

Planning Fees and Performance Consultation Team
Planning – Development Management
Department for Levelling Up, Housing and Communities
Third Floor, Fry Building
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London
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By email only:

PlanningFeesPerformanceConsultation2023@levellingup.gov.uk

25 April 2023

Dear Sir / Madam,

Re: Technical consultation – Stronger performance of local planning authorities supported through an increase in planning fees

I am writing on behalf of the London Property Alliance (the “Alliance”). The London Property Alliance is an umbrella organisation for the City Property Association and the Westminster Property Association: membership bodies and advocacy groups for the leading owners, investors, professional advisors and developers of real estate across central London. Lists of the 400+ member companies (300 when combined given approximately 100 are members of both associations) we represent are available [here](#) and [here](#).

The Alliance welcomes the opportunity to comment on the Department for Levelling Up, Housing and Communities’ (‘DLUHC’) consultation in respect of proposals to improve the performance of local planning authorities supported through an increase in planning fees.

In summary, the Alliance is in support of the Government increasing planning application fees, subject to ensuring that this provides genuine and meaningful net additional resource for planning departments. It also suggests that local planning authorities should have the ability to charge fees for listed building consent applications, and that all planning application fees (not just the proposed increase) are legally ringfenced for use by planning departments, given the significant workload of planning departments and the vital role they play as gatekeepers to the delivery of homes, jobs and infrastructure that communities need.

The Alliance fully supports the Government’s focus on how additional skilled resource can be attracted to planning departments, and how performance can be improved to deliver a more streamlined, efficient planning system.

We have prepared our representations in response to the questions set out in the consultation. Not every question is relevant to our response and therefore we have only responded to the questions set out within this letter.

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

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

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.

The Alliance agrees that fees for all planning applications should be increased provided that this is linked to an improvement in terms of the service that is provided by local planning authorities.

Given the need to ensure appropriate resourcing of planning departments, and the time and complexity that can arise from even relatively straightforward applications, including householder and other applications, the Alliance considers that it may be appropriate to increase all fees by 35%, subject to safeguarding this for the use of planning departments.

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?

Currently, no fee is charged for listed building consent applications. In Westminster and the City there are a significant number of listed buildings and therefore the local authorities inevitably have to process a high number of listed building consent applications (in the year ending December 2022 this was 140 for the City of London and 1,529 for Westminster City Council¹). The nature of listed building consent applications often requires a significant amount of resource. Therefore, to ensure that local planning authorities have the proper resource to deal with these applications, **the Alliance suggests that local authorities have the choice to introduce a proportionate fee for listed building consent applications.**

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?

Where there is a demonstrated need for additional resource, **the Alliance is supportive of bespoke or 'fast track' services being provided and charged for by local authorities through Planning Performance Agreements ('PPAs')**. These can help provide clarity for developers and the local authority in respect of timeframes. These can cover pre-application, determination and post-determination / condition discharge phases. The Alliance would encourage any PPA structure and charges to be made transparent and available online to ensure clarity. The net additional resourcing supported by PPAs, and the achievement of agreed timescales, should also be publicised to demonstrate the results achieved by this additional process.

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

We agree that planning application fees should be adjusted annually in line with inflation.

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?

The Alliance considers it essential that any additional income arising from the proposed fee increase should be legally ringfenced for use by local planning departments only to secure net overall increases in funding.

The Alliance also strongly considers that the Government should ringfence the income from all planning application fees (not just the current proposed increase) for use by planning departments. As noted in the Government's consultation document, the funding shortfall for the planning application service is currently estimated to be in the region of £225 million annually. The consultation document also identifies that the sector is under resourced, so if the system is to improve then this shortfall is likely to be considerably more.

¹ Table P124A: district planning authorities - planning decisions by development type and local planning authority (yearly), Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities & Local Government, accessed 6th April 2023

This also just captures development management fees and does not take account of the strategic plan making functions which planning departments perform.

A strong, well operating planning system is vital to the delivery of much needed infrastructure across the country which will deliver homes, jobs and infrastructure needed by communities. It is therefore vital that the planning system is given sufficient resource to deliver these benefits.

Without strong, legal, protections for the funding realised from application fees, PPA income and other similar fees, such as the 5% administration contribution from Community Infrastructure Levy contributions, the Alliance is concerned that fees for planning services will not deliver a well-resourced planning system that can effectively engage with developers, communities and other stakeholders, but will, instead, continue to be used in other, unrelated, areas of local authority expenditure.

This must be legally binding, and not rely on statements of intention / policy.

The consultation document states at paragraph 29 that *“Past fee increases have required a written commitment from all local planning authorities in advance of implementation”*. The Alliance would not support the continuation of a discretionary system as suggested by this paragraph. The lack of resourcing in local authority planning departments is serious and has not been addressed by previous changes to the fee regime. In this context, the Alliance’s strong view is that formal, legally-binding, measures should be put in place to ensure that the increased fee income is secured for planning department expenditure. This should be done in a manner that is transparent and accountable, so that the additional resourcing secured can clearly be tracked to planning teams.

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.**

The Alliance understands the Government’s reasons for reviewing the ‘free-go’ approach. It suggests that this is reviewed separately, later, following the introduction of the proposed fee changes. The removal of the ‘free go’ could potentially be linked to improvements in the determination speed of applications, adherence to PPA timetables, or the effective provision of pre-application advice. If these elements of the system are working effectively, the need to use the ‘free go’ as an alternative to pre-application advice, identified by the consultation as a concern, should be removed.

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?

The Alliance does not agree with this proposal. For complex proposals, often the statutory determination periods are simply not long enough for all matters to be fully addressed and a decision issued (which often needs to take place after a Committee decision and the signing of a Section 106 agreement). **If extensions of times and PPA dates were effectively ignored, we are concerned that local planning authorities would be incentivised to simply refuse development if close to the target statutory determination date, rather than work with the Applicant to find a suitable solution.**

Whilst developers do often engage in thorough and lengthy pre-application discussions, adopting an approach which ignores extensions of time/PPAs will only encourage developers to engage in longer pre-application discussions, thereby not helping to reduce overall timeframes. Whilst clearly it is desirable for all

matters to be addressed and resolved during pre-application discussions, often matters arise during determination which require addressing and local authorities should be able to adapt to this and work together with the applicant accordingly.

The Alliance does, however, consider that accurate information on overall decision-making speed should be published. For example, the average determination speed, from validation to completion of a s106 agreement, for various types of application. This is so that:

- i. developers and others understand the likely actual timescales for decisions; and
- ii. the effect of both resourcing, and the introduction of new policy and procedural requirements on the speed of decisions, can be fully understood and anticipated.

Q16. Do you agree that performance should be assessed separately for:

- (a) Major applications**
- (b) Non-Major applications (excluding householder applications)**
- (c) Householder applications**
- (d) Discharge of conditions**
- (e) County matters applications**

Whilst performance statistics for planning application determination periods can be a useful tool, they are not the only barometer and ignore other elements of the planning process which can take time and cause delay including pre-application discussions, section 106 agreements and any call-in/appeal/JR process. Often the cause of delay is due to an officer workload or limited technical resource within planning departments. Our concern with amending the performance reporting mechanism in place is that this will create an additional burden to local planning authorities without providing benefit. Instead, **we suggest that the focus is spent on how planning departments can recruit and train planners and other technical specialists to ensure that the resource is in place to provide an efficient and responsive service.**

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

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

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

The Alliance agrees with the principle of introducing a qualitative metric for measuring customer experience. **Any such metric should ensure that the additional resource spent from processing the data is outweighed by the benefit provided to the planning department in terms of improved service.**

Forums in which developers, other Applicants and local authorities can meet and discuss issues could be a useful tool for improving the planning system generally (for both Applicants submitting applications and planning departments processing them). We suggest that these are encouraged.

We have also noted, above in response to Question 15, the importance of publishing accurate data on the average determination speed of planning, and related, applications. We suggest that this is more important, and would be more easily achieved without significant additional administrative costs, than the introduction of a separate metric.

Technical consultation – Stronger performance of local planning authorities supported through an increase in planning fees – Response summary

We summarise the points made within this response as follows:

1. We **agree that planning application fees should be increased**, provided that this is linked to an improvement in terms of service delivered by local planning authorities. We suggest that application fees are charged for listed building consent applications.
2. We are **supportive of the use of fast-track, bespoke services such as PPAs**. The structure and fee charge for these services should be transparent and available online.
3. We **strongly consider that the money from all planning application fees should be legally ringfenced for use by planning departments** to aid in providing more resource. We consider that ensuring proper and adequate resource of planning departments is vital to delivering homes, jobs and infrastructure for communities.
4. Any removal/reduction of the 'free go' for planning application fees should be structured so that it is considered separately, later, in the context of performance improvements delivered by additional fees.
5. Whilst we **do not agree that extensions of times and PPAs should be ignored in LPAs' reporting of the speed of decision making, we do consider accurate information on overall determination speeds should be made available**. Often, the statutory time periods are not long enough ignoring bespoke time limits could result in more refusals to ensure decisions are made within an arbitrary timeframe, putting further pressure on pre-application discussions. However, data should be made available on overall determination speeds.
6. Any changes to performance metrics used to assess LPAs should be carefully considered to **ensure that any additional resource used is outweighed by demonstrable benefits in terms of an improvement in service**. Rather than focus heavily on metrics, we suggest that instead there is a **focus on how planning departments can recruit and train planners and other technical specialists to ensure that the resource is in place to provide an efficient and responsive service**.

We would be happy to discuss any of the points raised in this letter further with representatives at the DLUHC.

Yours sincerely,



Charles Begley
Chief Executive – London Property Alliance