

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Housing, Environmental and Economic Development

Planning Committee: 12 June 2012

Subject: Scottish Government Consultation – Fees for Planning Applications

1. Purpose

- 1.1** The Committee is requested to consider the Scottish Government consultation on proposed changes to the fee arrangements for planning applications, and to agree the Council's response.

2. Background

- 2.1** Over the last few years the Scottish Government has embarked upon a series of significant amendments to the Scottish planning system, and as part of that process undertook a consultation 'Resourcing a High Quality Planning System', which was reported to the Planning Committee on 7 September 2010. Respondents to that consultation generally considered that the current fee regime was no longer fit for purpose. A subsequent Audit Scotland Report 'Modernising the Planning System' (reported to the Planning Committee on 4 October 2011) concluded that the current funding model for processing planning applications was becoming unsustainable. The Scottish Government has therefore proposed a significantly revised fee regime, and has launched a further consultation on their detailed proposals.

- 2.2** The Scottish Government's aims for the new fee regime are as follows:

- Fees should be more proportionate to the work involved. The current fees for some very minor applications are considered to be too high, whilst for some large applications they are relatively low;
- Fee income should be sufficient to cover the full cost of providing development management functions, whereas at present it does not do so;
- The new regulations should be simpler and easier to administer;
- The Scottish Government wishes to link any increase in application fees to planning authority performance; and
- The fee regime should encourage the planning system to deliver public value.

3. Main Issues

- 3.1** The consultation paper sets out the Scottish Government's proposals and contains 11 specific questions on which the Council's views are sought. The questions and recommended responses are attached in Appendix A.
- 3.2** The principal changes proposed are as follows:

- The maximum fee would increase from £15,950 to £100,000, and general increases are proposed for residential, retail and energy generation developments.
- Alterations to dwellings will be charged a lower fee than extensions to dwellings;
- A reduced fee will apply for house extensions in conservation areas, in recognition of the fact that such developments no longer benefit from 'Permitted Development' rights;
- Fees for some types of business development will be reduced;
- The new fee regime will cover advertising costs and the need for separate advertising fees will be eliminated;
- Repeat/amended applications within 12 months of an earlier decision will be subject to a 50% fee, replacing the existing 'free go' for the first such application and full fees for any subsequent applications;
- New fees for Section 42 (amendment of conditions) applications will be proportionate to the size of the development, rather than the existing low flat fee;
- A 50% fee to renew permissions which have not yet lapsed. At present most developers use a loophole which allows applications to be renewed by way of Section 42 applications for £160. This loophole has been closed.
- The fee for Certificates of Lawfulness for proposed householder developments would be removed;
- Fees for Hazardous Substances Consent and certain other technical consents would be updated in line with inflation. Such fees have remained unchanged for many years.
- Fees would thereafter increase annually in line with inflation, rather than requiring a new Order from the Government.

3.3 In general, the proposed changes would help to address a number of anomalies with the fee regime which mean that the fees for some large applications are relatively low relative to the work involved in dealing with them. Overall, the proposed changes are likely to result in an increase in fee income for planning authorities. They would also simplify the fee arrangements in certain respects, in particular in relation to the recovery of advertising costs where the current Town and Country Planning (Charges for Publication of Notices) (Scotland) Regulations 2009 have proved in practice to be almost unworkable.

3.4 Whilst the proposed changes are considered to be generally positive, they do include several reforms which may give rise to difficulties:

- Whilst the increase in fees to a level intended to cover the full costs of the service would provide welcome additional income for the Council, there is a risk that if fees are increased too much this could serve to discourage applications and make it more difficult to secure regeneration;
- The linking of fees to planning authority performance, based on the new and untried Planning Performance Framework, is potentially a source of conflict between the Scottish Government and planning authorities;
- The proposal to allow payment of fees in instalments where the application is subject to a processing agreement risks creating difficulties in collecting fees, especially in cases where an application is not being looked on favourably.

Processing agreements are also a relatively recent procedure which only a minority of planning authorities have used;

- The proposed abolition of the fee for householder Certificates of Lawfulness for Use or Development (CLUDs) is likely to result in a very significant increase in the number of such applications, with associated costs for the Council. This is being proposed because some planning authorities have stopped providing free 'Permitted Development' (PD) advice and instead now require applicants to apply for a CLUD, for which there is a fee. Officers recommend that a modest fee be charged for such CLUD applications in order to contribute towards the cost of dealing with them;

4. People Implications

- 4.1 There are no personnel issues associated with this report.

5. Financial Implications

- 5.1 Based on data from three sample authorities, the Scottish Government estimates that if implemented, fee income from planning applications would increase as follows:

- Householder fees to increase by 35%
- Residential fees to increase by 108%
- Business/industrial fees to increase by 50%

- 5.2 A review of all applications received by this Council in January to March 2012 suggested that the proposed changes would have resulted in a 173% increase in fee income over that quarter. However, the vast majority of that increase would have arisen from a single application for which the fee would have increased from £16,050 to the new maximum of £100,000, and it is very unlikely that such a large increase would be typical.

- 5.3 The figures should be treated with caution and it is difficult to estimate the precise amount by which fee income would increase. However, it seems certain that if the proposed changes are implemented there will be a significant increase in the Council's income from application fees, and this would reduce the requirement for funding from the general revenue account.

6. Risk Analysis

- 6.1 There are no known risks associated with this report.

7. Equalities Impact Assessment (EIA)

- 7.1 There is no equalities impact associated with this report.

8. Strategic Assessment

- 8.1 In relation to the Council's four strategic priorities for 2011-12, the proposed changes are assessed as follows:

- Economic/Social Regeneration – The proposals are unlikely to have a significant impact on economic or social regeneration;
- Use of Money – The proposals are likely to result in an increase in planning fee income for the Council;
- Use of Physical/Human Assets – Overall the proposed changes are unlikely to impact significantly on assets. However, the proposal that the fee for householder CLUD applications would result in an increase in workload for the Planning Service.
- Impact on Service Provision – The impact on service provision would be minimal.

9. Conclusion and Recommendation

- 9.1** The proposals put forward by the Scottish Government are generally supported. Whilst the precise impact cannot yet be quantified, the changes would significantly increase the fees for certain types of application, and they are therefore likely to result in a substantial increase in the Council's income from this source. A number of the proposed changes would however create potential administrative difficulties unless they are amended.
- 9.2** It is recommended that the Committee notes the content of this report and agree the Appendix A forms the Council's response to the consultation paper.

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Date: 29 May 2012

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Appendices: A. Proposed Response to Consultation

Background Papers: 1. Scottish Government Consultation "Fees for Planning Applications";

Wards Affected: All