Fees for planning applications

Energy UK is the trade association for the energy industry, representing companies investing billions of pounds to secure our country's current and future energy needs.

From growing start-ups to major electricity generators, grid and infrastructure developers and energy suppliers, our members are driving change across power, heat, transport and flexibility.

We provide a collective voice for the sector working with governments, regulators, charities and other organisations to provide crucial insight that shapes policy, offers solutions and promotes best practice.

Our broad view across the whole system supports evidence-based positions which are not tied to particular technologies, and are focused on delivering strategic benefits for people, businesses and the economy.

We champion initiatives such as our Vulnerability Commitment, which pushes suppliers to go beyond regulation to support customers with additional needs, and TIDE, the industry's drive for greater inclusion and diversity. Through our Young Energy Professionals Forum, we support the development of future leaders.

We are equally committed to our team and are proud to be recognised as a 'Gold' Investors in People employer.

Executive Summary

Energy UK largely supports the proposals for variations in local planning fees under the Local Planning Authority system. However, the quality of application processing is the key issue for members, and it should be emphasised that support is contingent on improved quality of results.

If you would like to discuss this response in further detail with Energy UK and its members, we would welcome further engagement.

Chris Friedler

Policy Manager (Environment and Planning)

chris.friedler@energy-uk.org.uk

Question 1. Do you support the proposed National Default Fee Schedule, set at 90% of full estimate cost?

Yes. However, if this raises fees (as it will in many cases), developers will want to see an improvement to the quality and expediency of the LPA process. If this doesn't occur, this is likely to incur more issues, with developers losing out to paying more for less impactful results. Industry will find the 90% cost recovery significantly harder to accept if this does not lead an improved quality of service, and in a timelier manner.

This is in many ways even more important at the LPA level than the NSIP level, as one of the risks of the LPA process is differing resources and stakeholder reactions to new developments across local authorities in particular. Energy UK supports setting fees at 90% of cost recovery to drive efficiency. Creating an incentive for further efficiency is critical when applying this to a nationwide scheme, where variations are likely.

This may be inconsistent with policies elsewhere in the planning system however, and this may need further alignment elsewhere. A critical question with the 90% target is whether or not the funding gap will be along similar lines to existing funding gaps. If it is close to existing gaps for some LPAs, they may question the relevance of this new funding model. Answers need to be readily available and demonstrable if this occurs.

Fee levels should be regularly reviewed, proportionate and evidence based. Fee structures should be transparent with public documentation explaining the methodology for calculating the fees, what services are covered and what applicants can expect in return. Once introduced, deadlines should be met as a consequence, and LPAs should possess appropriately skilled staff to make decisions. There should be further repercussions if these are not met. This could include a framework of KPIs to establish clear expectations, monitor performance, and strengthen accountability. KPIs would enable LPAs to demonstrate performance, improved service quality for applicants, and value for money. If 90% cost recovery is implemented, LPAs should be required to meet defined service standards and response times, with monitoring and reporting mechanisms to ensure performance. Fees should be ringfenced specifically for planning decisions and post-consent discharges, and any surplus should be used for this same purpose.

Question 2. Are there any proposed fees in the National Default Fee Schedule that you consider to be unrepresentative of 90% of estimated full cost levels for LPAs (either too low or too high)?

Unclear. Regular reviews are a sound approach however.

Question 4. What further changes, if any, do you think should be made to the structure of fees for outline, full and reserved matters applications?

There is not a strong rationale for further changes in this area.

Question 8. Do you think the three-band fee structure currently used for section 73 applications remains appropriate?

Yes.

Question 9. Should section 73 and section 73B applications be charged using the same fee structure?

Yes.

Question 10. Do you think the fee for discharging conditions should be charged per condition rather than per application?

Energy UK supports the introduction of fees for discharging planning conditions. Post consent issues can be as time consuming as many other issues for certain applicants, and these may lead to some of the more unexpected delays to construction programmes and timelines. SNCBs in particular may ask for further extensions to projects, which can impact timelines within these. The surcharge for statutory consultees should therefore also apply to discharge of conditions. As with other parts of these changes, industry will find further fees much easier to accept if they result in higher quality services delivered in a timelier manner, including here for discharging conditions.

These should not be charged per condition. This approach would only be practical if the costs reflected accurately the complexity of each condition, which is unlikely due to disparities per each condition, some of which are easier to discharge than others, including some which require the input of specialists. Defining a fee structure for each type of discharge condition is unlikely to be effective, as it will be time consuming, including for LPAs who are already under resourced. It would be more proportionate to charge the fee for discharging conditions per application rather than per condition, with different bands depending on the scale and complexity of the project.

Question 11. Should applications for the approval of biodiversity gain plans be subject to a separate fee to reflect the specific work involved?

Given the nature of BNG, keeping this largely separate is supported by Energy UK. However, this is contingent only when specialist expertise is required, such as outsourcing to an ecologist. Keeping this under regular review as BNG policy is rolled out and evolves will be a necessity. If there are overlaps in specialisms from BNG which can be folded into other areas, this should be examined to reduce resource constraints for LPAs. In all non-specialist cases, this should be covered under the fee for discharge of conditions.

Question 12. Do you have an alternative suggestion on how the fee structure for discharge of conditions could be improved?

A potential alternative could be a cost bandings requirement. Regardless, these should be kept under review as circumstances change. As above, a single fee proportionate to the scale and complexity of the project proposed are preferred over a per-condition approach. Transparency remains essential, with public documentation for explaining the calculation of fess for discharge of conditions, what services are covered and what applicants can expect in return.

Question 14. Do you agree with the proposed fee for CAAD applications of £964?

Yes. Compulsory purchase orders will be of great interest to linear projects, such as networks, so a more efficiency use of this in the planning process is welcome.

Question 15. Do you support the introduction of a new national default fee for section 106A applications?

Yes. Given the smaller scale however, any fee should be proportionate and reflect the lower costs involved. Another 90% target may be useful.

Question 17. Do you agree with our working proposal that the planning fee surcharge should be in the region of 10% of the national default fee (subject to further policy development and consultation)?

Agree. However, this needs to be kept under constant review. This cannot be a disincentive for efficiency amongst consultees, going against the 90% cost recovery logic for the default national fee scheduling. It is recommended to review this surcharge every 6 months, with options for reducing the surcharge if stakeholders are not processing applications efficiently. As above, industry supports the surcharge if it increases quality and timeliness of applications. This should be based on further accountability if statutory consultees do not meet deadlines and deliver these higher quality inputs. These should be supported by monitoring and reporting mechanisms to ensure performance, and resourced with skilled specialists. If unavailable, they should consider using fees to pay for external consultants to provide specialist advice as required, and ensure value for money for the applicant.

Question 18. Do you have any comments on how local fee setting will operate? In particular, is there any additional information that you would wish to see covered through guidance?

Fees must be proportionate to the scale and complexity of a project. The fee setting framework must be transparent, with clear guidance on the fee bands, what services are covered, how charges are calculated, and what applicants can expect in return.

The largest issue here is monitoring and enforcement. The Secretary of State may have powers to intervene, but the set of criteria is inherently broad. This could mean that this local fee setting is subject to interpretation, and may take resources to unpack why LPAs have set a fee in a particular way.

Equally, the risk with this approach is that this could conflict with the 90% cost recovery argument for the National Default Fee Schedule. If LPAs can recover the whole fee through this approach, this works against the NDFS argument of only covering partial costs to encourage more efficiency. Further information on how this local fee setting will encourage efficiency under LPAs, and whether they are considering introducing KPIs to monitor performance and demonstrate value, would be a useful additional resource alongside this consultation.

Question 19. Do you think local fee variations should be capped? If so, what level would be appropriate - 15%, 25% of the national default fee, or another figure?

No cap should be needed, should be based around the needs of the local area. As long as this covers the 90% range, this should be sufficient. As above, transparency is required on the framework. If there is a fee variation, we need clarity on why this is required and what outputs the applicant can expect to receive in return.

Question 20. In the context of localised planning fees, what are your views on the future role of PPAs, pre-application advice and other discretionary charging regimes?

Further clarity would be welcome here if this applies to applications under the TCPA only, or also to NSIP projects. Given PPAs help secure the LPA resource to discharge DCO conditions, so if the PPA mechanism were to be removed, it would become especially important for LPAs to have sufficient fees to resource their post-consent work to enable timely discharge of conditions (as per questions 10-12 above). Given the potentially long timescales to get a PPA in place, this makes the high quality and timely delivery of results all the more important.