

ENVIRONMENT AND ACCESS PERFORMANCE IMPROVEMENT COMMITTEE

20 January 2005

PLANNING GRANTS INFORMAL SCRUTINY GROUP: PLANNING GRANTS 2005/2006

REPORT OF DIRECTOR OF DEVELOPMENT SERVICES

Contact Officer: Greg.White Tel No: 01962 848418

RECENT REFERENCES:

EA30 – Review of Planning Grants - 15 March 2004

EA32 – Review of Planning Grants - 14 April 2004

EA44 – Review of Planning Grants - 20 October 2004

EXECUTIVE SUMMARY:

This report reviews the work conducted by the Planning Grants Informal Scrutiny Group and prefaces the findings and recommendations of the Group. The last meeting of the Group was held on 11 January 2005 and its conclusions will be reported to the meeting of this Committee on 20 January 2005.

RECOMMENDATION:

That the report be noted.

## ENVIRONMENT AND ACCESS PERFORMANCE IMPROVEMENT COMMITTEE

20 January 2005

### REVIEW OF PLANNING GRANTS

### REPORT OF DIRECTOR OF DEVELOPMENT SERVICES

#### DETAIL:

#### 1 Introduction

- 1.1 At the Informal Scrutiny Group's preliminary meeting on 1 December 2005, a programme was agreed which would provide for gathering and considering all the required information within the very short time-span available. Both the Group's work programme and the structure for obtaining the information needed to inform the Group's subsequent recommendations to the Environment and Access Performance Improvement Committee are contained in the briefing paper, attached to this report at Appendix I. It should also be pointed out that the greatest single constraint on the Group's timetable and work programme has been the immediate need to comply with the prearranged deadlines for setting the City Council's 2005/2006 budget.
- 1.2 Therefore, whilst the Group's findings and recommendations are intended to inform the Council's longer-term strategy for planning grants, an important factor in the Group's overall task has centred on the requirement to identify options for savings of 20% for the coming year, in areas where such savings would be both cost-effective and least harmful to the social, community, economic and environmental wellbeing of the District.

#### 2 Second Meeting of the Informal Scrutiny Group

- 2.1 At the second meeting of the Group, presentations were made by Mr MacCullagh, the Principal Conservation Officer, and Mrs Fifield, the Principal Landscape Architect. The first of these focussed on Historical Buildings Grants. Members were given a breakdown of how much has been given in grant support, in recent years. Grants offered fall into five categories: Buildings at Risk; Churches; Barns; other Historic Buildings and; instances (i.e. low economic 'value' historic buildings) where the City Council is the only potential funder.
- 2.2 Mr MacCullagh emphasised that with the withdrawal of Hampshire County Council from giving Historical Building Grants, the City Council is, in most cases, the only source of grant aid for Historic Buildings within the District. He emphasised that the modest amounts given provide a useful 'management tool' in terms of maintaining a high quality of workmanship and materials and in helping to support traditional construction techniques and craft skills, both of which are under considerable pressure. He also explained the benefits of a beneficial 'multiplier effect', to a ratio of approximately 5:1, whereby the City's grant generates additional spending on the building in question, in line with this overall ratio.
- 2.3 Scrutiny Group Members showed particular interest in the issue of enhanced public access to the buildings where grants have been given by the City Council. Mr MacCullagh explained that although there was a need to balance public access with the privacy of property owners, formal conditions are, in many cases, already attached to the offer of a grant, in order to secure reasonable public access. However, at the meeting, it was agreed to consider new ways of further improving such access, as part and parcel of the City Council more effectively publicising the financial and material assistance which it gives to the maintenance and long-term care of many of the District's most important historic buildings.

2.4 Mrs Fifield then gave a presentation which highlighted a number of environmental improvement schemes, which have been recently carried out in many parts of the District, and which have all attracted City Council funding. Such schemes have, usually been proposed and promoted by the parish in question. Bids for such funding have been judged against six criteria, which are that the scheme put forward should:

- support the Corporate Strategy;
- support other Council Strategies;
- enhance local character and visual amenity;
- enhance and deliver biodiversity;
- promote and generate Community Involvement;
- be fully sustainable and provide Best Value.

2.5 However, only in cases where the relevant Parish/Town Council has been willing to commit itself to the ongoing maintenance of the Environmental Improvement Scheme has money been awarded. The sums granted to each scheme of improvement have ranged from relatively small amounts, up to a maximum of £12,500. Members of the Scrutiny Group felt that all the improvement schemes funded so far have been well thought out and well executed and bring considerable social, environmental and quality-of-life benefits within the Parishes and Settlements which have benefited from the scheme. Although March 2005 marks the end of the original six-year programme for Environmental Improvement Schemes for the District's 'rural areas', there remains a significant capital sum from that programme which has not yet been allocated to specific projects.

#### Countryside Groups and Projects

2.6 Later at the meeting, and following on from the above topic-area presentations and subsequent discussion, representatives from each of the seven countryside groups/projects which have, in recent years, received funding from the City Council gave their own presentations to the Scrutiny Group and these were, in turn, followed by question-and-answer sessions led by the Members.

2.7 As a result, Members were able to gather more detailed information regarding the ways in which the various Groups and Countryside Projects operate within the District. Helped by this, Members were able to gain a better understanding of the processes at work and the specific deployment of the City Council's grant funding. This has further enabled the Group's members to begin the process of prioritising between, and within, the three categories of Planning Grants: Historic Buildings; Environmental Improvements and Countryside Groups/Projects.

2.8 This particular stage was due to be developed further at the third, and final, meeting of the Scrutiny Group, held on 11 January 2005. At that meeting, Members were asked to arrive at a reasoned ordering of grant funding priorities when, on the one hand, the Countryside Groups/Projects are measured, in terms of their recent performance against five main criteria:

- Their contribution towards achieving WCC's Corporate and Community Strategies;
- Their contribution towards achieving the delivery of WCC's 'development' and related services;
- Their contribution towards meeting WCC's statutory and legal obligations;

- The opportunities provided by each Group/Project for sustained or increased Community Involvement;
- Each Group's/Project's prospect for 'surviving' a reduction in WCC funding

An update on the Scrutiny Group's discussions will be given at the meeting.

- 2.9 Added to this, Members considered the recent achievements and 'strategic', social, environmental, economic and community benefits which have been derived from the 'Historic Buildings' and 'Environmental Improvement' strands of the overall planning grants programme. From their findings and conclusions regarding these categories, together with their assessment of the necessity for continued funding among the various Countryside Groups/Projects, the Informal Scrutiny Group were asked to map out an order of priority for future funding and, in the context of the potential budget saving which are currently being sought, set out its recommendations to EAPIC, for achieving such savings in the most carefully targeted and least harmful way.
- 2.10 These findings, and the formal recommendations which followed, will be the subject of a supplementary report to be prepared following on from the Scrutiny Group's meeting on 11 January and made available to EAPIC Members, in time for consideration at the meeting of this parent Committee on 20 January 2005.

## OTHER CONSIDERATIONS

### 3 CORPORATE STRATEGY (RELEVANCE TO):

- 3.1 The Council's Corporate Strategy commits the Council to work to protect the natural environment for future generations and to encourage greater community involvement in the protection and enhancement of the District's unique character. The various grants at issue here variously contribute towards these objectives.

### 4 RESOURCE IMPLICATIONS:

- 4.1 These will be set out in a Supplementary Report to the 20 January 2005 meeting of this Committee.

## BACKGROUND DOCUMENTS:

Letters from various individuals and organisations requesting the City Council's grant aid held on file in the Planning Department

## APPENDICES:

Appendix 1: Briefing Paper to the Planning Grants Informal Scrutiny Group's first meeting, held on December 1 2004.

Environment and Access Performance Improvement Committee

PLANNING GRANTS: INFORMAL SCRUTINY GROUP

1 DECEMBER 2004

Review of Planning Grants: Introductory Paper

1. INTRODUCTION

- 1.1 This Group, the Planning Grants Informal Scrutiny Group, was set up as the result of consideration by Cabinet and the Environment and Access Performance Improvement Committee of reports EA30 and EA32, earlier this year. Those reports relate to the issue of planning grants and, in particular, the increasingly urgent need to undertake a thorough review of the Council's strategy for the future of such grants. A copy of the report EA32 is attached as Appendix I to this paper.
- 1.2 In the context of the Council's wider budgetary position, and resultant indications that ongoing savings would need to be made from within the Planning Grants budget, EAPIC Members were initially asked to examine proposals for the three main categories of planning grant – historic buildings grants, environmental improvement grants and grants to countryside projects and organisations. This examination was primarily focused on the financial year 2004/05 but also looked, in broad terms, at the prospects for the medium-term period beyond this.
- 1.3 That preliminary exploration of possible 'options' for future funding was partly based on the issue of the Planning Grants Reserve and the extent, and rate, at which this might be drawn upon in order to support a financially acceptable and, at the same time worthwhile, extension of grant funding. From within the range of possibilities, a primary option would have been to effectively run down the Reserve, by continuing to maintain grant payments at their pre-2004 levels.
- 1.4 A clear alternative to this would be to 'eke out' the Reserve over the longest possible period. However, this option would almost certainly result in a sharp curtailment of funding support in some, if not all, of the three grant categories. In the event, both EAPIC and Cabinet Members felt that a more prudent course of action should be based on a managed and, therefore, more gradual tapering off of the Grants Reserve. This particular approach, regarded as 'the middle course', would require ongoing economies to be maintained but, at the same time, could allow a reasonable programme of support funding to be carried forward into the period ahead.
- 1.5 In the event, it was decided to make certain savings for the current financial year (2004/05) and, most significantly, to put in place arrangements for a thorough review of projected planning grant resources and the best and most cost-effective way in which these could be matched with future requests for funding. In order for the necessary savings to be achieved for the current year it was, furthermore, decided that three countryside groups/projects, which had been previously supported over a number of years, would not be offered grant funding. These are: The Forest of Bere Project (led by Hampshire County Council); The St. Catherines Hill Management Project (led by the City Council and the Hampshire Wildlife Trust) and; the Farming and Wildlife Action Group. Each of these groups has been made fully aware of the financial circumstances which had led to that

particular decision and has also been notified of the Council's wish to review the outlook for the future of all planning grants.

- 1.6 Therefore, in responding to Cabinet's decision to set up this Informal Scrutiny Group, it will be necessary to provide sufficient information to allow the Group to consider, in detail, the development of a prioritised strategy for the allocation of any available funds derived from the Grants Reserve and any additional revenue source although, at the present time, such a possibility seems highly unlikely.

## 2. THE PROGRAMME

- 2.1 In suggesting a programme for the work of this Scrutiny Group, it is important to bear in mind, firstly, the need to keep the number of its meetings to a reasonable minimum. Secondly, it may be helpful to approach the Group's consideration on a targeted topic-by-topic basis i.e. by looking at Historic Buildings' grants, Environmental Improvement grants and Countryside grants, perhaps in that order. Thirdly, the primary output of the Group will be to make firm recommendations to its parent Committee (EAPIC) and this must be achieved in sufficient time to allow such recommendations, with or without further amendment, to be carried forward into the budget-making process for the coming financial year, 2005/06.

- 2.2 If, at this inaugural meeting, Group members agree to proceed on a topic- area basis, it could then be possible to devote two subsequent meetings of the Group to consider each 'topic' in turn. Such meetings could then be followed by one further meeting, to review the Group's findings and conclusions and to formulate recommendations to be referred on to EAPIC. Therefore, an important item of business for this, the first, meeting will be to agree the timing of all subsequent meetings, which should be concluded as early as possible in January 2005, to allow a final report to EAPIC to be presented at its meeting on the 20<sup>th</sup> January.

- 2.3 Whilst the relevant officers will be in attendance at all such meetings and will, in particular, be able to provide more background information and answer questions in regard to Historic Buildings and Environmental Improvements, it may be especially helpful if Members could hear, at first hand, more about the recent achievements and future capabilities (and aspirations) of the different countryside organisations which operate within this District and have previously received grant aid from the City Council in support of their work.

- 2.4 Members may wish, therefore, to extend an invitation to all, or some, of the various countryside groups (six, in total) in order that they might be present at the appropriate meeting of the Scrutiny Group and, perhaps in addition, make a brief presentation to the Group. It is likely that, if invited, most of the countryside groups would wish to take up the opportunity to speak and answer Members' questions. Clearly, there is a severe time constraint on the workings of this Group. Nevertheless, it may be particularly appropriate for the three countryside organisations named above, to be given an opportunity to restate their case for any resumption of grant support, in the event that this might become financially possible in the future.

## 3. FACTORS AND PRIORITIES

- 3.1 The prime purpose of this Group is not, specifically, to identify where further budgetary savings might be made but, rather, to examine and draw conclusions as to which planning grants strategy, operating within what is likely to be an increasingly constrained budget, would offer:
- the best value-for-money, in terms of supporting the Council's Corporate Strategy and other objectives which seek to enhance the Winchester District and its varied environments, both rural and urban;
  - support for those countryside projects and organisations that are best equipped to contribute to that objective and whose general remit and specialist capabilities are most valuable in contributing to the wider delivery of development control, forward planning and other, related City Council services;
  - the best opportunities for helping to increase long-term community involvement in countryside and countryside management projects;
  - the most efficient and cost-effective arrangements for the continued care and maintenance of the District's historic buildings (including those considered to be 'at risk').
- 3.2 As well as applying such criteria, this Group will also need to 'prioritise', within each category of grant expenditure and may, in addition, decide that the categories themselves should be changed. To focus on these issues, Members will also need to consider other factors, including:
- the extent to which any changes to the overall Planning Grants strategy would conform to the City Council's Corporate Strategy (2002-2008) and, in particular, the Community Strategy for the District which sets out a vision for improving the quality of life throughout the District;
  - the extent to which grants funding contributes (or could contribute) towards meeting the Council's statutory or legal obligations;
  - the extent to which various recipients of funding might be able to withstand a reduction in or, possibly, the complete withdrawal of City Council funding;
  - potential sources of alternative funding support which might be located on behalf of groups/projects, with a view to counteracting the effects of any reduction in financial support by Winchester;
  - the implications of the current Government proposals for the creation of a nationally-funded South Downs National Park - to effectively replace the East Hampshire and Sussex Downs Areas of Outstanding Natural Beauty - and the medium and long-term effects this would have if the designation of such a Park was confirmed during 2005;
  - the implications for the proper care of the District's churches and other historic buildings, if any changes to the present historic building grants regime were to be adopted by the City Council.

#### 4. SUMMARY

- 4.1 Given that it is faced with operating against the background of a declining planning grants budget and that its overall objective is to ensure the softest possible 'landing' for what are seen by many as important environmental duties and responsibilities, this Informal Scrutiny Group is charged with an exacting task.
- 4.2 Therefore, its first meeting will require both the setting of a clear work programme and, in addition, agreement as to the exact criteria to be used in assessing grants priorities; both in terms of the overall budget and, subservient to that, within each topic area. At the meeting, officer suggestions will be made as to the possible timing of subsequent Group meetings.
- 4.3 In addition, a draft version of a check-list or scoring matrix will be tabled for discussion at this first meeting, in order to reach a more objective method of assessment which could be helpful in considering grant outgoings, grant recipients and other performance related issues. Further papers will also be provided for Members, on each of the three topic areas and these will be made available in advance of the relevant meetings of this Group.



APPENDIX I

EA32  
FOR DECISION  
WARD(S): GENERAL

ENVIRONMENT AND ACCESS PERFORMANCE IMPROVEMENT COMMITTEE

14 April 2004

REVIEW OF PLANNING GRANTS

REPORT OF DIRECTOR OF DEVELOPMENT SERVICES

Contact Officer: Greg White Tel No: 01962 848418

RECENT REFERENCES:

EA30 – Review of Planning Grants - 15 March 2004

EXECUTIVE SUMMARY:

This report follows on from, and supplements, the report (EA30) put to this Committee at its meeting on the 15 March 2004. It provides additional information regarding, in particular, the current position of those 'Countryside Organisations' partly funded by the City Council. However, this report also gives further consideration to the allocation of each the various sources of grant funding and, from this, seeks to recommend an appropriate budget to Cabinet. Overall, the grants involved include those for Historic Buildings Grants, Countryside Organisations and Environmental Improvements.

In the light of the wider budget situation affecting the Council, part of the savings identified for the Development Services budget are to come from the Planning Grants budget, which is reduced to £61,000 in the 2004/05 revenue budget. As a consequence of that reduction, this report focuses on the scope for reducing grants payments to a new level, that is capable of delivering a worthwhile programme of grant support, whilst reducing the present Planning Grants Reserve in the most controlled way possible.

RECOMMENDATIONS:

- 1 That the proposals set out in this report (summarised in Appendices 1 and 2 and at paragraph 8.10) be recommended to Cabinet for approval, as the basis for allocating the Planning Grants Budget for the financial year 2004/05 and, in addition, to provide a clear indication as to the City Council's Planning Grants strategy for the longer term.
- 2 That the Committee recommends to Cabinet that funding for Phase 2 of Denmead Village Centre Improvements be confirmed (up to £65,000 from the Planning Grants Reserve) and design work and negotiations with landowners be progressed.

## ENVIRONMENT AND ACCESS PERFORMANCE IMPROVEMENT COMMITTEE

14 April 2004

### REVIEW OF PLANNING GRANTS

#### REPORT OF DIRECTOR OF DEVELOPMENT SERVICES

##### DETAIL:

#### 1 Introduction

1.1 This report follows on from the earlier report put before this Committee at its meeting on 15 March. On that occasion Members considered the issue of planning grants, the need to operate on a reduced budget and, therefore, the prospect of having to make savings whilst maintaining, if possible, a worthwhile future programme of grant funding. As part of the Committee's consideration of these matters, attention was also given to the issue of funding the second phase of improvements to the village centre at Denmead.

#### 2 The future of planning grants

2.1 At the last meeting it was resolved that no formal decisions would be made, but that a further report should be prepared for a special meeting of the Committee. It was also agreed that this follow-up report should provide more detailed information, as to:

- the wider composition of funding for the various countryside organisations and the effect on their continued operations (and viability) if Winchester's contribution was significantly reduced or withdrawn;
- the extent to which the City Council is contractually, or otherwise, committed to maintain funding support for these organisations;
- an allocation of grants which could result from any decision to adopt a "middle-course" annual planning grants expenditure, amounting to approximately £150,000 per annum;
- the possibility of attracting funding support from Denmead Parish Council and/or the owners of the village centre shop premises, in order to help share with the City Council the cost of implementing Phase 2 of the village shopping centre improvements.

#### 3 Funding the Countryside Organisations

3.1 The table below sets out the grant contribution made by the City Council to each of the named organisations, for the financial year 2003/04. The table also shows Winchester's contribution as a percentage of the total funding revenue received by each organisation: The Hampshire and Isle of Wight Wildlife Trust (HIWWT); The British Trust for Conservation Volunteers (BTCV); The East Hampshire Area of Outstanding Natural Beauty Project (E.HANTS.AONB); The Hampshire Biodiversity Information Centre (HBIC); The Forest of Bere Project (FOB); The St. Catherine's Hill Project (St.CHP) and; The Farming and Wildlife Advisory Group (FWAG).

Organisation	Key (L.A.) Partners	WCC Grant: 2003/04	WCC, as % of Total
HIWWT	7 District Authorities	£6,000	15%
BTCV	HCC+ 9 Hants. L.A.'s	£7,770	25% of LA funding
E.HANTS. AONB	(Countryside Agency +) HCC + 2 Districts	£9,990	20% of LA funding
HBIC	HCC + 11 Hants. L.A.'s	£6,000	3% of LA funding
FOB	HCC + 4 Districts	£000	t.b.c.
St. C.H.P.	WCC + Winch College	£3,250	30%
FWAG		£2,040	t.b.c.

3.2 Each of the above recipients has been contacted and asked to give a clear indication as to the effect a funding reduction on the part of the City Council would have, down to the point of nil-funding. A number of these organisations have already responded and indicated that any reduction in Winchester's funding, and certainly of the order of 25%-75%, would have direct consequences on the output and service delivery of the organisation. Similarly, they have stated that a complete withdrawal of funding by the City Council could threaten the viability of the organisation itself. This particular problem would not be helped by the fact that most, if not all partner authorities, are operating under increasing financial restraints. It is highly unlikely, therefore, that any funding "gap" caused by Winchester's withdrawal could be filled by other funding authorities simply increasing their present contributions.

3.3 Despite this the City Council may, at some point, need to make unwelcome decisions with regard to particular aspects of its grant funding. In the case of the countryside organisations, the effect of certain decisions could well destabilise the revenue stream of one or two countryside organisations that it currently supports, but which might be regarded as having a more vulnerable financial structure.

#### 4 Funding Commitments

4.1 The table below indicates where continued funding is "committed", either by some form of contractual obligation, such as a Service Level Agreement (SLA) or Memorandum of Agreement (MOA), or as a result of funding having previously been committed for a fixed term.

Organisation	Commitment yes/no	Commitment Type	Period of 'Notice'
HIWWT	Yes	S. L. A.	3 MONTHS
BTCV	Yes	S. L. A.	3 MONTHS

E.HANTS AONB	Yes	M. O. A.	6 MONTHS
HBIC	Yes	Partnership Agreement	Ag'ment ends 31/03/05
FOB	Yes	Partnership Agreement	No
St. Catherine's Hill	No	--	--
FWAG	No	--	--

4.2 From the table it is clear that all arrangements/commitments for the funding of countryside organisations are, in principle, capable of termination. However, with the Service Level Agreements and, in the case of the East Hampshire Area of Outstanding Natural Beauty Project, Memorandum of Agreement, some period of notice is required in those instances. In regard to Environmental Improvements and Historic Buildings there are schemes in progress and agreed payments committed. Therefore, to reduce funding would, to an extent, require a degree of "tapering off". However, in the case of Denmead there is, as yet, no formal commitment to fund Phase 2 works (this is explained in the earlier report, EA30).

4.3 Nevertheless, it should be pointed out that a good deal of preparatory work has been done and, certainly, all expectations within the Denmead community are that the City Council will honour this long-standing commitment. Aside from the purely financial considerations, to 'abandon' the project at this point would be highly regrettable in terms of community relations and, from a practical point of view, would leave partially re-surfaced areas and much needed improvements to storm drainage very much "half finished".

## 5 A "Middle-Course" Strategy for Future Grants Funding

5.1 At the 15th March meeting of this Committee an initial range of three broad funding 'options' was set out in report EA30. Of the three, Members were inclined towards the less extreme option, the so-called 'middle-course'. This was preferred to either: the 'do-most' option, which would lead to a rapid reduction in the Planning Grants Reserve or; the 'do-least' alternative, which would eke out the Reserve over the longest period but significantly reduce the range and scope of the City's planning grant-giving activity. Additionally, such a reduction in what is widely seen as valuable financial support, could well lead to a weakening of the City Council's involvement and influence in certain important areas of planning-related activity.

5.2 In terms of formally adopting a 'middle-course' alternative, the Table included at Appendix 1 shows the effect this would have in reducing the Planning Grants Reserve, over time. Furthermore, it illustrates the extent to which it may be possible to maintain a productive grants stream, whilst securing a "softer landing", at the point where the Reserve was eventually exhausted.

5.3 For the longer term, this approach also gives some opportunity to avoid reducing the Reserve to zero. To do this, would lead to a sizeable growth bid having to be made, in order to restore any meaningful Planning Grants fund. However, a possible supplementary strategy would be to 'feed-in' relatively

small amounts from revenue funding, over a period of time, in order to return the Planning Grants budget to a level which would then be capable of sustaining a modest, though affordable, programme of grant support.

## 6 Denmead Village Centre Improvements

- 6.1 Following the March meeting of this Committee, the Parish Council of Denmead was contacted in writing. The changed situation with regard to funding was explained and, in the light of that, a formal request was made for the Parish Council to consider, whether or not it would be able to make a financial contribution towards the cost of the forecourt improvements, still outstanding. However, no specific sum was suggested in the letter. This request was informally aired at a full meeting of the Parish Council, held on 24th March. Although no resolution was passed at the meeting, it does appear very unlikely that the Parish Council would be able to offer any meaningful contribution towards the Phase 2 cost, during the course of the coming financial year (2004/05). The reason for this is that the Parish precept was, in fact, set some time ago and, therefore, for the Parish Council to even contemplate making any contribution within the coming financial year, would require the removal of funds from some other project, or commitment.
- 6.2 In addition to that request, soundings have been taken from the owners of the commercial premises that front onto the 'unimproved' part of the village centre forecourt. In simple terms most, if not all, of the owners concerned are unwilling to make direct contributions towards the cost of the work. Unlike the first phase of the improvement scheme, this second group of landowners does not form part of any regional or national company and, individually, they are far more in the nature of small owner-occupied local businesses.
- 6.3 These owners have already agreed to make a small financial contribution towards the costs of framing the Legal Agreement that would be necessary to secure any public 'investment' made by the City Council, in carrying out forecourt works. Faced with any greater level of financial 'commitment', the owners would be far more likely to take matters into their own hands and simply carry out ongoing minor repairs, as necessary, without any overall improvement of the shopping environment or upgrading of the storm-drainage.

## 7 Division of Funding

- 7.1 On the basis of the 'middle-course' option, described at the previous meeting of this Committee, a total grant outlay of £150,000 for each of the coming three years represents a prudent and potentially recoverable position to adopt. Such a sum, which would incorporate £61,000 from the revenue budget in each year, would allow annual funding for this period of the order of £30,000, to be maintained to the key countryside organisations. At the same time, there would be the opportunity to keep the service delivery and District benefits to be gained from these organisations under very careful review.
- 7.2 The future outcome of the South Downs National Park proposals and, therefore, the need for continued funding of the AONB Project beyond, possibly, 2007/08 will be monitored (this is explained in more detail at paragraphs 8.4-5, below). Furthermore, the prospects for the continuation of the Hampshire Biodiversity Information Centre, beyond the termination of the present Partnership Agreement in March 2005, will be reported to members in

due course. With regard to the balance of funding available for the coming year, it would be possible to set aside £45,000 for Environmental Improvement Schemes and also £75,000 for Historic Building Grants.

## 8 Conclusions and Recommendations

- 8.1 Following the preference expressed by Members, at the previous meeting of EAPIC, the 'middle-course' option has been carefully examined. Given the prospects for revenue funding for the foreseeable future there seems little doubt that a strategy, based on a Planning Grants budget of £150,000 per annum, would represent the most prudent alternative. In the medium term, at least, this would offer the most sustainable solution, based on current information as to revenue projections.
- 8.2 Although there are constraints on timing, in the case of certain countryside organisations (see Table 2) there are no funding commitments to any of the organisations which could not be re-negotiated or, if necessary, brought to an end.
- 8.3 Despite the scope to reduce overall payments to countryside organisations it is considered that funding levels should be maintained, in the case of the Wildlife Trust, the Conservation Volunteers, the Area of Outstanding Natural Beauty Project and, until at least March 2005, the Hampshire Biodiversity Information Centre. Each of these organisations provides valuable services that benefit the delivery of City Council's planning and conservation functions, as well as the District's natural environment and communities, both rural and urban.
- 8.4 In the case of the Area of Outstanding Natural Beauty Project there is, however, a definite element of uncertainty regarding the medium- to long-term future of the Project. This stems entirely from the Government's intention to establish a National Park to take over from the East Hampshire and Sussex Downs AONBs. However, taking these proposals through their various stages, including the current Public Inquiry, has not had the effect of undermining or reducing the output, or effectiveness, of the Project. Nonetheless, assuming that a South Downs National Park could come into being in 2007/08, there would be a period of "hand over" from the East Hampshire Joint Advisory Committee and the South Downs Conservation Board, which involved transitional and 'shadow' National Park Authority arrangements.
- 8.5 To withdraw (or significantly reduce) funding from the Project in the period leading to a full hand over to a permanent National Park Authority would, potentially, reduce the City Council's involvement in such a process. Therefore, any notional savings in terms of grant support would need to be offset against the loss of contact and influence which could affect the City Council's position at a particularly sensitive and important time for the future administration of what amounts to 40% of the Winchester District. However, it should be borne in mind that any confirmation and subsequent establishment of a South Downs National Park would result in the revocation of the two AONBs and the funding of the 'replacement' National Park Authority entirely by Central Government. If this came about, such a change in administrative arrangements would result in the City Council no longer being asked to provide 'funding' for that part of the District.

- 8.6 By comparison with the above, the St. Catherine's Hill Project, the Forest of Bere Project and the Farming and Wildlife Advisory Group all provide more limited, or less tangible benefits within the context of the District and, on a day-to-day basis, must be considered weaker candidates for continued funding. Therefore, this report reluctantly recommends that Members consider withdrawing City Council funding from these particular projects.
- 8.7 However, a meeting of the Forests of Bere and Eversley Joint Members Panel is due to be held on the 15<sup>th</sup> April 2004 and will consider the work programme, and future prospects, for this particular Project. The meeting will be attended by Councillor Cook, the Planning Portfolio Holder and Councillor Pearson, on behalf of the City Council. Given that the two Members in question will be unable to report back in time for this Committee, it is suggested that any relevant information from the Panel Meeting be reported to Cabinet, in order to help inform its decision.
- 8.7 The Biodiversity Information Centre, which is supported by the City Council as a funding partner, has an initial Partnership Agreement in place, which expires in March 2005. Beyond that point there is no binding commitment to extend the arrangement, and it may be that the future affordability of this particular project will be critically reviewed by several of the Local Authority partners, when that stage is reached.
- 8.8 The confirmation of funding for the Denmead Village Centre Improvements Phase 2 would result in a one-off withdrawal of £65,000 from the Grants Reserve. The effect of this, over time, is shown on Table 4 (Appendix 2). However, the impact could be helpfully reduced to the level of, say 75%, in the event that the Parish Council contributed towards the cost. As explained at paragraph 6.1, the Parish precept for the coming financial year has already been set and, therefore, it is not now possible for any notional contribution to be made over to the City Council until the start of the following financial year (2005/06), at the earliest. Against that background, it is understood that this matter will be discussed in more depth, at a forthcoming meeting of the Parish Council, on the 20<sup>th</sup> April.
- 8.9 On the basis of the projections shown in Appendix 1 to this report, it appears that a gradual and therefore, more controllable reduction in the Planning Grants Reserve can be achieved. Balancing known revenue funding for the coming three financial years, with a staged reduction in the capital Reserve, would allow a total planning grant outgoing of £150,000 in each of the three years. At the end of that period the reserve would stand at £80,000 if the Denmead Scheme had not been funded and approximately £15,000 if it had been funded (not taking account of any contribution from the Parish Council or the landowners). In either case, Cabinet should be recommended, in the interim, to at least consider some restoration of the Grants Reserve by feeding in moderate amounts of revenue funding, thus avoiding the need for a much larger growth bid to be made.
- 8.10 It is recommended, therefore, that the 'middle-course' option should be adopted. This would result in budgeted payments of approximately £30,000 for countryside organisations for the coming year, £45,000 for environmental improvements in the District as a whole and £75,000 for Historic Buildings Grants (set out in Appendix 2). This division would allow a reserve of £280,000-215,000 to be carried forward at the end of the 2004/05 financial year, depending on the decision made with regard to Denmead. Appendices



1 and 2 show the comparative rate of reduction in the Grants Reserve, over the following two years, on the basis of the recommended overall strategy and the decision on Denmead Village Improvements.

OTHER CONSIDERATIONS:

9 CORPORATE STRATEGY (RELEVANCE TO):

9.2 The Council's 2001-2004 Corporate Strategy commits the Council to work to protect the natural environment for future generations and to encourage greater community involvement in the protection and enhancement of the District's unique character. The various grants proposed will contribute towards those objectives.

10 RESOURCE IMPLICATIONS:

10.1 These are set out in the main body of the report

BACKGROUND DOCUMENTS:

Letters from various organisations requesting grant aid held on file in the Planning Department.