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**REPORT TO:** Organisation Improvement & Environment Overview  
and Scrutiny Commission

**DATE:** 21 January 2008

**DEPARTMENT:** Development Services

**REPORTING OFFICER:** Head Of Planning Services  
(*Mr T P Richards*)

**SUBJECT:** Draft Revenue Budget 2008/09 – Department Of  
Development Services, Planning Business Unit

**WARD/S AFFECTED:** All

**FORWARD PLAN REF:** N/A

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**1.0**

**PURPOSE OF REPORT**

- 1.1 This report sets out the detail of the financial information for DDS Planning Division as follows:
- Revised Estimate 2007/08
  - Original Estimate 2008/09
  - Use of reserves
  - Details of efficiency savings.

- 1.2 The Director of Resources has assisted in the preparation of this Report.

**2.0**

**RECOMMENDATION/S**

- 2.1 The Cabinet Member is requested to:
- i. Note the Revised Estimates for 2007/08
  - ii. Recommend the Original Estimate 2008/09 budget for the Planning Division Business Unit to Cabinet
  - iii. Note the efficiency savings made in this Business Unit

**3.0 PLANNING DIVISION IN DEVELOPMENT SERVICES**

- 3.1 The Planning Division Business Unit comprises the following functions:
- Development Control (including the Planning Enquiries and Land Charge Searches teams)
  - Building Control (including Civil Emergencies and Dangerous Buildings)
  - Forward Planning (including the Conservation and Design and AONB teams)

3.2 The Detailed Budget papers for the Planning Division Business Unit are attached as Appendix A.

#### **4.0 EXPLANATION OF MAJOR VARIANCES**

##### **4.1 Key features of the revised estimate for 2007/08**

- 4.1.1 The major variances between 2007/08 Original Estimate (OE) and Revised Estimate (RE) are set out in the table on page 2 of Appendix A.
- 4.1.2 There has been an increase of £30,000 in the amount of Planning Delivery Grant (PDG) received compared to the original estimate 2007/08. PDG Project Expenditure of £17,000 and PDG IT expenditure of £25,000 slipped from 2006/07. With reductions in other expenditure of £8,000 this has resulted in an increased appropriation from reserves to fund PDG of £4,000.
- 4.1.3 Additional income of £1,000, salary savings of £3,000 and a decrease in additional expenditure of £5,000 within Building Control have resulted in an overall increase in surplus of £9,000. The appropriation to reserves of the building regulation surplus has increased by £19,000 in the revised estimates and a net cost to the general fund of £10,000 has resulted.
- 4.1.4 Other salary savings (excluding PDG and building Control) of £35,000 is partially offset by expenditure of £19,000 on temporary staff. A net decrease of £16,000.
- 4.1.5 A reduction of £58,000 in AONB scheme expenditure has been made to reflect a reduction in the external income available of £44,000 (grant funding is typically 75% of expenditure). A net reduction of £14,000.
- 4.1.6 Expenditure of £27,000 to purchase equipment for the Countryside Ranger has been included in the Countryside strategy budget in Revised Estimates. This is to be funded £1,000 from reserves and £26,000 from grant.
- 4.1.7 The slippage of Planning Capital schemes from 2006/07 has resulted in increases in Deferred Charges of £33,000 and appropriations from the CAA of £17,000. A net increase of £16,000.
- 4.1.8 The following are all anticipated to be funded from reserves in 2007/08:
- The cost of microfilming (£15,000) (to archive closed planning application files);
  - A temporary Programme Officer post in Business Support to assist the

- Inspector holding the public examination of the Core Strategy (£8,000).
- District conservation grant expenditure slipped from 2006/7 (£30,000);
- Other supplies and services (£6,000);
- Temporary staff for conservation area appraisal work (£23,000).

4.1.9 The remaining significant variations are increased Planning Application fee income of £50,000 and other decreases in net expenditure totalling £19,000 offset by increased capital charges of £43,000 (due to a share of new capital charges in relation to recently completed capital works to the Knapping Mount offices).

4.1.10 The overall position is a net decrease in expenditure between 2007/08 OE and RE of £29,990.

## **4.2 Key features of the Draft 2008/09 Budget.**

4.2.1 The major variances between 2007/08 OE and 2008/09 OE are set out in the table on page 3 of Appendix A.

4.2.2 A decrease in estimated PDG of £225,000 between OE 2007/08 and 2008/09 has been included in the estimates. The decrease is due to the government's intention to end PDG and introduce a new performance related Housing and Planning Delivery Grant (HPDG) which as the name implies will reward housing completions. Grant is proposed to be paid for each net additional dwelling when annual completions exceed 0.75% (495) of the existing housing stock. Due to the RSS annual housing requirement for this District of only 390 dwellings the Council is unlikely to receive any grant under this element of the scheme. Small elements of grant are however expected for the provision of a 5 year housing land supply and for progress in DPD production. The reduction in PDG has been offset by an anticipated increase in planning application fees of £227,000. PDG employee costs have increased by £9,000 (including pay awards), PDG IT expenditure has increased by £53,000 and other costs have reduced by £1,000. This has resulted in a net increase in appropriation from reserves of £59,000.

4.2.3 Additional income of £15,000 offset by increases in salary costs of £41,000 (including pay award and extra Temporary Building Control Officer to handle the West of Market Place development in Ripon) and other increases of £13,000 within Building Control have resulted in a loss on Building control of £34,000 compared to a surplus of £5,000 in original estimates 2007/8 (an overall reduction of £39,000). The net appropriation from reserves in the original estimate 2008/09 has increased by £28,000 leaving a cost to the general fund of £11,000.

4.2.4 The total increase resulting from the pay award (excluding PDG and Building Control (see above) is £47,000. Other employee variations are the decrease in expenditure on qualification training of £8,000 and other increases from increments, career grades etc of £14,000. A net increase of £53,000.

4.2.5 A reduction of £37,000 in grant funding towards projects in the Nidderdale

AONB has resulted in a reduction in project expenditure of £82,000 offset by additional employee costs of £38,000. A net decrease of £7,000.

- 4.2.6 An increase in LDF expenditure (for the public examination of the Core Strategy) of £100,000 funded from reserves has been included in the OE 2008/09.
- 4.2.7 The remaining significant variations are increased capital charges £42,000, increased computer SLA (excluding PDG variations) of £83,000, a cash efficiency saving in relation to map sales of £10,000 (see paragraph 6.1) and other decreases in net expenditure of £13,000.
- 4.2.8 The overall variation between OE 2007/08 and OE 2008/09 is an increase in expenditure of £158,870.

#### 4.3

##### **Key Features of the Planning Holding Account**

The Planning Holding account includes the costs of the Head of Planning Services together with various charges including Secretarial Support, Legal and Estates Charges and the Planning and Building Control elements of Land Charges Searches. Appendix A page 4 illustrates the account and Page 5 of Appendix A indicates the variances between 2007/08 Original and Revised Estimates and between 2007/08 and 2008/09 Original Estimates. RE to OE indicates a net decrease in expenditure of £13,000 due to reductions arising from the Head of Planning Services cover for the Directors post whilst vacant. OE to OE increases in expenditure are attributable to the 2.5% pay award.

#### 4.4

##### **Key features of the forward budget 2009/10**

A budget estimate of £349,000 has been included to fund production of the Local Development Framework. This is £300,000 above a normal years budget, because in this year three LDF Development Plan Documents (DPD) will be subject to public examination as follows:

- Site allocation DPD
- Sports Area Action Plan DPD
- Development Control Policies DPD

A further examination is programmed in 2012 into the LDF Harrogate and Knaresborough Area Plan DPD.

- 4.5 The public examination into the LDF Core Strategy programmed to commence in April 2008 is being funded by setting aside £100,000 from Planning Division Business Unit Reserves. However this method of resourcing public examinations is not sustainable in the future given the number of DPD's that require examination and so specific provision is included in the forward budget. The funding of this is a priority for the use of Corporate Underspend.

#### **5.0 USE OF THE RESERVES**

- 5.1 In line with CIPFA guidance reserves are reviewed as part of both final accounts and the budget process.
- 5.2 The use of Planning Division Business Unit reserves in the current and future years were reported to Council in September 2007 and are subject to Business Unit Rules regarding the level of authority.
- 5.3 There are two earmarked Reserves for the Planning Division Business Unit.

#### **Building Control Reserve**

The balance at 19 December 2007 is £237,351.37. These surpluses are carried forward each year to either offset against reduced income or reinvested in service improvement. The Reserves statement is attached as Appendix B page 1.

#### **Conservation Grants Reserve**

The balance at 19 December 2007 is £29,883.50. The purpose of this Reserve is to hold approved unspent budget relating to the District Conservation Grant Scheme where spending has slipped to future years. The Reserve statement is attached as Appendix B page 2.

### **6.0 DETAILS OF EFFICIENCY SAVINGS**

- 6.1 The Planning Business Unit has put forward cash efficiency savings of £10,320. These savings arise from procurement of a new supplier (PROMAP) of Ordnance Survey (OS) mapping extracts for the public making planning applications, following the termination by OS of their Map Return Scheme. The royalty costs paid to PROMAP when a location plan is produced are less than used to be paid to OS. This together with a revised and simplified pricing structure have produced the saving.

### **7.0 FINANCIAL RISK MANAGEMENT**

- 7.1 The budgets within the Planning Business Unit are managed through the financial processing and monitoring systems in place in the Department of Development Services. Monitoring statements are prepared and considered in detail with budget holders and reported to the Departmental Resources Monitoring Meeting on an exception basis.
- 7.2 The main financial risk for the Planning Division Business Unit is related to estimated Housing and Planning Delivery Grant (HPDG) and planning fee income estimates. This risk has been mitigated in a large part by the Government announcement to increase planning application fees by 25% (householder applications will only increase by £15 (11%)) from 6 April 2008.

### **8.0 FEES AND CHARGES**

- 8.1 Non statutory fees and charges were the subject of a separate report to

Cabinet member (Planning and Transport) on 5 December 2007

- 8.2 Non statutory fees and charges for planning services have been tailored to reflect the need to promote community involvement in the planning system on the one hand and on the other to properly reflect the cost to the Council when issuing documents which have a commercial value or when providing services of benefit mainly to individual applicants.
- 8.3 Building Control charges have been set at a level which will ensure break even (after investment) over any three year period. In order to achieve this a fee increase of 2% has been set for charges in 2008/09. This low fee increase will help to retain the Councils' market share of building control work which is open to private sector competition. For the Jul-Sep 2007 quarter the Councils market share was 90% against a local performance target of 85%.

## 9.0 SCRUTINY

- 9.1 This report will be considered by the Organisation Improvement and Environment Overview and Scrutiny Commission on 21 January 2008.

## 10.0 CONCLUSIONS

The draft Original Estimates for 2008/09 for the Planning Division Business Unit have been prepared having regard to the guidelines prepared by the Director of Resources.

### Background Papers - NONE

**OFFICER CONTACT:** Please contact Tim Richards if you require any further information on the contents of this report. The officer can be contacted at Knapping Mount by telephone on 01423 556538 or by Email – [tim.richards@harrogate.gov.uk](mailto:tim.richards@harrogate.gov.uk)

## SUSTAINABILITY ASSESSMENT / POLICY CONSIDERATIONS

		Implications are		
		Positive	Neutral	Negative
A	Economy	✓		
B	Environment	✓		
C	Social Equity			
i)	General		✓	
ii)	Customer Care / People with Disabilities	✓		
iii)	Health Implications		✓	
D	Crime and Disorder Implications		✓	

If all comments lie within the shaded areas, the proposal is sustainable.