offer additional funding unless representation is made by the Corporate Joint Committees for an additional contribution.”