

WIRRAL COUNCIL

CABINET – 25 SEPTEMBER 2008

REPORT OF THE DEPUTY CHIEF EXECUTIVE AND DIRECTOR OF CORPORATE SERVICES

HOUSING AND PLANNING DELIVERY GRANT – PROVISIONAL ALLOCATIONS 2008/09

EXECUTIVE SUMMARY

The Government has indicated that it intends to award the Council £131,013 under the annual award of performance related Housing and Planning Delivery Grant. This report sets out the detailed breakdown of the award and asks Cabinet to confirm the distribution of monies to planning services.

1 Background

1.1 Housing and Planning Delivery Grant (HPDG) is the Government's replacement for Planning Delivery Grant (PDG), which was awarded annually to Local Planning Authorities between 2003/04 and 2007/08. Like PDG, HPDG is intended to provide an incentive for improved performance in planning-related services, in line with emerging government priorities.

2 Criteria for Awards

2.1 Previous awards of Planning Delivery Grant (PDG) have been based on local performance related to development control, plan making and e-government, with additional awards to reflect demands arising from the promotion of enterprise and housing market renewal.

2.2 The new award of Housing and Planning Delivery Grant (HPDG) has been based on different criteria, to focus on the preparation of Local Development Frameworks and on the delivery of additional housing, to meet the targets set out in the Housing Green Paper – Homes for the Future, More Affordable, More Sustainable.

2.3 A guide to the award of HPDG, including the Government's response to the national consultation in October 2007, can be viewed at <http://www.communities.gov.uk/documents/housing/pdf/grantallocationresponses.pdf>. The Council's response to the national consultation was considered by Cabinet on 12 December 2007 (Minute 401 refers).

2.4 The new HPDG has two main elements set out under a number of different headings (set out in Table 1 below). The planning elements have been assessed based on recorded performance during 1 April 2007 to 31 March 2008. The housing element has been assessed based on the three year average performance for the period 1 April 2004 to 31 March 2007.

2.5 The Government will review the effectiveness of HPDG after 12 months but expects to bring forward a further element of HPDG, from 2010/11, as an incentive to deliver additional affordable housing.

3 Provisional Awards for 2008/09

3.1 Table 1 below sets out the expected amounts to be awarded to the Council under each element of the grant for 2008/09. The table also provides a summary of the criteria for each element and the basis for the award in terms of performance in Wirral during the relevant periods:

Criteria	Award to Wirral
<p><u>Plan Making</u></p> <p>Authorities preparing Development Plan Documents that will allocate sites totalling more than 2,000 dwellings receive £10,000 for each qualifying document commenced before 31 March 2008.</p> <p>Qualifying documents that were submitted to public examination in accordance with a Local Development Scheme received £208,315 and qualifying documents that were both submitted and adopted received £520,787. Only 53 of 397 authorities qualified to receive these larger payments during 2008/09.</p> <p><i>The Council's Core Strategy Development Plan Document, commenced in July 2005, will provide for more than 2,000 additional dwellings. Issues and Options for the Core Strategy will be presented to Cabinet on 16 October 2008.</i></p> <p><i>[Note: The award for plan making has been reduced by 10%, to £9,000, to reflect development control performance (paragraph 3.2 below refers)]</i></p>	<p>£9,000</p>
<p><u>Joint Working</u></p> <p>Authorities who have entered into joint working arrangements to prepare a Development Plan Document receive £38,400.</p> <p><i>The Council has entered into joint working arrangements with the other Merseyside districts and Halton to prepare a Joint Merseyside Waste Development Plan Document (Cabinet 30 June 2005, Minute 80 refers).</i></p>	<p>£38,400</p>
<p><u>Minerals and Waste Core Strategies</u></p> <p>This element of grant is only available to County Councils.</p>	<p>£0</p>

Criteria	Award to Wirral
<p><u>Five Year Supply of Housing Sites</u></p> <p>Authorities who can demonstrate a five or more year supply of deliverable housing sites, in line with National Indicator 159, receive £72,398.</p> <p><i>The Council's net housing land supply at April 2007 was 2143 against the existing (RPG13, March 2003) five year requirement of 800 (@160 per annum).</i></p>	£72,398
<p><u>Housing Land Availability Assessment</u></p> <p>Authorities that have published a new-style Strategic Housing Land Availability Assessment (SHLAA), in further support of National Indicator 159, receive £36,199.</p> <p><i>The Council's first SHLAA is not expected to be commissioned until September 2008.</i></p>	£0
<p><u>Strategic Housing Market Assessment</u></p> <p>Authorities who have published a Strategic Housing Market Assessment receive £11,215.</p> <p><i>The Council published its Strategic Housing Market Assessment in December 2007 (Cabinet 7 February 2008, Minute 506 refers).</i></p>	£11,215
<p><u>Housing Completions</u></p> <p>Authorities receive £916 for each additional dwelling above 0.75% of their existing dwelling stock at 31 March 2007.</p> <p><i>The three year average of net housing completions in Wirral for April 2004 to March 2007 was 330 (0.002% of stock – in Wirral 0.75% of stock would require 1,085 new dwellings).</i></p>	£0

- 3.2 Authorities performing below National Indicator 157 targets for processing major (60% within 13 weeks), minor (65% within 8 weeks) and other planning applications (80% within 8 weeks) have the grant for plan making reduced by 10, 15 or 20% depending on the scale of variation against the targets. The grant awarded to Wirral for plan making has been reduced by 10% (£1,000).
- 3.3 A third of the total grant awarded must be expended on capital items.
- 3.4 A copy of the provisional awards for other authorities can be viewed at <http://www.communities.gov.uk/documents/housing/xls/grantprovisionalallocations>

4 Distribution of HPDG Monies

- 4.1 The total award of Housing and Planning Delivery Grant (HPDG) to Wirral in 2008/09 is £131,013. Actual monies are expected to be received by the Authority in October 2008.
- 4.2 Previous awards of Planning Delivery Grant (PDG) have been divided between Corporate Services, Technical Services and Regeneration Departments, to reflect their differing roles in delivering grant focussed services, in terms of plan making (Corporate Services), development control (Technical Services), e-government (Corporate Services and Technical Services) and housing market renewal (Regeneration) (Cabinet 29 November 2007, Minute 375 refers).
- 4.3 HPDG no longer seeks to provide funding to support development control, following the recent increase in planning fees which was intended to provide a more direct form of self-funding (Government Response, page 22). The incentive to perform has, however, been maintained through an abatement on the plan making element of the grant, where development control performance falls below any of the standards included under National Indicator 157 (processing of planning applications measured against targets for major, minor and other application types).
- 4.4 Similarly, HPDG no longer seeks to support action to address low demand, in areas such as the Newheartlands Pathfinder. Instead, funding has been re-directed towards the preparation of studies and assessments that will assist in the delivery of additional housing. As the Director of Regeneration had previously funded the preparation of the Council's Strategic Housing Market Assessment, prepared by Fordham Research, it is recommended that the award of £11,215 for the publication of a Strategic Housing Market Assessment is directed to the Director of Regeneration.
- 4.5 As the responsibility for the preparation of the Local Development Framework, including the Joint Merseyside Waste Development Plan Document, policies to support the delivery of additional housing and evidence base studies such as a Strategic Housing Land Availability Assessment, resides with the Director of Corporate Services, it is recommended that the remainder of the award for 2008/09 is directed towards to the Director of Corporate Services.

5 Financial Implications

- 5.1 The award of Housing and Planning Delivery Grant (HPDG) has been re-directed to focus on the delivery of the Local Development Framework and the delivery of additional housing. The main implications will, therefore, fall on services to which previous grant awards had been directed:
- 5.2 The award of grant is no longer directed towards Development Control. As this grant is budgeted for in Development Control's income, the Director of Technical Services will report separately to Cabinet on the financial implications through the financial monitoring and budget setting processes.
- 5.3 Future performance in the processing of planning applications may have implications for the abatement of future grant awards for plan making.

5.4 The award of grant is no longer directed towards low demand which brings to an end the annual funding of around £100,000 that supported the Council's Empty Property Strategy, from the revenue element of the grant. However, the use of this grant and other resources have successfully pump-primed a pilot scheme involving 4,000 houses and the sales proceeds from these houses are now funding the purchase and refurbishment of further similar properties. The cessation of this grant for low demand was anticipated and there is no direct budgetary implication for the Regeneration Department.

5.5 Ongoing progress on the preparation of the Local Development Framework, including the Joint Merseyside Waste Development Plan Document and support for the delivery of additional housing, will have implications for future awards of Housing and Planning Delivery Grant.

6 Staffing Implications

6.1 There are no staffing implications arising directly out of this report.

7 Equal Opportunities Implications

7.1 There are no equal opportunities implications arising from this report.

8 Community Safety Implications

8.1 There are no community safety implications arising directly out of this report.

9 Local Agenda 21 Implications

9.1 There are no Local Agenda 21 implications arising directly from this report.

10 Planning Implications

10.1 The award of HPDG for 2008/09 will be used to support the preparation of the Local Development Framework, including the Core Strategy DPD, the Joint Merseyside Waste DPD and policy support for additional housing delivery, including the Mersey Heartlands Growth Point and housing market renewal, in support of the Council's wider objectives.

11 Anti-poverty Implications

11.1 There are no anti-poverty implications arising from this report.

12 Human Rights Implications

12.1 There are no human rights implications arising from this report.

13 Social Inclusion Implications

13.1 There are no social inclusion implications arising from this report.

14 Local Member Support Implications

14.1 There are no ward member implications arising from this report.

15 Background Papers

- 15.1 Housing and Planning Delivery Grant – Allocation Mechanism and Summary of Consultation Responses (CLG, July 2008), can be viewed at <http://www.communities.gov.uk/documents/housing/pdf/grantallocationresponses.pdf>
- 15.2 A copy of the Provisional Awards for 2008/09, can be viewed at <http://www.communities.gov.uk/documents/housing/xls/grantprovisionalallocations>
- 15.3 Cabinet Report – 29 November 2007 – Office of the Deputy Prime Minister – Planning Delivery Grant Award 2007/08, can be viewed at http://www.wirral.gov.uk/minute/public/cabpro071114rep1_25642_25660.pdf

RECOMMENDATION

That

- (1) £11,215 of the award of Housing and Planning Delivery Grant for 2008/09 be directed towards the Director of Regeneration for the publication of the Strategic Housing Market Assessment for Wirral; and
- (2) £119,798 of the award of Housing and Planning Delivery Grant for 2008/09 be directed towards the Director of Corporate Services for the preparation of the Local Development Framework.

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This report has been prepared by the Forward Planning Section who can be contacted on 691 8218.