Dear Sir/Madam,

RESPONSE TO PRE-JULY BUDGET 2015 CONSULTATION

Thank you for the opportunity to respond to the above consultation. The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 23,000 spatial planners. The Institute seeks to advance the science and art of spatial planning for the benefit of the public. All activities which generate economic growth require land on which to be located, whether it be homes or work places. Planners in both public and private sectors play a vital role in enabling new developments to take place with supporting infrastructure. The Conservative Manifesto makes many references to the role of planning such as ensuring local control, getting development on brownfield land and supporting locally led garden cities.

Resourcing of Local Authority Planning Departments

According to the Local Government Association, by 2015/16 core funding for local government will have been reduced by 40 per cent and further reductions are anticipated\(^1\). A number of reports have documented the clear evidence that cuts in Local Government funding are resulting in very significant cuts for planning services\(^2\).

Local authority planning and development services have experienced the largest cuts of any local government service area since 2010, as the following chart by the National Audit Office demonstrates:

---
\(^1\) (*Future Funding Outlook 2014: Future Funding Outlook for Council 2019/20 (July 2014) *)
As a “fee generating” service, there can be a tendency for budget decisions makers to see central cuts to planning as a safe option. However, a benchmarking exercise carried out by DCLG in 2007 to investigate whether fees should be set locally (rather than nationally) found that fees for planning applications only cover about 38% of the costs of planning activities.\(^3\)

Many of our members have reported to us a significant reduction in ability of planning departments to deliver good planning outcomes in terms of speed and quality of decision. But these impacts are not just noted by planning professionals;

Lack of local government resources was seen by 29% of respondents to Price Waterhouse Cooper’s “The Local State We’re In 2014” as a significant barrier to economic growth (p.20).

---

\(^3\) Cost Recovery by Local Planning Authorities 2010" DCLG, P13
The Planning and development function of a local authority is essential to facilitate economic growth and deliver housing; two of the government’s central priorities. Authorities need to be well resourced, particularly with experienced and skilled professional planning officers, in order to provide the best quality advice to elected members and deliver timely and sound planning decisions in the interests of immediate and wider communities.

Therefore the RTPI considers that;

- In the interim, a national rise in planning application fees in line with the rate of inflation would be a sensible short term measure.

- We strongly warn against future cuts to Local Authority spending due to the knock on effect this will have for the delivery of new homes and permanent employment.

- Opinions from within the profession as to whether planning fees should be set locally to more accurately fully cover the cost of service is divided, but RTPI would see no harm in this providing that authorities have adequate capacity to set them and could give assurances to applicants that they will received a proportional service (in terms of fair decision making).

- We see scope for the further formalising of the cost of planning services to be funded by applicants through measures like pre application charging and planning performance agreements, although this should come with a guarantee of good service from the Local Authority.

- Planning has already contributed its fair share to reducing the overall defecit. It is poised to contribute in the future by supporting additional tax generating growth, but only if sufficient investment in services are made.

We hope these issues can be considered in the budget and thank you for the opportunity to comment.

Yours sincerely,

Richard Blyth MRTPI
Head of Policy and Research