

Report to: **Executive**

Date: **14 September 2017**

Title: **The Government's proposed 20% increase in planning fees**

Portfolio Area: **Customer First**

Wards Affected: **All**

Relevant Scrutiny Committee: N/A

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **28 September 2017**

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Recommendations:

That the Executive RECOMMEND to Council that:

1. planning fees be increased by 20% once primary legislation is confirmed; and
2. an appraisal be undertaken of resource and performance levels across the wider planning function to ascertain the best use of the additional resource, to be approved by the Head of Paid Service in consultation with the s151 officer and Leader of Council.

1. Executive summary

1.1 The Government's February 2017 White Paper – "Fixing our broken housing market" set out proposals to boost local authority capacity and capability to deliver housing and improve the speed and quality with which planning cases are handled. These proposals include increasing nationally set planning fees. The White Paper says "*Local Authorities will be able to increase fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department.*"

The increase in fees has to be spent entirely on the planning function. This timescale has slipped but the indications are that the necessary regulations are being brought forward in the autumn.

- 1.2 The actual amount of increased income to the Council as a result of a 20% fee increase is dependent on the volume, scale and nature of planning applications received in any year. However based on the income received in the last 12 months (August 2016 – July 2017) the annual increased income would be approximately £153,000.
- 1.3 Acceptance of the increase in fees will enable the Council to increase staffing levels across the planning function and to continue to strive to deliver an efficient high quality Development Management service without additional support from the Council Tax payer.
- 1.4 The report recommends the Council increase its planning fees by 20% when the legislation is amended to allow for such an increase. It is further recommended that an appraisal be undertaken of resource and performance levels across the wider planning function to ascertain the best use of the additional resource, to be approved by the Head of Paid Service in consultation with the s151 officer and Leader of Council.

2. Background

- 2.1 Planning application fees are set nationally by the Government. The fees currently applicable across England were set by The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012, which came into force on 22 November 2012. Planning application fees do not rise annually and are not index linked, so have remained static since that date.
- 2.2 Planning application fees are an important source of income to the Council, contributing approximately £768k to South Hams District Council over the last 12 months.
- 2.3 The Government's February 2017 White Paper – "Fixing our broken housing market" set out proposals to boost local authority capacity and capability to deliver housing and improve the speed and quality with which planning cases are handled. These proposals include increasing nationally set planning fees. The White Paper says "Local Authorities will be able to increase fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department.
- 2.4 The timescale set out in the White Paper has slipped, however within the latest DCLG Newsletter to Chief Planning officers it states that the Government are bringing forward the necessary regulations in the autumn, which, subject to Parliamentary scrutiny, will apply the increase.
- 2.5 The increased fees have to be spent entirely on the planning function without a reduction in the current baseline budget for the planning service.

- 2.6 The actual amount of increased income to the Council as a result of a 20% fee increase is dependent on the volume, scale and nature of planning applications received in any year. However based on the income received in the last 12 months (August 2016 – July 2017) the annual increased income would be approximately £153,000.
- 2.7 A 20% increase in fees would, for example, see the application fee for construction of a single dwelling rising from £385 to £462. A householder application would rise from £172 to £206. At the higher end of the scale an application for 100 houses would rise from £24,799 to £29,759. These fees would still represent a very small proportion of the overall development cost of the project and it should be remembered that application fees have remained static since November 2012.
- 2.8 An efficient Development Management service has significant economic benefits for the Council and its residents and businesses, by ensuring that acceptable development proposals can be permitted and delivered quickly. The Development Management service also has an important role to play in ensuring that development is of the highest quality design and includes all the necessary community facilities and infrastructure. An effective Development Management service therefore underpins the vision and key objectives of the Council.
- 2.9 It is open to the Council to reject the proposed increase in fees, however it is difficult to see any significant advantage to the Council in doing so. The only potential benefit may be that the Council could be perceived to offer better value for money if most other authorities choose to accept the increase. However this would have to be balanced against the fact that those other Councils would then be better-resourced.
- 2.10 Consideration will, of course, have to be given to how the extra income should be spent to best effect. A review of current staffing resources and performance will allow officers to determine the best use of the additional resource, to most effectively support the Development Management Service. Additions to the establishment would be agreed with the Head of Paid Service and s151 Officer in consultation with the Leader.

3. Outcomes/outputs

- 3.1 Acceptance of the increase in fees will enable the Council to increase staffing levels across the function and to continue to strive to deliver an efficient high quality Development Management service without additional support from the Council Tax payer. The additional income will come from Applicants for planning permission who will benefit most from any resultant improvement in the efficiency of the service. The increased planning fees will still represent a very small proportion of the Applicant's overall development cost.

4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Council is awaiting the introduction of the legislation that will enable planning fees to be increased
Financial		It is anticipated that the increase in fees will amount to £153,000 per annum based on current income levels.
Risk		There is a risk that if fees are not increased the Council would lose the opportunity for additional income.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	N/A