



BUSINESS

June 2025

KICKSTARTING GROWTH

Supporting Local Planning
Authority Resources in London

In partnership with

Ashurst **NEWMARK**

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1 The solution

A key focus of the Government's growth mission is to reform the planning system to kickstart development – the latest Office for Budget Responsibility forecast concludes that 0.2% will be added to GDP by 2029–30 due to the Government's planning reforms.¹ As the engine of the UK economy, London needs to – and can – play its part in accommodating more homes, commercial space and infrastructure to support growth in the capital and across the country. However, the Government's ambitious planning reform and desire to increase construction require properly resourced Local Planning Authorities (LPAs) to help facilitate change swiftly and efficiently. Over the past decade, LPAs have faced significant funding and resourcing challenges, impacting their efficiency, as will be explored later. The Government intends to increase the number of town planners in LPAs, but while greater investment in LPAs would be the most effective solution, this is unlikely in the current fiscal climate. Proposals in the Planning and Infrastructure Bill, including allowing LPAs to set their own fees up to cost-recovery levels and ringfencing these fees to ensure that they are spent within the planning department, are a step in the right direction, but more support will be required to provide LPAs with the resources they need.

BusinessLDN, in collaboration with Ashurst and Newmark, established a task force comprising leading planning experts from the public and private sectors to develop a practical solution to the resourcing challenges faced by London's LPAs. Wider engagement was also undertaken with London boroughs, the Greater London Authority (GLA), the Ministry for Housing, Communities and Local Government (MHCLG) and a range of businesses in the built environment.

Task force scope

LPAs face a complex set of resourcing challenges, underpinned by the long-term challenge of attracting more people to become town planners (see section 3). However, the task force was convened to find a solution to the immediate resourcing challenges faced by LPAs and therefore focused on:

- immediate, practical measures to improve LPA resourcing;
- solutions that work within existing laws and policies;
- large applications, where the greatest economic and social benefits are concentrated;
- primarily private-sector funding options; and
- maintaining the quality of decision-making while ensuring there is an impartial, transparent process that does not impact the outcome of an application or the efficiency of the process.

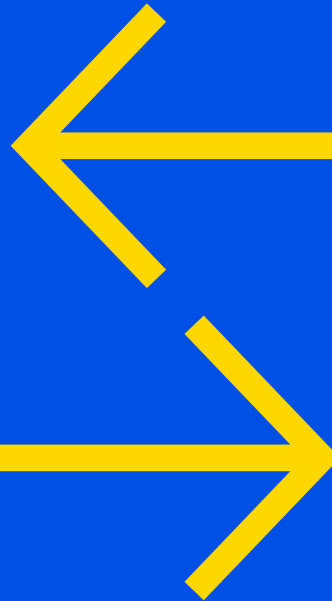
The proposal put forward by the task force comprises two interrelated ideas:

Planning Performance Agreement (PPA)+

Improve the uptake and process of using PPAs – an existing applicant-funded project management tool used by an applicant and an LPA to help consider a development proposal. The so-called PPA+ would be a more comprehensive mechanism than is commonly used, which, if endorsed by London boroughs and the GLA, would help to increase the uptake of PPAs. Increasing the use of PPAs, alongside localised cost-recovery planning fees that are ringfenced, will boost LPA revenues, enabling them to access additional resources from a new resourcing hub to accelerate the processing of applications.

London Planning Resourcing Hub

A centrally hosted London Planning Resourcing Hub, funded by LPAs through expanded use of PPAs alongside localised cost-recovery fees that are ringfenced, would give LPAs access to a pool of private sector resource, from graduates to specialists, enabling them to process major applications more efficiently. The model creates a sustainable cycle: more resource leads to an improved service and faster decisions, which encourages greater uptake of PPA+s, reinforcing investment in planning.



2 LPA resourcing challenges

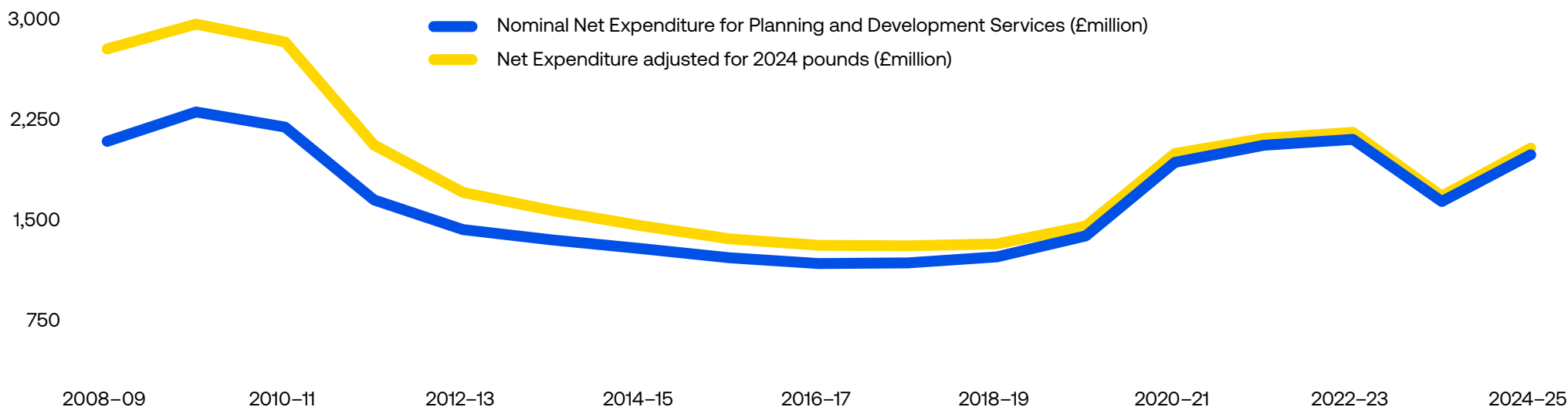
1. Local authority funding

London councils are under significant financial pressure. Between 2009 and 2010, and 2019 and 2020, Government grants to local authorities in England decreased by 40% in real terms, from £46.5 billion to £28 billion.² This reduction disproportionately affected London, where councils' overall resources remain 15% lower in real terms than in 2010.³

In addition to falling funding, councils face soaring costs. London boroughs spent an estimated £4 million per day on temporary accommodation for homeless people in 2023–24 – a 68% increase on the previous year.⁴ Similarly, adult social care remains a major cost, with London boroughs spending over £2.8 billion a year on it⁵, accounting for almost a third of their expenditure.

2. LPA funding

Due to the wider financial pressures local authorities are under, LPAs have suffered sustained cuts to their funding over many years. When adjusted for inflation, local authority net expenditure on planning departments alone fell by 43%, from £844 million in 2009–10 to £480 million in 2020–21.⁶ The graph below shows that, when adjusted for inflation, national spending on planning and development services⁷ declined by over £900 million between 2010 and 2024. While the changes proposed in the Planning and Infrastructure Bill will help LPAs by allowing cost recovery fees to be charged and ringfenced, this will not immediately undo the impact of years of underfunding.



Source: Local authority revenue expenditure and financing, MHCLG <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing#2024-to-2025>

3. Resourcing

Declining LPA funding has contributed to a talent drain, with 3,100 planners leaving the public sector between 2013 and 2020.⁸ In London, 30% of LPAs operate at under 75% capacity.⁹

A 2022 survey by the Mayor of London revealed planning teams across the capital are, on average, 21% smaller than in 2014.¹⁰ Along with this reduction in team size, of the LPAs that responded:

- 93% reported difficulties in attracting suitably skilled or qualified candidates; and
- 94% reported relying on agency staff to fill gaps in their teams.

4. Speed of decision-making

Set against a background of funding cuts and a reduction in resources, LPAs are also being required to deal with new and complex issues added into planning policy, such as assessing biodiversity net gain and nutrient neutrality.¹¹ For major planning applications, the involvement of several statutory consultees further complicates the application process and can often cause delays. All these challenges, among others, are impacting the speed of determination of planning applications. Between September 2023 and September 2024, only 19% of major planning applications nationally were decided within the required 13-week limit¹², with the median decision time extending to 28 weeks.¹³



3 Planning resource reforms

In recent years, there have been efforts to support LPA resourcing, although some have not progressed, and others have only addressed parts of the issue. However, the proposed changes in the Planning and Infrastructure Bill, which are further outlined in chapter 4, represent positive steps towards improving the funding and resourcing for LPAs.

Conservative Government reforms

In 2023, the Government consulted on increasing planning fees for major applications by 35%, with future increases linked to inflation.¹⁴ These new fees were introduced in April 2025, and while there were initially no plans to ringfence them, the current Labour Government has proposed measures through the Planning and Infrastructure Bill to ensure the increased fees are retained within the planning service.

In 2024, the Government proposed an 'accelerated planning service' to fast-track major developments through a more expensive 10-week application process; however, these plans were not introduced.

Aiming to streamline the planning process, the Government unveiled a £13 million 'super-squad' in 2024 to handle complex and stalled cases.¹⁵ The 'super-squad' has since been retained following Labour's election win in July 2024.

Labour Government Reforms

The Government has announced plans to hire 300 new planners, funded by a 1% increase in stamp duty on overseas buyers.¹⁶ While this is a step in the right direction, it will only provide a fraction of the number of planners needed.

The recently announced Planning and Infrastructure Bill¹⁷ sets out provisions for an LPA to set its own fees capped at a cost-recovery level. The bill also sets out the much-needed ringfencing of planning fees.

Long-term initiatives

To address the shortage of planners, several long-term initiatives have been implemented to attract more graduates into the profession:

- **Pathways to Planning Programme:** A £1.59 million government-funded scheme placing graduates in council planning departments while they study for a planning master's degree.
- **RTPI Bursaries:** £5,000 bursaries for over 50 students annually to help cover the cost of university fees and attract diverse candidates.
- **Local Government Graduate Programme:** Matches graduates with councils for hands-on planning experience in local government.

4 Existing LPA funding mechanisms

LPAs primarily rely on statutory planning fees, Planning Performance Agreement (PPA) fees and small administrative charges such as Community Infrastructure Levy and Section 106 agreement monitoring fees to fund their services. Planning fees in the UK are currently set by the Government and regulated through the Town and Country Planning Regulations 2012, with different fees applied to major and minor applications. As highlighted in the previous section, this is set to change with the Planning and Infrastructure Bill, which proposes allowing LPAs to set their own fees up to a cost-recovery level and ringfence the funds to be reinvested directly into planning services, preventing them from being diverted to other council functions.

Planning application fees are linked to the size of a development,¹⁸ but they can sometimes fail to account for its complexity. As a result, large and complex projects, which require more resources to determine, can end up paying the same as simpler schemes, which makes it challenging for LPAs to secure the necessary resources needed to run efficient planning services. PPAs can help by providing a collaborative and tailored framework that should enhance planning capacity and improve service delivery.

Planning Performance Agreements

A PPA is a voluntary agreement between an LPA and an applicant that outlines a process for determining a planning application. Introduced in the Local Government Act 2003, PPAs allow LPAs to charge for discretionary services provided that the fee does not exceed cost recovery. A PPA can be a useful tool for LPAs and applicants alike, setting out timescales, actions and required resources while fostering a collaborative relationship. Despite these benefits, fewer than 30% of major development applications in London currently use PPAs.¹⁹ The low uptake of PPAs may be related to several challenges associated with them, as outlined below and in a report by the Planning Advisory Service (PAS).²⁰ The benefits and challenges of PPAs are set out below; addressing these challenges is central to maximising the potential of PPAs to provide more resources to deliver an improved service for major development applications.



The benefits of using a PPA:

Flexibility: Unlike standard applications, which follow fixed procedures and fees, PPAs involve negotiated fees and bespoke timescales for determining the application. PPAs are most often used for major applications; however, they can be used for any type of application.

Cost recovery: PPAs provide a mechanism for LPAs to charge fees that accurately reflect the costs incurred in processing an application. This is particularly valuable, since many standard planning application fees do not currently cover the full cost of determination. However, the Planning and Infrastructure Bill lays the groundwork for increasing standard planning application fees to achieve full cost recovery.

Direct funding link: PPAs give LPAs greater control over fee allocation by directly linking funds to the processing of applications. This ensures that fees accurately reflect the time and resources needed throughout the application's lifecycle, enabling funds to be used efficiently and effectively to deliver the service.

Pre-application support: PPAs often cover pre-application engagement, enabling LPAs to recover costs for early-stage advice and project discussions while building a strong relationship with the applicant.

The challenges of using a PPA:

Lack of standardised format: There is no consistent structure for PPAs, with applicants having to spend a significant amount of time negotiating different agreements with every LPA.

Variations in fees: PPA fees can differ significantly between LPAs, with little oversight, as each LPA determines its own fee structure based on resourcing costs, including planning officers, specialists and legal advisors.

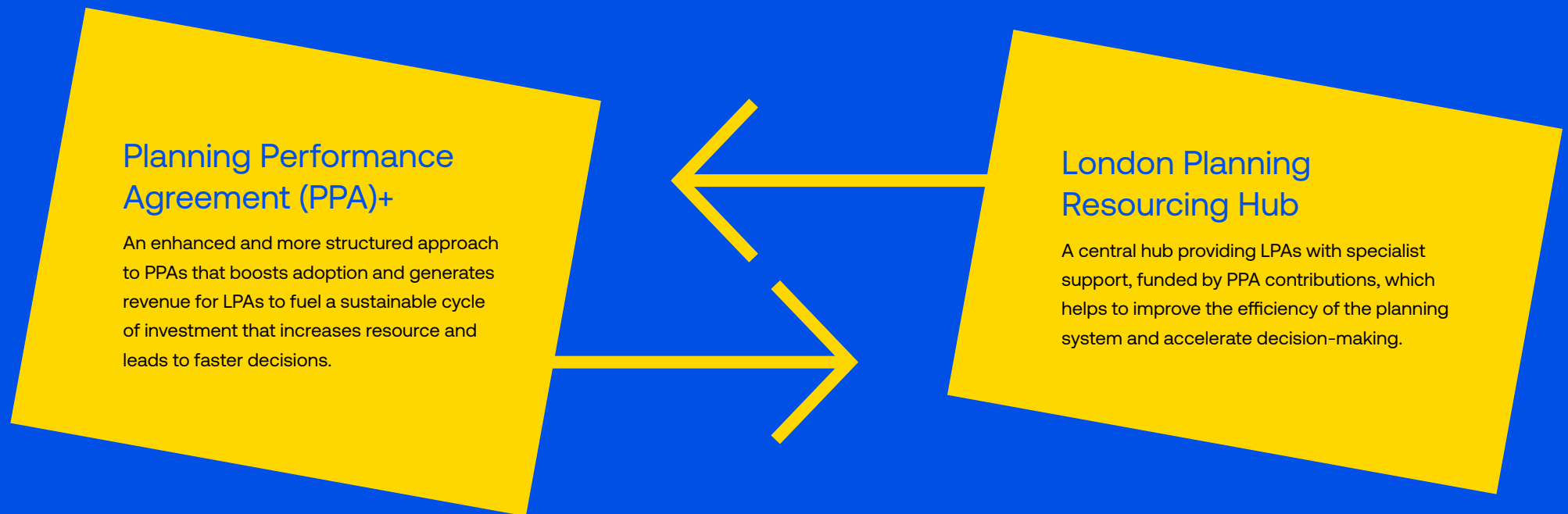
Limited scope: PPAs are typically only used for pre-application and determining applications, with less frequent use for discharge of conditions²¹.

Inconsistent service levels: The quality and responsiveness of PPA services can vary significantly, often due to differing procedures and varying levels of experience in handling PPAs within LPAs. This includes variation in the level of project management expertise involved in PPAs differs across LPAs, affecting the overall efficiency and effectiveness of the process.

5 How to increase LPA resource:

PPA+ and London Planning Resourcing Hub

To help increase the resources of London's LPAs, two interrelated solutions are proposed: a framework to increase private sector funding into the planning system and a mechanism to facilitate better use of available resources. While each solution could work independently, they would be most impactful when combined into one system.



PPA+

Five steps are needed to enhance the PPA process, making it more efficient and encouraging broader adoption across the capital.

1 Introduce a standardised PPA template in London

The template would streamline the process of producing a PPA and embed best practices. It would create a more consistent PPA experience, encouraging wider use and ultimately boosting LPA funding through more cost-reflective fees.

The template would cover key stages of the planning application process; however, applicants could select which sections of the process they wished to enter into a PPA for. These areas could be:

- Pre-application.
- Determination of the application.
- Post determination i.e. submission of application to discharge conditions.

2 Introduce staged payments tied to key milestones

This is a practice already adopted by some LPAs. Milestones could include:

- Signing the PPA.
- Completing the pre-application process.
- Submitting the application and it being determined.
- Post-determination discharge of conditions.

Staged payments, particularly for significant fees, would encourage the timetable to be adhered to and provide LPAs with a steady stream of income, enabling more predictable financial planning. It would also give applicants greater transparency regarding payment schedules.

3 Promote the option of a business manager as part of the PPA process

The inclusion of a business manager - administrative support for a PPA - was highlighted to the task force on several occasions as an important factor in keeping a PPA to time and would also help address the variation in project management skills identified in the PAS analysis referenced earlier. A business manager would monitor the progress of the PPA, identify delays and implement corrective actions to keep the project on track.

4 Allow for some flexibility

While the majority of the template should be standardised, there should remain flexibility to agree on two issues on a case-by-case basis:

- **Fees:** These will vary based on the details of each project and the resources required by the LPA.
- **Specific timescales for each milestone:** These will be unique to each application.

5 Endorsed by London government

For the template to achieve maximum impact, London's boroughs and the GLA should endorse its use. A unified approach would make the system more efficient, transparent and reliable, benefiting all stakeholders involved.

London Planning Resourcing Hub

Increasing the use of PPAs, along with plans to localise planning fees to cost-recovery levels and ringfence them, should provide LPAs with the ability to invest in their resourcing to help determine applications in a timely manner. However, LPAs will still need to find the additional resources, which is where the London Planning Resource Hub can help. The London Planning Resource Hub has been modelled after the Public Practice approach, a social enterprise that places built environment professionals in local authorities to strengthen capacity and enhance skills throughout England. Hosted and supported by the GLA, the London Planning Resource Hub would leverage regional oversight and strong connections with London's LPAs, providing access to additional planning resources for short-term capacity needs through secondments and fixed-term contracts. The key features of the hub are outlined below.

Who would work in the London Planning Resourcing Hub?

To work in the hub, candidates would need to hold a degree in planning or a related field (e.g., urban planning, geography, or environmental studies) accredited by the Royal Town Planning Institute or have completed a town planning apprenticeship. The hub would consist of a mix of planners, including self-employed/freelance planners and early-career planners from the private sector, particularly those in planning consultancies, who would be seconded to gain experience and enhance their professional development. The secondees would likely be staff at the start of their careers, though no limit would be placed on the level of experience applicants to the hub should have. This mix of freelance specialists and early-career planners enables LPAs to draw on experienced support for complex projects, while junior planners assist with minor applications, freeing up senior staff to focus on more challenging cases.



How would the London Planning Resourcing Hub be funded?

The hub could be funded through a two-pronged approach:

- 1 The London Planning Resource Hub would reduce reliance on costly agency staff and recruitment, offering a more cost-effective solution to meet resource needs.
- 2 Seconded staff from the private sector would be cost-recovered, with their salary funded through the London Planning Resourcing Hub, likely supported by a mix of seed funding and the LPA. There may also be an option to partially cover the salary (e.g., 90%), allowing the private sector to contribute in-kind if desired.



How would someone join the hub?

Applicants could apply through an online portal and be subject to an approval process. If accepted into the hub, they would enter a candidate pool and be invited for interviews with LPAs as suitable roles arise. LPAs will be able to browse candidates within the hub and invite those whose skills and experience align with their needs for an interview.

How would the additional resource be utilised?

The needs of LPAs will differ in their exact resource requirements, but in general, the hub could help in two ways:

- 1 **Direct resource:** LPAs could recruit support to work on a specific PPA, easing resourcing pressures and ensuring timely processing in line with agreed timescales.
- 2 **Indirect resource:** The LPA could bring in support to clear a backlog of minor applications, freeing up senior staff to focus on larger applications and PPAs.

To avoid any conflict of interest, secondees to the hub would not work on applications involving their original employer.

Why join the London Planning Resourcing Hub?

There would be several benefits for both individuals joining the hub and their employers (where they are seconded).

Benefits of joining the London Planning Resourcing Hub

For planners

- Centralised training to enhance skills and knowledge, particularly for early-career professionals.
- Increased understanding of the public sector's planning processes and diversity of experience.
- Enhanced professional reputation from participating in an important London-wide service.

For employers

- Enhances employee skills and expertise.
- Boosts the organisation's profile and fosters positive relationships with London boroughs.
- Contributes to the efficiency of the planning system with which they engage.

6 The system in action

While both the PPA+ and London Planning Resource Hub could theoretically work as individual initiatives, their combined impact would be far greater. Standardising and driving up the use of PPAs in London would enable LPAs to generate more revenue to help fund additional support via the resourcing hub. The system would create a virtuous circle: the additional resources of the hub would help deliver a more efficient and timely planning process, encouraging greater use of PPAs, which are helping to fund the hub.

PPA+

A more structured and comprehensive PPA process, endorsed by the GLA and London boroughs, would drive greater adoption. Increased use, combined with localised cost-recovery planning fees that are ringfenced, would boost LPA revenues, enabling them to secure additional resources from the hub to accelerate decision-making.

London Planning Resourcing Hub

A centrally hosted hub, primarily funded through a slice of PPA+ money, would give LPAs access to a pool of private sector resource, from graduates to specialists, enabling them to process major applications more efficiently. The model creates a sustainable cycle: more resource leads to an improved service and faster decisions, which encourages greater uptake of PPA+s, reinforcing investment in planning.

Next Steps

LPAs need sufficient funding to process planning applications within their statutory targets, something that has been lacking for some time. While the Planning and Infrastructure Bill's proposals to allow LPAs to set and ringfence their fees are a positive step forward, challenges in resourcing LPAs will persist in the short and medium term. This report outlines a strategy to boost the use of PPAs and to harness the Government's planning fees reform in the Planning and Infrastructure Bill to help fund a centralised hub of planners that will enhance LPA capacity and speed up decision-making. This idea in this report has been set out at a high level and needs to be developed further. We are keen to engage with both the public and private sectors to fill in the details or collaborate on similar ideas that have a good prospect of being implemented. LPA resourcing is critical to the Government's growth ambitions, so now is the time to solve this long-standing problem.



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The task force

The task force met four times during the development of this report, providing crucial advice and insights to shape the proposed solutions. The task force, comprising a diverse range of public and private sector stakeholders, included:

| | |
|--------------------------|---|
| Barratt London | Ministry of Housing, Communities and Local Government |
| Berkeley Group | Peabody |
| British Land Company | Planning Officers Society |
| Croydon Council | SEGRO |
| Fairview New Homes | Telford Living |
| Greater London Authority | The Arch Company |
| Haringey Council | The Royal Borough of Greenwich Council |
| Knight Dragon | |
| Landsec | |
| London Councils | |

Endnotes

- 1 This equates to c.£6.8 billion in today's prices. See [Economic and fiscal outlook – March 2025](#), Office for Budget Responsibility.
- 2 [Local government finances: Impact on communities](#), House of Lords Library, 2024.
- 3 [Update on London boroughs' finance pressures](#), London Councils, 2024.
- 4 [‘Emergency’ warning issued as London homelessness hits new records](#), London Councils, 2024.
- 5 [‘Emergency’ warning issued as London homelessness hits new records](#), London Councils, 2024.
- 6 [Planning Agencies](#), Royal Town Planning Institute, 2022.
- 7 Planning and development services in MHCLG spending data include town and country planning, housing and regeneration, building control, local government planning funding, infrastructure development, and research and policy development.
- 8 [State of the Profession](#), Royal Town Planning Institute, 2023.
- 9 [Revealed: capacity and churn issues facing planning teams](#), Local Government Chronicle, 2023.
- 10 [Helping London authorities deliver with a Placeshaping Capacity Survey](#), The Mayor of London, 2022.
- 11 Biodiversity Net Gain is a planning approach that ensures development projects leave the natural environment in a measurably better state than before by enhancing or creating habitats. Nutrient Neutrality is a requirement for developments to prevent additional nutrient pollution (such as nitrogen and phosphorus) from harming sensitive water bodies, ensuring no net increase in nutrient levels.
- 12 [Live tables on planning application statistics](#), MHCLG, 2024.
- 13 [An accelerated planning system](#), MHCLG, 2024.
- 14 [Increasing planning fees and performance: technical consultation](#), MHCLG, 2023.
- 15 [Further Government interventions in London housing market](#), MHCLG, 2024.
- 16 [Planning overhaul to reach 1.5 million new homes](#), MHCLG, 2024.
- 17 [Planning and Infrastructure Bill](#), UK Parliament, 2025.
- 18 Major application fees start at £31,385, with an additional £189 per dwelling, capped at £411,885. See [The Town and Country Planning \(Fees for Applications, Deemed Applications, Requests and Site Visits\) \(England\) \(Amendment and Transitional Provision\) Regulations 2025](#), MHCLG, 2025.
- 19 [Live tables on planning application statistics](#), MHCLG, 2024.
- 20 [Evidence-based research on national best practice in Local Authority approaches to pre-application discussions and Planning Performance Agreements \(PPAs\)](#), Planning Advisory Service, 2023.
- 21 “Discharge of conditions” refers to the formal approval from the local council that specific requirements attached to a planning permission have been met, such as the lighting of a building or its landscaping.

Our mission

We make it easier to grow your business in the capital.

We work to deliver the bigger picture, campaigning to tackle today's challenges and to secure the future promise of London.

We harness the power of our members, from sectors that span the economy, to shape the future of the capital so Londoners thrive and businesses prosper.

We support business to succeed — locally, nationally, globally. We link up with other cities around the UK, to ensure the capital supports a thriving country.

We campaigned for the creation of the office of London Mayor and Transport for London, for the Elizabeth Line, for congestion charging, we incubated Teach First and run the UK's largest annual jobs and careers fair, Skills London.

We create opportunities for our members, from sharing insights to providing platforms, from making introductions to finding new talent. We facilitate collective, organisational, and individual ambition.

Becoming a member of BusinessLDN helps to keep London and the UK working — for business, for Londoners, for the whole country.

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