

Name of meeting **Cabinet**
Date **23rd January 2018**
Title of report **Planning Application Fees**

Purpose of report

To report to Cabinet changes to planning application fees being proposed by national government and to agree to move to the new nationally set charges once they are introduced by the required legislation.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Yes
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by Strategic <u>Director</u> & name	Naz Parkar - 11.01.2018
Is it also signed off by the Service Director Finance, IT and Transactional?	Debbie Hogg - 29.12.2017
Is it also signed off by the Service Director - Legal Governance and Commissioning?	Julie Muscroft - 03.01.2018
Cabinet member portfolio	Cllr Peter McBride Strategic Planning Regeneration and Transport Cllr Naheed Mather Strategic Housing, Regeneration and Enforcement

Electoral wards affected: All

Ward councillors consulted: N/a

Public or private: Public

1. Summary

- 1.1 The White Paper "Fixing our broken housing market" issued in February 2017 indicated that there would be the option for all Local Planning Authorities to increase planning application fees by 20% from July 2017. It also indicated that in addition to this there would be a further opportunity to increase fees - again by 20% - dependent upon performance against housing delivery targets.
- 1.2 The first step of this proposal has now been activated. All Local Authorities were written to on the 1st March 2017. There was a request to indicate a preference for making the increase in fees from the July date. All returns were requested by 10th March 2017 from S151 officers (Chief Finance officer).

- 1.3 Given the timescales Kirklees returned these forms indicating that there would be an intention to do this if the option became available. It should be noted that, nationally, all local authorities in England have applied to increase planning application fees as part of this proposal.
- 1.4 Whilst there was an intention to introduce the fees in July 2017 this has been delayed with no indication as to when the required legislation would be laid before Parliament. As a consequence the need to report to Cabinet was delayed.
- 1.5 Following recent consultation by DCLG in the form of, '*Planning for the right homes in the right places: consultation proposals*' (September 2017) there is a further commitment to increase planning application fees. Here it is recognised that a lack of capacity and capability in planning departments can act as a constraint and restrict developers' ability to get on site and build. As such an increase in planning application fees is seen as an important step to recognise and address the significant, nation-wide problem of under-resourced local planning authorities.
- 1.6 The consultation underlines the fact that all local planning authorities have chosen to make the commitment to increase fees.
- 1.7 On this basis the government has committed to bring forward regulations at the earliest opportunity which, subject to Parliamentary scrutiny, will enable local authorities to increase fees. The House of Lords on the 6th December 2017 has now approved the motion to bring forward the increase in Planning fees as set out in the Regulations cited below. The next step is for the Regulations to be laid before Parliament. Once this is done the ability to be able to make the fee increase takes effect 28 days later.
- 1.8 Regulations in the form of - *The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment) Regulations 2017* have now been drafted to secure the fee increase. This can be found at:

<https://www.legislation.gov.uk/ukdsi/2017/9780111160749/introduction>
- 1.9 The latest news bulletin from the Governments Chief Planner – Steve Quartermain CBE – was released on the 21st December 2017. This indicates that regulations to introduce the 20% increase in planning fees were made on 20th December 2017, which means that local planning authorities will be able to start applying the fee increase from 17th January 2018. The reference for the Regulations is SI 2017 no.1314

2. Information required to take a decision

- 2.1 Planning fees are set nationally and have not been increased since 2011/12 when a national increase of 15% was applied.
- 2.2 Fees are complex and cover all types of application. Some are fixed, such as house extensions, others vary depending upon site area and the scale of development.

- 2.3 As a Local Planning Authority we are required to adhere to the fees set down by legislation. It is not possible to set fees at a local level although this has been an area of national discussion in the past. Within Kirklees total planning fee income has been increasing steadily over recent years following a slump in 2012/13. This has been driven largely by an increase in major application fees. However, minor applications are also increasing. The Council cannot set any planning fees locally and therefore the increase in fees will come into effect from the 17th January 2018 onwards. The Council's website has been updated to make people aware of these changes and in advance of the bi annual Agents Forum meeting to be held at the beginning of February it is proposed to write to agents as part of the agenda pack referring them to the DCLG guidance webpages explaining the increase in fees. This will also provide interested parties with access to the Fee Schedule.
- 2.4 Officers expect planning application numbers to stabilise this year as the Local Plan process is yet to be completed. It is expected that once the Local Plan becomes adopted then application numbers, particularly major application, will increase. This will place considerable burdens on existing staff resources.
- 2.5 One of the key caveats in the initial DCLG letter is that this increased income is ring fenced to Planning Services to assist in speeding up planning decisions and housing and infrastructure delivery.
- 2.6 In Kirklees this would be a useful resource as there are deficiencies in some technical support areas which are potentially slowing down delivery and the speed at which housing can be delivered on the ground. As part of this exercise we have identified where resources may be utilised These include:
- Highways development management
 - Drainage
 - Development Management
 - Economic Resilience

3. **Implications for the Council**

- 3.1 Provided that planning application numbers are maintained or increase as expected as a result of the Local Plan introduction then a 20% increase on existing fees would increase income by circa £250k per annum. As set out in section 1.9 the process commenced on 20th December and the new fees will be in place by 17th January 2017.

Economic Resilience

- 3.2 None specifically

3.3 Improving Outcomes for Children

None specifically

3.4 Reducing demand of services

N/A

3.5 Legal/Financial or Human Resources

3.5.1 Legal

None.

3.5.2 Financial

The increased income anticipated from the proposed fee increase will support existing and future staff costs.

3.5.3 Human Resources

Some additional recruitment maybe required. Those areas targeted are set out in Section 2.6 above.

4. Consultees and their opinions

4.1 None

5. Next steps

5.1 Following the House of Lords approval of the Motion on the 6th December 2017 the final step is to lay the Regulations before Parliament and they then take effect 28 days later. This took place on the 20th December 2017 and the fee increase automatically takes place from the 17th January 2018.

5.2 The new fees will be charged as soon as the legislation allows.

6. Officer recommendations and reasons

6.1 Cabinet is requested to:

1. Note the contents of this report
2. Note that once the legislation is in force that the fee increase automatically becomes effective.

7. Cabinet portfolio holder's recommendations

7.1 Portfolio Holders support the officer recommendations.

8. Contact officer

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9. Background Papers and History of Decisions

1. White Paper “Fixing our broken housing market” (DCLG 2017)
2. Planning for the right homes in the right places: consultation proposals’ (DCLG 2017)
3. The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment) Regulations 2017 – DRAFT VERSION

10. **Service Director responsible**

Paul Kemp - Service Director - Economy, Regeneration & Culture -
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