



Scottish Parliament Local Government and Regeneration Committee 30 May 2012

Planning Reform – Fees for Planning Applications

1. Introduction

Homes for Scotland is the representative body of the Scottish home building industry, with around 160 full and associate members. Its members build around 95% of all new homes for sale built each year, as well as a significant proportion of the affordable housing output annually. Homes for Scotland makes policy submissions on central and local Government planning and policy issues affecting the industry, and its views are endorsed by the relevant local committees of its members.

Homes for Scotland welcomes the opportunity to comment on the consultation on reform of the planning system. It is pleased to provide this brief statement of evidence for the Local Government and Regeneration Committee of the Scottish Parliament, and looks forward to the round-table discussion on 30 May 2012.

2. Consultation on Fees for Planning Applications 2012

The Scottish Planning Minister has initiated a consultation on the next steps in the reform of the planning system. Consultation responses are sought on five topics, including fees for planning applications. The consultation ends on 22 June.

Homes for Scotland, as a representative body, must collate a response which reflects the views of its membership. The Committee will understand that there is an internal process of consultation and discussion involved, and that it is not possible for Homes for Scotland to provide the Committee with a definitive statement of the membership's view on all the consultation questions at this stage. However, members are clear on a number of key issues and outcomes, and this statement summarises these key positions.

2.1 Purpose of planning reform

Homes for Scotland fully supports the statement in paragraph 1 of the planning fees consultation paper:

“An effective, efficient and proportionate planning system which is focused on outcomes will deliver benefits to the wider Scottish economy.”

Homes for Scotland also supports the aims and principles underlying the amendments to the fee regime as set out in paragraph 4.

New development will drive sustainable economic growth. Public value will be achieved if additional resources applied to planning through higher fees result in more sustainable economic growth. That requires the whole package of planning reforms to work together to secure a more efficient and effective planning system which promotes growth. The new National Planning Policy Framework in England and Wales is very clear that planning authorities must step up their performance and deliver through the planning system the growth which will support economic recovery. The Scottish planning system cannot afford to perform less effectively than south of the border, as that would put Scotland at a competitive disadvantage.

2.2 Resourcing the planning system

Homes for Scotland accepts that planning authorities generally do not cover the costs of their services through fees and other revenue sources. There is no objection in principle to higher fees which would cover a higher proportion of costs. However, planning is a statutory function of local authorities, and Homes for Scotland would not wish to see the responsibility of Councils to fund a proper service replaced in its entirety by fee income. The level of increased fees must strike a balance between what is reasonable and proportionate for the applicant to pay, without deterring essential investment in the Scottish economy, and Councils’ revenue funding from Community Charge and other income sources.

It is also essential that local authorities are obliged to apply all planning fee income to their planning service. Homes for Scotland appreciates that the principle of “ring-fencing” resources is not favoured, either in terms of resources provided to local government by central government under the Concordat arrangements, or in terms of local government internal financial management. However, Parliament should be clear that Homes for Scotland members can not accept any system of higher planning fees unless **all** the money is applied to providing an improved planning service.

2.3 Level of Fees

Homes for Scotland is still collating the views of its members on the detailed proposals for calculating fees, so cannot comment at this stage on the proposals. In general, a maximum fee level in the order of £100,000 is not strongly opposed **provided** that the promised improvements and benefits are delivered.

It should also be borne in mind that planning fees are only one of a number of possible regulatory fees and associated costs involved in the development process. Other consents such as Building Warrant,

Road Construction Consent and many others also incur fees. In addition, planning applications, particularly major applications, are routinely accompanied by a range of technical studies and impact statements. Homes for Scotland members have reported a range of costs for such studies, depending on the requirements of the planning authority. It is not unusual under the present system for an applicant for planning consent for a housing development to pay a planning fee of £5 – 10,000 but also incur costs of £250,000 - £500,000 to produce supporting impact assessments to assist the Planning Authority to determine the application.

The issue of proportionate fees for the scale of application is therefore important, but proportionate costs also need to apply to other parts of the process of seeking planning consent.

2.4 Simpler and easier administration

One of the consequences of an under-resourced planning service has been the diminution of service provided, in terms of officer time available to applicants to deal with discussion and negotiation. Many Councils have sought to deal with this problem by introducing further charges for pre-application meetings, seeking payment by applicants of the Council's costs for processing S 75 Agreements, and so on. Homes for Scotland therefore strongly supports the proposal that a single planning fee will cover the planning application, neighbour notification costs, pre-application discussions, preparing S 75 Agreements and the costs of Local Review Bodies. This allows the planning service to be identified clearly as the responsibility of the statutory planning authority.

2.5 Link to performance of planning authorities

Homes for Scotland members consider that this is the key issue related to fees. They have long held the view that higher fees would be acceptable if accompanied by clarity of process and certainty/predictability over timescales for a decision. Progress has been made in some authorities – for instance in Edinburgh and Highland where processing agreements are used as standard for major applications. The clarity over information requirements, timescales for stages of the process and lines of communication has been broadly welcomed by applicants. The two Councils involved have achieved very good performances on delivering the commitments set out in processing agreements.

However, the vast majority of planning authorities do not use processing agreements as a matter of course. Performance in those authorities still varies enormously. There is scope for improved performance. Some of that will come from resourcing the service with sufficient staff, but much of it will come from clearer and simpler processes, more proportionate information requirements, and a focus on delivering economic growth through development.

The development by Heads of Planning Scotland of an improved Planning Performance Framework is welcomed. Some improvements to this framework will doubtless emerge through usage and practice. It is important from the outset, however, that planning reform uses the outputs from the Framework to verify that customers are receiving the level of service expected and that, if that is not the case, then the

level of fees charged is reduced accordingly. Such an incentive to the planning authority is essential to guarantee their commitment to continuous improvement of the planning service.

2.6 Delivering public value

Land use planning is a statutory duty on local authorities. The delivery of that function in a well-resourced, efficient and timely manner therefore represents public value if that service is largely self-funded through fee income. All users of the planning system, including applicants for planning consent, are also stakeholders and members of the community and are therefore entitled to expect a service which performs well and delivers clear, well-reasoned and transparent decisions in return for the fees paid.

3. Conclusion

Homes for Scotland has supported the intentions of planning reform under the 2006 Planning Act, and continues to support the aims set out by the Minister in his current consultations. An efficient, effective and well-resourced planning system is a key tool in delivering Scotland's objective of sustainable economic growth. Homes for Scotland members will work closely with the Government to ensure that a revised planning fee system is fair and proportionate and is applied to achieving enhanced performance of the planning system.