

## Benchmarking the costs to applicants of submitting a planning application



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Arup

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Department for Communities and Local Government

The views expressed in this report are those of the authors and do not necessarily represent the views or proposed policies of the Department for Communities and Local Government

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# Contents

<b>Chapter 1</b>	5
Introduction	
1.1 The study	5
1.2 Background to the study	6
<b>Chapter 2</b>	8
Data collection and sampling	
2.1 Introduction	8
2.2 Sample recruitment and selection	9
2.3 Sampling of applications	11
2.4 Discussion with agents/applicants	14
2.5 Additional Survey of Planning Portal users	15
<b>Chapter 3</b>	17
Benchmarking costs	
3.1 Introduction	17
3.2 Summary of costs by application type	21
3.3 Householder development	22
3.4 Prior approval for telecommunications development	24
3.5 'Major development' for approximately 100 dwellings	26
3.6 'Major development' for retail development of approximately 2,500 sq m	29
3.7 A typical warehouse development (under 1,000 sq m)	30
3.8 Smaller housing developments (with 10-15 dwellings)	32
3.9 Change of use	35
3.10 Applications by small businesses (SMEs) concerning the establishment of premises (small office or light industrial developments)	36
3.11 Single house construction or conversion (single dwelling applications)	40
<b>Chapter 4</b>	43
Key factors in determining the cost of applications	
<b>Chapter 5</b>	47
Conclusions	

<b>Appendix A</b>	52
Introductory Letter to LPAs	
<b>Appendix B</b>	53
Introductory Letter to Applicants	
<b>Appendix C</b>	54
Analytical Pro Forma	
<b>Appendix D</b>	55
Survey of Planning Portal Users	
D1.1 Final Survey Text	55
D1.2 Survey findings	57
D1.3 Survey data and Survey contacts	59
<b>Appendix E</b>	60
Average/Median costs for stages of Planning Application	
E1 Average/Median Costs	60

# Chapter 1

## Introduction

### 1.1 The study

This study seeks to provide a 'benchmark' for the typical financial costs associated with the submission of a planning application. The study used case study analysis to evaluate the breakdown of costs associated with the different stages of applying for planning permission.

The study identified nine specific application types for investigation:

- householder development
- prior approval for telecommunications development
- 'major development' for approximately 100 dwellings
- 'major development' for retail development of approximately 2,500 sq m
- a typical warehouse development (under 1,000 sq m)
- smaller housing developments (with 10-15 dwellings)
- change of use applications
- applications by small businesses (SMEs) concerning the establishment of premises (small office or light industrial developments) and
- single house construction or conversion (single dwelling applications)

The study aimed to produce benchmark costs for six applications within each of these nine categories of development, yielding a total sample of 54 applications. The study team wish to emphasise the importance of careful selection of the sample to enable robust future longitudinal analysis, as well as the need to sub-divide costs consistently and as far as practicable so that maximum analytical worth is gleaned from the data.

This report includes a full summary of work undertaken and results obtained in the form of benchmark net additional costs.

## 1.2 Background to the study

There is an increasingly prominent focus upon improving 'user experience' within planning. The recent government response (March 2009) to the Killian Pretty Review concurs with the Review that there is a requirement to rationalise the planning system in order that the 'customer' be part of a more efficient and effective system. Indeed, the sentiment reflected by Recommendation 15 that a 'satisfaction' target (which would be gathered via a user survey) could be an appropriate measure of each local authority planning service, has major implications.

To date, there has not been any level of 'customer focused' research from the perspective of applicants. This study seeks to provide evidence from the applicant's perspective, and to identify a benchmark cost for a particular type of planning application, in order to encourage a balanced approach to policy-making.

### 1.2.1 Acknowledgements

### 1.2.2 Steering Group Members

We are grateful to the following study Steering Group members for their guidance and support:

- Graham Davis (Communities and Local Government)
- Scott Dennison (Communities and Local Government)
- Chris Kendall (Planning Portal)
- Simone Sharpley (Communities and Local Government)
- Tony Thompson (Communities and Local Government and the Killian-Pretty Review)

### 1.2.3 Case study participation

Twelve local authorities took part in this research. We are grateful to the following authorities for their participation:

- Allerdale Borough Council
- Bracknell Forest Council
- Chelmsford Borough Council
- East Riding of Yorkshire Council
- Hartlepool Borough Council
- Leeds City Council

- The Borough of Poole
- Scarborough Borough Council
- St Helens Borough Council
- London Borough of Tower Hamlets
- London Borough of Wandsworth
- Wycombe District Council

#### **1.2.4 Planning Portal survey assistance**

We are grateful to both Aled Herbert and Dan Alton at the Planning Portal for their assistance in designing, launching, monitoring and concluding the online survey.

#### **1.2.5 Project Team**

The project team combined members from both Arup and Addison & Associates:

- Chris Tunnell (Project Director)
- Kieron Hyams (Project Manager)
- Alison Blom-Cooper (Addison & Associates)
- Vicky Evans (Arup)
- Miriam Leathes (Arup)
- Mary Bather (Arup)

# Chapter 2

## Data collection and sampling

### 2.1 Introduction

This study worked with a selection of local planning authorities to explore the profile of applications as recorded within their IT systems. The selection of authorities included both districts and unitaries, covering a range of geographical areas with a varied urban/rural split. We approached the Planning Portal to help us identify local authorities which were thought to have good online electronic case files. The selection of local planning authorities (LPAs) was designed to include authorities that had good systems in place for electronic file-keeping and with good public access to case files. The ability to access the case files of the applications we investigated helped us to cross-check the information we received from applicants. For example, we were able to tell if an applicant had omitted the costs from a certain study or other similar supporting material. This enabled us to check that all elements of an application had been costed and included.

The Portal verified our initial list of 19 authorities and provided us with contact details as well as six 'reserve' authorities who served to widen the sample. This provided a total sample pool of 25 LPAs. To ensure a wide enough sample was procured at this initial stage of the study, all 25 local authorities were approached in mid November 2008, with an initial phone call made to the elected contact provided by the Planning Portal. If the LPA agreed to participate in the study at this initial stage, two follow up letters were then sent to their elected contact and Head of Planning, outlining the study parameters in more detail. Subsequent contact was then made with the authorities via e-mail and telephone calls.

Our final data sample was taken from 12 LPAs, as listed in Section 1.3. The letter sent to LPAs is included at Appendix A.

## 2.2 Sample recruitment and selection

There was a keen interest in the study; only five local authorities declined to take part, mainly due to lack of staff resources. Following successful recruitment of a local authority, the designated contact at the LPA<sup>1</sup>, was asked to run a bespoke search on their databases on the basis of the nine application categories, for applications determined between April 2007 and October 2008. However, following submission of a pilot database search by Wycombe District Council, it became evident that a clear, unambiguous set of parameters were required for local authorities to conduct their searches, to ensure that officers were not wasting their time extracting data that would need to be re-run following review by the study team. For example, within the first data run provided by Wycombe, the search omitted information regarding whether an application was submitted online, as well as contact details for both agents and applicants. Therefore, to minimise abortive work and ensure consistency, the following guidelines were issued to each LPA to ensure that key information was returned within the data search:

- application reference number/details
- applicant contact details (including a telephone number)
- agent contact details (if applicable)
- description of proposal
- whether the application was submitted online or not
- only include applications in the search which have been approved and
- search only the period between April 2007 and October 2008

Other issues highlighted at this stage of the screening and sampling process were: the alignment of application categories with the appropriate PS2 codes; a lack of application returns in particular development categories; and the inability of authorities to indicate whether conditions had been discharged. These issues are outlined in the sections below.

### 2.2.1 Application categories

In extracting appropriate datasets, some LPAs commented that the nine application categories did not align with current PS2 codes and that this presented difficulties in filtering information required for the study. For instance, although application categories such as householder development and change of use correlate easily with PS2 coding, categories such as warehouse development and single houses are more problematic for LPAs to extract from their databases. On receipt of such concerns, the study team was quick to advise that where

<sup>1</sup> In most cases, often a representative from the Planning Technical Services team

categories did not perfectly align with the PS2 form, and LPA resources were limited, the study team would filter the data accordingly and pick out those applications suitable for analysis manually, following receipt of a wider set of data. Specific issues and the subsequent advice provided to applicants regarding alignment with PS2 codes are outlined below:

Issue highlighted	Response from study team
Prior approval for telecommunications development applications: too specific for LPA to run through applications manually	LPA to run appropriate PS2 code ( <i>Notifications</i> ) and study team to manually search data extract to sieve out relevant applications to sample from.
Warehouse development: PS2 category unclear	LPA to run search on two PS2 categories: <i>Minor Developments</i> and <i>Small Scale Developments</i> – general industry/storage/warehousing, as these categories will obtain all warehouse development up to 9,999m <sup>2</sup> . Study team will then manually search extract for relevant applications to sample from.
It is unclear which applications are constituted as being made by small businesses concerning the establishment of premises. Concerned about time taken to extract this data.	Study is looking at applications which are ‘typical’ applications submitted by SMEs. Study team will filter the applications accordingly to include a whole spectrum of applications to include installation of shop fronts, signage, new outbuildings, as well as larger developments. Combination of PS2 codes required to extract application data.
Single house construction or conversion applications will be difficult to capture within PS2 codes	Run analysis from <i>Minor Developments: Dwellings</i> category within PS2 code, as this code pertains to applications where the number of dwellings to be constructed is between 1 and 9 inclusive. Study team to then filter appropriate applications from this data extract.

This process was further complicated by the changes brought to the PS2 codes in April 2008. Some authorities extracted two sets of data for the period April 2007 to March 2008 and April 2008 to October 2008, but most were able to manage extraction from the data to reflect the change of codes in a composite fashion.

### 2.2.2 Discharge of conditions

Many local authorities found it difficult to provide examples of applications in which the pre-commencement conditions had been discharged. It appears that discharge of pre-commencement conditions is not monitored explicitly on many LPAs’ systems, so officers would be unable to tell if a condition has been

discharged or not without chasing up each application. For example, Leeds City Council highlighted that prior to their introduction of a fee for the discharge of conditions (pre April 2008), conditions were not always logged on a system in a consistent fashion. They were usually dealt with just by letter by the case officer and stored on the application file, making the information extremely inaccessible, and not necessarily indicative of the amount of work put in on the part of the authority or the applicant. Other local authorities highlighted that their databases do not record the discharge of conditions. However, it must be noted that this issue was not a show-stopper. Certainly for decisions prior to 2008, we felt it was safe to assume that enough time had passed for the costs associated with submitting those applications to be 'mature', for the purposes of this study.

## 2.3 Sampling of applications

In order to assure that the sample was robust, representative, fit for interrogation and able to form the beginnings of a longitudinal time-series dataset, it was important for the study team to 'hand pick' the sample using targeted or judgment sampling techniques. **Clearly, a sample of 54 applications is insufficient to represent the entire population of applications with any real degree of statistical confidence, but it is sufficient to deliver reasonably robust benchmarks.** Applications were therefore screened and scrutinised to ensure that they are typical and representative.

Following receipt of data from LPAs, the parameters outlined below were applied by the study team. This manual sampling filtered the data down to an appropriate sample that it is representative of the types of applications made in each category. These sampling assumptions were carefully considered to ensure that unrepresentative applications for a development category are precluded from the study, although for each local authority there are subtle nuances. In some cases, the study team returned to the original application to ensure that the application was relevant to the appropriate category e.g. to check quantity of floorspace for warehouse proposals. In general, applications by the local authority itself were discounted from the sample.

Application category	Parameters for selection
Householder development	Decision date no later than 30 September 2008 No retrospective applications No applications should be considered where permitted development rights now apply, following changes to the regulations in October 2008 <sup>2</sup> Particular householder applications (reasonably sized extensions e.g. 3 to 4m deep) should be considered
Prior approval for telecommunications development	Decision date negligible Ensure wider sample includes variety of applicant
'Major development' for approximately 100 dwellings	Decision date no later than 30 September 2008 Just dwellings – no care homes to be included Selection of outline applications/reserved matters to be included in sample No less than 60 dwellings
'Major development' for retail development of approximately 2,500 sq m	Decision date no later than 30 September 2008 No retrospective applications No applications for variation of conditions
A typical warehouse development (under 1,000 sq m)	Decision date no later than 30 September 2008 No retrospective applications Ensure application is classed as 'warehouse' and total floorspace
Smaller housing developments (with 10-15 dwellings)	Decision date no later than 30 September 2008 No retrospective applications Just dwellings – no care homes Outline applications to be included in sample

<sup>2</sup> LPAs were asked to help select those householder applications where PD rights would still apply

Application category	Parameters for selection
Change of use applications	Decision date no later than 30 September 2008 No retrospective applications Variation in change of uses – i.e. A1 to A3, B1 to residential etc.
Applications by small businesses (SMEs) concerning the establishment of premises (small office or light industrial developments)	Decision date no later than 30 September 2008 No retrospective applications Ensure that applicant can be considered SME
Single house construction or conversion (single dwelling applications)	Decision date no later than 30 September 2008 No retrospective applications Single dwellings only, no applications for > 1 dwelling

### 2.3.1 Quantities of sample

To obtain 54 completed applicant case studies, the study team sent out over 350 letters. The template for this letter is included at Appendix B. Naturally there were variations between the number of applications in each category, and the study team tended to oversample (particularly in categories such as householder) to ensure that an adequate number of applications could be studied as a whole.

### 2.3.2 Letters sent to applicants

Following identification of a preferred sample, the study team sent a letter to applicants and agents. This letter explained the research purpose, method and requirements and invited them to participate by getting in contact with the research team directly. The letter also explained that all results would be kept anonymous.

In all cases, we endeavoured to speak to the original applicant to gather costs data. Therefore in the majority of cases, particularly householder and change of use, applications registered as 'c/o agent' were taken out of the sample. However, this was not a practical assumption for all applications, particularly across the larger development categories, so some correspondence was sent to the agent as well as the applicant to help ascertain the marginal costs associated with making the planning application.

Although originally this correspondence was to be made via local authorities, local authorities requested that the Arup study team write to the applicants directly. Correspondence was therefore sent directly to the applicant, on Arup letter headed paper.

## 2.4 Discussion with agents/applicants

Alongside the sample design and recruitment process, we prepared appropriate survey materials to both brief participants and undertake the research. The study team produced an analytical pro forma as a means of recording case study information. This recorded the series of different components of a planning application and costed these separately, to form a matrix of costs. The pro forma used in recording this information is included at Appendix C.

### 2.4.1 Telephone Interviews

The study team undertook a series of telephone interviews with the appropriate agent and/or applicant. Direct contact was an important element of establishing a rapport and building trust. Telephone discussions lasted between 40-80 minutes, and often spanned several calls to several people, depending on how the applicant team was organised and the scale of the development.

### 2.4.2 Key questions to ask applicants/agents

The telephone interviews were structured so as to gather the quantitative and qualitative data required to complete the analytical pro forma. During the telephone interviews, the study team stressed to each applicant/agent that the role of the research is to:

- assess the cost of making a specific planning application (as opposed to the larger development and implementation of a development scheme) and
- within that, assess which costs are purely related to the requirement for planning permission

In each discussion it was necessary to explore some additional elements of the application, such as the details of the scheme and an understanding of the speed and type of progress the application took through to determination. Key questions and 'prompts' for applicants helped to shape the direction of the research. Although not intended to be rigid or 'leading' in any way so as to bias the research, the key questions aimed to ascertain how representative the application is in the context of the study. Questions included:

- **representativeness of the development scheme**
  - Do you make many applications like this?
  - Was this an unusual scheme?
- **representativeness of the application**
  - Did you have pre-application discussions with the LPA or any other body?
  - Was the information you had to provide what you expected?

- Was the application in keeping with other applications you have submitted of this nature?
- **representativeness of the determination**
  - Do you think the decision was made easily by the LPA?
  - Did you meet/speak with the LPA between submitting the application and getting a decision?
  - Did you attend the Planning Committee?
  - Was there much opposition to the scheme? Did this create any extra work for you?
- **representativeness of the outcome**
  - Have you discharged the conditions associated with your application?
  - What did you need to do/prepare to discharge the conditions?

### 2.4.3 Supplementary information

For many applications, the data gathering involved several parties and a range of quantitative inputs. Interviews were generally followed up with requests for clarification or gathering of supplementary information, involving additional phone calls or email exchanges.

### 2.4.4 Data collection and analysis

Following the primary data gathering, we collated the data and verified it as far as possible using a number of logical 'common sense' cross-checks. These included the range and variation of consultants' costs, time:cost ratios over an application's duration; and the relation between costs and the perceived complexity of the case.

## 2.5 Additional survey of Planning Portal users

### 2.5.1 Introduction

The Planning Portal takes a keen interest in the factors influencing the costs of submitting planning applications, and at their suggestion this study included a short online survey aiming to gather some headline data across the wide range of users of the Portal. This is intended to complement the main primary data gathering undertaken as part of this study, which focused on in-depth analysis of a smaller sample of planning applications.

As members of the study Steering Group, the Planning Portal has been very supportive of this study, and we are grateful to the Portal for hosting and promoting this additional survey. Thanks to their efforts, over 650 completed responses were received.

## 2.5.2 Survey design and implementation

### *Survey design*

The survey design was focused around creating a short survey with minimal questions that participants would feel able to confidently complete, and that would not discourage responses. Questions were kept closed to speed up the response time and structured to be specific to a particular application to avoid respondents drawing on a range of anecdotal experiences which were not collectively representative.

The survey asked respondents about their experiences in three main areas: their perception of the cost of submitting an application online compared to applications submitted in hard copy, the weighting of various pre-selected factors such as the fee and information requirements in driving the overall cost of submitting their application, and finally an overall estimate of the cost of submitting that application broken down by the applicants time and the time of others. A cost of the full survey text is provided within Section 5.3.

### *Survey implementation*

The Planning Portal has three main audiences – public sector workers involved in planning, private sector workers involved in planning, and members of the public with an interest in planning, considered to mostly comprise those making householder or other minor planning applications. The survey was targeted at the public sector and members of the public, and the Planning Portal was kind enough to promote the survey within its newsletters aimed at both groups.

The online survey was hosted externally through a specialist online survey site, but the 'launch links' to the survey were embedded within the Planning Portal site. The survey ran from February until April 2009, running concurrently to the main research and running as long as possible without delaying this research.

## 2.5.3 Survey findings and conclusions

**Because of the open-ended and anonymous nature of the survey, it is hard to draw any definitively representative conclusions.** However, the survey findings, along with a copy of the final survey text, are presented within Appendix D. The conclusions to the survey are presented alongside the main study conclusions within Section 5.

# Chapter 3

## Benchmarking costs

### 3.1 Introduction

In order to develop benchmarks for the cost related to submitting a planning application, the study sought to provide a breakdown of the proportionate spend on particular elements associated with the submission of a planning application.

**Note that the costs to be identified were those that were specific or additional relating to the requirement for planning permission, as distinct from those other costs associated with, for example, producing and implementing a design scheme.**

As outlined in section 2.4.2, initial contact with the agent or applicant sought to evaluate the representativeness of the application, before any costs were discussed, to ensure that the sample applications informing the benchmarks were as representative as possible in qualitative terms. For instance, where applications were submitted by agents working on a 'time' basis (as opposed to a 'fixed fee' basis), an increased level of complexity or number of exchanges with the LPA to negotiate aspects of a scheme leads to increases in the cost of submitting the application. The study team wanted to try to ensure as far as possible that we were measuring a 'normal' level of complexity and exchanges for each application category.

Determination of the costs attributable to each stage of the planning process is a complex task. In order to accurately evaluate the overall costs of devising, planning, designing, project managing and commissioning development schemes, where applicable, the study team explored the following elements associated with preparing and submitting an application:

- costs attributable to staff working for the applicant (the developer or eventual occupier)
- research-type costs towards identifying sites, gaps in the market for particular use configurations, development potential etc
- professional services focused on bringing forward or shaping the research findings into practicable schemes – such as making development plan representations to have a site included in local authority land allocations

- land or site acquisition costs – including the costs of establishing ownership, procuring deeds, legal and contractual advice, and of course the finance cost of purchase or lease itself
- scheme scoping to identify potential and desirable uses, including the possible mix, scaling or massing as the ‘terms of reference’
- scheme development based on the parameters to work into a fully-considered scheme appropriate for planning submission including design, pre-application consultations with authorities and consultees, and interdisciplinary liaison
- submission of the application – including the information required for the validation of the planning application, again drawing upon a similarly diverse range of disciplines
- post-submission negotiation and representation with additional information requirements or alterations to the original scheme, design, mix or layout and
- post-determination elements including handling or any appeal against refusal or particular conditions, or work towards discharging pre-commencement and other conditions

However, the cost calculation element of this work was not simply a case of adding the expenditure on the above elements to arrive at the cost of making an application. First, it was necessary to make allowance for the ‘core cost’ and ‘on cost’ elements associated with staff time and services. Only through the accurate attribution of overhead costs can a ‘full cost’ figure be arrived at.

Second, there was a need to distinguish between the total submission cost (as a full lump sum) **and the ‘planning specific’ or marginal costs that can be specifically allocated to the requirement for planning consent** prior to construction or implementation. Elements such as a large proportion of CAD design work and on-site pre-consent survey work would be necessary whether or not planning consents were required, as they relate to the physical design, construction and fit-out of a scheme. This study has considered costs both ‘gross’ and ‘net’ of the planning system. Whilst this sounds like a relatively simple calculation, it entailed quite detailed disaggregation of work streams and specific outputs. For example, many plans etc have several purposes and may have been created anyway, or may also be illustrative of some elements which relate solely to a future planning application, to the approval of details, or the discharge of a condition attached to planning consent. This could also be extended to other ‘public’ requirements such as plans or documentation required in order to comply with building regulations codes or environmental health standards.

There was also a need to consider the prevalence of cost elements, or the extent to which they occur. For example, standardised validation checklists have helped to bring about greater clarity over what information applicants are expected to provide. But at the same time, the system provides for local flexibility in adding items to validation checklists, again resulting in variation in information requirements, and in so doing, variations in costs for applicants. Further, the costs to an applicant may escalate if an application involves a specialised consent such as listed building works. The incidence of these factors is uneven across the country. Further, the application determination process itself may involve some stages more than others, such as reaching a threshold that requires pre-application consultation by the applicant.

As well as 'pure' cost calculations there was also a need for some consideration of the way in which applicants, agents, local authorities and consultees engage in the process. This often varies by location and development type, and is anecdotally expressed. Agents may try to submit an application with less information than the determining authority deem necessary. Is the authority being risk-averse by having excessive or unnecessarily onerous requirements? Has the agent tried to save the client money at application stage, but inadvertently extended the costs for the remainder of the application and causes time delays which themselves have a cost to the applicant?

Less tangible aspects that contribute to costs are not restricted purely to issues around the application itself. The quality of management, knowledge, skills, efficiency and effectiveness of staff, the level of resources provided, and the working culture can all have ramifications for the level and importance of cost drivers, which in turn will vary for each application type.

Thus, following discussions with applicants and agents, a set of costs were attributed to processes associated with five different stages of the planning process, using a detailed analytical pro forma (see appendix C), which seeks to take into account all of the factors detailed above. The five stages are:

- initial scheme development
- preparation of the planning application
- submission of the planning application
- post submission work, including determination
- post determination

The table in Section 3.2 provides a summary of the range of individual costs associated with each stage of the planning process, for each of the nine application types. Details of the average and median costs associated with each stage of the planning process, for each of the nine application types can be found in Appendix E. Sections 3.3 to 3.11 provide detailed analysis of the planning costs associated with each type of application.

### 3.2 Summary of costs by application type

Application Type	Sample size	Initial scheme development	Preparation of planning application	Submission of planning application	Post submission work incl. determination	Post determination	Range of Total Costs <sup>†</sup>	Average Cost <sup>†</sup>	Median cost <sup>†</sup>
Householder development	6	£0 – £825	£0 – £1,375	£150 – £700	£0	£0 – £125	£150 – £2,900	£1,190	£1,130
Prior approval for telecommunications development	5*	£0 – £575	£75 – £2,500	£265 – £1,035	£325 – £400	£0 – £200	£1,410 – £4,335*	£2,350	£2,360
'Major development' for approximately 100 dwellings	5	£4,000 – £66,287	£10,740 – £39,006	£13,570 – £20,690	£2,700 – £61,713	£0 – £18,717	£59,990 – £152,310	£97,350	£79,750
'Major development' for retail development of approximately 2,500 sq m	5	£500 – £4,600	£1,781 – £21,500	£2,465 – £12,130	£500 – £2,768	£500 – £1,500	£7,010 – £37,380	£20,070	£17,950
Typical warehouse development (under 1,000 sq m)	5	£0 – £550	£2,200 – £28,046	£635 – £6,533	£0 – £2,000	£0 – £2,500	£3,500 – £36,580	£15,320	£5,890
Smaller housing development (10-15 dwellings)	6	£2,000 – £25,715	£1,135 – £25,300	£315 – £5755	£0 – £1,500	£750 – £750	£4,450 – £49,070	£25,100	£27,310
Change of use	6	£0 – £771	£0 – £1,772	£0 – £825	£0	£0	£290 – £3,370	£1,250	£1,040
Applications by SMEs concerning the establishment of premises	6	£100 – £750	£420 – £1,750	£170 – £895	£150 – £450	£100 – £785	£970 – £3,340	£1,990	£1,880
Single house construction or conversion	6	£350 – £2,490	£438 – £35,000	£265 – £1,165	£200 – £14,000	£196 – £21,000	£2,350 – £70,270	£18,030	£8,600

\* One case has been excluded from the original sample, as the application required planning permission.  
<sup>†</sup> Rounded to the nearest 10

Stage of application process generally incurring greatest cost.

Those stages not considered to incur either the greatest or least costs.

Stage of application process generally incurring least cost.

## 3.3 Householder development

### 3.3.1 Type and incidence of applications included

The householder development category examined reasonably sized extensions of approximately 3m to 4m in depth, but did not include applications where permitted development rights would now apply. Householder development comprised the largest application sample type, with hundreds of applications submitted to the study across all the LPAs. In order to filter down appropriate applications for the study sample, the study team carried out a 'first sweep' of applications and then checked with the LPA that they would not consider those applications permitted development.

A total of 46 applications were sampled from eight local authorities. Within this sample, the majority of applications were for dwelling extensions of varying sizes, together with a smaller number of applications for conservatories and dwelling alterations. In all instances, the scale of development was relatively small, due to the nature of the application type. An even split was provided in terms of applications that had been submitted via the Planning Portal and those that were submitted on paper.

### 3.3.2 Variation of applications included and sample adjustments made

Each case study application was selected from a different local authority. Due to their prominence within the sample, case study applications mainly comprised dwelling extensions. However, this selection included multiple extensions to a single dwelling and extensions of one and two storeys, in order to reflect the scale of development within the category. In addition, case study applications were selected to represent the ratio of paper to electronic submissions within the sample, and as such equal numbers of case studies were examined. To a lesser extent, the choice of case studies was influenced by the willingness of applicants to discuss their applications, as a small number of applicants declined to take part in the study.

### 3.3.3 Discussion issues

All the case study applications for extensions were reasonably typical, whilst the application for alterations comprised the conversion of a Grade II listed building into a holiday cottage. These applications were all determined under delegated powers within the eight week determination period.

Approximately half of the case study schemes were submitted by 'first time' applicants, whilst the remainder had submitted applications for similar schemes in the past. Applicant involvement in the planning process was variable. Whilst one applicant prepared and submitted the application directly, all other applicants used an agent to assist in the planning process. Applicant input mainly involved

the consideration of development scheme options and communication with the local planning authority in relation to the scheme. All applications were subject to minimal opposition, thereby limiting the need for further work by applicants or agents.

The applications involved some form of pre-application discussion, mainly undertaken by the agent. Although no additional costs were charged, the pre-application advice of some local planning authorities was not always considered helpful. Pre-application advice was typically used to gain feedback on plans, recommendations on material finishes and to identify the extent of information to be submitted with the application. As such, all applicants stated that the information they were required to provide was as expected. Some applicants additionally highlighted the role of the Planning Portal and design guidance on domestic extensions in identifying these requirements. Limited contact between the applicant/agent and the local planning authority tended to occur once an application had been submitted, other than council site visits or to confirm determination periods.

Pre-commencement conditions were only attached to the listed building application, which required the submission of further details. Nevertheless, at the time of examination, works had only commenced under the planning permission of one of the applications. In some instances, financial implications of the recession had impacted upon the applicant's ability to commence works.

#### **3.3.4 Profile of costs**

The total cost of submitting a householder development application varied from £150 to £2,900, with an average cost of £1,187 and a comparable median cost of £1,127. A number of variables had an impact on these costs, including the use of an agent, the use of existing plans submitted as part of previous schemes, and the savings incurred by submitting applications via the Planning Portal (this limited printing costs). Within the summary of costs by application type table, most stages of the planning application process have a range from zero, due to the absence of an agent in one of the case study applications. Limited costs were also identified relating to the post submission and determination stages, largely owing to the limited numbers of conditions to be discharged under these applications.

In each case, the cost of the planning application was considered to amount to what the applicant expected and therefore the costs were largely considered reasonable. The main cost identified by the applicant was the cost of the agent, which was mainly associated with drawing up plans and submitting the application. The planning fee was also considered significant when summarising costs and was the largest cost where an agent was not used.

## 3.4 Prior approval for telecommunications development

### 3.4.1 Type and incidence of applications included

The study team received prior approval applications from eight LPAs. There was an uneven spread to sample from, as the occurrence of these applications varied between LPAs. Initially, some LPAs expressed concern that the category was too specific to be able to extract the correct applications in a first attempt. The study team advised planning officers to run the appropriate PS2 code (*Notifications*) and study team then manually searched the data extract to sieve out relevant applications to sample from. In most cases, the same applicant or agent had made several applications to an LPA. Duplicates were sieved out during the sampling process to ensure that a wide range of applications and applicants could be contacted.

### 3.4.2 Variation of applications included and sample adjustments made

The final selection of case studies was determined to a large extent by several limiting factors:

- many of the applicants had gone out of business since submitting the planning application
- the applicant or agent declined to participate in the study and
- with a relatively small number of operators and an even smaller number of agents, there was still a need to ensure a good range of applications and geographical spread across case study authorities

The final sample selection did ensure a range of different operators and geographical coverage across the case study authorities.

### 3.4.3 Discussion issues

Prior approval applications are different from the other categories considered as part of this study. Telecommunications code system operators enjoy a general planning permission under Part 24 of Schedule 2 to the Town and Country Planning (General Permitted Development) Order 1995 (GPDO) (as amended). This allows an operator to carry out the development permitted by Class A of Part 24 – subject to exclusions without making a planning application to the local planning authority. Certain development permitted under Part 24 is conditional upon the operator making a prior approval application to the local planning authority. Such an application will allow the local planning authority to consider, within 56 days, the siting and appearance of the proposed development. There is no power to extend the 56 day period. If no decision is made, or the local planning authority fails to notify the developer of its decision within the 56 days, permission is deemed to have been granted. Not surprisingly therefore all applications in this category were determined within the 56 days. Some of the

agents commented that they always submit such applications in hard copy by recorded delivery because the 56 day limit is so time critical.

As part of the information requirements for the validation of such applications, all authorities required applicants to provide a signed declaration that the equipment and installation fully complies with the ICNIRP public exposure guidelines. They also required supplementary information as set out in Annex F of the *Code of Best Practice on Mobile Phone Network Development*. This includes evidence that the possible use of an existing mast, building or structure has been considered before submitting an application to erect a new mast; information about the purpose and need for the particular development; and where the proposed development consists of the installation, alteration or replacement of a mobile phone base station on or near a school or college, evidence that the relevant body for the school or college has been consulted about the proposal and a statement indicating the height of the proposed antenna, the frequency and modulation characteristics, and details of power output. The applicants/agents confirmed that this was now standard practice and considerable work is often undertaken at the pre-application stage, not necessarily involving the local planning authority. Where sites are contentious, fairly extensive consultation will be undertaken by the applicants/agents direct with ward councillors, the town/parish council and local schools and colleges. Where applications are more straightforward – for example as part of a national programme of upgrading masts in preparation for the switchover from analogue to digital – there is no public/neighbour pre-application consultation.

#### **3.4.4 Profile of costs**

The total cost ranged from £1,410 to £8,665 for the submission of an application for prior notification. Excluding a case that was deemed to require planning permission, the range was from £1,410 to £4,335. The average cost was £2,345 and the median cost was almost the same at £2,360.

For many of the agents contacted in this survey, their core business is submitting telecommunications applications and they charge mobile operators a flat fee regardless of the complexity or otherwise of undertaking the initial research and scheme inception and obtaining the necessary approvals. Standard templates can therefore be used (with tailoring to suit the site and local circumstances), thus reducing the cost of preparing the required material. The final fee is calculated on a 'swings and roundabouts' basis based on the volume of work undertaken.

Where planning permission is required, the costs are higher – as was the case for one of the case study applications. This was a very contentious and difficult site which took years to acquire because of a legal covenant. Even though it was a difficult site, the arrangement was for a flat fee for the planning application

and the applicant therefore found it very difficult to disaggregate the costs. The discharge of conditions in this case was charged separately but was a nominal amount because they used the specialist adviser within the LPA to provide precise details of what was required (in this case landscaping details). For the other prior notification submissions, no conditions were attached and there was no post determination cost.

Some applicants expressed irritation that some local authorities had started to charge for pre-application advice for telecommunications applications, even though this was a requirement under the code of best practice.

The fee for some of the sample applications was based on the old fee regulations at a rate of £265, whilst the remainder of the sample applications had been charged at the new fee rate of £335. None of the sample applications were able to distinguish the costs of submission of the application from the costs incurred in post submission and determination stages.

## 3.5 'Major development' for approximately 100 dwellings

### 3.5.1 Type and incidence of applications included

A limited sample size was received: LPAs provided a total of only 17 relevant applications, largely due to the type and size of the application and the limited timescale from which samples were drawn. In some cases, LPAs did not have any relevant applications to return for this category. Of those applications received, some were outline and reserved matters applications and five applications were made through the Planning Portal. The number of dwellings ranged between 60 and over 100.

### 3.5.2 Variation of applications included and sample adjustments made

Due to the very small number of applications from which to sample, the final selection of case studies was largely driven by those applicants/agents who were willing and able to provide detailed information on the costs incurred in submitting applications. Many of the national house builders contacted were unable to provide such information, as they did the work in house and did not keep records of time spent on individual applications. Particularly where files had been archived, it would have required considerable work to estimate the costs associated with the application. In the present economic climate with many applicants having laid off the planning staff, those left were too hard pressed to undertake this work.

However, a reasonable sampled spread of applications was obtained, although it should be recognised that in a category such as this there is no standard

application: cost variations were great due to the particular local circumstances, the scale of the development, history of the site (whether there had been previous applications, whether it was a development plan allocation), site constraints (land contamination, ecological issues), whether it was an outline or reserved matters application etc. It is thus very hard to make generalisations from such a small sample.

### 3.5.3 Discussion issues

Given the scale of development in this category, none of the applications were determined within the 13 week target. This was because they were complicated schemes often requiring amendments/additional information to be submitted during the course of the consideration of the application and then requiring section 106 agreements.

In many cases the case study planning applications had been preceded by earlier applications or a site allocation in the development plan. This had an impact on the costs incurred in the submission, which made it difficult to compare costs across this category. Considerable work was undertaken at the pre-application stage on all the case study applications, often over a period of several years. Despite this, in some cases issues were identified after the application was submitted. In some instances, this was due to the time that had elapsed between pre application discussions and submission, during which the local authority had changed its policy position – for example on affordable housing. This had subsequently often led to protracted negotiations or the need to revise the scheme or proposal post submission, to include elements or contributions that had not been included in earlier pre-application discussions.

In schemes of this scale, the planning costs are often deducted from the cost of the land, with the applicant having an option to purchase until the planning permission is granted. Those who were seeking consent prior to the disposal of a site were more concerned about costs. Some felt they had missed the window for maximising a sale or development potential of a site in the current economic climate as a result of delays by the authority and the time taken to determine the application.

In some of the case studies, it was difficult to ascertain the costs incurred by the applicant. For example, one of the case study applicants was a charity who owned the site and was trying to dispose of the land and seeking (in accordance with its status) to maximise its assets. All the trustees gave their time for free and they had kept no records of their input. In other cases where national house builders were concerned, work was undertaken in-house. Again no records were kept of the time spent on individual applications.

The amount of information and site investigation requested by the local authorities also contributed to rising application costs – for example, land contamination and the need to survey beyond the immediate site.

For various reasons (including delay in land transfer, wanting to sell the site or looking to redesign the scheme), none of the case study applications had discharged all the pre-commencement conditions. It was clear however some of these would incur considerable further expenditure e.g. need for a remedial strategy to discharge a contamination condition.

### 3.5.4 Profile of costs

The total cost of submitting a planning application for a major residential development varies significantly – the case study examples ranged from £59,990 at the lowest end to £152,310 at the highest end. This is due to a number of factors, for example:

- whether the application was a reserved matters application on a previously approved outline
- whether it was part of an allocated site in the development plan or a larger development and
- whether there were site-specific issues which needed to be addressed

Pre-submission costs generally comprised a significant proportion of costs (even where there were no land ownership or acquisition costs), but it was often difficult to ascertain how much this was attributable to the planning process. In the case incurring the highest costs, the applicant was advised by their architect to put in an outline submission but after pre-application guidance it became clear that a full application was required by the LPA. This led to a redesign. In another case the scheme was changed by the client just as they were almost ready for submission. Even if extensive information was submitted with the application, new issues also sometimes arose after it was submitted – for example, this was often true with ecological issues when it became apparent there were protected species on the site. The costs post submission largely related to sorting out the section 106 agreement, rather than the discharge of conditions, as the majority of the conditions had yet to be discharged.

Some of those taking part in the study commented that recent changes to the planning application process – in particular information requirements, would mean that the process of submitting an application was likely to become even more costly and onerous than those case study applications considered as part of this research. Factors that applicants expected to increase the cost of applications included: the need to take account of issues such as climate change and the use

of renewable resources; building to sustainable homes code standards; and an increasing need to show the viability of schemes.

The average cost is estimated to be £97,351. The median cost, at £79,753 illustrates a slightly uneven distribution with fewer (larger) figures influencing the average.

## 3.6 'Major development' for retail development of approximately 2,500 sq m

### 3.6.1 Type and incidence of applications included

This was one of the smallest application categories, with only 13 applications being provided by local authorities in total. This was largely due to the type and size of the application and the limited timescale from which samples were drawn. Of these, the majority were full applications, with only one having been submitted via the Planning Portal. Only one application comprised a mixed use scheme.

### 3.6.2 Variation of applications included and sample adjustments made

With only 13 applications from which to sample, the final selection of case studies was largely driven by those applicants/agents who were willing and available to participate in the study. The current economic circumstances seemed to have had a particularly significant effect on this application category, with several applicants no longer in business, and others being too hard pressed generating business to take part in the study. Nevertheless, a good spread of applications was obtained, both in terms of size, type and content. In most cases, the applications were part of a larger scheme or redevelopment being undertaken by the applicant (for example five retail units in a shopping centre).

### 3.6.3 Discussion issues

The majority of applications were determined outside the 12 week period, although applicants commented that the schemes were not particularly unusual. Both applicants and agents were familiar with submitting applications of this type, which contributed to keeping the overall cost of the application down.

In most cases, the case study planning applications were part of a larger development scheme. As such, it was difficult to identify costs specifically attributable to a single application, rather than the scheme as a whole. For example, an applicant might have engaged in pre-application discussions for their development as a whole, rather than the specific application in question. Similarly, potential issues associated with the scheme had often been addressed and resolved as part of an overarching process or engagement with the local authority, rather than on the basis of each individual application. Some of the

applications sampled were a resubmission of a previous scheme, which again reduced overall costs and opposition to the application post submission.

The management of the application and preparation of plans were identified as incurring the greatest costs. The increase in the amount of information required by local authorities to validate and determine the application was also identified as a key contributor to the overall cost of the application. Requests for significant additional information (for example a flood risk assessment) had also contributed to the time taken to determine the application.

Applicants did not encounter many specific issues post submission. Several of the applications were determined under delegated authority, and little opposition to any of the schemes was encountered.

In most cases, applicants had not discharged many of the conditions on their applications. This was due either to the fact that the scheme had since been abandoned, or that there was no great urgency to implement the permission in the current economic climate.

### 3.6.4 Profile of costs

The total cost of submitting a planning application for a major retail development varies significantly, from £7,014 to £37,379. However, this is due to a number of variants – for example whether the application was a repeat application for a previously withdrawn or refused scheme, and whether or not it was a stand alone scheme or part of a larger development. Pre-submission phases of the application process consistently incurred the most cost, although this may well have incurred cost savings later in the process. The low cost to the agent/ application post submission reflects the fact that none of the applications sampled were particularly problematic, whilst many of the conditions attached to the applications have yet to be discharged.

The average cost was £20,072, compared to a slightly lower median cost of £17,948.

## 3.7 A typical warehouse development (under 1,000 sq m)

### 3.7.1 Type and incidence of applications included

Typical warehouse developments were also among the smallest sample size, with only 19 applications being put forward by the case study authorities. LPAs ran searches on two PS2 categories: *Minor Developments* and *Small Scale Developments* – general industry/storage/warehousing, as these categories obtained all warehouse development up to 9,999m<sup>2</sup>. The study team then manually searched the extracts for relevant applications to sample. There was

however considerable variety amongst the selected applications, which ranged from single units and alterations to up to 34 units.

### **3.7.2 Variation of applications included and sample adjustments made**

The overall sample size was further limited by several applicants, who declined to take part in the study. Nevertheless, those applications which were sampled represented a good cross section in terms of size and content, from refurbishment and extension of existing premises, to larger schemes and new build.

### **3.7.3 Discussion issues**

In most cases, both applicants and agents had considerable experience in submitting applications for similar warehouse schemes and developments. None of the applications sampled were considered to be unusual. All the applications were decided within the target 12 week timescale, usually under powers of delegation. However, agents and applicants were generally of the view that the overall cost of their planning applications had been higher than originally anticipated.

One of the main areas to incur additional cost was the level of detail required by the local planning authority, both in terms of validation requirements and the number and content of architect's drawings. Applicants were not of the view that engaging in pre-application discussions was effective in reducing the cost associated with an application. Rather, it just front loaded the process, which in some circumstances helped to reduce delay and associated cost later in the process. However, in several instances, local authorities still requested more information or changed their position on a scheme (for example its design) post submission, which subsequently created additional or double costs where architect's drawings had to be redone or new studies undertaken.

Applicants also commented that agents' overall costs had grown, due to the increasing procedural and administrative burden associated with submitting a planning application. Agents remarked that whilst electronic submission via the Planning Portal was theoretically expected to reduce costs, in practice local authorities still required paper copies of the application, thereby reducing potential administrative and cost savings. In a time of financial uncertainty, applicants also commented that the growing cost of preparing a planning application had significantly increased the financial risk of submitting an application, with corresponding impacts on the amount of new development being delivered through the planning system.

Few of the applicants had completed the discharge of associated conditions on their applications. However, those who had remarked that their discharge had been an expensive exercise. This was particularly true where conditions required applicants to undertake further costly assessments.

### 3.7.4 Profile of costs

As might be expected from a varied sample selection, the total cost of submitting a warehouse application varied significantly, from £3,500 to £36,579. In all cases, initial scheme development was the least costly stage of the application, usually because the application or scheme was part of a larger ongoing development. In most instances, the majority of the application cost was still incurred prior to submission – largely in relation to the preparation of architect’s drawings and meeting the information requirements for the validation of planning applications. Where a previous application had been submitted for the same site or a similar scheme, applicants were able to make significant cost savings by recycling some of the plans and assessments. Where conditions had been discharged, this had significantly increased the cost of the application post determination.

The average cost £15,321 was significantly greater than the median cost £5,885 indicating the disproportionate influence of a few significantly larger figures within the calculation of the average.

## 3.8 Smaller housing developments (with 10-15 dwellings)

### 3.8.1 Type and incidence of applications included

The total sample size from all local authority case studies in this category was 39, of which five had been submitted via the Planning Portal. Each local authority typically provided details of around five planning applications.

The majority comprised full planning applications rather than outline applications. The largest proportion of applications was for the demolition or redevelopment of existing premises for the construction of flats or apartments, with the construction of dwelling houses being less frequent although still well represented. There were few mixed use schemes.

### 3.8.2 Variation of applications included and sample adjustments made

The final selection of case studies was determined to some extent by several limiting factors:

- lack of or inaccurate contact details for applicant or agent
- applicant and/or agent having gone out of business since submitting the application
- applicant or agent declining to participate in the study and
- agent unwilling to disclose costs to a competitor

However, the final sample selection represented a balanced cross section of applications, including electronic and outline applications as well as full

applications, comprising applications for mixed use, apartments and dwelling houses, and ranging in size from 10 to 15 dwellings/flats.

### 3.8.3 Discussion issues

Both agents and applicants were familiar with submitting schemes of this type and size. The majority of applications sampled were not decided within time, taking between 12 and 22 weeks to be determined, with associated impacts on cost. Of particular relevance to identifying and assessing the cost of each of the applications, the process of eventually obtaining planning permission had in many instances comprised more than one application in the history of the site or scheme. In some cases, this was due to the refusal of a previous application, to changes in scheme design since the submission of a previously determined application, or the withdrawal of an earlier application on the advice of a local authority. As such, the process and assessment of costs was not always as simple as the submission and assessment of a single planning application, as in reality costs attributable to that application had – directly or indirectly – been attributed or incurred at an earlier time in the scheme’s history.

The issue of charging for pre-application discussions was raised by applicants. In some instances, charges for pre-application discussions were as high as £2,000, with applicants often feeling obliged to undertake such discussions in order not to prejudice their application. The issue of charging for pre-application advice led some applicants to question the quality of advice and whether or not it was cost effective to engage with the local authority at pre-application stage.

In order to have meaningful engagement with the local authority at pre-application stage, applicants commented that this involved significant cost upfront in order to produce appropriate plans and drawings of sufficient detail. There were often several iterations of these plans as the scheme was worked up with input from the local authority. However, this had led to cost savings post submission.

In other instances, applicants commented that pre-application consultation did not always guarantee the smooth determination of the application and associated cost savings later in the process. Despite pre-application discussions and the agreement of schemes prior to submission, applicants commented that changes to scheme designs were still required post submission. This had a particular impact on cost in relation to the preparation of new plans and drawings. In order for pre-application consultation to be an effective means of reducing cost later in the process, applicants commented that it required input from all parties likely to be involved in the determination of the application, in order that potential issues could be dealt with during scheme conception and design stage – in particular issues relating to conservation and landscaping.

Applicants also commented that changes to information requirements had significantly added to cost. In particular, applicants commented that local authorities were asking for a large amount of supporting information at the time of submission, which was not always necessary or relevant to the later determination of the application. As a result, the preparation and submission of supporting studies was identified as a significant factor in the overall cost of submitting applications.

Applicants also identified 'management' and 'process' costs rather than design costs as key factors in increasing the cost of submitting a planning application. 1APP was considered to be particularly time intensive, requiring significantly more information than previously.

Post submission, applicants identified changes to scheme design as the biggest cost factor. Consultation and dealing with objections were not considered to be problematic or expensive. In most cases, few or none of the conditions had been discharged on the sampled applications due to changes in economic circumstances. Applicants did comment however that some local authorities had applied conditions to permissions relating to the submission of information that had already been provided during the course of determination. Resubmission of information was therefore considered to be an inefficient use of time and consultancy fees.

#### **3.8.4 Profile of costs**

Consideration of the reported costs of the sample applications reveals a considerable amount of variety, with total costs ranging from £4,450 to £49,071 for schemes of comparable size. This reflects the variety and bespoke nature of each individual planning application.

As might be expected, the biggest costs were consistently incurred prior to the submission of the planning applications, during scheme development and the preparation of plans and supporting information. Post submission costs were however influenced by the fact that applicants had yet to discharge the majority of conditions on their applications. The most significant cost in the submission of planning applications themselves was the application fee, which was over £4,000 in one instance.

The average cost, at £25,101 was slightly lower than the median cost of £27,306.

## 3.9 Change of use

### 3.9.1 Type and incidence of applications included

The change of use category examined applications for a change of use under the Town and Country Planning Use Classes Order. A relatively large sample of 35 applications was provided by seven case study local authorities. The sample comprised applications for a wide variety of use conversions between use class types. All applications within the sample were full applications and a relatively even split was provided in terms of applications that had been submitted via the Planning Portal and those that were submitted on paper.

### 3.9.2 Variation of applications included and sample adjustments made

Each case study application was selected from a different local authority. To reflect the wide variation in use classes within the sample, none of the applications comprised a change of use between the same two use classes. Case study applications were also selected to represent the ratio of paper to electronic applications within the sample. In some instances, the choice of case studies was influenced by the willingness of applicants to discuss their applications, as a small proportion of applicants identified declined to take part in the study.

### 3.9.3 Discussion issues

The majority of case study applications were determined by delegated powers within the eight week determination period. All but one of the applications examined were typical of change of use applications. One application would normally have been considered permitted development, but required an application as a result of a previous condition which regulated the use of the property.

In most cases, the case study applications were the first change of use applications submitted by applicants. Nevertheless, half of the applications did not involve an agent, thereby reducing applicant costs. Where an applicant applied for permission to the planning authority directly, it was estimated that between a couple of days and a week of their time was involved in the process. This was attributed to correspondence with the local planning authority, the drawing up of plans and the submission of the planning application. Where agents were involved in the submission of applications, applicants cited limited or no involvement in the submission in terms of their time.

Pre-application advice was used in most instances to determine whether planning permission was necessary, the extent of information required, and to seek advice relating to the development proposal. However, in almost all cases, no post-application discussions took place between the applicant/agent and local planning authority, other than to track the status of the application.

Of the applications examined, works have commenced as a result of half of permissions, although none of these included pre-commencement conditions that would have led to further costs to the applicant. The majority of applications for which building works have not commenced require the discharge of pre-commencement conditions, which are still to be actioned, and are therefore not included in the total application costs.

#### **3.9.4 Profile of costs**

The total cost of submitting a change of use application varied from £290 to £3,368 with an average cost of £1,245 and a median cost of £1,035. The key factor in explaining this wide discrepancy in costs relates to the role of an agent in submitting a planning application. Within the summary of costs by application type table, most stages of the planning application process have a range starting at £0, due to the absence of an agent in two of the case study applications. 'Zero' costs were also identified relating to the post submission and determination stages, as a limited number of conditions had been discharged under these applications.

Overall, the cost of the applications and the level of information required were as applicants had expected, although one applicant considered the planning fee for change of use excessive, given that there are no significant alterations to buildings. The agents' fees and the planning fees were considered the most significant costs to the applicant. Broadly, where an agent was not involved, the cost of the planning fee was considered greatest, and where an agent was used, their fee was considered the greatest cost.

### **3.10 Applications by small businesses (SMEs) concerning the establishment of premises (small office or light industrial developments)**

#### **3.10.1 Type and incidence of applications included**

This category sought to establish the cost to small and medium sized businesses of making a planning application, in particular looking at the establishment of premises within the office and light industrial development categories. When sampling this category, many local authorities required guidance to be able to draw down appropriate applications, as LPAs stated that it was unclear which applications had been submitted by 'small businesses'. Correspondingly, some LPAs were concerned about time taken to extract this data, so the study team provided the following guidance:

- study team to filter the applications accordingly to include a whole spectrum of applications to include installation of shop fronts, signage, new outbuildings, as well as larger developments
- combination of PS2 codes required to extract application data and
- SMEs are considered to employ 0-50 employees (small) and between 50 and 249 employees (medium)

In addition to this, the study team asked the planning officers to use their discretion and local knowledge to filter out any applicants who would not really be considered an SME.

The final total sample size was 36, from nine local authority case studies in this category. There was a good geographical spread of applications, as well as a split between those applied for via the Planning Portal and on paper. The sample also included a good range of application types – from small office extensions to additional manufacturing space. The study team used their discretion to further filter out applications which were inappropriate – for instance, one authority provided applications made by multiple retailers, which were inappropriate for use within the study.

### **3.10.2 Variation of applications included and sample adjustments made**

A range of factors determined the final selection of case studies:

- applicant or agent declining to participate within the study
- no retrospective applications, as this would distort costs associated with the application
- inability of applicant to be able to pinpoint costs associated with the application, owing to factors such as loss of paperwork
- willingness to discuss confidential costs

The final selection of case studies represents a representative cross section of applications, across a range of businesses, including electronic and online applications for a range of development types.

### **3.10.3 Discussion issues**

The very broad range of application types served to limit the scope for benchmarking costs in this category. In some ways, it is difficult to carry out a like-for-like comparison between costs incurred to a business that wish to extend their industrial floorspace to those businesses wanting to construct studio space for artists, as the planning issues to be considered are inherently different. However, the planning application and determination process remains the same, and the

results show that there are some interesting similarities in costs between the differing application types.

The extent of actual applicant involvement in the application process varied widely, and this had differing cost implications. In some cases, applicants merely appointed consultants to take them through the process, which included the preparation of plans, the design and access statement, and maintaining contact with the local authority. In these instances, the applicant had a very 'hands off' experience. Conversely, some applicants completed the plans, application form and accompanying submission material themselves, and did not seek professional planning advice. The majority of applicants however fell somewhere in between the two extremes. Where an applicant took part in the process, the study team discussed the cost of their time. This was determined by calculating the cost to the business of the loss of an applicant's time, and then multiplying as necessary – which ranged from £150 to £300 per day.

It is difficult to determine whether using an agent and/or professional planning advice drove the cost up necessarily or not, owing to the range of applications sampled. For instance, one applicant was able to use his own computer packages to draw the necessary site plans and elevations, and so did not seek professional planning advice to aid the process. However, this proved costly, as the plans submitted were incorrect, and other items on the validation checklist, such as the Design and Access Statement, were missing. In this case, no pre-application advice was sought. Owing to the need to re-submit plans, elevations and formulate a Design and Access Statement, the applicant admitted that the cost of submitting the application was a little higher than expected. The applicant conceded that undertaking pre-application consultation would perhaps have saved the business time and money. Interestingly, despite these setbacks, this application incurred the lowest costs across the sample. The other case study applications included generally used professional advice at some stage, whether they were planning consultants/agents or architectural agents. Applicants commented that the involvement of professional agents generally ensured costs were kept to a minimum, as this minimized the risk of applications being invalidated. In one case, the agent managed and coordinated the application process and ensured a timely decision was made, which had positive implications on the cost to the catering business.

Where applicants sought pre-application advice, applicants felt that this 'front loading' of the costs were worthwhile, particularly with regards to saving time and costs during the determination period. In one case, the applicant had withdrawn his application three times before seeking pre-application advice for a further iteration of a particular office scheme, and felt that the discussions were worthwhile and that he eventually saved on cost and time. However, in another

case, where an applicant submitted their application electronically, the extensive pre-application discussions that took place meant that a number of paper copies had to be produced anyway, which was somewhat counterproductive in terms of cost. Charges were not made for pre-application discussions for applicants within this development category, although applicants/agents commented that paying for discussions with the LPA would guarantee the quality of discussions, which would be an attractive consideration for the development of future applications.

In most cases, management of the application and the preparation of plans were identified as incurring the greatest costs, although there were individual cases where issues such as confirming ownership and obtaining legal advice were costly. Of those applications sampled, half were determined in time. The time taken for determination varied between seven and 16 weeks, which had associated impact on cost. Of those that were determined out of time, applicants attributed the extra cost to further derivations of design required by the LPA and the extra negotiations required with officers to determine the application. In some cases requests for additional information such as a flood risk assessment or an archaeological survey contributed to the time taken to determine the application.

Applicants did not encounter many issues post submission, and many of the applications were determined under delegated authority. There was little opposition to the sampled schemes, although in two of the cases, following the consultation period, elements of the scheme design were altered via minor amendments, which generally had a small impact on costs. In one case, the positioning of windows in an office development had to be altered in order to prevent overlooking, and in another, the design and layout of car parking spaces was negotiated following complaints from neighbouring businesses. In the latter case, this did not delay the process to any great extent, but the applicant indicated that the re-design was fairly costly in financial terms owing to the additional plans required and meetings required to appease their neighbours.

In most cases, there were limited conditions to discharge, and it varied significantly as to whether this had yet happened. In one case where conditions had been discharged, the applicant highlighted that he felt that one particular condition was onerous and overly costly to discharge: a high proportion of the overall costs was paid to a landscaping consultant to prepare and submit a detailed landscape management plan. The applicant suggested that the LPA had not indicated in advance that this condition would be placed on the permission and that it should probably have been dealt with during negotiations with planning officers.

A clear message from the results in this category is that schemes are sometimes cumulative and that costs outlined do not wholly reflect the full scope of the planning process that may be required. Scheme design is an iterative process and examining costs associated solely with one application may not reflect total costs of achieving planning permission adequately. In two of the cases sampled in this category, costs were less because the applications were derived from earlier designed schemes.

### 3.10.4 Profile of costs

Consideration of the costs reveals a range between the applications sampled from £970 to £3,335. This reflects the individuality of each application. As might be expected, the largest proportion of costs can be attributed to stages prior to the submission of planning applications, owing to the time and cost associated with preparing plans and other material for submission. In one case this was £1,750 (pre submission) which was over half of the total costs attributable to the overall cost of making that particular planning application. The range of costs associated with the post submission stage masks the fact that only two applicants provided costs for this stage of the process – reflecting that none of the applications were particularly controversial or problematic during the determination phase. In these cases, minor amendments were made where necessary, to no great cost. It should be noted that there was a limited range of conditions to be discharged with these applications.

The average cost was estimated at £1,990 and is similar to the median cost of £1,875.

## 3.11 Single house construction or conversion (single dwelling applications)

### 3.11.1 Type and incidence of applications included

Case study local authorities provided details of 33 single dwelling applications. Initially, LPAs expressed concern that single house construction or conversion applications would be difficult to capture within PS2 codes. The team advised LPAs to run analysis from the *Minor Developments: Dwellings* category within PS2 code, as this code pertains to applications where the number of dwellings to be constructed is between 1 and 9 inclusive. The study team then filtered appropriate applications from this data extract.

There was a good spread of applications across all the authorities, representing both urban and rural and north and south authorities. As might be expected with smaller and simpler applications, a particularly high number of applications had been submitted via the Planning Portal.

All but one of the applications were for full planning permission. The majority of applications were for the construction of a new detached dwelling (in some cases following the demolition of an existing building), rather than the conversion of an existing building to residential use.

### **3.11.2 Variation of applications included and sample adjustments made**

The final sample selection achieved a good cross section of local authorities and application content, ranging from the erection of a small bungalow to a larger detached house with garage. All the applications selected were full applications. The sample also included applications submitted via the Planning Portal.

### **3.11.3 Discussion issues**

All the applications sampled had been prepared and submitted by an agent, all of whom had considerable experience of submitting similar applications. Not all the applications sampled had been decided within eight weeks. This was not however necessarily reflected in the cost of the application – for example, one application that had taken 17 weeks to determine cost less than some of those determined within eight weeks. In some cases, the applications sampled had significant planning history, being either an amendment to an earlier approved scheme or the resubmission of an application that had been previously refused or withdrawn. This past activity often resulted in a reduction in the cost of the final application, although the costs from previous applications for the same site were usually attributable to some extent, as plans and studies were often recycled for submission. Applicants commented however that instead of entering into negotiations on a scheme, in some cases local authorities had refused an application or recommended that it was withdrawn in order to meet their target timescales for the determination of applications. Where this had happened, it had resulted in increased agent's administrative fees as a new application had to be prepared and submitted.

In all cases, fees for architects were identified as being the most significant cost. This was usually because single dwelling applications did not normally require the submission of detailed assessments and supporting studies (such as transport assessments), focusing instead on the design of the proposals. Agents did however comment on the volume and detail of design information requested by the local authority, which had a significant impact on the cost of preparing plans and additional information. Allied to this was a concern that case officers tended to become overly involved in the design of individual schemes. This consistently resulted in significant changes to the design of the development post submission, which often involved the duplication of design work undertaken prior to submission and the associated cost attributable to preparing plans and other information.

Where development proposals were located within a conservation area, this was found to add to the cost of an application due to the amount of additional information required to support the application. Applicants also emphasized the importance of involving statutory consultees and relevant council departments at pre-application stage, to secure their support and avoid costly delay and amendments to schemes post submission.

Not all applicants had discharged all the conditions attached to their permissions. Where conditions had been discharged, most agents commented that the process had not incurred particularly significant additional costs. However, applicants did comment that in some instances, conditions required the submission of information already provided during the course of determination. Where this was the case, it had increased administrative costs and fees for agents unnecessarily.

#### **3.11.4 Profile of costs**

Interestingly, despite the limited variation in the type and size of applications in this category (i.e. all applications were for single dwellings), there was significant variation in the total cost of the application, which ranged from £2,348 to £70,265. However, the majority of applications cost less than £15,000 and three cost less than £5,000. As identified previously, architects' fees were the most significant cost, being incurred at all stages of the application process, from initial scheme design to sometimes significant amendments post submission. A significant variant in the cost of actually submitting the application was whether or not there was a planning application fee – in several cases applicants had used their 'free go' following the refusal of an earlier application.

The average cost was calculated to be £18,029 and was significantly greater than the median cost of £8,598. The difference between the two is explained by the influence of the larger cost figures in influencing the average.

# Chapter 4

## Key factors in determining the cost of applications

A key finding from this research is that it is difficult to generalise about the cost of submitting an application – either within a single planning application category, or across different planning application categories. Rather, the principal message is one of variety and complexity, where the unique circumstances and requirements of each application are likely to have a great effect on the overall cost of the application. Nevertheless, it is possible to identify several key factors that are likely to have a significant impact on the overall cost of submitting an application. These, and other key observations from the case studies, are summarised below:

- In general, the **overall cost of submitting an application is directly proportional to the complexity and/or size of the development**. However, the amount of variety within a single application category (for example small businesses), can limit the comparability of costs across case study applications.
- There is no **identifiable geographical difference** in the variation of application costs across urban/rural areas or north/south across England. This is largely because the individual costs incurred by each application, and the uniqueness of every application, are greater factors in determining the overall cost of the application than any impact caused by geography.
- Applications for householder development, prior approval for telecommunications development and applications by SMEs concerning the establishment of premises were found to incur the lowest costs, reflecting the simplicity and size of the applications concerned.
- Among those applications sampled, housing developments – both larger (100 dwellings) and smaller (10 – 15 dwellings) – were found to incur greater costs than other types of planning application.
- In the majority of instances, **the applicant is likely to employ an agent to prepare the planning application, with corresponding impacts on fees and the cost of preparing an application**. Smaller applications – such as change of use and householder – are less likely to involve an agent.
- Although **employing an agent can add to the cost of submitting an application, it can lead to a more efficient and cost effective process** by ensuring that the correct information is provided in the appropriate format

from the outset. This often minimises risk and the likelihood of incurring additional costs later in the process, as well as limiting the cost to the applicant/business in terms of their own time.

- Where applicants and agents are accustomed to submitting planning applications for similar developments, this can reduce the cost of submitting a planning application, as issues can be identified early and the appropriate information provided from the outset.
- In recent years, **the project management and administrative costs of submitting a planning application have increased significantly** – particularly since the introduction of 1APP and information requirements that require specialist input from a number of sub consultants.
- **For smaller applications, the application fee is often one of the most significant cost factors** – particularly where an agent has not been employed.
- **A local authority's own charging regimes can impact on cost** – for example whether or not they charge for pre-application advice, which can cost up to £2,000.
- Determination of an application outside the statutory 8 or 13 week determination period does not in itself necessarily incur greater cost to the applicant. However, **the time taken to determine an application reflects the complexity of the scheme** and the likely costs incurred in obtaining planning permission.
- Many applications have considerable site histories, which can have an impact on the overall cost of submitting an application. In these instances, key factors in determining (and usually lowering) the cost of the application include:
  - **benefits from a 'free go'** (i.e. no planning application fee) where an application that was previously withdrawn or refused is resubmitted, or an amended scheme is resubmitted within a year of the previous permission being granted
  - possibility of **reuse of existing drawings, plans and supporting information** from previous applications
  - **reduced need to engage in fresh pre-application discussions** and
  - **reduced likelihood of encountering significant issues** during the determination of the application
- The planning history of a development in many cases helped to reduce the cost of the specific case study applications considered as part of this research. However, when considered from development inception to completion (i.e. including all previous applications that had culminated in eventual planning permission for a site), the process of securing planning permission can often be a lengthy and costly exercise.

- Key variants in determining the application cost within any given application category include:
  - site policy history (for example development plan allocations)
  - whether or not a previous application had been submitted for a similar development on the same site (i.e. any site precedent)
  - whether or not the proposed development under consideration was part of a wider scheme
  - location of a development within a Conservation Area
  - level of opposition to the proposed scheme from local residents or statutory consultees
  - presence of physical site characteristics or constraints such as contamination or flood risk
  - type of application (e.g. whether the consent sought was outline, full or reserved matters)
  - whether or not conditions needed to be discharged on the application and
  - the scale of the proposed development relative to other applications in the sample category
- **The pre-submission stages in the preparation of planning applications were generally found to incur greater costs than post submission.** Applicants and agents were however generally of the opinion that time and money spent earlier in the process usually led to cost savings later on. In this regard, it was more an issue of the distribution and timing of costs (i.e. front-loading the process), rather than an observable variation in the overall total cost incurred during the lifetime of the application.
- Applicants and agents had **differing opinions about the usefulness of pre-application advice in reducing the cost of submitting planning applications.** Where the advice provided by a local authority was consistent and followed through in the determination of an application, this was considered to be an efficient way of minimising costs later in the process by obtaining buy in to a scheme from a local authority early in the process. However, several applicants and agents commented that in many cases, the advice provided by a local authority prior to submission was not consistent with their attitude to the scheme post submission. Where an authority changed their mind about the scheme design or layout post submission, this often led to extra costs as the applicant had to redevelop the scheme and prepare new drawings, thereby leading to abortive work and duplication of architects' and consultants' fees.

- **Architectural input and scheme design were generally identified as one of the most costly components of a planning application.** These costs are often compounded by the level of design detail requested by local authorities, and the tendency for planning officers to become overly involved in the design of a scheme. The latter can lead to particularly significant additional design costs when a development has to be redesigned post submission at the request of a planning officer.
- The **introduction of the new validation requirements for the submission of planning applications was also found to have increased the cost of submitting a planning application.** Applicants commented that local authorities often requested a large amount of supporting information for the validation of an application without considering whether or not it would actually be relevant or useful in the determination of the application.
- Applicants are concerned that recent changes to the planning application process – in particular requirements relating to climate change, renewable energy, the Code for Sustainable Homes, BREEAM, and the need to demonstrate the viability of schemes – will increase the cost of submitting a planning application.
- **The lowest costs were generally incurred at the post determination stage, although this was due to some extent to the fact that a significant number of applicants had yet to discharge all/some of the conditions attached to their applications.** Applicants did however comment that the application of unnecessary conditions, or those that requested information already provided during the course of determination, added unnecessarily to overall costs. **Where a Section 106 agreement was required, this often added significantly to the cost of the later stages of the application process.**
- **The Planning Portal may be an effective means of reducing the production and printing costs of submitting a planning application – but only if a local authority does not request paper copies of the application as well.**
- In a small number of cases, **costs incurred during the preparation of a planning application can impede the viability of a development** or the developer's ability to make additional financial contributions where requested.
- **At a time of financial uncertainty, applicants commented that it was particularly important to ensure** that the cost of submitting a planning application is kept as low as possible, in order that development is still delivered through the planning system and the associated **cost does not act as a disincentive** to prospective developers.

# Chapter 5

## Conclusions

Benchmarking the cost of submitting an application has been a complex process. In speaking to a range of applicants and agents, a number of general recurring messages or ‘across the board’ themes have been identified and these are outlined below:

- In examining the detail of the planning applications assessed, it **is hard to identify such a thing as a ‘standard application’**. Development sites vary enormously in character and planning context, proposed developments themselves vary in scale, form and use, and local planning authority planning policy and development requirements also vary – such that when these are superimposed, each planning application is almost unique.
- Related to this challenge of finding ‘standard applications’ are the potential problems of generalising to draw conclusions. Given that applications have their own characteristics, **trying to draw conclusions across applications risks losing some of the detail or uniqueness associated with each application**. However, the remainder of these conclusions are based on consistent observations across multiple applications.
- In speaking to applicants and agents, it is clear that **many agents do not generally record their costs very clearly, or in a way that allows them to be attributed to specific applications or specific work stages of those applications**. Several agents said that they charged a fixed fee but that beyond that ‘it took as long as it took’. Although the majority of discussions were with the primary or lead agent, it was understood that sub-consultants or specialists tended to work on a similar basis – with little or no time recording on a ‘per job’ basis.
- A sub-set of consultants/agents, most notably working on larger schemes, did have a more confident grasp on their time and cost inputs. These **agents were reluctant to share this cost information, viewing it as commercially sensitive**. In some cases, we were unable to use these case studies for this reason, and so alternative case studies were found.
- In much the same way as many agents struggled to let us know their costs with certainty, so too **applicants were often unable to cost their time accurately** (or at all).

- **A significant proportion of applications, especially householder applications, were relatively simple to prepare and submit.** In these cases, agents were able to adopt a more structured approach which resulted in cost savings.
- There are also **some very complex applications**, which can cost much more than the average. These very costly applications often receive disproportionate attention in terms of informing perception.
- With **the ‘credit crunch’ and increased pressure on firms to maintain their competitiveness, a number of cost areas or profit margins have been diminished.** This results in lower costs of application preparation. This is expected to continue and was seen to be having a lasting effect, with some firms (noted within the telecommunications and smaller residential development categories) going out of business during the course of the study.
- Examination of the phasing and level of time and cost inputs emphasises **planning as a ‘beginning to end’ process:**
  - **Planning applications are often inter-related**, for example a single development may comprise several applications relating to different phases of development. The approach taken by this study of examining a random sample of applications to get a true baseline needs to be interpreted in light of this.
  - Similarly, **developments can often have a very long lead-in time**, with a lot of work in securing land purchase options or development rights on land, or with applicants or their agents lobbying and making representations to LPAs to set sites allocated through the development planning process. This also contributes to development costs in a way that is not readily apparent by looking at applications alone.
  - A number of work streams add to **the cost of applications after the permission has been granted.** Most notable were pre-commencement conditions set by the LPA and requiring the applicant to discharge prior to start on site. In some cases included within the sample for this study these had not yet all been signed off or discharged.
- In examining application costs, **planning also needs to be seen as a ‘lumpy’ process** – for example in several cases included within the sample the applicant or their agent highlighted that they were not allowed to submit minor amendments to an existing permission, and therefore were asked by the LPA to submit a second revised application to be considered afresh. This new application still required the necessary information requirements, form completion, application fee, possibly pre-application discussions and/or consultation, and the further engagement of agents and/or specialists.

- The cost profile of applications also needs to take account of the **variation in costs associated with the different level of consents and detail that can be applied for**. An application for full planning consent will by definition require more work than an application for outline consent for the same development on the same site. However, the difference in the combined cost of an outline application followed by a reserved matters application compared to an initial full planning permission application is less clear.
- Similarly, **the variation in policy compliance for applications can make a difference to the cost of preparing and submitting those applications**. An application which is 'pro-policy' is likely (all other things remaining equal) to cost less to submit than a comparable development where the policy position is less certain. For example, a site with a pre-existing masterplan and LDF allocation is likely to already have a significant amount of application preparatory groundwork taken care of compared to an application for an undesignated use on 'white land'.
- The **cost of preparing and submitting an application can also vary based on whether or not the applicant intends to actually build the development**. In some cases, either to establish a precedent, to establish the principle of development or the acceptability of a use, or to create land value which can be sold on post consent, an applicant will sometimes seek planning permission but have no intention of commencing the development consented. This inevitably has an impact on the 'realism' of the costs of those applications, where in effect the applicant would inevitably put more 'care' into schemes that they intend to develop. For example, an applicant may reduce their costs on a scheme they do not intend to build by leaving more details, design aspects or other similar items to conditions, without the intention to resolve those issues and discharge those conditions.
- Whilst it is possible to consider the cost of preparing and submitting a planning application on its own, **it is also necessary to contextualise application costs with the overall development cost**. In particular, this is often important in determining land values and process paid for development options, whereby the option for land might give an initial land value from which eventual planning costs will be deducted to derive the end land value paid – i.e. in these cases the applicant is 'working backwards' to ensure development viability by paying the land value at a level which ensures profitability overall.

- Discussions with applicants about what drives the costs of preparing and submitting their applications led applicants to **attribute some cost increases to the local planning authority changing its mind** – i.e. reconsidering its opinion on the merits of a development proposal between pre-application discussions and the submission of an application, or during determination, with a difference of view between planning officers' recommendations and the decision of the planning committee.
- Discussions also repeatedly referred to **the burden or risk of validation requirements as a core element driving the cost of preparing and submitting an application**. Interviewees expressed concern that these requirements were sometimes excessive or over-complicated, and based upon local planning authorities adopting a risk-adverse stance. However, they also acknowledged that the perception of validation requirements, reinforced by legal advisors, tended to result in over-delivery to minimise risks. The effect of this on the applicant and their costs is increasing pressure to include more (and more detailed) assessments, requiring specialist inputs, increasing costs and actually creating further delays or lengthening the determination timescale.
- Applicants and agents also referred to **pre-application discussions as a significant element of the cost of an application, and one which could vary significantly between local planning authorities**. It was found that there was variable take-up of pre-application discussions and that these took on a range of means (from written enquiries through to face-to-face planned meetings), with a resulting range of impacts on a proposed development in terms of the quality and 'worth' of these discussions. There was also variation in whether local planning authorities charged for this pre-application advice or not.
- **Online submissions were generally seen by agents and applicants as a positive step in developing the planning process**, but discussions revealed that online submission can be problematic or self-defeating in those situations where applicants are then also asked to supply additional hard copies of their applications to local planning authorities. Anecdotally, these additional copies were believed to be intended for those consultees unable to accept electronic submissions, but without further discussions with local planning authorities this cannot be verified.

- Further, **online applications were expected to increase in number as time goes by, and were expected to 'pay dividends' in the future.**

The experience from the case study applications submitted online was that the system was fully functional but still bedding down, and that applicants and their agents were still finding optimal ways of working with electronic submission. This also reflects the specific timing of applications used as case studies within this study, which needed to comprise applications which were recent but now predominantly complete. This meant that these online applications were entering the system at a time when the Planning Portal did not have the same capacity as it currently does. This is particularly important with aspects such as uploading attachments and handling complex applications.

#### **Conclusions from the survey of Planning Portal users**

It is obviously challenging to glean more detailed conclusions from this brief survey. However, it is encouraging that the findings broadly mirror those identified by the main research:

- applications submitted online are felt to generally cost less than those submitted in hard copy (again considering those caveats from the main research about printing costs and copies of applications for consultees)
- the main drivers of application costs were again felt to be those focused around preparing and submitting the applications – covered by the survey as 'information requirements for the application', 'use of consultants and/or specialist expertise', and 'planning application fee'
- over a third of respondents felt that 'information requirements' was the greatest factor in determining cost, with around 60 per cent putting it as either the greatest or second-greatest cost and
- estimates of costs illustrated that the greatest cost components were those associated with 'other expenses' and the use of other expertise over and above agents and the application fee

# Appendix A

## **Introductory Letter to LPAs**

A1 Letter

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# Appendix B

## Introductory Letter to Applicants

B1 Letter

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# Appendix C

## **Analytical Pro Forma**

C1 Analytical Pro Forma

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# Appendix D

## Survey of Planning Portal Users

### D1.1 Final Survey Text

*Arup and Addison & Associates have been commissioned by the Department for Communities and Local Government to undertake research to help understand the costs to applicants associated with preparing and submitting a planning application.*

*We are NOT looking to identify the total cost of preparing or assessing the feasibility of a development, but only those costs that are specific to the requirement for planning permission. In particular, we are looking to assess the time and cost implications of completing forms, producing plans and in drafting and submitting supporting materials as part of submitting a planning application.*

*The research will be used to provide information on the costs of the planning system for applicants to assist future policy making. The survey results will feed into the research.*

**You should only complete this survey if you are someone who has submitted a planning application in the last 12 months.** Drawing on your own experience **of your most recent application**, please answer the following questions as best you can:

**1. Compared to applications submitted in hard copy to local planning authorities, do you think planning applications submitted online cost:**

- Significantly More
- More
- The same
- Less
- Significantly less

**2. What was the biggest factor in determining the cost of preparing and submitting your planning application? (Please select in order from biggest factor to smallest factor)**

- Consultation requirements
- Discharge of conditions
- Discussions with the local planning authority
- Planning application fee
- Information requirements for the Application
- S106 commitments (the cost of fulfilling the agreement)
- Use of consultants and/or specialist
- Expertise
- Other (please specify)

**3. Other (description)**

[Free text response]

**4. Thank you for taking the time to complete this survey. If you would like further information regarding this study, please leave your name and E-mail address here:**

- Name
- Email address

If you have any queries regarding this survey, we would be happy to discuss the research further. Please contact the project team at Arup, either Kieron Hyams on 020 7755 3952 or Vicky Evans on 020 7755 3921.

## D1.2 Survey findings

### D1.2.1 Comparative cost of planning applications submitted online

The first question asked respondents to compare the cost of application submitted online compared to those submitted in hard copy. Overall, 655 responses were received.

1. Compared to applications submitted in hard copy to local planning authorities, do you think planning applications submitted online cost:				
Significantly More	More	The same	Less	Significantly less
6%	16%	38%	33%	8%

Note: Responses given as part of an open-ended, publically available and anonymous survey by users of the Planning Portal.

(Percentages do not sum to 100% due to rounding)

Overall the largest single category of responses was the 38 per cent that felt that applications submitted in hard copy cost broadly the same as those submitted online. Beyond this, responses were skewed in favour of online applications being considered generally cheaper – 41 per cent of respondents felt that applications submitted online cost less or significantly less compared to 22 per cent who felt that applications submitted online cost more or significantly more.

No specific guidance was included to ask respondents to consider applications on a theoretical like-for-like basis, and responses were inevitably based on perception of previous experiences. There was also no further examination as to whether these experiences have any other procedural factors which might otherwise influence the findings, such as a tendency to submit more or less complicated planning applications consistently through one channel rather than another. However on balance it still appears that the perception amongst users of the Planning Portal is that applications submitted online are almost 80 per cent likely to cost either the same or less as those submitted in hard copy.

### D1.2.2 Factors determining the cost of preparing and submitting applications

Respondents were asked to rank a number of pre-selected cost elements of preparing and submitting a planning application. This question had 408 responses. The table below summarises the responses, with the most popular weighting for each cost category (row) in bold with the background highlighted:

2. What was the biggest factor in determining the cost of preparing and submitting your planning application? (Please select in order from biggest factor to smallest factor)							
Factors	Biggest Factor						Smallest Factor
Consultation requirements	7%	9%	12%	16%	<b>24%</b>	19%	13%
Discharge of conditions	1%	8%	11%	15%	20%	<b>23%</b>	22%
Discussions with the Local Planning Authority	5%	8%	14%	18%	<b>20%</b>	19%	15%
Planning application fee	7%	13%	20%	<b>21%</b>	15%	13%	11%
Information requirements for the Application	<b>36%</b>	24%	17%	12%	6%	4%	2%
S106 commitments (the cost of fulfilling the agreement)	18%	10%	12%	12%	12%	14%	<b>23%</b>
Use of consultants and/or specialist expertise	26%	<b>29%</b>	14%	9%	6%	10%	6%
Other (please specify)	14%	8%	12%	7%	7%	7%	<b>47%</b>

Note: Responses given as part of an open-ended, publicly available and anonymous survey by users of the Planning Portal.

(Row and column percentages do not sum to 100% due to rounding)

Information requirements associated with preparing and submitting a planning application was ranked as the biggest factor by the greatest proportion of respondents, and was also (aside from 'other') was the largest single ranked response. Over a third of respondents felt that this was the greatest factor in determining cost, with around 60 per cent putting it as either the greatest of second-greatest cost (34 per cent and 24 per cent respectively).

The use of consultants was felt to be the second-greatest cost overall, followed by the planning application fee. Consultation requirements, discussions with the LPA and work to discharge conditions were felt to be comparatively smaller factors in determining the cost of planning applications.

Commitments associated with fulfilling Section 106 agreements was felt to be the smallest factor, and also accounted for the 'other' responses in cases where an application did not have a Planning Obligation associated with it. Other 'other' responses focused around reiteration of other categories with no systematic responses.

### D1.3 Survey data and Survey contacts

The Planning Portal has retained a set of the survey results, including the details provided as part of open answers. Further, it has also retained the contact details of those respondents that indicated they would like further information relating to the study and its findings. We would suggest that, upon publication of the report or report summary, CLG consider emailing a link to the publication to those respondents.

# Appendix E

## Average/Median costs for stages of Planning Application

### E1 Average/Median Costs\*

Application Type		Initial scheme development	Preparation of planning application	Submission of planning application	Post submission work incl. determination	Post determination
Householder development	Average	£200	£710	£180	£0	£20
	Median	£40	£780	£150	£0	£0
Prior approval for telecommunications development	Average	£320	£1170	£700	£180	£50
	Median	£350	£1060	£760	£160	£0
'Major development' for approximately 100 dwellings	Average	£25,450	£26,420	£17,740	£21,470	£7,600
	Median	£6,060	£29,500	£15,970	£2,700	£4,000
'Major development' for retail development of approximately 2,500 sq m	Average	£1,280	£9,890	£7,330	£1,060	£875
	Median	£250	£8150	£7370	£500	£750
Typical warehouse development (under 1,000 sq m)	Average	£280	£13,490	£3,090	£1,050	£1,100
	Median	£300	£10,230	£2,100	£1,140	£800
Smaller housing development (10-15 dwellings)	Average	£7,680	£11,350	£2,930	£675	£290
	Median	£2,500	£9,490	£2,830	£600	£200
Change of use	Average	£230	£530	£520	£0	£0
	Median	£115	£230	£500	£0	£0
Applications by SMEs concerning the establishment of premises	Average	£280	£840	£470	£230	£290
	Median	£200	£700	£435	£190	£200
Single house construction or conversion	Average	£1,070	£9,550	£740	£3,480	£4,100
	Median	£580	£4,420	£600	£680	£680

\* Rounded to the nearest 10

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