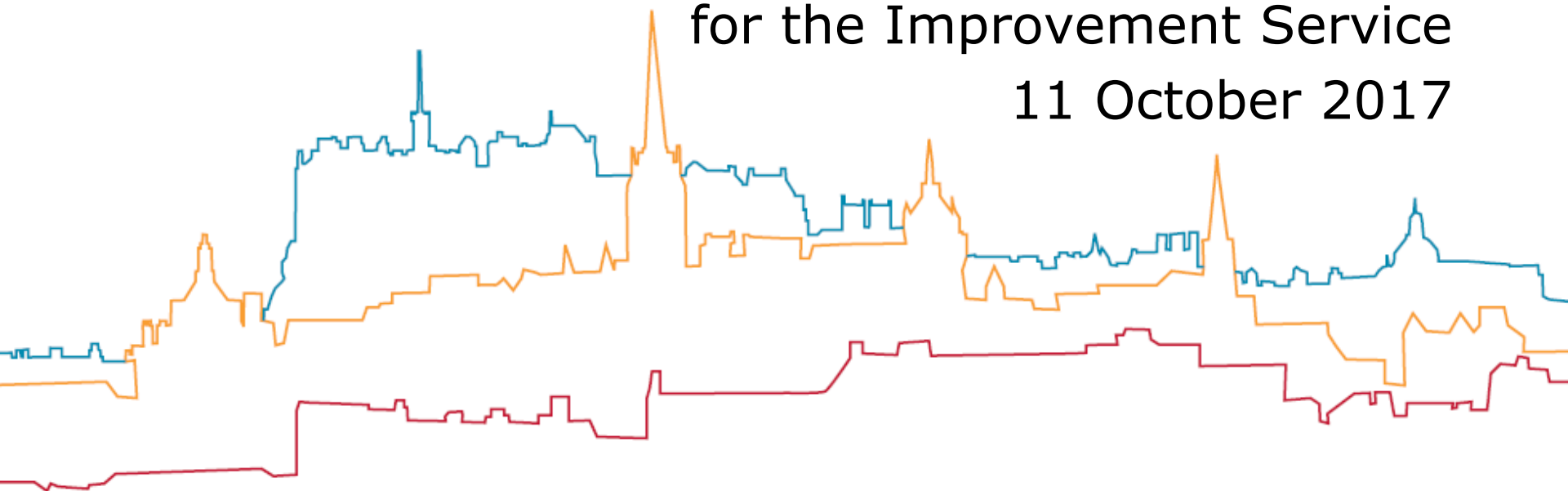


# What are the barriers to a Council business plan assisting with growth?

Sat Patel

for the Improvement Service

11 October 2017



# Barriers to supporting LDP delivery in current financial context

- Reducing Revenue Support Grant from Government
- £100m plus recurring savings to balance budget in short to medium term
  - increasing demand for services
  - drive to make efficiencies
  - lack of revenue headroom for investment

# Barriers to supporting LDP delivery in current financial context (cont)

- Five year capital programme based on current capital plan
- Capital plan budgets for £40m of expenditure per annum
  - Limited ability to fund investment
  - Condition issues in estate
  - Aligning available funding with Council priority and pledges

# What do finance officers need to know about planning

- The planning system and how it operates, including the appeal system
  - Planning permission decisions cannot be made on basis of funding implications
  - Developer has right of appeal
    - If S.75 cannot be agreed
    - After S.75 is agreed

# What do finance officers need to know about planning

- The Local Development Plan, Action Programme and Supplementary Guidance
  - LDP sets out growth plans over next five to ten years
  - Action Programme sets out Infrastructure required to support growth
  - Supplementary guidance aims to provide clarity to all parties as to requirements for developer contributions
  - These serve as the basis of modelling financial implications to the Council

# What do finance officers need to know about planning

- Need to meet Planning Circular tests
  - Need to ensure you are only seeking contributions for infrastructure related to growth within that particular development
  - Cannot seek contributions for ongoing revenue costs relating to running the asset
  - Need to demonstrate that the infrastructure solution being proposed is optimal and not excessive
  - Viability for developer

# What is needed to overcome financial barriers?

- Funding streams / mechanisms
  - Developer Contributions
  - A supplement in yearly grant to cover any funding gaps arising from development viability
  - Scottish Government to underwrite risk (e.g. if development slows down)
  - Future revenue costs increase to be made cost neutral to CEC

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