

REPORT TO:	COUNCIL	AGENDA ITEM: 9
DATE OF MEETING:	6th APRIL 2017	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF FINANCE & CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/budgets/planning application fees the government's offer
SUBJECT:	PLANNING APPLICATION FEES: THE GOVERNMENT'S OFFER	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That Council consider accepting the Government's offer to increase fees for planning applications by 20% from July 2017 and commit to investing the additional income in Planning Services.
- 1.2 That if the offer is accepted, Council give approval to the Section 151 Officer, under Section 230 of the Local Government Act 1972, to commit and submit information of the 2017/18 budget that demonstrates the additional fee income being spent on planning services.

2.0 Purpose of Report

- 2.1 To consider a proposal by the Government that would allow local planning authorities to increase their planning application fees by 20% in order to generate additional resources for the Planning Service.

3.0 Detail

- 3.1 The Government published a White Paper for Housing on 7th February entitled "*Fixing our broken housing market*". This included proposals for boosting local authority capacity and capability to improve the speed and quality of processing planning cases whilst deferring unnecessary appeals.
- 3.2 More recently, the Government wrote to all councils outlining their specific proposals. Effectively, the proposal is to increase nationally set planning fees by 20% to increase resources for planning. The Government has requested that all councils formally respond to their offer.
- 3.3 If the offer is accepted, it is intended that the additional income should be retained by planning departments and that existing baseline and income assumptions will not be adjusted down as a result during the current Parliament.

- 3.4 The Government views this as an opportunity for all councils to make improvements to their resourcing, leading to better services, improved performance and greater capacity to deliver growth as set out in the White Paper.
- 3.5 If a council does not accept the Government's offer, the existing fee structure will remain in place. Where a council does accept the offer but does not comply with the assurances it has provided, the Secretary of State will consider reducing the fee level for that council back to the original fee through a change in regulations.

4.0 Financial Implications

- 4.1 If the offer is accepted, the following statement would need to be submitted to the Government.

	2016/17 £'000	2017/18 £'000
Estimated expenditure on Development Management	1,054	1,141
Estimated income generated from planning fees	850	750
Estimated additional income from higher fees	n/a	150

*Note: 2016/17 is Estimated Out-turn based on figures to January 2017
2017/18 is the approved Base Budget*

- 4.2 Clearly, a 20% increase in fees would generate a fairly sizeable income stream based on the current base budget included in the Council's Medium-Term Financial Plan.
- 4.3 If accepted, the Council should demonstrate that the additional income is being invested in planning services and in particular "development management". This would be monitored through the Council's financial planning and budget monitoring process.

5.0 Corporate and Community Implications

- 5.1 It has been assumed that all current fees set nationally under the Town and Country Planning Regulations 2012 would be increased by 20%. There are a range of fees depending on the type of application and number of dwellings involved.
- 5.2 For example, the current application fee for an individual household to alter or extend their property is £172; this would rise to £206. For a developer with a site containing up to 50 new dwellings, the application fee would rise from approximately £19,000 to around £23,000.

6.0 Background Papers

- 6.1 The Government's Housing White Paper: "*Fixing or broken housing market*".

<https://www.gov.uk/government/publications/fixing-our-broken-housing-market>