

<b>Subject:</b>	<b>Review of Planning and Building Control Service Fees and Charges 2020/21</b>		
<b>Date of Meeting:</b>	<b>5<sup>th</sup> March 2020</b>		
<b>Report of:</b>	<b>Executive Director for Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Simon Barrett</b>	<b>Tel: 01273 293296</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE.**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The fees and charges for services are reviewed annually in line with the Corporate Fees & Charges Policy. As a minimum, all fees and charges are increased by the corporate rate of inflation which has been set at 2%.
- 1.2 The council's Standard Financial Procedures state that service committees shall receive a report from Executive Directors on fees and charges variations above or below the corporately applied rate of inflation.
- 1.3 This report presents the proposed changes to the fee rates and charging structure for the Planning and Building Control Service including Pre-Application Advice (PAA), Planning Performance Agreements (PPA) and Building Control Fees and Charges with effect from 1<sup>st</sup> April 2020..

**2. RECOMMENDATIONS:**

- 2.1 That the Committee grants delegated authority to the Executive Director Economy Environment & Culture to agree the final lump sum fee rates for the proposed new charging structure for PPAs in Appendix 1
- 2.2 That the Committee re-confirms delegated authority to the Executive Director Economy Environment & Culture to negotiate fees for large scale PPAs outside the new charging structure set in 2.1 above, based on the hourly cost of officers, agency/consultant planning, transport and other specialist staff as required
- 2.3 That the Committee agrees the new rates and simplified fee structure for PAA for applications for householder and small scale projects outlined in Appendix 2
- 2.4 That the committee approves the proposed fees and charges increases for Building Control outlined in Appendix 3

**3. CONTEXT/ BACKGROUND INFORMATION**

## Planning Service

- 3.1 The Council provides a range of paid for planning advice services to developers, householders and small businesses. These are in addition to the statutory work undertaken to determine planning applications paid for through the fee scales set by central government for England & Wales.
- 3.2 The advice is currently provided in three main areas:

Area	Service	Charging Mechanism
Pre-application advice (PAA)	Meetings, reports and advice to potential applicants on their initial proposals, their compliance with policy and key issues that the submitted scheme should address	Banded lump sum fees by size of development
Planning Performance Agreements (PPA)	Service for major applications (over 10 dwellings and/or large commercial developments) which provides dedicated officer time to provide greater support and input and a project management approach to determining their application.	Individual, bespoke lump sum fee negotiated on a project by project basis. There is also a “fast track” option to enable the council to engage consultancy support to undertake with higher cost and fee levels.
Miscellaneous charges	Small charges for more administrative type activities (copies of historic applications, consents, site history)	Schedule of fees linked to activity / service provided

- 3.3 The changes proposed to the existing charging regime are summarised below:

Area	Change	Impact
Pre-application advice (PAA)	Introduce simplified charging mechanism for householder and small scale applications. Fee structure for major applications will remain unchanged with rates increased by 2% for inflation. Charges for Transport input are set annually by the ETS committee	Cumulative 2% increase forecast through revised fee mechanism for householder & small scale applications. Fee rates for major applications will have standard 2% increase applied.
Planning Performance Agreements (PPA)	Introduce a new, banded fee structure for major schemes up to 250 dwellings and/or 24,999 m <sup>2</sup> commercial space. Larger developments will still be the	Rates have been set to provide sufficient resourcing flexibility to deliver PPA's using a mix of in house and

	subject of a negotiated bespoke fee and the fast track arrangement will be discontinued.	consultancy resources as required to meet developer's timescales
Miscellaneous charges	Fee increase in accordance with the corporate rate of inflation. Introduce new fee rate for advising conveyancers on the discharge of S106 liabilities.	Standard 2% increase to all existing rates. Discharge condition lump sum fee £116.00 (ex VAT) per request

3.4 The benefits of changing to these revised arrangements include:

- The new option of a telephone/Skype call with a planning officer will improve the range of services offered to householders and small businesses
- Owners of listed buildings will be encouraged to engage high quality advice from experienced heritage officers when considering proposed alteration works
- The arrangements to procure a Planning Performance Agreement will be more transparent, easier to understand and faster to implement for developments under the threshold (circa 70% of the PPA's previously agreed)

The final charge in each PPA band will be agreed by the Executive Director Economy Environment & Culture to ensure that the current rates proposed provide sufficient income to cover costs for projects using sub-consultancy services rather than "in house" resources.

A separate exercise will be undertaken to improve the promotion of these services, with market specific electronic materials aimed at householders and small businesses separate from developers and planning agents.

### **Building Control**

- 3.5 The fees and charges for Building Control were last reviewed in June 2018. This review considered the officer time required to perform tasks, overhead costs and a benchmarking exercise. This resulted in fees being increased by between 0% – 10% depending upon the particular service being performed.
- 3.6 Work being undertaken on an hourly rate basis was also set at a flat rate fee of £60.00 per hour (ex VAT.).
- 3.7 Since that review, the volume of fee chargeable work has continued to reduce by circa 3% per annum. This reflects both a downturn in planning applications (and therefore projects being undertaken) and the continued increased utilisation of private sector approved inspectors.
- 3.8 This position has been temporarily mitigated in 2019/20 through an additional £60,000 of income generated through larger schemes reverting back to the local authority due to approved inspectors being unable to complete their commissions. The government has recently resolved this issue with the insurance industry and it is not envisaged that this windfall income will be generated going forward.

- 3.9 It is proposed to increase the lump sum fees by an average of 21% in order to recover the actual costs of operating the chargeable services in 2020/21. The proposed changes have been informed by a benchmarking exercise that has focused on the rates charged by other unitary authorities in the South rather than previously the neighbouring districts and boroughs. These councils are deemed to be more representative of the service levels, workload mix and cost base of the city council.
- 3.10 This exercise has confirmed that existing rates are up to 30% lower than benchmarked comparators depending upon the individual service being delivered. The use of these rates by other councils would indicate that they still remain competitive with those offered by approved inspectors.
- 3.11 The exercise has also identified the opportunity to further simplify some of the fee bands, to change the pricing structure to encourage commissioning checking and inspection services together and to charge a higher rate for regularisation, where works were previously undertaken without building control approval.
- 3.12 It is also proposed to introduce a banded hourly rate for levels of officer, rather than the flat rate currently used. These rates reflect the additional non-chargeable travel and administrative time surveyors incur in dealing with a number of different cases per day and compliance with the council's corporate requirements, as follows:

<b>Staff Category</b>	<b>Hourly Rate (ex VAT)</b>
Principal Surveyor / Building Control Manager	£76.75
Senior / Building Control Surveyor	£70.00
Assistant Building Control Surveyor	£52.25

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Increasing fees and charges in line with the corporate rate of inflation (2%) will not enable the Planning and Building Control service to cover the costs of delivering some of the various services (excluding the miscellaneous services) at no cost to the council.
- 4.2 The rationale for the proposed changes to the fee charging mechanisms and the proposed rates are included in the report.
- 4.3 The proposed fee rates have been benchmarked against similar charges levied by other unitary authorities in the South.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Engagement and consultation was undertaken on the introduction of PPA & PAA charges in 2015. A light touch consultation on the changes to the fee bands and services is being undertaken with the Planning Agents Forum and any comments and concerns will be reported at the committee meeting. .

- 5.2 The Community Engagement Framework and Standards has not been used as the fee increases for householder and small businesses are only being increased in line with the standard rates included in the Corporate Fees & Charges Policy.

## 6. CONCLUSION

- 6.1 The introduction of a lump sum fee for the majority of PPA's undertaken by the service will support the marketing and promotion of PPA's to the development industry. It will also accelerate the appointment process and simplify the financial, planning officer and administrative resource costs required to support the process.
- 6.2 Retaining the ability to negotiate individual, bespoke PPA's for major developments (eg the former Brighton Gas Works site) will ensure that the resource costs and risks are planned, controlled and managed appropriately.
- 6.3 Rationalising the charging mechanism and offer for householder and small scale PAA's will make the service offer more customer focused.
- 6.4 The proposed increase in fee rates for Building Control will help to ensure that the service can obtain sufficient income from its chargeable services to ensure cost recovery.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The fees and charges recommended in this report have been reviewed in line with the Corporate Fees & Charges Policy and all relevant regulations and legislation. The anticipated recurring financial impacts of fee changes will be reflected within service revenue budgets. Increases to meet the corporate rate of inflation of +2% are normally applied to all council income budgets (exceptions include statutory Penalty Charge Notices) to ensure income is maintained as a proportion of the net cost of service. Increases above or below the corporate rate of inflation must be approved by the relevant service committee or Policy & Resources Committee and can result in additional contributions toward either the cost of services and/or overheads. This can also result in the achievement of a net budget saving to the council. Where this is the case, this will be reflected in Budget Plan proposals for the relevant service incorporated within the revenue budget report to Policy & Resources Committee and Budget Council in February 2020. Income from fees and charges is monitored as part of the Targeted Budget Monitoring (TBM) process.

*Finance Officer Consulted: Steven Bedford*

*Date: 18/02/20*

### Legal Implications:

- [ 7.2 The power to charge for discretionary planning services is found in s93 of the Local Government Act 2003. This power is subject to the duty (s93 (3)) to secure that, taking one financial year with another, the income from charges does not

exceed the costs of provision.

The Building (Local Authority Charges) Regulations 2010 authorise local authorities, in connection with building control, to fix and recover charges for the performance of “chargeable functions” and “chargeable advice” as defined in the Regulations. Such charges must be in accordance with a charging scheme. In determining the amount of the charges to be made within the charging scheme the authority must have regard to the “overriding objective” set out in Regulation 6(3) , namely “...the authority must ensure that, taking one financial year with another, the income derived by the authority from performing chargeable functions and providing chargeable advice ...as nearly as possible equates to the costs incurred by the authority in performing chargeable functions and providing chargeable advice...”

*Lawyer Consulted:*

*Name Hilary Woodward*

*Date: 12/2/20*

#### Equalities Implications:

- 7.2 An Equality Impact Assessment has not been provided as the charges are discretionary and only payable by applicants who are undertaking development in the city. Need to amend
- 7.3 No building regulation charge can be made in relation to providing means of access solely to an existing dwelling occupied as a permanent residence by a disabled person or for the provision of facilities and accommodation.

#### Sustainability Implications:

- 7.4 In order to assist with the long-term sustainability and service quality provided by the Planning Service, it is necessary to ensure that charges for discretionary charges continue to be set at an appropriate level.
- 7.5 The Building Regulations lay down standards for many areas of sustainability (thermal efficiency, water consumption etc) which are critical to help the Council achieve it's aims for the city to address the climate crisis.

#### Any Other Significant Implications:

- 7.5 None.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Pre-Application Advice - Proposed Fee Mechanism and Benchmarking
2. Planning Performance Agreement – Lump Sum & Hourly Fee Charge Rates

### 3. Building Control – Fees & Charges and Benchmarking

#### **Background Documents**

None

