

**CABINET**  
17 April 2018

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**PORTFOLIO HOLDER**

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**KEY DECISION: YES**

**REPORT NO. PLN1809**

## **PLANNING FEE INCREASE AND RESOURCING IN PLANNING**

### **Summary and Recommendations:**

Approval is sought to vary the planning fee income budget and agree a programme of improvements to the Planning service to comply with Government requirements in increasing planning fees by 20%.

### **Recommendation**

Cabinet is recommended to approve a variation to the planning fee income budget (as in Section 3 of the report); to agree a programme of improvements to the Planning service (as in Section 4 of the report); and to agree the initial spend of Planning Delivery Fund monies (as in Section 5 of the report). A summary is contained in Section 7 of this report showing all budgetary implications.

## **1. Introduction**

- 1.1 This report sets out the additional income both received and forecast through the recent 20% increase in planning application fees and proposes a programme to comply with the Government requirement of funding improvements to the Planning service.
- 1.2 The report also explains how the recently awarded grant from Government from the Planning Delivery Fund for joint working across Rushmoor, Hart and Surrey Heath will be used to progress work on issues related to the Thames Basin Heaths Special Protection Area (SPA) and help deliver our respective Local Plans.

## **2. Background**

- 2.1 In February 2017, the Government made an offer to all local planning authorities that they could raise planning application fees by 20% as long as their S.151 Officer committed that the amount raised through the higher fees would be spent entirely on resourcing the planning function. Due to

the tight timescales set by the Government at that time, the decision was taken as a matter of urgency by the Head of Finance, in consultation with the Leader of the Council and the portfolio holder for Business, Safety and Regulation. The decision was subsequently reported to Cabinet (4 April 2017).

- 2.2 However, it was many months later before the Government notified local planning authorities that the rise could be implemented and the 20% increase in fees for planning applications eventually came into effect on 17 January 2018. Finance have created a separate cost code to hold the 20% additional fee income to ensure proper auditing and to be able to clearly account for the spend.
- 2.3 The Government has also indicated that they may sanction a further 20% increase in planning application fees in the future for “good performing local planning authorities”, though no details are yet available.

### **3. Received and Forecast Additional Planning Fee Income**

#### **Financial year 2017 -18**

- 3.1 Although only operational for the remaining 10 weeks of last financial year from when the increase commenced on 17 January, some significant applications with large fees have been submitted in this period. The revised estimate for total planning fee income 2017-18 had been set at ££325,000 yet the current forecast is that we are now likely to achieve £491,000, a favourable variance of £166,000. The amount now estimated for the additional fee account for this year is **£37,500**.

#### **Financial years 2018-19 and 2019-20**

- 3.2 The estimated income for planning application fees for 2018-19 and 2019- 20 is currently £300,000, resulting in an estimate for the additional fee account of £60,000 for each year. However, there are a number of factors that indicate this is likely to be a significant under-estimate and that a higher figure should be used. Firstly, the original estimates for planning fee income in the recent past have proved to have been quite conservative and the outturn for each year has considerably exceeded estimate; with favourable variances in the past three years. Total actual fee income has easily exceeded £400,000 in 3 of the last 4 years (including this year) so the proposal to increase the budget is entirely reasonable. Secondly, the number of planning applications continues to rise (a 46% increase over the last 7 years) and the trend is continuing, further bolstering income.
- 3.3 Taking these factors into account, it is considered that the fee income budget for both these future years (2018-19 and 2019-20) should be varied to rise to £400,000. This in turn would mean the forecast estimate for the additional fee account would be £80,000 in each of the next two years.
- 3.4 Therefore based on current and forecast additional income, the following programme has been costed on the expectation of a 2018-19 budget of **£117,500** (£37,500 carried over from 2017-18 plus £80,000 from 2018-19) and a forecast budget of **£80,000** for 2019-20.

#### 4. Proposed Programme of Improvements

- 4.1 The programme has been based on improvements to the Planning service in three areas that are considered to need immediate attention: an additional post in the Development Management team to recognise the increase in workload; increased hours for the arboricultural officer and an additional post in the Planning Policy and Conservation team, taking into account expected demand on the service during the Local Plan Examination and beyond; and the funding of training and development opportunities, which will benefit both the service and the Council corporately. The intended changes in service level funded through the increase in planning fees are explained in more detail below.
- 4.2 Since 2009, there has been a steady rise in planning applications submitted to the Council, averaging some 50 additional cases each year, equating to a 46% increase over that time. During this time, the complement of staff in the team has only grown by one, when Grainger agreed to fund an additional post to deal with the planning applications associated with the Wellesley development.
- 4.3 To ensure continued service delivery and to maintain high performance, it is proposed to employ an **additional Planning Officer** in Development Management, principally to deal with mid-range planning applications and appeals.
- 4.4 Following a review of workload covered by the Arboricultural Officer, including an analysis of the workflow through the recent iESE project, it is clear that the current part-time resource is insufficient to sustain the desired level of customer service or meet statutory requirements associated with the processing of applications for works to protected trees in the Borough. It is therefore proposed to **increase the hours of the Arboricultural Officer** to a full time post.
- 4.5 The Planning Policy and Conservation team have been without technical support since mid-2017, when a previous part-time post holder left the Council. This post provided much needed support for policy officers but also the conservation team, including the arboricultural, ecological, and listed buildings and conservation area functions of the team. Currently the funding for this part-time vacant post is being used to help employ a contracted planner for the duration of the Local Plan Examination. The lack of support is affecting the ability of the team to respond promptly and efficiently to customer requests, particularly at this busy time leading up to the Local Plan Examination. It is proposed that a **full-time technical support post** is funded from the ring-fenced Planning Fee Increases, but that it be a fixed term contract of two years, depending on the outcome of the work following on from the recent iESE project on customer experience.
- 4.6 Finally, it is proposed that the additional funding provide **some training and development opportunities** within the service that have been unable to be fulfilled through presently constrained budgets. These would increase the level of trained and qualified staff to benefit the Council

corporately, and also help retain much valued and capable staff.

- 4.7 All elements of this programme have been fully costed and can be funded from the ring-fenced funding without additional cost to the Council.

## **5. Planning Delivery Fund**

- 5.1 Following a joint bid to Government, Rushmoor, Hart and Surrey Heath Councils have received a grant of £250,000 over two years to employ a SPA Project Officer and specialist consultants to work with Natural England and other affected local authorities to explore and challenge planning constraints relating to the need to protect the SPA from disturbance.

- 5.2 The first payment of £125,000 has already been received by the Council and, together with our colleagues at Hart District Council and Surrey Heath Borough Council, it is proposed to recruit a Special Protection Area Project Officer on a 2 year fixed term contract at grade G6, to be based at Rushmoor Borough Council offices.

- 5.3 The post would be appointed as a Principal Planning Officer (SPA Projects) and all costs associated with the post can be adequately covered by the Fund, including potential termination costs, should they apply.

## **6. Alternative Options**

- 6.1 The improvements listed above, have been identified on the basis of identified urgent and pressing need at the present time to result in clear improvements to the Planning service in order to maintain high performance and deliver excellent customer service. It is anticipated that planning fee income will continue to rise over time, either through a further increase in fees or a rise in the number of planning applications or, more likely, both. Other improvements, including possible moves towards more mobile or remote working using more sophisticated IT systems and software, or resourcing the Council's emerging regeneration function, will be considered at that stage.

- 6.2 The opportunities for funding for the training and development improvements have been carefully examined to see if they could be funded through alternative sources, such as the Apprenticeship Levy, but they do not qualify.

## **7. Implications of the Decision**

- 7.1 The Council's S.151 Officer has had to commit the Council to making improvements to the Planning service funded by the increase in planning fees. There clearly needs to be identified and demonstrable improvements to the service over time rather than subsidising the service that we currently provide.

## Financial and Resource Implications

7.2 Increasing the base budget for Planning Application Fee Income from £300k to £400k reduces the Council's net costs of service provision and makes an on-going contribution towards closing the existing funding gap.

7.3 The staffing proposals detailed within this report will improve service delivery and can be fully funded from the additional 20% levy on Planning Application Fees or from Planning Delivery Fund monies received. The following budget adjustments are required to reflect the proposed expenditure, the additional income and the necessary transfers between the general fund and earmarked reserves.

	2018/19	2019/20
<b>Balance Brought Forward in Earmarked Reserve</b>	- 37,500	- 26,400
<b>Additional 20% Planning Fee Income</b>	- 80,000	- 80,000
<b>Transfer from General Fund to Earmarked Reserve</b>	80,000	80,000
<b>Transfer to Earmarked Reserve from General Fund</b>	- 80,000	- 80,000
<b>Drawdown from Earmarked Reserve to General Fund</b>	91,100	81,410
<b>Transfer to General Fund from Earmarked Reserve</b>	- 91,100	- 81,410
<b>Expenditure on Additional Staff Resourcing/Training</b>	91,100	81,410
<b>Closing Balance in Earmarked Reserve</b>	- 26,400	- 24,990

	2018/19	2019/20
<b>Balance Brought Forward in Earmarked Reserve</b>	- 125,000	- 194,000
<b>Planning Delivery Fund Income received to General Fund</b>	- 125,000	-
<b>Transfer from General Fund to Earmarked Reserve</b>	125,000	-
<b>Transfer to Earmarked Reserve from General Fund</b>	- 125,000	-
<b>Drawdown from Earmarked Reserve to General Fund</b>	56,000	58,260
<b>Transfer to General Fund from Earmarked Reserve</b>	- 56,000	- 58,260
<b>Expenditure on Principal Planning Officer</b>	56,000	58,260
<b>Closing Balance in Earmarked Reserve</b>	- 194,000	- 135,740

7.4 There is a minor risk that should the level of Planning Application Income forecast not be achieved, there will be a shortfall to fund the proposals contained within this report, which would impact on the Council's baseline budgets. Over time, if there are any variances, this will be reported through the usual and regular budget monitoring process.

## Equalities Impact Implications

7.3 There are not considered to be any equalities impact implications arising from the decision.

## 8. Conclusion

8.1 The Government have allowed local planning authorities to raise planning application fees on the understanding that the additional funding is used to make improvements to their Planning service. The programme outlined in this report seeks to do just that, and is based upon current identified need to enable Planning to improve, both in terms of performance and enhanced customer service and experience.

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