



Policy and Resources Committee 13th March 2017

Housing White Paper: DCLG Offer to Increase Planning Fees

Purpose of report

This report seeks permission from the Policy and Resources Committee to confirm to the Department of Communities and Local Government (DCLG) that the council intends to increase its planning fees by 20% from July 2017 in line with an opportunity offered through the Housing White Paper *'Fixing Our Broken Housing Market'* (published 7th February 2017).

Attachment

Appendix 1 – Holding Letter to DCLG (28th February 2017)

1.0 Background

- 1.1 The government's recently published Housing White Paper enables local planning authorities to increase planning fees by up to 20%. On 21st February 2017 the DCLG contacted all local planning authorities in England to seek their confirmation that they would wish to take up this opportunity.
- 1.2 At present, planning fees are set nationally through the DCLG. The council's Fees and Charges Booklet 2017/18 identifies the range of fees that the council charges for various services.
- 1.3 The council needs to respond to the DCLG by 13th March 2017 that it intends to take up the opportunity to increase its planning fees. On this basis, given that the DCLG's deadline is the same date as this committee, a holding response has already been sent to DCLG (see Appendix 1). The formal decision of this committee will be sent to DCLG to confirm the council's position.

2.0 Important issues to consider

- 2.1 The government has, for some time, been considering the possibility of allowing local planning authorities to set their own planning fees, but has now moved away from this. After conducting research with local authorities and with the development industry, the government is now offering all local planning authorities in England an opportunity to increase planning fees by 20%. This is on the basis that the additional funding is ring-fenced to provide improvements to planning services. The additional spending will have to be certified by the Chief Finance Officer (See Section 6). It is likely that most local planning authorities will opt to increase their planning fees in line with the DCLG's offer.
- 2.2 The requirement is to ring-fence the increase in planning fees specifically to improve planning services. A full programme of potential improvement projects needs to be developed and further reports will be brought to the Finance Sub-Committee and the Personnel Sub-Committee when the details of the ring-fence process and possible options are available. Amongst other things, it is envisaged that these projects could include:
 - Investment in officer training and IT software performance improvements to deliver further efficiencies in the management of planning case-work.
 - Earlier delivery of website based improvements to secure a greater degree of 'self

service' on planning matters.

- Consolidation of the staff structures of the relevant teams, enabling more effective recruitment to vacant positions and retention of staff.
- More effective councillor and staff training on a wide range of planning related matters.
- An ability to invest to make the most of opportunities arising from the ongoing 'paperless planning' business transformation project.
- More resilient and realistic budgetary capacity for commissioning specialist advice as and when required, e.g. legal advice, noise surveys, viability, design guidance.

3.0 Equality and Diversity Implications

3.1 An initial Equality Impact Assessment has been carried out and all equality and diversity implications are neutral. Neither a positive nor a negative impact has been identified. The Equality Impact Assessment can be accessed as a background document.

4.0 Legal Implications

4.1 There are no legal implications arising from the proposals. The new fee structure would need to be published as an amendment to the 'Fees and Charges 2017/18' Booklet prior to implementation in July 2017.

5.0 Risk Management

5.1 The main risks are that:

1. The increase in fees might act as a disincentive to growth / investment. This is unlikely in this area where demand for planning permission is high across all levels of the development market. The fee increases will be incorporated as development costs in commercial and residential developments. Other freedoms that have been introduced over recent years, such as the extension of permitted developments rights, have removed many smaller projects from the planning fee regime. The majority of planning fees received in this authority will increase by between £20 and £100, which is relatively insignificant in relation to the overall costs of developments.
2. There could be public / developer opposition to the increase. In developing this proposal, the government has consulted extensively with the development industry, as well as the Local Government Association and a wide range of other bodies. It is unlikely that the development industry will oppose it as they have largely led it, on the basis that it will enable extra resources within planning departments to speed up the decision taking process.
3. The proposals are likely to be taken up by the majority of local planning authorities (most likely, all of them). This will make more money available for all councils to spend on resources which could cause price inflation on planners' salaries, which in turn could lead to greater competition in the recruitment and retention of good people. The council is in this 'market' and it is important that it is able to compete effectively in offering the right salary and benefits packages to maintain a consistently effective planning team.
4. The DCLG will need to provide confirmation of how it intends to proceed with the detail of implementing the increased planning fees regime, and in the timescale of operation. At present it is indicated that the regime will last for the current parliamentary period to 2020, but there is no certainty of it continuing after that period.

6.0 Resource and Financial Implications

- 6.1 The 20% increase in planning fees specifically needs to be ring-fenced for use on improvements within planning departments. It is revenue funding that is available to be used on service improvement projects for ‘... *boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals*’.
- 6.2 The DCLG has indicated that the fee increases will be available within the current parliamentary period. This relates to the government’s commitment to significantly increasing the rate of delivery of new housing by 2020. It is envisaged that the fee increases will be introduced from July 2017.
- 6.3 The availability of additional funding for use on planning service improvements will have positive resource and financial implications. The service improvement projects that the increased funding may deliver will need to be properly developed. Paragraph 2.2 of this report indicates initial ideas for using the additional resources. The DCLG intends to provide further guidance on this between now and July 2017.
- 6.4 The DCLG’s main condition for councils that wish to confirm that they intend to increase their fees is that S151 officers need to commit to providing the following monitoring information:
- Estimate of final income from planning application fees in 2016/17.
 - Estimate of final expenditure on planning / development management in 2016/17.
 - Estimated income from planning application fees in 2017/18.
 - Estimated additional income generated from higher fees.
 - Estimated expenditure on planning / development management in 2017/18.
- 6.5 This information is included within Table 1 below, and also within the council’s holding letter to DCLG at Appendix 1.

Table 1

	2016/17 £	2017/18 £
Estimated expenditure on development management	1,301,300	1,337,180
Estimated income generated from planning application fees	750,000	606,400
Estimated additional income generated from higher planning fees	N/A	121,280

7.0 Constitutional Implications

- 7.1 There are no constitutional implications.

8.0 Customer Service Implications

- 8.1 It is considered unlikely that a 20% increase in planning fees will have a negative impact on customers seeking permission for development. East Northamptonshire is an area of high demand for all scales of development and the proposed increase would form a small proportion of total development costs. The proposed fee increase will enable the council to continue to invest in further improvements to the planning service.

9.0 Corporate Outcomes

- 9.1
- **Effective Management:** The additional funds will enable more effective management of Planning Services, e.g. through potentially enabling the earlier purchase of planning caseload management software as a further part of the paperless planning project.
 - **High Quality Service Delivery:** The additional funds will help to ensure that the Planning Services teams are sufficiently up to strength, and also sufficiently skilled, to ensure continued high quality service delivery.
 - **Employees and Members with the Right Knowledge, Skills and Behaviours:** The additional funds can be partially used to ensure that Planning Services staff and Councillors involved in planning matters have the right training and professional development opportunities to support their work.

10.0 Recommendation

10.1 The Committee is recommended to

1. Confirm that the council wishes to increase planning fees and charges by 20% from July 2017 in line with the DCLG's proposals arising from the publication of the Housing White Paper 'Fixing our broken housing market'.

(Reason – To enable the council to respond the DCLG's request that local planning authorities confirm their intention to increase planning fees in line with newly offered government freedoms)

10.2 Further reports will be brought to the Finance Sub-Committee and the Personnel Sub-Committee when the details of the ring-fence process and possible options are available.

Legal	Power: Housing White Paper 2017				
	Other considerations: N/A				
Background Papers: N/A					
Person Originating Report: Paul Bland, Head of Planning Services ☎ 01832 74(2218) ✉ pbland@east-northamptonshire.gov.uk					
Date: 28 th February 2017					
CFO		MO		CX	



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Please ask for	Direct Dial	Our Ref.	Your Ref.	Date:
Glenn Hammons	01832 742267	GH/PB/SP - DCLG		28 February 2017

Dear Mr Gallagher

In reply to your letter of 21st February 2017 I am writing to let you know that that East Northamptonshire Council will be determining whether to accept the proposed 20% increase in planning application fees at the meeting of its Policy and Resources Committee on 13th March 2017. The committee report recommends that the proposal should be accepted.

Given that the committee date is the same date as your deadline for responses, this is a holding response, pending the committee's decision. I shall confirm the committee's decision on 14th March 2017, and provide a certification as per your template.

Subject to the Policy and Resources Committee's decision to accept the proposed 20% increase, I confirm that the amount raised through these higher fees will be spent entirely on planning functions.

I can also confirm that the full legal name for this authority to be used in regulations is **East Northamptonshire Council**.

I submit the following information, as requested, for information at this stage. This is included within the Policy and Resources Committee report.

	2016/17 £	2017/18 £
Estimated expenditure on development management	1,301,300	1,337,180
Estimated income generated from planning application fees	750,000	606,400
Estimated additional income generated from higher planning fees	N/A	121,280

Yours sincerely

A handwritten signature in blue ink, appearing to read 'G Hammons', with a long horizontal stroke extending to the right.

Glenn Hammons
Section 151 Officer