

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT & NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	13 MARCH 2017	AGENDA ITEM:	12
TITLE:	PLANNING APPLICATION - FEE INCREASE		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING & TRANSPORT
SERVICE:	PLANNING DEVELOPEMNT AND REGULATORY SERVICES / FINANCE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	GIORGIO FRAMALICCO / ALAN CROSS	TEL:	0118 937 2604
JOB TITLE:	HEADS OF PLANNING DEVELOPMENT AND REGULATORY SERVICES / FINANCE	E-MAIL:	giorgio.framalicco@reading.gov.uk alan.cross@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

The Government's Housing White Paper 'Fixing Our Broken Housing Market' published on 7 February 2016 sets out a proposal to increase planning fees by 20% from July 2017 if the receiving Council commits to invest the additional income in their planning services. Subsequent to this, the Government has asked Councils to confirm if they wish to accept or reject the proposed increase and, if the former require that Section 151 officers certify that the higher fees will be spent entirely on the planning service.

2. RECOMMENDED ACTION

- 2.1 To accept an increase in planning fees (planned for July 2017) by 20%;
- 2.2 That the Director of Finance confirms to Government that the higher fees will be spent entirely on the planning service;
- 2.3 That the Head of Planning Development & Regulatory Services be authorised, in consultation with the Director of Finance and Lead Councillor for Strategic Environment, Planning and Transport, to determine the best way of investing the additional income in the Planning Service.

3. POLICY CONTEXT

- 3.1 Planning application fees are set nationally and are the same across England. Planning fees were last increased in 2012 by an average of 15%.
- 3.2 The Government's Housing White Paper 'Fixing Our Broken Housing Market' published on 7 February 2016 sets out a number of housing, planning and regulatory matters in response to a need to boost housing supply and create a more efficient housing market whose outcomes more closely match the needs and aspirations of all households which supports wider economic prosperity.

- 3.3 Full reports on the detailed matters raised by the White Paper are to be presented to the Housing, Neighbourhoods and Leisure Committee in March and Strategic Environment, Planning and Transport Committee in April.
- 3.4 In the White Paper the Government highlights the need to build homes faster and states that developers have consistently raised a concern about the lack of capacity and capability in planning departments. In response the Government proposes:
- that Local Authorities will be able to increase planning fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department.
 - that they are minded to allow a further 20% increase for those Authorities who are delivering the homes their communities need. This would be subject to further consultation.

4. THE PROPOSAL

Appendix A sets out the current fees in force and the proposed (initial) 20% increased fees set out by the Government.

Appendix B provides a copy of the return to be sent to the Government should Policy Committee wish to accept the increased fees proposed by both the initial 20%. Information on the estimated expenditure of the service is set out as is the possible increase gained in planning application fees.

- 4.1 For clarity, this report responds to the initial 20% uplift in planning fees set out in first bullet point above and not the further 20% which will be subject to a future Government consultation.
- 4.2 The Council's Planning Service includes a number of functions including development management, policy, enforcement, conservation, natural environment, CIL/S106 management and technical support. In the main, fees generated by the service are from planning applications fees and pre-application fees, although there are other miscellaneous fees. Income from planning applications does not cover the entire cost of the service. Whilst recognising that planning fees need to remain reasonable in the context of the cost of the work related to the processing of the planning application, this Council has generally welcomed an increase in planning fees where the additional income gained would reduce the overall cost of the service on the Council and therefore the wider public purse.
- 4.3 In asking Councils if they wish to accept an increase in planning fees, the Government is insisting that the additional funds raised are invested in the Planning Service. In July 2016, the Planning Service committed to make significant savings in order to meet corporate savings targets with a reduction in the overall net cost of the service in 2017/18, 2018/19 and 2019/20. These corporate savings will continue to be delivered with any net benefit gained from the increase in planning fees being invested into the service.
- 4.4 There are a number of options as to how the increased income will be used and final decisions will be made by management in consultation with the Deputy Leader and Lead Councillor for Strategic Environment, Planning and Transport.
- 4.5 **Other Options Considered**

The alternative is to not accept an increase in planning application fees. This would result in no additional investment into the Planning service to offset the corporate savings committed to in July 2016. As reported in July 2016, the savings proposed would reduce the overall quality of the service and its ability to respond effectively.

5. CONTRIBUTION TO STRATEGIC AIMS

The decision contributes to the following corporate aims:

- Providing homes for those in most need;
- Keeping the town clean, safe and active;
- Providing infrastructure to support the economy;
- Remaining financially sustainable to deliver these service priorities.

6. COMMUNITY ENGAGEMENT AND INFORMATION

No public consultation is to be undertaken on this proposal.

7. EQUALITY IMPACT ASSESSMENT

7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to –

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2 A detailed Equality Impact Assessment is not required in relation to this report.

8. LEGAL IMPLICATIONS

There are no legal implications

9. FINANCIAL IMPLICATIONS

The financial implications are set out in the attached appendices in relation to the increased fees proposed and income position. Based on current forecasts, there will be an additional £114k in 2017/18. The arrangements beyond 2017/18 are not immediately clear and will need to be considered in due course as part of developing the Council's medium term financial plan.

10. BACKGROUND PAPERS

Housing White Paper 'Fixing Our Broken Housing Market' (Feb 2017).

A Guide to the Fees for Planning Applications in England

This document is based upon '[The Town and Country Planning \(Fees for Applications, Deemed Applications, Requests and Site Visits\) \(England\) Regulations 2012](#)'

All Outline Applications			Fees in July 2017 assuming 20% increase
£385 per 0.1 hectare for sites up to and including 2.5 hectares	Not more than 2.5 hectares	£385 per 0.1 hectare	£462 per 0.1 hectare
£9,527 + £115 for each 0.1 in excess of 2.5 hectares to a maximum of £125,000	More than 2.5 hectares	£9,527 + £115 per 0.1 hectare	£11,432.4+ £138 per 0.1
Householder Applications			
Alterations/extensions to a single dwellinghouse , including works within boundary	Single dwellinghouse	£172	£206
Full Applications (and First Submissions of Reserved Matters)			
Alterations/extensions to two or more dwellinghouses , including works within boundaries	Two or more dwellinghouses (or two or more flats)	£339	£407
New dwellinghouses (up to and including 50)	New dwellinghouses (not more than 50)	£385 per dwellinghouse	£462 per dwellinghouse
New dwellinghouses (for <i>more</i> than 50) £19,049 + £115 per additional dwellinghouse in excess of 50 up to a maximum fee of £250,000	New dwellinghouses (more than 50)	£19,049 + £115 per additional dwellinghouse	£22,859 + £138 per dwellinghouse
Full Applications (and First Submissions of Reserved Matters) continued...			
Erection of buildings (not dwellinghouses, agricultural, glasshouses, plant nor machinery):			
Gross floor space to be created by the development	No increase in gross floor space or no more than 40 sq m	£195	£234
Gross floor space to be created by the development	More than 40 sq m but no more than 75 sq m	£385	£462
Gross floor space to be created by the development	More than 75 sq m but no more than 3,750 sq m	£385 for each 75sq m or part thereof	£462 for each 75sq m or part thereof
Gross floor space to be created by the development	More than 3,750 sq m	£19,049 + £115 for each additional 75 sq m in excess of 3750 sq m to a maximum of £250,000	£22,859 + £138 for each additional 75 sq m in excess of 3750 sq m to a maximum of £300,000
The erection of buildings (on land used for agriculture for agricultural purposes)			
Gross floor space to be created by the development	Not more than 465 sq m	£80	£96
Gross floor space to be created by the development	More than 465 sq m but not more than 540 sq m	£385	£462
Gross floor space to be created by the development	More than 540 sq m but not more than 4,215 sq m	£385 for first 540 sq m + £385 for each 75 sq m (or part thereof) in excess of 540 sq m	£462 for first 540 sq m + £385 for each 75 sq m (or part thereof) in excess of 540 sq m

Gross floor space to be created by the development	More than 4,215 sq m	£19,049 + £115 for each 75 sq m (or part thereof) in excess of 4,215 sq m up to a maximum of £250,000	£22,859 + £138 for for each 75 sq m (or part thereof) in excess of 4,215 sq m up to a maximum of £300,000
Full Applications (and First Submissions of Reserved Matters) continued...			
Erection of glasshouses (on land used for the purposes of agriculture)			
Gross floor space to be created by the development	Not more than 465 sq m	£80	£96
Gross floor space to be created by the development	More than 465 sq m	£2,150	£2,580
Erection/alterations/replacement of plant and machinery			
Site area	Not more than 5 hectares	£385 for each 0.1 hectare (or part thereof)	£462 per 0.1 hectare (or part thereof)
Site area	More than 5 hectares	£19,049 + additional £115 for each 0.1 hectare (or part thereof) in excess of 5 hectares to a maximum of £250,000	£22,859 + £138 for for each 0.1 hectare (or part thereof) in excess of 5 hectares to a maximum of £300,000
Applications other than Building Works			
Car parks, service roads or other accesses	For existing uses	£195	£234
Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals)			
Site area	Not more than 15 hectares	£195 for each 0.1 hectare (or part thereof)	£234 for each 0.1 hectare (or part thereof)
Site area	More than 15 hectares	£29,112 + £115 for each 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £65,000	£34,934 + £1385 for each 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000
Operations connected with exploratory drilling for oil or natural gas			
Site area	Not more than 7.5 hectares	£423 for each 0.1 hectare (or part thereof)	£508 for each 0.1 hectare (or part thereof)
Site area	More than 7.5 hectares	£31,725 + additional £126 for each 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £250,000	£38,070 + additional £151 for each 0.1 hectare (or part thereof) in excess of 7.5 hectares up to a maximum of £300,000
Operations (other than exploratory drilling) for the winning and working of oil or natural gas			
Site area	Not more than 15 hectares	£214 for each 0.1 hectare (or part thereof)	£257
Site area	More than 15 hectares	£32,100 + additional £126 for each 0.1 in excess of 15 hectare up to a maximum of £65,000	£38,520+ additional £151 for each 0.1 in excess of 15 hectare up to a maximum of £78,000
Other operations (winning and working of minerals) excluding oil and natural gas			

Site area	Not more than 15 hectares	£195 for each 0.1 hectare (or part thereof)	£234 for each 0.1 hectare (or part thereof)
Site area	More than 15 hectares	£29,112 + additional £115 for each 0.1 in excess of 15 hectare up to a maximum of £65,000	£34,934 + £1385 for each 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £78,000
Other operations (not coming within any of the above categories)			
Site area	Any site area	£195 for each 0.1 hectare (or part thereof) up to a maximum of £1,690	£234 for each 0.1 hectare (or part thereof) up to a maximum of £2028
Lawful Development Certificate			
Existing use or operation		Same as Full	Same as Full
Existing use or operation - lawful not to comply with any condition or limitation		£195	£234
Proposed use or operation		Half the normal planning fee.	Half the normal planning fee.
Prior Approval			
Agricultural and Forestry buildings & operations or demolition of buildings		£80	£96
Telecommunications Code Systems Operators		£385	£462
Proposed Change of Use to State Funded School or Registered Nursery		£80	£96
Proposed Change of Use of Agricultural Building to a State-Funded School or Registered Nursery		£80	£96
Proposed Change of Use of Agricultural Building to a flexible use within Shops, Financial and Professional services, Restaurants and Cafes, Business, Storage or Distribution, Hotels, or Assembly or Leisure		£80	£96
Proposed Change of Use of a building from Office (Use Class B1) Use to a use falling within Use Class C3 (Dwellinghouse)		£80	£96
Proposed Change of Use of Agricultural Building to a Dwellinghouse (Use Class C3), where there are no Associated Building Operations		£80	£96
Proposed Change of Use of Agricultural Building to a Dwellinghouse (Use Class C3), and Associated Building Operations		£172	£206
Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a Mixed Retail and Residential Use to a use falling within Use Class C3 (Dwellinghouse), where there are <u>no</u> Associated Building Operations		£80	£96
Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a Mixed Retail and Residential Use to a use falling within Use Class C3 (Dwellinghouse), and Associated Building Operations		£172	£206
Notification for Prior Approval for a Change Of Use from Storage or Distribution Buildings (Class B8) and any land within its curtilage to Dwellinghouses (Class C3)		£80	£96
Notification for Prior Approval for a Change of Use from Amusement Arcades/Centres and Casinos, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3)		£80	£96
Notification for Prior Approval for a Change of Use from Amusement Arcades/Centres and Casinos, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3), and Associated Building Operations		£172	£206
Prior Approval continued...			

Notification for Prior Approval for a Change of Use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to Restaurants and Cafés (Class A3)	£80	£96
Notification for Prior Approval for a Change of Use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to Restaurants and Cafés (Class A3), and Associated Building Operations	£172	£206
Notification for Prior Approval for a Change of Use from Shops (Class A1) and Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops (Sui Generis Uses) to Assembly and Leisure Uses (Class D2)	£80	£96

Reserved Matters

Application for approval of reserved matters following outline approval	Full fee due or if full fee already paid then £385 due	Full fee due or if full fee already paid then £462 due
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Approval/Variation/discharge of condition			
Application for removal or variation of a condition following grant of planning permission	£195	£234	
Request for confirmation that one or more planning conditions have been complied with	£28 per request for Householder otherwise £97 per request	£34 per request for Householder otherwise £116 per request	
Change of Use of a building to use as one or more separate dwellinghouses, or other cases			
Number of dwellinghouses	Not more than 50 dwellinghouses	£385 for each	£462 for each
Number of dwellinghouses	More than 50 dwellinghouses	£19,049 + £115 for each in excess of 50 up to a maximum of £250,000	£22,859 + £138 for for each in excess of 50 up to a maximum of £300,000
Other Changes of Use of a building or land		£385	£462
Advertising			
Relating to the business on the premises	£110	£132	
Advance signs which are not situated on or visible from the site, directing the public to a business	£110	£132	
Other advertisements	£385	£462	
Application for a Non-material Amendment Following a Grant of Planning Permission			
Applications in respect of householder developments	£28	£34	
Applications in respect of other developments	£195	£234	

Our Ref:
Your Ref: *

E-mail: Rachel.musson@reading.gov.uk

Date: 13th March 2017

Your contact is: Rachel Musson - Interim Director of Finance

Dear Simon Gallagher

In reply to your letter of 21st February 2017 I am writing to certify that Reading Borough Council has determined to accept the proposed 20% increase in planning application fees.

I confirm that the amount raised through these higher fees will be spent entirely on planning functions.

I can also confirm that the full legal name for this authority to be used in regulations is Reading Borough Council.

I submit the following information, as requested

	2016/17	2017/18
Estimated expenditure on development management	£1,645,400 Forecast	£1,464,900 Budget
Estimated income generated from planning application fees	£1,155,700 Forecast Forecast £690k from 23 major applications at £10k+	£760,700 Budget
Estimated additional income generated from higher planning fees	N/A	£114,100 9 months of 20% x £760.7k

Please note, expenditure estimates do not include Support Services and Recharges, and the number of 2016/17 major applications are not expected to be repeated in 2017/18.

Yours sincerely

Rachel Musson
Interim Director of Finance