

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 28 FEBRUARY 2017

CONSULTATION ON CHANGES TO PLANNING AND BUILDING WARRANT APPLICATION FEES

REPORT BY VIVIEN SMITH, HEAD OF PLANNING AND PLACE

ABSTRACT

The purpose of this report is to inform the Committee that the Scottish Government has recently consulted on proposals to raise fees for Planning and Building Warrant Applications. The report sets out the Council's response to these consultations for noting.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) notes the publication of the Scottish Government's consultations on raising fees for Planning and Building Warrants Applications; and
- (ii) notes the responses to the Scottish Government's consultation as set out in **Appendix 1** and **Appendix 2** of this report.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/CORPORATE PLAN

This report does not directly contribute to the local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013 – 2016. It will, however, influence future land use planning in Angus and therefore contribute subsequently to both the Angus Community Plan and Single Outcome Agreement.

3. BACKGROUND

The Council receives fees to determine Planning Applications and Buildings Warrant Applications. These fees are set by Scottish Government and vary depending on the size and type of development proposed. Two consultations were issued by the Scottish Government late in 2016. Given the required response date for these consultations, and the technical nature of the consultations, officers submitted responses which are now presented for noting.

4. PLANNING APPLICATION FEES

The Scottish Government published a consultation paper in December 2016 on Raising Planning Fees. Views were sought on the proposed changes by 27 February 2017.

The Scottish Government recognises the importance of planning in supporting economic growth, in the delivery of quality homes and in community empowerment. A commitment was given to consulting on enhanced fees, following the independent review of planning, which recommended that fees for major applications should be increased substantially so that the service moves towards full cost recovery.

At the moment, the maximum fee for any planning application in Scotland is £20,055 (except for minerals and fish farming). In contrast, the maximum fee in England is currently £250,000. The consultation paper seeks view on a new maximum fee of £125,000 for major applications for most categories of development (£62,500 for applications for planning permission in

principle). It also includes details of a reduced charge per unit or per 0.1 hectare for developments over a certain size to ensure that applicants in Scotland do not pay more than they would in other parts of the UK for any size of proposed development.

The proposed changes retain the current fee structure and do not contain any across the board increase. The paper advises that the Scottish Government will be considering wider changes to the fee structure, including scope for further discretionary charging taking account of changes to the planning system flowing from the Review. A further consultation on the future of the Scottish Planning System: "Places, people and planning" was published on the 10 January 2017. This consultation looks, amongst other proposals, at discretionary charging in more detail. A response to this consultation will be brought to the Committee in March for agreement.

The changes proposed in the consultation paper on the raising of fees to cover the costs of dealing with major applications are welcomed, although their impact in Angus may be limited, given the relatively low level of major applications received. The submitted response is set out in **Appendix 1**.

5. BUILDING WARRANT FEES

The Scottish Government published a consultation on Building Standards Fees in November 2016. A shorter consultation period of 8 weeks was set instead of the normal 12 weeks in order to meet an introductory date of 1 April 2017. Responses to the consultation were therefore sought by 9 January 2017.

The Scottish Government is committed to ensuring that Building Standards is adequately funded to deliver a system that is accessible, affordable and which provides a high quality service to those who use it. The consultation sought views on increasing Building Warrant and other associated fees to make the Building Standards system achieve full cost recovery and place it on a sustainable footing for the future. The paper acknowledged that there had not been an increase in Building Warrant fees since the introduction of the present system in 2005.

The proposals set out in the consultation paper would increase income from Building Warrants and associated fees paid by users of the Building Standards system, providing additional resources for local authority verification services to encourage recruitment and retention of professional staff and to support service and performance improvement.

In addition, the consultation paper sets out that a proportion of the income secured from increased building warrant fees should cover the costs of the Building Standards Division (BSD) of Scottish Government. The BSD supports the building standards system and is responsible for drafting legislation, technical and procedural guidance and helps local authorities make decisions in particular cases. The BSD has, to date been funded centrally by the Scottish Government.

The proposed changes to the Building Standard fees as set out in the consultation paper are generally welcomed, but there are significant concerns expressed in the Council Officer's response relating to the funding of the BSD from Building Warrant Application and associated fees. The submitted response is set out in **Appendix 2**.

6. FINANCIAL IMPLICATIONS

The consultations being carried out could result in increased fees for Planning and Building Warrant applications being received by the Council if the changes to fees are implemented. The increase in fees should help the Council move towards full cost recovery for the relevant services provided.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- [Scottish Government Consultation: Planning Application Fees](#)
- [Scottish Government Consultation: Building Warrant Fees](#)

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List of Appendices:

Appendix 1 – Council Officer’s response to Scottish Government consultation on Planning Application Fees.
Appendix 2 – Council Officer’s response to Scottish Government consultation on Building Warrant Fees.

Appendix 1

Council Officer's response to Scottish Government consultation on Planning Application Fees

A 2 stage approach to reviewing planning fees is proposed, with an initial increase to the fee maximum for these categories of development, followed by a wider review of the fee structure once the current planning reform programme has identified changes to the planning system. As a first stage, do you agree with the proposed maximum fee level?

Yes, Angus Council supports an increase in the maximum fee level for large-scale, major applications in order that fees better reflect the costs associated in dealing with applications of this nature.

Consultation over recent years has generally identified that there is reasonably wide support for planning fees that better reflect the costs associated with determination of planning applications, particularly where this is linked to improved performance. An increase in planning fees potentially allows planning authorities to better resource their planning service and improve service delivery.

The fees proposed in the consultation remain generally lower than those that apply to other administrative areas of the United Kingdom but are more reflective of those higher fees that have been in place for a number of years.

Angus Council also supports the wider review of planning fees which the consultation paper envisages. Like many council's, Angus does not receive a large number of applications for large-scale, major developments on an annual basis. A large percentage of costs are associated with determination of smaller-scale applications that are unaffected by the first stage of the review process. The wider review of planning fees for applications that are more typical of those determined by planning authorities is more likely to shift the balance towards full cost recover of the planning service.

Questions

1. Should building warrant and associated fees be increased to make the Scottish Building Standards system achieve full cost recovery?

Yes with regards the costs to local authority verifiers but as highlighted in our response to question 5, Angus Council has serious concerns with regards the funding of the Building Standards Division from fee income. As highlighted in our response to question 6, the proposals are lacking in detail.

2. Should fees for building warrant applications (minimum fixed fee and incremental steps) and fixed fees for amendment to warrant applications, demolition, conversion etc., be increased as described in the proposals?

Yes. In our response to question 6, we make further suggestions as to how the fee scale could and should be amended to enable fees paid to be more equitable and based on the amount of input from a local authority verifier.

3. Should discounts for using a certifier of design or construction be increased?

Yes. Having responded positively to the question asked we, as a Council, are not convinced that increasing the discounts for using a certifier of design / construction will lead to an increase in the use of either. Monetary inducements will not on its own, achieve this.

4. Should fees for those who have undertaken unauthorised work be increased?

Yes. An increase in the fees for those who have undertaken unauthorised work is long overdue. Dealing with late applications for building warrants or completion certificates where no warrant was obtained is undoubtedly more time consuming, often involving multiple technical response letters and site visits to ensure compliance with the building regulations prevailing at the time of the application. It is not only but financially fair that local authority verifiers are compensated fairly for the extra work caused by these types of applications.

5. Are there any alternative options to achieve full cost recovery that should be considered?

Currently the verification of building warrants is correctly carried out at a local level by local authorities. Local authorities possess the local knowledge to best deliver services to suit the particular needs of all their customers. Given that we, Angus Council, believe in this method of providing verification services, is it not correct, that the Scottish Government permit local authorities to set their own fees to allow there to be a better connection between the service provided and the fee paid. It should allow verifiers to provide additional and enhanced levels of service over and above the service levels set by the Scottish Government. It would also allow innovations in digital services to be fully explored and funded to the benefits of both customer and verifier

6. Additional views or comments.

Suggestions re Amendment to Building Warrant Fees.

It is noted that the fee for an extension to a warrant is being increased. We suggest that there is a differential for the fee to extend a warrant when a warrant is still "live" and where the extension is to a warrant that has expired. In principle it is not correct that an applicant / agent is disadvantaged financially by adhering to the legal procedures by extending his warrant when it is "live".

Again, it is noted that the fee for an amendment to warrant is being increased and we support this proposal. However, there are amendments to warrants submitted which do not fall into the category of an "amendment to warrant"; they are to all and intents a new building warrant application. These type of applications should attract an increased fee. If situations such as these cannot be dealt with through alterations to the legislation then it is strongly suggested that appropriate changes are made to the Procedural Handbook.

Proposals to Fund Building Standards Division from Building Warrant Fees.

The proposal to fund the Building Standards Division (BSD) of the Scottish Government from building warrant fees is interesting and with some merit. However the consultation document is significantly short in detail and leaves many questions unanswered. Until these additional details are provided Angus Council cannot offer its outright support for the proposal.

- The fact that the BSD will be funded from building warrant fees potentially places them in a new relationship with customers. Some thought and consideration needs to be given as to how the

needs of all their customers will be met. For example, is there a need for the BSO to have a Customer Charter and associated service standards and targets?

- No details have been provided in the consultation document of how the costs associated with the BSD have been arrived at. In the interests of openness and transparency full details should be provided if customers, whether that be the fee paying public or local authorities, are to be paying for the service. The costs to each authority are likely to be significant and it is essential that how the costs of the BSD are arrived at are shared with local authorities.
- No details have been provided on how the costs to each local authority are to be apportioned.
- As the country as a whole moves into potentially economically challenging times the additional fee income may or may not materialise. If additional income does not materialise as suggested in the consultation document local authorities face having an additional cost in transferring monies to fund the BSD, which in effect is a cut to their income. These monies will have to be found from local authority budgets which, in all likelihood, result in a cut to building standards budgets and the quality of service provided.
- In Angus we have a very good record in funding staff to achieve chartered surveyor status. The Government's wish to see additional resources used to employ graduates is commendable but without some level of prescription through the appointment / reappointment of verifiers process we are not convinced the Government's wish will be achieved.