

## Unpublicised Increases in Planning Costs

A member of RIDBA wrote to me in mid April to advise at his surprise at the very hefty increase in planning fees, which were causing him a major embarrassment with a customer. He had agreed a price for a large building and since he knew that planning was not going to be contentious and the cost would be £5000.00 (the maximum) he included in the price this cost of gaining the necessary planning permissions. When he put in his application in early April he was advised that the cost would be £13810.00 (new maximum £50,000.00), an increase of £8,810.00 which his client was not happy to pay. The local authority advised that they had not given prior notice of the large increase as they had not received the revised price list from the ODPM until Mid March.

The Member suggested that this was not acceptable, where was the consultation? It looked to him like a further stealth tax, which was going to hit the farming industry more than most because of the often large areas of land involved.

I took up the suggestion and investigated the situation.

I found that the ODPM sent out a consultation on increasing the planning fees from the 1st April 2005, the Consultation was dated September 2004 with an end date of the 9th December 2004. It stated that research had shown that to fully cover planning costs, fees should increase by £68 million or 39%. It was not proposed to recover this all at once but in the year 2005/6 increases of £30 million or 17% were proposed. At the same time the changes would ensure that a greater proportion of the increase would be paid by the larger planning applications.

Then on the 15th December they issued another consultation on further changes to the planning fees, with an end date of 28th Jan 2005. at this time they did not provide a report on the original Consultation document but said that many respondents had stated that the increase in the first year was not large enough and so this revised consultation was proposing that the full cost recovery would occur in the first year and so there should be an increase in fees of 39% to raise an additional £68 million

The report on the first consultation was issued on the 1st March 2005, and reported that the majority of responders supported the increase, but many saying that the increase should be larger. Looking at the list of responders, they were mainly local authorities and others interested in an increase in fees.

The report on the December Consultation was also issued on the 1st March 2005. This gave a more detailed report on the responses and said that some 138 responses were received to this second consultation, of which 59% (82) of the responses suggested that the changes were fair and reasonable, and 24% (33) were against the proposals. Many of these responses reiterated comments made in the earlier consultation. However, both these responses and the other responses stressed the importance of increases in fees being matched by improvements in the planning service. Again it was interesting to note that the majority of responders were local authorities or others who it could be argued had an interest in the charges increasing.

Subsequently the ODPM issued a letter to Councils on the

17th March advising the details of the increased fees to come into effect from the 1st April 2005, resulting in the LAs having about 10 days notice, with the general public and a lot of industry having no notice at all.

RIDBA receive a large number of planning consultations from the ODPM, but we were missed off the list for this one, which raises the question of how many others, who might have objected to the increases being so large and more importantly the lack of notice, were left off the list.

This really is a case of big Government riding rough shod over the general public and industry. How would Government respond if an outside supplier increased his price by more than double (see our member's figures), without notice. I am sure that they would reject the extra charge.

We have always known that it is the number of respondents that is important but these consultations really does bring it home.

In total the last consultation paper went out to a large number of consultees, with a response from 138, analyzing the responses is interesting; there were 60 local authorities who responded, even though it was their Association who received the Consultation Document, whereas the CLA and the NFU who also responded, did so on behalf of the members. I do not know what response they gave, but I suspect that their individual responses were given as much weight as one local authority even though both the NFU and CLA both represent some 1000s of members.

In future where we see a consultation that we wish to comment on, we each need to respond individually rather than putting a joint response in, that will only be counted as one vote.