

# **Report to the Cabinet**

**Report reference: C/090/2007-08.**

**Date of meeting: 17 December 2007.**



**Epping Forest  
District Council**

**Portfolios: Finance, Performance Management and Corporate Support Services.  
Planning and Economic Development.**

**Subject: Planning Directorate - Key Capital and Revenue Requirements 2008-09 to  
2011-12.**

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## **Recommendations:**

- (1) That Members note the significant and inescapable estimated funding requirements in connection with the Local Development Framework for the next four financial years;**
- (2) That Members note how existing Capital and Revenue, and CSB and DDF budgets provide some of the sources of funding for this period;**
- (3) That Members note that considerable further financial resources will have to be found in financial years 2008-09 to 2011-12, and that additional staff resources will be needed from 2008-09;**
- (4) That Members agree that some funds, sourced from Planning Delivery Grant (PDG) and Local Authority Business Growth Incentive (LABGI) monies, are added to the resources necessary to undertake the Local Development Framework;**
- (5) That the allocation of Planning Delivery Grant 2007-08 be made as set out in paragraph 14 below. (i.e. £75,000 Capital, £208,110 Revenue and of this £100,000 being directed to the Local Development Framework);**
- (6) That the principles for the use of LABGI, as outlined within this report, be noted;**
- (7) That the economic development initiatives be granted LABGI support as set out in paragraph 24 below (i.e. £172,000 to be spent, of which £75,000 is directed to the Local Development Framework);**
- (8) That initiatives detailed under Other Options for Action LABGI be noted and feedback invited on these options;**
- (9) That Members consider further potential options for LABGI spend and relay this information to the Portfolio Holder so that it may be taken forward;**
- (10) That, notwithstanding the normal rules for virements of budgets, the Director of Planning and Economic Development be authorised to make variations of plus or minus 10 per cent for any of the items in recommendations (5) and (7).**

## Report:

1. Previous reports to Cabinet have drawn attention to some of the key requirements of the new Local Development Framework, which will replace the previous amended Local Plan. The new Local Development Framework (LDF) system has been explained briefly to Cabinet in 2005, and in Portfolio Holder decision reports concerning the Local Development Scheme in the autumn of 2006, and most recently at Cabinet on 12 November 2007. The resources necessary to conduct this work were heralded in the report to Cabinet in February this year as follows:

***“Local Development Framework:***

***Resource implications:***

***Budget provision:*** *within existing resources at the present time, but costs will increase inescapably over future financial years.*

***Personnel:*** *within existing resources, supplemented by consultant support, at the present time; but likely to increase further over the next few years as the new LDF system is introduced and gets established.”*

2. These documents will be very different to those they replace, not least because they require an up to date evidence base, annual monitoring, and a document format that has to be assessed as being “sound” by a government appointed inspector. They will also have to include core strategies that fit with the Regional Spatial Strategy (RSS) rather than the Structure Plan for Essex, and have sections dealing with allocations of land and topics such as housing. They will also need to go beyond traditional land use considerations into other aspects of “place making” such as the detailed plans for infrastructure provision and the coordination of actions through a variety of partners.

3. The old Local Plan was produced with a small permanent establishment of staff and CSB budgets, supplemented periodically by DDF budgets; there were ‘fallow’ years when no DDF budget was required. The Local Development Framework is very different, particularly in producing the first version, although the process of amending the framework once produced is intended to be simpler. Of course, the expenditure does not end after 2012.

4. Work on estimating costs has been delayed for a number of reasons (in particular delays to the East of England Plan being finalised) The estimates concern a much more complex arrangement, and have sought to check, where possible, what some other Authorities have experienced who are at more advanced stage than EFDC. It is understood that Broxbourne have a £1Million budget, whereas Hambleton in North Yorkshire had a budget of £816,000 for their Core Strategy alone.

5. The total four-year estimate for EFDC is over £1.3 Million

6. The Council is still waiting for the final decisions on the East of England Plan (The RSS) and these will be fundamental in considering how much growth we will have to plan for locally. We have also been directed to take specific urgent steps and it is now prudent to advise and remind Members of the magnitude of the tasks ahead, and to advise likely budgetary and staffing requirements, both where these are already known, and where future requirements will exist.

7. The table below indicates the estimated expenditure for the next four financial years, both from a CSB and a DDF perspective, for the Local Development Framework. They include existing known sources of funds from previous decisions on DDF, those from existing CSB budgets, and sources that Members are now asked to consider, including Planning Delivery Grant (PDG) and Local Authority Business Growth Incentive (LABGI). A fully detailed breakdown of the expenditure by financial year is attached as an appendix.

£000s	2007-08	2008-09	2009-10	2010-11	2011-12	TOTAL
Expenditure required	124	560	229	627	153	1693
Funds available	124	375	5	5	5	514
Additional Funding Required	0	185	224	622	148	1,179

8. It will also be necessary to increase the staffing complement of the Forward Planning Team to cover the workload generated by the LDF requirements up to 2012 and beyond. The Director of Planning and Economic Development will shortly be bringing forward a report on savings and expenditure proposals together with some staffing restructuring below the newly created Assistant Director level, as part of the corporate restructure, and that further report will include recommendations for the future staffing requirement of the Forward Planning Team. The costs of the future staffing will be met within those proposals.

### Planning Delivery Grant:

9. The Council has been advised that we have been given £282,532 of Planning Delivery Grant (PDG) for this year. This comprises a first tranche of £21,653 for development control performance and a second larger tranche of £130,329 for development control performance (inclusive of a bonus of £50,000 for meeting all three development control BV 109 indicators) £50,599 for plan making and sustainable development indicators, and £57,225 for high housing demand (this includes £20,183 for being in a growth area or growth point.) Finally, a sum of £22,726 is included for e-planning. PDG is not ring-fenced or hypothecated beyond the condition that 25% of the total received in the 2007-08 Financial year must be used for capital. We also appear to have been given an extra £578 adjustment from last year's allocation. The grand total is therefore £283,110.

10. These figures represent a much better allocation for EFDC than in most previous years, in particular for development control performance. However, this is the last year that PDG will be given; next year it is being replaced with Housing and Planning Delivery Grant that will reward Councils which speed up housing supply delivery and maximize the supply of building land in their area; as an Authority which remains in the Metropolitan Green Belt, albeit in a growth area, the size of allocation in future will be interesting. Housing and Planning Delivery Grant may assist with the future provision of funds to meet the LDF requirements, but it is not clear what the amounts will be yet.

11. This is the third time that there has been an explicit requirement that 25% must be used for Capital, and raises some important issues. Most significantly it means that just over £71,000 of this years grant must be spent on Capital. We have previously put funding into ICT hardware, changes to accommodation, including furniture and storage, and into a new Countrycare vehicle, to meet this requirement (at Appendix 1 is a brief summary of how previous PDG has been allocated and used).

12. The Council in February 2003 decided that Planning Delivery Grant be credited to the Finance and Performance Management Portfolio, such that Cabinet would determine the use of the funds. This enables Cabinet to consider how the funds are used for Planning, but taking into account decisions already made to increase the resources EFDC was putting into Planning.

13. When PDG was first introduced it came with advice, or expectation, from Government as to how it would be put to use. Put simply it was intended to allow some permanent changes to procedures, systems, facilities for public access, training and so on which would last beyond the PDG regime. We have endeavored to follow that approach in our allocations, and continue with that approach in what is suggested below.

### Capital Proposals for PDG 2007-08:

14. To ensure that 25% is spent on Capital, £75,000 is proposed to be spent on the following Capital items:

Amount	Purpose(s)	Priority
£30,000	Software to assist LDF consultation or data sets	P1
£10,000	Accommodation	P2
£30,000	ICT, particularly public access features of Anite@work	P1
£5,000	Additional Scanner	P2

### Revenue Proposals for PDG 2007/2008:

Amount	Purpose(s)	Priority
£50,110	Development Control Consultants or Agency staff	P1
£8,000	Up to date Aerial Photographs (1)	P2
£45,000	Training and staff development (2)	P1
£70,000	Local Development Framework	P1
£15,000	ICT data capture	P1
£20,000	Administrative support	P1

**NB:**

- the last aerial photograph run was from 1999; and
- the £45,000 for staff training includes £18,000 for the Technical Support Officer post to be continued to June 2009 as agreed at Cabinet on 8 October 2007.

### Statement in Support of Recommended Action on Planning Delivery Grant:

15. Each of the proposals made, and in the amounts suggested would again make real impacts upon the Planning Directorate, and a great many of them would be noticeable to customers and staff alike. The additional amounts now received, coupled with the Capital requirement, give little room for different suggestions.

### Other Options for Action on Planning Delivery Grant:

16. The options range from using PDG5 for the proposals set out above, to different amounts using the same essential menu. The last option is to use some of the funds for other purposes, but to risk less service/performance being provided.

### Local Authority Business Growth Incentive Scheme (LABGI):

17. LABGI was introduced by the Government in 2005. Its objective is to give all local authorities an incentive to maximise local economic growth through a provision of additional revenues to spend on their own local priorities. A statement announcing the final version of scheme in 2005 said: "This is an exciting opportunity and incentive for councils to build partnerships with local business and promote long-term economic sustainability in their areas".

18. A report to Cabinet on the 16 April 2007 (Ref: C/136/2006-07) provided detail on the scheme. In essence it works on the basis that increase in rateable value is a reflection of increase in economic enterprise and that by allowing local authorities to keep part of any increase in rateable value it thus encourages them to continue to promote economic development.

19. The scheme has yielded positive results for the Council with an award of £475,518 in 2005/06 and £802,925 in 2006/07 (as reported to Cabinet C/136/2006-07). The latter figure has since been supplemented by an additional £41,510 to create a total in 2006/07 of

£844,433. The Council has received the highest allocation amongst Essex districts in 2006/07. Local partners such as the Federation of Small Businesses and regional government have to date expressed interest in the Council's planned expenditure of these funds.

20. With regard to LABGI spend it is understood that Brentwood has invested a tranche of its allocation on improvement to its employment sites and that Rochford has invested in master planning of two town centres which will feed into its Local Development Framework and is likely to invest in tourism promotion also. Epping Forest District Council agreed that income arising from the scheme should be credited to the District Development Fund (given its limited life time) with a view to expenditure of some of this income on measures to promote economic development in the District.

21. There will be one further payment (2007/08) under the LABGI scheme in its current form and as reported to Cabinet in April 2007 this has been budgeted at £200,000, although this figure might be exceeded. The future of LABGI is not certain at present with the recent launch of a consultation document exploring reforms to the scheme and substantial funding cuts announced in the Comprehensive Spending Review. LABGI will be suspended in 2008 and will be reintroduced in 2009 depending on results of consultation. It may provide future funds that could be put towards LDF costs.

22. There is little certainty around the future format of LABGI and what reward it may hold for Epping Forest District. What is profoundly clear however is that the amount awarded over the last two financial years is substantial. It is understood that LABGI funds have been directed to the following initiatives to date or that a bid has been made as such:

Reference	Item of expenditure & reasoning	LABGI monies utilised
Cabinet 10.04.06 Item no. 182 Ref: C/129/2005-06	Bidwells (planning and development consultants) appointed to report on the development potential of five Council-owned car park sites in accordance with the brief prepared by the Head of Environmental Services and the Valuation and Estate Management Service.	£5,000
Cabinet 13.11.06 Item no. 35 Ref: C/067/2006-07	Free Saturday car parking - one-off sum for signage and traffic regulation orders  Minutes from Cabinet: "One of the Administration's key pledges had been the provision of free car parking on Saturdays as a way of providing further economic support to the District's town centres".	£10,000
Cabinet 16.04.07 Item no. 13 Ref: C/136/2006-07	Minor enhancement works in Waltham Abbey, including the replacement of vandalized fencing, installation of CCTV at the Cornmill car park and landscaping improvements to the Abbey churchyard.	£25,000
Report for decision by Portfolio holder 31.10.07	Costs of consultants appointed to prepare development and design brief for the Loughton Broadway area.	£49,471
Cabinet 12.11.07 Ref: C/073/2007-08	Replacement trees in Loughton High Road	TBC

23. This report has established that LABGI funds exist to encourage local authorities to promote economic growth within their geographic areas based on their local knowledge and understanding of priorities in their local area. It is useful to further drill down and set out further principles to guide expenditure of LABGI monies as follows:

(a) proposed expenditure should not duplicate or replace expenditure that other bodies would be undertaking in any event; it might add to existing projects to give a better result;

(b) expenditure should assist the creation or retention of lawful business/economic activity within the District, such that future further LABGI is likely to be provided;

(c) schemes of expenditure which will produce more rapid results, and have distinct impacts will generally be preferred to those which will only produce results over a longer timescale, or where the results are hard to detect; and

(d) initiatives that have already had preliminary work undertaken on them, and which can now be delivered, or the scheme extended, would be preferred to schemes that have to start from scratch. Any scheme starting from scratch would have to be particularly good, and quickly deliverable.

24. Below are proposed projects which are deemed to meet the objectives of the LABGI scheme, which are specific to the needs of the Epping Forest District and strongly relate to the Council's Corporate Objectives and Local Strategic Partnership priorities:

Amount	Purpose(s)	Priority
£5,000	Developing Business networks	P1
£50,000	Upgrade of Industrial Units	P2
£36,000	Support for Town Centres	P1
£4,000	Develop business contacts database	P1
£60,000	Town Centre Reviews for LDF	P1
£15,000	Employment Land Review for LDF	P1
£2,000	Tourism summit	P2

These are explained in more detail in Appendix 2.

#### **Statement in Support of Recommended Action - LABGI:**

25. The Council has received relatively substantial sums through the LABGI scheme to date although it is recognised that, despite the scheme's title, there is no requirement for the monies to be ring-fenced for economic development purposes. Outlined above however, are carefully considered proposed items of expenditure, some modest in cost. The proposals are supported by strong business cases and also address a number of the Council's corporate objectives and Local Strategic Partnership priorities.

26. It should also be noted that a rounded approach has been taken. It is not recommended for example, that the Council simply implement a few quick-fix physical improvements but rather the proposals also look to develop networks/to further partnership working and seek to enable the Council to make strategic decisions and identify priorities. Members feedback is sought on the proposed and input welcomed on further potential options for LABGI spend which may be investigated.

#### **Other Options for Action - LABGI:**

27. Below are some further recommended areas for the potential investment of LABGI funding. Members may have expressed reluctance to some of the proposals in the past although it is unclear if this remains the case.

#### **Support for the District's town centres:**

28. The position of Town Centre Manager (TCM) was funded for three years through a S106 agreement although this ended in 2007. It is proposed that, inline with Corporate Objectives EP2 and EP6, LABGI funding be directed to enable the TCM role to continue for a further three years at a cost of £100,000. The Town Centre Manager will work closely with the town centre partnerships helping to build capacity within the partnerships and sustain momentum. The TCM will work with the partnerships and other local stakeholders to develop programmes of activities, promotion and events. The TCM will also work closely with the EDO, maximise opportunities to lever additional funding and bring a valuable district-wide

perspective to town centre management.

29. It is also proposed that the TCM is provided with a budget of £6,000 divided equally over the three-year period. The TCM will use this budget for appropriate district-wide initiatives e.g. those where there may be economies of scale in coming together as a district or those where a stronger brand or publicity output can be achieved from a broader approach. This may for example, be some kind of 'vote for your favourite shop' initiative, a kite mark/pledge with retailers or a district-wide scheme to reduce the negative impact of empty retail units. The TCM may also invest this budget in training for members of the partnership or district-wide events.

#### **Support for the District's rural areas:**

30. A short time ago Leisure Services initiated a project called "Beyond Suburbia". In line with the Government's Rural White Paper, this project seeks to tackle the challenges of promoting sustainable rural communities, strengthening the rural economy and enhancing the rural environment. Following consultancy work, including extensive stakeholder consultation this project, which arguably touches upon every one of the Council's Corporate Objectives, now requires staff resource to move forward. It is proposed that this takes the form of a Rural Projects and Tourism Officer. This post holder will work closely with the Leisure and Economic Development functions of the Council. The cost of such an officer would be in the region of £30,000 per year.

31. A further and complementary thread is a proposed programme of rural seminars to draw together and support businesses in the rural northeast and northwest of the District. The Economic Prosperity Action group of the Local Strategic Partnership is keen to see the reinstatement of such a programme of events that have been well received in past.

32. In addition to the above there are several concepts/projects in the early stage of development that it is deemed may have a strong case for LABGI funding in the future. These are as follows and will be reported to Members as appropriate:

- (i) Maximising opportunities arising from the Cultural Olympiad and 2012 Olympic Games;
- (ii) Development and implementation of an integrated marketing strategy for Waltham Abbey which seeks to address tourism, civic pride and the economic well being of the town; and
- (iii) Investigation into the perceived lack of visitor accommodation within the District.

#### **Consultation Undertaken:**

33. No external consultation was undertaken concerning Planning Delivery Grant.

34. In recognising the need for joined-up working when considering economic development, input has been sought from the following directorates to date: Planning and Economic Development; Leisure; Corporate Services and Environment and Street Scene. The report will be circulated to the Economic Prosperity Action Group of the LSP and it is intended that LABGI will feature as an agenda item at the Group's next meeting. Finally, it is understood that the Federation of Small Businesses has been lobbying for a more rigid ring-fencing of LABGI funds for economic development and that the Federation has been pressing Councils on their spend.

**Resource Implications:** As indicated in report

**Budget Provision:** PDG is announced after the Council Budget has been set, thus these funds are an addition to the Council budget. LABGI is that which has already been received

**Personnel:** As indicated in report.

**Land:** Nil.

**Council Plan 2006-10/BVPP Reference:** Help progress Implementing Electronic Government strategy, in particular new document management system. Progress further performance improvements or address weaknesses.

**Relevant Statutory Powers:** Section 31 of the local Government Act 2003.

**Background Papers:** None.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** N/A.

**Key Decision Reference (if required):** Key Decision.