

## Report of Director of Place and Engagement

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**Subject: Welsh Government Consultation on Promoting a resilient and high performing planning service**

### **Purpose of Report**

This report sets out information on a current Welsh Government consultation in relation to planning resourcing. It sets out the main issues identified and a recommended response, subject to Member support. The report seeks agreement for delegation to be granted to the Director of Place and Engagement to submit a full response on behalf of the National Park Authority.

### **Background**

On 15<sup>th</sup> November 2024 WG published the consultation document “Promoting a resilient and high performing planning service” available here: [Consultation document](#)

Responses are due by 17<sup>th</sup> January 2025. Given the significance of the content of this consultation, it is considered helpful to outline the main matters within the document to Members, so that they have the opportunity to identify any areas / items they would wish the response of the Authority to focus on.

### **Detailed Matters**

There are 4 main matters identified in the consultation as mechanisms to improve the resilience and performance of planning authorities. These are:

1. Increasing planning application fees (including proposing a pathway to full cost recovery)
2. Measuring and monitoring the performance of planning authorities by re-invigorating and reintroducing the Performance Framework
3. Supporting the resilience, capacity and capability of Local Planning Authorities through skills retention, bursaries and apprenticeships
4. Improving resilience and resources by Corporate Joint Committees through shared service delivery, planning skills hubs and extending the Local Development Plan Review period

Main matters of interest to the Authority and Members are identified under each heading:

#### **1. Increasing planning application fees (including proposing a pathway to full cost recovery)**

Planning application fees are set by Welsh Government not individual Local Planning Authorities. The last increase in Planning fees took place in August 2020 and no

increases have taken place since then. To adjust for inflationary pressures alone since August 2020 a 23% fee increase would be necessary. However, RTPI Cymru, Planning Officers Society Wales and Local Planning Authorities have been for some time seeking an approach from Welsh Government that would ensure full cost recovery of planning fees and also deliver a mechanism to ensure that planning fees keep track with inflation. WG have responded to these requests with the current consultation. WG note that historically fee increases have not kept up with inflation, the direct cost of processing applications or the disproportionate resource consumed to service them (paragraph 13 of consultation document).

UK Treasury rules require fees to be set at no more than cost recovery. In addition, planning fees are currently set on a national basis to achieve a consistent approach across Wales. This means the extent to which cost recovery is achieved will vary across LPAs depending on their cost overheads and efficiency

In 2020 Welsh Government commissioned ARUP to undertake research into the 'Cost of Delivering a Development Management Service in Wales'. The research was informed by detailed modelling and data and was supervised by a Working Group consisting of representatives from Welsh Government, LPAs, the WLGA and the Royal Town Planning Institute (RTPI). ARUP also engaged with the Planning Officers Society Wales (POSW), the representative group of senior planning officers across Welsh LPAs. The key objective of the research was to provide a broad definition of full cost recovery (FCR) in the context of delivering a development management service in Wales, and to model FCR for a range of scenarios and application types. The report was published in July 2021.

WG have now updated the work undertaken by ARUP, applying inflationary lifts to it and used this as a basis for proposing fee updates for different application types.

Overall most applications require **fee increases ranging from 3% to 225%** to meet the goal of FCR.

As part of this consultation WG have suggested a number of changes that would deliver a gradual move towards full cost recovery. This is on the basis that WG consider that setting fee categories to the targeted FCR level from 'DAY 1' would represent a significant uplift which WG claim could have adverse impacts on those submitting planning applications, particularly on development types such as householder applications. WG are therefore proposing a 'FCR Pathway' which means in many cases a 3 year, but in some cases a 5 year gradual increase until full cost recovery is achieved.

An example of how this would operate for Householder applications is shown below:

### Example 3: Householder Applications

2020 Fee	2020 Fee (plus inflation) '2024 Baseline'	FCR Target variable fee (Arup target fee plus inflation)	Year 1: <b>2024 Proposed Fee increase</b>	Year 2	Year 3
£230	£283	£585	<b>£383</b>	<b>£494</b>	<b>£585</b>

With regards to this approach **Members are asked for their recommendations as to whether or not National Park should support a gradual approach to Full Cost Recovery, rather than an immediate implementation.** The gradual approach to FCR means that LPAs across Wales will spend longer subsidising the planning service, whilst it continues to deliver private gain for developers and householders – Officers question whether or not this is a reasonable approach, particularly given that inflationary pressures mean LPAs have already spent since August 2020 subsidising planning services.

In addition to the proposals relating to planning application fees, WG are proposing a fee increase for pre-application services, however no assessment of FCR has been made for this and an inflationary uplift only is proposed. LPAs across Wales have previously expressed concerns that some statutory pre-application charges (particularly that of £25 for a householder proposal) are significantly below FCR levels. Officers would suggest that no delay to the wider fee uplift should take place, but that WG be encouraged to separately re-assess the statutory pre-application costs at a later date.

WG in response to strong recommendations from POSW have also included a recommendation that in future, an updated fee schedule will be automatically published and applied each year, using the Bank of England Consumer Price Index (CPI) from the previous September. This approach will prevent the delay in cost recovery that has historically taken place and Officers suggest that this element should be strongly supported by the National Park Authority.

Some changes to fee categories are proposed. The most notable of these is the introduction of a double fee for retrospective planning applications. This has previously been the subject of debate by NPA and Officers consider that this should be strongly supported in providing enforcement resource which is frequently generated by retrospective applications.

WG are also for the first time proposing to charge for appeals – there are naturally costs associated with this process, however historically this process has been free. Members may wish to consider whether or not this element should be supported.

WG are asking LPAs whether or not fees should be introduced to cover applications for Listed Buildings and Tree Preservation Orders. Members may wish to consider whether or not this element should be supported. Historically Listed Buildings Consent applications have been free of charge as Authorities have not wanted to create barriers that prevent applicants taking advice and developing the most appropriate solution for listed buildings. However, such applications do generate a

cost burden to Authorities and WG are asking for views and details of the level of costs such applications generate. Officers would welcome Members observations on this element.

Existing exemptions around alterations / extensions for dwelling houses to benefit disabled person(s) are maintained. Exemptions of 50% for community councils are also maintained.

## **2. Measuring and monitoring the performance of LPAs**

The WG consultation proposes re-invigorating the planning performance framework on the basis that increased planning fees will bring additional resources to planning services which should bring continued improvements to the performance of LPAs. This performance monitoring framework will reintroduce the previous requirement that LPAs produce Annual Performance Reports from April 2025 to March 2026.

When this element was discussed with POSW, some officers raised concerns that given WG's own figures demonstrated that fees had underfunded planning services for some years and that there is a shortage of planning officers nationally. There should be a degree of realism around the level to which performance can immediately rise following fee increases. NPA officers consider this is a reasonable point which should form a part of the NPA response if Members agree.

WG are proposing a focus within statistics on performance within 8 weeks, rather than within agreed timescales. Officers suggest that the 'within agreed timescales' is a stronger indicator which better reflects the complexity of the planning system and allows for officers to agree additional time for elements such as green infrastructure statements which may not have initially been provided with an application. A crude focus only on 8 week deadlines may have unintended consequences around higher refusal rates.

## **3. Skills, recruitment and retention**

The WG consultation highlights that as well as facing financial pressures in recent years the increasing complexity of planning has resulted in a skills deficit in some areas. Recruitment and retention within planning services is recognised as a significant challenge, with further concerns around the impact of 'age profile' where skilled and experienced planners are reaching retirement. The WG document identifies that across Wales, planning services are at significant risk of service failure with key projects not being consented in a timely manner. WG have committed to working with the RTPI to commission new work into workforce planning and development with the aim of providing a detailed picture of the resource and skills situation across the Welsh planning service.

As part of the consultation, WG are seeking views on the greatest skills and expertise gaps in LPAs as well as seeking to understand the main barriers faced by LPAs in recruiting and retaining staff. Based on PCNPA's experience we would note that whilst we have successfully recruited trainee planners on a number of occasions in recent years, recruiting experienced professionals is more challenging, but not impossible. It is worth noting that there are specific areas within planning where there are very noticeable skills shortages, in particular in Minerals planning and in areas such as Listed Buildings where there is a very limited number of professionals

with delegation from CADW operating in Wales (PCNPA is fortunate to be in this position).

WG are seeking as part of the consultation to understand how additional resources, including the demand and potential for apprenticeships and bursary schemes can be brought into the system to support skills development. There are currently no options in Wales (unlike England) for work-based planning apprenticeships and this is a key area where WG could introduce support. Support for post graduate bursaries more generally would also represent an effective way of encouraging graduate students to choose planning as a profession.

#### **4. Improving Resilience and Resources by Corporate Joint Committees (CJCs)**

WG recommend that regional delivery options for planning services, delivered by CJCs should be the primary mechanism for responding to skills shortages.

WG consider that shared-service delivery models offer the best route to limited resources and also consider there is merit in exploring planning skills hubs. WG are seeking view on merits and challenges of establishing regional / larger than local shared services and requesting information on how a planning skills hub could be resourced.

Officers consider that PCNPA already uses shared-service delivery models for both Minerals (with Carmarthenshire) and Ecology (with Pembrokeshire). Such models still however critically require a minimal staffing level and cannot address the significant gaps in officers and other built environment professionals that has resulted in the last 10 years, partly due to movement of staff to the private sector. Operating regionally can also in some cases reduce local knowledge and democratic accountability.

The WG's vision for the development plan system in Wales is to ensure and maintain LDP coverage, whilst support a move to Strategic Development Plans (SDPs) which would be prepared by CJCs. To support this move towards regional planning and preparation of SDPs, WG are considering amending the statutory full review period for an adopted LDP from 4 years to 6 years. The NPA's adopted LDP was required to commence a full review in September 2024 and this proposal would not affect the NP's LDP at this time. Officers do not object to the proposal to extend the review period as there would remain an ability to commence a review in advance of 6 years if evidence from annual monitoring indicated this was required.

#### **Legal Considerations**

Section 303 of the Town and Country Planning Act 1990 ("the 1990 Act") provides the necessary power for the Welsh Ministers to prescribe fees or charges in connection with planning functions. In relation to LPA planning application fees, these are currently detailed in the Town and Country Planning (Fees for Applications, Deemed Applications and Site Visits) (Wales) Regulations 2015 No.1522 (as amended) ("the 2015 Regulations").

Section 303ZA of the 1990 Act provides the necessary power for fee charges relating to planning appeals. The Welsh Government does not currently set a fee for appeals and so there are currently no fee regulations in place. However, they are seeking views on the introduction of a fee for planning appeals as part of this consultation.

Sections 303 and 303ZA of 1990 Act currently provide the necessary powers for the Welsh Ministers to prescribe fees or charges in connection with planning authority functions and appeals relating to listed buildings and buildings in conservation areas. The Historic Environment (Wales) Act 2023, which came into effect on 4 November 2024, will replace these provisions in sections 167 and 172 of this Act. WG wish to obtain views on the appropriateness or otherwise of introducing a fee using these powers as part of this consultation (see section 59-60).

Section 303(1) of the 1990 Act allows for fees and charges to be levied for “the performance by the local planning authority of any function they have” and that includes functions relating to tree preservation. The Welsh Government does not currently set a fee for this service and there are currently no fee regulations in place. WG wish to obtain views on the introduction of a fee using these powers as part of this consultation (see section 59-60).

### **Financial considerations**

The first proposed changes to fees are set out in Annex A of the consultation document. The new fee schedule sets out the proposed fee increase across all categories contained in the fee regulations. The schedule differentiates which categories are on the FCR pathway, and which are proposed to be increased by inflation only. On average (mean), **fees across all categories will increase by approximately 50% compared to current levels**. However, this average is influenced by outliers, with some fees rising by as little as 3% and others by more than 200%. Generally higher fee percentage increase occurs where current fees levels are currently below or around £100. The median fee increase across all categories is 32% above 2020 levels.

### **Welsh language considerations**

WG have considered the proposals and do not identify any effects positive or negative on any business, group or individual. Fee regulations will be available bilingually. WG have included a question regarding the potential of any effect on the Welsh Language as part of the consultation.

### **Regulatory Impact Assessment**

WG are requesting information from respondents to inform a regulatory impact assessment.

### **Conclusion**

The consultation seeks to introduce a much-needed fee increase to support the delivery of planning services across Wales. The proposed introduction of a 50%

(mean) uplift to commence in September 2025 is hugely welcomed. General points of interest have been highlighted above, however Officers are particularly keen to understand whether Members wish to support a gradual move to full cost recovery of planning fees, which would require ongoing subsidisation by the Authority of the planning service for the next 3-5 years or a more rapid move. Delegation for the Director of Place and Engagement to respond fully to the consultation is sought.

### **Recommendation**

Members are asked to agree delegation for the Director of Place and Engagement in consultation with the Chair and Chair of the Development Management Committee to respond to the WG consultation on Promoting a Resilient High Performing Planning Service.