

Report To: Environment and Regeneration Committee **Date:** 2 March 2017

Report By: Corporate Director, Environment, Regeneration and Resources **Report No:** E+R/17/03/10/SJ/NMcL

Contact Officer: Stuart Jamieson **Contact No:** 01475 712762

Subject: Scottish Government Consultation on Raising Planning Fees

1.0 PURPOSE

- 1.1 The Scottish Government is seeking views on raising the cap on planning application fees to better reflect the level of resources they demand.
- 1.2 This consultation sought views by 27 February 2017. The purpose of this report is to inform the Committee of the response submitted on behalf of the Council.

2.0 SUMMARY

- 2.1 The Scottish Government recognises the importance of planning in supporting economic growth and the delivery of quality homes. The recent independent review of the planning system recommended that fees for major applications be increased substantially so that the service moves towards full cost recovery. Furthermore, the Scottish Ministers anticipate that the increase in fees will be used to improve performance through the allocation of greater resources to the planning service.
- 2.2 Planning fees are currently set by category of development with caps at £18,270 (fish farming), £20,055 (residential development, buildings, plant and machinery) and £30,240 (waste and minerals). No changes are proposed for fish farming, however in other categories it is proposed, using the existing fees structure, to increase the cap to £125,000. The consequence is that for the vast majority of applications, fees will remain unaltered. Indeed, in 2016 only 1 of the applications registered by Inverclyde Council would have attracted a higher fee. The additional fee income received would have been £1,400. In 2015 no applications would have attracted a higher fee.
- 2.3 The consultation posed 1 question which has been responded to as detailed in paragraph 4.12.

3.0 RECOMMENDATION

- 3.1 It is recommended that the Committee endorse the consultation response submitted to the Scottish Government.

Scott Allan
Corporate Director, Environment, Regeneration and Resources

4.0 BACKGROUND

- 4.1 The Scottish Ministers recognise the importance of planning in supporting economic growth and the delivery of quality homes. The recent independent review of the planning system recommended that fees for major applications be increased substantially so that the service moves towards full cost recovery. Furthermore, the Scottish Ministers anticipate that the increase in fees will be used to improve performance through the allocation of greater resources to the planning service.
- 4.2 Planning fees are currently set by category of development with caps at £18,270 (fish farming), £20,055 (residential development, buildings, plant and machinery) and £30,240 (waste and minerals). No changes are proposed for fish farming, however in other categories it is proposed, using the existing fees structure, to increase the cap to £125,000.
- 4.3 There is no proposal to change the planning fees for up to 50 houses/flats of £401 per unit, with the cap remaining at £20,055. Additional houses/flats will be charged at £200 per unit up to a maximum of £125,000 at which point 575 houses/flats will be reached. There is no additional fee for an application in excess of 575 houses/flats. In 2016 no applications in this category submitted to Inverclyde Council would have attracted a higher fee.
- 4.4 If planning permission in principle is sought for housing/flats the fee is based on site area. The fee of £401 per 0.1 hectares remains up to £10,028, but above this there will be a fee of £100 per 0.1 hectares up to a maximum of £62,500. Once again, in 2016 no applications in this category submitted to Inverclyde Council would have attracted a higher fee.
- 4.5 If it is proposed to change the use of a building into one or more houses/flats, there will be no change in the current fee of £401 per house/flat up to 50 units. Additional units, however, will be charged at £200 per unit up to a maximum of £125,000. In 2016 no applications submitted to Inverclyde Council would have attracted a higher fee.
- 4.6 For the erection of buildings (other than residential, agricultural and glasshouses and for alterations to existing buildings), when planning permission in principle is sought there will be no change to the fee of £401 per 0.1 hectare up to a fee of £10,028, however above this £100 per 0.1 hectare will be charged until a maximum fee of £62,500 is reached. In 2016 no applications submitted to Inverclyde Council would have attracted a higher fee.
- 4.7 For the erection of buildings (other than residential, agricultural and glasshouses and for alterations to existing buildings) where the fee is based on gross floor area, above 3750 square metres £200 is added to the fee for each 75 square metres (or part of) subject to a maximum fee of £125,000. In 2016 one application submitted to Inverclyde Council would have generated an additional £1,400 in fee income.
- 4.8 For applications in the plant and machinery category, the fee of £401 per 0.1 hectares remains up to £20,050, but above this there will be a fee of £200 per 0.1 hectares up to a maximum of £125,000. In 2016 no applications submitted to Inverclyde Council would have attracted a higher fee.
- 4.9 When it is proposed to use land for waste disposal and mineral stocking the fee of £202 per 0.1 hectares remains up to £30,240. Above this, a fee of £100 per 0.1 hectares up to a maximum of £125,000 will be charged. Inverclyde Council received no applications in this category during 2016.
- 4.10 Finally, the carrying out of operations relating to the winning and working of minerals will result in the fee of £202 per 0.1 hectares remaining up to £30,240, but above this there

will be a fee of £100 per 0.1 hectares up to a maximum of £125,000. For the carrying out of any operations connected with the explanatory drilling for oil or natural gas there will be no change to the fee of £401 per 0.1 hectares up to £30,240, but above this there will be a fee of £200 per 0.1 hectares up to a maximum of £125,000.

- 4.11 Overall, in 2016 only 1 of the applications registered by Inverclyde Council would have attracted a higher fee. The additional fee income received would have been £1,400. In 2015 no applications would have attracted a higher fee.
- 4.12 This consultation sought views by 27 February 2017. The purpose of this report is to ask the Committee to endorse the response submitted on behalf of the Council. The consultation sought response to 1 question.

Do you agree with the proposed maximum fee level? Yes

Comments: The Council fully recognises the high cost of processing large fees and supports the proposal to increase fees accordingly. However, in 2016 only 1 of the applications registered by Inverclyde Council would have attracted a higher fee. The additional fee income received would have been £1,400. In 2015 no applications would have attracted a higher fee.

It is noted that the Scottish Ministers wish to link fees to performance and suggest that the fee increase proposed will provide increased resources to planning authorities to help support performance improvement. If the application profile in 2015 and 2016 in Inverclyde is reflected in the future, it is respectfully suggested that Ministers recognise that it is unlikely that the proposals will justify any additional resource targeted at improved performance.

5.0 IMPLICATIONS

Finance

- 5.1 No additional fee income may be assumed.

Financial Implications

One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With effect from	Annual Net Impact	Virement From	Other Comments
Development, Quality and Control	Income	1 April 2017	Nil	N/A	Fee income is unpredictable, however based on recent income trends the proposal is anticipated to have no impact.

Legal

- 5.2 There are no direct legal implications arising from this report.

Human Resources

5.3 There are no direct personnel implications arising from this report.

Equalities

5.4 There are no direct equalities implications arising from this report. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy.

Repopulation

5.5 There are no direct repopulation implications arising from this report.

6.0 CONSULTATION

6.1 Consultation has been carried out with the Chief Financial Officer, the Head of Legal and Property Services and the Head of Organisational Development, Human Resources and Communications. No adverse comments have been received.

7.0 LIST OF BACKGROUND PAPERS

Scottish Government Consultation – Consultation on Raising Planning Fees The Town and Country Planning (Fees for Applications and Deemed Applications (Scotland) Regulations 2004 as amended.