

**Report for:** Cabinet Member Signing- 30 November

**Title:** Acceptance of increased planning fees

**Report**

**authorised by :** Lyn Garner, Strategic Director for Regeneration, Planning and Development

**Lead Officer:** Emma Williamson, Assistant Director Planning x 5507

**Ward(s) affected:** All

**Report for Key/**

**Non Key Decision:** Key

**1. Describe the issue under consideration**

The Government has published draft regulations to be laid before Parliament shortly to allow Local Planning Authorities to charge increased planning fees- 20% more than the current fees. This report proposes that the Council charges the increased fees immediately once the regulations have been made and come into force.

**2. Cabinet Member Introduction**

The proper resourcing of planning departments is key to maintaining good performance and the Government's offer of increased planning fees is welcomed. This funding will be used to bring additional capacity to, and drive further efficiencies in, Haringey's already excellent service through a combination of additional staffing and IT improvements.

**3. Recommendations**

That, subject to regulations being made in substantially the same form as the draft Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits)(England) (Amendment) Regulations 2017 ("the Draft Regulations") to:

- a) increase all planning fees by up to 20%; and
- b) amend and introduce all planning fees as proposed in the Draft Regulations;

in accordance with and immediately on any such regulations coming into force.

**4. Reasons for decision**

The acceptance of the 20% increase in planning fees and introduction of new fees will allow the Planning Service to increase its capacity and drive further efficiencies in the Planning Service and ensure compliance with statutory requirements.

**5. Alternative options considered**

To reject the offer of a 20% increase in planning fees and the option to charge fees for permission in principle applications and application where permitted development rights have been removed.

This option was rejected as the Council does not have discretion under the 2012 Regulations to vary or waive the fees.. Further, it would only represent a modest rise in planning fees and would be unlikely to discourage development given that planning fees are a very small proportion of the overall cost of a building/development project.

## **6. Background information**

In February 2017 the 'Fixing our broken housing market/ White Paper' set out in paragraph 2.13 that the Government will increase nationally set planning fees. This was proposed in response to developers raising that the lack of capability and capacity in planning departments is restricting their ability to get on site and build. In addition local authorities have reported difficulties in recruiting and retaining planners and others with specialist skills. In order to accept the 20% rise in fees local authorities were asked to confirm that they commit to invest the additional fee income in their planning department. It is intended that existing baseline and income assumptions will not be revised down as a result.

To that end the Council's Section 151 Officer, under s230 of the Local Government Act 1972, was asked to provide a commitment and submit information of the 2017/18 budget that demonstrates the additional fee income being spent on planning services. Haringey, alongside all other local planning authorities, returned this form in March 2017. At that time it was envisaged that the fee raise would be in place in July 2017.

This is the information that was submitted:

	2016/17	2017/18
Estimated Expenditure on development management	£2,355,124	£2,700,000
Estimated income from planning application fees	£1,358,000	£1,314,000
Estimated additional income generated from higher planning fees	N/A	£159,000

This information was based on the fee raise taking place in July 2017. Unfortunately this was delayed because of the General Election.

The Government has recently published the Draft Regulations to be laid before Parliament. We do not yet know exactly when the fee raise will be effective from.

Assuming the raise is effective from January 1 2018 an additional income of approximately £53,000 in this financial year is expected. For 2018/19 the additional income is estimated to be in the region of £250,000.

It is likely that the Council will be asked to make further returns relating to the use of the income. There is also the potential that the right to charge the raised

fees may be withdrawn should performance of the Local Planning Authority be deemed to be poor in accordance with the standards set by the Government.

The Draft Regulations also propose further changes as outlined in the Legal comments section below.

## **7. Contribution to strategic outcomes**

The increase in fees will increase the capacity of the Planning Service to deliver regeneration and growth in housing and employment in line with Priority 4 and 5.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Finance**

This report seeks prior authorisation from the Cabinet Member to enable the Council to immediately increase its fees, and make other changes in accordance with the Draft Regulations, on the date the Draft Regulations take effect, should they be approved by Parliament.

The planning fee and any increase in fee is governed by the Town and Country Planning Regulation 2012; so any increase proposed must be in line with any amendment in this regulation.

The Council's budget income from planning fees (applications and pre-applications) for 2017/18 was budgeted at £1.3m. However, the current full year income forecast for Planning Application fees alone is £2.5m. It is estimated that a 20% increase in planning application fees will generate an additional £300k if the current income levels remain the same for next year.

The exact financial impact in this current year will not be known until such a time when the Draft Regulations come into force.

It is expected that the potential additional income will be used to increase efficiency and reduce planning application processing times.

### **Legal**

The Assistant Director of Corporate Governance has been consulted on the preparation of this report and comments as follows.

The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012 (as amended) ("2012 Regulations") govern the amount that the Council must charge when exercising its statutory functions to consider and determine planning applications, pursuant to sections 303 and 333 of the Town and Country Planning Act 1990 (as amended). The 2012 Regulations set planning application fees nationally and there is no provision within them for the Council to vary or waive fees payable under these Regulations.

The Secretary of State recently published the Draft Regulations, which proposes to amend the 2012 Regulations to increase planning fees by 20%.

The Draft Regulations propose other changes to the 2012 Regulations, including introducing fees to be charged for applications where permitted development rights have been removed by an article 4 direction made pursuant to the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) ("GPDO") or condition.

The Draft Regulations also propose to introduce fees for applications for permission in principle, as well as making other changes to the 2012 Regulation by introducing fees for prior approvals of new classes of permitted development right under the GPDO. Other minor amendments are made to 2012 Regulations and other legislation.

At the date of this report, the Draft Regulations have not been approved by both Houses of Parliament and it is therefore unknown if and when the Draft Regulations will be implemented. The Council will not be able to increase its planning fees by 20% unless and until the Draft Regulations come into force, which will be on the twenty-eighth day after the day which the Draft Regulations are made. However, this report seeks prior authorisation from the Cabinet Member to enable the Council to immediately increase its fees, and make other changes in accordance with the Draft Regulations, on the date the Draft Regulations take effect, should they be approved by Parliament.

## **Equality**

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. It is not anticipated that this decision will disproportionately impact any of these characteristics.

This change will primarily impacts the small number of residents and businesses who are looking to physically expand their residence or premises, for which planning permission is required. The planning application fee is typically less than 1% of overall development costs contained in each application. This change is intended by the Government to finance a better service for residents and businesses accessing planning services.

Further to this current exemptions for certain types of planning permissions will be maintained. This includes:

Exemptions for disabled access to buildings for public use and alterations to dwellings for disabled access and alterations.

These exemptions support the Council's commitments under the Public Sector Equality Duty.

**9. Use of Appendices**

None

**10. Local Government (Access to Information) Act 1985**

- a. Draft statutory instrument- 2017 Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits)(England) (Amendment) Regulations 2017