

ITEM 9b

SUMMARY OF PLANNING WHITE PAPER

The proposals in the White Paper are divided into two main parts:

1. Proposals to improve the way that nationally significant infrastructure projects are dealt with (Chapters 2-5) - summarised below;
2. Proposals to improve the town and country planning system (Chapters 6-9) – summarised below.

Chapter 10 deals mainly with the programme for implementation. It is the government's intention that the proposals set out in the White Paper should be fully in place by 2009.

The White Paper is out for consultation until **17th August 2007**. It lists 40 questions around which the government is inviting responses.

Not all of its proposals are the subject of consultation at this stage, but the following sections list the specific proposals for changes to the town and country planning system, which are most relevant to the City Council, and propose a response to the appropriate consultation questions.

Four other more detailed consultation papers have been published on specific proposals contained in the White Paper:

- Planning Performance Agreements: A new way to manage large-scale major planning applications;
- Planning Fees: Proposals for Change;
- Changes to Permitted Development Rights for Householders;
- Improving the planning appeal process.

The deadline for consultation on all four is also 17th August 2007. The suggested response from the City Council also addresses each of these specific proposals.

Proposed Reforms for Major National Infrastructure Projects (chapters 2-5)

For infrastructure projects of national significance, such as major airport and port schemes, improvements to the strategic road network, major new power generating facilities and major reservoir and waste water plant works, the White Paper proposes the following:

1. National policy statements on infrastructure

Produce national policy statements to ensure there is a clear policy framework for nationally significant infrastructure, which integrates environmental, economic and social objectives to deliver sustainable development. It states that these will be subject to public consultation and Parliamentary scrutiny.

2. Applications for major infrastructure projects

Provide greater certainty for promoters of infrastructure projects and help them improve the way they prepare applications by:

- Making better advice available to them;
- Requiring them to consult publicly on proposals for development;
- Requiring early engagement with key parties such as local authorities, statutory bodies and highway authorities.

3. Independent Infrastructure Planning Commission

Achieving a clear separation between policy and decision-making, by creating an independent Infrastructure Planning Commission to take decisions on nationally

significant infrastructure applications, within the framework of national policy statements set by Ministers.

4. Consent regimes

Streamlining the procedures for infrastructure projects of national significance by rationalising the different consent regimes affecting such projects into a single consent regime which could be authorised by the Commission. This could include planning permission, compulsory purchase, legislation governing railways or ports, stopping up or diverting highways and rights of way, listed building and conservation area consents, hazardous substances consents and powers to fell of lop trees.

5. Public Participation

Improve public participation across the entire process for considering major national infrastructure by:

- Better opportunities for public consultation at each stage of the planning approval process;
- Improving the ability of the public to participate in inquiries by introducing a specific 'open floor' stage;
- Providing additional funding to bodies such as Planning Aid to advise and support community interests.

Proposals to Reform the Town and Country Planning System

To improve the responsiveness and delivery of the town and country planning system, the White Paper makes a number of proposals, which are summarised below.

1. National Planning Policy Statements

The government proposes a comprehensive review the current Planning Policy Statements (PPSs) and other guidance and publish a new national planning policy framework which is more streamlined and separates out policies from guidance. The review will also ensure:

- Devolution of decision making to the local level;
- The scale and complexity of evidence required for plan-making and planning decisions is proportionate;
- The policy framework supports positive planning and place shaping;
- Planning is used to deliver policy objectives.

It stresses that this is not about changing policy but about better communicating existing policy. In particular, the White Paper emphasises that the government will make no fundamental changes to Green Belt policy as set out in PPG2. The Barker Report had hinted at the need for a review of green belt policy.

A timetable for preparing and consulting on the new framework will be published in summer 2007, with the aim of completing it by summer 2009.

2. Climate Change

Planning is seen as one of the elements required in a successful response to climate change. The White Paper makes a number of proposals to strengthen the ability of the planning system and local authorities to respond:

- (a). The government will publish its Planning Policy Statement (PPS) on Climate Change which will say how planning should help create places with lower carbon emissions and which are more resilient to climate change. This will include a test

for development plans on their carbon ambition, ensuring a significant proportion of on-site and/renewable energy supply in new developments, a framework to support progress to zero carbon homes and a new agenda for renewable and low-carbon technologies;

- (b). Introducing permitted development rights for householder microgeneration such as solar panels and wind turbines
- (c). Reviewing and extending permitted development rights on microgeneration to commercial land uses;
- (d). Introduce legislation to set out the role of local planning authorities in tackling energy efficiency and climate change, to achieve zero carbon development;
- (e). Working with industry to develop a sustainable code for commercial buildings (similar to the Code for Sustainable Homes) to deliver substantial reductions in carbon emissions from new commercial development.

3. Economic Development Policy

The Barker report made particular recommendations about the need to make the planning system more responsive to economic change. The White Paper proposes to publish a new PPS on Planning for Economic Development. In particular, this will include a new approach to determining planning applications which do not have the specific support of the development plan, so they should be considered favourably unless it is clear that the economic, social or environmental costs of development outweigh the benefits. The draft new PPS will be published in summer 2007 and finalised by spring 2008.

4. Town Centres

The Government proposes to improve the effectiveness of the town centre planning policy by replacing the need and impact tests with a new test which has a strong focus on the town centre first policy, and which promotes competition and improves consumer choice, avoiding the unintended effects of the current need test. It proposes to consult on proposals in summer 2007, taking into account the conclusions of the Competition Commission inquiry into the groceries market, and finalise any changes by spring 2008.

5. Place shaping

The White Paper proposes to place planning more at the heart of local government to support the 'place shaping' role of local authorities headlined in the Local Government White Paper. It makes a number of specific proposals:

- (a). Publishing draft guidance to local authorities and LSPs later this year on 'place shaping', which will highlight the role of the LDF Core Strategy and provide advice on how to align and co-ordinate it with the Community Strategy;
- (b). The LG White Paper stated the government's intention to replace the requirement for independent examination of the LDF Statement of Community Involvement with a more comprehensive community engagement strategy across all local authority and LSP activities. To ensure this, the Planning White Paper proposes a new statutory best value 'duty to involve', inform and consult in the exercise of local authority's functions, including planning.
- (c). Following the LG White Paper recommendation to make planning a responsibility of a corporate director who should be professionally qualified in planning, the government has now asked local government and the Audit Commission to redefine how planning should be part of an authority's 'place shaping' function.
- (d). The LG White Paper announced that it would enable local authorities to allocate the executive responsibility for determining planning applications that are particularly significant in implementing the LDF. The Planning White Paper states

the government's intention to prepare amendments to regulations in autumn 2007 to bring this about.

6. Local Development Frameworks (LDFs)

The government has identified a number of shortcomings with the new system of LDFs introduced in 2004, such as the length of time taken to produce supplementary planning documents and the increased amount of community engagement on all LDF documents leading to consultation fatigue. The following changes are proposed:

- (a). For development plan documents (DPDs), to revoke the statutory requirement to consult on preferred options, but make it a statutory requirement to consult and engage at the issues and options stage, so reducing the statutory consultation stages to from 3 to 2. The expectation is that, as a result, the timescale for preparing DPDs would be reduced from 3 to 2½ years. Draft regulations consulting on this change will be published in autumn 2007.
- (b). Require the final consultation on DPDs to be done by local authorities before submission to the Secretary of State for examination rather than at the same time. If necessary enabling authorities to make changes prior to submission, in order to avoid having to withdraw plans and start again. Draft changes to the regulations will be published in autumn 2007.
- (c). In the event of a legal challenge to a DPD, enable the High Court to order that a plan is sent back to an earlier stage rather than having to start again;
- (d). Changes to guidance so that site allocations DPDs may not always be needed and Core Strategies can include strategic sites, to be consulted on in autumn 2007;
- (e). Amend legislation to remove the requirement that all supplementary planning documents (SPDs) have to be listed in the local development scheme (LDS), so that local planning authorities can produce SPDs without reference to central government enabling them to be more responsive to local circumstances;
- (f). Amend legislation and guidance to remove the requirement for a sustainability appraisal (SA) of all SPDs, but ensure SA is undertaken on SPDs which have significant social, economic and environmental effects;
- (g). To integrate infrastructure provision more with plan-making, clarify the test of soundness on 'implementation' of DPDs, so that local authorities must demonstrate when infrastructure required for development will be delivered.

7. Planning Performance

The White Paper recognises the significant improvements made by most planning authorities in recent years, but proposes further changes to the performance management framework and resources for planning services as follows:

- (a). Planning is expected to be a key part of the new performance framework for Local Area Agreements announced in the LG White Paper, with priority planning indicators expected to be included in the proposed list 200 national performance indicators;
- (b). The proposed new Housing and Planning Delivery Grant (HPDG) consulted on in 2006 will incentivise progress in delivering LDFs, progress in achieving outcomes from policies in LDFs and joint working between planning authorities. Final details will be subject to the Comprehensive Spending Review;
- (c). Planning Performance Agreements are proposed in a separate consultation paper to replace the 13 week target for very large major planning applications;
- (d). Changes to the planning fees regime are also proposed in a separate consultation paper, which will result in a 25% increase in fees. The paper also consults on de-regulating planning fees to allow authorities to set their own fees and considers piloting a premium service where LPAs can charge an enhanced fee (e.g. extra

20%) where it guarantees an applicant will receive a decision in less than the target times;

- (e). The White paper proposes further ways to build skills and increase the supply of qualified planners;
- (f). Finally in terms of e-planning, it acknowledges that most authorities now provide good on-line planning services, so the government now intends focusing on take up of on-line services, trying to encourage more applications and LDF representations to be submitted on-line.

8. Permitted Development

To reduce the number of minor planning applications dealt with by local planning authorities and offer greater freedom to householders and business, the government proposes changes to permitted development rights as follows:

- (a). To introduce a new impact approach to householder development, so that only developments with more than a low impact on the wider neighbourhood would require planning permission. This is subject to a separate consultation paper.
- (b). The White Paper consults on whether to extend the impact approach to permitted development to industrial and commercial buildings and other types of development;
- (c). The White Paper is also seeking views on whether the introduction of a voluntary system of neighbour agreements, whereby if those affected by a development had no objections it could proceed without the need for planning permission.

9. Planning application process

The government proposes a number of changes to the planning application process in order to simplify regulations and the complexity of the process, as follows:

- (a). Review and simplify the General Development Procedure Order 1995, the main legislation governing the process for submitting planning applications;
- (b). Amending legislation to allow planning authorities the discretion to allow minor variations to a planning permission without the need for a new planning application;
- (c). Unifying the consent regimes for planning, listed building, conservation area consents to avoid the need for separate consents for one scheme;
- (d). Legislation to introduce a single set of rules for Tree Preservation Orders - currently different procedures apply depending on the date of the order;
- (e). Streamlining the information requirements for planning applications, which has increased significantly in recent years. This will include:
 - the introduction of a standard application form for all planning authorities (1APP) from 1st October 2007;
 - publication of revised guidance by summer 2007 on the information required to accompany applications and for validation;
 - examine the potential to raise the threshold of development requiring an Environmental Impact Assessment (EIA).
- (f). Reduce the number of applications called in by ministers - consultation paper to be published this summer;
- (g). Consult on proposals to transfer those appeals still determined by the Secretary of State to Planning Inspectors.

10. Appeals Process

A separate consultation paper has been published on proposals for changes to the appeals system to make it more proportionate to the type and complexity of appeals, such as for householder development and TPOs and to make it more efficient.

Planning Fees: proposals for Change

1.0 **BACKGROUND**

- 1.1 Handling, checking and publicising planning applications, and giving each one appropriate and careful consideration, is resource-intensive. Government policy is to allow local planning authorities to recover all the costs of processing by charging fees. However, local planning authorities are not recovering from planning fee income enough to cover these costs.
- 1.2 The Government has become aware of a general opinion that, if the ambitions of spatial planning, the effective management of development, and maintaining improved local planning services are to be achieved, they need to augment the resources available to local authority planning services.
- 1.3 Fee increases reflect not only inflation in relation to local authority costs but also the cost of continuing to drive service improvements.

The Legal Background

- 1.4 The provisions for charging planning application fees are set out in section 303 of the Town and Country Planning Act 1990, as amended by section 53 of the Planning and Compulsory Purchase Act 2004. Section 93 of the Local Government Act 2003 introduced a general power for authorities to charge for discretionary activities (i.e. services that an authority has the power to provide, but is not obliged to, such as pre-application discussion and advice).

The Basis for Charging Planning Fees

- 1.5 The government indicates that the amount of fee payable in a particular case is, unless otherwise specified, a reflection of the overall cost of handling, administering and deciding the various types of fee-chargeable application. The fee amount chargeable is designed to include recovery of direct costs and an apportionment of overheads directly related to the costs of staff time involved in processing an application in the relevant fee category. That is the basis of the existing and the proposed new fees.

Resourcing the Planning System

- 1.6 It has long been a principle that developers should pay for the work involved in deciding planning applications. For some years there has been reluctance to increase fee levels fully to meet the cost of the service because of a perceived poor standard of local authority performance. However, without the necessary resources, local authorities have been unable to attract and retain suitably qualified staff and improve delivery. Fee levels were last raised in April 2005.
- 1.7 For the last five years, Planning Delivery Grant (PDG) has partly bridged the gap. PDG has brought significant improvements in service delivery across the country but this grant regime is now in its final year in its current form.

Improvements to Service

- 1.8 Over the last five years there has been a significant improvement in performance nationally despite a 22% increase in the number of applications. Improvements in performance have also been seen in Derby and all three application processing targets are now being exceeded (BVPI 109a, b and c). This improvement is principally due to the impact of sustained investment from PDG and provides applicants and developers with significantly greater speed and certainty over the timing of planning application decisions. The Government now expects

local planning authorities not only to meet targets, but to continue improving beyond their existing performance level yet PDG in its current form is to cease.

- 1.9 Planning is identified as a key service for local government, in particular as part of the 'place shaping' role which the Local Government White Papers sees as central to the future role of local government. As well as providing a service to householders and businesses, planning underpins the delivery of wider social, economic and environmental outcomes and the future shape and health of the locality.

Barker Report

- 1.10 In the review of the planning system undertaken by Kate Barker in 2006 the recommendations included:
- raising the £50,000 maximum threshold for planning application fees on a tapered basis;
 - allowing applicants to pay for a premium service or to pay for additional resources/consultants to be put towards their application; and
 - maintaining a form of Planning Delivery Grant, ensuring an incentive for speed and delivery outcomes alongside housing development and incentivising plan-making.
- 1.11 There was a proviso that any fee increase be allowed only 'on the basis of a clear mechanism for indicating the higher quality of service that will be delivered as a result.'

2.0 **SUMMARY OF PROPOSALS IN CONSULTATION PAPER**

The Proposed Changes to Fees

- 2.1 The Government has set out its response to the Barker Report in the Planning White Paper as part of a package of reforms. It has been made clear that local authorities need to be resourced if they are to continue to improve the operation of the planning system, and provide a better service for all. Accordingly, fees are proposed to be increased in order to sustain and continue improvements in the performance of local planning authorities as PDG ceases. This will help to sustain the positive effects of the Planning Delivery Grant which the Government has been paying to local planning authorities since 2003.

- 2.2 There are three specific and evidenced grounds for the suggested changes to planning fees:

- First, local planning authority income from planning fees does not pay in full for the service for which the fees are charged, especially for the largest schemes;
- Second, increased costs since fees last went up in April 2005; and
- Third, the fact that for some important, time-consuming work which authorities have to do, no planning fee at all is chargeable.

Research findings confirm that planning services continue to be under-funded, and that, in part, this is due to insufficient fee coverage to achieve the intended level of cost recovery.

- 2.3 Three options are suggested:

Option 1 – no change to the current fee regime;

Option 2 – the increase overall fees by approximately 40% (excluding householder applications);

Option 3 – increase overall fees by 25% (excluding householder applications).

- 2.4 There are a number of common elements to options 2 and 3. Both propose to:

- keep the fee increase for householder applications down to 7.5% (to reflect inflation since the last rise), increasing the fee from £135 only to £145;
- remove the maximum fee cap (currently £50,000); and
- introduce a new fee for when a local planning authority is requested to certify that a planning condition has been 'discharged' (that is, fulfilled); A new fee of £85 is proposed

(or £25 where the related permission was for extending or altering a dwellinghouse, or other development in the curtilage of a dwellinghouse). The authority would have to issue its written confirmation within 30 working days of receipt of the request.

Preferred Option

- 2.5 The proposal is that Option 3 is the appropriate way forward. As part of the package of increased fees the government expect local planning authorities to continue improving. If accepted and approved by Parliament, the proposed changes to fees would come into effect on 1 April 2008. To continue to improve in the absence of PDG a similar amount would have to be diverted from fee income to maintain the current levels of assistance.

'Premium Service' Pilot Project

- 2.6 The Barker Report also recommended that a local planning authority should be able to offer a premium service to applicants. Accordingly, the government proposes to carry out a national pilot study with a number of authorities. The idea is that local planning authorities could offer an applicant, for an additional fee, the guaranteed issue of a decision on the application in less than the standard thirteen weeks for major applications, or the eight weeks allowed for minor and other applications. For such a service, an enhanced fee of up to 20% on top of the usual fee for applications for that category and size of development is suggested. If the trial proves successful the government intend to roll out the ability to charge for a premium service across the whole of England.

Future Longer-Term Option – Setting of Fees Locally

- 2.7 Some advisors have suggested that the Government should allow local authorities to set their own fees, within a framework set by regulations. Any such proposal would need to be linked to the performance of the local authority. Specifically a local planning authority could be allowed to set fees locally where it can:
- set out the full, detailed cost of its planning services – a basic requirement as fees are not allowed to generate income above that cost;
 - demonstrate that it has an effective planning service – that is, it meets all the requirements on planning in the local government performance framework; and
 - prove it has an efficient planning service – achieving the top rating in terms of its CPA rating for 'use of resources'.
- 2.8 This does not necessarily mean that fees would increase. Several authorities already offer from their own funds, discounts to applicants who, for instance, helpfully make their planning applications on-line. But this is only in recognition of the larger PDG rewards by artificially manipulating the number of applications submitted.

Summary of Proposals

- 2.9 In summary, the preferred option for changes to fees to take effect from 1st April 2008 comprises:
- (a). A rise in fee amounts by 25% above current level (apart from householder applications);
 - (b). To increase householder application fees by 7.5% bringing the fee from £135 up to £145;
 - (c). To remove the maximum fee cap (currently £50,000);
 - (d). To introduce a new fee category of £85 (or £25 where it relates to householder applications) for certification that planning conditions have been fulfilled.
- 2.10 For the future the government is proposing:
- (a). To pilot a 'premium service', whereby local authorities could charge an enhanced fee of 20% on top of standard fee levels if they guarantee to reach a decision in less than the current 13- or 8-week target periods; and

- (b). To make provision for local planning authorities to set their own fees where they meet certain eligibility criteria.

Response to Consultation

- 2.11 The consultation paper asks a series of questions. These are listed below together with a proposed response.

3.0 **FINANCIAL CONSIDERATIONS**

- 3.1 The introduction of a national fee increase will generate additional funds to cover the cost of the processing of applications. Based on the applications received in 2006/07, which generated a fee income of £838,357, it is estimated that the proposed fee increase suggested in **option 3** would have produced an increase in fees of approximately £185,506. This is very broad brush but is based on:
- 1014 domestic extensions at £10 extra = £10,140;
plus
 - 25% increase on £701,467 fees paid excluding 1014 domestic extensions = £175,366
- 3.2 If my favoured **option 2** is followed this would produce an increase in fees of approximately £290,726. Again this is broad brushed but based on:
- 1014 domestic extensions at £10 extra = £10,140;
Plus
 - 40% increase on £701,467 fees paid excluding 1014 domestic extensions = £280,586
- 3.3 It must be emphasised that this is only an estimate of the potential increase in fees on the last full year of applications. The overall increase in 2008/9, if the fee changes are implemented, will depend entirely on the number and type of applications submitted, which is outside of the local planning authority's control and cannot therefore be accurately forecast.
- 3.4 The above estimate does not include an allowance for additional fees from charges for certification that planning conditions have been fulfilled nor the potential impact of a reduction in fees arising from the government's other consultations proposals to extend permitted development rights on householder development.

