

Rùnaire a' Chaibneit airson Ionmhas agus na h-  
Eaconamaidh  
Cabinet Secretary for Finance and Economy  
Ceit Fhoirbheis BPA  
Kate Forbes MSP



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Your ref: 202100254893

01 December 2021

Dear Barbara and Pam,

Thank you for your letter of 11 November on behalf of the RTPI and Heads of Planning Scotland regarding the funding of Planning Services in Scotland and the Scottish Budget for 2022-23.

Planning has a central role in helping us to recover from the pandemic and in delivering the Scotland that we want to be. Planning can help us to deliver green energy, to restore nature and to create a circular economy. It can mean that we are protected from future threats of flooding and coastal vulnerability and it can improve our health and quality of life by delivering the homes that meet our lifetime needs, shops and services that we can get to easily, and local parks and outdoor spaces that improve our wellbeing.

The new national planning framework is the showpiece of our wider planning reform programme. The 2019 act requires that development plans must work in the long-term public interest, and that is what our draft NPF4 does. By giving such a clear steer, this will enable Scotland's planning authorities to focus their local development plans on setting out a long-term vision for the future of their places. There will be no need to repeat planning policies over and over again, although some scope is retained to tailor local policies to local circumstances. That will mean that the planning system is more consistent and predictable and that the precious time and resources of planning authorities can be deployed effectively towards supporting the delivery of good-quality development.

We are aware that authorities across the country are under financial pressure and Planning Departments have felt the effects of this with reductions in budgets and ultimately staff numbers. The overall resourcing of the Planning service is a matter for Local Authorities and it is for them to decide how to resource the planning service as part of their budgeting.

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However, Planning fees have an important role in helping to ensure that applicants rather than the tax payer cover the cost of determining applications. Reviewing the planning performance and fee regime was identified as a key action in our work programme published in September 2019 with a consultation undertaken between December 2019 and February 2020. Implementation of the new fee regime was postponed during the Covid Pandemic, however, that work has recommenced with a view to laying new fee regulations by the end of 2021 which will come into effect in 2022. The proposed measures would increase fees by between 25 and 50% in some cases, moving fees closer to covering authorities' costs in determining the applications and providing substantial additional income to authorities. Once the regulations have been laid we will set out a work programme to monitor the impact of the increase in fees and how we can work together to move planning fees more fully towards covering the cost of their determination. We trust that any increase in planning fees will be used to support improvements in the planning service and that authorities will take this into account in considering how the income from planning fees can be best invested back into planning authority resources.

Although Planning fees provide vital income to authorities the overall resourcing of authorities is provided through the Local Government Budget Settlement. The Scottish Government remain committed to passing on every penny of additional health funding from the UK Government and this has a direct impact on all other areas of the Scottish Budget, including local government. Despite this, local government have been treated very fairly with council's revenue funding having increased in cash terms by £1.3 billion or 12.1 per cent between 2013-14 and 2021-22.

The 2021-22 Local Government Finance Settlement of almost £11.7 billion provides a cash increase in local government spending for local revenue services of £375.6 million or 3.5 per cent. In addition, the value of the overall COVID-19 support package for council's now totals more than £1.5 billion which included additional funding allocated for loss of income from sales, fees and charges.

However, the Scottish Government's policy towards local authorities' spending is to allow local authorities the financial freedom to operate independently. As such, the vast majority of funding is provided by means of a block grant. It is the responsibility of individual local authorities to manage their own budgets and to allocate the total financial resources available to them, on the basis of local needs and priorities, having first fulfilled their statutory obligations and the jointly agreed set of national and local priorities.

Ultimately, it is for locally elected representatives to manage the allocation of resources and the level of services that are delivered to their local communities. Decisions on local government budget allocations for future years are subject to the outcome of negotiations with COSLA.

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Finally, regarding your request for a meeting, due to an already congested diary I will have to decline on this occasion however, I am aware that you already have meetings lined up with The Minister for Public Finance, Planning and Community Wealth in early December, including the High Level Group on Planning Performance where resourcing of the system is a key priority. The Minister provides regular updates and keeps me briefed on issues within his portfolio and I will look forward to hearing from him on these forthcoming meetings.

Yours sincerely,



**KATE FORBES**

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