

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: THURSDAY, 13th April 2023

title: GOVERNMENT CONSULTATION ON CHANGES TO PLANNING FEES AND PERFORMANCE

submitted by: HEAD OF DEVELOPMENT MANAGEMENT & BUILDING CONTROL

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1. PURPOSE

1.1 To update Members on the current government consultation on changes to planning fees and performance.

1.2 Relevance to the Council's ambitions and priorities:-

- To be a well-managed Council providing efficient services based on identified customer needs.
- To protect and enhance the existing environmental quality of our area

2. BACKGROUND

2.1 The government published a 'Technical consultation: Stronger performance of local planning authorities support through an increase in planning fees' on 28 February 2023. Public consultation runs for 8 weeks from 28 February 2023 to 25 April 2023. Within this consultation document are a number of proposed changes to planning fees and the way government monitors and measures the performance of planning services.

2.2 The consultation document has three parts;

- Increasing planning fees
- Building capacity and capability
- Introducing a more robust performance regime

3. PROPOSED CHANGES

Planning Fees

3.1 Planning fees are set nationally. Planning application fees provide local planning authorities with an income which contributes to their costs of providing a planning service. However, most fees do not cover the costs to the local planning authority of processing the application. For example, householders pay £206 for an application, whereas the cost to the local planning authority of determining the application can be double that. There are also some application types for which no fee is currently charged, such as listed buildings consent, works on protected trees and some repeat applications, which add to the financial pressure on local planning authorities.

3.2 In addition to the applications for which fees are not currently charged, there are other planning services which local planning authorities carry out without a fee. These include enforcement activity and assessing potential local plan site allocations. Providing these services are a cost burden on local authorities.

3.3 The government proposal is to increase planning fees for major applications (which represent approximately 3% of all applications nationally) by 35% and to increase planning fees for all other applications by 25%, so that the planning application service is principally funded by the beneficiaries of planning gain – landowners and developers

– rather than the taxpayer. If increased by 25%, householder planning application fees would increase by £52 from £206 to £258.

- 3.4 To discourage unauthorised development, it is proposed to double planning fees for retrospective applications. This is in recognition of the additional costs often incurred by local planning authorities in respect of investigating the suspected breach of planning control and considering the need for enforcement action. Householder development is proposed to be exempt from paying double but would still be expected to pay the standard planning application fee.
- 3.5 In addition to statutory planning application fees, local planning authorities have the ability to charge for bespoke or additional services above the level or standard that the local planning authority has a duty to provide, so long as these charges do not exceed the cost of providing the service. These services can include pre-application advice, planning performance agreement and premium or ‘fast track’ planning application services.
- 3.6 Government want to retain the flexibility that local planning authorities have to set their own fees for pre-application advice, planning performance agreements and other bespoke services. They want local planning authorities to be more transparent in the discretionary fees that they charge and the service that applicants can expect in return. They are interested in expanding options around planning fees if these would facilitate a more expedited service.
- 3.7 Planning fees have not kept up with inflation. Increases have been made at irregular intervals, with the last increase in January 2018. Prior to that, planning fees had not increased since November 2012. Increasing fees in this ad hoc way does not provide financial sustainability for local planning authorities. In order that the fee level does not fall behind again, and to help local planning authorities better manage their costs, the Government propose to introduce legislation when parliamentary time allows for all planning fees to be adjusted annually in line with inflation.
- 3.8 To ensure that the proposed additional fee income directly supports increased resourcing of local authority planning departments, government are seeking views on whether the additional income arising from the proposed fee increase should be ringfenced for spending within the local authority planning department. Past increases have required a written commitment from all local planning authorities in advance of implementation.
- 3.9 Currently where applicants reapply within 12 months of submitting an application, subject to certain conditions, they can do so without paying a fee. In some cases, the existence of the ‘free-go’ is a useful quality driver as there is a greater incentive for the applicant to act on the authority’s advice and resubmit an improved application. However, there remain instances where a free-go is used as a substitute for pre-application discussions, as a first attempt to get an application through with limited information or as an attempt to test lower quality or larger proposals. This is a growing cost burden for local planning authorities who still incur costs for processing revised applications but receive no fee.
- 3.10 In order to encourage applicants to engage in pre-application discussions and support the submission of high-quality applications first time round, government are considering whether there would be any scope for increasing cost-recovery in this area by a partial or full removal of the ‘free go’ for repeat applications.
- 3.11 There is a proposed introduction of a prior approval fee for the permitted development right allowing development by the Crown on a closed defence site.

Building the resilience, capacity and capability of local planning authorities

- 3.12 The consultation outlines that proposals to increase planning fees will help local planning authorities to meet their costs and provide a better service for applicants, however acknowledges that increasing fees in isolation is not enough to address the capacity and capability challenges faced by local planning authorities. In particular the consultation recognises the difficulties in recruiting Principal Planners and a significant shortfall in specialist skills particularly in viability, digital, design, conservation and heritage, climate change and ecology.
- 3.13 There are a number of ideas about improving the capacity and capability of planning professionals that are set out, many linking to ambitions within the Levelling Up and Regeneration Bill. At this stage the government are only seeking views on skills gaps, recruitment issues and ideas to address these challenges.

Measuring performance

- 3.14 Linked to proposals to introduce measures to increase planning fee income, the Government want to amend the existing metrics that measure performance of local planning authorities for speed of decision-making.
- 3.15 Government recognises that extension of time agreements can serve a valid purpose to support constructive negotiations between the local planning authority and an applicant. However, considers they are also sometimes used in a way that masks poor performance by a local planning authority. Therefore the proposal is that the performance of a local planning authority for speed of decision making should be primarily assessed on the percentage of applications that are determined within the statutory determination period, not an agreed extended period of time.
- 3.16 Government propose to tighten the Planning Guarantee period for non-major applications. The Planning Guarantee allows for an applicant to secure a refund of the planning fee where a planning decision has not been made within 26 weeks of submitting a valid application if an extension of time has not been agreed with an applicant
- 3.17 Given that there are differences in the statutory timeframes for deciding planning applications, government propose that the Planning Guarantee should better reflect these differences. Therefore, where the statutory determination period is 8 weeks the Planning Guarantee should be set at 16 weeks and where the statutory determination period is 13 weeks (or 16 weeks for Environmental Impact Assessment developments) the Planning Guarantee should be retained at 26 weeks.
- 3.18 When considering a local planning authority's performance, government believe it would better to base their assessment on a wider range of metrics beyond just the speed and quality of decision-making. This would provide a more comprehensive and balanced picture of the planning service being provided. A 'customer experience' measure is also being considered based on a standardised customer satisfaction survey.
- 3.19 The following table lists possible quantitative metrics that could be used in a broader performance framework in addition to the proposed revised speed of decision-making metric set out above.

Table 1 – Proposed Measures of LPA Performance

Metric	Measurement
A. Average Speed of decision-making	<ol style="list-style-type: none"> 1. Average time taken to determine majors (inc. Extension of Time (EoT) and Planning Performance Agreements (PPAs)) 2. Average time taken to determine non-majors (inc. EoT and PPAs) 3. Average time taken to determine householders (inc. EoT and PPAs) 4. Average time taken to determine discharge of conditions (inc. EoT and PPAs) 5. Average time taken to determine county matters (inc. EoT and PPAs)
B. Quality of decision-making	<ol style="list-style-type: none"> 1. Major appeals allowed by Planning Inspectorate as percentage of all appeal decisions. 2. Non-major appeals allowed by Planning Inspectorate as percentage of all appeal decisions. 3. Householder appeals allowed by the Planning Inspectorate as percentage of all appeal decisions
C. Extension of Times	<ol style="list-style-type: none"> 1. Total number of EoTs as percentage of all decisions majors 2. Total number of EoTs as percentage of all decisions non-majors 3. Total number of EoTs as percentage of all decisions householders
D. Backlog	<ol style="list-style-type: none"> 1. Average time taken to validate planning applications 2. Total number of cases beyond the Planning Guarantee period (currently 26 weeks for all applications but proposed to change to 16 weeks for non-major applications)
E. Planning Enforcement	<ol style="list-style-type: none"> 1. Average number of weeks taken to respond to suspected breaches of planning and determine the appropriate course of action. 2. Average number of weeks to take action where a breach of planning has occurred, having decided it is expedient to do so. 3. Total number of cases over 6 months old as percentage of all open cases.
F. Planning Committee	<ol style="list-style-type: none"> 1. Percentage of delegated decisions and committee decisions 2. Percentage of committee decisions to refuse against officer recommendation that are subsequently allowed at appeal

3.20 It is proposed that a broadened planning performance framework would continue to focus on development management activity only and would exist alongside other performance monitoring regimes, for example in relation to local plan progress.

4. TIMEFRAMES AND NEXT STEPS

- 4.1 Subject to the responses received to this consultation government will consider further the specific performance thresholds for each metric, appropriate assessment periods, the process for data collection and transitional arrangements from the current performance regime. Government will consult on these details, as they further develop the planning performance framework following the comments received through this consultation.
- 4.2 Government recognise that local authorities need time and resources to adjust to any new planning performance framework, and that sufficient advance notice will need to be given before any relevant assessment period is applied. It is not government intention to introduce a new planning performance framework until such time as they have introduced an increase in planning fees (expected Summer 2023) and invested in supporting the capacity and capability of planning departments. The timescales for introducing any new planning performance framework will be considered further following the comments received through this consultation.

5. CONCLUSION

- 5.1 That Members note the proposed changes to planning fees and performance.



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