

HAMPSHIRE COUNTY COUNCIL

Officer Decision Record

Decision Maker:	Gary Westbrook, Director of Hampshire 2050
Title:	Proposed Fee Increase for Monitoring of Planning Obligations (2025/26 financial year)

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1. The decision:

- 1.1 That the planning obligations monitoring fee introduced on 1 October 2020 (and updated 1 July 2023 and 26 April 2024), to support the efficient monitoring and management of planning obligations and developer contribution funds, is increased to £680 per obligation from 1 April 2025.
- 1.2 That the planning obligations monitoring fee of £680 per obligation is subject to review after 12 months, to ensure it continues to appropriately fund the monitoring and management of planning obligations.
- 1.3 That the monitoring fee is subject to a capped maximum fee corresponding to 20 obligations (i.e. £13,600) per agreement.

2. Reasons for the decision:

- 2.1 The monitoring fee increase is required to ensure the fee level reflects service costs. The fee is required to cover the reasonable cost of providing the monitoring of obligations on a corporate basis. The fee is charged 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 Directorate.
- 2.2 The Cabinet Decision report of 29 September 2020 included a proposal that a fee be set at £500 per obligation initially, and subject to review after the first 12 months. The fee was introduced October 2020 and reviewed in June 2023 (Officer Decision Record 15 June 2023), increasing the fee to £650 per obligation. This was increased to £660 following an Officer Decision record 26 April 2024 following an annual review.

2.3 The corporate charge rates for staff time have increased for 2025/26. The proportion of time spent monitoring and managing the obligations for which a fee is charged is set out in the table below. The proportion of time spent, and the number of staff utilized, has increased since 2024/25 to support the demand for the service, and as reflected in the number of obligations secured in the year (indicated by the scale of income from monitoring fees). The costs use charge rates which reflect staff costs, including departmental overheads.

Estimated Cost for 25/26

Officer and % time	Chargeable Time (days)	Equivalent Time (hours)	Step 3 Hourly Charge Rate 25/26	Total (rounded)
Senior Project Officer (F) 85%	191.5	1417	£68	£96,400
Manager (I) 12%	27	200	£121	£24,200
Grandparent Manager (J) 3%	6.75	50	£140	£7,000
Project Officer (E) 15%	33.75	250	£54	£13,500
Misc. (Software Licenses Legal Agreement module etc.)				£2,395
Total				£143,495
No. of planning obligations secured per annum (average last 4 years)				211
Cost per obligation to be monitored				£680

2.4 In a few instances, legal agreements can contain a large number of obligations and the total fee per agreement is capped to avoid unreasonable and excessive monitoring fees. A maximum cap of £10,000 (i.e. 20 obligations at £500 per obligation) was set when the monitoring fee was introduced on 1 October 2020. The revised cap, based on 20 obligations at the revised fee of £680, is therefore £13,600.

3. Other options considered and rejected:

3.1 The option of retaining levels at the 2024 fee rate has been rejected. This fee income needs to cover appropriate resources to proactively monitor agreements and ensure compliance with the obligations and payment of all financial contributions at the appropriate time. The staff costs for 2025/26 have increased and budgets have been

adjusted accordingly to reflect assumed increase fee rates. Failing to adjust the fee would result in an increase in staff costs which is not offset by fee income.

- 3.2 It can be demonstrated that the fee does not exceed the authority's estimate of its cost of monitoring the development over the lifetime of the related planning obligations. Monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring. The adjusted increase in fees in this decision record of £20 per obligation is considered reasonable.
- 3.3 The number of obligations secured in new agreements varies on a case- by-case basis and this has not changed, and a new fee cap should be reflective of the revised obligation fee.

4. Conflicts of interest:

- 4.1 None.

5. Dispensation granted by the Head of Paid Service:

- 5.1 None.

6. Supporting information:

- 6.1 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.

Approved by:

Date

Gary Westbrook

Deputy Chief Executive and Director of Hampshire 2050