



CABINET

Subject Heading:	Proposed uplift of planning application fees.
Cabinet Member:	Councillor Damien White
SLT Lead:	Steve Moore, Director of Neighbourhoods
Report Author and contact details:	Helen Oakerbee, Planning Manager 01708 432800, helen.oakerbee@havering.gov.uk
Policy context:	'Fixing our broken housing market' Parliamentary White Paper, published 7 th February 2017 London Plan Havering Local Development Framework
Financial summary:	The uplift of planning application fees by 20% would increase the value of income received by the Council.
Is this a Key Decision?	Yes: Significant effect on two or more Wards
When should this matter be reviewed?	Year end 2017-18
Reviewing OSC:	Towns and Communities OSC

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

Through proposals outlined in the 'Fixing our broken housing market' White Paper, the Government is proposing to increase planning application fees by 20% in return for a commitment from local authorities that the additional fees generated will be invested in their planning services.

The Council has confirmed to DCLG that it wishes to benefit from the increase fee offer. This report is seeking Cabinet's authorisation to uplift the fees accordingly and to spend the additional income received within the planning service.

RECOMMENDATIONS

That Members:

1. Approve a 20% uplift in planning application fees from the effective date, anticipated to be enacted by central Government through the introduction of the relevant legislation in Parliament during October 2017.
2. Approve the spend of additional funds generated from the planning application fees uplift exclusively within the planning service as set out in paragraph 5 of this report.
3. Delegate to the Assistant Director of Development the introduction of 20% uplift in planning application fees effective from the date of statutory approval by Parliament.
4. Delegate to the Assistant Director of Development the spend of the additional funds generated as a result of the 20% uplift payment towards increasing efficiencies of service within the Planning Department.

REPORT DETAIL

1. On 7th February this year, the Secretary for State for Communities and Local Government published a White Paper entitled; 'Fixing our broken housing market', ("the White Paper"). The White Paper includes proposals for boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals.

2. Paragraph 2.15 of the White Paper states that to help boost local authority capacity and capability to deliver, the Government “will increase nationally set planning fees. Local authorities will be able to increase fees by 20% from July 2017” if they commit to invest the additional fee income in their planning department.
3. On 21st February this year, the Department for Communities and Local Government (DCLG) wrote to the Chief Executive to confirm the Council’s intentions in this respect. The letter made clear the Government’s intention that additional revenue should be retained by planning departments and existing baseline and revenue assumptions should not be adjusted down as a result. The letter also sought information from the Council regarding the 2017-18 budget.
4. By way of letter dated 13th March, the Council’s Section 151 Officer, confirmed to DCLG that the Council accepted the proposed 20% increase in planning fees. The following information was also submitted in respect of the 2017-18 budget:

	2016/17	2017/18
Estimated expenditure on development management	£1,664,933	£1,881,820
Estimated income generated from planning application fees	(£1,055,600)	(£1,128,003)
Estimated additional income generated from higher planning fees	N/A	(£225,601)

5. Prior to making the submission, Officers reviewed how the additional fee income may be spent, to increase efficiencies of service within the Planning Department, including:
 - Appointment of 3 no. Principal Development Management Officers, 1 no. Senior Planner and 1 no. Planner all on a 2 year fixed term contract basis. At the point at which the submission was made, the need to create these posts had already been identified via an agreed Organisational Restructure Report and a second, separate growth bid with monies assigned to fund the posts (through increased income targets). All posts now exist within the organisational structure. 1 no. post is occupied (Planner), the remaining posts are vacant.
 - Annual costs of outsourcing part of planning application process, which is to be introduced following the organisational restructure cited above (subject to Executive Decision).

Collectively, assuming full year spend, these costs total £0.331 (funding of £0.1m has been identified therefore the total of £0.231 will be met through the 20% fee increase).

6. The only alternative option to the service investment described was not to accept the Government's offer and to retain the existing fee structure for planning applications. Not accepting the offer would have resulted in less funds being available to invest in the service area, which in light of expanding development is under increased pressure to meet statutory deadlines
7. Following the submission of the Section 151 Officer's letter, it was anticipated that Government would lay legislation in Parliament, to enable the fee increases to be actioned in line with the original July timetable set out by DCLG in their February letter. Following the announcement of the General Election however, the legislation did not progress through Parliament and is now anticipated during October 2017. On this basis, Cabinet are asked to agree the recommendations set out within the report in readiness.

REASONS AND OPTIONS

Reasons for the decision:

This decision is required because the DGLC has asked the Council to confirm that the additional income received through higher planning fees will be spent directly on the planning service resources.

Other options considered:

The only alternative option was not to accept the Government's offer and to retain the existing fee structure for planning applications. Not accepting the offer would have result in less funds being available to invest in the service area, which in light of expanding development in the Council area, is under increased pressure to meet statutory deadlines.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council has committed to spending the additional income generated through the higher planning application fees on the planning service. Where local

authorities have made this commitment but do not comply with the assurances it has provided, the Secretary of State will consider reducing the fee level for authority back to the original fee level through a change in regulations. This would result in the loss of fee income and would create a general fund pressure of £0.231m per year which would need to be funded through a growth or through identification of efficiencies within the service.

Full year projections	£m
Estimated additional expenditure on development management to attain 20% fee increase	0.231
Estimated additional income generated from 20% higher planning fees (based on letter submission to DCLG see table in point 4 above)	(0.226)
Deficit	0.005
Deficit to be funded by:	
Pre Application income	(0.005)
Balance	0.000

Legal implications and risks:

The planning application fees are set nationally by the Department of Communities and Local Government through legislation, such as the Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012, as amended by the 2013 and 2014 Regulations, to charge the correct fee for each application, based on the details of the application,

In February 2017 the Secretary of State for Communities and Local Government presented a White Paper to Parliament entitled “Fixing our Broken Housing Market”. A clear intent is to encourage house building and paragraphs 2.13 to 2.16 address “Boosting local authority capacity and capability to deliver”.

One of the steps to be undertaken by Central Government is to enable a local authority that can illustrate a commitment to invest additional income into their planning department to increase planning application fees by 20%. Central Government has consulted the Council on the White Paper and seeks an assurance of such commitment. This report correctly seeks Cabinet approval to confirm that the Council will invest the additional income into the resources within the planning department.

There are no adverse legal implications and risks arising from this report.

Human Resources implications and risks:

There are no human resources implications arising from this report.

Equalities implications and risks:

The equalities impact of this proposal is set out within the accompanying Equalities Impact Assessment. The proposals do not give rise to significant equalities implications.

BACKGROUND PAPERS

None.

APPENDICIES:

1. Letter from Simon Gallagher at DCLG to all Chief Executives dated 21st February 2017
2. Letter from Debbie Middleton to Simon Gallagher at DCLG dated 13th March 2017
3. Equalities Impact Assessment dated 11th September 2017