

# READING BOROUGH COUNCIL

## REPORT BY DIRECTOR OF ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES

<b>TO:</b>	<b>PLANNING APPLICATIONS COMMITTEE</b>		
<b>DATE:</b>	<b>29 MARCH 2023</b>		
<b>TITLE:</b>	<b>CONSULTATION ON INCREASING PLANNING FEES AND PERFORMANCE</b>		
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### 1. PURPOSE AND SUMMARY OF REPORT

- 1.1 To advise Committee of consultations currently underway on proposals by Government, which if carried forward will impact on the planning service. There is also a consultation on proposed changes to the General Permitted Development Order (the GPDO) covered in a separate report.
- 1.2 Officers consider that these proposed changes are of interest to the public and councillors and this report provides a summary of the proposals with a draft of officer responses (Appendix 1).
- 1.3 Committee is asked to note the contents of this report and to endorse the responses proposed by Officers.

### 2. RECOMMENDED ACTION

- 2.1 That you note the report,
- 2.2 That you endorse the officer responses as set out in appendix 1.

### 3. BACKGROUND

- 3.1 Views are sought on proposals to increase planning fees and to improve the performance of local planning authorities. The consultation lasts for 8 weeks and began on 28 February 2023 with a closing date of 25 April 2023. The consultation paper describes how all users of the planning system should experience a quality and timely planning service. It also describes how feedback from different sources make clear that problems with performance stem from inadequate resources and capability.
- 3.2 In summary the consultation seeks comment on proposals to:
  - increase planning fees by 35% for major applications and 25% for all other applications
  - additional fees for bespoke or 'fast track' services
  - make an annual inflation-related adjustment to planning fees
  - ring-fence additional fees income
  - double fees for retrospective applications
  - remove the 'free-go' for repeat applications
  - introduce a prior approval fee for the permitted development right allowing the Crown to develop sites within the perimeter of a closed defence site
  - build planning capacity and capability within local authorities, including challenges in recruitment and retention, and how these can be addressed
  - reduce the Planning Guarantee from 26 weeks to 16 weeks for non-major applications
  - improve the quality of the local authority planning service by the monitoring of more performance measures.

- 3.3 The consultation also seeks views on providing local planning authorities with additional and trained resources and other technical specialists to increase capacity and capability in the planning system as quickly as possible.
- 3.4 There is a stick with the increased fee carrot however as the government is only prepared to introduce fee increases if planning performance also improves. The consultation proposes a new approach to how the performance of local planning authorities is measured using a broader set of quantitative and qualitative measures.

### **Planning fees**

- 3.5 The paper acknowledges that planning application fees rarely cover the costs to the local planning authority of processing applications. It is estimated that the overall national cost of the planning application (development management) service is approximately £675 million annually. This is significantly more than the income received from planning fees (approximately £393 million). The consultation paper estimates that even with the proposed increased planning fees would still represent less than 1% of the total development cost. Nevertheless, the paper seeks views on whether the 25% increase should also be applied to householders.
- 3.6 In addition to the % increase application fees (see table at Appendix 2 for current and proposed fees) the consultation seeks views on doubling planning fees for retrospective applications. The aim being to discourage unauthorised development and thereby reduce the enforcement work associated with these. Views are also sought on stopping free second goes.
- 3.7 The gap between fee income and cost of service is being met from Local Authority funds and some discretionary fee income sources such as payments for pre-app and administration services. The paper also describes the other tasks carried out for no charge, such as, enforcement activity, dealing with listed building applications and assessing proposed local plan site allocations. The paper considers local planning authorities' ability to charge for bespoke or additional services as long as these charges do not exceed the cost of providing the service. The intention is to retain these alternative sources of income and ideas are sought on other income generating services.
- 3.8 The paper discusses the purpose of planning application fees, which is to enable a local planning authority to perform the statutory function of processing planning applications. However, planning budgets are not ringfenced which means that planning fees can be diverted to support wider corporate budget priorities rather than be reinvested to support improved planning service delivery. Views are sought on whether the additional income arising from the proposed fee increase should be ringfenced.

### **Capability**

- 3.9 The consultation paper refers to a survey of local planning services in 2021 (see link below) when more than half of respondents identified difficulties in recruiting principal planners. In addition, the survey identified a significant shortfall in specialist skills particularly in viability, digital, design, conservation and heritage, climate change and ecology.
- 3.10 A cross-sector working group with representatives from local government, the private sector and professional bodies has been created to design and deliver a programme of support to build capacity and capability strategy across local planning authorities. The consultation paper seeks views and experience on current challenges in recruiting and retaining planning professionals.

### **Local planning authority performance**

- 3.11 The paper describes how feedback from developers suggests that the time taken to get a planning application decided consistently takes much longer than the statutory period. Extension of time agreements are currently accepted when assessing a local planning authority's performance for speed of decision-making. It is now proposed to amend this by only including the number of applications that are determined within the statutory determination periods, 13 weeks for Major Applications or 8 weeks for all others (16 weeks for applications with Environmental Impact Statements). It is also proposed to reduce the Planning Guarantee period for non-major applications from 26 to 16 weeks.

- 3.12 The paper also seeks views on different ways of considering planning performance by looking at other metrics than the current two - speed and quality (measured by appeal decisions). The paper lists possible quantitative metrics that could be used. See table at Appendix 3.
- 3.13 Finally, the paper seeks views on introducing a qualitative measure through a 'customer experience' metric. A customer satisfaction survey is suggested which focuses on the overall quality and timeliness of both the pre-application service and the decision-making service. It could also be used as a measure for community engagement, including the volume and diversity of people who participate in the planning application process.

#### **4. IMPLEMENTATION**

- 4.1 The intention is to introduce the fee increase by this coming summer 2023 with a further review no later than three years following implementation. However, the paper also seeks views on a proposal to introduce legislation for all planning fees to be adjusted annually in line with inflation. The paper suggests that further consultations would be needed before changes to performance assessments are introduced. No date for implementation given.

#### **5. OFFICER COMMENTARY ON THE CHANGES**

- 5.1 The officer responses to the questions posed in the paper are provided at Appendix 1. Where applicable reasons are given for the answers provided.
- 5.2 Overall, officers are relieved that finally planning application fees are to be increased after a 5 year pause in what used to be an annual review. We also welcome being able to comment on other sources of income, such as charging for second applications and encouraging applications to be submitted before works begin by charging extra for retrospective applications.
- 5.3 Officers have suggested that free second goes could still be offered when a pre-app service has been used to encourage the take up of pre-app and stop the loop-hole of using a first application to get planning advice when it is refused or recommended be withdrawn by the officer. Officers have also questioned why Listed Building Consents are free when the work involved requires specialist advice and local authorities are required to pay for publicity in local papers.
- 5.4 Officers however are not happy with the move to discourage the use of extensions of time, which would be the outcome of changing the performance measurement as proposed to decisions within either 8 or 13 weeks for majors. It is not always officers who ask for extensions of time but developers also welcome being able to continue to negotiate rather than having to withdraw or receive a refused decision or a decision with complicated pre-commencement conditions. This change would be more severe if the free second application was also to go.

#### **6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

- 6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 6.2 The proposed changes to application fees will not affect the physical construction of buildings or their environmental performance and it remains to be seen if the support for specialist advisors, which would include those engaged on improving environmental and climate performance of new developments.

#### **7. CONTRIBUTION TO STRATEGIC AIMS**

- 7.1 The processing of planning applications efficiently and effectively contributes to the themes of the Council's Corporate Plan:
1. Healthy Environments
  2. Thriving Communities
  3. Inclusive Economy

## 8. COMMUNITY ENGAGEMENT AND INFORMATION

8.1 The consultation paper proposes performance measures that rely on engagement with the public on the performance of the planning service. Officers welcome this move as being a genuine way to assess how all customers of the planning service feel we are doing.

## 9. EQUALITY IMPACT ASSESSMENT

9.1 Where appropriate the Council must have regard to its duties under the Equality Act 2010, Section 149, to have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

9.2 There are no direct implications for these duties arising from the consultation paper.

## 10. LEGAL IMPLICATIONS

10.1 No direct legal implications.

## 11. FINANCIAL IMPLICATIONS

11.1 The proposed increase of fees, if applied to the current 22/23 income from planning applications, would have resulted in an increase of approximately £450k. Added to this would be fees for resubmissions and increased fees for retrospective applications. The outcome of the consultation will determine if any uplift in income will be ringfenced to be reinvested in the planning service.

22/23	Current Majors Fee £	Current Others Fee £	Total Current Fee £	Majors Fee £ (+35%)	Others Fee £ (+25%)	Total With fee increase £
Q1 April - June	124,030	65,166	189,196	167,440	81,457	248,897
Q2 July - September	164,637	54,893	219,530	222,259	68,616	290,875
Q3 October - December	163,995	55,716	219,711	221,393	69,645	291,038
Q4 January - March	24,112	88,925	113,037	32,551	111,156	143,707
<b>Totals</b>	<b>476,774</b>	<b>264,700</b>	<b>521,763</b>	<b>643,643</b>	<b>330,874</b>	<b>974,517</b>

Background papers:

[Increasing planning fees and performance: technical consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/increasing-planning-fees-and-performance-technical-consultation)

[survey of local planning authorities in 2021](#)

## **Appendix 1 – Questions posed and Draft Officer Responses**

Question 1. Do you agree that fees for planning applications should be increased by 35% for major applications? Yes/no/don't know. Please give your reasons.

**Answer: Yes. Research shows the gap between fee income and costs to LPA.s processing applications but also how small the application fee is in terms of the cost of most developments and the enhanced value to property arising from the granting of planning permission.**

Question 2. Do you agree that the fee for householder planning applications should be increased by 25%? Yes/no/don't know. Please give your reasons.

**Answer: Yes. Research shows the gap between fee income and costs to LPA.s processing applications and how small the application fee is in terms of the cost of most developments and the enhanced value to property arising from the granting of planning permission.**

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/no/don't know. Please give your reasons.

**Answer: Yes. Research shows the gap between fee income and costs to LPA.s processing applications but also how small the application fee is in terms of the cost of most developments and the enhanced value to property arising from the granting of planning permission. For this reason, Reading Borough Council believes there is a case for increasing the fee for all new residential development by 35%. A 10% reduction for sites with less than 10 dwellings might lead to sites being parcelled up to take advantage of the saving.**

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?

**Answer: Yes. There is currently no fee for applications for Listed Building Consent. However, regulations require that these applications are publicised in the local paper and the assessment of most proposals requires specialist advice from an experienced and qualified consultant or officer. Gaining Listed Building Consent for works can greatly enhance the value of a Listed Building therefore it is not unreasonable for the applicant to share some of these costs.**

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?

**Answer: No examples to offer.**

Question 6. Do you agree with the proposal for all planning fees to be adjusted annually in line with inflation? Yes/no/don't know. Please give your reasons.

**Answer: Yes.**

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/no/don't know. Please give your reasons.

**Answer: Yes. As identified in the research LPA.s are being encouraged to embrace using new technologies and digital working. This will cost more money. Also instructing specialists to provide expert advice to meet a reduced timetable for deciding a planning application, if performance measures are changed as proposed.**

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? Yes/no/don't know.

**Answer: Yes. The argument given in the paper is to ease the burden on planning enforcement, but it is our experience that retrospective applications arise from other reasons. For example, when householder is selling a property without proof that permission was granted or was not required (permitted development) for works carried out. The vendor usually wants the decision quicker than**

**8 weeks. Therefore, Reading agrees with the principle of doubling the fee for retrospective applications but suggests that it should apply to householders too.**

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

Please give your reasons.

**Answer: d) Reading Borough Council believe that:**

- **if no pre-app was sought before the original application was submitted there should be no free second go**
- **if pre-app was sought before the original application was submitted applications resubmitted within 6 months of a decision or confirmation of application being withdrawn (currently it is from date of submission for withdrawn applications) should be free. Thereafter full fee payable.**

**Reason for this approach is that we are aware that some applicants use the free second go as an alternative to seeking pre-app. Officers end up providing the advice on what needs to be done to make an application acceptable in policy terms in their officer report and/or reasons for refusal either. It is a loophole in enabling LPA.s to generate income.**

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? Yes/no/don't know

**Answer: Yes**

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

**Answer: LPA.s once typically employed full or part time expert advice on conservation/historic buildings, ecology, landscape, sustainable development, legal advice, retail impact, urban design etc. Most, to manage tightened budgets now either contract in expert advice when needed or share an expert with other authorities. This sounds sensible but can lead to delays in receiving the advice needed and with officers having to join a long queue of other officers to get the advice they need. It does not help with efficient working and improved performance.**

**Assistance to employ in house expertise would be welcome or to run courses on specialisms to enable planning officers to be competent at specialist areas and to build up in house knowledge.**

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? Please provide examples of existing good practice or initiatives if possible.

**Answer: See above reply to Q11.**

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

**Answer: Whilst Reading's Planning team is broadly well represented across those groups that are nationally under-represented, there remains more work to do in presenting Planning as a career for all. The council have a good relationship with both the University of Reading and Reading College who are both feeding into the national talent pool. Officers have recently been approached to engage with students to allow them opportunities to be involved in the Planning and design approach for the LUF schemes the council was successful in receiving funding for and we hope this will help be a catalyst for some local interest in careers in Planning. Nationally, the council would like more engagement in primary and secondary education streams, such as the STEM programme which has resulted in British Science Week being a focus for schools – the built environment is an important extension of STEM and therefore schemes to encourage practical involvement in Planning would be welcome.**

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? Yes/no/don't know. Please give your reasons.

**Answer: No. Leave the PG at 26 weeks for all types of applications. Minor applications can be just as complicated as Major applications.**

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/no/don't know. Please give your reasons.

**Answer: No. It is our experience that most applicants are very content with the ability to negotiate an extension to the determination date, particularly when additional expert advice is needed for a proposed development that in most other respects is acceptable. The alternative would be for the LPA to determine the application but with complicated pre-commencement planning conditions (something we are meant to be trying to avoid) or to refuse the application for the applicant having failed to demonstrate all is acceptable or the applicant withdraws the application. This will be even less popular if the proposed removal of the 2<sup>nd</sup> application free go also gets deleted.**

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

- (a) Major applications - **Yes** / no / don't know
- (b) Non-Major applications (excluding householder applications) - **Yes** / no / don't know
- (c) Householder applications - **Yes** / no / don't know
- (d) Discharge of conditions - **Yes** / no / don't know
- (e) County matters applications - **Yes** / no / don't know.

**Question 17. Do you consider that any of the proposed quantitative metrics should not be included? Yes/no/don't know. Please give your reasons and, if appropriate, state the metric letter(s) and number(s) that you believe should not be included.**

**Answer: F.** Applications decided by Planning Committee not relevant as long as decisions are still being made within agreed time frames. The second metric is not a measure of performance.

**Question 18. Are there any quantitative metrics that have not been included that should be? Yes / no / don't know. Please indicate what additional quantitative metrics you consider should be included.**

**Answer: No others suggested.**

Question 19. Do you support the introduction of a qualitative metric that measures customer experience? Yes/no/don't know. Please give your reasons.

**Answer: Yes. Gathering data from customers on their experience is a very useful way to truly understand how a planning service is performing. Speed of decisions is not a great indicator if the customer feels that they have not been listened to.**

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

**Answer: Irrespective of the decision reached how satisfied were you with how you were dealt with by officers dealing with your application?**

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

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?

**Answer: No views on the implications for anyone with a relevant protected characteristic.**

**Appendix 2 – Current and new fees if increases as proposed are introduced**

<b>Application</b>	<b>Current fee</b>	<b>Proposed fee (35% major applications, 25% all other applications)</b>
Prior Approval	£96	£120
Householder	£206	£258
Non-major	£462 per dwelling or per 75 sqm of non-residential floorspace	£578 per dwelling or per 75 sqm of non-residential floorspace
Major 10 to 50 dwellings and commercial non-residential between 1,000 and 3,750 sqm of floorspace	£462 per every dwelling or every 75 sqm of non-residential floorspace	£624 per every dwelling or every 75 sqm of non-residential floorspace
Major Majors	£22,859 + £138 for each additional dwelling in excess of 50 dwellings or additional 75 sqm in excess of 3,750 sqm up to maximum of £300,000	£30,860 + £186 for each additional dwelling in excess of 50 dwellings or additional 75 sqm in excess of 3,750 sqm up to maximum of £405,000



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