

FAREHAM

BOROUGH COUNCIL

Report to Planning Committee

Date **15 January 2025**

Report of: **Assistant Director (Finance & ICT)**

Subject: **SPENDING PLANS 2025-26**

SUMMARY

This report sets out the overall level of revenue spending on this Committee's services and seeks agreement for the revised revenue budget for 2024/25, the discretionary planning charges for 2025/26 and the base budget for 2025/25 before being recommended to Full Council for approval.

RECOMMENDATION

That the Planning Committee: -

- (i) agrees the revised budget for 2024/25;
- (ii) agrees the base budget for 2025/26;
- (iii) agrees the revised discretionary planning charges for 2025/26 as set out at Appendix B; and
- (iv) recommends the budget to Full Council for approval.

INTRODUCTION

1. The Council has a co-ordinated strategic service and financial planning process and this report allows the committee to consider in detail these plans for the provision of the Planning Committee services during the next financial year.
2. This report and the revenue budgets have been prepared in accordance with the Medium-Term Finance Strategy that was approved by the Executive on 10th January 2025 and will cover the fees and charges and the revenue budget.

FEES AND CHARGES

3. The Planning Committee charges that are shown in the budget figures are mainly statutory and therefore not under the control of the committee.
4. The current level of planning fees were set by Central Government and came into force on 6 December 2023 and saw an increase of 35% for major developments and 25% increase for all other applications.
5. The regulations also allowed for an annual indexation of planning fees capped at 10% with effect from 1 April 2025.
6. The revised National Planning Policy Framework was released in December 2024 along with the Government's response to its consultation on other changes to the planning system. The Government is clear in its consultation response that some planning applications fees, such as those relating to householder development, would see significant increases and that the changes would be implemented at the earliest opportunity.
7. The revised discretionary planning charges under the control of the Planning Committee for consideration are shown in Appendix B.
8. Inflation(CPI) rose to a headline figure of 2.6% in November and the increase in charges reflects this and also the costs of providing the service.

REVENUE BUDGET

9. Appendix A analyses the overall budget total for the individual Planning Committee services and by the different types of expenditure and income.

BASE BUDGET 2024/25

10. The base budgets for 2024/25 were considered by this committee in January 2024 and were confirmed by Full Council in February 2024. The base budget for 2024/25 amounted to £578,100.

REVISED BUDGET 2024/25

11. The revised budget for 2024/25 is £915,900 which represents an increase of £337,800 or 58% from the base budget.
12. The main change to the revised budgets is due to a reduction in planning application income. In addition, employee costs have increased due to the pay award which in turn has increased internal recharges.

BASE BUDGET 2025/26

13. The base budget for 2025/26 is £800,600 an increase of £222,500 or 38.5% from the base budget in 2024/25.
14. Appendix A of this report shows the analysis of expenditure and income for individual services and the following paragraphs of this report set out issues affecting individual services that have arisen in the current year in order to explain the variations between base 2024/25 budgets and the 2025/26 base budget.

SERVICE ISSUES

15. In preparing the budget there have been changes to the way the employee budgets have been calculated which have also reflected the national pay award and an increase to Employers National Insurance Contributions (NICs).
16. These changes are reflected in the figures in this report and therefore have resulted in some variances across this committee.
17. Internal Recharges costs provided for this committee include ICT, HR, Finance and Audit, Customer Services and accommodation recharges.
18. In addition, there are recharges from the various partnerships which support the committee include Southampton Legal Partnership, Environmental Health Partnership and Building Control Partnership which are shown under Third Party Payments heading.
19. The changes to these two areas have been small when compared to the Base Budget for 2023/24.

PROCESSING APPLICATIONS

20. There has been an overall increase in the 2025/26 base budget for this service of £246,700. The majority of the increase is due to a reduction in the income received from planning fees as the number of applications has been falling over the last couple of years which is a picture that is replicated throughout the whole of Hampshire.
21. There have been increases in employee costs due to the annual pay award, changes to allocations of staff time and also the changes to Employers NICs.

PLANNING ADVICE

22. There has been a reduction in the 2025/26 base budget for this service of £44,600. This is mainly due to reductions in employee costs due to the changes to staff allocations with these being offset by an increase pre-planning advice fees.

PLANNING ENFORCEMENT

23. There has been a small increase in the 2025/26 base budget for this service of £17,000. This is mainly due to a small increase in employee costs due to the changes to staff allocations.

PLANNING APPEALS

24. There has been a small increase in the 2025/26 base budget for this service of £3,400. This is mainly due to a small increase in employee budgets and an increase to internal recharges.

RISK ASSESSMENT

25. There are no significant risk considerations in relation to this report.

CONCLUSION

26. A number of Planning Committee services are partly funded from fees and charges and other types of income. After taking service income into account investment income and the Council's share of business rate income reduce the remainder of the overall cost of services is met by council taxpayers.
27. These sources of income are generally outside the Council's control and do not reflect the changes in the overall level of spending on local services.
28. With these sources of income effectively "fixed", members need to be aware that, unless it can be matched by increased service income, additional spending on services has to be fully funded by council taxpayers.
29. It follows that Members must give full weight of the Council's overall position and future council tax levels when the revenue budgets for 2025/26 are considered.

Appendix A – Revenue Budget 2024/25 Revised Budget and 2025/26 Base Budget.

Appendix B – Discretionary Planning Fees 2025/26.

Background Papers:

Reference Papers:

Enquiries:

For further information on this report please contact Neil Wood on 01329 824506

Appendix A

GENERAL FUND REVENUE BUDGET 2025/26

	Budget 2024/25	Revised 2024/25	Budget 2025/26
	£	£	£
Planning Committee			
Processing Applications	152,500	397,000	399,200
Planning Advice	194,300	136,100	149,700
Enforcement of Planning Control	127,300	136,100	144,300
Appeals	104,000	246,700	107,400
	<u>578,100</u>	<u>915,900</u>	<u>800,600</u>

	Budget 2024/25	Revised 2024/25	Budget 2025/26
	£	£	£
Planning Committee			
Employee Expenditure	899,300	899,100	946,200
Transport Expenditure	9,500	4,500	4,500
Supplies and Services Expenditure	106,000	253,800	111,000
Third Party Payments	99,600	107,800	111,200
Internal Recharges	169,400	172,100	179,900
Gross Expenditure	<u>1,283,800</u>	<u>1,437,300</u>	<u>1,352,800</u>
Fees and Charges	<u>-705,700</u>	<u>-521,400</u>	<u>-552,200</u>
Gross Income	<u>-705,700</u>	<u>-521,400</u>	<u>-552,200</u>
Net Expenditure	<u><u>578,100</u></u>	<u><u>915,900</u></u>	<u><u>800,600</u></u>

	Budget 2024/25 £	Revised 2024/25 £	Budget 2025/26 £
Planning Committee			
Processing Applications			
Employee Expenditure	582,000	623,000	646,300
Transport Expenditure	6,900	2,700	2,700
Supplies and Services Expenditure	38,000	43,000	43,000
Third Party Payments	85,400	90,900	94,300
Internal Recharges	120,200	122,400	127,900
Gross Expenditure	832,500	882,000	914,200
Other Charges	-680,000	-485,000	-515,000
Gross Income	-680,000	-485,000	-515,000
Net Expenditure	152,500	397,000	399,200

	Budget 2024/25 £	Revised 2024/25 £	Budget 2025/26 £
Planning Advice			
Employee Expenditure	181,900	133,500	146,800
Transport Expenditure	1,300	200	200
Supplies and Services Expenditure	2,000	2,000	2,000
Third Party Payments	9,500	11,300	11,300
Internal Recharges	25,300	25,500	26,600
Gross Expenditure	220,000	172,500	186,900
Other Charges	-25,700	-36,400	-37,200
Gross Income	-25,700	-36,400	-37,200
Net Expenditure	194,300	136,100	149,700

	Budget 2024/25 £	Revised 2024/25 £	Budget 2025/26 £
Planning Enforcement			
Employee Expenditure	105,700	113,200	120,900
Transport Expenditure	1,300	1,600	1,600
Supplies and Services Expenditure	1,000	1,000	1,000
Third Party Payments	4,700	5,600	5,600
Internal Recharges	14,600	14,700	15,200
Gross Expenditure	127,300	136,100	144,300
Net Expenditure	127,300	136,100	144,300

	Budget 2024/25 £	Revised 2024/25 £	Budget 2025/26 £
Planning Appeals			
Employee Expenditure	29,700	29,400	32,200
Supplies and Services Expenditure	65,000	207,800	65,000
Internal Recharges	9,300	9,500	10,200
Gross Expenditure	104,000	246,700	107,400
Net Expenditure	104,000	246,700	107,400



PLANNING FEES

The majority of Planning Fees are set by central government and are updated from time to time. The current fees were set in December 2023 and are subject to an automatic annual inflation increase, as measured by the Consumer Prices Index from the preceding September. These fees can be found on planningportal.co.uk or the fee will be calculated when you fill in your application online.

Alternatively the current fees are available on application to the Head of Planning.

The following fees are discretionary

Planning Advice - Residential	Fee payable 2024/25 £	Fee payable 2025/26 £	% Increase
Extensions or other alterations to an existing dwelling including ancillary development within its curtilage	Free	Free	NIL
1 – 9 dwellings*	£300 for first dwelling + £58 for every additional dwelling thereafter	£320 for first dwelling + £60 for every additional dwelling thereafter	6.7 3.4
10 – 49 dwellings*	£910 for first ten dwellings + £13 for every additional dwelling thereafter	£970 for first ten dwellings + £14 for every additional dwelling thereafter	6.6 7.7
50+ dwellings*	£POA	£POA	NIL
New dwellings but where numbers not known	£POA	£POA	NIL
Elderly persons accommodation, retirement living developments, sheltered apartments, residential care homes falling within Use Class C2,			
- 1-9 bedspaces	£300	£320	6.7
- 10 – 50 bedspaces	£605	£640	5.8
- More than 50 bedspaces	£910	£970	6.6

Other residential uses <i>(including hotels, residential institutions, houses in multiple occupation, etc)</i>	£POA	£POA	NIL
* = including change of use of existing floorspace			

Planning Advice – Non-residential	Fee payable 2024/25 £	Fee payable 2025/26 £	% Increase
Provision of floorspace (gross internal area), change of use of existing floorspace (gross internal area) or change of use of land (gross area):			
- Up to 100 m2	£245	£260	6.1
- 101 – 499 m2	£300	£320	6.7
- 500 – 999 m2	£605	£640	5.8
- More than 1,000 m2 where it relates to proposed uses with Classes B1, B2, B8, or a mix of these uses	£850	£900	5.9
- More than 1,000 m2 where it relates to any uses outside of Classes B1, B2 or B8	£POA	£POA	NIL

Planning Advice – Other	Fee payable 2024/25 £	Fee payable 2025/26 £	% Increase
Small scale development not falling into any of the above categories <i>(for example: engineering works, new shop fronts, moorings, means of enclosure, renewable energy plant on existing business premises)</i>	£245	£260	6.1
Installation or replacement of telecommunications mast	£245 per site	£260 per site	6.1
Minor amendments to an extant planning permission	£125	£130	4.0

Advertisements / signage:			
- For the purposes of a community use which is non-profit making (not including education providers)	Free	Free	NIL
- On business premises less than 100 m2 gross internal floor area	Free	Free	NIL
- All other adverts	£180	£190	5.6
Any development or works being carried out by a community use which is non-profit making (not including education providers)	Free	Free	NIL
Follow up advice	50% of the original pre-application planning advice fee/ £POA	50% of the original pre-application planning advice fee/ £POA	

Notes:			
1. £POA (Price on Application) indicates that a fee will be calculated on a case-by-case basis, based on a schedule of rates published by the Council and updated annually.			
2. Where advice is sought in relation to mixed use proposals, the fee for each element of the scheme should be calculated using the table above and then added together.			
3. Where advice is required from external consultants or consultees to whom a payment must be made, the applicant will be expected to meet these costs and they will be in addition to the pre-application advice fee set out above.			

Pre-Application Advice	Fee payable 2024/25 £	Fee payable 2025/26 £	% Increase
Pre-application planning advice charges for listed buildings and heritage advice	£180 per initial enquiry plus VAT	£190 per initial enquiry plus VAT	5.6