

Local Government Association briefing

Draft Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment) Regulations 2017

House of Commons

13 December 2017



Key messages

- Councils are working hard to deliver the right kind of homes, and are currently approving nine out of ten planning permissions. However, planning departments are severely under-resourced. Taxpayers are subsidising the costs of planning applications by around £200 million a year.
- In order to adequately resource their planning departments, councils need the ability to raise planning fees. We would like to see the approval of the amended Town and Country Planning Regulations 2017, which will enable councils to raise fees by 20 per cent and allow them to charge planning applications fees when permitted development rights have been removed. The Government should urgently implement these regulations.
- Without the approval of these regulations, planning departments are set to miss out on an extra £70 million in the current financial year.ⁱ The Autumn Budget contained measures intended to speed up development, but included nothing to help the resourcing of planning departments, which councils have long called for.ⁱⁱ
- A *further* 20 per cent increase in planning fees should be permitted for all local planning authorities, and not be dependent on nationally-set performance criteria. Alongside this, the Government should test a fair and transparent scheme to give councils the flexibility to set appropriate fees to reflect local circumstances.
- A proactive, well-resourced planning system could do far more to deliver the additional homes the country desperately needs. It could also help to deliver them in ways that meet wider national objectives on infrastructure, public health and the environment.

Briefing

Background information

Fixing the funding shortfall in planning departments

Local government has long argued that local planning authority resourcing is a huge issue, impacting on the ability to deliver the tasks expected of the planning system. Given the strong focus in the Housing White Paper and Autumn Budget on substantial changes to the planning system to increase housing supply, it is more crucial than ever that measures to fund local planning authorities sustainably are put in place.

Councils are working hard to deliver the right kind of homes, and are currently approving nine out of ten planning permissions. However, LGA analysis earlier this year showed that taxpayers are subsidising the cost of processing planning applications at a rate of around £200 million a year, and will reach £1 billion by 2022. Councils face an overall funding gap of £5.8 billion by 2020.ⁱⁱⁱ

Without the approval of these amended regulations, planning departments are set to miss out on up to £70 million in the current financial year. The Autumn Budget contained measures intended to speed up development, but included nothing to help the resourcing of planning departments. The Government published a prospectus for a £25 million Planning Delivery Fund on 4 December 2017.^{iv} This was first announced in the Housing White Paper and will be available to a number of councils who submit a successful expression of interest.

The Government should rapidly progress the commitment in the Housing White Paper to allow councils to increase planning fees by 20 per cent. It is positive that the draft regulations to allow this change were debated and approved in the House of Lords, and they should be implemented as soon as possible. We are also pleased that the Government has enabled councils to charge a planning application fee where they have made a direction withdrawing permitted development rights under article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015.

Provision should also be made for the fees to increase in line with the Consumer Price Index (CPI) of inflation on 1 April every year, starting in 2018. This would bring the Town and Country Planning Fees Regulations in line with the Infrastructure Planning Fees (Amendment) Regulations 2017. These insert a mechanism for fees for development consent for certain types of nationally significant infrastructure projects to be increased annually in line with the CPI. The amended regulations also provide for the level of fees for those types of consents to be generally increased by 50 per cent.

A *further* 20 per cent increase to the Town and Country Planning Fees, which the government have recently consulted on, should be allowed universally for all local planning authorities, and not be dependent on meeting nationally-set performance criteria which risk creating perverse incentives and unintended consequences. Alongside this, Government should test a fair and transparent scheme of local fee setting, giving councils the flexibility to set appropriate fees to reflect local circumstances and achieve full cost-recovery.

The benefits of a well-resourced planning system

A proactive, well-resourced planning system could do far more to deliver the additional homes the country desperately needs. It could also help to deliver them in ways that meet wider national objectives on infrastructure, public health and the environment.

There is evidence which suggests that the recruitment and retention of trained planning officers is also a challenge in local planning authorities.^v To address some of these issues the Department for Communities and Local Government (DCLG) should work with councils, national and local partners to attract and retain the next generation of planners and place-makers. A collective effort on recruitment would increase the capacity of planning services to deliver housing growth.

Planning is an exciting and meaningful profession with a range of career development opportunities that should be better promoted to young people. Assistance in raising the profile of local authority planners as a desirable career and promoting the opportunities that exist for driving forward best practice and innovation, could bring significant benefits in addressing recruitment and retention issues. Initiatives could include building on the approaches adopted by TeachFirst or FrontLine, or the Return to Social Work^{vi} programme run jointly by the LGA, Department of Health and Department for Education.

ⁱ LGA media release, December 2017 (<https://www.local.gov.uk/about/news/development-deadlock-council-planing-departments-hampered-missing-out-ps70-million-lga>)

ⁱⁱ LGA Autumn Budget briefing, November 2017 (<https://www.local.gov.uk/sites/default/files/documents/LGA%20On%20the%20Day%20briefing%20Autumn%20Budget%202017.pdf>)

ⁱⁱⁱ LGA media release, August 2017 (<https://www.local.gov.uk/about/news/taxpayers-subsidise-planning-application-costs-ps1bn-over-next-five-years>)

^{iv} DCLG, Local Government Planning Delivery Fund prospectus (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/664455/Planning_Delivery_Fund_Prospectus.pdf)

^v LGA response to DCLG consultation, 'Planning for the right homes in the right places' (<https://www.local.gov.uk/sites/default/files/documents/091117%20LGA%20response%20planning%20for%20the%20right%20homes%20in%20the%20right%20places%20FINAL.pdf>)

^{vi} Local Government Association, Return to Social Work (<https://www.local.gov.uk/return-to-social-work>)