

Local Government Association briefing

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

House of Lords

6 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 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.ⁱ
- 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 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.ⁱⁱ

Without the approval of these amended regulations, planning departments are set to miss out on up to £70 million in the current financial year.ⁱⁱⁱ 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. The Government published a prospectus for a £25 million Planning Delivery Fund on 4 December 2017. 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.^{iv}

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 are being debated in Parliament, and these should be passed and implemented as soon as possible. We are also pleased that the government has listened to our calls to enable 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.

A further 20 per cent increase, 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.

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 that 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 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 Come back to social work programme run jointly by the LGA, Department of Health and Department for Education.

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

ⁱⁱ 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>)