

# REPORT TO THE OVERVIEW & SCRUTINY COMMITTEE

Report No.7

Date of Meeting	January 25 <sup>th</sup> 2007
Title of Report	Overview & Scrutiny Task Group Outcomes
Link to Corporate Priorities	Spatial Plans, Customer Focus, Housing, & Buoyant Economy
Public Report	Yes

## Summary of Report

At the meeting on 30<sup>th</sup> November 2006 the Overview & Scrutiny Committee agreed to establish a Scrutiny Task Group to consider aspects of Planning Services, including a review of the major planning application process, the value of Section 106 Agreements and the future of the Planning Delivery Grant.

A meeting was held on December 19<sup>th</sup> 2006. In relation to the major application process including 106 Agreements, it was agreed that Officers would produce a protocol detailing the whole process, to create more certainty and value for all concerned. This report will be referred to the Overview & Scrutiny Committee on March 29<sup>th</sup> 2007 and then the Development Control Committee on April 25<sup>th</sup> 2007.

In relation to the Planning Delivery Grant, the Task Group resolved that the issues should be reported back to this Committee, for Members to note.

## Officer Recommendations

To note the outcome of the Planning Scrutiny Task Group held on December 19<sup>th</sup> 2006 and note the uncertain future of the Planning Delivery Grant.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
YES	NONE	NONE	NONE	NONE

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## **1. Introduction**

- 1.1 This report relates to the outcomes agreed by the Overview & Scrutiny Task Group which met on December 19<sup>th</sup> 2006.

## **2. Options and Options Appraisal**

- 2.1 Option 1:  
To endorse the conclusions of the Task Group
- 2.2 Option 2:  
To endorse the conclusions of the Task Group, with revisions
- 2.3 Option 3:  
To instruct Officers not to proceed with a protocol for the major application and 106 process.

## **3. Background Information**

- 3.1 At its meeting on 19<sup>th</sup> October 2006, the Committee resolved that a Planning Task Group be set up to consider the financial implications of the Planning Delivery Grant and Section 106 Legal Agreements.
- 3.2 The terms of reference for the Task Group were agreed at the meeting of the Overview & Scrutiny Committee and included:
- To review the current major applications process
  - To improve the value of Section 106 Agreements to the Council
  - To consider the future direction of the Planning Delivery Grant
  - To recommend lines of action
- 3.3 The Task Group met on December 19<sup>th</sup> 2006 and considered various information, including the views of some other Members from a survey.
- 3.4 In relation to the major application process including 106 Agreements, it was agreed that Officers would produce a protocol detailing the whole process, to create more certainty and value for all concerned. This report will be referred to the Overview & Scrutiny Committee on March 29<sup>th</sup> 2007 and the Development Control Committee on April 25<sup>th</sup> 2007.
- 3.5 Members were given a review of the risks of the Planning Delivery Grant and it was resolved that this Committee should be reminded of the facts and note the future uncertainty of the grant.

## **4. The Planning Delivery Grant**

- 4.1 The grant was introduced in 2003 to encourage Authorities to improve their performance, particularly in relation to the speed of decisions on planning applications.
- 4.2 This Authority have been extremely successful and this has resulted in the following grants:

1	2002 - 03	£123,305
2	2003 - 04	£680,000
3	2004 - 05	£772,160

4	2005 - 06	£319,769
5	2006 - 07	£48,000 (1 <sup>st</sup> Tranche)
	<b>Total</b>	<b>£1,943,234</b>

- 4.3 The grant has been used to fund various projects over different business areas and these are detailed at Appendix 1
- 4.4 The future of the Planning Delivery Grant is very uncertain. It has not yet been decided by the Government to extend the grant beyond 2007/2008. However, it is currently looking at the possibility of extending the period of the grant, but with a vastly different set of criteria, which look set to disadvantage Authorities, which are not housing growth areas, such as North Wiltshire.
- 4.5 There is also the possibility that the Government will either substantially increase fees for applications to recover more of the cost, or allow Local Authorities to set their own charges.
- 4.6 The only certainty at the present time is that this Authority have received £48,774 in the first tranche of the Grant payable for the year 2007/08. The second tranche of the 07/08 Grant will be announced in June 2007.

## **5 Financial Implications**

- 5.1 The Development Control and Customer Focus Teams have, since 2003/2004, relied upon the receipt of £250,000 per annum from the Planning Delivery Grant, to finance the base budget in Planning Services. A total of £125,000 was originally used to create new posts and re-organise the staff structure in Planning Services, but the sum to be added to the base budget was doubled at the time, on the expectation that the Planning Delivery Grant would produce considerable sums of money, which could further underpin the base budget. It was also expected that over time, the fee income received from Development Control would cover the additional £250,000. However, the £250,000 has never been subsumed into the base budget year on year, to reduce the reliance on receiving funding from the Planning Delivery Grant.
- 5.2 At the present time, the Planning Delivery Grant is only payable until 2007/2008 and the overall sum of money available to all Local Authorities, is reduced from previous years. It was always anticipated that this, together with a change in the criteria for payment of the grant, would result in this Authority receiving less in total grant in the year 2007/2008.
- 5.3 It is anticipated that assuming Planning Services can maintain the current levels of performance, the total grant received for the year 2007/2008, will be a minimum of £150,000 (£48,774 - 1<sup>st</sup> Tranche payment announced December 2006 plus 2<sup>nd</sup> payment in June of a minimum of £100,000). This prediction is based on the fact that the overall sum of money available from the Government in the first allocation was £14.5 million compared to the second allocation of £43.6 million, although it must be acknowledged that the criteria are widened in the second allocation.
- 5.4 Although the base budget has not been increased for the financial year 2007/2008, the shortfall in potential income from the receipt of monies from the Planning Delivery Grant is to be treated as a budget pressure and will be reviewed as the year progresses.
- 5.5 In relation to future years, on the assumption that the Planning Delivery Grant is phased out and that Members do not require a reduction in the current level of

service in Planning Services , it is suggested that the shortfall in the base budget, is funded from the anticipated additional fee income, generated by the expected increase in planning fees by the Government.

## Risk Analysis

*6.1 Option 1 Failure to endorse the actions could affect the programme for the production of the protocol*

*6.2 Option 2 Revisions may extend the period for production of the protocol*

*6.3 Option 3 Without a protocol there will still be criticism from various parties that the process does not provide certainty and value for money*

<b>Appendices:</b>	<ul style="list-style-type: none"> <li>• <b>1- PDG Payment Tranches</b></li> </ul>
<b>Background Documents Used in the Preparation of this Report:</b>	<ul style="list-style-type: none"> <li>• <b>None</b></li> </ul>

## Previous Decisions Connected with this Report

<b>Report</b>	<b>Committee &amp; Date</b>	<b>Minute Reference</b>
<b>None</b>		