



Planning Fees in England: Proposals for Change

Government response to consultation replies



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Introduction

As part of the Planning White Paper package in May, following recommendations by Kate Barker in her report, *Review of Land Use Planning* (2006) and the research subsequently commissioned¹, The Department for Communities and Local Government published the consultation paper *Planning Fees in England: Proposals for Change*. The most urgent issue was the need to increase significantly the income local planning authorities receive from the fees chargeable for planning-related applications.

Consultation closed on 17 August 2007. There were 251 responses, of which 146 were from local planning authorities, six were from governmental agencies, and 100 were from others including businesses, organisations of planning professionals and individuals.

There follows a short summary of comments made about each of the questions posed, with a statement of how the Government intends to act in response.

¹Ove Arup & Partners Ltd with Addison & Associates: *Planning Costs and Fees* (Department for Communities and Local Government, 2007) is on the web at www.communities.gov.uk

Summary of replies

Question 1

a) Do you support a fee increase of 25%?

- Only 27% of respondents agreed with the proposal, compared to 51% who opposed it. However, out of that 51% registering opposition, 39% opposed inasmuch as they felt the 40% increase was a more appropriate response to the gap in local planning authority resources. Almost all local planning authorities felt that 25% was not enough to cover the cost of handling applications.
- Many businesses, on the other hand, felt that any above-inflation increase was unjustified, being unlikely (in their contention) to be accompanied by improvements in the quality of service provided by local authority planning departments.
- 13% of respondents opined that 25% would be an excessive increase. None was a local planning authority or involved with local government.

b) Should householder applications (that is, for works in Fee Categories 6 and 7(a)) be shielded from the full increase and face only a 7.5% increase of £10?

- Of those that answered, 64% opposed this, and only 25% supported it. Many respondents pointed out that householder applications can be just as complex as larger applications and that these applicants should pay for the resources they consume, otherwise the situation was not sustainable.
- Some respondents averred that the hidden subsidy of householders through higher planning fees for others was unfair, especially since house values tend to go up once development has been carried out.

Question 2

Do you support a fee increase of 40% to give more resources to planning?

- 48% were in favour of this, including 75% of the local planning authority respondents. The **London Borough of Hounslow** favoured this option although it pointed out that this would still not represent full cost recovery. **Kingston upon Thames Council** argued that, though this increase would cover costs, it would be too little to guarantee future improvements.
- The vast majority of those opposed to this were Businesses, with only 10% of them supporting this degree of increase. The same reasons were given as for Q.1(a). **Capital Shopping Centres** made clear that any increase of fees to this level must be accompanied by demonstrable improvements in service. **The Confederation of British Coal Producers** said that the rise was unfair given the large increase in 2005.

The Government proposes:

...that, while most planning fees should go up by 25% in April 2008, the cost of householder applications should go up by no more than 11%; that is, an additional £15 per application. Shielding householders in this way will have the effect of bringing the overall fee increase to **23%**.

However, the Government recognises that increases in fees need to be accompanied by improvements in performance. We will be setting out new performance standards shortly when we publish our Departmental Strategic Objectives.

Question 3

What are the likely effects of any changes on you, or the group or business or local authority that you represent? Will there be unintended consequences, do you think?

- Responses to this question were very wide ranging.
- Local planning authorities generally thought that 40% would allow them to maintain current standards/targets but that 25% would not be enough to do this. There were also calls for monies from this increase to be ring-fenced for the planning service – **Chiltern District Council, Elmbridge Borough Council.**
- **Gateshead Council** and others thought this rate of increase was crucial, to make up for the loss of income from Planning Delivery Grant next year.
- **Tandridge District Council** would prefer fees to go up by 62% which is its estimate of the true cost to the council of delivering the Planning Service.
- Increased fees are unjustifiable unless service improves, said the **Association of Consultant Architects.**
- Mineral operators thought removal of cap and fee increases in general did not pay enough attention to their needs – **ATH Resources.**
- Increased fees would have an adverse effect on housing provision which is reliant on new developments – **Berkeley Group.**
- **The CBI** (as distinct from the CBI Minerals Group which also submitted a response) complained that the government simply records the costs of processing applications rather than making the system more efficient and thereby cutting those costs.
- The cost of planning applications for minerals is already considerable. Changes of the magnitude proposed would lead to redundancies plus possibly sterilisation of permitted reserves or site closures. Business may not take place in the UK and this would have serious implications to the adequate and steady supply of minerals for the UK – **WBB Minerals.**

The Government is:

...making a number of recommendations about the extent of fee increases, and will be issuing revised guidance in 2008 to supersede that in DoE Circular 31 of 1992.

Question 4

Performance on development control is currently measured against targets to turn around 60% of major applications within 13 weeks, 65% of minor applications and 80% of other applications within 8 weeks. Given the desire for further service improvement flowing from any fee increase – without perverse incentives – what do you think would be the best form of performance measurement for development control and what should be an appropriate benchmark?

- There should be more emphasis placed on quality of decision rather than simply speed – **Ashford Borough Council** (and many other local planning authorities) and **Astra Zeneca Ltd**. Quantifiable added value should be included, such as better design or community benefits – **Gedling Borough Council**.
- Fees should be adjusted each year in line with inflation in order that targets are met – **Bedfordshire County Council** and others.
- Performance incentives in the form of grants in line with the Housing Green Paper are better than fee increases – **London Borough of Hounslow**.
- Increases are really only playing ‘catch up’ for the loss of PDG grant and so unlikely to lead to improvements in the system – **Runnymede Borough Council**.
- Rigid targets distort LPA behaviour with planning officers more worried about earning financial rewards than quality of decision. Targets should be based upon real outcomes – **ASDA Stores Ltd**.
- Increases must be based upon improvements. The argument that fee increases are needed in order for performance to improve is flawed because money from increases is not ring-fenced – **Biffa Waste Services**.
- **British Aggregates Association** – Consultation document represents a draconian stealth tax on overburdened industry, and does not address fundamental problems with the planning system such as attracting and retaining quality practitioners with relevant expertise in local planning authorities.
- Concerned that fees review does not reflect peculiarities of mineral planning system, which does not need to be altered – **Cemex UK Materials Ltd**.
- Several respondents felt there should be additional fees for retrospective applications.

The Government intends:

...that in April 2008 the Housing and Planning Delivery Grant will replace the Planning Delivery Grant régime. The planning element of the new grant is designed to incentivise the delivery of land for housing, progress in delivering local development frameworks, and joint working by planning authorities. Grant will also reward councils which deliver high levels of housing completions above 0.75% of existing stock.

Nevertheless, the important application-handling performance targets first set up for PDG will be retained as criteria for award of the new grant. The need remains to ensure that local authorities maintain an improved planning service and attract and retain staff of the right experience and quality. To ensure a continuing incentive to deliver on development control, a mechanism will be included to cut Housing and Planning Delivery Grant where an authority's performance in the field of development management falls below the standards set as indicators. This abatement will ensure that a local planning authority is rewarded for achievements across the whole range of planning services, not just for particular aspects of its performance which are linked to specific awards of grant.

Question 5

Are current maximum fees serving any useful purpose?

- 52% of respondents thought the fee cap should be abolished. The main reason given was that often the fee for large-scale applications did not meet the true cost of handling them – **Ashfield District Council** and others. *77% of local planning authorities supported abolition* of the cap, saying that it served no useful purpose.
- 22% of respondents wanted to maintain caps and the main proponents of this were businesses who argued that fees on large-scale projects, particularly mineral plants, were already high enough. There was concern about large scale applications already subsidising householder applications – **Banks Developments**.
- **CBI Minerals Group** – argued that the cost of processing a minerals application is not directly related to the area of the application site, which may offer only shallow extraction and will need to be very large to allow for overburden, landscaping works, etc. The intrinsic value of many extracted minerals per tonne is very low. Smaller minerals enterprises would be especially hard hit. This argument was put forward by most mineral operators who also warned of damaging consequences to the minerals industry in Britain if the proposed fee changes took place.
- Arguments were also made that increases could not be justified when performance had not improved and also that if there were to be increases then the money from that must be hypothecated in order to improve the planning system – **ASDA Stores Ltd**.

The Government accepts:

...that the maximum fee cap should not be abolished entirely, but it should be raised significantly to ensure that the costs of processing very large applications are covered. Accordingly a maximum planning fee of £250,000 (or £125,000 in the case of outline applications) is to be brought in.

However, following cogent representations from the minerals industry and the CBI, the maximum fee for minerals and waste development in Fee Categories 9(a) and 11 is to be held at £65,000. In other words, an increase of only 25%.

Question 6

Do you welcome the proposed fees for discharging of conditions? Do you agree this should not apply to conditions imposed on, say, listed building consents?

- 42% of respondents supported the new payment for discharging of conditions with only 21% against.
- Again local planning authorities broadly supported this idea, seeing it as recognition for complex work which currently goes unrecognised. Planning conditions can generate a lot of work and a fee would give them priority and recognition which resources have not always permitted. This will lead to increased certainty for applicant – **Uttlesford District Council**.
- **British Ceramic Confederation** – This proposal would mean very high fees for relatively small variations. As with many suggestions there was concern that any changes should be accompanied by improved performance.
- **CBI Minerals Group** – feel conditions should be part of the service and there is no need for an additional fee. They also say that conditions should be discussed with planning authorities rather than simply imposing them. They also point out the monitoring fee that minerals operators already pay for checking that conditions have been implemented and feel that paying for discharges would mean they would effectively be paying twice.

The Government proposes:

... to take forward a modification of this idea. There would be a planning fee of £85 (or £25 if related to householder development in Fee Category 6 or 7a) for requests for confirmation that one or more planning conditions have been fulfilled.

Question 7

Will it be useful if the local planning authority can offer a “premium service”?

- The premium service did not receive any significant level of support – LPAs and businesses felt it was not worthwhile. There were concerns about creating a ‘two-tier’ service and the ability of LPAs to offer a premium service when resources were already thin on the ground. **Biffa Waste Services** pointed out that if an LPA received multiple ‘premium’ service applications there would still be the same number of planning officers to handle them. **Bolsover District Council** – agreed that this was true unless money was ring fenced. **Birmingham City Council** – felt the idea should be put on hold until the effect of Planning Performance Agreements (to be introduced in late 2007) was known.

The Government has concluded:

...that this proposal should not be acted upon at present.

Question 8

Currently, central government sets the level for planning fees across England. How do you feel in principle about the idea that each local authority should be able to fix its own (non-profit making) planning charges in future?

- There was not a great deal of support for this, business being generally against the proposal and local planning authorities split. Businesses which trade across the country wanted certainty about what fees they could be charged, and local variation would frustrate this.
- A number of local planning authorities supported the idea in principle but thought that in practice it would lead to inconsistencies and uncertainties – **Chesterfield Borough Council** for example.
- **Haringey Council** – supported local fees as a means of achieving a cost-neutral position. **London Borough of Hillingdon** felt that a locally-set fee would reflect more accurately the cost of processing an application.
- **Hull City Council** was worried about creating competition for development between LPAs. **Arnold White Estates Ltd** and others thought some local planning authorities would deliberately raise fee rates to act as a deterrent to particular types of development. The **Environmental Services Association** thought it would be a more transparent system if national fees remained in place.

The Government has decided:

...there is insufficient support for this at present, but we will consider whether there are ways in the future of dealing with some of the issues raised.

Question 9

Do you have any comment on the outcomes predicted in the partial Regulatory Impact Assessment (RIA), in particular the costs and benefits?

- Several respondents complained that the projections for local planning authority income took no account of the extent to which, when the Town and Country Planning (General Permitted Development) Order 1995 is revised as expected shortly, the number of planning applications for development by householders is likely to fall – eg **Aylesbury Vale District Council**.
- The RIA fails to note that a major reduction in householder applications would have a significant effect in rural areas in particular: a 30% reduction would bring income reduction of £42,403; that is, approximately 11%, according to **East Dorset District Council**.
- The RIA does not heed regional variation in resource use; especially cultural reaction to proposals in the South East has cost implications – **Elmbridge Borough Council and Mole Valley District Council** amongst others.
- The RIA takes no account of the impact of the end of PDG – **South Bucks District Council**.
- The RIA is overly concerned with revenue projection, and considerably underestimates the economic consequences of what appears to be treated as convenient revenue-making mechanism. It is not. These increases will harm UK plc, and instead should go up only in line with inflation – **Asda Stores Ltd**.
- The RIA fails to properly take into account the minerals sector, and seriously underestimates the impact, especially of the removal of the fee cap. It also ignores the impact on competition in the coal sector, particularly on small/medium enterprises – **ATH Resources**.
- There was also widespread comment that, if fees were to bring about improvements to services, they should be ring-fenced to ensure the money stayed within planning; several asked for strong advice to that end from the Audit Commission.

Summary of Proposals

1. We intend to seek Parliamentary approval for:
 - a fee increase of **11%** (that is, £15) for householder applications
 - an overall **25%** increase for other fees
 - a new **maximum fee** of £250,000 (or £125,000 if an outline application) *for all except minerals and waste applications*, for which the maximum will go up 25% (to £65,000); and
 - a **new fee** of £85 for 'requests for confirmation that a planning condition has been fulfilled' (or £25 where the request relates to householder development)
2. We propose that those changes to the Fees Regulations take effect from *6 April 2008*.
3. We propose to discuss further the proposal to devolve fee-setting. However, another idea put forward in the consultation paper, that local planning authorities be able to offer a 'premium service', did not attract sufficient support to warrant the proposed pilot scheme.

Four examples

	Current Fee	Proposed Fee
Application for a new dwelling	£265	£335
Application for householder consent	£135	£150
Application for change of use	£265	£335
Advertisement on business premises	£75	£95

Next steps

- a draft Statutory Instrument will be put before both Houses for Affirmative Resolution in January 2008;
- if approved, the Town and Country Planning (Fees for Applications and Deemed Applications) Regulations 1989 would be amended as shown above, with effect from 6 April 2008; and
- an explanatory Circular is to be published at the same time, to replace Department of the Environment Circular 31 of 1992; local planning authorities will receive prep-publication copies to help them prepare for the changes.
- Communities and Local Government will review the impact of the proposed increases, and will take a further look at planning fees next year;
- in this context, the Department will hold discussions with the Local Government Association and the development industry to identify other areas of common ground on how to ensure proper resourcing of the planning service. We will also continue discussions about whether there is further scope for future devolution of planning fee-setting.

Annex A

Planning Fees Consultation, May-August 2007 – List of Respondents

- 1 Ashfield District Council
- 2 Ashford Borough Council
- 3 Axbridge Town Council
- 4 Aylesbury Vale District Council
- 5 Babergh District Council
- 6 Barking and Dagenham, LB of
- 7 Barnet, LB of
- 8 Barnsley Metropolitan Borough Council
- 9 Basingstoke & Deane Borough Council
- 10 Bedford Borough Council
- 11 Bedfordshire County Council
- 12 Binstead Parish Council
- 13 Birmingham City Council
- 14 Bolsover District Council
- 15 Bolton Council
- 16 Bracknell-Forest Borough Council
- 17 Breckland District Council
- 18 Bridgnorth District Council
- 19 Bromley, LB of
- 20 Broxtowe Borough Council
- 21 Cambridgeshire County Council
- 22 Castle Point Borough Council
- 23 Central Hampshire & New Forest Authorities Standing Conference
- 24 Chelmsford Borough Council
- 25 Cherwell District Council
- 26 Cheshire County Council
- 27 Chesterfield Borough Council
- 28 Chichester District Council

- 29 Chiltern District Council
- 30 City of London Corporation
- 31 Colchester Borough Council
- 32 Croydon, LB of
- 33 Dacorum Borough Council
- 34 Devon County Council
- 35 Dudley Metropolitan Borough Council
- 36 Durham County Council
- 37 East Dorset District Council
- 38 East Riding of Yorkshire Council
- 39 East Sussex County Council
- 40 Eastbourne Borough Council
- 41 Ellesmere Port and Neston Borough Council
- 42 Elmbridge Borough Council
- 43 English National Park Authorities Association
- 44 Epsom & Ewell Borough Council
- 45 Gateshead Council
- 46 Gedling Borough Council
- 47 Greenwich, LB of
- 48 Guildford Borough Council
- 49 Hammersmith and Fulham, LB of
- 50 Hampshire County Council
- 51 Haringey Council
- 52 Harrogate Borough Council
- 53 Havant Borough Council
- 54 Herefordshire Council
- 55 Hillingdon, LB of
- 56 Horley Town Council
- 57 Hounslow, LB of
- 58 Hull City Council
- 59 Kennet District Council
- 60 Kent County Council
- 61 Kerrier District Council
- 62 Kettering Borough Council

- 63 King's Lynn and West Norfolk Borough Council
- 64 Kingston upon Thames
- 65 Kirklees Council
- 66 Lambeth, LB of
- 67 Lancashire County Council
- 68 Lancaster City Council
- 69 Leeds City Council
- 70 Leicestershire County Council
- 71 Lewes District Council
- 72 Lichfield District Council
- 73 London Thames Gateway Development Corporation
- 74 Maldon District Council
- 75 Manchester City Council
- 76 Mansfield District Council
- 77 Medway Council
- 78 Merton, LB of
- 79 Mid-Sussex District Council
- 80 Mole Valley District Council
- 81 New Forest District Council
- 82 North Cornwall District Council
- 83 North East Derbyshire District Council
- 84 North Hertfordshire District Council
- 85 North Kesteven District Council
- 86 North Lincolnshire District Council
- 87 North Norfolk District Council
- 88 North Warwickshire Borough Council
- 89 North York Moors National Park Authority
- 90 Northamptonshire County Council
- 91 Northumberland County Council
- 92 Norwich City Council
- 93 Nottingham City Council
- 94 Oxfordshire County Council (*J Duncalfe, M&W*)
- 95 Penwith District Council
- 96 Peterborough City Council

- 97 Plymouth City Council
- 98 Portsmouth City Council
- 99 Reading Borough Council
- 100 Redditch Borough Council
- 101 Reigate and Banstead Borough Council
- 102 Ribble Valley Borough Council
- 103 Rother District Council
- 104 Rotherham Metropolitan Borough Council
- 105 Runnymede Borough Council
- 106 Rushcliffe Borough Council
- 107 Ryedale District Council
- 108 Salisbury District Council
- 109 Seaford Town Council
- 110 Sedgfield Borough Council
- 111 Sefton Borough Council
- 112 Sevenoaks District Council
- 113 Sheffield City Council
- 114 Somerset County Council
- 115 South Bucks District Council
- 116 South Cambridgeshire District Council
- 117 South Gloucestershire Council
- 118 South Lakeland District Council
- 119 South Norfolk Council
- 120 South Shropshire District Council
- 121 South Somerset District Council
- 122 Spelthorne Borough Council
- 123 St Edmundsbury Borough Council
- 124 St Helens Council
- 125 Staffordshire Moorland District Council
- 126 Surrey Heath Borough Council
- 127 Sutton, LB of
- 128 Tandridge District Council
- 129 Teignbridge District Council
- 130 Test Valley Borough Council

- 131 Tonbridge & Malling Borough Council
- 132 Torbay Council
- 133 Uttlesford District Council
- 134 Vale of White Horse District
- 135 Vale Royal Borough Council
- 136 Waltham Forest Council
- 137 Waverley Council
- 138 Welwyn Hatfield Council
- 139 West Berkshire Council
- 140 West Dorset District Council
- 141 West Lancashire District Council
- 142 West Sussex County Council
- 143 Westminster City Council
- 144 Winchester City Council
- 145 Woking Borough Council
- 146 Worcester City Council
- 147 Wycombe District Council
- 148 Audit Commission
- 149 English Heritage
- 150 English Partnerships and ATLAS
- 151 Environment Agency
- 152 Health & Safety Executive
- 153 Renewables Advisory Board
- 154 Aggregate Industries Ltd
- 155 Arnold White Estates Ltd (via Hives Planning)
- 156 Asda Stores Ltd
- 157 Association of Consultant Architects
- 158 Association of London Borough Planning Officers
- 159 AstraZeneca Ltd (via NJL Consulting)
- 160 ATH Resources
- 161 Banks Developments
- 162 Barratt Developments
- 163 BCSC (British Council of Shopping Centres)
- 164 Berkeley Group

- 165 Biffa Waste Services Ltd
- 166 Brethren's Gospel Trusts
- 167 British Aggregates Association
- 168 British Cement Association
- 169 British Ceramic Confederation
- 170 British Property Federation
- 171 British Retail Consortium
- 172 British Sign & Graphics Association
- 173 Brixton plc
- 174 Brown & Potter (Ripon City Quarry)
- 175 Capita Symonds
- 176 Capital Shopping Centres
- 177 CBI
- 178 CBI Minerals Group
- 179 Cemex UK Materials Ltd
- 180 Chartered Institution of Wastes Management
- 181 City of London Law Society
- 182 Community and Regional Planning Services
- 183 Confederation of UK Coal Producers
- 184 Core Cities Planning Forum
- 185 Council for National Parks
- 186 Country Land & Business Association
- 187 CPRE Wiltshire Branch
- 188 Devon Stone Federation
- 189 E.ON UK
- 190 EDF Energy
- 191 Emerson Group
- 192 Environmental Services Association
- 193 Epsom Protection Society
- 194 Evetts Associates
- 195 Glaxo Smith Kline
- 196 GP Planning Ltd
- 197 GP Planning Ltd

- 198 Grosvenor Investments Ltd
- 199 Hampshire & Isle of Wight Chief Planning Officers
(Development Control Practitioners' Group)
- 200 Hanson Aggregates
- 201 House Builders Association
- 202 Institute of Historic Building Conservation
- 203 Jelson Ltd
- 204 Kaolin & Ball Clay Association
- 205 Kay Powell
- 206 Law Society
- 207 Local Government Association
- 208 London Councils
- 209 London First
- 210 Manchester Airport Group
- 211 Marks & Spencer
- 212 Mary Jeffrey
- 213 Mike Chadwick
- 214 Miller Homes
- 215 Mobile Operators Association
- 216 National Farmers Union
- 217 National Grid
- 218 NJL Consulting
- 219 North East Chamber of Commerce
- 220 Orange plc
- 221 Outdoor Advertising Association
- 222 Outdoor Advertising Council
- 223 Pam Nottcutt
- 224 Pitt, Frances M
- 225 Planning Officers' Society
- 226 Passenger Transport Executive Group
- 227 Quarry Products Association
- 228 Rail Freight Group
- 229 Redrow plc
- 230 RES UK & Ireland Ltd

- 231 RICS
- 232 Royal Town Planning Institute
- 233 RWE Npower plc
- 234 Sainsbury
- 235 SEGRO
- 236 Society of District Council Treasurers
- 237 Somerset Strategic Planning Conference
- 238 Southampton NHS Trust
- 239 Strategic Land Partnerships
- 240 Surrey Planning Officers Association
- 241 Tesco Stores Ltd
- 242 Thames Water plc
- 243 The Home Builders Federation
- 244 Tony Vickers
- 245 Town and Country Planning Association
- 246 Turley Associates
- 247 UK Coal Mining Ltd (*through Heaton Planning Ltd*)
- 248 Vale of Aylesbury Housing Trust Ltd
- 249 Water UK
- 250 WBB Minerals
- 251 Wessex Water
- 252 William Davis Ltd

