

North East Derbyshire District Council

Cabinet

8 March 2017

Planning Application Fees : The Government's Offer

Report of Councillor Graham Baxter MBE, Leader of the Council

This report is public

Purpose of the Report

- This report sets out details of the Governments proposals to enable Local Authorities to increase planning fees by 20% from July 2017 if they commit to invest additional fee income in their Planning Department.

1 Report Details

- 1.1 On 7 February 2017 Government published the White Paper "Fixing Our Broken Housing Market". This White Paper sets out a series of proposals detailing how the Government intends to boost housing supply and, over the longer term, create a more efficient housing market that more closely matches the needs and aspirations of all households and which supports the wider economic prosperity.
- 1.2 The White Paper sets out a number of proposals aimed at Local Authorities and private developers to ensure planning for the right homes in the right places, and in order to build homes faster. As part of the proposals within the White Paper Government has indicated that it wishes to boost Local Authority capacity and capability to deliver and also improve the speed and quality with which planning cases are handled.
- 1.3 Following the publication of the White Paper, the Department for Communities and Local Government (DCLG) wrote to all Local Authority Chief Executives on 21 February 2017 setting out more details of the proposals to increase nationally set planning fees. This letter highlighted the lack of capacity and capability in planning departments and could restrict Local Authorities ability to determine planning applications and subsequently restrict the ability of developers to get on site and build.
- 1.4 Additionally Local Authorities had also reported difficulties in recruiting and retaining Planners and others with specialist skills needed. Therefore, in order to boost Local Authority capacity and capability Government proposed to enable Local Authorities to increase fees by 20% from July 2017. However, this required Authorities to commit to invest the additional income into their Planning Department.

- 1.5 The letter sent to Chief Executives on 21 February 2017 invites confirmation of the Council's intention in relation to the fee increase. The letter indicates that for the Council to benefit from the higher planning application fees the Section 151 Officer, is required under Section 230 of the Local Government Act 1972, to provide a commitment and submit information of the 2017/18 budget. This is in order to demonstrate that the additional fee income will be spent on planning services.
- 1.6 The letter from DCLG indicates that should the Council not wish to charge the increased fee, the existing fee structure will remain in place. Where Authorities do accept, but do not comply with the assurances it has given, the Secretary of State will consider reducing the fee levels for that Authority back to the original fee level through a change in the regulations. In addition, the letter states that it is also Governments intention to propose a further increase of 20% for those Councils who are delivering the homes their communities need. The letter stipulates that this would be on the understanding that the additional fee income generated will be invested exclusively into planning services and Government will consult further on the detail of this proposal and the timing of it. At this stage it is not clear how the proposal for this further increase will work.
- 1.7 The letter from DCLG requires a response by Monday 13 March 2017, and if a response is not received by this deadline then Local Authorities will not be able to retrospectively request the fee increase. This also applies if Local Authorities state they do not wish to implement the fee increase.

2 Conclusions and Reasons for Recommendation

- 2.1 As the letter was received on 21 February 2017 and a response is required by 13 March 2017 Cabinet are asked to consider if it wishes to take the Governments offer or not. As indicated in the report a response will be required to DCLG's letter indicating whether or not the increased fee offer is to be accepted, and if the increased offer is to be accepted then further details are required regarding estimated expenditure on Development Management, estimated income generated from planning application fees and the estimated additional income from higher planning fees. This information has to be submitted by the Council's Section 151 Officer.
- 2.2 Cabinet are asked to consider the Governments letter and determine if the increased fee offer is to be accepted. In making this decision Cabinet needs to be mindful of the points highlighted in the Governments letter in relation to capacity and capability in planning departments restricting ability to determine planning applications. It also needs to be mindful of the difficulties that can be encountered in attracting and retaining Planners and the additional resource demand this can place on the service through temporary use of external support. When making the decision Cabinet also need to give regard to the fact that any additional income generated from the higher fees must be invested in the Planning Department and Government seek assurance of this in any responses confirming acceptance of the offer.
- 2.3 If Cabinet agree to Governments proposals then the new fees will be implemented from July 2017 and it is anticipated that more detailed regulations outlining the requirements of the proposal will be provided in due course.

3 Consultation and Equality Impact

- 3.1 In determining whether to accept Governments offer of increased fees Cabinet should be mindful of the potential impact this could have on the number of applications submitted and whether this could be detrimental. At this point in time it is not possible to determine if the proposed increase could have a detrimental impact on any service users and therefore have equality implications. However, it is clear that additional demand on Local Authority planning services does create significant resource implications. These resource implications can limit the Authority's ability to determine applications in line with statutory deadlines and also increased cost for Local Authorities by having to bring in temporary support to assist with an increase in the volume of planning applications or the number of very large applications that require more detailed consideration.
- 3.2 As it is likely more detailed regulations will be provided by Government to support their proposals it is anticipated that more detailed consideration will be given to any equality issues arising nationally.

4 Alternative Options and Reasons for Rejection

- 4.1 The report sets out two options that are available. The Council can accept Governments increased fee offer or not. As the report indicated, if the Council does not wish to accept the increased fee offer it cannot retrospectively seek authority to implement the proposed increases. Additionally, if the Authority does accept the increased fee offer then it will need to confirm that the additional income has been used to support delivery of the Local Authorities Planning Service.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 In responding to Governments offer the Authority will be required to indicate its estimated expenditure on Development Management in 2017/18. It will also be required to provide details of the estimated income generated from planning application fees for that period. The Government will also require the estimated additional income generated from the higher planning fees as part of our response and the Section 151 Officer will be required to submit this information to Government directly. If the Authority indicates that it wishes to accept Governments offer then the Section 151 Officer will also have to confirm the amount raised through these higher fees will be spend entirely on planning functions. On the basis of the information currently available the Chief Financial Officer is of the view that the Council can meet the Governments criteria in that it is in a position to invest the additional income secured from a fee increase to fund improvements in the Council's planning functions.

5.2 Legal Implications including Data Protection

- 5.2.1 There are no legal implications arising directly from this report however it is anticipated that Government will provide more detailed regulations setting out the proposals for increased planning fees in due course.

5.3 Human Resources Implications

5.3.1 There are none arising directly from this report however, as Government has indicated, that if the Authority accepts the offer to increase planning application fees it will have to evidence how these higher planning fees have been spent entirely on planning functions and this is likely to have human resource implications should additional staff be required.

6 Recommendations

6.1 That Cabinet considers the information contained in the report and determines if it wishes to accept the proposed 20% increase in planning application fees or reject the proposal.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	N/A
Links to Corporate Plan priorities or Policy Framework	Unlocking our Growth Potential, Providing our Customers with Excellent Service, Transforming our Organisation.

8 Document Information

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
"Fixing Our Broken Housing Market" White Paper – Department for Communities & Local Government (DCLG) – 7 February 2017	
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