



HBF BACKGROUND PAPER

Resources for Local Authority Planning Departments

**August
2015**

Introduction

1. Resources for local authority planning departments fall into two categories; money and people. It is vital to see the planning service provided by a local authority as a public service, delivered in the public interest. The beneficiaries of the service are not just the people who use the service directly (such as applicants for planning permission) but the wider public within the local planning authority area whose amenities are protected through the planning system of local plans, development management and enforcement. The planning service and its resourcing should, therefore, be seen on a comprehensive basis, not just a discussion about planning application fees.
2. Neither is it the role of the Home Builders Federation, nor our members, to solve the resourcing of the planning system within local planning authorities. The development industry is merely a small, albeit significant, part of the planning process in any local authority area. Resourcing of planning departments must be seen as a wider, corporate issue and should reflect the public benefit of an efficient and effective planning service. In addition, because boosting housing supply is a major policy priority for the Government, it must play a role in resolving this difficult issue or it will be impossible for the industry to deliver.
3. This is, therefore, a discussion paper, setting out the housebuilding industry views on what might be done in the wider context to incentivise local authorities to ensure that they take seriously the role played by their planning departments in shaping the future of their areas and that key decision makers feel able to justify using scarce public resources to provide high quality planning services for their electorate and users of the planning system.
4. As ever with proposals to encourage good practice, incentives can take the form of positive “carrots” or negative “sticks”. This paper addresses some of the existing incentives and suggests others that might be taken forward. There is no reason why carrots should work any better than sticks. However, rewarding success must be seen as a more positive model than punishing failure, not least because the latter is inevitably retrospective in application and self-perpetuating as resources are removed from those areas performing badly.
5. Although town planning plays a vital role in society in a huge number of ways there are two key areas of a planning department that have a direct impact on facilitating development and growth in a local authority area. These are the production of local plans (including neighbourhood plans) and development management (not development control as it is still sometimes referred to even by those who operate the process, particularly local Councillors).

Local Plan Production

6. Despite the planning system essentially being “plan-led” since 1991 there are currently just of 60% of local planning authorities with an adopted plan still within its end date. However, there are less than 30% of authorities who have adopted a plan since the publication of the National Planning Policy Framework (NPPF) in 2012 suggesting that many local authorities are not keeping their plans and policies up to date, There are, of course, many reasons why this may be the case and this paper is not primarily about how the local plan production process should happen. However, one of the reasons may be that planning departments do not see a benefit to having an up to date local plan in place and see money resources invested in local plan preparation as non-productive and an unnecessary drain on limited investment.
7. However, up to date local plans are, under a plan-led system, critical to housing delivery, set out a vision for the future of an area, guide development and investment in infrastructure and give transparency and certainty to decision making. They are a critical part of the planning process and local authorities should feel confident that investment in producing plans and keeping them up to date is a good use of resources.
8. Currently the failure to have an up to date local plan could result in a local authority losing appeals for development in their area. However, the appeal process is often uncertain and costly for any potential developer. There are also some local planning authorities who seem to prefer development in their area determined at appeal in order that they can continue to make political mileage of continuing to resist development in their area while knowing that the planning inspectorate will overturn their decision. However, appeals should be seen as a last resort, not as an alternative decision making process for nervous elected members. Recent changes to the costs regime at planning appeals have made little difference as behaviour must be “unreasonable” in order to make a costs award. We therefore, suggest that, where a local authority does not have an up to date local plan costs awards of appeals should be automatic.

Housing and Planning Delivery Grant

9. However, a positive way of encouraging local plan production and review would be to reward those authorities who have up to date plans. While the benefit of an up to date plan should, of course, be its own reward, we suggest that grant funding from central government should, in part, be based on whether or not a local authority has an up to date local plan in place. Measurement should not merely be made of the adopted status of the plan but should also reflect the number of years the plan has left to run and the number of appeals that have been lost over the previous year where the plan was judged not to be up to date.

Previous governments have rewarded local authorities through Housing and Planning Delivery Grant and we suggest a return to a similar regime would encourage plan production and review through direct resourcing.

New Homes Bonus

10. New Homes Bonus (NHB) is a government incentive scheme designed to reward those authorities who plan positively for housing in their area. Unfortunately the payment of the NHB is very divorced from making decisions on planning applications or, even more so, on allocating sites for development through the local plan process. Making partly NHB payable on allocation of sites, granting of planning permission and on commencement of development rather than merely on completion of dwellings would make the bonus payment more responsive to decision making and would reward positive planning for housing. Similarly a more responsive approach towards payment of NHB would allow payments to be withheld from schemes granted at appeal, thereby encouraging good practice in plan making and decision making discussed above.
11. An additional measure to incentivise the production of local plans would be to link NHB to the adoption of plans and maintaining up to date plans. Local authorities without up to date plans would not receive NHB.

Planning Application Fees

12. The HBF is involved in a more detailed discussion over planning application fees with other interested bodies such as the LGA, PAS, POS, RTPI and BPF. While we would accept that a reasonable fee should be charged for processing planning applications we continue to oppose individual authorities setting their own fees due to the monopoly position that each LPA holds. One of the best ways of incentivising local authorities to invest in efficient planning services would be to open the service to competition. We recognise that this is a radical suggestion and one which would require a great deal of further thought. However, it should not be dismissed merely because planning decisions are thought to carry a quasi-judicial weight or that local decisions are “political”. Decisions made in accordance with a development plan, in consultation with local communities should not be controversial and would allow local authorities to free resources to put towards setting out clear policies through development plans against which decisions can be made clearly and transparently. Cost-recovery is no answer as it would provide no incentive to a local authority to offer an efficient service. Whatever the quality service, it would simply recoup the cost through planning fees.
13. Performance of planning authorities when processing planning applications is already measured by central government. Indeed, poorly performing authorities can be placed into “special measures” meaning applicants can apply directly to the

planning inspectorate for determination of their application. While we welcome the recent announcement that the performance threshold for such special measures is to be increased the performance target appears to be neither a real deterrent nor an incentive for better performance for local planning authorities. Indeed, we envisage that, as the thresholds rise, some authorities may even see the special measures regime as a more efficient application processing route than supporting their own planning departments.

14. One of the problems of the current performance monitoring regime is that it is retrospective and does nothing to help the applicants who receive the poor service, merely future applicants. The HBF has, therefore, suggested that planning application fees should be paid in stages with each payment dependent upon the performance of the local authority at that stage of the application. This, we believe, would make the fee regime more responsive and interactive encouraging positive planning. We further suggest that, alongside our proposal for New Homes Bonus payments, an implementation fee should apply to development schemes, thereby encouraging local planning authorities to take an active interest in the implementation stage of development.
15. The HBF is also supportive of introducing fees for planning applications which currently do not attract fees such as heritage applications. Fees for the discharge of planning conditions could be reconsidered but any amendment to fees for such applications should only be considered alongside further discussions over how conditions are used.

Removing the need for planning permission

16. One way of reducing the need for resources is to remove the amount of development that requires planning permission. This would mean increasing the types of development that are granted deemed consent through the permitted development regime. Recent changes by the government have gone some way towards this. However, many of the recent changes have also had attached to them the need for “prior approval” by the local planning authority. Although consideration is only given to a limited number of issues they inevitably require considerable work on the part of the local planning authority and other statutory consultees. This means that, in many cases, consideration for prior approval uses as many resources as processing a full planning application for the development, yet attracts no application fee.
17. Consideration should therefore be given to either charging for, or removing the prior approval process. Given that the development is supposed to be permitted development the latter approach would both better reflect the status of the development as not causing harm, and would free up resources within local planning authorities.

18. We believe that there are other parts of the development process that could benefit from greater permitted development rights such as minor amendments to approved plans and deemed discharge of conditions. The latter has recently been introduced but has a number of caveats that, we believe, will mean that its application, and thus benefit, will be severely limited.

Staffing

19. Perhaps the biggest problem of local planning department resource is in the staff themselves. This is both in terms of overall numbers of employees and their level of skills. This is, of course, a reflection of the amount of investment made by each local authority in its planning department staff in terms of attractive employment packages (demonstrated by the disparity between public sector and private sector packages), responsibility levels (through devolved powers and delegated decision making) and ongoing professional training.
20. While it is clearly beyond the HBF or its members to solve these issues we believe that these problems must be addressed, probably through the professional standards of the Royal Town Planning Society.
21. Direct payment for staff through increased planning application fees or planning performance agreements are not considered to be a long term solution to this problem, particularly if such fees are not specifically ring-fenced for planning departments. However, competition and outsourcing (as suggested above) are potential solutions to a lack of in house staff.
22. Similarly we see merit in continuation and expansion of organisations such as ATLAS – in effect a central resource that can be called upon by local planning authorities who experience a temporary skills or staff shortage or a temporary increase in volume of applications. While this approach could be applied to local plan production where a central resource could be drafted in to assist in plan review this may lead to a lack of “ownership” of the plan by the local authority itself. Development plans should (as suggested above) be seen as an essential part of the decision making process rather than a high tier document that is done once and forgotten.

Conclusion

23. Local authority resources will inevitably come under pressure as central government grant funding continues to be constrained. It is, therefore, essential that central and local government address this issue as a matter of priority in order to ensure that delivery of development is not constrained through a lack of properly resourced planning departments in each local authority. If proper

planning has the public benefits that many people belief in, then it must be properly resourced to deliver an efficient and effective service.

*Andrew Whitaker
Planning Director*



About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's members account for around 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies.

Contact us

Home Builders Federation Ltd
HBF House
27 Broadwall
London
SE1 9PL
Tel: 020 7960 1620
Fax: 020 7960 1601
Email: info@hbf.co.uk
Website: www.hbf.co.uk



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