

Planning Fees in England: Proposals for Change – Consultation Paper

Development Control, Item 9

Committee:	Development Control	Agenda Item
Date:	25 July 2007	9
Title:	Proposed Changes to Planning Application Fees – Consultation Paper	
Author:	Hilary Lock – Head of Development Control; 01799 510486	Item for Decision

Summary:

The Department for Communities and Local Government has issued a consultation paper outlining proposed changes to the regime of planning fees for applications. The consultation period expires 17 August 2007.

Recommendations:

That Members endorse the comments to the Department's questions outlined below, as a basis for formal response to the consultation exercise.

Background Papers:

1. 'Planning Fees in England: Proposals for Change' – Consultation Paper; May 2007.

Impact

Communication/Consultation	This is part of a public consultation exercise. UDC has advised its planning agents through the agents' forum of the existence of the document to make their own comments.
Community Safety	No impact
Equalities	No impact.
Finance	These proposals would potentially increase the fee income from applications, and reduce the existing shortfall.
Human Rights	None
Legal implications	The proposals would result in changed legislation through the normal processes in due course.
Sustainability	No impact.
Ward-specific impacts	All wards
Workforce/Workplace	None.

Planning Fees in England: Proposals for Change – Consultation Paper

Development Control, Item 9

Situation

- 1 Government policy is to allow local planning authorities to recover all the costs of processing planning applications, but it has become apparent nationally that it is not possible to fund services through income generated by the current scale of fees. Fees have not increased since April 2005.
- 2 In the past, government has been unable to set cost-recovery fees due to the poor performance of local planning authorities, and Planning Delivery Grant has been used to bridge the gap. However, as standards have improved through significant improvements achieved by PDG, closer cost-recovery is now feasible.
- 3 If the recommendations are accepted and approved by Parliament, the new regime would come into effect on 1 April 2008.
- 4 From April 2008, local authorities will report on a set of 200 national indicators and Local Area Agreements (delivery arrangements whereby a local strategic partnership comprised of local authorities and other key stakeholders will work together to achieve agreed outcomes) will define the priorities for improvement in 35 target areas. Additional fee income is clearly linked to the intention to continue to drive performance.
- 5 Government-commissioned research has identified 3 options:
- 6 Option 1: no change to the fee regime. This is rejected due to the existing shortfall.
- 7 Option 2: an increase in overall fees by approximately 40% (excluding householder applications). This would retain the existing fee structure, but householder developments would not go up by more than £10 (an increase of 7.5% in line with inflation since the last fee rise).
- 8 Option 3: an increase overall of 25%, excluding householder developments, which would not increase by more than £10.
- 9 In options 2 & 3, the upper limit of £50,000 would be removed. This would allow authorities to cover the costs of processing very large applications. A fee would also be introduced for the discharge of conditions: £85, or £25 on householder applications. This fee would be per letter, as opposed to per condition. A response would have to be given within 30 working days. It would only apply to planning permissions, and not other consents (e.g. listed building consents).
- 10 The consultation paper states that Option 3 is the preferred option. It would provide an overall increase in fee income of approximate £65 million, which would meet the lower-end estimate of the cost of the development management service. The overall increase of Option 3 amounts to 23% across the board, and since the last increase in April 2005, would represent an annual percentage increase of 9%.
- 11 A pilot study of the premium service recommended in the Kate Barker review is to commence in due course. This is the concept that, for an additional fee, the applicant would have a guaranteed decision in less than 13 weeks for a major application, and less than 8 weeks for all other. The enhanced fee would be an extra 20% of the usual fee.
- 12 The consultation also seeks views on Locally-set planning fees, although this will be subject to separate consultation. To do this, the local authority would have to set out the full detailed costs of providing the service, to ensure no profit would be generated; operate effectively and within target times; operate efficiently, and have a top CPA rating for use of resources.

Planning Fees in England: Proposals for Change – Consultation Paper

Development Control, Item 9

13 Annex A gives the list of questions asked in the paper, and the Council's response.

14 Risk Analysis

The issue of risks is identified by the government in its own report, and no additional are considered to arise for this authority.

ANNEX 1

Q1 Would a fee level increase of 25% be reasonable? Should householder applications be largely shielded from that increase?

Householder planning applications make up the bulk of cases for many authorities. The increased charge would not amount to cost recovery, but it is accepted that a more substantial increase would not be absorbed by profits in the same way as a commercial development. As most householder extensions seek to improve accommodation rather than to generate immediate profit, a substantial increase would not be welcomed by applicants.

Q2 Would you prefer that fees go up by the full 40% to provide more resources for planning?

Any additional increase in income would make it easier to deliver services. However, although performance has improved nationally, there are still areas for improvement, and this would be too significant an increase for applicants to tolerate at this stage in the improvement process.

Q3 What are the likely effects of any of the changes on you, or the group or business or local authority you represent? Will there be unintended consequences, do you think?

A national increase is easier to defend than a locally set fee regime. Additional income would be welcomed. It is unlikely that the removal of the upper fee limit would stifle growth, as there are other economic drivers for development.

Q4 Performance on development control is currently measured against targets to turn around 60% of major applications within 13 weeks, 65% of minor applications and 80% of other applications within 8 weeks. Given the desire for further service improvements flowing from any fee increase – without perverse incentives – what do you think would be the best form of performance measurement for development control and what should be an appropriate benchmark?

Given the shortfall between application fee and costs to process an application, an increase of the level suggested would make it more feasible to consistently meet existing targets. Although a higher target is appropriate, it should not be too high or it will not be deliverable. The 'major' target should not change unless a separate category is introduced for those subject to a S.106, as it is often third parties outside of the planning service who delay the issue of planning permission in those cases. An increase to 70% minors and 85% others would be realistic.

Q5 Are current fee maximums serving any useful purpose?

The benefits are to the developer only.

Q6 Do you welcome the proposed fees for discharge of conditions? Do you agree this should not apply to conditions imposed on, say, listed building consents?

Yes, as these can generate a considerable amount of paperwork. A fee would give these a priority and recognition which resources have not always permitted. It would also increase certainty for the applicant, and would ensure a timely response. The same level of paperwork is generated by a listed

Planning Fees in England: Proposals for Change – Consultation Paper

Development Control, Item 9

building condition as any other. However, it would be perverse to charge to discharge a condition, but not for the original application.

Q7 Will it be useful if the local planning authority can offer a 'premium service'?

There are reservations about the impact this would have on speed of decision-making for applications where the applicant has neither the wish nor ability to pay for this additional service. If priority is given to a 'premium' application, this could give a diminished service to other applicants, and would create an unacceptable two-tier system.

Q8 Currently, Government sets planning fee levels. How do you feel in principle about the idea that each local authority should be able to fix its own (non-profit-making) planning charges in future?

This could prove unnecessarily difficult to administer, as time would be spent trying to justify why charges are different between local authorities. Robust measures for quantifying costs would be required to ensure the local authority charging system is not open to challenge. It is simpler to have a national charging regime. With the introduction of 1APP, it would be more complicated for agents if the fee is not standardized too.