

**PLANNING INCOME FORECAST**  
**REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY**  
**DIRECTION)**



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

**WARDS AFFECTED: ALL WARDS**

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1. **PURPOSE OF REPORT**

- 1.1 To note an increase to anticipated planning applications income budget for 2014-15 and to seek formal approval of a supplementary income budget.

2. **RECOMMENDATION**

- 2.1 That the revised planning application income projection for 2014-15 be noted.
- 2.2 The request for a £100,000 supplementary income budget from Council be supported.
- 2.3 That an element of the additional forecast income of £100,000 be used to set up a Planning Capacity reserve to fund the costs of resource required in this area. The remaining income will be taken from General Fund Balances.

3. **BACKGROUND TO THE REPORT**

- 3.1 Planning application fees are set by government and allow local authorities to recover the cost of processing planning applications. Fees that are received fluctuate each year depending upon the number and type of applications submitted.
- 3.2 The list of planning fees are contained within The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012. The November 2012 fees increase was the first since 2008. Government has not published when the next review is likely to take place.
- 3.3 The table below sets out budgeted and actual planning application fees income for the five years to 2013-14:

<b>Year</b>	<b>Latest Budget</b>	<b>Actual Income</b>
2009-2010	£428,000	£396,443
2010-2011	£390,000	£584,950
2011-2012	£490,000	£494,207
2012-2013	£500,000	£783,143
2013-2014	£529,000	£604,610

- 3.4 As can be seen from the above table, actual income has exceeded projections in each of the last four years. Income in the past two years has considerably exceeded anticipated income. Income for 2014-15 is projected to be £516,000 (based on the original budgeted income for 2013/14). Given the substantial differences in actual income during recent years, it is necessary to review projected income for 2014-15 to determine whether this needs to be revised.
- 3.5 To put this into context, during 2012-13, the council received an outline planning application for the Barwell Sustainable Urban Extension (SUE). This scheme related to a site of 127 ha (2,500 dwellings) and was therefore the largest planning application ever received by the council. The fee received for that application was

£125,000, which helps to explain why the actual income received during 2012-13 was so much higher than was projected.

- 3.6 In the summer of 2014-15, the council expects to receive a similar planning application for the Earl Shilton SUE. While that application isn't quite as large as the Barwell SUE (71 ha, 1,500 dwellings), the projected income for that application alone is likely to be £88,500. It should be noted that this is not all additional income as some of the developers on the Earl Shilton SUE have interest in other sites and those sites may not come forward if house builders are prioritising the SUE.
- 3.7 Aside from the SUE proposals, as the economy improves, land owners and developers are more likely to want to bring forward sites for development than in previous years. House builders in particular are likely to be keen to submit speculative planning applications during 2014-15 given the council's weak housing land supply position and government guidance to approve sustainable development. This needs to be viewed with an element of caution as developer feedback indicates that viability issues continue to be raised as a concern, which is likely to discourage applications on less profitable sites.
- 3.8 While the actual number of sites and houses are difficult to predict, it is likely that there will be an increase in planning applications, and therefore fee income, during 2014-15. It is therefore proposed that the projected planning application fee income be increased to a more realistic amount of £616,000 for 2014-15.

#### 4. FINANCIAL IMPLICATIONS [SJE]

- 4.1 The 2014-15 Planning Fees income budget is at present set at £516,000. This does not include "Pre Application Advice" fees of £13,500, S106 monitoring fees of £4,500 or Viability Assessment fees of £10,000 which have separate income budgets.
- 4.2 The Planning Fees budget for 2014/15 was determined during the budget preparation process in November 2013 and was set (in accordance with the budget strategy) at the original budget for 2013-14 of £516,000. This therefore did not reflect any growth, and in fact reversed a supplementary income budget of £13,000 approved in year. The actual planning application fee income, as can be seen from the table above, was £604,610. This variance of £75,410 therefore continues a trend of actual income being higher than anticipated income as detailed in the table in section 3.3.
- 4.3 Since actual income has consistently for the last 4 years exceeded budgeted income, it is proposed that the income budget for 2014-15 is increased by £100,000 to a total of £616,000. In accordance with the Council's financial procedure rules, a supplementary income of £100,000 requires Council approval. If approved, it is proposed that an element of the additional forecast income of £100,000 be used to set up a Planning Capacity reserve to fund the costs of resource required in this area. The remaining income will be taken from General Fund Balances.
- 4.4 The Table in section 3.3 clearly shows that actual income collection varies significantly every year. This is due to the variable number and value of applications received. Although, as detailed in section 3.6, there is good reasoning for expecting this budget to be met in 2014-15, close budget monitoring will be required to flag up any variances. It should also be noted that the 2015-16 budget position may need to be adjusted in light of latest data and to ensure that large one-off items are not built into the base budget expectation.

#### 5. LEGAL IMPLICATIONS [EP]

- 5.1 Contained within the body of the report.

6. CORPORATE PLAN IMPLICATIONS

6.1 This report relates to the council's aim to provide value for money and pro-active services.

7. CONSULTATION

7.1 None.

8. RISK IMPLICATIONS

8.1 No significant risks are associated with this report.

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 This report helps to ensure that the council's income is accurately predicted, which allows services to be delivered for all sections of the community.

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

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Background papers: None

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