

TO PORTFOLIO HOLDER FOR PLANNING, CLLR. JEFF BRAY

31st January 2023

REPORT OF THE DIRECTOR OF PLANNING

A.1 Planning Service: Proposed Fees and Charges for 2023/24

(Report prepared by Sharon Harwood-Bee)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek the Portfolio Holder's concurrence to the proposed schedule of fees and charges 2023/24 for the Planning Service.

EXECUTIVE SUMMARY

- This report sets out the proposed fees and charges for 2023/24 for the Planning Service. They continue to be considered against a number of key principles that form part of the long-term financial forecast approach which are summarised later on in this report.
- Any amendments to income budgets that are required to reflect changes to fees and charges will be included in the detailed budget proposals for 2023/24 that will be considered by Cabinet / Full Council next year.
- In respect of Full Council next year, the individual decisions agreeing fees and charges will be collated and presented as part of the overall budget setting process for 2023/24.

RECOMMENDATION(S)

That the Schedule of Fees and Charges 2023/24 for the Planning Service set out in Appendix A be agreed.

REASON(S) FOR THE RECOMMENDATION(S)

To enable the implementation of a revised fees and charges schedule for 2023/24.

ALTERNATIVE OPTIONS CONSIDERED

Please see the considerations / reasons behind the proposed fees and charges later on in this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The forecasting and budget setting process, including fees and charges, will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the 10-year approach to the forecast seeks to establish a sound and sustainable budget year on year through maximising income, including income raised from fees and charges, whilst limiting reductions in services provided to residents, businesses, and visitors.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	No	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Involves £100,000 income/expenditure <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	

Planning Fees are set nationally under the Town & Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012.

Local Land Charges fees are set under The Local Authorities (England) (Charges for Property Searches) Regulations 2008 and the Local Land Charges Fess (England) Rules 2018.

Building Control fees are made under The Building (Local Authority Charges) Regulations 2010

The arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The previous legislation defining the arrangements for charging, collecting, and pooling of Business Rates was contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The powers to charge are set out in the Local Authorities (Goods and Services) Act 1970 and the Local Government Act 2003 – Section 93 respectively. The latter also requires that charges for discretionary services should be on a cost recovery basis.

A local authority may be able to rely on the subsidiary powers under section 111 of the Local Government Act 1972 to authorise the provision of a service to facilitate the discharge of a specific function. Where it does so, the local authority may charge under section 93 for that function-related service (Section 93(7)(a) of the LGA 2003 specifically states that section 111(3) of the LGA 1972, which prohibits local authorities from using their subsidiary powers to raise money, is to be disregarded).

The general power in Section 93 of the LGA 2003 cannot be relied upon, if there is specific legislation relating to the provision of a service and whether a charge can be made, with or without restrictions.

Under Para 4.4.1 (8) Part 3.4 of the Council's Constitution, all Assistant Directors, in consultation with the relevant Portfolio Holder, Management Team Member and the Assistant Director (Finance & IT), are authorised to decide the level of the annual discretionary fees and charges for their service (including any in-year changes that may be required) for inclusion within the Council's corporate schedule of fees and charges. Following the above consultation, an Officer decision must be published.

The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:

It is presumed the service has checked the powers for each fee being proposed within its Schedule of Fees and Charges and if relying on the general power in Section 93 of the LGA 2003, they are on a recovery only basis.

Trading for a profit is prohibited unless the Council does so through a separate company.

The Section 93 power works on the basis that, if it wishes, a local authority can charge for a discretionary service, but individuals cannot be required to pay for a service they do not wish to receive or use. Anyone who requires the service agrees to take it up on those terms. To ensure fees can be recovered evidence of such an agreement is required and advice has previously been given to the service to ensure this documentation is in place and robust.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Finance and other resources

Fees and Charges have been reviewed against the key principles that underpin the long-term forecast, which includes the generation of income whilst balancing strategic and external market conditions.

Given the significant financial challenges faced by the Council in 2022/23 and 2023/24, a key underlying principle is to consider inflationary increases wherever possible to support corresponding increases in the Council's own costs in delivering the associated service(s). The current rate of inflation (RPI) is 12%, with predictions of further increases going into 2023. With such a high rate of inflation it may not necessarily be practical / possible to 'translate' such an increase into the actual fee increase proposed. Therefore, set against this inflationary context, any proposed increases in fees and charges must be balanced against other considerations / market conditions, whilst also recognising the restrictions placed on local authorities in terms of setting fees and charges on a cost recovery basis. Further details relating to any proposed increases to fees and charges is set out below.

Any changes to income budgets resulting from any changes in the level of fees and charges agreed, will form part of the detailed budget setting process for 2023/24.

Yes	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
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Although there are no further comments over and above those set out elsewhere in the report, it is important to highlight that the demand / volumes used to calculate the estimated total income figures included within this report are based on those held / estimated by the Service.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services.	Please see relevant comments elsewhere in this report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	
C) Improving economy, efficiency, and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY

Fees and Charges for 2023/24 form part of the wider budget setting process, which culminates in the detailed estimates being presented to Full Council in February 2023. Fees and Charges must therefore be approved in advance of this date.

ASSOCIATED RISKS AND MITIGATION

The general downturn in the property market is impacting, and will continue to impact, on the number of Local Authority Searches requisitioned. However, the cost recovery requirement allows for an increase in fees and charges in 2023-24 given the previous freeze on charges following a significant increase in income since 2020.

The adoption of the Local Plan and the sound 5-year Housing Supply has reduced the number of speculative planning applications. In addition, the general downturn in the economy and slowing of the housing market has impacted Planning income.

However, a planned management restructure along with successful recruitment campaigns will produce savings and reduce reliance on agency contractors which will, in turn, positively impact expenditure and overheads.

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder	None
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Income from fees and charges form an important element of the budget and the financial sustainability of the Council as set out in the long-term forecast.

Similar to previous years, Departments have been asked to review their fees and charges on an individual basis as changes may need to be made to meet specific aims or strategic objectives or in some cases in response to external factors such as market forces.

The review of fees and charges has been set against the following key principles:

- general inflationary increases where possible or lower where appropriate / justified
- amounts rounded for ease of application, which may result in a slightly above inflation increase.
- on a cost recovery basis as necessary
- reflect statutory requirements.
- increases where market conditions allow
- to meet specific priorities or service delivery aims / objectives

As highlighted earlier in this report, the Council faces several significant financial challenges in 2023/24 and beyond. It is therefore important that fees and charges are considered against this context and to maximise income opportunities where possible, albeit whilst balancing the various issues highlighted above.

Income budgets included in the detailed estimates will reflect any required changes from the proposed fees and charges set out in this report.

PLANNING SERVICE - PROPOSED FEES AND CHARGES 2023/24

Set against the current fees and charges for 2022/23, **Appendix A** includes the schedule of fees and charges proposed for 2023/24, which have been developed by applying the key principles highlighted above.

Planning Fees:

Most Planning fees are statutory and no changes to the statutory element is planned for the financial period 2023/24.

A small increase to two elements of the Pre-app service is proposed from 1st April 2023 (for smaller scale developments) however no further changes are proposed at this time as a full review of the pre-application process is planned for 2023 and may result in mid-year fee changes. This increase will not significantly affect the overall budget.

Local Land Charges Fees:

Continuing in line with cost recovery on a 3-year assessment period, an increase in fees is proposed for the 2023-24 financial year.

The previous two-year periods have seen a robust housing market and, consequently, strong demand for Local Authority Searches. However, a general downturn in property and land sales is being reflected in reduced search numbers for 2022/23 for the first time in 3 years.

Despite the increase, charges remain competitive and a price comparison with Local Authorities in Essex has been made.

The proposed fee increases are to support the cost of the service and reflect an estimated reduction in demand. Income reflects the current market conditions and fees will be kept under review in 2023/24.

Total Budgeted Net Cost of the Service 2022/23 = (£5,470)

Total Income Budget 2022/23 = £178,960

As highlighted above, although there is a proposed fee increase for 2023/24, this will be offset by an expected reduction in demand. The total income budget will therefore remain unchanged for 2023/24 with the aim of continuing to deliver a cost recovery position, although this will be kept under review during 2023/24 given the very challenging market at the present time.

Building Control Fees:

Income for 2022/23 has generally been on target and is anticipated to be close to budgetary income expectations.

However, as the housing / construction industry experiences a downturn, the effects are now filtering through to Building Control and it is anticipated that there will be a reduction in application numbers over the coming year.

Therefore, and in line with the requirement to cover our costs, a general inflationary increase to Building Control fees is proposed. The proposal is made with the anticipation of reducing the impact of the downturn and to support the cost of the service.

Total Budgeted Net Cost of the Service 2022/23 = £89,220

Income Budget 2022/23 = £240,640

It is estimated that the proposed fee increases for 2023/24 will generate additional income of £16,000, which will result in a revised total income budget of £256,000 in 2023/24. Given the current net cost of the service highlighted above, the income generated from the proposed fees increase will therefore not exceed the cost of delivering the service.

PREVIOUS RELEVANT DECISIONS

Portfolio Holder decision to implement mid-year administrative charge for applications to modify or vary S.106 agreements.

APPENDICES**Attached – Appendix A Detailed fees and charges 2023/24 for the Planning Service****REPORT CONTACT OFFICER(S)**

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