

## Pre consultation - Savings Programme Report



Date of meeting :

Portfolio

Report Author

Helen Cerroti

1.1

	<b>EXECUTIVE SUMMARY</b>
<b>Proposal Title</b>	Increase planning charges for discretionary services and introduction of premium development management services
<b>Proposal No.</b>	
<b>Proposal Type</b>	<b>Service Delivery</b>
<b>Directorate</b>	City Development
<b>Service Area</b>	Planning Services
<b>Overview of Proposal</b>	Following adoption of the joint Planning Protocol with the Chamber of Commerce and with greater emphasis of high quality pre-application advice service, to introduce a range of measures to generate additional income arising from the provision of discretionary services offered to customers using the development management service. These include: increasing fees for pre application enquiry services for all types of applications, introduce bespoke paid for pre application enquiry service for Small and Medium Sized Enterprises (SMEs) housebuilders, introduce bespoke paid for pre application enquiry service for Registered Providers (RPs) and roll out of Planning Performance Agreements (PPAs) for the largest and most complex applications.
<b>Overall Impact of Proposed Change</b>	Adequate resources will be required to ensure and guarantee that the service levels promoted and response times required, are delivered upon by the service. This may have organisational, business process, system, training and cultural impacts on the service.  The increase in fees will have a financial impact on customers who choose to access the services.
<b>Impact on Affected Service</b>	

	There will be some service impact in ensuring that resources are aligned to facilitate delivery of the required level of service. The focus of the approach is to facilitate service improvement, with quality development as an outcome. However, this may have a potential impact on overall statutory determination times of planning applications. In anticipating this, there are project management tools currently available to the service. These include, Extensions of Time Agreements, which can ensure that the service delivers planning application decisions in time or in the agreed time period.
<b>Savings Total</b>	£200,000 - £250,000

<b>Recommendation</b>
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- 2.1 Members are asked to consider the proposal to Increase planning charges for discretionary services and the introduction of premium development management services for consultation, as part of the Savings Programme 2020/21–2024/25.

This proposal relates to Planning Services

The impact on the service is in terms of being able to deliver its core function of determining planning applications within statutory timescales, due to an increased volume of pre application enquiries (which must be responded to within the published timescales). Failure to deliver applications in time, risks the Local Planning Authority being designated as “poorly performing”,. Where an authority is designated as underperforming, applicants have the option of submitting their applications for major and non-major development (and connected applications) directly to the Planning Inspectorate (who act on behalf of the Secretary of State) for determination. However based on 2018-19 data, the performance of the Leeds Planning Service is well above the designation thresholds. There is also the potential of reputational damage to the service, loss of business confidence in the Council to work collaboratively and expediently on development investment proposals, and financial penalties in the event of applications not being determined within six months (without an Extension of Time agreement). Based upon current determination in time performance, this does not pose a significant risk to the service; however performance can deteriorate quickly if resourcing or business processing difficulties arise.

It is anticipated that between £200,000- £250,000 can be generated from these proposals.

## Reason for Recommendation

- 3.1 The Site Allocations Plan (SAP) has recently been adopted by this Council, providing a framework for development across the entire District. Within the SAP, over 800 sites have been identified for development, with a target for building over 50,000 new homes as well as identifying sites for new jobs, commercial and retail developments. The Plan was formally adopted by the City Council on 10<sup>th</sup> July. As a consequence, and from discussions with developers, the service is anticipating many new sites and development proposal coming forward in the near future, with at a significant in size and scale. The Plan to 2023 does not include phasing and so developers are able to submit plans for positive consideration from now. The National Planning Policy Framework (NPPF) considers that early engagement ('front loading') has significant potential to improve the efficiency, effectiveness of the planning application system and the quality of subsequent development. High quality, timely pre application engagement therefore benefits all stakeholders- the LPA, local communities, infrastructure providers and the development industry.

The proposed range of measures seek to provide a high quality and responsive service for both small scale housing schemes and RPs, where those developers have different needs to those of the volume housebuilders. The introduction premium services on the largest of schemes should enable those proposals to incorporate advice and be delivered expeditiously, assisting the Council in meeting its ambitions for housing and inclusive growth. The increase in the pre application fees for services already offered, provides a more comparative fee structure to the other Core Cities, most of which already charge higher fees.

These proposals would provide savings through increased income with the minimum disruption to the workforce and service provision.

Within the context of the above proposals, free pre application services will no longer be offered.

## Key Points for Consideration

4.1

### **Overview of the proposal**

A number of measures to increase discretionary fee income are proposed:

- We know that we benchmark low on current pre application fees across the Core Cities and the fees currently charged in Leeds are not competitively priced. It is proposed to increase existing pre application enquiry services, to reflect the true cost of providing those services to applicants and developers (and to enable these costs to be recovered).
- Introduce new pre application enquiry charges to RPs, who currently receive a free service and introduce a bespoke pre

applications service for SME housebuilders, to better meet their needs.

- Promote PPAs on the largest and most complex of planning applications.

Based on historic patterns of service usage and assuming this level of service going forward, it is anticipated that £200k-£250k can be generated. This is a challenging but realistic budget saving for next year.

4.2

#### **Overall Impact of the proposed change**

Whilst the fees will increase for pre application and PPA services, (having a financial impact on customers using the service), customers will obtain increased assurance on the services ability to deliver within the published timescales. We know from previous consultation with the development industry it is evident that certainty and timeliness are two key factors for developers in engaging at the pre application stage, rather than the advice fees charged.

There will be a potential impact on the Development Management service in terms of how workloads are currently managed, putting pre application enquires on a more equal footing with statutory application workload, with both being seen as important to deal with within the agreed timescales. This will require a systems and cultural change in service. There may some requirement to increase staffing levels in certain areas to ensure a high quality and timely service that encourages further patronage and levers greater income. Experience from other LPAs shows that increased charges on their own, with a failure to deliver an enhanced service, discourages use and leaves a shortfall in income.

#### **Impact on affected service**

Assumptions on the potential fees generated have been made based on historic levels of service. However, the service saw a reduction in the number of applications being submitted for the first time in over five years. In Leeds, applications were down by 7% in comparison with the previous year; nationally, this trend is also visible, with an average 5% decrease in application numbers. This could be attributed to the uncertainties around Brexit. However as mentioned at 3.1, with adoption of the SAP an increase in the number of major applications on allocated sites is anticipated.

The necessary cultural, system and procedural changes will need to be reflected as a Team Leeds approach, reaching beyond the Development Management team and will also include internal consultees such as Highways and Environment and Design Group and Policy and Plans Groups. Consultation, briefing work and training will need to be in place, prior to launching the new services and clear articulation of “the ask” of services in meeting the published service standards.

<b><u>Savings total</u></b> £200, 000-£250,000
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<b>Background</b>
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### **Alternatives Considered**

\*The following alternatives considered as part of this proposal are set out below:

#### **Service efficiencies and rationalization through benchmarking**

The service is currently undertaking a benchmarking exercise against key areas of work, including the Development Management function, Policy and Strategy function. CIPFA information suggest that Leeds benchmarks high against the cost of Planning Services at other Core Cities, and the planning committee/panel structure is more substantial. Given the volume and intensity of work in delivering the Core Strategy Selective Review and particularly the Site Allocations Plan, that resource commitment is understandable. However further benchmarking with the Core Cities will be necessary and is on-going, to understand if and where further service efficiencies could be identified. These would need to be considered within the context of Best Council Plan priorities for, inclusive economic growth, Planning for Health and Wellbeing and the declared Climate Change Emergency.

A Plans Panel review was recently conducted by independent consultants which indicated that it is unusual in having so many meetings, and that there is a substantial additional cost, both financial and resource, in taking any item to a Plans Panel for decision.

The outcome and actions from this exercise are yet to be concluded but there may be the potential to deliver savings going forward. Therefore this alternative has not been recommended, as it is premature to come to any firm conclusions around identifying efficiencies or any potential savings from Plans Panel and Member engagement activity at this stage.

#### **Use of digital technologies to deliver services**

The service is currently investigating how to deliver a more a frictionless customer experience, through use of new digital technologies, increasing use of self service and Artificial Intelligence (AI) solutions. Although this is at an early stage nationally, the AI agenda is gaining some traction, with some authorities such as Milton Keynes being early adopters. It is proposed to investigate what is currently available and see if this can be replicated or adapted in Leeds to meet the needs of service users, at the same time streamlining more transactional activities.

In terms of impacts, the digital agenda appears to have the potential to generate significant savings whilst still delivering a high quality reliable service to customers.

The outcome and outputs from this exercise are not yet concluded but there may be the potential to deliver savings going forward in the medium to long term. Therefore this alternative has not been recommended as it is premature to come to any firm conclusions around identifying efficiencies or any potential savings.

Members could decide not to take the proposal forward and identify alternative savings proposals

## Costs and Budget Summary

5.1 The saving proposal is 12.85% of the total net managed budget for the Planning and Sustainable Development service (City Development).

Table 1 provides details of the proposal to increase planning charges for discretionary services and introduction of premium development management services

**Table 1**

	Savings 2020/21		Savings 2021/22		Savings 2022/23		Savings 2023/24		Savings 2024/25		Total Savings	
	£k		£k		£k		£k		£k		£k	
	On-going	One off	On-going	One off	On-going	One off	On-going	One off	On-going	One off	On-going	One off
Employees												
Other Costs												
Income lost (show as a minus)												
<b>Net savings</b>												
Additional income generated (show as a plus)	+250		+250		+250		+250		+250		+1,250	
<b>Total savings</b>												
Implementation costs (show as a minus)												
Cost of Capital required for the savings to happen (show as a minus)												
<b>Total savings less implementation costs and cost of capital</b>	<b>+250</b>		<b>+250</b>		<b>+250</b>		<b>+250</b>		<b>+250</b>		<b>+1,250</b>	

## Risk and Policy Implications

### 6.1 Risk and Best Council Plan Implications

The following risks arise from the issues raised in this report as set out below:

#### 6.1.1

Given the uncertainty around Brexit, there has been some impact on the development industry in bringing forward schemes; in Leeds there has been a 7% reduction in planning applications in 2018-19 in comparison with the previous year. In this context there is a risk that the economic climate is such that the market further slows down. In this event there will be fewer larger planning proposals coming forward for pre application

#### 6.1.2

services or PPAs.

In terms of mitigation, there are no real measures to mitigate the risk as it a demand led service, but given the Site Allocations Plan is now adopted it is anticipated that the certainty around sites is sufficient to generate market interest and that the large scale proposals which do come in will be encouraged strongly to enter into PPAs or engage at the pre application stage.

#### 6.0

### 6.4 Legal Implications

6.4.1 There are no legal implications arising from this report.

#### 6.4.2 Equalities Impact

#### 6.4.2

The following equality/community issues arise from the issues raised in this report as set out below:

#### 6.4.3

Equality screening has taken place and it is considered that there are no equality issues arising from the proposals.

The detailed Equality, Diversity, Cohesion and Integration Screening is provided at Appendix 1.

## Consultation

7.1 No formal consultation will be carried out on these proposals. However, the service engages with the Leeds Chamber of Commerce and has set up an SME group which discusses planning and related matters. The SME pre application proposal has been developed out of these discussions with that sector and has received support from the group, subject to the issues around delivery and timeliness.

7.2 Additionally, the service already engages with the Leeds Planning and Developers Forum, which is a meeting facilitated by the services with the main developers, agents, planning lawyers and community representatives in Leeds. Whilst these latest proposals have not explicitly been consulted



on, the issue of pre application enquiries and use of PPAs has been discussed several times, again with the development industry representatives indicating general support for the services, again subject to deliverability.

In terms of the RPs, the Housing Growth team have regular communication with this sector and the intention is for further engagement on these proposals. Given that pre application discussion and engagement is not a statutory part of the planning process, customers can choose whether to engage or not. However, the City Council's planning protocols, Customer Charter and Statement of Community Involvement encourages such an approach as best practice.

Within the context of a drive for continued improvement, the Council must ensure that it remains open minded throughout the consultation period to all alternative proposals and expressions of interest.

<b>Background Papers</b>	<b>Place of Inspection</b>
8. Here you should detail any background papers –	N/A

<b>For Further Information Contact:</b>	Helen Cerroti 0113 3788039 <a href="mailto:Helen.cerroti@leeds.gov.uk">Helen.cerroti@leeds.gov.uk</a> David Feeney 0113 3793558 <a href="mailto:David.feeney@leeds.gov.uk">David.feeney@leeds.gov.uk</a>
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<b>Sign Off</b>
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## Appendix 1

### Equality, Diversity, Cohesion and Integration Screening



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

<b>Directorate: City Development</b>	<b>Service area: Planning Services</b>
<b>Lead person: Helen Cerroti</b>	<b>Contact number: 0113 3788039</b>

**1. Title:** Increase planning charges for discretionary services and introduction of premium development management services

Is this a:

Strategy / Policy

Service / Function

Other

**If other, please specify**

**2. Please provide a brief description of what you are screening**

Increasing existing pre application fees to reflect the true cost to the Council of providing the service, introducing bespoke and premium services for particular types of planning proposals. The service is not mandatory and customers do not have to access the paid for service.

### 3. Relevance to equality, diversity, cohesion and integration

All the council's strategies/policies, services/functions affect service users, employees or the wider community – city wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration.

The following questions will help you to identify how relevant your proposals are.

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation. Also those areas that impact on or relate to equality: tackling poverty and improving health and well-being.

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?		N
Have there been or likely to be any public concerns about the policy or proposal?	Y	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	Y	
Could the proposal affect our workforce or employment practices?		NN
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"><li>• Eliminating unlawful discrimination, victimisation and harassment</li><li>• Advancing equality of opportunity</li><li>• Fostering good relations</li></ul>		

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

#### 4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity, cohesion and integration?** (think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

Planning decisions made by the local planning authority can have far reaching implications, in terms of the effect on the future quality of the environment and also the amenities of local residents of the city. Decisions have the potential to effect the lives of many people. It is therefore important that the decision making process is robust and equally important that particularly on large scale or contentious planning applications that pre-application engagement with the Local Planning Authority is entered into at an early stage. Charging has been in place for a number of years for all most application types. The increased charges will affect all customer groups who wish to use the service, however the greatest charges are in relation to large scale major applications and reflect the complexity of those applications. Such applications are usually made by established commercial companies, rather than individuals.

Similarly Planning performance Agreements will only be offered on the largest and most sensitive applications and are usually made by companies, rather than individuals.

PPAs and the pre application enquiry service are both discretionary and not a mandatory part of the planning process; individuals can choose whether to access the service or not. All planning decisions are taken in accordance with the local plan (unless material considerations dictate otherwise), policy information, supplementary planning documents, the local plan which show applicants the policies against which their proposal is assessed are freely available online and in hard copy. Therefore, the new paid for service does not disadvantage any one group more than any other.

Applicants' background, race, gender or orientation are immaterial to planning issues and have no bearing on an officer's advice or recommendation.

The issues or concerns raise by the public is in terms of value for money and deliverability of the pre application service within the published timescales. The service will address these issues.

In terms of affecting how the service is delivered, the service will need to reprioritise the way the workload is dealt with and will require buy in of services outside of Planning Services in order to achieve success. Again, this work will be addressed in house.

<ul style="list-style-type: none"> <li>• <b>Key findings</b>  <b>(think about</b> any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)             No one group will be at an advantage over other groups</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Actions</b>  <b>(think about</b> how you will promote positive impact and remove/ reduce negative impact)             Ensure that the Leeds City Council website provides current, clear information to support applicants make their application without having to use the paid for service.</li> </ul>

**5. If you are **not** already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment.****

Date to scope and plan your impact assessment:	
Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

**6. Governance, ownership and approval**

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
David Feeney	Chief Planning Officer	1 August 2019
<b>Date screening completed</b> 25 July 2019		

**7. Publishing**

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions** or a **Significant Operational Decision.**

A copy of this equality screening should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality screenings that are not to be published should be sent to [equalityteam@leeds.gov.uk](mailto:equalityteam@leeds.gov.uk) for record.

Complete the appropriate section below with the date the report and attached screening was sent:

For Executive Board or Full Council – sent to <b>Governance Services</b>	Date sent:
For Delegated Decisions or Significant Operational Decisions – sent to appropriate <b>Directorate</b>	Date sent:
All other decisions – sent to <a href="mailto:equalityteam@leeds.gov.uk">equalityteam@leeds.gov.uk</a>	Date sent:

## Appendix 2

Refer to relevant guidance when completing

### Consultation Action Plan

Proposal Title:

Type of Consultation:

<b>Group affected</b>	<b>Method of consultation</b>	<b>Date (s) consultation activity to be delivered</b>	<b>Resource required</b>	<b>Venue</b>	<b>Targeted survey questions</b>