

 <b>Executive 3<sup>rd</sup> December 2008</b>		<b>Agenda Item No.</b>
<b>Title :</b>	Housing and Planning Delivery Grant Award	
<b>For further information about this report please contact</b>	John Archer	
<b>Service Area</b>	Planning	
<b>Wards of the District directly affected</b>	all	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	no	
<b>Date and meeting when issue was last considered and relevant minute number</b>	October 2007	
<b>Background Papers</b>	Report to Executive October 07	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <u>must</u> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Relevant Director	12/11/2008	Bill Hunt
Chief Executive	13/11/2008	Chris Elliott
CMT		
Section 151 Officer	12/11/2008	Mary Hawkins
Legal	12/11/08	Peter Oliver
Finance	12/11/2008	Mike Snow
Portfolio Holder(s)	17/11/2008	Councillor John Hammon
<b>Consultation Undertaken</b>		
Please insert details of any consultation undertaken with regard to this report.		
none		
<b>Final Decision?</b>	Yes	
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1. SUMMARY**

The report sets out the award of Housing and Planning Delivery Grant from Government for this year and the manner in which it is proposed to be allocated.

## **2. RECOMMENDATION:**

- 2.1 That the Executive notes the award of £271,683 HPDG for 08/09 and;
- 2.2 Approves the use of HPDG primarily to free up savings on established planning posts,
- 2.3 Approves the allocation as set out in appendix A, subject to a review of continuing Development Control staffing and admin support costs, and
- 2.4 Receives a further report in the event that savings can be delivered

## **3 REASONS FOR THE RECOMMENDATION**

- 3.1 The allocation of the grant as proposed will enable the continuation of planning staff posts originally created as a result of earlier PDG funding. The posts were subsequently incorporated into the establishment and provided for in future years from normal revenue budgets in case of cessation of the PDG system. Now that a further award has been made, it is possible to undertake HPDG funding of these posts again, thus creating a total saving of £153,000 from revenue budgets in 08/09 and 09/10.
- 3.2 At the same time, it will be necessary to look to continued efficiency of operation and the allocation is proposed subject to examination of the prospect of the potential for savings being made in the delivery of the Development Control Service. A further report on this will be made in due course

## **4. ALTERNATIVE OPTION CONSIDERED**

- 4.1 There are no realistic alternatives which will provide support to the Planning Service to maintain the level of service required. This has been the approach adopted through previous allocations of PDG and it has enabled the Service to perform at high levels.

The allocation proposed will maintain the ability of the Planning Service to respond to the new planning system, which requires an increasing commitment to extensive working with a wide range of partners, stakeholders and consultees. Provision of a Local Development Framework sufficiently robust to secure the planning policy aspirations of the Council is now very resource demanding. Without a sufficient high quality and committed staff resource, it will be difficult to provide the planning policy framework that Council will require as we go forward over the next few years.

## **5. BUDGETARY FRAMEWORK**

- 5.1 The allocations of funding have all been made within the existing financial framework. It does not have any budgetary consequences other than to create the opportunity for savings from normal revenue budgets

## **6. POLICY FRAMEWORK**

The allocation is made within the existing policy framework of the Council and is consistent with the approach undertaken to PDG in previous years by Executive

## **7. BACKGROUND**

- 7.1 In 2003 Government set up the Planning Development Grant System. Its purpose was to provide funding to Local Planning Authorities in recognition of the serious resourcing issue that existed nationally in response to the responsibilities placed upon such services by Government requirements and levels of activity.

Since 2003/04 to the present year the grant has largely been based on development control performance. Though there have been variations year on year in the way in which PDG has been calculated, with greater emphasis placed on IT systems in one year the fundamental driver from an LA perspective has been the delivery of planning permissions against the performance indicators for major, household and other applications. This Council has always secured a good award through this system although it has varied year on year as a result of the difference in the annual overall pot size between individual years, the relative performance of other authorities and the variation in the calculation methodologies.

In the first few years PDG was utilized wholly for revenue funding. For the last two years 25% has had to be allocated to capital with a balance of 75% to revenue funding, and this year, the balance 67.5%/32.5% as set out above. The revenue funding has almost all been concentrated on securing staffing resources. The PDG has enabled us to bring staff in place to deal with major planning workload commitments. In order to ensure that staff of sufficient calibre were able to be recruited, it was also agreed by Executive in 06/07 that four posts fully funded by PDG would be re-categorized as established posts. These were as follows:

2 x Planning Officer posts in the Policy, Projects and Conservation team  
1 x Planning Officer post in the Development Control Area teams  
1 x part-time Enforcement Officer

In distributing the allocation for each year the funds have been spread across a number of years ahead in order to minimize potential impact on revenue budgets. The money is not ring fenced to specific years and can be satisfactorily utilized in this way.

Starting from this year Government has changed the title of this grant system to the Housing & Planning Delivery Grant. Its purpose is outlined in the 2007 Housing Green Paper as follows:

*“The overall aim of HPDG is to incentivize LAs to improve delivery of housing and other planning outcome. As set out in last years Housing Green*

*Paper 'Homes for the future - more affordable - more sustainable' it supports the delivery of the new national target of delivering 240,000 new homes per year by 2016."*

Although the methodology of deriving and awarding grant has now been amended, the underlying purpose is still to ensure that the Planning Services of the Local Planning Authorities can deliver as the Government requires. The letter accompanying the present award of HPDG states:

*"HPDG offers significant additional funding to enable LAs to improve their planning resources and services"*

The full award for 2008/9 is £271,683. This year, the split between capital and revenue is required to be 32.5%/67.5%. The 32.5% capital element will be earmarked for developments associated with IT which leaves £183,300 to be allocated for revenue purposes.

It is proposed that this funding is utilised as in previous years; i.e. targeted primarily at securing and maintaining existing staff resources in post. The advantage of this approach is that it will free up revenue resources that were otherwise allocated to planning establishment staff.

The schedule attached at Appendix A illustrates the allocation in 08/09 agreed by Executive last year. It also proposes an amendment to that allocation to take account of changing circumstances.

The schedule also proposes an allocation of the new funds from this year's HPDG award. This is highlighted in **bold**. The approach concentrates on maintaining staff in post throughout the three years 08/09, 09/10 and 10/11. It will, however, require a further award of HPDG funding from next year in order to ensure that there is sufficient funding in place to maintain existing staff in 10/11 without drawing on revenue funding or undertaking other corrective action.

The Appendix is constructed as follows:

### **Column 1**

This sets out the 08/09 allocation of funding as approved by Executive last October.

### **Column 2**

This sets out the suggested revisions to this allocation taking into account changes during the course of the year, for example the departure of the post holder in the TPO resurvey post which has provided the opportunity to reallocate funding to an extension of the temporary part-time Enforcement Officer post. These adjustments do not alter the amount of the 08/09 original allocation.

### **Column 3**

This sets out the current allocation for 09/10, i.e. the forward funding from the previous year's grant approved by Executive in October last year. This remains the same.

#### **Column 4**

This sets out additional allocations to be made in the current financial year from the new award of HPDG (given in **bold**). This continues admin staff support as agreed in previous years. The necessity for this can be reviewed in the early part of 2009 following the introduction of the new Planning IT system which will provide an opportunity to assess support staff requirements. In the meantime, a provisional allocation will be appropriate.

The allocation for this year also includes a small contingency of £4,500

#### **Column 5**

This shows the proposed additional allocation of funding from the new HPDG for 09/10 to add to that already allocated from existing PDG. The purpose of this is to reflect salary inflation and allow continuation of increased hours to a part time Enforcement Officer post and allow a continuation of a further temporary Enforcement Officer post until September next year. It also allocates a sum to enable the second PPC post to be funded through 09/10 as well as the PPC post 1.

#### **Column 6**

This shows the allocation for 10/11. 2 allocations are made to extend existing posts to continue the principle of supporting staff in post. HPDG cannot cover all posts in this year, but if a successful award is achieved next year, it is anticipated that it could be utilised for supporting posts this year, and beyond, thus avoiding a call on the revenue budgets

#### **Revenue Effect**

The effect of this proposed allocation will be to reduce the draw on normal revenue budgets. At the time of incorporating the 4 permanent posts referred to above in the establishment, their funding from PDG was limited to the funding available at that time. The balance for succeeding years was incorporated within the normal budget requirements. If the new award funds these posts for future years as proposed, there will be a consequent saving from revenue budgets as follows:

08/09	£34,000
09/10	£119,000
Total	£153,000

For 10/11, there will still be a requirement for revenue funding. At present, this is budgeted at £57,000. This will need to increase to £124,000 for 2011/12 as some posts will be HPDG funded in 2010/1. .