

TECHNICAL CONSULTATION: STRONGER PERFORMANCE OF LOCAL PLANNING AUTHORITIES SUPPORTED THROUGH AN INCREASE IN PLANNING FEES

CONSULTATION RESPONSE

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INTRODUCTION

1. BusinessLDN is a business membership organisation with the mission to make London the best city in the world to do business, working with and for the whole UK. BusinessLDN works with the support of the capital's major businesses in key sectors such as housing, commercial property, finance, transport, infrastructure, professional services, ICT, and education. We welcome the opportunity to respond to the Government's technical consultation on the 'Stronger performance of local planning authorities supported through an increase in planning fees'.

OVERVIEW

2. We strongly support the objective to improve the performance of local planning authorities by increasing the resources available to them. The planning system in England is currently suffering severe delays across the board due to years of underinvestment and inadequate funding. However, it is significant to note that planning delays are not caused solely by lack of planning department resources and often statutory consultees hold up applications due to similar issues with staffing. The whole system needs to be assessed in the round.
3. On financial support, BusinessLDN supports a significant uplift in all planning application fees provided that the increased income is ringfenced and invested in planning department resources and not used to deliver other council services. It is on that basis which we support a 35% increase in fees charged for all application types, including householder applications.
4. With regard to ringfencing the additional income, it is our understanding that the current system does not provide for this arrangement, and it can only be done on an informal basis with the goodwill of individual local planning authorities (LPAs). More formal measures – a

legal guarantee – must be put in place to ringfence the increased fee income to ensure there is a clear improvement in the services provided to applicants.

5. We support new initiatives to bolster recruitment and skills in the planning sector, but often the benefits of such initiatives can take years to realise. Planners should be reinstated on the Government's Skilled Workers Shortage Occupations list so that international planning professionals can obtain a skilled workers visa and bolster the number of planners available to work in this country in the short term.
6. Finally, in relation to improved performance, we support the proposal that speed of decision-making should be assessed on the percentage of applications that are determined within the statutory determination period.
7. In terms of prioritising resources to measure performance, it is vital that major applications are monitored closely as these will make the most significant contribution to the local authority's strategic objectives, notably the delivery of new homes and economic growth against local plan targets. However, minor applications can also have significant implications for strategic objectives, especially when they are in fact linked to larger development projects and infrastructure delivery. Given our proposal that all application fees should be increased by 35%, it will be important for all applications to be monitored so that all applicants can see a commensurate improvement in service.
8. As part of the Government's work on LPA resourcing and performance, the system of Planning Performance Agreements (PPAs) at pre-application and application stages must be improved. There needs to be a more standardised approach, greater control and transparency over the fees sought and more formal accountability for both parties.

RESPONSES TO THE CONSULTATION QUESTIONS

Q.1: Do you agree that fees for planning applications should be increased by 35% for major applications?

9. **Yes.** BusinessLDN supports a significant uplift in all planning application fees provided the increased income is ringfenced and invested in planning department resources rather than diverted to deliver other council services. Given there has been no increase in fees for several years, the 35% uplift is appropriate.

Q.2: Do you agree that the fee for householder planning applications should be increased by 25%?

10. **No.** Householder planning applications should be increased by the same amount as major applications – 35%. These applications can be relatively time intensive for LPAs to process and yet their fees are set very low. If 35% were to be applied, the application fee for a

householder would still be a tiny fraction of the overall budget for a householder development project.

Q.3: Do you agree that fees for all other planning applications should be increased by 25%?

11. **No.** As above, we support a 35% increase across the board for all application types, provided all receipts are ringfenced and spent on planning department resources. It is not just householder applications, also reserved matters applications, S73 applications and clearance of conditions, to name but a few, are all disproportionately low in terms of the resource required to process them.

Q.5: Please can you provide examples of bespoke or 'fast track' services which have worked well or you think could be introduced for an additional fee? Are there any schemes that have been particularly effective?

12. One London Borough previously used PPA fee income to outsource those PPA applications to a private sector planning consultancy and this meant they were well resourced and processed in a timely fashion. However, the service was later dropped for unknown reasons and all applications reverted to being processed in-house. LPAs which are particularly overstretched should revisit this approach as a short term measure.

Q.6: Do you agree with the proposal for all planning fees to be adjusted annually in line with inflation?

13. **Yes**, in principle. However in times of very high inflation, as we have experienced recently, the Government should exercise some discretion as to the exact increase to be applied.

Q.7: Do you consider that the additional income arising from the proposed fee increase should be ringfenced for spending within the local authority planning department?

14. **Yes.** The planning system in England is currently suffering severe delays across the board due to years of underinvestment and inadequate funding. This has a direct impact on the investment decisions taken by developers, the speed at which they can deliver development and, ultimately, the country's economic growth. There has also been widespread reporting of the detrimental impact this is having on the mental health of planning officers¹ who are overworked and suffering extreme levels of stress.

¹ <https://www.planningresource.co.uk/article/1736903/planners-detail-experiences-stress-burnout-abuse>

15. As outlined above, BusinessLDN supports a significant uplift in all planning application fees provided the increased income is ringfenced and invested in planning department resources and not used to deliver other council services. However, it is our understanding that the current system does not provide for this arrangement.
16. Building control services within a council are entirely self-funded from application fees and this means that building control income is ringfenced and used to deliver those services. However, the resourcing of planning departments comes from a mixture of funding streams: application fee income; centralised budgets; and performance related income. This makes the funding of any planning department opaque and a challenge for any identified additional income to be clearly ringfenced for reinvestment in that department.
17. The consultation document (paragraph 29) in relation to guaranteeing that additional income will be used to improve planning services states, "*Past fee increases have required a written commitment from all local planning authorities in advance of implementation*". This confirms a discretionary approach on an authority-by-authority case and one that is not enforceable. Formal measures must be put in place to ensure that the increased fee income is genuinely ringfenced for planning department expenditure, ensuring there is a clear improvement in the services provided to applicants in every planning department across the country.

Q.8: Do you agree that the fee for retrospective applications should be doubled, i.e. increased by 100%, for all applications except for householder applications?

18. **Yes**, but this should apply to all retrospective applications including householder applications to discourage unauthorised development.

Q.9: Do you consider that the ability for a 'free-go' for repeat applications should be either:

- (a) removed**
- (b) reduced for re-applications within 12 months**
- (c) retained**
- (d) none of the above**
- (e) don't know**

19. This should be **retained** as existing. The fact that this provision exists is a useful safety net given the political nature of planning. Sometimes officer recommendations can be overturned at committee for political reasons and an applicant should retain the right to resubmit free of charge and continue negotiations with the local authority rather than proceed to appeal, which would ultimately cost the LPA considerably more to resource.

Q.11: What do you consider to be the greatest skills and expertise gaps within local planning authorities?

20. Over recent years, the technical subjects that a local authority planner is expected to understand has expanded vastly to include, for example, fire safety, carbon emissions, alternative energy sources and biodiversity net gain, amongst others. Most planning departments cannot afford to employ technical experts and yet planning officers cannot be expected to cover all of these technical areas in depth. Meanwhile, the design and conservation expertise within many planning departments has also significantly decreased at a time when such skills are desperately needed to deliver the Government's aspiration for design codes. If funding was available to provide more technical experts, then this would free up more officer time to concentrate on core planning. This is not necessarily needed within every LPA and could be provided at strategic authority or county council level, depending on the size of the LPA planning function.
21. Notwithstanding the above, at a more basic level, there is simply a shortage of planners in this country, particularly experienced planners to deal with complex major applications. This applies to both the public and private sectors and across all parts of London and other parts of the country.
22. A related, recurring issue across many LPAs is high staff turnover. This exacerbates the availability of case officers and makes it difficult for applicants and their advisers to build working relationships and get continuity of advice. It is common to have more than one case officer over the course of a major application with new officers often bringing new ideas and re-visiting agreed principles on what are often 'in balance' subjective issues. This further exacerbates delays in the system.

Q.12: In addition to increasing planning fees, in what other ways could the Government support greater capacity and capability within local planning departments and pathways into the profession?

23. We support new initiatives to bolster recruitment and skills in the planning sector and the RTPI's apprenticeships programme² has proven successful in this regard. However, often the benefits of such initiatives can take years to realise. The current scale of the staffing challenge is so acute that we need to bring in skilled overseas workers to plug gaps in the shorter term. Therefore, planners should be reinstated on the Government's Skilled Workers Shortage Occupations list so that international planning professionals can obtain a skilled workers visa and bolster the number of planners available to work in this country.
24. Until about ten years ago, planners used to be included on the list and this historically brought a number of Australian, New Zealand and South African planners to the UK, all of which have similar plan-led systems. Given the shortage of planning professionals, we do not understand why planners were struck off the list and they should be reinstated.

² <https://www.rtpi.org.uk/become-a-planner/apprenticeships/>

25. We understand that the RTPI is lobbying for planners to be reinstated and we fully support this.

Q.13: How do you suggest we encourage people from under-represented groups, including women and ethnic minority groups, to become planning professionals?

26. Some BusinessLDN members, including Arup, Hill, Metropolitan Thames Valley, Mount Anvil, Peabody and Quod, together with some public sector organisations such as the Greater London Authority, support the Future of London Emerging Talent Programme³. This programme gives a cohort of talented Londoners from ethnic minority backgrounds the opportunity to undertake three work experience placements each over 21 months across a range of housing, development, regeneration and public space teams. seeks to transform the built environment sector in London, so that it better represents the community it is working for. We recommend that this programme could be rolled out on a national basis.

Q.15: Do you agree that the performance of local planning authorities for speed of decision-making should be assessed on the percentage of applications that are determined within the statutory determination period i.e. excluding extension of times and Planning Performance Agreements?

27. **Yes.** We support the statements made in the consultation document that agreed extensions of time and Planning Performance Agreements (PPAs) can sometimes be misused, as applicants have no choice but to accept an extension or face a refusal. They can, in fact, mask huge delays that have been incurred to the determination of an application and, the longer it takes to obtain planning permission, the more likely that changes will need to be made to the approved scheme through later S73 and S96a applications.

28. We therefore support the proposal that speed of decision-making should be assessed on the percentage of applications that are determined within the statutory determination period. This will also encourage all stakeholders to fully engage in the details of a scheme at pre-application stage rather than wait until the application is in its formal determination period.

Q.16: Do you agree that performance should be assessed separately for

- (a) Major applications**
- (b) Non-Major applications (excluding householder applications)**
- (c) Householder applications**
- (d) Discharge of conditions**
- (e) County matters applications**

³ <https://www.futureoflondon.org.uk/emergingtalentprogramme/>

29. **Yes.** These are very different application types and therefore should be assessed separately. In terms of prioritising resources to measure performance, focus should primarily be on assessing major applications as these will make the most significant contribution to the local authority's strategic objectives, notably the delivery of new homes and economic growth against local plan targets. Assessing the discharge of conditions, to enable works to start on site for these major applications, should also be prioritised.

Q.19: Do you support the introduction of a qualitative metric that measures customer experience?

30. **Yes.**

Q.20: What do you consider would be the best metric(s) for measuring customer experience?

31. We support the proposal for a short, standardised customer satisfaction survey to be issued at the end of each planning application process.

Q.21: Are there any other ways in which the performance of local planning authorities or level of community engagement could be improved?

32. The BusinessLDN Place Commission⁴ will shortly report on its recommendations to address the question '*How should London's built environment evolve to help people thrive and business to succeed?*' One of the follow-up pieces of work will convene BusinessLDN members and stakeholders to look specifically at mechanisms to support additional private sector funding of LPA resources to ensure the planning system operates more efficiently. We would welcome DLUHC participation in this piece of work.

33. One area of focus will be **Planning Performance Agreements (PPAs)**. It is our view that the PPA system should be improved to make it more transparent and introduce greater accountability.

34. PPAs are currently used to varying degrees by different LPAs and with varying efficacy. They are used effectively by some LPAs to secure additional income from developers for large projects that require significant resource to process. In return, the developer is promised dedicated officer resource and an agreed timetable. However, they are not legally binding and are effectively an agreement of trust with no sanctions for non-performance.

35. The lack of resource within most LPAs means that it is challenging for them to honour their commitments in PPAs. When they were first introduced, the net additional income generated used to guarantee applicants prioritised engagement with officers and a timely determination,

⁴ <https://www.businessldn.co.uk/our-work/place/businessldn-place-commission>

however in recent years squeezed LPA budgets mean that PPA receipts are more likely needed just to keep core planning services running.

36. To illustrate the sums involved, we have obtained the following examples of London Borough PPA fees from BusinessLDN members. It is significant to note that applicants are also often expected to cover the costs of third party technical consultants to act on behalf of the LPA in addition to these PPA fees, for example in relation to viability, daylight and sunlight, and legal fees.

Borough	Application type	PPA Fee	Duration
Westminster	Major multi-sites planning resource agreement (GLA referable)	£70,000 + VAT	Annual (roughly 10 year term, increase in cost each year)
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Brent	Major mixed use (GLA referable)	£26,000 + VAT	For determination of application
Camden	Major redevelopment (GLA referable)	£101,100	For duration of application
Southwark	Major redevelopment with tall building (GLA referable)	£50,000	For duration of application
Havering	Major redevelopment	£42,000	For duration of application
Ealing	Reserved matters applications for major development	£35,000	Three instalments, duration of application
Enfield	Major industrial scheme	£17,000	For duration of application

37. We understand that the Planning Advisory Service has undertaken some work which aims to support LPAs in delivering their pre-application services and PPAs. We would welcome the opportunity to be involved in this project and to work with the Government to improve the current PPA system as part of its work on LPA resourcing and performance. There should be a more standardised approach, greater control over the fees sought and more formal accountability for both parties.

38. In addition to the issue of PPAs, the Government needs to provide **mental health support** for planning officers to address the extreme levels of stress they have been experiencing, as highlighted in paragraph 14.