

REPORT TITLE: CONTINUED ARRANGEMENTS FOR THE DELIVERY OF
DEVELOPMENT MANAGEMENT FUNCTIONS IN THE SOUTH DOWNS
NATIONAL PARK

5 JULY 2017

REPORT OF PORTFOLIO HOLDER FOR BUILT ENVIRONMENT (COUNCILLOR
CAROLINE BROOK)

Contact Officer: Simon Finch Assistant Director Environment Tel No: 01962 848271
Email sfinch@winchester.gov.uk

WARD(S): ALL WARD WHOLLY OR PARTLY WITHIN THE SOUTH DOWNS
NATIONAL PARK

PURPOSE

In April 2011 the South Downs National Park Authority became the local planning authority for the part of the District which lies within the Park boundary. Since this time, the Council has successfully delivered a development management service, including planning enforcement, on behalf of the National Park Authority (NPA).

The current arrangements agreed in 2014 were due to end in March this year but the Council and NPA agreed to extend the existing agreement to September in order to allow time to formalise new arrangements for a further period of up to 5 years.

Under existing and previous arrangements for the delivery of the service, the NPA and Council agreed annually a sum for funding the development management activity in the following financial year. The NPA is moving to an alternative model based on caseloads (price per application type) and an agreed resource for enforcement.

The proposed offer from the NPA, per case and for enforcement, would amount to approximately £441k income per annum based on a projected workload. This compares to a total of £451k in 2016/17 and 17/18 (first 6 months pro-rata).

Based on the total package across the two service areas, the funding offer is acceptable. There are tangible benefits for both parties and for the public in retaining decision making at the most local level. Overall, it is considered that the proposal from the NPA for the continuation of the service is reasonable.

RECOMMENDATIONS:

1. That the Head of Legal and Democratic Services be authorised to enter into a new agreement for the delivery of development management services (including planning enforcement) on behalf of the South Downs National Park Authority for a period of 3 years from October 2017, with provision to extend the agreement for a further period of 2 years (subject to the agreement of both parties on the total funding proposal at that time).
2. That the Assistant Director Environment, in consultation with the Portfolio Holder for the Built Environment, be authorised to agree the detailed payment and operational arrangements with the South Downs National Park Authority which should include a notice period for the termination of the service by the City Council within the first 3 years of the agreement and any extension to the agreement for a maximum of 2 further years.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 Continuing with the delivery of the development management service for the National Park Authority is consistent with the Environment outcome and aligns with the Entrepreneurial outcome in the sense that the Council is being funded to deliver a service on behalf of a partner organisation.

2 FINANCIAL IMPLICATIONS

- 2.1 The Council has worked closely with the South Downs National Park Authority (NPA) to record and analyse planning data (workloads) and costs. This information has helped develop a new model based on payments per application type (excluding enforcement) which forms the basis of their funding to local authorities that continue delivering development management services on their behalf.
- 2.2 The new model is likely to reduce slightly the total amount received by the Council for the service being delivered from the current level. It is estimated that the Council can expect to receive approximately £441k per annum based on data from previous years. The payment for 16/17 and 17/18 (first 6 months pro-rata) has been £451k although the figure has been steadily falling since the arrangements began in 2011 (see Appendix 1).
- 2.3 It is estimated that the total direct cost of providing the service is approximately £373k and would be £541k if there were full recovery of overheads. However some overheads for the Council's planning service are fixed and partial recovery of these is an acceptable basis for negotiation. There are 7.7 full time equivalent staff currently deployed on NPA casework, primarily in Development Management, Legal Services, Estates, and Landscape and Open Spaces (see Appendix 2).
- 2.4 The funding mechanism proposed under the new agreement is likely to generate a figure slightly below the current level (depending on workloads – see risk section below) but the Council would still have to bear some overheads (such as accommodation) if it stopped providing this service to the NPA. The apportionment proposed by the NPA for reimbursement of costs between enforcement and application processing has been the subject of negotiation. The current offer by the NPA, taken as a total, is considered reasonable and there would be no incentive for the Council on cost grounds to discontinue the service.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None other than the entering into a new legal agreement with the National Park Authority to continue the development management service on their behalf for a period of up to 5 years (3 years initially with the opportunity to extend to 4-5 years by agreement). It is proposed that the City Council include a break clause into the agreement which can be triggered if the NPA payment falls below a sustainable level for any reason.

4 WORKFORCE IMPLICATIONS

- 4.1 The staff responsible for delivering the service for the NPA are employed by the Council and, as referred to above, the new funding model will cover these costs (see 2.3 above). In the event that the Council were to stop providing this service then a redundancy situation may arise. If this is the case, there is a statutory duty to consult with staff and trade unions ahead of any proposals being implemented

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 Not applicable.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 None

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i> None		
<i>Community Support</i> N/A		
<i>Timescales</i> New arrangements need to be agreed and in place by September 2017 so that the new agreement can commence on 1 October.	If this becomes an issue it would be possible to extend the existing agreement by another 6 months but subject to approval by the NPA. Cabinet has already agreed to do this (CAB 2809 refers).	
<i>Project capacity</i> None		
<i>Financial / VfM</i> The financial considerations are explained in section 2 above. By moving to a funding model based partly on payment per case, there is a risk that income to the Council will reduce if workloads fall whilst costs remain	The level of resources allocated to the service would need to align with workloads.	If workloads increase payments from the National Park Authority would rise. (The Council would need to ensure it had sufficient resources to deal with this work). A 10% favourable variance in Development Management would

constant. For example, a 10% negative variance in planning numbers (c.70) would equate to a loss in income of about £25k.		equate to about £25k.
<i>Legal</i> None		
<i>Innovation</i> N/A		
<i>Reputation</i> N/A		
<i>Other</i> If the Council no longer delivers a service for the National Park Authority it may be viewed by some as a less locally focussed and accountable decision-making process. If the NPA recovers the service, it could either deliver it directly or could commission another party to carry out development management in Winchester.	Continue with the service as recommended in this report.	

10 SUPPORTING INFORMATION:

- 10.1 Since 2011, the Council has successfully delivered a development management service, including planning enforcement, on behalf of the NPA for the part of the NPA which is in Winchester District. The NPA has similar agreements with other district councils such as Lewes and Chichester. The arrangement operates on the basis of a service level agreement and an annual payment by the NPA to meet the costs incurred. The payment made by the NPA for 2016/17 (pro rata also for 17/18) was £451k. The most recent agreement started in 2014 and was due to expire in March this year but has been extended by 6 months until September 2017 in order to allow time to reach agreement on new arrangements. The NPA has asked to negotiate 3 year agreements with an option to extend them for 2 further years.
- 10.2 During negotiations, the NPA asked all its partners to calculate costs on the basis of a 'per application' rate and an hourly rate for enforcement. On this basis, the City Council estimated the total costs of providing services to the NPA, including full recovery of apportioned overheads, of the service at £540k, considerably higher than the current £451k. However, a number of the City Council's overhead costs are fixed, that is to say they would be incurred even if the Council did not process applications or undertaken enforcement for the NPA. Noting this, the NPA has offered payments per application and enforcement which would amount to a total c£441k per annum for each of the next 3 years based on historic volumes of activity (the exact amount will vary depending on caseloads – see risk section above). Although this amounts to only partial recovery of overheads, and is slightly lower than previous years,

(because these still cover the marginal cost of the service being provided by the Council) the offer from the NPA is acceptable.

- 10.3 As is the case with the current agreement, it is proposed to include a break clause to protect the City Council's position in the event that there is a significant change in circumstances in future years, such that it would no longer be appropriate to be deliver the service for the NPA.
- 10.4 The continuation of the current approach at least until the NPA has established its own Local Plan helps to simplify local planning decision making for the public and is therefore considered a benefit to the area. The NPA already decides the most significant development proposals directly, and this would continue to be the case, with all other applications determined by the Council under the delegated arrangements.
- 10.5 In conclusion therefore, it is recommended that the Council continues with the delivery of a development management service for the 40% of the District which lies in the South Downs National Park. This arrangement has worked well for the last 6 years and is a good example of partnership working which is positive for the both the Council and NPA.

11 OTHER OPTIONS CONSIDERED AND REJECTED

- 11.1 The option of discontinuing the service has been considered and rejected. As with all such partnership arrangements, there will always be negotiations between the parties regarding funding and service provision (as has occurred in this case over the past few months). Whilst the final funding mechanism proposed is likely to produce a figure below the Council's estimated full costs, and slightly below the current payment, there remains no tangible financial incentive to withdraw from a delegated arrangement with the NPA as explained above. Losing this income stream could potentially have an adverse impact on budgets, albeit there are savings the Council would be able to make. There is also the benefit of retaining decision making at the most local level which may be perceived more generally as reinforcing local democracy.
- 11.2 Consequently, whilst the Council could decide not to continue with the service because the NPA has not agreed to meet the Council's estimated full costs, this option has been rejected.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2024 South Downs National Park Delegation of Planning Decision to Local Authorities.

CAB2504 – Future Arrangements for the Delivery of Development Management Functions in the South Downs National Park.

CAB 2809 - Delivery of Development Management Functions in the South Downs National Park – Possible Extension of the Current Agreement.

Other Background Documents:-

None.

APPENDICES:

Appendix 1: South Downs National Park Funding to WCC

Financial Year	Income £'000k
2011/12	554
2012/13	516
2013/14	490
2014/15	480
2015/16	466
2016/17	452

Appendix 2: 2017/18 FTE per WCC department

	FTE
Development Management	3.6
Development Enforcement	2.0
Landscape	0.8
Estates	0.2
Management & other	0.8
Legal	0.3
TOTAL	7.7