THE IMPACT OF THE 2017 MAJOR APPLICATION FEE INCREASE ACROSS SCOTLAND

HOPS 12-month survey

1st June 2017 - 31st May 2018

HEADS OF PLANNING SCOTLAND, JANUARY,2019

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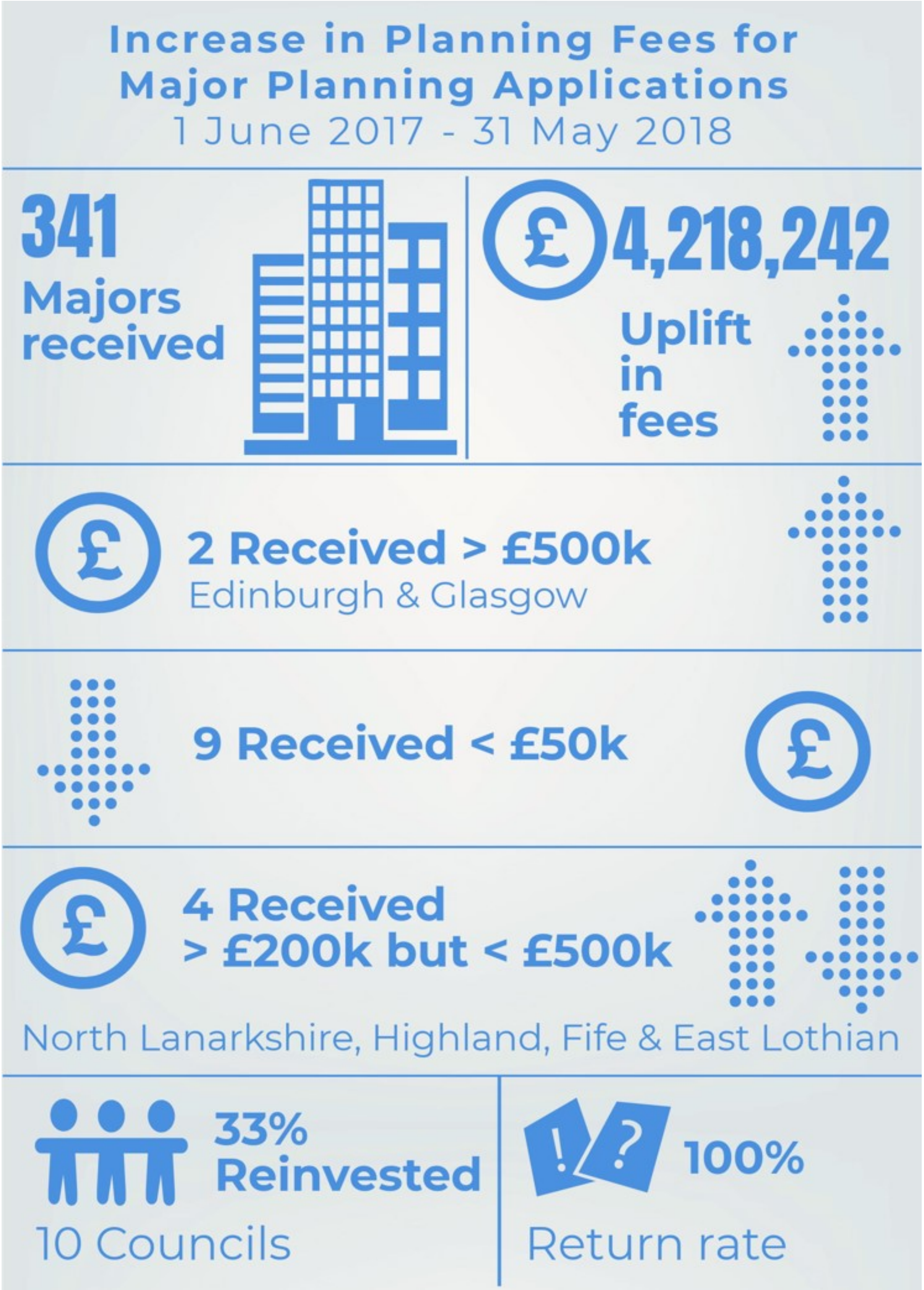
Increase in Planning Fees for
Major Planning Applications
1 June 2017 - 31 May 2018
341
Majors
received
£
4,218,242
Uplift
in
fees
£
2 Received > £500k
Edinburgh & Glasgow
9 Received < £50k
£
£
4 Received
> £200k but < £500k
North Lanarkshire, Highland, Fife & East Lothian
33%
Reinvested
10 Councils
!
?
100%
Return rate

KEY FINDINGS AND CONCLUSIONS

KEY FINDINGS:

The survey questionnaire is attached as **Appendix 1 on page 10** and the detailed comments submitted by the Councils are attached as **Appendix 2 on pages 11-18.** The key statistics from the survey are highlighted in T**able 1 on pages 19 and 20**

- All 32 LPAs and the 2 National Park Authorities were surveyed, and 34 replies were received. (100% return rate)
- A total of 341 major applications were received during the year
- 2 authorities who received no major applications during this time (Shetland and Cairngorms National Park Authority)
- £4,218,242 additional fee income (uplift) was generated across Scotland
- The range of major applications received was from 1 to 43
- Only 2 councils received income uplift of more than £500,000 (Edinburgh and Glasgow)
- 4 Councils received more than £200,000 but less than £500,000 (North Lanarkshire, Highland, Fife and East Lothian)
- 9 Councils received less than £50,000 in additional income
- 10 councils reinvested uplift income totalling £1,412,018. (33% of overall uplift)

CONCLUSIONS:

- There is a wide divergence in the additional fee impacts across Scotland
- There was little benefit for small or rural authorities
- Edinburgh and Glasgow received the largest fee uplifts totalling £1,235,874. This represents 29% of the Scottish total
- The fee increase does not appear to have acted as a disincentive to developers
- The increases did not have any effect on MSC applications or Section 36 consents
- Most planning budgets are not “ring fenced” for planning purposes only so the benefits of increased income levels go towards the planning budget or the corporate budget
- The fee increase will not cover the disparity between income and expenditure identified in the “Costing the Planning Service” project
- The majority of Scottish Councils welcomed the additional fee income but felt it was only a partial solution to the longer-term restructuring of planning fees and the resourcing of planning services
- A wide range of improvement opportunities were identified within the planning services who were able to reinvest some of the additional income generated, including IT systems, additional staff and consultancy costs

1.0 INTRODUCTION

1.1 Heads of Planning Scotland (HOPS) agreed with the Scottish Government (SG) to carry out a short, interim survey of all LPAs to determine the extent of major applications submitted since the 1st June 2017 and how any additional fee income generated has been reinvested in planning and related services.

1.2 The initial survey was for a 6-month survey, covering the period 1st June 2017 to 31st December 2017. The HOPS report on the survey was submitted to Scottish Government and it was then agreed that a further 6-month survey be carried out. This report includes the data and findings from the initial report but now covers the period 1st June 2017- 31st May 2018, providing a full years data and results.

1.3 It is important that, Kevin Stewart, the Minister for Local Government, Housing and Planning and the Scottish Government are made aware of the financial impacts on planning services and as part of the ongoing discussions at the High-Level Group on Planning Performance, the nature and relationship of the links between increased performance and increased fees. **In particular we want to understand how fee increases can be used to reinvest in improvements and enhancements in the planning system, as this is an important element in taking discussions forward with the Scottish Government and other stakeholders.**

1.4 HOPS appreciates that the impacts will vary considerably across Scotland, but it was considered important that a 100% survey return was achieved, to assist the Scottish Government, HOPS and other stakeholders in assessing the impacts of the fee increase, which was actually experienced by local councils.

2.0 BACKGROUND

2.1 Planning fees for major scale applications were increased from the 1st June 2017.The maximum planning application fees were increased from £20,050 to £125,000 and maximum fees for applications for planning permission in principle were also increased from £10,028 to £62,500.

2.2 This followed on from a Scottish Government consultation in December 2016 as part of its commitment to consult on enhanced fees, following on from **the Independent Review of Planning's recommendation that fees for major applications should be increased substantially so that the planning service moves towards full cost recovery.** (Empowering planning to deliver great places — page 33, item 37)

2.3 **This was termed by the Scottish Government a "Phase 1" approach** as it was intended to consider wider changes to the planning fee structure, including scope for further discretionary charging taking account of changes to the planning system flowing from the planning review process. Previous discussions suggested that the further “Phase 2” consultation would not take place until the latter part of 2018 or possibly later, depending on the progress of the Planning Bill and timescales for the subsequent Planning Act. It is now apparent that Stage 3 of the Planning Bill will not commence until early in 2019.

2.4 **Given the current number of agreed Amendments and the additional duties imposed on councils (currently 66) it is even more important than ever that a proper financial assessment and appraisal is carried out on the resource impacts so that adequate and appropriate funding arrangements can be put in place.**

2.5 **At the time the fee increase was reported there was general industry support for increasing planning application fees, provided that the additional fee income was used to improve the quality and responsiveness of the planning service and this could be clearly evidenced.**

2.6 HOPS submitted a detailed response to the Scottish Government in its previous paper on Planning Fees and Performance, (HOPS Paper on Fees and Performance) setting out a case for a comprehensive review of the planning fee structure and categories for discretionary charging. This message has subsequently been reiterated by HOPS in its separate submissions on the Financial Memorandum, the Call for Evidence for the Planning Bill and subsequent submissions at Stages 1 and 2.

2.7 HOPS considers that it is important to maintain the pressure for a more comprehensive, proportionate and sustainable planning fee regime and this focused survey will further assist in providing some additional data beyond what is currently collected in the Planning Performance Frameworks and the annual LFR7 returns prepared by Council Finance Officers.

2.8 It is important to note that this survey is one of 3 inter-related, surveys carried out by HOPS in 2018 as input papers to the Scottish Government. We have already published the findings of the HOPS survey on Planning Skills. (HOPS Paper on Skills and Shared Service).

2.9 The Costs of the Planning Service survey carried out by HOPS and CIPFA in 2018 is currently being finalised before formal approval by HOPS and subsequent publication in February2019.

2.10 All 3 HOPS reports will contribute to the ongoing discussions with SG by providing an up to date context on planning skills, planning costs and the recent impacts of an increase in the fees for major planning applications.

3.0 HOPS ASSESSMENT

WHAT DID WE FIND OUT?

3.1 The survey has been successful and has achieved total coverage of Scottish Planning Authorities, as well as the two National Park Authorities.

3.2 HOPS initially carried out a 6-month survey but both SG and HOPS considered it important to obtain results for the first full year of the planning fee increase to provide a better and fuller understanding of the impacts in the first year of the fees increase.

3.3 The impacts of the fee increase, not surprisingly, vary widely across Scotland. Currently, the main beneficiaries are the larger city councils, Edinburgh and Glasgow and the larger urban planning authorities. The smaller and more rural councils and island councils do not receive significant numbers of major applications, if any, and this dramatically influences the overall impacts across Scotland.

3.4 The total “additional” uplift income generated by the fee increase was £4,218,339 generated by 338 separate major planning applications. This averages out at £12,480 per application or £124,068 per planning authority.

3.5 The cities of Edinburgh and Glasgow dominate the fee increase impacts with a combined total of £1,235,874. This represents 29% of the total Scottish fee increase.

3.6 The survey confirmed that there did not appear to be a discernible increase in the number of major applications submitted prior to the fee increase, to “beat” the fee increase.

WHAT DID WE LEARN ABOUT PLANNING BUDGETS?

3.7 The main points made by the planning authorities about funding and budgetary arrangement within councils and the reinvestment opportunities provided are fairly consistent but show different characteristics and different budgeting processes for dealing with planning fee income across Scotland.

3.8 Opportunities for reinvestment in planning services are not universal and the additional income generated in many councils does not make any substantive difference to the budget available for any reinvestment.

3.9 Most council planning budgets operate on the basis of a predicted income level set against proposed expenditure levels and a set target for income levels.

3.10 There is often little or no opportunity for reinvestment in the planning service, or indeed, any other service, as increasingly, increased income is currently set against any “savings targets”.

3.11 In some councils the planning fee income is treated as a corporate or council income and it is not confined to or in the direct control of the planning service.

3.12 Some of the direct responses received with regard to planning budget processes within individual councils included,

- Reinvestment of fee income is not covered by Council policy
- Planning fee Income is used to meet shortfalls in projected income levels
- Any increase in planning fee income contributes to the fee income target for the year
- Additional fee income was used to support unexpected and unbudgetted staffing costs
- The economic downturn had specific impacts on councils and some councils are managing this in the longer term and income levels are still well below where they were pre-economic downturn

HOW WAS THE ADDITIONAL FEE INCOME REINVESTED?

3.13 General comments made about the fee increase levels demonstrate that the increased income was used by many councils to maintain and supplement current levels of service in many instances and the fee income generated from planning applications support the wider planning service, and is not confined to or restricted to development management.

3.14 11 authorities confirmed that there were no reinvestment opportunities available to them, 6 authorities identified the uplift income to support the income stream and current levels of service (£391,760) and 10 authorities reinvested income in various ways as set out below. The total value of the uplift income reinvested was £1,412,018. **This represents 33% of the total additional income generated across Scotland.**

3.15 Where specific reinvestment opportunities were identified by councils they covered a range of areas including,

- Local Review proceedings and planning appeals
- The use of consultants
- Opportunity to trial new approaches, e.g., the setting up of a dedicated small applications team.
- Recruiting vacant posts and temporary planning officers
- Creation of new posts e.g. lead officer and urban design officer
- Extension of temporary staff contracts
- Enforcement resources
- Development Management and Development Planning initiatives
- EIA scoping and screening
- Investment in new technology

WHAT OTHER COMMENTS WERE MADE?

3.16 Other council comments included the need for a more sustained level of additional income if real reinvestment is to be realised.

3.17 A few councils commented on the recent decline in onshore windfarm applications which has had significant impacts on previous income levels. This is particularly evident in the rural and Island council areas.

3.18 This issue also attracted related comments about Section 36, Section 37 and Section 42 applications not providing any income to planning authorities. (See para 4.9 for the latest update position from SG relating to a proposed increase in these fees)

3.19 Many councils commented on the urgent need for a comprehensive review of the resourcing of the planning service and comparisons with the higher level of fees in England were made.

3.20 Some councils thought that discretionary charging across Scotland should be formalised and standardised and the principle of discretionary charging should placed on a legal footing, to avoid legal challenges to councils.

3.21 Appendix 2 to this report sets out the detailed comments submitted by individual councils. These comments have been anonymised to respect council confidentiality but they are unedited by HOPS, except to correct any spelling and grammar. Text which would identify the council has also been removed.

4.0 HOPS CONCLUSIONS

4.1 The survey was comprehensive, covering all Scottish planning authorities, and shows quite clearly the different budget approaches taken by councils. Most council planning budgets operate on the basis of predicted income levels, based on trend data and set against proposed expenditure levels, particularly in staff resources, before expenditure will be committed.

4.2 Not surprisingly, there were wide impact fluctuations across Scotland, with the bulk of the additional income going to the larger urban councils. Some councils experienced no uplift or minor uplifts in fee income due to their scale, remoteness or rurality.

4.3 Overall, £4m was generated across Scotland, in the form of additional fee income.

4.4 Edinburgh and Glasgow received 29% of the Scottish total which amounted to £1.2 m.

4.5 The reinvestment level achieved in Scotland was 33% of the overall fee uplift and it was utilised by 10 Scottish councils.

4.6 The other 67% was positively used by councils to manage budget gaps, the impact of which, in whole or in part, has assisted in retaining staff resources.

4.7 It is encouraging to see this level of reinvestment, implemented across a range of councils, with some reinvestment taking place outwith development management activities.

4.8 The fee increase was welcomed by Scottish councils but it is still seen by HOPS as a limited, “Phase 1 Action” and only a partial response to a wider and more complex situation concerning the need to fully and comprehensively assess planning resources,planning costs and planning fees, linked in to performance and quality standards.

4.9 In response to a recent consultation exercise the SG has decided that the remuneration to planning Authorities for onshore applications should be greater than proposed by the consultation. Following implementation of the revised fees the SG will provide a voluntary contribution to Planning Authorities equivalent to one half of the fee received for every onshore electricity generation application under Section 36 and 36C of the Act for which the revised fee has been paid. Ministers will also implement a voluntary contribution to Planning Authorities of one half of the revised application fee for EIA development applications under Section 37 of the Act for which the revised fee has been paid. Essentially this will mean that the proportion of fee payable to planning authorities by SG for the typical onshore windfarm above 50 MW would be £62,500 and not £16,000 as it is currently. These fees are envisaged to be applicable to new applications as of May 2019 subject to amendment to the Regulations by Parliament. This represents the position adopted by HOPS in the consultation response and responds to the queries identified in this survey by individual authorities.

4.10 The level of fees and activities for which local planning authorities can charge are set by the Scottish Ministers in regulations under section 252 of the 1997 Act. The Scottish Government has previously indicated its intention to review planning fees following completion of the Bill, with a view to moving the decision-making aspects of the planning process towards full cost recovery by planning authorities, and expanding the range of activities for which fees may be charged.

4.11 Section 21 of the Bill amends the powers relating to planning fees to allow for this greater flexibility. Ministers have, however, indicated that any increase in fees must be accompanied by improved performance. If the full cost of handling applications is recovered through fees, this would release the money currently subsidising that service (around £36m per year as identified by HOPS) for other uses. Proposals for new fees regulations will be subject to full consultation and financial assessment when they are brought forward.

5.0 HOPS RECOMMENDATIONS

5.1 HOPS is keen to continue working with the Scottish Government and other stakeholders to resolve the current dilemmas facing local planning authorities with regard to overall funding and resourcing of planning,including the related areas of planning fees and discretionary charging. The recommendations stemming from this particular HOPS survey are set out below:-

1. This report and its key findings and comments will be submitted to the Scottish Government and the High Level Group on Planning Performance in the first instance, to input in to the forthcoming wider process of considering planning fee restructuring and consultation on planning resources. Subsequently, the report should be submitted to other stakeholders and communicated as widely as possible through social media and other communication channels

2. The Scottish Government is asked to appreciate that increasing planning fee levels for major applications is only one, partial consideration on the road to achieving a sustainable solution based on a full assessment of planning costs and resources, and that planned fee increases need to be across all levels of planning consents and discretionary fees, to spread the benefits of reinvestment opportunities across Scotland on a fairer and more proportionate basis.

3. The Scottish Government should continue to work with all the relevant stakeholders to comprehensively review the context and issues around the funding and resourcing of planning services across Scotland. HOPS advocates and supports this approach and looks forward to continuing to work with the Scottish Government to further inform and influence the new funding and resourcing arrangements.

HOPS would like to thank all the respondents for taking part in this survey and for providing detailed assessments of the context in their organisation on how the increased fee income is being used and particularly for the general comments made on the fee structure and the helpful suggestions submitted for HOPS to take forward in the subsequent planning fee and resourcing review discussions.

Report compiled on behalf of HOPS by Jim Birrell, HOPS Manager and approved by the HOPS Executive Committee, February 2019.

APPENDIX 1-THE ONLINE SURVEY QUESTIONNAIRE

COUNCIL INFORMATION

Q1 - Name of respondent

Q2 - Name of Council

Q3 - Job Title

Q4 - E-mail address

SURVEY QUESTIONS

Q5 - Has your authority received any major applications in the 6-month period 1st June 2017 - 30th November 2017 and the second survey covered the 6 month period 1st December 2017 to 31st May 2018.

Q6 - How many applications were received?

Q7 - What has been the scale of uplift in £s?

Q8 - How much of the fee uplift was reinvested in the planning service?

Q9 - What service/projects were identified as benefitting from this?

Q10 - Did your authority experience a surge in major applications prior to the fee increase date? (1st June 2017). (In the second 6-month period would you say that the number of applications being dealt with is at the same (or expected) level, or lower or higher?)

Q11 - How many applications were received?-(Not use in second 6 month survey)

Q12 - Estimated lost income from this?-(Not used in second 6 month survey)

Q13 - Any further comments on the major application fee increase? (Question 11 in second 6-month survey)

APPENDIX 2 - SURVEY COMMENTS AND INFORMATION SUBMITTED BY THE RESPONDENTS

Notes:

The comments below are extracts from the submitted survey response returns and are the responses provided by each Council.

The responses have been anonymised and subject to minor editing only, including correcting spelling and grammar changes.

Geographical descriptions have been omitted.

The emphasis added in **bold text** has been inserted by HOPS.

Comments submitted by Scottish Councils

1. **Reinvestment Opportunities**

We are presenting a Business Case to the council to reinvest the additional income in expanding staff resources-4 senior planners, 4 graduate planners and a business support officer.

We are continuing to try and find efficiencies in how we deliver the service and the additional funding does allow us some freedom to trial new approaches, for example, the setting up of a dedicated small application team.

The budget for 2017/18 is £1.945m and the forecast is £1.713m including the uplift in fees. This demonstrates the need to resource Planning Authorities. More positively, the Planning Authority through the Workforce Youth Investment Programme has recently employed 2 Planning Graduates on 2-year contracts. This is in addition to a year out Planning student and a P/T, temp contract for 2 Planning students as they progress through their study year.

We are currently working on identifying services and projects that could benefit from an uplift in planning fees. However, at present we have not benefited from a maximum planning application fee associated with a Major Development i.e. £125,000. This therefore restricts the scope of this work as the fee uplift has not yet been fully realised.

There has been no actual re-investment as this can only happen if there is a sustained increase in income which can be projected into future revenue budgets.

The increased income has assisted on a single case for a minerals application.

The increase in the major application fees allows the Planning service to reinvest fees back in to a variety of areas in the service - IT,training and CPD events.

In terms of the Council financial position, the fee increase prevented the loss of 3 planning officer posts which would have been lost through the percentage cuts.

The Planning Service receives all fees as an income target to fund the service.
It has yet to make a significant uplift in fees. This was predicted when profiling the fee increase against the applications we typically receive.

The money has been retained within the Service and is being used to maintain the current levels of Service.

Although monies have not been ring fenced to the planning service the increase in fees has assisted the Council in dealing with costs incurred by the planning service. In particular costs associated with Local Review Procedures, planning appeals, Planning Committees, use of consultants.

Generally, the £50k increase in fees within this period, is assisting in retaining posts and in delivering improvements. This is not only related to determining applications timeously, but also provides a little capacity across the planning authority to implement improvements to our processes, customer service, and how we deliver our work (e.g., digital transformation).

The increase in the major application fees allowed the Planning service to reinvest fees back in to a variety of areas in the service - IT, training and CPD events.

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2. Council Budget Processes

The Planning Service does not benefit from the increased fee income as it goes in to the central Council budget.

That is not how LA budgets work, all of the increased income went into the planning budget.

The lower maximum fee for in principle applications underplays the level of work that goes in to determine them.

The Planning Service receives all fees as an income target to fund the service.
It has yet to make a significant uplift in fees. This was predicted when profiling the fee increase against the applications we typically receive.

All planning fee income supports the delivery of the Planning function. It is too early to indicate whether additional staff can be appointed, but we are monitoring the fee income, application numbers, performance and a range of other matters.
Planning application fees support the planning service in its widest sense, not just the development management process.

The Planning Service budget has an assumed income from planning applications, so the income remained in the service's budget.

Money used to address pressures in other services elsewhere in the Council.

Monies are not ring fenced for the planning service.

There is no direct link between fee income and service improvement. However, there is a significant indirect link in that bringing in higher fees helps us in the annual battle to protect the service from further budget cuts.

Monies paid into the central Council budget.

Unless there is provision to “ring fence” application fee income for exclusive use of the planning service it will not be possible to retain any uplift within the planning Service budget.

Increased fees contributed to the fee target for the year.

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3. Impact of the fee increase

We note as previously that the increase favours those Authorities who attract the larger applications and while welcomed the fee increases are not equitable and attention needs to be given to fees across all categories.

The fee increase is a reasonable approach in terms of detailed permissions/AMSCs, however, for PPP applications, the lower maximum fee is not justifiable, partly as a lot of significant work and assessment is required for a PPP and because the site area calculation does not accurately reflect the level of housing a site would accommodate.

Likely to benefit small rural and islands authorities infrequently.

Not as significant an increase as had been anticipated, given the need to increase fees as identified in the 'Costing the Planning Service' exercise.

As the increased fees goes into the central Council budget the Planning Service is not benefiting from the increase in fees. Separately the Council is facing a budget reduction which will impact its planning service with the potential loss of staff (Planning Officers).

The income has come in against our current year income target. That income will be reinvested through our 2018/19 budget process which has not been concluded.

The major application increase has been very welcome. The main element of our increase has been a significant quarry scheme that was the maximum £125,000. We have also received a major application in December for an alloy wheel plant for about £96k — not included within survey figures as outwith the timeframe. At this current time of budget pressure, the additional funding is being used to maintain current levels and justify the continued filling of vacancies.

There has been absolutely no impact in our authority.

The fee increases have come too late to cover lifetime costs of major category developments granted in recent years.

Whilst the uplift in the maximum fees for "major 'developments is generally to be welcomed we would stress that within a rural planning context the costs of processing "local" applications will generally be higher than urban authorities taking into account the cost of time and travel required to provide a planning service across an extensive geographic area.

The number of major planning applications received varies considerably across authorities. The impact of the fee increases for an authority like ours, where few major applications are received, will likely be modest.

The increase in fees was welcome.

The increase in the maximum fee is welcomed but there are a number of structural changes which would assist with the proper resourcing of the service.

While any fee increase is welcomed to offset the costs of delivering the service, there is still what we consider to be a significant shortfall between income and expenditure.

The increase is welcome but the fee income from householder and small scale developments does not cover the cost of determination. A wider review of fees is required.

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4. Future fee review considerations

It is uncertain what the evidence base was for the most recent fee increases in 2017 and, perhaps, any subsequent review needs to be better informed relative to the actual cost of service delivery. We would highlight the current disparity of application fees between Scotland and England as an example of this. The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment) Regulations 2017, which took effect in England on 17 January 2018, increased the maximum application fee for large-scale developments to £300,000 — from an already higher £250,000 — compared to the maximum fee in Scotland of circa £125,000. The legislative and administrative similarities between the two systems would suggest a further review would support proportionate increases in fees for major applications to achieve cost neutrality.

The fee increase is a start. It does not appear to have been a disincentive to developers; perhaps there is scope to review in a few years to see if we can achieve the fees paid in England.

There are a number of issues highlighting the drawback of simply tinkering with one element of the fee regulations, which has generated avoidance tactics because of the failure to address loopholes elsewhere in the Regulations.
Especially the use of S.42 applications and the use of S.36 applications to the Energy Consents unit who still have not realigned their fees to reflect the new increased maximum fee.

The whole approach has been too simplistic and from our perspective will do nothing to address the inadequate level of fee income compared to our costs. For a rural authority the only real opportunity to realise the new maximum fees is through windfarm developments, which are drying up.

No fee uplift involved in any of the following applications - 2 x S.42 applications, 1 ROMP, 1 free go resubmission, 1 housing application with fee less than previous fee ceiling. Also received 2 x S.36 consultation notifications. The S 36 fees still mirror the old fee maximums so there was no additional income and no additional investment. The application was submitted under S 42 (for a windfarm), involved a very significant amount of Officer time (EIA development) and the Fee was £202.

The fee increase will make no difference to small planning authorities such as ours which has perhaps one Major application a year or every two years.

I would take the opportunity to reiterate the views expressed to the Scottish Government during the last consultation period on planning fees. Major applications of a scale likely to trigger the uplift are submitted on such an infrequent basis that the uplift will only rarely and infrequently generate any additional fee income.

Major applications tend to be at the smaller end of the spectrum given the rural character and modest scale of even the larger settlements within the Council area. Whilst 3 major applications have been received within the study period it is noted that the nature and scale of these proposals were such that none of them reached the pre-1st June 2017 maximum fee level-the combined fees amounted to £45K. Within our area it is noted that one of the development types that does generate a regular number of submissions on an annual basis with maximum fees is that for aquaculture development which was excluded from the uplift. The other development type which does have potential to generate significant fee income is on shore wind energy; however there has been a significant downturn in onshore wind farm proposals over the past few years resulting from the change in the UK Government's approach to the subsidisation of renewables.

It is essential that the Scottish Government undertake a review of the planning fee regime as a whole, including fees for prior notifications and "local" development if it is to allow Local Authorities to deliver on the aspirations for a cost neutral Development management service.
Fees need to be restructured to look at minor,local and major applications as well as all other types of consents

A fundamental review of the fee structures across all development types is required to meet the Scottish Government's aspiration to make the planning system cost neutral.

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5. Other general comments

The fee increase is not proportionate to the work that can be involved in "significant" local applications, which is a large proportion of our workload.

Developers are generally accepting the fee increase.

Fee income is not covering the cost of planning service delivery.

We would welcome further evidence being gathered in order to inform the future review of fees to levels that are commensurate with the actual cost of service delivery.

Fees for S 36 applications need to be increased and the fee should include preliminary enquiry work.

Section 42 applications attract a fee of £202 and this is inadequate relative to the complexity and resourcing involved.

Whilst this Planning Authority does not receive a significant number of major applications it has proportionately lower staff numbers than other Authorities. It can be seen from the "lost" revenue of only one major application the significant additional resources that the fee increase for major applications will bring in assisting this Council in providing a proportionately costed Development Management service.

As yet no application has attracted the new maximum fee. Whilst, this is often used as a headline the way the new fees are calculated counteracts the actual fee to be paid. A full review of Fees is needed to ensure that issues around e.g. S 42 applications are addressed through the Planning Bill and related Regulations. It is within these types of applications where the planning Authority is putting in considerably more work for a very small fee.

It is too early to identify any real trend. There remains the anomaly that the fees for Section 36 applications have not been reviewed, meaning that the most major and resource-intensive proposals considered through that process continue to attract lower fees than those requiring a planning application.

The SG definition of major does not include MSC applications. We registered a number of MSC applications which attracted the maximum fee, but which have been excluded from this survey.

We are currently seeing a drop in the number of major applications which makes projecting of income vulnerable. However, the additional money has allowed us to recruit to vacant posts which would otherwise be kept unfilled due to budget pressures and to recruit 2 temporary agency planners to cover for staff vacancies. This has benefited core development management service activity.

The 20 applications are made up of 9 major applications but also 11 applications for approval of matters specified in conditions in relation to major applications to which the new fee levels have been applied. This accounts for the apparently large uplift if only major applications are the subject of the survey, the fee uplift was £52,330 but this would not be an accurate reflection of the benefit.

In particular the fee of £401 for repeat AMC applications does not reflect the amount of work that these applications for major development matters entails and it can often be abused by developers. We do not consider that the circular on fees reflects the legislation in respect of this and we would want the Scottish Government to make it clear that every new AMC application should require the full fee to be paid for its processing. We believe this is what the legislation actually states, and the £401 fee is for very limited AMC applications for the same matters.

While 3 applications were received, 2 of these were S 42 applications not subject to a fee increase. The third was an Approval of Matters Specified in Conditions application for a Major site — albeit only for the erection of 8 houses and therefore the fee remained the same under the old and new regulations. The fee uplift was therefore £0.00.

The aspiration for the Scottish Government and HOPS is to make the system cost-neutral; however, we believe that it will not be achieved through the most recent fee increase in The Town and Country Planning (Fees for Applications and Deemed Applications) (Scotland) Amendment Regulations 2017 for major applications. This view is informed, in part, by the work and findings of the Scottish Planning Service Costs Project undertaken in 2013-14.

For a small island planning authority proposal that fall into the major category (and are not otherwise avoided) are few and far between.

Will the fees for S 36 and S 37 Applications under the 1989 Electricity Act be increased to cover lifetime costs for planning authorities of associated deemed consents?

No ring fencing of fees but re investment occurred.

Staff resources across the planning service — extension of temporary contracts and enforcement resources.

No evidence that the fees have prevented applications from being submitted.

Will evidence be forthcoming that the increase in fees actually covers the full resources of dealing with a major application from beginning to the end?

Overall major app numbers are low (3-4 per annum).

It is anticipated that the overall benefit to total fee income will be limited.

Concerns that the new Planning Bill will create further demands on the Planning Service leading to a further squeeze on resources

Evidence from the recent planning costings exercise suggests that fee levels fall significantly short of the cost of processing major planning applications

An obvious point to make but the large urban authorities gain more from this fee Increase and it is therefore not a fair or equitable approach to take.

The lifetime costs associated with major applications are not currently reflected in the planning fees — discharge of conditions at pre-commencement or other matters such as site reinstatement, habitat survey review and condition compliance monitoring.

We have 10 large masterplan sites with parent Permissions in principle followed by multiple MSC applications. We are nowhere near to recouping our costs as we can only charge the full fee for the first application.

Current statutory charges for local development do not cover the costs of delivering the development management service across large geographic areas with dispersed populations.

TABLE 1- HOPS SURVEY OF SCOTTISH LPAs - Fees for major applications			
Council	**Major Applications received**	**Fee uplift Income in 6 month returns (£s)**	**Total fee uplift for year**
Aberdeen City	0 (8)	0 (74,100)	74,100
Aberdeenshire	7 (10)	95,600 (322,031)	417,631
Angus	1 (3)	29,745 (25,380)	55,125
Argyll and Bute	3 (3)	0 (77,900)	77,900
Cairngorms NPA	0 (0)	0 (0)	0 (0)
Clackmannanshire	1 (1)	7,803 (10,795)	18,598
Dumfries and Galloway	5 (7)	0 (104,945)	104,945
Dundee City	2 (3)	14,590 (38,200)	52,790
East Ayrshire	4 (2)	10,990 (146,250)	157,240
East Dunbartonshire	5 (0)	29,985 (0)	29,985
East Lothian	3 (14)	29,000 (196,170)	225,170
East Renfrewshire	3 (2)	61,006 (69,181)	130,187
Edinburgh	20 (11)	295,679 (228,195	523,874
Eilean Siar	1 (0)	0 (0)	0
Falkirk	5 (3)	8,800 (51,200)	60,000
Fife	23 (7)	50,760 (171,172)	221,932
Glasgow City	24 (19)	200,000 (512,000)	712,000
Highland	13 (12)	133,445 (139,504)	272,949
Inverclyde	0 (2)	0 (14,608)	14,608
Loch Lomond NPA	2 (2)	40,000 (41,195)	81,195
Midlothian	3 (11)	58,000 (50,905)	108,905
Moray	1 (2)	100,000 (12,300)	112,300

North Ayrshire	2 (2)	13,395 (3,000)	16,395
North Lanarkshire	8 (10)	81,809 (216,629)	298,438
Orkney Islands	0 (0)	0 (0)	0 (0)
Perth and Kinross	3 (9)	0 (7,795)	7,795
Renfrewshire	0 (2)	0 (34,066)	34,066
Scottish Borders	5 (4)	59,985 (18,580)	78,565
Shetland	0 (0)	0 (0)	0
South Ayrshire	6 (5)	19,595 (3,200)	22,795
South Lanarkshire	11 (6)	69,000 (24,700)	93,700
Stirling	3 (4)	40,864 (121,190)	162,054
West Dunbartonshire	3 (4)	10,000 (22,990)	32,990
West Lothian	0 (3)	20,010	20,010
TOTAL	**170 (171)**	**1,460,051 (2,758191)**	**4,218,242**

Notes:

1. The 12-month survey period was 1st June 2017 – 31st May 2018

2. The figures in the first 2 columns are for the first 6 month returns from 1st June 2017 - 30th November 2017 and the figures in brackets relate to the second 6 month returns submitted from 1st December 2017 to 31st May 2018