

Report to: Cabinet



Date of Meeting 5 March 2025

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Discretionary Planning Fees Review

Report summary:

Introduction

The report explains the reasons for reviewing and increasing discretionary planning fees, focusing on enhancing service delivery, covering rising operational costs, and ensuring the sustainability of the Planning Service.

Background

- **Legal Framework:** The Local Government Act 2003 allows councils to charge for discretionary services, including pre-application planning advice, based on cost recovery principles.
- **Current Practice:** East Devon District Council (EDDC) has been charging for pre-application services for years, but fees have not increased since 2017.
- **Need for Review:** Statutory planning application fee income dropped significantly in 2024, necessitating a review to maximise cost recovery and service alignment with customer needs.

Actions Taken

- **Benchmarking:** Compared fees and services with neighbouring authorities.
- **Cost Calculation:** Used officer pay rates and historical data to calculate average costs.
- **Service Expansion:** Introduced new pre-application services, including for householder applications, and proposed a fee for returned applications to cover administrative costs.

Conclusion

The fee review aims to enhance the Planning Service's capacity, efficiency, and sustainability. Aligning fees with operational costs and regional benchmarks ensures competitiveness and meets community needs.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendations:

That Cabinet;

Recommends to Council that the revised schedule of fees for discretionary planning fees be adopted

Endorses the schedule of discretionary planning fees being reviewed on an annual basis as part of the wider review of fees and charges

Reason for recommendation:

The recommendation to revise discretionary planning fees and the level of service we offer is driven by several key factors, including the need to enhance service delivery, cover rising operational costs, and ensure the sustainability of the Planning Service.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☒ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Communications and Democracy
- ☐ Economy
- ☐ Finance and Assets
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ A supported and engaged community
- ☐ Carbon neutrality and ecological recovery
- ☐ Resilient economy that supports local business
- ☒ Financially secure and improving quality of services

Introduction

This report outlines the reasons for the recent review and increase in discretionary planning fees by the Planning Service. The decision to adjust these fees is driven by several key factors, including the need to enhance service delivery, cover rising operational costs, and ensure the sustainability of the Planning Service.

Background

The **Local Government Act 2003** allows local authorities to charge for discretionary services. Specifically, councils may charge for pre-application planning advice and other advisory services, as long as these services are not statutory or part of the core functions that the council is obligated to provide.

The charges for discretionary planning advice are also governed by principles of cost recovery, meaning that the fees should reflect the actual costs incurred by the council in providing the service. The council must ensure that any fees charged are transparent, reasonable, and aligned with the service provided.

Additionally, under the **Planning and Compulsory Purchase Act 2004**, the government encourages transparency in planning services, and as such Councils are encouraged to publish their fees for discretionary services, including planning advice, on their websites.

A recent survey by the **Planning Advisory Service (PAS)** found that of 87 local planning Authorities (LPAs) investigated only 4 offer a completely free service. EDDC has been offering a paid for pre-application service and charging for some planning related enquiries for some years and the current schedule of charges is attached as Appendix 1. Whilst the current fee schedule is indicated on the website as having been last updated in January and September 2024, they have not been increased since 2017.

Statutory planning application fees are set by national government. The associated income from this source dropped significantly in 2024 and there is a requirement for all services within the Council to minimise costs and maximise income to secure a balanced budget for the Council. A full review of our discretionary planning fees is therefore needed to ensure we are securing full cost recovery. In addition, we have reviewed the level of service that is available to ensure we are meeting the needs of our customers.

What we have done

To inform this process we have considered advice from the Planning Advisory Service [Pre-application advice and Planning Performance Agreements \(PPAs\) | Local Government Association](#) and have done some benchmarking with neighbouring authorities. A table comparing charges and service at Cornwall, Exeter, South Hams, Teignbridge and Mid Devon Councils is attached as Appendix 2. The outcome of the PAS national benchmarking survey is included as Appendix 3.

To understand how to calculate our fees we have obtained details of hourly rates of pay by officer grade, with on-costs and 35% non-productive time applied; this follows PAS guidance. These figures were used to calculate average costs for the proposed services to be offered.

Officers were consulted to obtain information about average time taken to undertake certain tasks and reference was given to historic process monitoring data. This has enabled us to prepare a robust schedule of fees.

We have also reviewed the type of service we offer and have expanded the options available. In particular, we are introducing a pre-application service for householder applications. As the free resubmission of a refused planning application has been withdrawn and the cost of householder applications is set to double in April 2025, this offers customers an opportunity to get advice on their proposals before formally applying.

PAPER A

It is also proposed that we introduce a fee for returned applications. When an invalid planning application is received a letter is sent explaining why the application is invalid and what documents are required to make it valid. After 21 days, if no further information has been received a reminder is sent. After a further 21 days with no further information submitted the application is returned to the applicant together with a refund of the full fee paid.

Over 60% of applications received are invalid and last year 191 applications were returned. The cost of registering and assessing the validity of the applications, plus monitoring, chase up letters and processing the fee refund is a drain on Council resources. As such it is proposed to retain a proportion of the planning fee to cover these costs. This practice is followed at Cornwall, Teignbridge and Mid-Devon Councils.

We are consulting with our main planning agents on the proposed services and fees, as recommended by PAS. A verbal update of the consultation responses will be provided to Members at Cabinet and made available to Full Council.

Fee Structure Overview

The new fee structure includes various levels of pre-application services, each designed to meet different needs:

- **Desktop Service:** Research and written response.
- **Desktop Extra:** Includes a Teams meeting or telephone call.
- **Full Service:** Includes a site visit, meeting, and internal consultations.
- **Heritage Service:** Additional fees for Listed Buildings.

The full proposed fee schedule is attached as Appendix 4 but in summary includes the following, (please note that all figures include VAT at the standard rate):

Householder Developments:

- Desktop: £170
- Desktop Extra: £240
- Full: £380
- Follow-up query: £90
- Additional fee for Listed Buildings: £110

Minor Developments:

- Single dwelling and other minor development:
 - Desktop: £280
 - Desktop Extra: £360
 - Full: £500
 - Follow-up: £150
 - Additional fee for Listed Buildings: £150
- 2 - 9 dwellings or site area below 0.5ha
 - Desktop: £500
 - Desktop Extra: £670
 - Full: £850

Major Developments (only the full service offered):

- 10-49 dwellings: £2400
- 50-199 dwellings: £5500
- 200+ dwellings: £8900
- Follow-up meetings and discharge of conditions have additional fees.
- Planning Performance Agreements are offered.

Other Services:

- Biodiversity Net Gain advice: £500
- High hedge complaints: £350
- Viability appraisals: Quotation-based

Returned applications:

- 10% of the fee with a minimum of £80 and maximum of £500

Conclusion

The decision to review and increase discretionary planning fees is a strategic move to enhance the capacity, efficiency, and sustainability of the Planning Service. By aligning fees with operational costs and regional benchmarks, we ensure that the service remains competitive and capable of meeting the needs of our community.

We recommend that Cabinet recommend to Full Council to approve the proposed fee increases to support the continued improvement and sustainability of the Planning Service. These can then be reviewed on an annual basis as part of the wider review of the Council's fees and charges.

Financial implications:

The report recommends that discretionary planning fees are increased from 1 April 2025 to support rising operational costs. (AB)

Legal implications:

The legal implications are set out within the report (002545/2 February 2025/DH).