



# **BPF RESPONSE TO DLUHC'S TECHNICAL CONSULTATION ON INCREASING PLANNING FEES AND PERFORMANCE**

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**PREPARED AND SUBMITTED BY**  
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## British Property Federation

1. The British Property Federation (BPF) represents the real estate sector – an industry which contributed more than £116bn to the economy in 2020 and supported more than 2.4 million jobs. We promote the interests of those with a stake in the UK built environment, and our membership comprises a broad range of owners, managers and developers of real estate as well as those who support them. Their investments help drive the UK's economic success; provide essential infrastructure and create great places where people can live, work and relax.
2. The BPF supports the private sector investing more into local authority planning departments. It was welcome to see our longstanding support for greater resourcing referenced in the introduction to the consultation paper. We would however caveat by stating that any increased investment from the private sector through fee increases will need to result in genuinely additional resource being put in place in local authority planning departments and a higher level of service in return.
3. The rest of this submission responds directly to the consultation questions posed by DLUHC. Our response has primarily been formulated following a meeting of the BPF Planning Committee in late March as well as a number of separate BPF roundtables for wider planning stakeholders within the BPF.

### Question 1. Do you agree that fees for planning applications should be increased by 35% for major applications?

4. The BPF supports the proposed 35% increase in planning fees for major applications but only if this leads to a higher level of service experienced by applicants. We also believe that there should be transparency over how authorities are using the extra fee income to better resource their planning departments. DLUHC should therefore perhaps give some thought to an intervention (that crucially does not overburden authorities in terms of reporting requirements) but does provide more transparency to all planning stakeholders on the steps authorities are taking to use the extra ringfenced fee income in a positive manner.
5. We also received feedback from some members that there could even be scope to increase the fee for certain major applications by more than 35% given that the consultation notes there is still a shortfall between the overall cost of processing planning applications and the money received by authorities in terms of planning fee income. Members fed back that if the costs of uncertainty and delay to schemes could be extinguished through an overall better level of planning service for all users, then any fee increase (particularly for larger development schemes) would easily pay for itself.
6. We note that one area of the planning resourcing system that is not being focused on through this consultation is Statutory consultees. Members fed back strongly that getting sufficient resource into these organisations will be crucial to making the overall planning system more efficient. Particularly for our members using Planning Performance Agreement (PPA) arrangements, the blockages will occur when the planning authority is simply waiting to hear back from a Statutory consultee or another

relevant public sector stakeholder (such as the local fire brigade). DLUHC should therefore give thought to how the overall planning system can be resourced, not just the relevant planning department at the authority. The recent proposed government amendment to the Levelling Up Bill which will enable Statutory consultees to raise their fees is therefore a welcome recent development.

7. It should also be noted that overall fee income will inevitably be affected by the number of applications being submitted. There could perhaps be a situation over the next couple of years (given the wider economic climate) whereby planning fees increase however because the overall number of applications fall then the overall resource level stays static (or even reduces). The government's broader approach to development through the recent NPPF consultation is therefore relevant for these consultation proposals on increasing planning fees. It is our hope that going forward central government policymakers can take a more positive approach towards the role of development in generating economic growth and actively promote a planning environment which incentivises applications to come forward. With the proposed fee increase, a more positive approach to development through town planning will form an important part of the mix in terms of generating additional planning income for local authorities.

**Question 2. Do you agree that the fee for householder planning applications should be increased by 25%?**

8. Yes, we are broadly supportive of householder planning applications fees rising by 25%. We did receive some feedback from members that DLUHC might be justified in raising the fee for householder applications by the same amount as the department proposes to do so for major applications (35%).
9. One justification for this would be local officers will spend a significant amount of time processing householder applications relative to the fee charged. A higher than 25% fee increase for householder applications may therefore be reasonable to strengthen the link between the price paid for an application and the amount of time an officer spends processing the application.

**Question 3. 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.**

10. As noted above, a key focus for decision-makers when looking at an appropriate charging schedule for other forms of planning application should be the amount of work needed to be undertaken by the local planning officer relative to the fee. That is to say that fees should arguably be higher for forms of planning application that require a lot of work by the relevant officer and perhaps lower for other applications that require less processing.
11. Members cited the fees for Non-material amendments (NMAs) to existing planning applications as particularly low (£260) but in reality the scope of these applications can be quite complex and take up a lot of officer time. It is not a one-way process though – we also received feedback from members that in

certain authorities the approach to NMAs input is too excessive. This is to say that officers will routinely be undertaking work which simply is not necessary for NMAs. The remedy therefore is to perhaps encourage officers to take a more proportionate approach to NMAs or if the work is deemed truly necessary to consider a fee increase.

12. A Section 73 application was also a form of application cited by members as relatively low cost proportionate to the work likely undertaken by the relevant local planning officer.
13. We would therefore encourage DLUHC to undertake further analysis of the time and costs associated with other forms of applications and set a proportionate fee structure taking this analysis into account.

**Question 4. 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?**

14. Members noted that listed building consents do not currently attract a charge but they do take up a lot of officer time. However, as listed building consent orders are something imposed on the property owner, the workability and fairness of then charging the property owner for the application may be problematic.
15. We also received feedback on the charging schedule for Certificates of Immunity applications to Historic England. Some members informed us that the charge for renewal applications (which is around £4000) is perhaps a bit high proportionate to the work undertaken in terms of site visits, processing etc.

**Question 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?**

16. We received a variety of views from our members on the operation and effectiveness of Planning Performance Agreements (PPAs). As a general rule for these bespoke or fast track services, where it works most effectively is when the arrangement is delivered at scale across larger multi-phase schemes. That is to say that whilst the relevant local authority will require a significant upfront fee, once the arrangement is in place, a good quality level of service can be delivered. However, at the other end of the scale, this also means that in many areas the level of service for SME developers is not as high quality as the smaller developer may not have the means or finance to enter into the bespoke arrangements a larger developer can.
17. In terms of further trends, there was one form of PPA that was regularly cited across our member roundtables as an arrangement that generally worked well. This was a PPA in its simplest form whereby a large developer would simply fund an officer at the relevant local authority to act as the 'go to' person handling their significant development scheme. Members fed back that this has proved to be an effective arrangement as it essentially creates an internal 'ambassador' for the given development

scheme at the local authority and can be particularly useful over issues such as the timely discharge of conditions.

18. As noted, other feedback from members was more negative towards the effectiveness and operation of PPA arrangements. There were some suggestions that there needs to be greater levels of transparency and consistency across local authorities in terms of fees for PPAs and what the level of service applicants can expect in return. For example, we heard examples of authorities charging an extra £8000 for one additional meeting with no formal note of the meeting recorded from the local authority side. Further guidance and direction from central government may therefore be of value in this sphere.
19. A further issue is that whilst a PPA arrangement will guarantee an application a certain level of service in terms of the planning function at the relevant local authority, the arrangement is less effective in terms of speeding up planning blockages brought about by delays in response times from other parts of the authority or Statutory consultees. We heard views from members with PPA arrangements in place for their schemes that in many cases delays will still inevitably happen irrespective of whether a PPA is in place or not because the planners cannot progress an application until they have heard back from another part of the council or a Statutory consultee.
20. We also received feedback from members that the overarching focus for DLUHC should be on trying to improve the entire development management system in terms of responsiveness and consistency across all application types/parts of the process. If we can move towards an effectively resourced and functional planning consenting system (through fee increases etc) then logically the need for bespoke or fast track arrangements would fall away.

**Question 6. Do you agree with the proposal for all planning fees to be adjusted annually in line with inflation?**

21. We received mixed views on this from members. On the one hand, members do accept that there is a value in linking planning fees to a well-recognised inflation index which should give local authorities confidence and certainty over their future income trajectory flowing from planning fees.
22. However, we also received views that linking planning fee increases annually to CPI inflation is a blunt tool which does not take into account the proposed increases elsewhere in the consultation paper (e.g. 35% for major applications) nor is CPI particularly relevant to how costs to provide local authority planning services will likely increase annually. For example, a significant amount of costs associated with public sector planning will be officer salaries which we note are subject to other review mechanisms (such as pay review boards etc) rather than being indexed consistently to inflation. Therefore, if planning officer salaries are not to be indexed to annual inflation figures then it does not seem fair to index planning fees to this metric annually.
23. One way through which may take into account these competing arguments would be to index planning fees to inflation but to include a cap on the amount the fee can increase annually. For example, a cap at

5% could be effective in keeping any annual increase manageable for the years when inflation is running particularly high (as indeed it is at the moment).

**Question 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?**

24. The BPF would only support the increase in planning fees on the condition that the additional income is ringfenced. Members have also suggested that there could be scope to go further and require for all planning fee income to be ringfenced however we note the complexity for DLUHC policymakers of delivering this in reality as this would require amending separate pieces of local authority finance regulation.
25. The key test of whether or not the ringfencing of additional planning fees is effective policymaking will be the extent to which the extra funds are truly additional in overall terms. In other words, this is to say that we cannot have a situation arise where the additional fee income is 'notionally ringfenced' but because of creativity on the part of the relevant local authority (in terms directing other funds away from the planning department), the overall level of funds going into the local authority planning department remains the same or even reduces. We would reiterate if such a circumstance was to arise then we would not be supportive of increasing planning fees as it would not lead to more resource into the system or a better level of service.
26. We have noted elsewhere in our response the planning blockages flowing from the local planning authority having to wait to hear back from other council departments who need to offer comment and advise on applications as part of the process. There may therefore be value in certain circumstances to target some of the additional funding to help other parts of the council should a resource strain in another council department be having a significant impact on the ability of the planning department to progress applications in a timely manner. However, any support from the additional fees would need to be properly evidenced and targeted so it only occurred in the instances when it was truly necessary. The policy intent of such a mechanism should be to ensure all parts of the local authority crucial to the progression of planning are operating effectively not supplementing other council services unjustifiably with the additional planning fee income.

**Question 8. Do you agree that the fee for retrospective applications should be doubled, i.e. increased by 100%, for all applications except for householder applications?**

27. We broadly support this proposal.

**Question 9. 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.

28. C. The BPF strongly support the 'free go' being retained as part of the planning system. Removing the mechanism could perhaps incentivise some perverse behaviour from certain authorities such as encouraging initial refusal of an application on unjustifiable grounds in the knowledge that the applicant would have to submit another application and pay the fee again. The abolition of the 'free go' could therefore serve as a mechanism whereby certain authorities could boost income in a perverse and unfair way to the applicant.
29. The 'free go' should therefore be viewed as a positive aspect of our planning system as it provides decision makers with a strong incentive to respond to a planning application in a positive and fair way.
30. A further point is that if the 'free go' was to be removed this could have quite a big impact on SME developers. Whilst planning application fees make up a small proportion of project costs for larger multi-phase schemes, it is worth noting that the costs are much higher (proportionate to overall scheme costs) for smaller developers.
31. We also received feedback that if government were wedded to reforming the 'free go' perhaps a much-reduced fee second time round would be the second most palatable option (behind retaining the mechanism completely). A much-reduced fee could be justified on the basis that much the work will have already been undertaken by the authority the first time the application has been submitted and thus less work would be required second time round.

**Question 10. 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?**

32. No specific comments.

**Question 11. What do you consider to be the greatest skills and expertise gaps within local planning authorities?**

33. Members fed back on a number of practice areas where they consider there to be shortages of skills and expertise. A lack of conservation officers featured heavily in our discussions with members as well as in certain areas a shortage of officers with expertise in viability matters. We also received comments that one trend in recent years has been a marked reduction in the number of more experienced town planners at local authorities (Head of Planning, Head of Development Management etc) type roles.
34. These more experienced roles at the local planning authority are viewed as important by our members as the presence of more experienced planning staff will inevitably give the junior planners more

confidence to take a more positive approach to applications. A more experienced planner will also inevitably be able to look at applications in the round and take a wider planning judgement in relation to the suite of schemes they oversee which enriches the local development management process.

35. A key theme discussed at our member roundtables were the examples where a local authority had outsourced its planning function to a private sector third party. Members fed back that in certain areas where this has happened (such as recently at London Borough of Barnet) the service has worked well so there may be a value in DLUHC undertaking further analysis on these sorts of arrangements going forward to feed into their evidence base for future decision-making.
36. On the other hand, we also received feedback that whilst the use of agency staff can help manage resourcing issues there is often a limit in their ability to reduce overall delay as progress can often be halted when the in-house planning manager with sign off responsibilities has an action. This might be signing off a pre-app letter, committee report or S106 agreement. A further issue is that a greater use of agency staff may increase the likelihood of officers not having a full understanding of a given site. Some members have experience whereby planning officers were so remote from the local planning authority they were not familiar with the site or had undertaken a site visit.

#### BPF proposal - A locum service

37. The private sector is willing to fund a locum service. However, it cannot be seen to be interfering in the independent planning process. Any additional funding, and the resource it buys for a better service, must be provided at arm's length, and therefore distributed by a third party.
38. Extra skilled resource is needed now. That can only come from one of three sources – enticing retired planners back into active service, or recruiting more planners from abroad, or attracting those back to the public sector, from the private sector. Probably all three are needed.
39. Similar initiatives have been tried before, most notably, ATLAS, a central resource that sat within the old Homes and Communities Agency and helped with major applications. Local authorities, however, viewed such a resource with a certain amount of suspicion that it was intervening in local decisions. Any locum service would therefore need to be owned by local government. We suggest the Planning Advisory Service would be the most appropriate home.

**Question 12. 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?**

**Please provide examples of existing good practice or initiatives if possible.**

40. There are well established routes to entry into the planning profession via traditional graduate routes which employers engage with year on year very successfully. A nuance to this route which has not been fully utilised or understood is the planning apprentice pathway, particularly at Level 7. Level 7



apprentice routes enable a candidate with a non-cognate degree to apply for a postgraduate professional accredited degree, for example an MSc Apprentice Spatial Planning course as opposed to a straight MSc in Spatial Planning which in essence is exactly the same course with the exception that it enables employers who contribute to the Apprenticeship Levy to take on apprenticeship candidates by supporting the cost of their course. In such cases, it allows an employer to recruit planning apprentices on a four-day week whereby they can work in practice and have a release day to undertake their postgraduate studies. This means an apprentice undertakes a two year p/t course at their academic institution followed by a further two year period where the employer supports the apprentice through their APC or Licentiate to achieve chartered status. What is missing in this process is the flexibility to cross share this planning resource with a local planning authority. In other words, the private practice being able to second the apprentice during this period of time until they complete their qualification.

41. BPF would like to see DLUHC together with the Department for Education consider a pilot programme which provides match funding whereby the public and private sector can work together on a shared planning apprentice programme. The funding should be ringfenced to cover the secondment (for say 6-12 months) in the local planning authority. The benefits for such a shared planning apprenticeship, where the initial cost of the course is borne by the private sector through the apprenticeship levy, is that the apprentices would have a rich mix of experience working across the planning market and would then at the end be able to make an informed choice in the career pathway they would like to pursue post qualification. The key benefit from the private sector to second the apprentice is the experience they would bring back to the role when dealing with casework on behalf of their clients.
42. Not enough is made of this apprentice entry route to the planning profession and more can be done to promote the option and with the refinement/ pilot programme between the public and private sector. The BPF believes this would be an attractive option for a number of Level 7 applicants who would both secure a job and at the same time have their tuition fees paid for as they embark on an accredited apprenticeship course at a recognised university.

**Question 13. How do you suggest we encourage people from under-represented groups, including women and ethnic minority groups, to become planning professionals?**

43. While more needs to be done to encourage under-represented groups, the planning profession has developed to attract more ethnic minorities into the profession. There is still a need to raise awareness of the role of a planner and what diverse careers the profession can take – from helping inform and shape places to the role it has promoting the sustainability agenda. There is an opportunity to work with career teaching staff at an early age on how the planning profession operates more widely, but there also needs to be a Government advertising campaign which highlights BAME champions in planning that should be promoted and which showcases how a successful and enriching career town planning can be.
44. There is also a more international route to entry for planning professionals. For example, there are a number of universities such as the University of Peshawar or University of Engineering and Technology in Lahore, in Pakistan where they teach BSc in Town Planning and produce graduates with direct

knowledge of the UK planning system; however, until the Government recognises the skills gap requirement for town planning and permits these professionals/ town planning graduates to gain a UK working visa, it is not possible to attract this much needed skillset to come and practice in the UK. Given the resource crises facing local planning departments, BPF would suggest that 'Town Planners' are listed as a skill requirement for the UK which permits a working visa entitlement. This would help to diversify the under-representation in the profession at pace.

**Question 14. Do you agree that the Planning Guarantee should better mirror the statutory determination period for a planning application and be set at 16 weeks for non-major applications and retained at 26 weeks for major applications?**

45. For major applications, we believe the statutory determination period of 26 weeks is about the right amount of time. We certainly strongly support the mechanism being retained as part of our planning system as it serves as a good incentive for local authorities to deal with applications in a reasonable time period.
46. In terms of specifically seeking refunds for an application from the relevant authority when the period goes beyond 26 weeks, members fed back that this is a situation that an applicant does not really want to find themselves in. Such a process would inevitably become adversarial and damage relationships with decision-makers at the relevant local authority.
47. The BPF are also of the view that this should not be the mechanism policymakers seek to replace the 'free go' with in the event that government decide to remove it. What applicants desire is not their money back at the end of a 26-week period but rather clarity in terms of a decision or a clear dialogue with the relevant local authority which will set out the path to a consent.
48. We would also make the point the exercise of local authorities processing refunds to applicants is also counterproductive from a broader planning resourcing point. Logically, if a certain authority was struggling to meet its statutory requirements and was processing a lot of refunds under the Planning Guarantee this would undermine further the performance of the planning authority and its ability to financially budget going forward.

**Question 15. 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?**

49. We do understand the rationale from DLUHC for wishing to measure local authority performance (in terms of speed of decision-making) without taking into account extension of times and PPAs to get a more accurate view of local authority performance.
50. There may however be some unintended consequences from this approach. For example, this could actively incentivise local authorities to issue more refusals rather than agree to more extensions of time

or indeed not wish to enter into extension of time agreements all together. Logically from the local authority perspective, if they are still going to be ultimately judged against the percentage of applications determined in the statutory period then it is certainly not in their interest to do so.

51. It is worth emphasising that the development sector too values the role of extension of time agreements play as part of our planning system. For example, it can be an effective tool to get a permission over the line without having to resubmit a new application. It may be the case that the local authority asks the applicant for a new piece of information which is not immediately at their fingertips. An extension of time in this scenario would enable the applicant to procure the information (say for example by sourcing the analysis from a consultant) and submit the information to the local authority during the extension of time period. The planning permission can then progress further without risking the refusal of the scheme on the basis that the statutory period is expiring.
52. We did however receive feedback from other members that extensions of time are fast becoming standard practice across authorities for applications which really should be dealt with in the statutory period. As noted above, notwithstanding that for certain schemes and circumstances, extensions of times will be appropriate, we too would welcome the ambition to move to a planning system whereby the significant majority of appropriate applications are being processed in the statutory timeframe. One route through to balance these competing tensions would be to stipulate that when an applicant makes changes to a scheme this voids the previous agreed timeframe and extends it by for example 4 weeks. This might be more effective in achieving both the policy objective of ensuring more schemes are processed in the statutory time period and give applicants enough flexibility to extend when it makes sense to do so.
53. We also received feedback from members that one area where DLUHC might want to focus more on in terms of monitoring performance would be the situations when an extension of time has been agreed by an applicant and the local authority and then subsequently the extended deadline is not adhered to by the authority in terms of taking a decision.

**Question 16. Do you agree that performance should be assessed separately for**

- (a) Major applications - Yes / no / don't know
- (b) Non-Major applications (excluding 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.

54. We agree that it is appropriate for performance to be assessed separately for the forms of application listed above.
55. For major schemes in particular, we would also make the point that monitoring the speed of 'downstream' decision-making/ approval of detail such as the timely discharge of conditions is very important for our members. In many cases, it is not getting the wider planning consent which can be

viewed as the planning blocker but rather the disproportionate approach in terms of approval of detail later on in the process which can really slow down delivery.

**Question 17. Do you consider that any of the proposed quantitative metrics should not be included?**

**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.**

56. We are broadly supportive of the proposed quantitative metrics listed. One aspect we believe merits particular attention is monitoring the data in relation to Local Authority Planning Committees. Of particular focus for the data monitoring should be looking at Planning Committees which regularly issue decisions against officer recommendations and arrive at decisions at committee which are clearly contrary to the agreed local development plan.

**Question 18. Are there any quantitative metrics that have not been included that should be?**

**Yes / no / don't know. Please indicate what additional quantitative metrics you consider should be included.**

57. We received feedback from our members that one focus that has perhaps been missed in the draft metric is the need to look out for 'repeat offenders' in terms of authorities who are consistently performing poorly. It is reasonable of course for a certain authority to have one poor year in terms of performance/taking decisions but where there is pattern of poor performance this really should be something that is monitored nationally so action can be taken.

**Question 19. Do you support the introduction of a qualitative metric that measures customer experience?**

**Question 20. What do you consider would be the best metric(s) for measuring customer experience?**

58. We support the principle of gathering customer feedback however there will clearly be challenges over data interpretation. It is hard not to conclude that feedback might be informed in part by the decision itself. A broader challenge of data collection in this sphere is that those who are dissatisfied tend to be the customers who are incentivised to leave feedback but if you are happy with the service some customers will tend not to. Overcoming this data collection hurdle will therefore be crucial to the accuracy of any customer experience metric.

59. We also heard from members that this mechanism might be an effective way to hold authorities to account in relation to validating a planning permission. If DLUHC were able to craft a metric looking at customer perception of how authorities approach validating a permission that would be a positive and informative tool for planning stakeholders. Members noted that too often there are unnecessary delays in the period from receipt to validation so this would certainly be a valuable area for any customer performance metric to focus on.

60. Further related points include whether the data would be anonymised? Clearly an applicant may be reluctant to leave negative feedback on an experience if they have a long-term relationship with the authority to prioritise over their user experience of the service. In addition, there is also a broader question over what DLUHC will do with this data and if consistent poor performance is captured in certain authorities what remedy/policy response will be enacted by DLUHC?

**Question 21. Are there any other ways in which the performance of local planning authorities or level of community engagement could be improved?**

61. We received anecdotal feedback specifically on making sure planning notices are put up on time.

62. Our members also discussed how those who engage in the planning process digitally can be captured more effectively in the wider decision-making process. Online engagement might for example find its way into a statement of community involvement but rarely at present would any positive online engagement supporting a development scheme play any greater role in the decision-making process and the wider planning judgement in relation to the given scheme.