

Resourcing a High Quality Planning System – a consultation paper

October 2010

Introduction

The FSB is Scotland's largest direct-member business organisation, representing over 20,000 members. The FSB campaigns for an economic and social environment which allows small businesses to grow and prosper.

We welcome the opportunity to submit our response on the above consultation. Ensuring that the planning system in Scotland is efficient, meets the needs of our members and the communities within which they operate is of great importance to us. The vibrancy and resilience of Scotland's business sector heavily depends on a responsive and efficient planning system. We hope that central government, local authorities and other stakeholders share our vision of a planning system which facilitates community regeneration and cohesion, and local economic growth equitably and consistently across Scotland.

Effective use of resources

Improving application and supporting information quality

The FSB welcomes moves to give applicants the option of making their planning application online. This move should enable applications to be processed more efficiently. However, we note that some local authority web-pages still lack adequate signposting to the e-planning website. Planning guidance could still be improved by tailoring information to different types of applicant and scale/type of application. This would save applicants time in trying to identify the forms and processes relevant to their applications and also, potentially, improve the quality of information received by planning authorities.

In addition, the provision of some information online can lead to the removal of any option for applicants to contact the planning authority informally to resolve quick queries. Applicants in this position may then have to guess how to fit their particular application to the requirements, which can result in the planning authority returning an application as incomplete or incorrect. This can cause delay and frustration.

Our members tell us that the quality of relationship between planning authorities and businesses who use the planning system is extremely important both in encouraging high quality application information and managing business expectations of the developing system. Feedback from our members suggests that planning officers can

often be too wary of providing advice to help clarify issues specific to the application, which would simplify and speed up the application process.

The following would help build an effective relationship between businesses and planning authorities:

- Holding more information and networking events for users of the system (Aberdeen City Council recently held a similar event and Argyll and Bute Council planning officers were involved in regional 'enterprising' roadshows).
- In the long term, developing the online application process to include a facility to track progress of applications and 'stop the clock' on applications received by local authorities that are incomplete.
- Planning authorities should not accept payment for a planning application until work commences to consider it. Payment should not be accepted on incomplete applications which are returned wholesale to the applicant.
- Clear definition and training for planning authority staff to enable them to provide useful, free advice to applicants prior to receipt of an application while still maintaining the integrity of the decision-making process.

More broadly, the FSB supports a planning application process which seeks only the essential information relevant and proportional to the scale and characteristics of the application, on the basis that quality of information supplied generally increases with a decrease in the quantity required. Any reform to the planning system should take this principle into account.

Charging for pre-application discussions

The FSB has no objections to the principle of charging fees for pre-application discussions relating to major or national developments on the basis that more complex applications cost more to process. Any moves to increase fees by scale of development, however, need to be monitored to ensure that any increased fee differential does not adversely affect decision times for straightforward business applications with lower associated fees. The definition of what constitutes a pre-application discussion for which a fee would be payable would need to be very carefully worded, to avoid a situation where basic customer service and advice is withheld until an additional fee is paid. Applicants should be able to contact planning offices to have quick queries answered informally without having to undergo lengthy formal processes.

New ways of working

The FSB supports moves by planning authorities to explore new ways of working to promote the quality and efficiency of public services. Shared services could particularly have a beneficial effect for large scale developments where specialised expertise is required. Outsourcing and peer review also have the potential to encourage dissemination of good practice. Disappointingly, these appear to have achieved little thus far to improve planning authorities' performance in meeting statutory deadlines for reaching planning decisions for straightforward, local business applications. The FSB hopes that a new planning system would promote and encourage efficiency and effectiveness in processing planning applications across the board and not simply for those applications requiring specialist expertise.

Reviewing performance

As mentioned above, statutory deadlines for a very large proportion of business applications are routinely missed, as evidenced in Scotland's Planning Performance

Statistics 2009/10. The FSB would seek to see a planning system which facilitated significant improvement to these statistics. Small local businesses' planning applications are frequently time-critical and delays can have a negative financial impact which also affects local employment and local economic growth. This is particularly the case with tourism sector developments which must take place in the low season. Failure by authorities to meet planning targets can delay projects for a year or more or risk losing business.

Any new framework introduced should include all relevant stakeholders to the planning process, including representation from a range of different private sector enterprise types.

Review of fee structure

Preferred fee options

There does not appear to be a clear case set forward for a fundamental change to the fee structure, given that some authorities are recovering the costs of processing planning applications within the current arrangements. The FSB's members in Scotland are less concerned about fee structures than they are about the length of time it takes for small business applications to be processed. We would therefore seek further evidence that a change in structure is required before lending support to any alternatives. Should this evidence be forthcoming, Option 1 as outlined in the consultation document would transparently address the need for cost recovery without introducing too much complexity or inconsistency to the system. In relation to Option 4, the FSB is concerned that if fees became concentrated too heavily on the major developments it might affect the level of service planning authorities gave to simple, straightforward planning applications. The FSB does not support Option 3, where planning authorities would set their own fee structures, as this would lead to increased inconsistency Scotland-wide.

Raising the fee maximum

The FSB has no firm view on raising fee maxima but would recommend that the effects of any change were monitored to ensure that the efficiency of service in relation to local business planning applications was not adversely affected as a result of a change.

Allocation of the fee

The FSB is not best placed to determine whether planning authorities might improve the efficiency of contributions from other public sector agencies to their work if they paid them. We would however be strictly opposed to any possibility of consultation fees being passed on to the applicant. The planning system fee structure should broadly align to the volume of work and level of expertise required to process applications regardless of whether this is in-house or not.

Use of incentives

In view of planning authorities' consistently poor performance relating to business application processing times, some urgent action is indeed required to promote improvement. Incentives may well provide this, but the FSB recognises that introducing financial incentive schemes as outlined in the consultation document is likely to represent an additional administrative burden on local authorities in terms of recovering outstanding funds from – or returning funds to – applicants. Any introduction of financial incentive should therefore be weighed against the diversion

of resources away from actually processing applications and a possible further deterioration in performance.

Staged/phased payments or One-off single fee

The planning fee usually represents the least expensive cost of development for the applicant, at least for our members. The FSB therefore sees little advantage to be gained by introducing staged or phased payment, unless it were part of an incentive scheme.

Regional variances

The aim of a fee structure as set out in the consultation document is to promote cost recovery. No structure can reflect the exact cost of processing every application just as no planning fees can reflect exactly the cost or scale of development. The FSB does not support over-complication of a structure in an attempt to compensate for regional variations. If the fee structure works then processing a larger amount of smaller applications efficiently should broadly recoup the costs.

Conclusion

The FSB supports the principle that the planning system should be fit for purpose and adequately resourced so that applications can be processed efficiently and developments which have the potential to benefit Scotland's economy and society are brought about with the correct consideration to the local environment and communities. For this reason, we support a fee structure that aligns broadly to the size or complexity of proposed developments. However, we hope that the Scottish Government will particularly note the following points:

1. Raising fees for more complex developments or activity may be sensible in order to ensure cost recovery, but the FSB would expect the impact of any change in fee structure along these lines to be closely monitored. Planning authorities consistently fail to meet statutory deadlines for a substantial volume of business planning decisions. There is a danger that by concentrating income on large or complex developments, straightforward applications attracting relatively modest fees could take even longer to decide. This would be highly detrimental to our members and is therefore an outcome to be avoided at all costs.
2. Our members freely accept the premise that fees should be payable for planning applications broadly in line with the size of development. However, they expect an efficient and timely service including clear and accessible information and seek to develop and maintain good relationships with planning officials. The FSB would seek a planning system which promoted this kind of service for our members.

For further information on any of the points raised in this submission, please contact Mary Goodman, Senior Policy Advisor, e: mary.goodman@fsb.org.uk; t: 0141 221 0775.
