

# CONSULTATION RESPONSE



PLANNING PERFORMANCE AGREEMENTS

17 August 2007

## **A new way to manage large-scale major planning applications**

1. **Q1.** HBF and our members are supportive of the proposed process of planning performance agreements for large-scale developments. We believe that they could best be utilised for very large scale development projects that require the coordination of a number of third parties and outside bodies.
2. However, we would not want the very process of trying to agree a PPA to introduce further delay into the planning process. Since the agreements are, by definition, agreed between the parties it should also follow that any of the parties can withdraw from the process and revert back to the standard planning application timetable. PPAs cannot be compulsory on either side.
3. We have a number of suggestions and amendments to the consultation paper as follows.
4. **Q2.** HBF is supportive of splitting the definition of major application into large scale and small-scale major applications. These definitions should be carried forward in all performance monitoring of LPAs and should be included in statistical returns to CLG under Best Value 109a.
5. The proposed threshold of 200 residential units is similarly supported. However, the equivalent site size for proposals with an unspecified number of units should be increased to 5 hectares to reflect the current average density of development at 40 dwellings per hectare rather than the unrealistic assumption of an average of 50 dph as proposed.
6. The application of PPAs to smaller sites might also be considered with the criteria being the nature of the project and its context rather than an arbitrary size threshold.
7. **Q3.** All applications which are subject to PPAs should be removed from the Best Value 109a target. However, delivery against PPAs should be collected and monitored through PS1 and PS2 returns.
8. The fact that planning performance agreements are considered to be a positive tool yet are proposed to be removed from the BV109 targets suggests that these targets too need review.
9. **Q4.** PPAs are considered a very effective tool for establishing agreed processes and timescales for the delivery of major projects and the process can result in the sharing of resources, ensuring very high levels of efficiency between applicants and LPAs.

10. **Q5.** Funding of PPAs is critical to their wide adoption and successful outcome. However, this is not adequately addressed in the consultation paper.
11. The process of PPAs is to establish an agreed process and timeline to achieve a planning decision. Whether the costs for that process are pre application or arise at the time of an application is immaterial to the overall level of costs of implementing the PPA. In effect, the more work and agreement that is achieved pre application, the easier the application will be to process, thus any costs are not additional to those related solely to an application that did not follow a PPA route.
12. The overall cost to the applicant should be the same whether or not a PPA is entered into or not. Thus the overall costs should be no more than the appropriate planning application fee. We have sought to reflect this opinion in the HBF response to the current consultation regarding planning fees where we call for the charging of pre application discussions to be brought within the national fees structure to achieve greater certainty and consistency within the system. The fact that pre application discussions are now an integral part of the development process the service can no longer be considered discretionary and the fee structure should be formalised. However, as we suggest below, we believe that such charges should not result in additional fees but should be drawn from the application fee.
13. This is particularly the case for PPAs where there should be a tangible benefit rather than additional cost to applicants who enter such agreements. Similarly LPAs should recognise the benefits of a PPA and should expect to bear some of the costs associated with the setting up of the agreement. They will, after all, receive the planning application fee as usual yet will have an easier time in processing the application due to the high level of agreement that will have been reached by the time the application is submitted.
14. The HBF suggest that all applications, including those subject to a formal PPA, should spread the planning application fee across the planning process with a proportion of the fee paying for pre application stages of the process and the rest submitted with the formal application. This new approach would reimburse LPAs for pre application discussions in a more formal and consistent basis and would be proportional to the scheme being discussed. Those applicants that then decided not to proceed with an application would have paid for pre app advice yet would have saved money on the application fee. Applicants who have worked collaboratively with the LPA will, however, not face a charge above those applicants who have chosen not to hold any pre application discussions.
15. Any additional charges for either pre application advice or for PPAs will do little to encourage applicants to enter into such agreements since there will be an additional charge for doing so.
16. **Q6.** The suggested PPA charter appears to be driven solely from the local authority's viewpoint. This misses the point of such agreements which should be jointly prepared with the applicant. Thus it would be inappropriate for all PPAs to be prepared in the same way and to follow the same procedures regarding, for example, community involvement. Any such charter should, therefore, refer to the

principles of a PPA and the issues that will need to be addressed not how they will be addressed. That is for the project plan to decide.

17. The proposed project plan is an essential part of the PPA and guidance should stress that the plan must be an agreement between the LPA and the applicant rather than a one sided, LPA led process.
18. Similarly the key issues list is essential to the process and should be an agreed list between LPAs and applicants.
19. The concept of an inception day is supported. However, the consultation paper appears to suggest that such a day would be a major exercise in its own right. This need not be the case and is overly complicated for many applications which could benefit from a PPA. This process can be a very simple step in a PPA to establish the other essential elements of an agreement such as the key issues list and the project plan.
20. **Q7.** The failure of a PPA is not an issue which should be linked to a financial penalty. As long as an applicant was entitled to revert to the statutory process of submitting a planning application at any time and either appealing for non determination or against a refusal of permission then these existing sanctions could be used. The fact that the PPA had failed could be considered as a material consideration in any subsequent decision, whether by the LPA or by the Inspectorate.
21. **Q8.** The potential for PPAs to lead to a better planning process and the formalisation of the pre application phase of major projects is considered not only to be beneficial for both the housebuilding industry and local government but also on the achievement of the Government's housing targets. However, as their name suggests, the PPA should be an agreement between the LPA and the applicant rather than a requirement by either side to enter into such a process. As long as this fallback position of formal submission of a planning application is retained any unintended consequences can be rectified through the statutory application procedures.

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