

# Agenda Item IMD8

## INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: IMD 2023/08

<b>TITLE</b>	Response to Government Consultation on Stronger performance of local planning authorities supported through an increase in planning fees
<b>DECISION TO BE MADE BY</b>	Executive Member for Planning and Local Plan - Lindsay Ferris
<b>DATE, MEETING ROOM and TIME</b>	19 April 2023 LGF3 at 1.00PM
<b>WARD</b>	None Specific;
<b>DIRECTOR / KEY OFFICER</b>	Director, Place and Growth - Simon Dale

### **PURPOSE OF REPORT (Inc Strategic Outcomes)**

To consider the council's response to the Government consultation: Stronger performance of local planning authorities supported through an increase in planning fees (February 2023).

### **RECOMMENDATION**

That the Executive Member for Planning and Local Plan agrees that Wokingham Borough Council submit the comments contained in Enclosure 1 as this Council's response to the Government consultation on: Stronger performance of local planning authorities supported through an increase in planning fees (February 2023).

### **SUMMARY OF REPORT**

The Government has published the consultation: Stronger performance of local planning authorities supported through an increase in planning fees (February 2023). The consultation runs for 8 weeks from 28 February 2023 to 25 April 2023. The consultation documents are available to download from the GOV.UK website.

The consultation seeks views on three principal areas:

1. The proposed level of fee increases;
2. How capacity, capability and people from underrepresented groups could be increased; and
3. Proposed performance metrics which need to be met in order to charge these increased fees.

The consultation invites comments on 22 specific questions. Recommended responses are provided in Enclosure 1 to this report.

## **Background**

Planning application fees are set by the Government and were last increased in January 2018. The Government recognizes that the Planning system does not function as it should due to an absence of adequate resources and capability. The Government recognizes the need to address this to maximise the benefits of the planned changes in the Levelling Up and Regeneration Bill.

Through the Levelling Up and Regeneration Bill, the Government intends to take powers to apply a more consistent, streamlined and digitally enabled approach to the way planning applications are made, which is proportionate to the scale and nature of the development proposed, to ensure faster and better decision making.

The aim is that these changes will create a more consistent, streamlined and digitally enabled approach to the way planning applications are made and processed, as well as increasing the opportunities for communities to engage. In advance of this, the Government has a threefold strategy for addressing existing and future resource demands on local planning authorities: 1) Financial support through increasing major application fees by 35% and all other fees by 25% along with further annual increases in line with inflation 2) building capacity and capability in the planning system and 3) improved performance.

## **Business Case (including Analysis of Issues)**

As set out above, the consultation seeks views on three principal areas:

1. The proposed level of fee increases;
2. How capacity, capability and people from underrepresented groups could be increased; and
3. Proposed performance metrics which need to be met in order to charge these increased fees.

Recommended responses to the 22 specific questions set out in the consultation document is provided in Enclosure 1 to this report. An overview of several of the more significant proposed changes are set out below. The consultation also asks whether the income generated through planning application fees should be ringfenced for spending within local authority planning departments.

A summary of the proposed fee changes is set out below, along with the proposed performance metrics. However, there is a lack of detail around what the actual metric targets would be.

### **Fees**

- Increase major application fees by 35%
- Increase other application fees by 25%
- Increase fees annually in line with inflation
- Double fees for retrospective applications
- Removal of “free go” for repeat applications

## Performance metrics

- Reduce the Government guarantee (i.e. returning the application fee if it has not be determined) from 26 weeks to 16 weeks for major applications
- Assessing planning application performance without taking into account agreed extensions of time
- Assessing application performance by more types of application rather than the current types of “major”, “minor” and “other” (currently the targets are: 60% of major applications determined within 13 weeks, 65% of minors within 8 weeks and 80% of others within 8 weeks)
- More metrics around: speed, quality of decision making (based on number of appeals dismissed), extensions of time, backlog, planning enforcement and Planning Committee overturns
- Measuring the customer experience

The Council’s Planning Service has struggled to recruit and retain experienced staff and has sought to be innovative in its approach. Ringfencing the increased income would help address these issues and would enable enhanced investment in IT systems enabling greater digitization and opportunities for public engagement. The Council is currently meeting targets and whilst new targets have not been specified it is likely that with more capacity, capability and better IT could meet new targets.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Year 1 - 2023/24	A possible (£260,000) additional income from fee rise	See Other Financial Information section below	Revenue
Year 2 - 2024/25	(£345,000) Plus, a possible uplift from annual inflation increase	See Other Financial Information section below	Revenue
Year 3 - 2025/26	(£345,000) Plus, a possible uplift from annual inflation increase	See Other Financial Information section below	Revenue

\*inflation as calculated by BoE Forecast Summary for February 2023

<p><b>Other financial information relevant to the Recommendation/Decision</b></p> <p>The consultation process is not yet complete meaning the levels of charge increases, the timing of implementation and whether or not this change is implemented at all is not yet certain. The numbers in the table above are based on the assumption the increase will take place from July 2023, which is a best estimate based on the information currently available and assumes that the current number of each type of planning application remains consistent.</p> <p>A significant amount of uncertainty therefore remains around the numbers in the table.</p> <p>It is also important to note that these increases have been built into the MTFP and will therefore not be additional income to the authority over and above what has been budgeted.</p>
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<p><b>Cross-Council Implications</b> (how does this decision impact on other Council services, including property and priorities?)</p> <p>Whilst national planning policy and guidance strongly influence the Council's statutory planning function and other services which involve changes to the use of land or buildings, the focus of these specific proposals have limited impact on the principal use of land or buildings.</p>
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<p><b>Public Sector Equality Duty</b></p> <p>This report relates to proposed changes to the planning system promoted and consulted on by Government, and does not directly relate to actions of the Council. As such an equality assessment has not been undertaken.</p>
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<b>SUMMARY OF CONSULTATION RESPONSES</b>	
<b>Director – Place &amp; Growth</b>	No response
<b>Monitoring Officer</b>	As the decision will be taken in Year 1, Year 1 should be updated to 2023/24. (officer comment – report updated accordingly). Plus, clarification provided to show this is additional income not saving (officer comment – report updated accordingly)
<b>Leader of the Council</b>	No response

<p><b>List of Background Papers</b></p> <p><a href="#">Technical consultation: Stronger performance of local planning authorities supported through an increase in planning fees - GOV.UK</a></p>
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## Enclosure 1: Recommended representation

Q1. Do you agree that fees for planning applications should be increased by 35% for major applications?

Yes.

The fees for major outline applications based on site area should be the same as for major full applications as the same level of work is involved. This may reduce the number of outline applications which would have the following benefits: speed up the delivery of development as the need for a subsequent reserved matters application would be avoided, reduce the work for the LPA as the need for a reserved matters application is avoided, increase certainty for the public as more details of the proposed development are provided at an earlier stage. This may also reduce speculative applications.

Considering increasing fees to recover full costs of the Planning service (see response under Q4 below).

Consider introducing fees for appeals. LPA's incur significant costs through appeals. As a minimum the cost should be the application fee again. The fee should be payable to the LPA. It could be returned if the appeal is allowed.

Q2. Do you agree that the fee for householder planning applications should be increased by 25%?

Yes.

Preferably the fee should be increased more as neither the current fee (£206) nor the proposed fee (£258) enables full cost recovery.

Q3. 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.

The fee for reserved matters applications is too low. Under the current costs regime, once the full fee is paid further reserved matters are only charged at £462. This does not enable full costs recovery given the level of work involved in assessing reserved matters. Each reserved matters should incur a higher fee, even when submitted on the same application. This might deter applicants from submitting outline applications, which are unpopular with the public, given the lack of detail and the speculative nature of some outline applications.

The fee for S73 variation applications is too low (£234). The fee should be the same as a for the original planning application to enable full costs recovery.

Q4. 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?

Consider the introduction of a fee for individuals who put forward their sites for assessment under the local plan process. This could be a one-off fee, for example in line with pre-application advice fees. Whilst this would not be full costs recovery, the wider tax payers should not have to bear the costs of the assessment of sites, which is resource intensive, a level of work which is akin to the advice provided under a request for pre-application planning advice.

Fees should be charged for Tree Work applications and Listed Building applications.

As above, fees should be charged for appeals.

There should be legislation to enable invalid applications to be returned and part of the fee retained to cover the cost of checking the application and explaining why it is invalid. At Wokingham Borough Council some 50% of applications are invalid when initially received. Most of them are submitted by professional agents. The retention of the part fee would encourage agents to make more effort to submit valid applications, given that invalid applications would be a visible cost to their clients. Achieving first time valid applications would speed up the validation process, enable more streamlining and cost reduction.

Q5. 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?

Wokingham Borough Council has not operated any "fast track" services.

Q6. Do you agree with the proposal for all planning fees to be adjusted annually in line with inflation?

Yes.

Q7. 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.

The entirety of fee income should be ringfenced, not just the additional income from proposed increased fees.

Recruitment and retention of experienced staff has been a problem for years. LPAs train graduate planners who then leave to earn more money in private practice. Enhanced salaries and investing in ongoing learning would enable recruitment and retention.

Additional income would enable the employment of more LA planners thus reducing workloads of existing staff improving their health, well being and enjoyment of the job. It would facilitate more engagement with applicants and the public and enhance proposals, resulting in a better quality of development.

The planning system has become increasingly IT dependant. There is a need for all staff to have laptops and phones. There is a need for IT systems which require ongoing upgrades. There is a need for specialist planning/IT staff to maintain and upgrade these systems and ensure a better standard of development in the future.

The planning system is becoming increasingly more complex with more knowledge needed in specialist areas such as sustainability and biodiversity. Ringfencing income would enable LPAs to employ such specialists.

Q8. 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.

The fee for retrospective applications should increase by more than 100%. The fee for retrospective applications for householder development should also be increased. Not only have these applications incurred work by both enforcement and CIL officers but they are usually very controversial, end up being reported to Planning Committee and thereby increase the work of the planning officer.

Q9. 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.

(a) Removed. The validation and processing of a repeat applications involves the same level of work by the LPA as the original application. It should therefore be charged.

Q10. 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.

Q11. What do you consider to be the greatest skills and expertise gaps within local planning authorities?

Lack of experience to process complex planning applications.

Lack of design knowledge and/or inhouse design specialists.

Lack of sustainability and environmental expertise.

Lack of performance management skills.

Q12. 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.

The Government's kickstart programme to help young people into employment following covid was good. Wokingham Borough Council employed two "kickstarters" and they both subsequently became employed on permanent contracts.

Wokingham Borough Council runs an intern scheme for students undertaking degrees which involve a year in industry. A number of interns have come back to work for us as junior planners at the end of their degrees and the Council is able to fund their masters in Planning through the apprenticeship scheme.

Having more capacity would allow LPAs to give more work experience and training opportunities to 16-18 year olds, this would help LPAs to promote planning as a career. Public Practice is a good initiative for bringing qualified, private sector individuals into public sector, but often these are fixed term contracts with limited funding. Additional government funding would enable wider impact.

Q13. How do you suggest we encourage people from under-represented groups, including women and ethnic minority groups, to become planning professionals?

Promotion of Planning as a career in schools.

Q14. 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.

Consider reducing it to 20 weeks.

This would discourage negotiation and lead to more refusals. Complex major applications can take significantly longer given reliance on external bodies such as the Environment Agency and the need to do updated surveys and modelling work. There are capacity issues with external statutory consultees such as the Environment Agency which causes delays for LPAs.

Q15. 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?

No.

This would discourage negotiation and lead to more refusals.

Q16. 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
- (e) County matters applications - Yes



Q17. Do you consider that any of the proposed quantitative metrics should not be included?

It should not be taken for granted that increasing fees will lead to stronger performance.

In the absence of details about specific targets, LPAs cannot be certain how they will perform against these metrics.

There are many uncertainties, for example, LPAs have no control over the numbers of applications submitted. Should numbers go down, income will also go down despite fee increases.

There are uncertainties around future recruitment and retention. Even with higher salaries it may still not be possible to attract sufficient staff to meet targets.

There are other ways to measure performance, for example: value for money.

The backlog and average time to validate a planning application should be clarified. Planning applications are checked very quickly but remain invalid for long periods whilst agents correct information or submit missing documents. This is inefficient and means applications are repeatedly checked when further information is submitted, thus duplicating validation officer workload.

The proposals for measuring enforcement need to be carefully worded. What does "respond" involve? What constitutes taking action? A negotiated outcome is often the best solution and is less costly for a LPA than drafting a notice and defending an appeal. Therefore, measuring cases which are more than 6 months old could reduce negotiated outcomes.

Q18. Are there any quantitative metrics that have not been included that should be?

Consider measuring the number of householder applications determined between 21 and 28 days.

Measure whether LPAs for having Local Validation Lists in place and updated every two years.

Q19. Do you support the introduction of a qualitative metric that measures customer experience?

No.

Those customers who are happy with the decision will respond positively and those disappointed will respond negatively.

Q20. What do you consider would be the best metric(s) for measuring customer experience?

High quality developments where people are happy to live. This could be measured for example through a new homes survey of residents.

Q21. Are there any other ways in which the performance of local planning authorities or level of community engagement could be improved?

Community engagement could be improved through software which enables residents to “sign up” for notifications of new planning applications for example in their area or in their street. This exists but not all LPAs have had the resources to deliver it.

Performance could be improved through simplification of applications. Prior approvals and certificates are difficult to understand.

Q22. 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?

No.