

Report to	<b>Cabinet</b>
Date	<b>5 July 2010</b>
Report By	<b>Director of Transport and Environment</b>
Title of Report	<b>South Downs National Park – Arrangements for Handling Planning applications</b>
Purpose of Report	<b>To update Cabinet on possible delegation arrangements for handling planning applications within the South Downs National Park.</b>

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## **RECOMMENDATION**

**The Cabinet is recommended to agree that ESCC continues to engage with the South Downs National Park Authority to progress a scheme of delegation without signing a binding agreement and recommend this course of action to full Council.**

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### **1. Financial Appraisal**

1.1 The current cost to the 15 local authorities of dealing with planning applications within the National Park is around £4.5m. To reflect the fact that this work will transfer to the National Park Authority (NPA) on 1 April 2011, the Revenue Support Grant (RSG) paid to local authorities will be reduced by this amount. It is not clear whether this reduction will be applied to all English local authorities, which would result in each losing approximately £12,000, or just to the 15 affected by the National Park. If this latter deduction was applied equally to all 15, each would lose up to £300,000.

1.2 The amount deducted from RSG will be passed from CLG to Defra, and from Defra to the NPA to fund their role as planning authority. Under the proposed scheme of delegation, the NPA would pay each local authority the current cost of processing each application delegated back to them. In the case of ESCC this could be up to 11 applications at an average cost of around £14,000 in the first year, depending on how many were delegated back. In the second and subsequent years we would expect to receive less per application as the NPA would expect convergence in the fees paid to local authorities, and our costs are higher than other counties due to the complexity of recent applications.

1.3 Clearly if the reduction in RSG is only £12,000 and we were to receive £154,000 for handling 11 applications for the NPA, this would be a good financial outcome. Conversely, losing up to £300k and without any applications delegated back, would mean a net loss of £300k. Even if all 11 were delegated back, we would still lose a net £146k. The key to all this is therefore the amount we will lose in RSG. We have made some assumptions as we will not know how much we will lose to RSG until the 2010/11 funding settlement later this year.

### **2. Background**

2.1 From 1 April 2011 the South Downs National Park Authority will become the Planning Authority for the National Park area. This role is currently carried out by the 15 local authorities with land in the National Park, handling some 4000 applications annually between them. There are two options for handling applications from 1 April 2011. The NPA could set up a complete planning service, which the NPA has suggested could require 110 staff, and handle all applications itself. Alternatively, the NPA may only consider those applications that are of significance to the National Park, possibly around 150 annually, and delegate

consideration of the remainder back to the 15 local planning authorities. Discussion of a scheme of delegation has been ongoing for several months.

2.2 In broad policy terms delegation of planning applications is desirable, in that it gives the County Council an influence in planning within the National Park. Most of the 14 other local authorities favour delegation, even if this is a net cost to them, given the value they place on planning.

### **3. The NPA Position**

3.1 The NPA has to have a workable planning system in place on 1 April 2011. While they would prefer a scheme of delegation, if this proves to be too expensive compared to a full in-house option or if a scheme of delegation cannot be agreed soon enough, they will revert to the in-house model. Therefore the NPA asked for an informal view from local authorities, before NPA members met on 15 June, as to whether ESCC will sign up to a scheme of delegation. This informal reply was sent on 3 June, as follows:

"I have discussed the draft delegation package with our Lead Member for T&E (the portfolio holder for planning), legal and financial colleagues. We support the principle of delegation, subject to confirmation of the details of funding, the scheme of delegation and the working agreement, and will continue to work with the NPA to agree these."

3.2 The NPA is looking for a formal decision by the end of July, which will have to be considered by both Cabinet and full Council. If we agree formally to participate in a scheme of delegation, we would be expected to sign an agreement, which would effectively commit us to providing a delegated planning service for the first year, even if we were not content with the financial arrangements. In any event, the initial arrangement would be up for review after three years.

3.3 It is important to note that if we do not sign up for delegation we will still lose RSG and we would not receive payment for handling applications, i.e. a potential net loss of £300,000. A further consequence is that the NPA would then set up a full blown planning service which may result in us and other LAs losing key staff as the NPA recruit to it. In this instance delegation, even at cost, will need to be considered against this potential risk.

### **4. Conclusion and Recommendation**

4.1 Whilst delegation is welcome, the County Council does require financial clarity in supporting this approach. Given this, I recommend not signing an agreement which effectively binds us without having clarity of funding. Relative to other authorities we have less applications and it is unlikely that our refusal to sign at this stage would exclude us from a scheme of delegation.

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