

Planning Fees

Fees increase

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

Yes. HBF members are prepared to accept a 35% increase in fees for planning applications for major developments, but consider it vital that this is ringfenced and supported by a clear plan outlining how the services provided by local planning authorities (LPAs) will be improved as a result.

Given that the proposed increase in fees was first mooted in May 2022, and given too near universal support from all quarters of the sector for it, it will be frustrating for LPAs not able to account for it when preparing budgets for 2023/24 that this consultation has not taken place sooner (especially those making further reductions in staff).

HBF members of all sizes and in every part of the country are experiencing significant delays in the planning process and the principal reason is a lack of staff and resources within LPAs.

The situation is particularly challenging for SME builders. Of the respondents to HBF's recent SME survey¹, run in conjunction with Close Brothers Property Finance and Travis Perkins, 76% cited a lack of resources in LPAs as a major constraint. This is supported by the results of the 2022 Local Government Association (LGA) Workforce Survey that found almost 6 in 10 councils (58%) are struggling to recruit planning officers and 36% were having problems retaining them².

The RTPi³ has explored the performance of LPAs in England by examining the number of applications received and the number of decisions made in the agreed timeframe between 2009 and 2021. Whilst the number of applications has consistently remained between 400,000 and 500,000 per year the number of decisions made in the agreed timescales is declining. In 2009, approximately 85% of decisions were made within statutory time limits and without performance agreements, but by 2021 this figure had fallen to 49%. Whilst Covid will have had a recent impact, the trend over the last twelve years is both clear and concerning.

¹ <https://www.hbf.co.uk/news/planning-delays-and-rising-costs-crippling-the-uks-sme-housebuilders/>

² <https://www.local.gov.uk/publications/2022-local-government-workforce-survey>

³ <https://www.rtpi.org.uk/policy-and-research/research/planning-agencies/>



The current malaise afflicting local plan-making⁴ is largely a function of obfuscation around housing targets, but staff shortages and recruitment challenges will be playing a role. HBF understands that some LPAs do not currently have any policy officers.

The RTPI's 'Invest & Prosper' report⁵ makes the positive case for planning in the public interest on the basis of the economic, social, environmental and health outcomes that it can underpin. A case that, as the report notes, is poorly understood. This perhaps explains why, as a 2019 analysis by the Institute for Fiscal Studies⁶ revealed, net spend on planning and development reduced by 59% between 2009/10 and 2019/20, which was the largest reduction across all areas of local government. "Unless it's statutory, or it brings in income, or if you don't do it then the consequence is intervention, then it is being cut back," Paul Seddon of Nottingham City Council told Planning⁷ in 2022.

This, insofar as both performance and morale within LPAs is concerned, provides the backdrop for this consultation.

As the consultation document states, the difference between the cost of development management services and the revenue raised through application fees presently is estimated to be £225 million. Whilst the increase in fees will go some way, over time, towards closing it a considerable gap will remain. The intention to lower the costs of delivering development management is noted, but there is no evidence of how this can be achieved beyond abstract references to digitisation and so some continued subsidy from other local authority income sources will be required. This is, of course, even before taking non-statutory and non-fee generating planning activity into account.

The increase in resources available to LPAs is welcome, therefore, but issues of long-term sustainability and performance will remain. Ultimately, development management and planning more broadly is a public service that is delivered in the public interest. To be sustainable in the long-term planning functions should either be sufficiently funded directly by central government or fees raised will need to achieve full cost recovery.

In the short-term, it suggested that some kind of 'planning services grant' could be payable to assist in making immediate service improvements. Such a grant could be repaid from future fee income.

⁴ <https://lichfields.uk/blog/2023/january/30/start-me-up-but-then-you-stopped-the-continuing-cost-of-local-plan-delays/>

⁵ <https://www.rtpi.org.uk/research/2020/october/invest-and-prosper/>

⁶ <https://election2019.ifs.org.uk/uploads/English-local-government-funding-trends-and-challenges-in-2019-and-beyond-IFS-Report-166.pdf>

⁷ <https://www.planningresource.co.uk/article/1738751/pressures-building-planning-authority-officers-plan-tackle>



Planning fees were increased by 15% in 2012 and by a further 20% in 2018. As stated, during this time expenditure on planning has fallen, the size of LPA planning teams has reduced and application timeframes have increased. Notwithstanding the absence within the consultation material of a defined plan to increase performance, or the comprehensive resources and skills strategy for the planning sector promised by the 2020 'Planning for the Future' white paper⁸, one should be very wary when attempting to make a direct link between increased planning application fees and improved performance. Linking increases in fees to up to 35% by way of service improvements, performance benchmarks, or even local plan-making progress, could be ways of realising improvements in the way that past fee increases did not.

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

Yes, but on the basis that major applications can be of wider community benefit and householder applications are of narrow, individual benefit, it could be considered appropriate to increase the latter by 35% as well in order to further close the development management shortfall highlighted above.

Question 3. Do you agree that fees for all other planning applications should be increased by 25%? If not, please include in the comments box the particular application types where you believe the proposed increase is too high or too low. Your comments should be accompanied with evidence/costs if possible.

Yes, although, again, to close the shortfall further a case for 35% increases across the board can be made.

It is noted that there are a wide range of planning applications (Tree Preservation Orders, Conservation Area Consent, Certificates of Lawful Use, advertising consents, Section 73 applications, Section 96a applications and prior approval and prior notification applications for permitted development) that command very low fees or in some cases no fee at all. These can be very complex, and command the same amount of time and expertise to process as a more typical application. The wide range of fees and exemptions that exist is difficult for all parties to navigate and it is respectfully suggested that consideration be given over the longer term to a fundamental rationalisation and simplification.

Question 4. Are there any other application types or planning services which are not currently charged for but should require a fee or for which the current fee level or structure is inadequate?

No.

⁸ <https://www.gov.uk/government/consultations/planning-for-the-future>



There have been suggestions from some quarters that LPAs be able to charge for assessing potential local plan site allocations. This would move away from the principle of a standard fee being charged for the provision of a narrow, specific, standard service, could be open to misinterpretation, and should be resisted.

Discretionary and bespoke planning services

Question 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?

The Planning Advisory Service (PAS)⁹ has recently published research on pre-application (pre-app) consultation and Planning Performance Agreements (PPAs) that HBF was pleased to contribute towards.

The research alighted upon a shared consensus on the purposes of pre-apps, which are to smoothen the application process by frontloading the work and promoting the early identification of constraints; building relationships; and, for LPAs, to raise revenue.

A clear inconsistency of approach was identified, however, between LPAs and even between individuals within the same LPA. Some LPAs offer a more informal service which tends to include a brief email exchange, others provide a more formal service that can include a written response or a structured meeting. Some LPAs offer only an online service and some provide a form that has to be emailed or posted. Respondents expressed the need for the service to be 'user-friendly' and for all information to be accessed in a singular place. There is also a lack of consistency around the cost of pre-apps. Some LPAs categorise the pre-app offer by scale of development, others by floorspace and in some cases fees are determined by the seniority of the officer involved.

The research also identified a range of approaches when it came to the involvement of consultees, which are critical to the processing of all planning applications. In nearly all cases national consultees such as the Environment Agency, Natural England, National Highways and Historic England do not engage in pre-app services with the LPA. It is understood that some consultees offer a formal, paid-for, pre-app service themselves, but HBF contend that it would be preferable for a LPA to be managing this process.

There is further inconsistency around when and how to involve councillors and the general public in a pre-app service.

Finally, the research noted a lack of monitoring and review, with almost all organisations stating that the pre-app process was not monitored.

⁹ <https://www.local.gov.uk/pas/development-mgmt/pre-application-advice-and-planning-performance-agreements-ppas>



In relation to PPAs, the research again revealed a shared consensus as to their role as a project management tool for larger and more complex projects, with the specific aims of reducing timescales; securing dedicated officer time; building relationships; achieving better outcomes; and, again, to raise revenue. Many contributors to the research highlighted that often the main motivation for LPAs to engage in PPAs is for additional income, which can bridle with applicants when the service does not, as is often the case, meet expectations.

There was a general consensus that the PPA service is and should be bespoke to the specific project, but many contributors opined that there needs to be a degree of standardisation so as to encourage a consistency of approach.

As with pre-app fees there is a lack of consistency and transparency across LPAs, although some LPAs do share PPA fees online. The report notes the need for PPA fees to be calculated transparently so as to add rigour to the process and to avoid accusations that costs, as the report notes, are “plucked out of thin air”.

Again, many users of the system expressed frustration that statutory consultees are not involved and that almost no LPA formally monitors the PPA process.

The key overarching barrier to the use of both pre-apps and PPAs was, unsurprisingly, the resources available to LPAs (and HBF is aware that some LPAs will not entertain a PPA, regardless of the size of the fee, because of the lack of officers available to service it), but it was highlighted too that the perception of the pre-app process is poor. Agents advised that clients are happy to pay for a pre-app service if it added value, but the research found that some felt the process was not always “worth it” and that it was quicker and more cost-effective to utilise the “free-go” application once an initial application had highlighted issues of substance.

HBF members frequently highlight that pre-app discussions often do not provide a substantive, definitive view from the LPA (where consultees, for example, might offer conflicting advice) and where definitive advice is offered it can change if, for example, a different case officer takes on an application once submitted.

Out with the PAS research, HBF is aware of some positive initiatives that have been shown to add value:

- Tunbridge Wells and Uttlesford Councils are examples of LPAs that have offered early presentations of a proposal to the planning committee, local councillors and parish councillors so as to highlight key areas for consideration;
- The Greater Cambridge authorities offer a structured PPA process that includes a Quality Review Panel; and
- Buckinghamshire Council provides a paid for validation review service.



Fundamentally, the determination of a planning application is only the middle third of a process that also includes the need to substantive and meaningful pre-app engagement and, post-decision (and often the signing of a S106 Agreement), the discharge of planning conditions so that work can commence on site.

As PAS has identified, for a variety of reasons the quality of service that LPAs deliver through pre-apps and PPAs can vary greatly, and there is little recourse for applicants where it is substandard. To address this HBF would welcome the provision of firmer advice to LPAs on how to provide effective PPA services. For example, LPAs could:

- Provide a single point-of-contact case officer throughout the entire process;
- Structure fees to align with key milestones;
- Work towards ensuring that this individual is a planner directly employed by the LPA rather than an external consultant;
- Make use of multi-party PPAs where the timely processing of an application depends on consultees; and
- Monitor the outcome of PPAs.

It is considered especially important to monitor whether the advice given in the course of a PPA is in line with decisions made. Such advice, HBF contends, should be material to the determination of a planning application.

It is also considered important that fees accrued by way of PPAs provide genuinely additional capacity and resource for those paying for it such that maintaining a PPA commitment is not at the expense of other applicants paying a standard fee.

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

Yes. This seems entirely sensible.

Question 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?

Yes. It seems strange to contemplate initially the notion that additional income arising from a fee increase would not be ringfenced for spending within a planning department, but when one considers the continuing pressures on local authority budgets it is not hard to imagine the pressure to divert this new revenue to other statutory services like social care. As a point of principle though, the development industry and indeed anybody making a planning application (especially those who do so regularly) will expect all planning fee income to be ringfenced for planning purposes and not just the additional income arising from the proposed increase.



Three perennial questions are raised in contemplating the issue of ringfencing though. The first is how such ringfencing can be achieved. As the consultation material notes past increases have required only a written commitment from LPAs in advance of implementation and it would be interesting to see how effective that mechanism has been. The second is what constitutes spend on planning. The third is what is to stop a commensurate reduction in the planning revenue that comes from central local authority budgets such that the planning budget is maintained whilst increasing spending on other statutory services like social care.

Two answers suggest themselves in response. First, and as stated, whilst ringfencing should be supported as a point of principle, the continued deficit in the provision of development management services; the clear and compelling need for planning teams to undertake non-statutory and non-fee generating activity; and the ongoing pressure on local authority budgets all make the case to put the resources available for all planning functions on a long term, self-sustaining basis. Secondly, and relatedly, that case would be made more forcefully if each planning team was being led by a chief planner reporting directly into an authority's chief executive.

Fees for retrospective applications

Question 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?

Where a retrospective application has been triggered as a result of an enforcement notice being served a higher fee may act as a deterrent to undertaking unauthorised development, but, at the same, a much higher fee may act as a disincentive to regularise the matter at hand. An increase of 50% might strike a more appropriate balance.

Removal of the 'free-go' for repeat applications

Question 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

(c) Retained.

'Free go' applications might not be necessary as part a coherent and operationally functional planning system, but are a very important component of the UK planning system.



The consultation material suggests that there remain instances where a free-go is used as a substitute for pre-application discussions, but the experience of HBF members is that, for the most part and as part of an ever-growing trend, substantive, prompt and reliable pre-application advice is very difficult for applicants to secure. The ability to withdraw an application so as to make an amended one to address issues that do arise post-submission means that a LPA can protect performance targets and an applicant can still secure approval locally without the need for a potentially costly and lengthy appeal. Even if substantive, prompt and reliable pre-application advice is received there will almost always be unforeseen issues or changes of circumstances that arise on the part of both LPA and applicant and a 'free go' affords the ability to deal with them.

The consultation material states that the basis of this proposal is to encourage applicants to engage in pre-application discussions, but, as stated, it is more often than not the case that despite a desire from the outset for pre-application discussions they end up either being not worth the time or the cost (or most likely both). The HBF would suggest, therefore, that the ability to make a free-go application is not withdrawn until substantive, prompt and reliable pre-application advice is available as the norm rather than the exception.

It is noted, as the consultation material recognises, that LPAs transact the 'free go' application for, literally, free, but such applications by their very nature are often only very slightly different and the substantive issues will already have been explored and resolved. Any such costs, it could be contended, will be dwarfed by those faced by a LPA when having to defend unnecessary refusals at a subsequent appeal, notwithstanding the additional burden placed upon the Planning Inspectorate, which highlighted in December 2022 the need for issues to be resolved locally¹⁰.

Introduction of a prior approval fee for the permitted development right allowing development by the Crown on a closed defence site

Question 10. Do you agree that a fee of £96 (or £120 if the proposed fee increase comes forward) should be charged for any prior approval application for development by the Crown on a closed defence site?

HBF offers no comment.

¹⁰ <https://www.gov.uk/government/news/performance-update-december-2022>



Local planning authority capacity and capability

Increasing resources in the planning system - Supporting the resilience, capacity and capability of local planning authorities

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

A 2019 RTPI study¹¹ revealed widespread concern that experienced leadership was lacking in senior public sector planning roles in England and Wales, where it is especially difficult to retain and recruit senior planning officers of high calibre. It was noted that LPAs restructuring in the face of significantly reduced budgets has exacerbated the issue, with many senior staff accepting retirement and redundancy packages. Participants in the study noted that this under-supply of experienced planners has resulted in some LPAs promoting staff to positions for which they might not have the requisite experience.

One of the primary reasons identified in the study for the difficulty LPAs face in securing high-quality leadership is that the private sector simply represents a more promising career path than the public sector. A prevalent view was that consultant planners were more highly regarded in the sector than their public sector counterparts. Consultancies were viewed as more likely to recruit on merit, not need, more fully supported professional training, and were seen as valuing staff's professional membership more highly. Contributions from young planners to the study suggest a relative indifference within the public sector to professional training.

Skills relating to urban design, arboriculture, listed buildings, heritage, flooding, sustainability, EIA and SEA were highlighted by a 2019 PAS¹² survey of planning departments.

A 2022 survey¹³ of LPAs on behalf of the Association of Local Government Ecologists concluded that only 5% of respondents have the ecological resource (including in-house and external sources) is adequate to scrutinise all applications that might affect biodiversity. The remaining 95% reported that they have no or very limited capacity to ensure most, if not all, applications are assessed by an ecologist.

¹¹ <https://www.rtpi.org.uk/media/2005/servingthepublicinterest2019.pdf>

¹² <https://www.local.gov.uk/pas/our-work/gdpr-data-and-surveys/survey-planning-departments-2019>

¹³ <https://www.alge.org.uk/wp-content/uploads/sites/15/2022/06/ALGE-ADEPT-Report-on-LPAs-and-BNG-2022.pdf>



Question 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?

Capacity could be created within LPAs by reducing existing burdens on the system such as:

- A simple, streamlined national validation checklist;
- A simple, streamlined process for amending existing permissions (as opposed to submitting changes that result in a new permission);
- Addressing technical issues such as water efficiency, building fabric, renewable energy, and fire prevention through building regulations and not planning;
- Seeking to avoid appeals by introducing a 'cooling off period' if a committee is minded to make a decision contrary to an officer recommendation;
- Addressing issues such as water neutrality or recreational pressure under Environment Agency / DEFRA regimes or regulations; and
- A national scheme of delegation that, for example, sets a much higher threshold for applications on allocated sites or reserved matters submissions being determined by a planning committee.

Capability could be enhanced within LPAs departments by, for example:

- Increasing bursaries for day-release degree / post-graduate education, as well as degree apprenticeships; and
- Creating hubs of specialists on broader geographies (perhaps based, for example, on devolution arrangements) to support LPAs where required.

The public sector has to be made a more attractive place for planners to progress their careers. It is striking, for example, that planners who believe they are underpaid is close to twice the proportion in the public sector as it is in the private sector¹⁴. This is an issue of pay grades, of course, but also of working conditions (consultants are not expected to bring their own tea and coffee into an office) and of the standing and perception of the profession. A positive 'public information' campaign to raise awareness of the role and value of planning and the professionalism of planners may help to counter the misinformation that can undermine the integrity of both the system and the profession.

¹⁴ <https://www.theplanner.co.uk/2023/03/16/news-report-plannings-people-problems>



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

HBF would support attempts to understand the barriers that under-represented groups, particularly ethnic minorities, face in entering or progressing in the planning profession.

RTPI¹⁵ studies on women and planning have found that a majority of women feel at a disadvantage in workplaces that overwhelmingly reflect 'masculine' cultures and norms of behaviour, and that this is having a tangible effect on their careers. Results suggest that women are particularly at risk of discrimination when returning from maternity leave and when opportunities for promotion arise in their workplace. Respondents also said that some employers merely pay lip service to equality in the workplace – perhaps as a way of making themselves look like a modern, progressive employer, and that sexism is often accompanied by ageism, racism and discrimination on grounds of sexual orientation.

The recommendations arising from this work include, amongst other things, the closer monitoring of office culture; testing unconscious bias during interview processes; the setting up of a safe, confidential, and professional system for reporting sexist behaviours; encouraging mentorship and networking activities; implementing flexible working; improving support around maternity leave; better pay transparency; and dedicated diversity and inclusion teams or members of staff.

These recommendations apply to gender inequality within planning, but many would also improve the experience of ethnic minorities within the profession.

Local planning authority performance

Tightening the Planning Guarantee

Question 14. Do you agree that the Planning Guarantee should better mirror the statutory determination period for a planning application and be set at 16 weeks for non-major applications and retained at 26 weeks for major applications?

No. The consultation material states that the government is only prepared to introduce fee increases if planning performance also improves. It seems strange, therefore, to propose doubling the statutory determination period for minor applications and retaining it as is for major applications and not to at least consider reducing both.

The Planning Guarantee might perhaps include a sliding scale for fee returns such that a portion could be able to be reclaimed if a major application has not been determined in 13 weeks (out with performance agreements) and all of the fee could be returned if a determination has not been made within 26 weeks.

¹⁵ <https://www.rtpi.org.uk/research/2021/march/women-and-planning-part-ii/>



It should be stated that the priority of HBF members is timely decisions and not the ability to reclaim a fee, but the Planning Guarantee does provide a useful check and balance within the system.

Extension of time agreements and Planning Performance Agreements

Question 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?

Yes. HBF members will factor in at least a year to secure planning permission for even relatively modest-sized developments and even sites such as local plan allocations that should be uncontentious in terms of the principle of development. The notion then that such an application could be considered as having been determined within a statutory period because an applicant was faced with either agreeing to an extension of time or a refusal masks the operational disfunction alluded to previously.

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

(a) Major applications

Yes.

(b) Non-Major applications (excluding householder applications)

Yes.

(c) Householder applications

Yes.

(d) Discharge of conditions

Yes. It is vital to acknowledge the role that this function plays in the ability for applicants to get on site and implement consents. The determination of the application itself to the point of issuing a decision notice is only the middle third of the development management process between pre-app advice and satisfying post-consent conditions. Performance metrics and fees that continue to focus on that middle third will not make a substantive difference to outcomes and the service that applicants need and expect.

(e) County matters applications

Yes.



Broadening the planning performance framework

Question 17. Do you consider that any of the proposed quantitative metrics should not be included?

No. They are all considered to be important.

Question 18. Are there any quantitative metrics that have not been included that should be?

HBF would suggest merit in monitoring the following timeframes:

- Validation;
- Resolution at committee to signing Section 106 Agreements;
- Time to respond to requests for pre-app advice;
- Response speed of statutory consultees; and
- The length of time taken for the Secretary of State to decide a called-in application.

Measuring customer experience

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

Yes. Disgruntled applicants who have just had an application refused might not offer the most objective opinion on the performance of a planning team, but it could be possible to capture the difference between a casual user's expectation of the planning service relative to the actual experience.

HBF members that are frequent applicants within a particular area, often for multiple major projects, will always be agreeable to offering constructive feedback with the aim of continually improving processes and performance.

An important qualitative metric could be the substantiveness of pre-app advice the extent to which that advice was material to the ultimate determination of a subsequent planning application.

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

HBF is aware that Doncaster Council¹⁶ provides an annual 'Planning Performance Report' that includes details relating to performance on pre-apps, timescales to determine applications, the number of applications received, validation timescales, query response times and customer satisfaction.

¹⁶ <https://www.doncaster.gov.uk/services/planning/planning-performance-and-customer-feedback>



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

It is suggested that more transparency and visibility around planning functions could increase both performance and engagement. For example, LPAs could publish an annual report of costs associated with local plan preparation and planning appeals, alongside requirements to provide details of S106 Agreement and CIL receipts and infrastructure delivery programmes to which they relate.

Greater community engagement could also be delivered through a process that attaches greater weight to engagement during the pre-app process. For example, the Statement of Community Involvement could evolve into a Statements of Common Ground (as in an appeal process) whereby the LPA and applicant identify where agreement has been reached with consultees and other stakeholder and which areas need focusing on during the application process.

Question 22. Do you have any views on the implications of the proposals in this consultation for you, or the group or business you represent, and on anyone with a relevant protected characteristic? If so, please explain who, which groups, including those with protected characteristics, or which businesses may be impacted and how. Is there anything that could be done to mitigate any impact identified?

HBF offers no comment.

