

# Arun District Council

<b>REPORT TO:</b>	Planning Committee 19 April 2023
<b>SUBJECT:</b>	Consultation on Proposed Increase in Planning Fees
<b>LEAD OFFICER:</b>	Neil Crowther
<b>LEAD MEMBER:</b>	Cllr Chapman
<b>WARDS:</b>	All
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b>	
The recommendations supports	
<ul style="list-style-type: none"><li>• Improve the Wellbeing of Arun</li><li>• Delivering the right homes in the right places</li></ul>	
<b>DIRECTORATE POLICY CONTEXT:</b>	
The proposals will help to enhance the quality of the natural and built environment, protect the district's natural and heritage assets and to promote economic growth in a sustainable manner, striking a balance between the need for development and the protection of scarce resources.	
<b>FINANCIAL SUMMARY:</b>	
Planning fee income was £1.69mil in 21/22 and will be about £1.73 mil for 22/23. An overall increase of between 25 – 35% on all applications could result in additional income of between £423,000 - £600,000 in a full year. This could fund a significant number of additional posts in the Planning Department (as well as internal consultees such as Environmental Health and Drainage) to allow it to deliver an improved service.	

## 1. PURPOSE OF REPORT

- 1.1 To allow Planning Committee to consider the consultation on proposals to increase planning application fees and to allow them to consider the potential implications of this.

## 2. RECOMMENDATIONS

- 2.1 To note the endorse consultation response attached to this report.

## 3. EXECUTIVE SUMMARY

- 3.1 The Government has published a consultation (28 Feb) on some proposed increases in planning application fees. The closing date for this consultation is 24 April 2023.
- 3.2 This consultation seeks views on proposals to increase planning fees and to improve the performance of local planning authorities.

## 4. DETAIL

4.1 The consultation considers that an increase in planning fees will allow local authorities to increase resources and capability. Whilst a significant increase in fee income is welcomed, the much bigger picture is the ability to recruit. Arun is the same as every other local authority in the country and it struggles to recruit into professional planning roles. It therefore relies upon the following.

- i. Growing our own at junior level and, through personal development, allow them to grow with us.
- ii. Employing Agency staff. The experience of this is that they have often been very poor and poor value for money.
- iii. Instructing consultants. Arun has recently embarked upon this because of issues with i. and ii. above. However, this is also a very expensive option with costs over double that of a permanent member of staff.

The consultation recognises the recruitment issues faced by all local authorities but does not have any proposals to address this. Instead, it is 'seeking views'.

4.2 The Government envisages that some of the fee income increase will be used to allow for digital transformation of planning services.

4.3 The proposed increases in this consultation will, for the first time, be index linked so that they can be adjusted annually. The last time planning fees were amended was in 2018.

4.4 Additional fee income could result in increased resources within the Development Management teams (the teams that determine planning applications). However, this income would also need to potentially provide resources where they are most needed for areas such as Planning Enforcement, Policy, Technical Support or Conservation. It might also be needed for funding support services such as internal consultees (particularly Engineers but also Environmental Health, Parks & Greenspace). One of the proposals in the consultation is to ring fence additional income to the planning function only. In recent years, staff costs have risen, and fee income has remained static.

4.5 The Government has stated that the proposed new fee structure could be introduced in summer 2023.

4.6 Other notable elements of the consultation are.

- Proposals for the application fee for retrospective applications to be double that of other applications for the same proposal.
- Removal of the 'free go' applications that are currently allowed to be made within 12 months.

4.7 One of the 'trade offs' in the consultation for local authorities is the proposal to reduce the Planning Guarantee from 26 weeks to 16 weeks for non-major applications. That means that non-major applications must be determined within 16 weeks otherwise the fee might have to be returned to the applicants.

4.8 It is also proposed to report performance excluding extensions of time. It is agreed that this a far more realistic reporting of performance and this is something we have done in Arun for many years when reporting on performance.

## **5. CONSULTATION**

5.1 None

## **6. OPTIONS / ALTERNATIVES CONSIDERED**

6.1 N/A

## **7. COMMENTS BY THE INTERIM GROUP HEAD OF FINANCE/SECTION 151 OFFICER**

7.1 Should the consultation proposals be adopted by DLHUC, this could increase the Council's Planning fee income by approximately £600,000 per annum. One of the proposals in the consultation is to ring fence the additional income for the purposes of funding additional planning resources. Members may wish to take a view on this specific point given the Council's current budget pressures.

7.2 If the additional income is invested in the additional staffing resources, Members should be aware that a budget pressure would materialize should income levels fall in future years. There is no indication that this would occur, but Members should nonetheless be aware.

## **8. RISK ASSESSMENT CONSIDERATIONS**

8.1 None

## **9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

9.1 No comments.

## **10. HUMAN RESOURCES IMPACT**

10.1 None

## **11. HEALTH & SAFETY IMPACT**

11.1 None

## **12. PROPERTY & ESTATES IMPACT**

12.1 None

## **13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

13.1 None

**14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

14.1 None

**15. CRIME AND DISORDER REDUCTION IMPACT**

15.1 None

**16. HUMAN RIGHTS IMPACT**

16.1 None

**17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

17.1 None

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**CONTACT OFFICER:**

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**BACKGROUND DOCUMENTS:**

[www.gov.uk/government/consultations/increasing-planning-fees-and-performance-technical-consultation](http://www.gov.uk/government/consultations/increasing-planning-fees-and-performance-technical-consultation)

## Arun District Council

Number	Question	Suggested response
1.	<p>Do you agree that fees for planning applications should be increased by 35% for major applications?</p> <p>Yes/no/don't know. Please give your reasons.</p>	<p>Yes. The planning fee represents only a very small proportion of the overall costs of delivering Major development and we consider the fees for such applications should be increased <u>by at least</u> 35%, to (a) properly reflect the level of work involved and (b) to support local authority planning departments to be sufficiently resourced to deal with such applications in a timely manner, and to support high quality decision making.</p>
2.	<p>Do you agree that the fee for householder planning applications should be increased by 25%?</p> <p>Yes/no/don't know. Please give your reasons.</p>	<p>No. We agree that a fee uplift is badly needed to support overstretched planning departments and help increase the speed and quality of decision making, but we see no reason or justification as to why the percentage increase for householder fees should not be increased in line with that for Major applications.</p> <p>Whilst the concern that many householders are currently experiencing cost of living pressures is noted, the consultation acknowledges (paragraph 20) that the one-off cost to the applicant in making a submission represents a very small proportion of overall development costs. Householders experiencing significant cost of living pressures would be unlikely to be embarking on development projects in any case and most alterations/extensions/improvements will likely add value to the property in question, so it is only fair that the beneficiaries of that value uplift pay an appropriate fee for the service they are receiving from their local authority.</p> <p>As is noted in paragraph 12 of the consultation, householders currently pay £206 for an application, whereas the cost to the local authority to process that application can be double that, or even more in some cases - such as where it leads to an appeal. At present, applications made by those wishing to extend or improve their own houses are being subsidised.</p> <p>A proposed increase of the householder fee to £258 is a welcome start, but we believe the application fee should be increased further to more properly reflect the cost of processing or, failing that, by a minimum of 35%, in line with the proposed fee increase for Major</p>

		applications.
3.	<p>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.</p> <p>Yes/no/don't know. Please give your reasons.</p>	<p>No. Planning fees have not been increased for five years, during which time there has been a large hike in interest rates and the cost of employing staff, agency staff and consultants has also risen greatly. The planning fee received rarely covers the cost of administering the process and some applications falling within the non-major category (which includes developments of up to 9 dwellings) can be every bit as complex and time-consuming as some Major applications.</p> <p>The proposed increase of 25% is a start, but we believe the application fee for all other applications should be increased to more properly reflect the actual cost of providing the service or, failing that, by a minimum of 35%, in line with the fee increase for Major applications.</p>
4.	<p>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?</p> <p>Yes - please explain / No.</p>	<p>Yes – see below:  <u>Discharge of Conditions</u> – the current fee for discharging conditions is £34 in respect of householder permissions and £116 for all other permissions, which we consider is artificially low and does not adequately recognise the level of work this involves.</p> <p>As the fee relates to each submission, rather than each condition for which discharge is being sought, dealing with more complex applications, where a number of conditions may have been rightly imposed and where specialist input from internal/external consultees may be required, can place a huge and costly burden on local authorities for what is a very small fee.</p> <p>It is considered that fees for discharging conditions should be increased across the board and that there should be greater differentiation in the fees charged for DOC between different application types. We particularly feel that the fee for discharging conditions on</p>

Major and other non-householder applications should be significantly increased to better reflect the amount of local authority work that goes into assessing these fully.

Furthermore, we believe the government should consider bringing in a set fee per condition for discharge of condition applications (rather than the current single fee per submission, as at present, which can cover requests to discharge multiple conditions). This approach would not only assist resourcing in local planning authorities, thereby helping to speed up the DOC process overall to support the economy but may also encourage applicants/developers to submit higher quality planning applications from the outset, providing greater levels of detail upfront with their submissions to seek to reduce the number of conditions necessary to be imposed on a decision notice.

The level of fee needs to be such that it evens itself out over the course of discharging numerous conditions. Some condition discharges may be able to be dealt with very quickly. Other, such as drainage or landscaping proposals, may take many weeks and involve a massive amount of officer time. Currently, this is not covered (or anywhere near covered) by the current fees.

Listed Building Consent (LBC) - processing applications for LBCs can be every bit as time consuming as for a planning application and will often include the need for specialist input on heritage matters. We consider a fee commensurate with that for a Householder application should be applied to LBC submissions, whether they are accompanied by a further application for planning permission for which a fee is payable, or not.

Planning Permission for Relevant Demolition in a Conservation Area – please see comments above in respect of LBCs.

S73 applications – the fee for these applications is minimal because often the changes are minor variations. However, they are also often applications where full re-consultation is required and where legal agreements may also need to be re-written. Further, case law requires the local authority to consider these applications as full new permissions and so it cannot deal with these applications as a light touch. They will often involve a great deal of work and the fee in no way reflects this.

5.	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?	We are aware that Surrey Heath Borough Council launched a new 'fast track' pilot on 1 April 2023 (see link below for more details). However, it is too early to know if this has resulted in tangible performance results.
6.	Do you agree with the proposal for all planning fees to be adjusted annually in line with inflation?  Yes/no/don't know. Please give your reasons.	Yes. We believe this proposal is both sensible and necessary to ensure that local authorities can prepare forward budgets more accurately, avoiding the previous rather <i>ad hoc</i> approach of increasing fees across the board every few years and to keep pace with rising the costs of providing planning services.
7.	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/no/don't know. Please give your reasons.	Yes, in principle. To ensure the envisaged improvements to performance and quality of decision making can be realised, it is vital that any proposed fee increase is ringfenced for spending within the local authority planning department. However, it must be recognised that planning departments will often rely on other departments (Landscapes, Environmental Health, Engineers etc) to inform decision making and these services need to be funded.
8.	Do you agree that the fee for retrospective applications should be doubled, i.e., increased	Yes. We agree that the fee for retrospective applications should be doubled, but we see no reason why this principle should not also apply to householder applications. There is a wealth of online information around permitted development available in the public domain, both at the local and national level, for householders to find out whether express permission



	<p>by 100%, for all applications except for householder applications?</p> <p>Yes/no/don't know. Please give your reasons.</p>	<p>will be needed and a formal route to establish this through an application for a Certificate of Lawfulness.</p> <p>Despite the above, if the government wishes to ensure that householders who may have made a genuine mistake in breaching planning legislation are not unduly penalised, we consider a fee of 150% of the standard application fee for retrospective householder applications would represent a suitable compromise.</p>
9.	<p>Do you consider that the ability for a 'free-go' for repeat applications should be either:</p> <p>(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.</p>	<p>We consider (b) to be the fairest and most effective option for most application types. Whilst repeat applications do, of course, generate further work for local authority planning authorities, some of this work will already usually have been undertaken on the original refused or withdrawn application, so charging the full fee again may be counterproductive and lead to an increase in appeals that, themselves, can place a significant burden on Councils. A reduced 'repeat' fee of half the original fee would seem reasonable.</p> <p>The only exception to the above we would request, is in respect of repeat applications where planning permission was originally granted and the developer is looking to amend the approved scheme at their own behest by such a degree that it cannot be dealt with under s73, s73A or s96A of the TCPA. In these circumstances, we believe the current right to a free-go should be removed (option (a)) and that the full fee should apply to any such applications.</p>
10.	<p>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?</p> <p>Yes/no/don't know</p>	<p>Yes</p>

11.	What do you consider to be the greatest skills and expertise gaps within local planning authorities?	<ul style="list-style-type: none"> <li>• Ability to recruit experienced Planning Officers able to deal with major applications</li> <li>• Ecology/Biodiversity Net Gain/Habitats Regulations</li> <li>• Environmental Impact Assessment</li> <li>• Financial Viability</li> <li>• Capacity to deal with Flood Risk issues</li> <li>• Urban Design/Use of Design Codes</li> </ul>
12.	<p>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?</p> <p>Please provide examples of existing good practice or initiatives if possible.</p>	<p>(a) Extension of the Apprenticeship Levy scheme.</p> <p>(b) Increased funding to the RTPI, Planning Advisory Service and Planning Officers Society, etc.to enable them to roll out enhanced free/subsidised opportunities for training to as many officers as possible in key topics (identified in answer 11, above).</p>
13.	How do you suggest we encourage people from under-represented groups, including women and ethnic minority groups, to become planning professionals?	We are aware that excellent work in these areas is already being undertaken by the RTPI and various interest groups, including Women in Planning UK () and the BAME Planners Network ( <a href="#">BAME Planners Network   Diversity And Inclusion</a> ). Any responses received from them (and from other similar groups) to this consultation should be carefully considered by DLUHC.
14.	Do you agree that the Planning Guarantee should better mirror the statutory determination period for a planning application and be set at	NO. Some applications falling within the non-major category (which includes developments of up to 9 dwellings) can be every bit as complex and time-consuming as some Major applications and often involve negotiating planning obligations. We consider the statutory determination period in case of such applications (in terms of the Planning Guarantee) should remain at 26 weeks.

	<p>16 weeks for non-major applications and retained at 26 weeks for major applications?</p> <p>Yes/no/don't know. Please give your reasons.</p>	<p>We would agree the Planning Guarantee in respect Householder applications should be set at 16 weeks to encourage improved performance from local authorities in dealing with these.</p>
15.	<p>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?</p> <p>Yes/no/don't know. Please give your reasons.</p>	<p>Yes, in respect of extensions of time (EOT). Some local authorities are profligate in their use of EOTs, while others use this option far more sparingly. This measure would create a more level playing field where actual performance (in terms of the speed of decision making) can be better, and more accurately, compared between Councils across the country. This is important when seemingly bad performance can lead to designation as a Standards Authority.</p> <p>No, in respect of application where a Planning Performance Agreement is in place, on the basis that the period for determining such applications will have been mutually agreed between the local planning authority and the applicant, and a longer period than the statutory timeframe may be appropriate in certain circumstances.</p>
16.	<p>Do you agree that performance should be assessed separately for</p> <p>(a) Major applications - Yes/no/don't know (b) Non-Major applications (excluding</p>	<p>(a) Yes (b) Yes (c) Yes (d) Yes (e) Yes</p>

	<p>householder applications) - Yes/no/don't know  (c) Householder applications - Yes/no/don't know  (d) Discharge of conditions - Yes/no/don't know  (e) County matters applications - Yes/no/don't know.</p> <p>Please give your reasons. If no, please indicate which application types should be and should not be assessed and give your reasons for this.</p>	
17.	<p>Do you consider that any of the proposed quantitative metrics should not be included?</p> <p>Yes/no/don't know.  Please give your reasons and, if appropriate, state the metric letter(s) and number(s) that you believe should not be included.</p>	No
18.	Are there any quantitative	No

	<p>metrics that have not been included that should be?</p> <p>Yes / no / don't know. Please indicate what additional quantitative metrics you consider should be included.</p>	
19.	<p>Do you support the introduction of a qualitative metric that measures customer experience?</p> <p>Yes/no/don't know. Please give your reasons.</p>	<p>NO. Whilst providing an excellent customer experience should be at the heart of local authority planning services, this is notoriously difficult to accurately gauge (especially in respect of development management), because an applicant or other individual's perception of the service they have received from a council will, inevitably, be influenced to a large extent by the final outcome of an application. If permission is granted, the applicant may be happy but anyone who objected to the proposals may be unhappy with the Council's performance and <i>vice versa</i> in the case of a refusal.</p> <p>The 'Local Government (Best Value) Performance Indicators Order 2000' did include seven planning indicators, one of which (indicator 6) related to the percentage of applicants satisfied with the service received, requiring a customer survey to be conducted every three years. However, this was later dropped, presumably as it was not considered to be a particularly effective way of measuring performance and quality.</p>
20.	<p>What do you consider would be the best metric(s) for measuring customer experience?</p>	<p>Best Value indicator 7, under the historic legislation referred to in the response to question 19 above, related to a score against a checklist of planning best practice. Whilst some of the specific tests within that checklist may no longer be applicable in 2023, some of these may still be relevant and a new set of appropriate and measurable questions/metrics could be drawn up based on the responses received to this consultation.</p>
21.	<p>Are there any other ways in which the performance of local planning authorities or level of</p>	<p>Nil response.</p>

	community engagement could be improved?	
22.	<p>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?</p>	<p>No. The applicable fee regulations already include a number of exemptions to reduce the burden on certain groups/individuals. For example, free applications for development providing means of access for disabled persons or facilities to improved disabled persons' greater safety, health or comfort, and halved fees for parish/community councils. We believe the existing measures are sufficient in this regard.</p>