

# HAMPSHIRE COUNTY COUNCIL

## Officer Decision Record

<b>Decision Maker:</b>	Gary Westbrook, Director of Hampshire 2050 and Assistant Chief Executive
<b>Title:</b>	Proposed Fee Increase for Monitoring of Planning Obligations (2023/24 financial year)

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### 1. The decision:

- 1.1. That the planning obligations monitoring fee introduced on 1 October 2020, to support the efficient monitoring and management of planning obligations and developer contribution funds, is increased to £650 per obligation from 1 July 2023.
- 1.2. That the revised planning obligations monitoring fee of £650 per obligation is subject to annual review to ensure it continues to appropriately fund the monitoring and management of planning obligations.

### 2. Reasons for the decision:

- 2.1. The monitoring fee increase is required to ensure the fee level covers the reasonable cost of providing the monitoring of obligations on a corporate basis. It applies per obligation within a section 106 legal agreement and is payable on completion of the legal agreement. The monitoring of obligations for all County Council services is carried out by the Spatial Planning team within the Hampshire 2050 Department.
- 2.2. The Cabinet Decision report of 29 September 2020 included a proposal that the fee be set at £500 per obligation initially, and subject to review after the first 12 months. Whilst the fee was introduced as of 1 October 2020, it has yet to be reviewed.
- 2.3. The proposed increase of the fee per obligation reflects increased staff costs and actual data now available on the number of obligations monitored:

	<b>Chargeable time</b>	<b>Cost (2020 calculation)</b>	<b>Cost (revised calculation 2023)</b>
Senior Project Officer Cost (F Grade)	213.70 days	£83,313	£98,045
	No. transactions (monitored obligations)	220 (estimated)	150 (actual)
	Staff cost per obligation	£379	£653
	Other staff costs and overheads	£22,941 (£104 per obligation)	<i>Discounted</i>
	<b>Total monitoring cost per obligation</b>	<b>£483 (rounded to £500)</b>	<b>£653 (rounded to £650)</b>

**3. Other options considered and rejected:**

- 3.1. The Spatial Planning team could choose not to increase the fee and instead reduce the level of, and associated complexity of cases, for proactive monitoring of outstanding financial obligation.
- 3.2. The option of retaining levels at the 2020 fee rate has been rejected. The income generated for 2021/22 was £73,500 and for 2022/23 was £77,400. This fee income does not cover appropriate resources to proactively monitor agreements and ensure compliance with the obligations and payment of all financial contributions at the appropriate time.
- 3.3. Monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring. An increase in fee above the suggested rate set out in the decision above would not be reasonable, when considered against the benchmarking assessment of comparable planning authority monitoring fees.

**4. Conflicts of interest:**

- 4.1 None.

**5. Dispensation granted by the Head of Paid Service:**


- 5.1 None.

**6. Supporting information:**

Please see attached Technical Note on Monitoring of Planning Obligations (Appendix C of Cabinet Decision Report 29 September 2020). This note details the calculation methodology for the recommended fee charge in 2020. The revised fee level reflects the increased F grade staff costs (see table above).

**Approved by:**

**Date: 15 June 2023**



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**Director of Hampshire H2050 and Assistant Chief Executive**