

# PLANNING FEES IN ENGLAND: PROPOSALS FOR CHANGE

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A planning white paper consultation response  
from the Royal Town Planning Institute (RTPI)

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**RTPI**

mediation of space · making of place

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# 1. Introduction

This 'daughter document' represents part of the RTPI planning white paper response, addressing the government's proposals on planning fees.

It forms part of a suite of responses to the planning white paper which are listed below:

- Planning for a Sustainable Future: a High Level Response;
- Planning for Major Infrastructure: Making the New System Work;
- Permitted Development Rights for Householders;
- Improving the Appeal Process; and
- Planning Performance Agreements.

Copies of all the white paper responses can be downloaded from:

- <http://www.rtpi.org.uk/item/606>

## 2. Changes to Planning Fees

Consultation with RTPI members on planning fees draws a range of responses.

- There are those who consider that planning provides a public service that should be provided at public charge, free of fees to the user.
- There are those who consider that an element of user fee is justifiable, and a range of views about whether that should be nominal (to discourage frivolous use of the service) through to complete (covering the full costs of the development management service or even extending to some components of the cost of plan-making).
- Amongst those who support fees, views vary between those who consider fees should be locally and nationally

On balance, the RTPI recognises that planning services do benefit private individuals and entities and that fee paying is justifiable on this basis. Further, planning services as currently configured rely substantially on fee income, and a loss or decline in this income would trigger the need for a root and branch re-appraisal of service and indeed local government funding. The RTPI is not advocating such a re-appraisal at this time.

Setting the level of fees then turns to questions of the nature and adequacy of other sources of funding for planning services. The RTPI has already made clear its strong view, shared with Kate Barker, that the Housing and Planning Delivery Grant (HPDG) will need to continue to provide a substantial measure of planning service core funding currently provided by Planning Delivery Grant, if the necessary service improvements are to be delivered and the post 2004 Local Development Framework reforms are to be successfully implemented.

Similarly, the RTPI is clear that local government must not view sources of external income (be they fee or grant based) as a justification for reducing local public funding. Planning is a key local service that acts in the local as well as the general public interest. It makes and shapes places. Local people should continue to expect to pay for the local public benefit elements of this service through their Council Tax.

### **Q1 Would a fee level increase of 25% be reasonable? Should householder applications be largely shielded from that increase?**

The RTPI's position is that fees must rise to the extent necessary to ensure a continued trajectory of service improvement, combined with the implementation of system reforms.

The RTPI finds it difficult to predict the precise level of fee increase that is necessary, having regard to the fact that the contribution of Housing and Planning Delivery Grant as a potentially significant component of overall planning service funding is not yet fully known. However, on balance, a 25% increase appears low, although this response should also be read in tandem with that to question 2 below.

There are arguments in favour of shielding householder applications from fee increases above inflation. However, the RTPI also notes that this could have profound implications for some local planning authority areas whose use and development mix are dominated by residential development. The combination of lower fee increases for householder applications and a

reduction in the number of applications due to the (generally supported) implementation of the Householder Development Consents Review could leave some (largely suburban) local planning authorities experiencing a significant loss of fee earning capacity, that would be unlikely to be immediately made up from either grant or Council Tax.

**Q2 Would you prefer that fees go up by the full 40% to provide more resources for planning?**

As was indicated in the answer to question 1 above, many local planning authorities consider that they will need significant augmenting funding if they are to deliver the necessary aspirations for service improvement, recruitment, retention and training of staff. There also appears to be reasonable support from applicants' agents for the proposition that fees might rise in tandem with a rise in the speed and quality of decisions.

**Q3 What are the likely effects of any of the changes on you, or the group or business or local authority you represent? Will there be unintended consequences, do you think?**

The unintended consequences of changes to the householder fees regime are highlighted in the answer to question 1 above.

**Q4 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 improvements 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?**

The RTPI has an established policy position that time targets alone tend to deliver speed, but with an insufficient focus on outcome quality. The current target regime has also generated perverse incentives, for local planning authorities to limit negotiation and to refuse otherwise negotiable proposals, where there is insufficient time for negotiations to bear fruit within the relevant target period. On this basis, the RTPI has consistently called for the introduction of outcome quality measures. The RTPI and CLG are currently engaged in research that has the significant potential to frame the shape and practicability of such indicators and we rest on the emerging outcomes of that research.

However, the RTPI has elsewhere welcomed the principle embodied in the Planning Performance Agreements proposal – namely that if the applicant and the local planning authority agree a timescale, that should be the appropriate timescale for the application. It is not impossible to link target performance to such agreements – in short to say that acceptable performance is what the applicant and the local planning authority together agree that it is.

**Q5 Are current fee maximums serving any useful purpose?**

No. Further, many developers and applicants' agents indicate willingness to pay a proportionate fee.

**Q6 Do you welcome the proposed fees for discharge of conditions? Do you agree this should not apply to conditions imposed on, say, listed building consents?**

No. This proposal requires reconsideration. It is important that a systematic approach is taken to the cost, timing and quality of discharging conditions. However, comments in the RTPI's internal consultations included concerns that very high fees could be charged for the discharge of individual conditions, and/or fees could be charged on several occasions.

A 'block fee' for the discharge of all conditions might be considered as a means of resolving this. Applicants may also have the opportunity to front load the payment of such a fee, at the time when planning permission is granted.

#### **Q7 Will it be useful if the local planning authority can offer a 'premium service'?**

On balance, the RTPI does not support the premium service proposals. Public perceptions around the probity of planning services are as important as public views about the benefits provided by planning. A premium service is hard to justify in circumstances where members of the public could see that service as buying a 'result' as distinct from a 'process'.

The approach taken to the development of Planning Performance Agreements has largely balanced this issue of public perception well – including in its recognition that language is a critical component of perception, leading to abandonment of the previous title of Planning Delivery Agreements. Whilst the RTPI supports the concept that fees for a range of pre-application services might be levied within the framework of a Planning Performance Agreement, we would be concerned about the broader availability of a 'premium service' stream, unless it was abundantly clear that such a service was only buying 'process' commitments and was not removing the capacity of relevant stakeholders such as neighbours and statutory consultees, to be properly involved.

#### **Q8 Currently, Government sets planning fee levels. 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?**

On balance, the RTPI does not support the principle of locally set planning fees for core planning services. Where fees are centrally set, there is at least some consistency:

- for applicants, who are assured that similar matters will be charged for on the same basis in different geographical areas; and
- for local planning authorities, who have a measure of the common income from and value of planning tasks.

The RTPI recognises that there are differences in planning service cost that can arise between different localities. For example, a service might incur a higher than typical level of non-charged for tasks<sup>1</sup>, and/or have a strong public expectation of quality in delivering its planning services. However, on balance, the RTPI considers that such differences need to be recognised in the grant regime for planning and in the local revenue devoted to planning. It should not play out in divergences in fees between different local planning authorities.

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<sup>1</sup> such as

### 3. Conclusions and Recommendations

The RTPI broadly supports the proposition that planning fees should rise. The scale of the necessary rise is hard to predict in the absence of detailed data about the configuration of the Housing and Planning Delivery Grant. However, it needs to be sufficient to maintain the current trajectory towards system improvements and reforms that government has quite correctly set.

#### *Recommendations*

- Fees are likely to need to rise more than 25%.
- The quarantine of householder fees, although understandable from a political perspective, when combined with permitted development changes, could lead to a significant loss of fee income in some householder dominated local planning authority areas.
- A premium service planning fee should not be introduced unless it can be made abundantly clear to the public that such a service leaves the quality of outcomes to society as a whole unaffected and does not 'buy' outcomes.
- Differential local fee charging would appear to add an unwarranted level of complication and should on balance be avoided.