

LONDON BOROUGH OF CROYDON

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STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR HOMES, REGENERATION AND PLANNING ON 10 MARCH 2017

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

The following apply to the decisions listed below:
The following will apply to each decision listed below:

Reasons for these decisions: are contained in the attached report
Other options considered and rejected: are contained in the attached report

Details of conflicts of Interest declared by any Cabinet Member: None

**Note of dispensation granted by the head of paid service in relation to a
declared conflict of interest by that Member: None**

The Leader of the Council has delegated to the Cabinet Member the power to make the executive decisions set out below:

CABINET MEMBER'S EXECUTIVE DECISION REFERENCE NO. 0717HRP
**Decision Title: Increase of Planning Application Fees – Accepting the
Government's Offer**

Having carefully read and considered the attached report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the report, the Cabinet Member for Homes, Regeneration and Planning

Resolved to

1.1 Accept the Government's offer to increase planning application fees by 20% (across the broad spectrum of planning application fees) from July 2017.

1.2 Agree to commit to the Department of Communities and Local Government that the additional income generated by this planning fee uplift will be used exclusively to enhance development management service delivery and associated town planning activities, including improvements in overall performance (speed and quality of decision making) and a greater capacity to deliver growth as set out in the Government's February 2017 Housing White Paper entitled "Fixing Our Broken Housing Market", the Council's Corporate objectives and "Ambitious for Croydon".

1.3 Agree that the Council's Section 151 Officer be authorised to provide the necessary commitment to the Department of Communities and Local Government to increase planning fees and to submit information to demonstrate that the additional fee income is being spent on planning services.

Date: 10/03/17

For General Release

REPORT TO:	CABINET MEMBER FOR HOMES REGENERATION AND PLANNING 9th March 2017
SUBJECT:	Increase of Planning Application Fees – Accepting the Government’s Offer
LEAD OFFICER:	<i>Heather Cheesbrough – Director of Planning and Strategic Transport</i>
CABINET MEMBER:	<i>Councillor Alison Butler – Cabinet Member for Homes, Regeneration and Planning</i>
WARDS:	Across Borough

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON:

The Council’s Corporate Plan 2015-18 sets out the Council’s contribution to the Community Strategy 2016-21 and highlights three main themes:

1. Growth – creating growth in our economy
2. Independence – helping residents to be as independent as possible
3. Liveability – creating a welcoming, pleasant place where local people want to live.

The Planning Service has a significant role to play in delivering these corporate objectives – and specifically the objective to grow the Borough’s economy through the promotion and delivery of sustainable development; delivering new jobs and homes for all residents (including affordable housing, employment floorspace and cultural facilities) whilst making sure that associated physical and social infrastructure (including schools and health facilities) are in place to support the growth agenda.

The Planning Service also has a crucial role to play to deliver welcoming and pleasant places for people to live, work and visit.

Ambitious for Croydon highlight the following as significant outcomes being sought for the Borough:

1. Neighbourhoods, District Centres and Planning (to create places where people and businesses want to be)
2. Jobs and the Economy (to enable more local people to access a wider range of jobs)
3. Culture – (to grow a thriving and lively cultural offer which engages communities and supports regeneration)
4. Educational learning (to enable people of all ages to reach their potential through access to quality schools and learning)
5. Housing (to provide a decent, safe and affordable home for every person who needs one)
6. Health (to help people from all our communities to live longer, healthier lives through positive lifestyle choices)
7. Roads Transport and Streets (to build a place that is easy and safe for all to get to and to move around in)
8. Sport (to improve the wellbeing across all communities through sport and activity)

Delivering effectively on these various outcomes is heavily reliant on a proactive,

engaging, robust and facultative planning service

FINANCIAL IMPACT

This will have no net impact on the Council's overall budgetary position for 2017-18 and beyond – up until the end of the current Parliament (as required by the letter to Chief Executives of local planning authorities in England dated 21st February 2017). The additional income arising from the 20% uplift in fees will be ring-fenced to enhance existing town planning resources and will therefore have no impact on existing budgets. As is standard practice, income and expenditure will be monitored on a regular basis, to ensure that the service continues to operate within its means.

KEY DECISION REFERENCE NO: Not applicable

1. RECOMMENDATIONS

Having carefully read and considered this report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the report, the Cabinet Member for Homes, Regeneration and Planning is recommended to

- 1.1 Accept the Government's offer to increase planning application fees by 20% (across the broad spectrum of planning application fees) from July 2017.
- 1.2 Agree to commit to the Department of Communities and Local Government that the additional income generated by this planning fee uplift will be used exclusively to enhance development management service delivery and associated town planning activities, including improvements in overall performance (speed and quality of decision making) and a greater capacity to deliver growth as set out in the Government's February 2017 Housing White Paper entitled "Fixing Our Broken Housing Market", the Council's Corporate objectives and "Ambitious for Croydon".
- 1.3 Agree that the Council's Section 151 Officer be authorised to provide the necessary commitment to the Department of Communities and Local Government to increase planning fees and to submit information to demonstrate that the additional fee income is being spent on planning services.

2. EXECUTIVE SUMMARY

- 2.1 The Government's White Paper entitled "Fixing our Broken Housing Market" was published in February 2017 which announced the Government's intention to increase planning application fees (across the board) by 20% - from July 2017, as long as the local planning authority who accepts the 20% fee increase commits to invest the additional fee income to improve the resourcing of the service, to improve overall performance and to realise greater capacity to deliver growth.

- 2.2 The White Paper refers to comments raised by developers about the capacity and capability of local planning authorities across the Country to operate effectively when dealing with planning applications – thereby restricting developers’ ability to get on site to build much needed homes and deliver required growth. Similarly, the White Paper outlines the difficulties experienced by local planning authorities when seeking to retain and recruit experienced planners and other related professionals with specialist skills.
- 2.3 The ring-fenced planning application fee uplift should significantly assist in enhancing resources available to the local planning authority and specifically, the development management service to deliver a more proactive, facilitative and responsive service.
- 2.4 By letter dated 21 February 2017, the Director of Planning at the Department of Communities and Local Government wrote to the Chief Executives of all local planning authorities in England – giving individual local authorities the option to accept the 20% uplift. Acceptance of the uplift requires the S.151 Officer to provide a formal commitment and submit financial information of the 2017-18 budget to demonstrate that the additional fee income would be spent exclusively on planning services with a further required commitment to confirm that the existing baseline budgetary and income assumptions will not be adjusted downwards as a consequence of the 20% uplift (during the life of the current Parliament).
- 2.5 A formal response to/acceptance of this offer to increase planning application fees is required by the 13th March 2017 – as this will be used and referred to in the eventual Statutory Instrument which will bring forward the fee increases.
- 2.6 The impact of this 20% uplift is outlined in the financial section of this report – but is likely to be in the region of £406K (for Q2, Q3 and Q4 of 2017-18) and around £542K for future years (assuming limited growth in the number of planning applications received year on year). This additional income injection will make a positive and significant impact in terms of resourcing the planning department and especially the development management service – enabling it to be more engaging and responsive to developer needs whilst improving performance in terms of speed and quality of decision taking – ensuring that the Borough delivers the new homes and jobs envisaged with reference to overall corporate priorities and “Ambitious for Croydon”.

DETAIL

5.1 Most of the detailed elements are covered in the Executive Summary and there is no need to repeat the details outlined above.

3.2 The White Paper (referred to above) also infers that the Government is minded to increase planning fees by a further 20%, in cases where those local authorities are delivering the homes their communities need. This further increase is also mentioned in the letter dated 21 February 2017 although the letter and White Paper advise that the details of this further increase and associated criteria will be the subject of further consultation. However, as with the current 20% planning fee uplift, any further uplift would need to be ring-fenced, to ensure proper resourcing of planning services. This again links fee uplift to performance and specifically, the extent to which the local authority delivers on its growth commitments.

4. CONSULTATION

4.1 No specific consultation has been undertaken with local stakeholders – following the publication of the White Paper or following receipt of the DCLG letter. However, developers and local stakeholders continue to raise concerns about the capacity of the planning service and especially development management to properly manage service demands and respond effectively and proactively to the on-going growth agenda and developers desire to secure planning permission in a timely and effective manner.

4.2 The use of the planning fee income on offer will respond positively to these concerns and should result in significant enhancements in service delivery (for all stakeholders who engage in the planning application process).

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

The effect of the decision

5.1 Through accepting the Government’s offer to increase planning application fees by 20%, the Council will be able to generate additional income that will be ring-fenced for the enhancement of the development management service. The 20 % uplift is only applicable to major, minor and other planning application fees; it does not include fees related to pre application engagement (which are discretionary). The estimated income arising from the uplift has been calculated using the 17/18 original budget for these different elements of planning fees. The response to the DCLG will include the following financial information – which provides a clear indication that the uplift will be used exclusively to enhance the DM budget and the monies available to enhance service delivery.

	2016/17	2017/18
Estimated expenditure on development management	£4,009,009	£4,417,000
Estimated income generated from planning application fees	£2,361,969	£2,711,000
Estimated additional income generated from higher planning fees	N/A	£406,650K (1)

(1) Assumes that the 20% uplift will apply to Q2, 3 and 4

- 5.2 Planning Application fee income has increased in recent years which has been down to increases in the volume of applications received. Therefore the fee increase prediction (£406,650 for 17/18) is based on the assumption that the number of type of planning application will remain constant throughout the period. However, it is clear that income levels could be impacted by any stagnation of development activity, either locally or nationwide as a whole or any further uplift in activity.
- 5.3 Should there be a future downturn in development activity, it could have a detrimental impact on any service investment plans covered as a consequence of the additional fee income. In order to mitigate this risk, income received will be monitored closely and the service would need to be mindful of budgetary targets and future income levels.
- 5.4 There is also potential for planning fee increases to have a detrimental impact on service demand. However, planning application fees represent a very limited proportion of overall development costs and it is therefore unlikely that an increase in planning fees will affect the levels of planning applications submitted. Improved service standards following on from service investment might well increase service demands as customers/applicants become more confident in the capacity of the planning service to deliver exemplar services.

Options

- 5.5 None N/A

Future savings/efficiencies

- 5.6 Retention of the fee income arising from this 20% uplift within the Development Management service will enable investment in our existing resources and the acquisition of new. This will ultimately lead to a more efficient service that is better equipped to meet the needs and demands of our customers.

(Approved by: *Zulf Darr*, Head of Finance (Place & Resources))

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Council Solicitor notes that acceptance of the offer to increase planning fees requires the Section 151 officer (the Council’s Chief Finance Officer) under s230 of the Local Government Act 1972 to provide a commitment and to submit such information of the 2017/18 budget that demonstrates the additional fee income is being spent on planning services. Section 230 of the Local Government Act 1972 requires the local authority to send the Secretary of State such information with regard to their functions as may be required by the Secretary of State or either House of Parliament.
- 6.2 There are no further legal considerations arising directly from the recommendations to this report.

(Approved by: Sean Murphy, Principal Corporate Solicitor (Regeneration) on behalf of the Acting Council Solicitor & Acting Monitoring Officer)

7. HUMAN RESOURCES IMPACT

- 7.1 It is envisaged that the planning fee uplift will be in part allocated to additional staffing resources within development management, to help drive and deliver the Councils Growth agenda. This will have HR implications – around the recruitment of additional staffing with specific focus on major, strategically significant development proposals.
- 7.2 A more detailed recruitment strategy will be forthcoming (at this stage it is only necessary for the local authority to accept the principle of the 20% planning fee increase). However, it is necessary to progress recruitment as soon as is practicable in view of the inevitable recruitment drag. The planning fee increase should kick in on 1st July 2017 and it is important that the benefits of additional planning fee income is realised as soon as is possible.

8. EQUALITIES IMPACT

- 8.1 Planning decisions need to take full account of the Public Sector Equalities Duty – and in many ways, planning decisions give individuals opportunity to properly engage in the places within they live and work, ensuring inclusive access, opportunity for housing that is more affordable and the provision of employment and training opportunities to ensure local people are suitably trained and skilled to allow them to enter the workplace.
- 8.2 The additional resources made available to the planning service through the ring-fencing of the envisaged planning fee uplift, should enable the planning service to work more proactively at securing greater opportunities for disadvantaged groups, particularly the delivery of affordable housing, employment and training opportunities and more positive place-making for all.

9. ENVIRONMENTAL IMPACT

- 9.1 Town planning services and especially development management assesses environmental impact of development (whether it be in terms of design, air quality, noise, visual impact, flood risk, daylight/sunlight). These are all matters that need to be assessed as part of a planning application process and as highlighted above, the additional resources available should allow the service to be more effective and proactive in dealing with and resolving environmental effects of development.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 Town planning services and especially development management decisions are required to consider crime and disorder issues (and regularly consult the crime prevention officer – to ensure that designing out crime issues are properly addressed).

10.2 As highlighted above, the additional resources available should allow the service to be more effective and proactive in dealing with and resolving environmental effects of development.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 To ensure that the planning service and development management in particular has the capacity and capability to effectively respond in a positive and proactive manner to all stakeholders engaging in the planning application process whilst ensuring that the service proactively grants planning permission for sustainable development whilst ensuring that it plays its part in delivering the corporate vision of the Council and the various outcomes detailed in “Ambitious for Croydon”

12. OPTIONS CONSIDERED AND REJECTED

12.1 The 21 February 2017 letter provides only two options – to either accept or refuse the offer of the additional fee increase. To refuse the fee increase would significantly affect the planning service’s ability to respond proactively and positively to the on-going growth agenda. It will do little to allay real fears expressed by the development industry that the local planning authority is not properly equipped and resourced to engage proactively with developers – to manage sustainable development and to deal with planning applications in an efficient and effective manner.

12.2 The 21st February 2017 letter also advises that if a local authority fails to honor its commitment to invest the planning fee uplift to provide enhanced town planning services, the Secretary of State will consider reducing the planning fee level for that authority back to the original fee level though changes to Statutory Regulations. This is clearly not an option the Council should pursue, should the offer of a 20% fee uplift be accepted.

CONTACT OFFICER: Pete Smith – Head of Development Management. Telephone extension 88726

BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972

DCLG White Paper “Fixing our broken housing market”

Letter to Chief Executives of local planning authorities in England (dated 21 February 2017)