
**Decision Session-Executive Member for
Planning and Transport**

13 April 2017

Report of the Corporate Director of Economy and Place

Increase in National Planning Fees

Summary

- 1 This report seeks formal approval to confirm to the Department of Communities and Local Government (CLG) that the Authority will invest the proposed increase the National Planning Application Fee rates in the City of York, by 20% from July 2017 into the planning service.

Recommendation

- 2 The Executive Member is asked to confirm acceptance of the CLG offer to the 20% increase in planning fees to take effect from 1st July 2017, with any additional income reinvested in the Development Management function, and to approve the principles of reinvesting £128k into the planning service as set out in paragraph 10.

Reason: The increase in planning fees relates to the Council's corporate priorities by enhancing frontline services to help to ensure acceptable planning proposals are delivered on site more expediently.

Background

- 3 On 7 February 2017 the Government published a White Paper entitled "Fixing our broken housing market". The Paper sets out the government's plans to reform the housing market with the aim of boosting the supply of new homes in England. The Paper states that developers consistently tell CLG that the lack of capacity and capability in planning departments is restricting their ability to get on site and build. It says that alongside funding, local authorities also report difficulties in recruiting and retaining planners and others with specialist skills, and that here may also be wider capacity and skills issues for local authorities.

One measure in the White Paper is a proposal to allow local planning authorities to increase resources for planning services to deal with applications, through additional income being secured by an increase in application fees by 20%.

- 4 There is a further proposal in the White Paper that Planning Authorities may be able to further increase planning service resources, through an increase in fees by a further 20% if targets relating to housing delivery are met. This, however, is subject to further national consultation.
- 5 On the 22nd February 2017, CLG wrote to the Chief Executives of all Planning Authorities seeking confirmation of inclusion of each individual authority in a regulation which would have the effect of introducing an increase of 20% to the current planning application fees (letter attached at Annex A)
- 6 The CLG letter required the Council's Finance Officer (s151 Officer) to confirm agreement to the increase on behalf of the Authority and to provide information relating to the current level of expenditure and application fee income on the Development Management (DM) Service, to act as a baseline for ensuring that the additional income is utilised to support the DM Function. The letter mentioned specialist services and subsequent enquires have suggested that all supportive functions that are essential to planning decision making (i.e. Development Management) can be included.
- 7 The letter required a formal response on the Authority's determination of the matter before 13th March 2017 and as a result of the short timescale this did not allow for formal discussion and decision of the matter by the Executive prior to a response. The Council has since been advised that a formal decision must be made prior to 18th April 2017.

Current Performance and Workload

- 8 Historically and for many years government has measured Local Planning Authority (LPA) Development Management performance against the speed of determination of applications (with 8 and 13 week target times for determination see table 1). However, most recently, Government has allowed for LPAs to take longer to determine applications where this is agreed with the applicant. The agreed timescale can be significantly longer than the targets of 8 weeks (or 13 week for major applications) and can mask the time taken for consultees to respond to applications, or for officers to negotiate on schemes.

Subsequently the overall caseload of Development Management officers has increased; as more time is spent trying to resolve cases that would otherwise have been refused within the statutory timescales. It is estimated that in York presently between 25% and 30% of applications have an agreed extension of time beyond the 8 or 13 week target although the % of applications which are refused has been reduced with amendments and revisions being sought during the extended period for determination.

Table 1: CYC Application Decision Performance 2016

App type	CYC Performance	Statutory Target
Major	45/51 = 88.24%	60% within 13 weeks or agreed timescale
Minor	308/396 = 77.78 %	65% within 8 weeks or agreed timescale
Other	1100/1237 = 88.92%	80% within 8 weeks or agreed timescale

- 9 The delays in progression of cases are often due to capacity in terms of Support staff logging and validating applications, Development Management case officers and of key consultees (e.g. Landscape, Conservation, Highways to be able to respond quickly). As a result, whilst the positive approach of seeking to negotiate amendments is generally welcomed, the main source of complaints as expressed in applicant feedback surveys relates to delays in making decisions and in a lack of communication (getting back to applicants). Similarly whilst there is generally positive feedback in terms of the quality of pre-application advice provided, the time taken to provide that advice often exceeds the target time frames, and so the overall period between first enquiry and development commencing on site can be extended in part by the time taken to the navigate through the planning process.

Future workload and proposed use of additional fee income

- 10 Additional resource from the proposed 20% fee increase would therefore be invested to support the Development Management function including:
- Investment in back office functions to speed up both validation of new applications and dispatch of decisions
 - Investment in additional Development Manager assistant and officer capacity to improve both pre-application service and application consideration and determination, particularly aiming to reduce the time taken to obtain a decision.
 - Further review of processes and the use of technology to ensure new ways of working are incorporated into the service, specifically to improve communications, responsiveness and timeliness in dealing with applications and pre-application enquiries.

- Investment in additional capacity in relation to supporting specialist services such as highways network management, conservation/ heritage advice. Delays in making a decision can be as a result of limited capacity of specialist officers to respond in the required consultation period.

- 11 It should also be noted that an imminent increase in the Development Management and Planning Service’s workload, both in terms of pre-application discussions and formal submissions, is expected. This ranges from large-scale sites (York Central, British Sugar and CYC development programmes e.g. adult social care) as well as from Local Plan proposed allocations as the Plan progresses during 2017. This additional demand on the service is expected to be both significant and also intense, as the Council seeks to ensure delivery of key housing sites, which is a key objective of the White paper. It is expected that the pre-application enquiries and planning applications arising from these developments will help to further fund the additional resources required to deal with them.
- 12 These measures would help the Local Planning Authority to meet the current and future demands on the service, helping to expedite decision making and facilitate new development.

Current Costs

- 13 The National Planning Application fees were last increased in 2012 based on inflation between 2008 and 2012. The total cost of Development Management function is however not fully recovered by the level of fees received from applications alone. Table 2 below sets out the overall costs of the DM function.

Table 2: Development Management Expenditure and Income

	2016/17	2017/18
	£'000	£'000
Estimated expenditure on DM	1,872	2,016
Estimated income before and after increase	850	978
Estimated additional income generated from 20% higher planning fees	N/A	128 (from 1.7.17)

- 14 The estimated expenditure figure includes the core Development Management Team staff and its associated costs e.g. travel costs, storage costs, as well as proportions of Business Support, specialist consultee, HR, Finance, Legal and other contributory functions of the Council.

Consultation

- 15 In view of the short timescales and the extent of Government consultation that was undertaken in formulation of the White paper, no specific consultation has been undertaken.

Options

- 16 The options available to the Executive Member are:
- a) Not to confirm the fee increase, such that the standard planning application fees will indefinitely remain the same as those set nationally in 2012.
 - b) Confirm acceptance of the CLG offer of a 20% increase in planning application fees provided the additional income is reinvested in the Development Management function.

Analysis of Options

- 17 Option (a): As described at paragraphs 10 and 11, the current level of capacity within the planning service affects the overall time to reach positive decisions and so as a consequence the time for schemes to be implemented. Given the significant increase in workload anticipated in the coming months, there is a clear need to maintain and where possible increase the resource available to undertake the Development Management function, to allow the Authority to rise to the challenge of expediting the service. Failure to accept the CLG offer to increase fees and so increase potential income would hinder efforts to expedite the planning process, and with an increased workload would see a reduction in performance, contrary to the Government and the Council's aim.
- 18 Option (b): Such an increase would contribute towards improving existing performance and the customer experience, ensuring the service is able to better respond to the challenges that the forthcoming large-scale major development proposals and programmes will create. There would be an additional cost for applicants; however the planning fee would remain a very small proportion of the overall development

costs, both in terms of say householder applications through to major housing developments.

Council Plan

- 19 The Plan is built around 3 key priorities:
- A Prosperous City for All
 - A Focus on Frontline Services
 - A Council that Listens to Residents
- 20 The increase in planning fees relates to the Council's corporate priorities by enhancing frontline services to help to ensure acceptable planning proposals are delivered on site more expediently. In turn this will assist in economic growth and prosperity for the city, and listening in to residents in facilitating the provision of acceptable new housing

Implications

Financial

- 21 The financial implications are described in the report.

Human Resources

- 22 There should be no Human Resources implications.

Equalities

- 23 A Community Impact Assessment (CIA) has been carried out. It is considered that there are no negative impacts associated with this proposal. Positive impacts are identified in that increased fees potentially allows a better more responsive service to be provided or applicants and other interested parties, with community facilities and accessibility issues highlighted early in the development process. Any negative impact of increased fees for vulnerable groups would be mitigated by the continuing exemptions for Parishes and community groups, registered disabled.

Legal

- 24 No legal implications arising from this report

Crime and Disorder

- 25 There are no direct crime and disorder implications arising from this report

Information Technology

- 26 There are no known implications.

Property

- 27 There are no known implications.

Other

- 28 None.

Risk Management

- 29 CLG requires the Council to formally confirm by 18th April whether or not it wishes to be included amongst the councils that accept the offer to increase applications fees by 20%. Failure to make a decision would mean that the increase could not be implemented and fees would remain at the current level for the foreseeable future.
- 30 If the offer of the fee increase is not accepted and the fees remain the same, there is a risk of deterioration in the planning performance and customer service as increased pressure from major developments further stretches existing resources. Acceptance of the offer would mitigate against this risk.

Annexes

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Directorate of Economy and Place

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Wards Affected: All

Report Approved

✓

Date 3 April
2017

For further information please contact the author of the report.

A Letter from CLG 7th February 2017

B Community Impact Assessment