
REPORT TO:	Environmental & Development Services Committee (Special Budget)	AGENDA ITEM: 7
DATE OF MEETING:	4th January 2011	CATEGORY: DELEGATED
REPORT FROM:	Director of Community Services	OPEN
MEMBERS' CONTACT POINT:	Gill Hague 595742 gill.hague@south-derbys.gov.uk	DOC:
SUBJECT:	Proposals for changes to planning application fees in England	REF:
WARD(S) AFFECTED:	All	TERMS OF REFERENCE: EDS01

1.0 Recommendations

- 1.1 That subject to any amendments agreed at Committee, Members agree the response to the consultation on changes to planning application fees as suggested in paragraph 3.3. below.

2.0 Purpose of Report

- 2.1 To inform Members of the Government's proposal that Local Planning Authorities set their own fees to cover their costs for determining fee chargeable planning applications and to seek agreement of a response to the consultation questions.

3.0 Detail

- 3.1 Fees for planning applications are currently set nationally which means that they do not take account of differing local circumstances and market conditions. Whilst they have been increased over recent years, independent research commissioned by the previous Government that looked at 11 Local Planning Authorities, identified that authorities were recovering around 90% of their costs on average and that around 35% of development management resources are allocated to dealing with applications that do not currently incur a fee.

- 3.2 The consultation document, which can be viewed at; <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1769286.pdf> acknowledges the established principle that local authorities should pay for activities that are purely or largely for the wider public good. Managing local development is undertaken for the public good as it helps secure the long-term benefits of sustainable, well-designed communities. Charging for planning applications reflects the principle that the applicant should expect to pay a fee for an application that could bring a measure of private benefit, for example a property with planning permission may be much more valuable than it would be without it. Fees should reflect the overall cost of handling, administering and deciding the application, including related overheads.

- 3.3 Three options were considered by Government – (1) Decentralising responsibility for setting planning application fees to LPAs, (2) Decentralising planning application fees whilst setting a cap on maximum fee levels and (3) Maintaining the current system of centrally-set planning application fees whilst increasing fees by 10-15%. The Government's preference is option 1. The consultation document contains a series of 8 questions relating to aspects of fee charging. These are set out below with a suggested response in italics:

- Q1 Do you agree that each local planning authority should be able to set its own (non-profit-making) planning application fee charges?
 Ans Yes
- Q2 Do you agree that local planning authorities should be allowed to decide whether to charge for applications that are resubmitted following withdrawal or refusal?
 Ans *Yes. This is because we have to start from scratch e.g begin the whole process again which involves staff time inputting data, sending out neighbour notifications, statutory consultations etc, checking that the proposal is the same and if not what implications the changes have and assessing the responses. As an alternative for transparency and consistency the Secretary of State could specify that half the original fee should be payable.*
- Q3 Do you agree that local planning authorities should be able to set higher fees for retrospective applications?
 Ans *Yes. We incur enforcement costs to investigate and chase in applications following a complaint and therefore the application fee should help recoup those costs.*
- Q4 Are there any development management services which are not currently charged for but should required a fee?
 Ans *Yes as follows:
 consultations from neighbouring authorities – whilst we do not undertake the full process officer time is expended on formulating a response.
 Responding to requests regarding Statements of Community Consultation relating to IPC (major infrastructure) applications – this can be a time consuming exercise on top of the need for the authority to formulate its own response to the proposed development.
 Listed Building Consent*
 Conservation Area Consent*
 Works to trees protected by a TPO *
 Trees in conservation area notices*
 Demolitions
 Applications with no fees vis. permitted development
 Article 4 applications
 Applications which straddle authority boundaries
 County Developments (where District/Borough is a consultee)
 County Waste applications (where District/Borough is a consultee)
 County Mineral applications (where District/Borough is a consultee)
 * (The Government is not minded to make a change to introduce fees for these as it takes the view that owners cannot opt-out of having their building Listed etc and because such designations confer burdens with regard to preservation and maintenance.) Although there are special responsibilities for the owner that go with these, such applications incur specialist advice in order to determine them which otherwise has to be paid for by the local planning authority. An exception could be made on those occasions where both planning permission and Listed Building Consent are required in that a fee is only charged for the planning application.*
- Q5 Are there any other development management services which currently require a fee but should be exempt from charging?
 Ans No
- Q6 What are the likely effects of any of the changes on you, or the group or business or local authority you represent?
 Ans *These are unknown particularly whether the fees will actually cover the costs incurred given the unpredictable nature of the work.*
- Q7 Do you think there will be unintended consequences arising from these proposals?
 Ans *Yes. If fees increase some may choose to undertake work without seeking permission thus resulting in more enforcement work. Some consequences will be completely unpredictable – downturn in the economy is difficult to predict so how would shortfalls in fees cover*

existing staff/resource commitments, potential redundancy costs etc? When the economy picks up and applications increase recruitment costs will be incurred.

Q8 Do you have any comment on the outcomes predicted in the impact assessment, in particular the costs and benefits (see Annex B of the consultation document)

Ans No

4.0 Financial Implications

4.1 The purpose of letting Local Planning Authorities set their own fees is to ensure that the full costs of processing fee charging applications are recovered. It should be noted that the Government specifically states that a profit should not be made from planning application fees. The exact financial implications will not be known until the fees have been worked out but the Government anticipate an increase in income of 10-15%. There will be an initial one off transitional cost and an ongoing cost for developing and implementing a fee structure.

4.2 It is important to note that approximately 25% of the applications we currently determine do not attract a fee.

4.3 If accepted and approved by Parliament, the changes would be implemented from April 2011, with a six month transition period until October 2011.

5.0 Corporate Implications

5.1 Setting fees that reflect the actual cost of carrying out the service will help meet the Corporate Plan Theme of Value for Money.

5.2 The consultation document states that provision in Section 303 of the Town & Country Planning Act 1990, as substituted by Section 199 of the Planning Act 2008 allows the Secretary of State to prescribe fees or a means of calculating fees to be set by someone else (such as a local planning authority).

6.0 Community Implications

6.1 The Government considers that enabling each Local Planning Authority to recoup the cost they incur in determining applications will help to achieve the Government's wider aim of reducing taxpayer subsidy of planning applications. It considers such making up of an existing shortfall between resources from fees and planning application processing costs to be a financial benefit to the authority.

7.0 Background Papers

7.1 Communities and Local Government – Proposals for changes to planning application fees in England – Consultation - November 2010.