

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	19 JUNE 2017	8
PROPOSED INCREASE OF PLANNING APPLICATION FEES			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

In its recent housing white paper “Fixing our broken housing market” published on February 7th 2017, the government proposed that planning application fees can be increased by 20% for those local authorities who commit the additional fee income to supporting the planning function. The aim of the fee increase is to boost local authority capacity and capability to deliver the planning function and to improve the speed and quality with which planning cases are handled whilst deterring unnecessary appeals.

On 8 March 2017, Planning Committee resolved to increase the planning fee levels as proposed and to authorise the Section 151 Officer to make a commitment under Section 230 of the Local Government Act 1972 that Fylde Council accept the proposed 20% increase in planning application fees and that the amount raised through these higher fees be spent entirely on improvement to the planning service. This has been done.

This report recommends that the committee approve a fully-funded budget increase for 2017/18 and subsequent years to reflect both the additional income that will be generated from the planning fee increase and the additional expenditure on the planning function that the additional income will fund.

The original implementation date for the fee increase was to be 1st July 2017. At the time of writing the necessary regulations to allow for the fee increase have yet to be passed by Parliament and may be delayed as a consequence of the calling of the June 2017 general election. The actual implementation date therefore may be later than July 2017 and additional income for 2017/18 may be reduced as a consequence. The actual level of additional resource that will be added to the planning function will not exceed the level of additional fee income generated by this change.

RECOMMENDATION

The committee is recommended to:

Approve a fully-funded revenue budget increase in the sum of £108,750 for 2017/18 (or pro rata depending upon the government’s implementation date) in the planning department fully funded from the increase in planning fees as set out in the report, and for £145,000 per annum thereafter.

SUMMARY OF PREVIOUS DECISIONS

On 8 March 2017, Planning Committee resolved:

1. That the Section 151 Officer be authorised to make a commitment under Section 230 of the Local Government Act 1972 that Fylde Council accept the proposed 20% increase in planning application fees and that the amount raised through these higher fees would be spent entirely on improvement to the planning service.
2. That, subject to the approval of recommendation 1 above, Finance and Democracy Committee be

recommended to approve a budget increase of £108,750 for 2017/18 (or pro rata depending upon the government's implementation date) in the planning department, fully funded from the increase in planning fees as set out in the report, and for £145,000 per annum thereafter.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

1. In its recent housing white paper "Fixing our broken housing market" government has proposed that, from July 2017, planning application fees can be increased by 20% for those local planning authorities who commit the additional fee income to making improvement to the planning service. The intention of the proposed fee increase is to boost local authority capacity and capability to deliver the planning function and improve the speed and quality with which planning cases are handled, while deterring unnecessary appeals.
2. The Department of Communities and Local Government wrote to all local authorities in England on February 21st 2017 asking that they confirm whether or not they wish to take advantage of the proposed fee increase by March 13th 2017. A full copy of the letter is attached as appendix 1 to this report. The letter invites Fylde Council to confirm its intention in relation to the fee increase. It is intended that the additional revenue should be invested in the planning service and that existing baseline and income assumptions will not be adjusted down as a result during this Parliament.
3. Paragraph 2.13 of the White Paper identifies that developers have expressed concern regarding the lack of capacity and capability in planning departments and that this is restricting their ability to get on site and build. After several years of limited development, Fylde has recently experienced an increase in development activity, in particular in the construction of new homes. As developers seek to implement planning permissions, greater pressure has been placed on the planning service not only in regard to determining planning applications, but in terms of the discharge of planning conditions, consideration of revised proposals, requests for pre application advice and the monitoring of development to ensure it is proceeding in accordance with approved plans and conditions. An increased investment in the planning service could be used by Fylde in many ways but there is potential to secure:
 - increased staffing resources to facilitate the speedy determination of planning applications and discharge of conditions,
 - the production and revision of guidance for developers in the form of Supplementary Planning Documents in order to secure improvements in the quality of planning applications and resultant developments,
 - increased resources to ensure the effective monitoring of ongoing development,
 - improved process and service quality through digital transformation and re-engineering
4. As a result of increased investment, the Council can expect that:
 - The quality of built development will be further improved as a result of improved guidance and development monitoring,
 - Applications for the development of sites that the council considers unacceptable for development will be reduced,
 - The number of appeals and associated cost to the council will be reduced,
 - The delivery of new homes to meet the housing supply and deliver new homes bonus,
 - Improved speed of determination of applications without the need for requests to extend time

5. In accordance with the resolution of the Planning Committee of 8 March 2017, the Council's Section 151 officer, under s230 of the Local Government Act 1972, has provided a commitment and submitted information of the 2017/18 budget that demonstrates the additional fee income will be spent on planning services.

FINANCIAL IMPLICATIONS

6. The following information has been submitted to the DCLG as an indication of the additional income that would be generated to the Council if the proposed 20% increase in planning application fees is implemented with effect from 1st July 2017:

	2016/17	2017/18
Estimated expenditure on development management	£735,953	£841,077
Estimated income generated from planning application fees	£725,000	£725,000
Estimated additional income generated from higher planning fees (based upon the assumed implementation date of 01/07/2017 as advised by DCLG – i.e. 9 months additional income for 2017/18. For clarity a full year's additional income would be £145,000).	N/A	£108,750

7. The Planning Committee has opted to implement the higher fees and commit to invest the additional fee income in the planning department. This effectively becomes a funded budget increase, with additional costs in the planning department being fully-funded from the additional income generated which requires the approval of this committee.

IMPLICATIONS	
Finance	This report requests approval to a funded budget increase for 2017/18 and subsequent years to provide additional resources to support the planning function to be met in full by additional planning fee income.
Legal	None
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Housing White Paper – Fixing our broken housing market.	February 2017	https://www.gov.uk/government/publications/fixing-our-broken-housing-market
Guide to Fees for planning applications in England	January 2017	http://ecab.planningportal.co.uk/uploads/english_application_fees.pdf

Attached documents

Appendix 1 - Letter dated 21 February 2017 from DCLG