



**DRAFT** PORTFOLIO HOLDER DECISION NOTICE

**PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR HIGH QUALITY ENVIRONMENT**

**TOPIC – Response to Government consultation on setting planning application fees locally**

**PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Friday 21 January 2011.**

**Contact Officers:**

**Case Officer:** Simon Finch Head of Planning Management, Tel: 01962 848 271, Email: [sfinch@winchester.gov.uk](mailto:sfinch@winchester.gov.uk)

**Committee Administrator:** Nancy Graham, Senior Democratic Services Officer, Tel: 01962 848 235, Email: [ngraham@winchester.gov.uk](mailto:ngraham@winchester.gov.uk)

**SUMMARY**

The coalition Government has published a consultation paper entitled "Proposals for changes to planning application fees in England." The aim is to allow councils to set their own planning application and other fees based upon the principle of recovering 100% of their costs.

At the present time, planning application fees are set nationally by Government and do not take account of local circumstances. The cost of applying for permission in Winchester is the same as Newcastle for example. There is a scale of charges and the fee paid by the applicant is largely determined by the type of application and the

size of the development. Planning fee income currently received by councils does not generally cover the cost of providing the service and therefore the system is subsidised by council tax payers and central Government grant.

At present, planning application fee income in Winchester does not cover the cost of providing this service. Under the proposed changes Winchester would be able to recover all of the costs associated with the determination of applications, although some costs (such as enforcement work and appeals) would not be covered and would therefore have to be met from the Council's own resources.

### **PROPOSED DECISION**

That Appendix A is approved as the Council's response to the Government's consultation document on Proposals for changes to planning application fees in England.

### **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

In the consultation paper the Government identifies two options in relation to planning application fee setting:

**Option 1** would be to decentralise the responsibility for setting fees for planning applications to local planning authorities

**Option 2** would maintain the current fee system

The Government's preferred option is for local planning authorities to be able to set their own charges to recover the costs associated with the processing of planning applications. The Government considers that applicants should be charged for the full cost of their applications, where they are paying a fee, rather than being subsidized by the general tax payer. However, authorities should not look at this as an opportunity to make a profit for the services they provide. It is proposed to decentralise responsibility for planning application fee setting to local planning authorities (Option 1 above).

At present there is a substantial gap between the planning fee income and the cost of providing the Planning Management Service in Winchester. Much of the cost of the service is associated with the processing of planning applications, although it should be recognised that not all planning activity undertaken by the Council is subject to fees (there are currently no fees for most appeals, enforcement action etc.) and this would remain the case if Option 1 is implemented by the Government. In other words, Planning Management would not be self financing if the Option 1 proceeds.

However, as Option 1 allows the Council to increase application fees from their current levels, it would be possible for Winchester to recover much more of the costs

associated with providing the service. This might include setting higher fees for retrospective applications which are submitted following an enforcement investigation. Overall, under Option 1, the burden imposed upon the local Council Tax payer would be reduced.

Option 1 also provides for more local accountability and encourages greater efficiency. Whilst it is acknowledged that applicants will pay higher fees, it will remain a modest outlay when compared to the overall cost of the development in most cases. Furthermore, allowing the Council to set its own fees will enable decisions to be made regarding the level of service provided and it may even be possible to provide customers with an option of paying for a “fast track service” which would attract a higher fee than the standard service for example.

The merits of Option 2 (fees set nationally), which would effectively maintain the status quo, have been considered. If determining fee levels remain with Government, it is very likely that the difference between income and costs will not be reduced and this would mean that local Council Tax payers would continue to subsidise the development process. It is therefore considered that Option 1 would represent a fairer arrangement with more local accountability.

There are likely to be some negative effects from setting fees locally as outlined in the response to Question 7, Appendix A. These would need to be considered were the Council setting its own planning fees. However, for the reasons explained above, it is recommended that Option 1 is supported.

### **RESOURCE IMPLICATIONS:**

Increase in planning fee income which would reduce the gap between income and the costs of providing the Planning Management service.

### **CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION**

Portfolio Holder and Internal officer consultation.

### **FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

n/a

### **DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

n/a

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

n/a

**Approved by: (signature)**

**Date of Decision**

**Councillor Eleanor Bell – Portfolio Holder for High Quality Environment**



## Consultation response form - Proposals for changes to planning application fees in England

We are seeking your views on the following questions on the Government's proposal for changes to planning application fees in England. <sup>1</sup> **If possible, we would be grateful if you could please respond by email.** Alternatively, we would be happy to receive responses by post.

Email responses to: [julian.wheeler@communities.gsi.gov.uk](mailto:julian.wheeler@communities.gsi.gov.uk)

Written responses to:

Julian Wheeler  
Communities and Local Government  
Zone 1/J1  
Eland House  
Bressenden Place  
London  
SW1E 5DU

### (a) About you

#### (i) Your details

Name:	Simon Finch
Position:	Head of Planning Management
Name of organisation (if applicable):	Winchester City Council
Address:	
Email Address:	sfinch@winchester.gov.uk
Telephone number:	01962 848271

<sup>1</sup> CLG (2010) Proposals for changes to planning application fees in England: Consultation document (see: [www.communities.gov.uk/planningandbuilding/planning/planningpolicyimplementation/planningfeesconsultation](http://www.communities.gov.uk/planningandbuilding/planning/planningpolicyimplementation/planningfeesconsultation))

**(ii) Are the views expressed on this consultation an official response from the organisation you represent or your own personal views?**

Organisational response

Personal views

**(iii) Please tick the *one* box which best describes you or your organisation:**

Private developer or house builder

Housing association or RSL

Land owner

Voluntary sector or charitable organisation

Business

Parish council

Local government (i.e. district, borough, county, unitary, etc.)

Regional government

National Park

Other public body (please state)

Other (please state)

**(iv) What is your main area of expertise (please tick as many boxes that apply)?**

Planning

Legal

Housing

Economic or commercial development

Environment

Transport

Other (please state)

**(v) Do your views or experiences mainly relate to a particular geographical location?**

South West

South East

East of England

East Midlands

West Midlands

North West

Yorkshire and The Humber

North East

London

- All of England
- Other (please comment)

**(vi) Would you be happy for us to contact you again in relation to this consultation?**

- Yes
- No

**(b) Consultation questions**

**Question 1:**

1. **Do you agree that each local planning authority should be able to set its own (non-profit-making) planning application fee charges?**

- Strongly Agree**
- Agree**
- Neither agree nor Disagree**
- Disagree**
- Strongly Disagree**

Explanation/Comment:

It is an entirely reasonable approach for councils to seek to recover 100% of their planning application costs. Granting permission often involves a financial or other benefit for the applicant, and, under the current fee regime, the process is subsidised by the council tax payer. Furthermore, whilst setting fees locally will be likely to increase the cost to the applicant, it will remain a modest outlay when compared to the overall cost of the development in most cases. It will also provide more local accountability and will encourage councils to operate as efficiently as possible. Allowing councils to set their own fees will also enable decisions to be made regarding the level of service provided and it would even be possible to provide customers with an option of paying for a “fast track service” which would attract a higher fee than the standard service.

**Question 2:**

2. **Do you agree that local planning authorities should be allowed to decide whether to charge for applications that are resubmitted following withdrawal or refusal?**

- Strongly Agree**

- Agree**   
**Neither agree nor Disagree**   
**Disagree**   
**Strongly Disagree**

Explanation/Comment: See below

Resubmissions often involve significant expense for councils. Whilst some of the work will have been undertaken in connection with the first application the resubmission can raise different issues, not previously considered, and it still has to be processed, including being publicised, and re-consultations have to be undertaken. Professional officers are required to prepare delegated or committee reports before a decision is made regardless of whether this was undertaken for the first application. 100% of the cost of this work is currently carried by councils and it is therefore reasonable for applicants to pay a fee for resubmissions although it may be appropriate to consider whether a reduced fee should be levied in these cases given that some work may not need to be carried out second time round.

**Question 3:**

- 3. Do you agree that local planning authorities should be able to set higher fees for retrospective planning applications?**

- Strongly Agree**   
**Agree**   
**Neither agree nor Disagree**   
**Disagree**   
**Strongly Disagree**

Explanation/Comment:

Many retrospective applications are generated following an enforcement investigation which can involve significant officer time and other costs to the council such as issuing planning contravention notices. These costs are borne by local tax payers at present. It is therefore reasonable to increase fees to reflect the true cost to the Council. However, a sensible approach should be taken and fees should not be used as a punitive measure because setting them too high will discourage retrospective applications from being submitted. This could result in enforcement action being taken more frequently which would involve higher costs to the Council in the longer term.

**Question 4:**

- 4. Are there any development management services which are not currently charged for but should require a fee?**



Yes   
No

Explanation/Comment:

As explained above it should be permitted for councils to charge a fee for applications which currently enjoy a “fee go.”

**Question 5:**

- 5. Are there any development management services which currently require a fee but should be exempt from charging?**

Yes   
No

Explanation/Comment:

Whilst it is acknowledged that there is an argument that fees should be charged for listed building, conservation area and tree applications, in so much people make a choice to live in premises affected by these consent regimes, in most cases, they are custodians of these assets which have wider public benefits. On balance therefore it would not be appropriate to introduce fees for these types of applications.

**Question 6:**

- 6. What are the likely effects of any of the changes on you, or the group or business or local authority you represent?**

Comments:

Planning fee income will increase to more closely reflect the cost of providing Planning Management in Winchester and this would assist in resourcing the service to the benefit of our customers.

**Question 7:**

- 7. Do you think there will be unintended consequences to these proposals?**

Yes   
No

Comments:

There is likely to be an influx of applications, prior to the new fee regime being introduced, although this will be a short term issue. If fees increases are too high they will deter people from making applications which will lead to more unauthorised development. This will add to the enforcement workload of councils thereby increasing their costs. Charging for resubmissions may deter applicants from making revised applications and will encourage more appeals adding to the workload and costs of councils and PINS. Where there are significant differences locally between fees charged by councils the cost of making applications may start to affect developer decisions regarding the location of development which could have undesirable social and economic impacts.

**Question 8:**

- 8. Do you have any comment on the outcomes predicted in the Impact Assessment, in particular the costs and benefits (See Annex B)?**

**Yes**   
**No**

Comments: