

# North York Moors National Park Authority Urgency Committee

8 March 2017

## Response to Communities and Local Government (CLG) relating to the Proposal to Increase the National Planning Application Fees

### 1. Purpose of the Report

- 1.1 To seek Members approval to confirm to CLG that the North York Moors National Park Authority will increase the National Planning Application Fee rates by 20% from July 2017.

### 2. Background

- 2.1 The National Planning Application fees were last increased by approximately 15% in 2012 based on inflation between 2008 and 2012.
- 2.2 Members may recall prior discussions relating to the potential for local setting of planning application fees prior to this as the cost of the Development Management function is not fully recovered by the level of fees received from applications alone. In response to this the Authority undertook some benchmarking of our costs through Value Adding and used this to determine a 'cost recovery' approach to setting the fee levels.
- 2.3 Members discussed the options at a series of Seminars as part of the 2012-2015 Business Plan process. Originally, the Authority had planned to increase planning income based on recovering **two thirds** of the true cost of delivering the planning service. This would have resulted in an estimated additional income of £170k. However, the government decision not to allow this freedom and flexibility meant that income was only increased by £25k leaving a £145k shortfall in the Business Plan Medium Term Financial Strategy which the Authority had to bridge by taking other decisions and ultimately undertaking a further fundamental review of other Authority services in 2014.
- 2.4 Notwithstanding other action that the Authority has taken to increase income received from Development Management (e.g. pre-application advice charging) the cost of the function still substantially exceeds the income generated. In the Business Plan for 2017-2021 the Authority has set targets which will require increased resources into Development Management.
- 2.5 The Development Management Service is meeting its targets in relation to timeliness and the customer satisfaction performance is very strong. The Authority has always been committed to delivering a quality and responsive Development Management Service.

### 3. Current Proposal

- 3.1 The proposal to allow local planning authorities to increase planning application fees by 20% is set out in the recent Housing White Paper which is currently out for consultation. On the 22 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

- 3.2 There is also a proposal that Planning Authorities could seek to increase fees by a further 20% if targets relating to housing delivery are met. This, however, is subject to further consultation.
- 3.3 The letter requires a formal response on the Authority's determination of the matter before 13 March and as a result this short timescale would not allow for discussion of the matter by the full Authority.
- 3.4 The letter requires that the s151 Officer confirms on behalf of the Authority and provides information relating to the current level of expenditure and application fee income on the Development Management Service to act as a baseline for ensuring that the additional income is utilised to support the Development Management Function. (Officers have been verbally told that in fact the monitored expenditure may relate to all planning functions, not just DM. However, this has not been confirmed and if further information is available before the meeting updated details will be provided).
- 3.5 The table below details the estimated expenditure and income for the Development Management function in 2016/17 and 2017/18. This excludes the Forward Planning and Corporate Recharge expenditure. Given the timing of the notification and the decision making process, if the proposal is agreed, the approved budget will be adjusted to take into account the changes and reported as the Revised Budget to Finance Risk Audit and Standards Committee in Quarter 1.

	2016/17 Estimated Outturn	17/18 Original Budget	17/18 Estimated (including additional allocations not in the original budget)
Development Management Expenditure	490.6	509.9	575.4
Application Fee Income	197	220.5	243.5

- 3.6 The income in 17/18 assumes only a part year effect of the increase (estimated at £23k). The full year impact of this is £39k from 2018/19 however, it is anticipated that expenditure could increase by a further £25k in 2018/19 in order to meet aspirations in the Business Plan.

### 3.7 **Conclusion**

Officers are satisfied that the increase in income is required to fund aspirations in the Business Plan period and the assurance that the funding will be to support the Development Management function can be provided. Members are therefore, requested to approve that the North York Moors National Park Authority asks for an increase in planning application fees of 20% and that the Deputy s151 Officer confirms this to CLG.

## 4. **Financial Implications**

- 4.1 The financial implications are described in the report.

## 5. **Legal Implications**

- 5.1 The legal implications are described in the report.

**6. Recommendation**

- 6.1 That Members authorise the Deputy s151 Officer to confirm on behalf of the Authority that the North York Moors National Park Authority would like to be included in the regulations which affect the 20% increase in planning application fees from July 2017.

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**Background documents to this report**  
Letter from CLG

**File Ref.**