

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	23rd March 2017	
TITLE:	Planning application fees: the Government's offer	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 Adjustment to Planning Service Budget		
Appendix 2 Current and Proposed Planning Application Fees		

1 THE ISSUE

1.1 The Government in its '*Fixing our broken housing market*' White Paper published (7th February 2017) sets out that the Government will increase nationally set planning fees. Local Authorities can therefore increase fees by 20% from July 2017. The Government's offer does not allow for any discretion in the level of increase and the Council would have to apply the full 20% or retain the current fee schedule. This is on the basis that they commit to invest the additional fee income in their planning department. This paper seeks approval to accept the 20% increase in planning application fees.

2 RECOMMENDATION

The Council is asked to;

2.1 Accept the increase in planning application fees by 20% from July 2017 by committing to investing this further income within the planning department.

2.2 Agree the adjustment to the planning service budget as outlined in Appendix 1.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 There will be no resource implications for the Council as a result of accepting the 20% increase in planning application fees. The fee increase is offered on a permanent basis.

- 3.2 If the anticipated level of planning fees are not achieved the costs incurred would fall on the wider Directorate Budget. This can be managed through normal forecast of demand.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The proposal will be binding on all applications made within the District and is based upon The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012 and the Local Government Act 1972. The Government has undertaken an assessment of the impact of the 20% increase in fees and has considered this to be a desirable offer to make to all Councils. There are not considered to be any equalities, human rights or other equalities reasons for not accepting the increase in planning fees.

5 THE REPORT

- 5.1 The Government set out in the White Paper '*Fixing our broken housing market*' (paragraph 2.3) that '*developers consistently tell us that the lack of capacity and capability in planning departments is restricting their ability to get on site and build. Alongside funding, local authorities also report difficulties in recruiting and retaining planners and others with specialist skills. To boost local authority capacity and capability to deliver*', paragraph 2.15 of the paper explained that '*the Government will increase nationally set planning fees. Local authorities have therefore been enabled to increase fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department*'. The existing and proposed planning application fees are included in Appendix 2.

- 5.2 A letter from Department for Communities and Local Government dated 21st February 2017, relating to the fee increase advises that '*it is intended that the additional revenue should be retained by planning departments and that the existing baselines and income assumptions will not be adjusted down as a result during this Parliament. This is an opportunity for all authorities to make improvements to their resourcing, leading to better services, improved performance, and greater capacity to deliver growth*'.

- 5.3 For the Council to benefit from the higher planning application fees, the section 151 officer has provided a commitment and submitted information of the 2017/18 budget that demonstrates the additional fee income being spent on planning services. This is as shown in Appendix 1 but has been made on a without prejudice basis pending the decision of the Council.

6 PLANNING APPLICATION FEES

- 6.1 The revenue from planning application fees contributes towards the cost to the local authority of handling applications and the fee is not refundable unless the application is invalid. Planning application fees have not been increased since 2012.

6.2 In the same timeframe application numbers in B&NES have increased by 5% from 2,585 to 2,716 per annum. Over 600 of these applications relate to listed buildings and it is not possible to charge a fee for listed building applications. As such, the income generated from planning application fees in B&NES in 2016 was £1,220,000 and the cost of providing the service was around £1,745,000.

6.3 The table below shows that average caseloads per officer within B&NES exceed other neighbouring authorities and similar types of historic cities.

Planning Authority	Total Applications Received 14/15 (govt returns)	FTE Planning Officers (incl vacancies)	Annual Average Caseload
Worcester City	639	6	107
South Cambridgeshire	1892	13	146
Bath and NE Somerset	2559	17	151
Bristol City	3315	29.3	113
Exeter	1042	11.5	90
Mendip	1422	11.5	125
North Somerset	2058	16	129
South Gloucestershire	2053	21.6	97

7 FUTURE DEVELOPMENT PRESSURES

7.1 The Council's Core Strategy makes provision for around 13,000 dwellings including affordable housing, 10,300 jobs focusing new housing and jobs in Bath, Keynsham and the Somer Valley, which now has Enterprise Zone status, to be delivered by 2029. Modern office space is required in Bath, with sufficient space also required in Keynsham. Development needs to be accommodated in the rural areas in locations where there is a good range of local facilities and access to public transport. The Council will require suitable resources to ensure that this happens and to defend against planning applications that do not comply with adopted policy.

8 EFFECT ON PLANNING APPLICATION FEES

8.1 The Table at Appendix 2 sets out current planning application fees and in red the proposed new fee. 39% of our planning applications relate to Householder applications which relate to alterations and extensions to a single dwelling house.

8.2 As such the largest group of our customers would experience a relatively modest £34 increase in an application fee. The average overall costs of a household extension can range from £25,000 to £30,000 and as such the proposed fee increase is represents a small proportion of overall costs.

8.3 Major developers would face a higher increase with the fee for a major housing scheme for a maximum of 50 dwelling increasing from £250,000

to £300,000. Again that is a small proportion of the overall project cost for a major housing scheme. The cost to an applicant of delays in the planning application process will typically far exceed the dis-benefit of an increase in fees. This is a key factor in the development industry's desire for fees to increase to allow planning departments to better resource the planning application process.

- 8.4 The increased fee income will be spent within the planning department to deliver improved levels of service to assist with delivering the Core Strategy growth across the District in accordance with agreed timescales for the determination of planning applications. The additional income will in particular be spent in creating at least 2 x Senior level Planner/conservation posts, 1 x Technical support officer, staffing in the Planning and Environment Team, any remainder will be spent on technical improvements to the way in which the service is delivered.

9 RATIONALE

- 9.1 Bristol City Council and South Gloucestershire Council have decided to accept the increase in fees. There are 326 Local Planning Authorities in England and the Department for Communities and Local Government have confirmed that so far all but 43 have already accepted the offer
- 9.2 The rationale for accepting the increase in fee charge is that this will allow the planning department to deliver heightened levels of performance and customer service in particular in relation to pre application advice and when dealing with planning applications. Workloads per officer would drop meaning that they would have more time available to assist applicants and third parties through the planning process.
- 9.3 The need to maintain the required delivery rate for development within the District is critical to maintain control over the locations where development is agreed.
- 9.4 This would respond to concerns raised in the Government's consultation by supporting the planning department in B&NES to help provide badly needed homes and jobs in the most sustainable locations set out in our adopted policies.

10 OTHER OPTIONS CONSIDERED

- 10.1 The other option would be to retain the current fee schedule with the result that service levels could not be enhanced as envisaged. The Council is also thereafter likely to be charging a reduced planning application fee compared to other neighbouring authorities.
- 10.2 The White Paper proposes a further increase of 20% (on top of the current 20%) on application fees for authorities who are delivering the homes their communities need. There will be a consultation on the details of this in due course. The Council will need to demonstrate improved performance in order to be able to consider a further increase in the future if it were considered appropriate at that time.

11 CONSULTATION

11.1 The Council's s 151 Officer, Head of Legal and Democratic Services together with the Cabinet Member for Homes and Planning have been consulted. The Government is not suggesting that any formal consultation exercise should be undertaken and the Government's timescale for responding precludes this.

12 RISK MANAGEMENT

12.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	<i>List here any background papers not included with this report, and where/how they are available for inspection.</i>
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