



Development Control Action Plan Reserve

SUMMARY

- 1.1 This report sets out proposals for the use of planning delivery grant – PDG - and the development control – DC - action plan reserve.
- 1.2 The Council receive planning delivery grant from the Department for Communities and Local Government - DCLG. This grant is allocated on the basis of planning performance in order to provide an incentive for authorities to meet or exceed key performance targets for planning.
- 1.3 Planning delivery grant which has not been spent in previous years has been retained in an earmarked reserve. During 2007/08 the Council will receive an allocation of PDG of £284,415 which when added to the reserve will increase the balance available to £849,727.
- 1.4 Investment has previously been made in the staffing and resources necessary to exceed the targets for allocation of PDG. Throughout 2007/08 £342,530 of the reserve needs to be spent on the staffing, IT equipment and supporting the Local Development Framework in order to maintain and improve upon this level of performance.
- 1.5 2007/08 is the last year for which PDG will be allocated, DCLG plan to replace it with Housing and Planning Delivery Grant with the emphasis on encouraging authorities to respond to housing pressures. A further report would be brought before Cabinet to consider the use of the reserve in 2008/09 once more detailed information on Housing and Planning Delivery Grant and future planning fee increases becomes available.
- 1.6 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

- 2.1 To approve the use of £342,530 from the DC action plan reserve in 2007/08 as set out in Appendix 1.
- 2.2 To note existing commitments and planned use in 2008/09 and beyond, which will be considered further in the 2008/9 – 2010/11 budget planning process.



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SUPPORTING INFORMATION

- 1.1 The Department for Communities and Local Government – DCLG - allocate Planning Delivery Grant (PDG) to local authorities in England for the purpose of supporting expenditure incurred by them, particularly, but not exclusively, in respect of their planning functions. The grant is allocated on the basis of planning performance in order to provide an incentive for authorities to meet or exceed key performance targets for planning.
- 1.2 PDG which has not been spent in previous years has been retained in an earmarked reserve, the balance of which is £565,312. DCLG have confirmed the Council's allocation of PDG in 2007/08 will be £284,415. This takes the total available in the reserve to £849,727.
- 1.3 One of the conditions attached to PDG is that 25% of the grant must be used for capital expenditure. It is proposed that improvements in relation to customer service office alterations and IT equipment be considered during 2008/9 along with other related capital expenditure. This needs to be considered alongside capital priorities and capital financing levels across the Authority.
- 1.4 Spend on committed and proposed activities in 2007/08 totals £342k. This would leave a balance of £507k in the reserve which would be available to fund activities in future years, should Cabinet approve plans during the budget process. If the current and proposed activities were to continue the funding in the reserve would be exhausted by April 2009.
- 1.5 2007/08 is the last year for which PDG will be allocated, DCLG plan to replace it with Housing and Planning Delivery Grant with the emphasis on encouraging authorities to respond to housing pressures. The grant will be based on delivery of housing rather than incentivising the processing of planning applications. However it is anticipated that planning fees, which are set nationally, would increase by between 25 – 40%. These proposals are contained in the Planning White Paper and are currently being consulted upon. This would contribute in part towards planned indicative budget savings and an ongoing exit strategy for when PDG has been fully applied. The exit strategy is required in order to maintain the existing levels of service which have an ongoing annual cost of £225k per year. This will be developed as part of the budget strategy for 2008/09. The exit strategy would need to be brought forward should the future reserve not be allocated entirely for planning purposes

- 1.6 A further report would be brought before Cabinet to consider the use of the reserve in 2008/09 once more detailed information on Housing and Planning Delivery Grant and future planning fee increases becomes available.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – PDG Income and expenditure profile

IMPLICATIONS

Financial

- 1.1 PDG which has not been spent in previous years has been retained in an earmarked reserve, the balance of which is £565,312. DCLG have confirmed the Council's allocation of PDG in 2007/08 will be £284,415. This takes the total available in the reserve to £849,727.
- 1.2 Investment has previously been made in the staffing and resources necessary to exceed the targets for allocation of PDG and the committed expenditure necessary to maintain this level of performance is £235k in 2007/08. In future years the ongoing impact of these commitments is around £225k per year.
- 1.3 In addition it is proposed to use PDG to support the costs relating to further developing the Local Development Framework - LDF. This will allow existing revenue funding targeted for LDF to be used to offset income shortfalls arising from a downturn in the number of planning applications. This proposal is for £74k in 2007/08.
- 1.4 A breakdown of income and expenditure in 2007/08 and estimates for future years is detailed in the table in Appendix 2

Legal

2. There are no legal requirements to ring fence Planning Delivery Grant.

Personnel

3. If agreed, a new Planning Officer post at grade PO1 will be established.

Equalities impact

4. None directly arising

Corporate priorities

5. Development Control and other planning functions contribute to creating job opportunities. Deciding planning applications quickly whilst maintaining the quality of decision making contribute towards the Council's priorities of creating a 21st century city centre.

Planning Delivery Grant Income and expenditure profile

Forecast Income & Expenditure	2007/08	2008/09	2009/10	2010/11
Reserves balance b/fwd	-565,312	-507,197	-48,985	200,382
PDG allocated to Dept				
PDG not yet allocated to Dept				
1st allocation for 07/08	-53,767			
2nd allocation for 2007/08	-230,648			
Future years Housing & Planning Delivery Grant		Unknown	Unknown	Unknown
	-849,727	-507,197	-48,985	200,382
<u>Ongoing Commitments</u>				
Highways development control advice	8,000	8,000	0	0
Heritage advice	4,000	4,000	4,000	4,000
Plans & policies input to achieving PDG targets	7,000	7,000	7,000	7,000
DC input to achieving PDG targets	9,000	9,000	9,000	9,000
Highways development control technician	31,404	32,189	32,994	33,819
Administration support to planners	40,400	56,826	59,693	61,940
Planning administration team	2,703	3,927	5,442	0
Urban design post	35,869	37,794	38,738	39,707
Local development framework post S4/5	24,335	25,743	27,191	27,823
Planning officer SO1	17,320	29,630	31,200	32,790
Development control consultancy	6,000			
Plantech - online annual maintenance	6,500	6,500	6,500	6,500
OCE plotter - running costs/supplies	5,000	5,150	5,305	5,464
Local development framework	38,000	0	0	0
Total for committed activities	235,530	225,759	227,062	228,042
<u>Proposed</u>				
Further contribution to Local Development Framework costs (to allow LDF base budget/reserve to support DC income shortfall in 07/08)	74,000			
E-Govt project management	8,000			
DWT services for DC/planning applications	5,000	5,150	5,305	5,464
World heritage site Co-Ordinator	0	15,000	15,000	15,000
CD archiving & advice	18,000			
Training	2,000	2,000	2,000	2,000
Total for proposed activities	107,000	22,150	22,305	22,464
<u>Capital Expenditure - Grant condition 25% of 05/06, 06/07, 07/08 grant must be spent on capital</u>				
Office alterations, IT improvements and other related capital expenditure		210,300		
	0	210,300	0	0
Total for all activities	342,530	458,212	249,367	250,506
Net balance c/fwd	-507,197	-48,985	200,382	450,888