

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING & DEVELOPMENT COMMITTEE

Agenda Item No.

meeting date: 16 DECEMBER 2010
title: PROPOSALS FOR CHANGES TO PLANNING APPLICATION FEES
submitted by: DIRECTOR OF DEVELOPMENT SERVICES
principal author: JOHN MACHOLC

1 PURPOSE

- 1.1 To request Committee's comments on the consultation document relating to the proposed changes in the fee setting on planning applications in England.

2 BACKGROUND

- 2.1 The provisions for charging planning application fees was set out in section 303 of the Town and Country Planning Act 1990 as substituted by section 199 of the Planning Act 2008. These provisions:

- Allow fees to be charged in relation to any function of a local planning authority and for matters ancillary to those assumptions.
- Allows the Secretary of State to prescribe fees or a means of calculating fees to be set by someone else.
- Allows the Secretary of State to prescribe when a service would be exempt from fees.

- 2.2 Section 303(10) of the Town and Country Planning Act 1990 states that the fee income must not exceed the cost of performing fee related functions, and as such the fees cannot be used to make a profit.

- 2.3 In February 2009 an independent report researched into whether or not planning application fees recovered local authority costs and this indicated that around only 90% of the costs are met on average. It also indicated around 35% of the development control resources are being allocated to dealing with applications which do not currently incur a fee. This could include consultations on adjacent planning authority applications as well as resubmissions, listed buildings, conservation area consents and other applications that are exempt from fees.

- 2.4 The consultation document which was issued on the 10 November 2010 was published on the Community and Local Government website. The receipt for the closing date of comments is on 7 January 2011. There is a prescribed form which asks for specific comments on various questions and this is attached as an appendix to this report.

- 2.5 The main issues relate to the possible decentralising of planning application fees and the ability for local planning authorities to set their own charges to recover their own costs. The intention is that applicants should be charged for the full cost of the application where they are paying a fee rather than being subsidised by the general tax payer. The document also considers that certain types of applications which are currently exempt from fees should now be considered appropriate for a planning fee.

2.6 The consultation document has three main options which are:

Option 1 – decentralising responsibility for setting planning application fees to local planning authorities.

Option 2 – decentralising responsibility for setting planning application fees to local planning authorities below a cap on maximum fee levels imposed by central government.

Option 3 – maintain the current system of centrally- set planning application fees subject to 10-15% increase in fee levels.

2.7 The consultation document also makes reference to proposals that would allow local planning authorities to decide whether to give applicants a free go, when resubmitting applications that have been withdrawn or refused. The possibility of setting higher fees for retrospective applications and also consideration relating to other applications such as listed building consents and conservation area consents to require a fee.

3 ISSUES

3.1 In order for this to be possible we need to ensure we calculate the actual costs of determining applications as accurately as possible. This is likely to involve implementing a more detailed time recording system than the Council currently uses.

Option 1 – Decentralising responsibility for setting planning application fees to LPA's.

3.2 It is evident that if fees increase following decentralisation, additional costs will be imposed on applicants rather than borne by Council taxpayers as at present. The principle behind Option 1 is that local authorities would have the flexibility to charge fees that properly recover the costs they incur in determining planning applications the current shortfall is around £70,000. This would imply an increase in fees of 20% for costs to be fully recovered.

3.3 Option 2 – Decentralising responsibility for setting planning application fees to LPA's, below a cap on maximum levels imposed by central Government.

The Implication of this option is the same as option 1 with the principle difference that the proposed cap would leave some authorities to fail to recover their costs. In the case of Ribble Valley if we used the current figures and took an indication of the allocated costs of providing the Development Control Service in relation to fee income, even with a 15% increase it would still lead to a shortfall of approximately £20,000.

3.4 Option 3 – Maintain the current system of centrally-set planning application fees with 10%-15% fee increase.

This would mean that planning fees would continue to be set nationally and would have no correlation to costs incurred locally by this Council.

3.5 The preferred option indicated by the consultation document is option 1 as it is considered that this is likely to achieve the objective of enabling local planning authorities to recoup their costs. I consider this to be a realistic option and on the basis

that there would be discretion for local planning authorities to consider whether or not to charge for the range of applications that currently have no fee as well as set a higher fee for retrospective applications, I consider that the Council should support this consultation document.

3.6 It is evident that an increase in fee generation would allow the Development Control section to be more self supporting and enable the costs of providing the service in relation to planning applications to be predominantly met by the applicant. Any proposed capping of the fee structure does not allow the service to be totally met.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications

- Resources – the estimated planning fee income for the current year is £365,000 against costs of £435,000. It is anticipated that a small amount of staff time will be necessary to establish a new fee charging regime but I believe this can be accommodated through existing staff resources.
- Technical, Environmental and Legal – none.
- Political – none.
- Reputation – the increase in fee at a time of a difficult economic situation, may be seen as awkward but given that the purpose is to enable the planning application fees to meet the overall costs and they are apportioned to the person or company submitting the application. This may be seen as a fairer way than the additional cost be met in the form of taxation.

5 RECOMMENDED THAT COMMITTEE

5.1 Instruct the Director of Development Services to advise the Department of Communities and Local Government of the above and that they consider that the LPA should have both the authority to set its own fees and have the ability to consider charging for the following types of applications:

Higher fee setting on retrospective applications
Charging for resubmitted proposals.
Charging for Listed building applications.

5.2 Authorise the Director of Development Services accordingly to respond as appropriate using the consultation response form.

DIRECTOR OF DEVELOPMENT SERVICES

BACKGROUND PAPERS

- 1 DCLG Planning costs and Fees Nov 2010
DCLG Proposals for changes to planning application fees in England Nov 2010

For further information please ask for John Macholc, extension 4502.