



Llywodraeth Cymru
Welsh Government

PLANNING (WALES) BILL

Regulatory Impact Assessment
Methodology Paper

April 2015

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1. Introduction

- 1.1 This paper provides further detail of the methodologies used for the options, costs and benefits assessment for the following sections of the Regulatory Impact Assessment:
- National Development Framework
 - Strategic Development Plans
 - Local Development Plans
 - Pre-application consultation & Pre-application service and fees
 - Developments of National Significance
 - Optional direct applications
 - Non-Validation
 - Decision Notices – Minor material amendments
 - Notification of Development
 - Planning Committees
 - Enforcement
 - Appeals
- 1.2 This paper sets out the base data, assumptions and calculations used to inform the regulatory impact assessment of the Planning (Wales) Bill. The assessments have used the most up to date available data obtained from stakeholders and other sources.
- 1.3 The following sections provide further data and explanation for the sections as outlined above and for specific options set out in the EMRIA where further detail is required. Numbers have been rounded in the main Regulatory Impact Assessment Document but have not been rounded in this document.
- 1.4 Throughout the document a range of on-costs have been used this reflects the variation of the types of roles within the public and private sector.

2. National Development Framework

Option 1- Do Nothing i.e. Retain statutory provision for Welsh Ministers to prepare the Wales Spatial Plan

	2015-16 (£)	2016-17 (£)	2017-18 (£)	2018-19 (£)	2019-20 (£)
Staff Costs – Team of G7(40%), SPO(75%), HPO(30%) & PO (75%) mid salary scale including on costs	100,238	-	-	-	100,238
Consultation - translation, printing & events	7,000	-	-	-	7,000
Sustainability Appraisal – review update - (50% of initial SA)	20,000	-	-	-	20,000
Staff Costs – annual monitoring Team of G7(10%), SPO(20%), HPO(10%) & PO (20%) mid salary scale including on costs	-	30,222	30,222	30,222	-
Total	127,238	30,222	30,222	30,222	127,238

2.1 Consultation events:

- Translation - £3,000
- Printing - £1,000
- Events (room hire, equipment, refreshments) - £3,000

2.2 Total cost for reviewing and monitoring the WSP over 5 years is estimated to be around £345,142.

Option 2 – Introduce a statutory framework for Welsh Ministers to produce a National Development Framework replacing the Wales Spatial Plan.

	2015-16 (£)	2016-17 (£)	2017-18 (£)	2018-19 (£)	2019-20 (£)
Staff Costs – initial preparation Team of G7(40%), SPO(25%), HPO(10%) & PO (25%) mid salary scale including on costs	100,238	100,238	-	-	-
Consultation – translation, printing & events	-	-	7,000	-	7,000
Sustainability Appraisal	-	80,000	-	-	-
Staff Costs – annual monitoring- Team of G7(10%), SPO(20%), HPO(15%) & PO (20%) mid salary scale including on costs	-	-	30,222	30,222	-
Staff costs – review – 40% of the time/cost of initial preparation	-	-	-	-	40,095
Sustainability Appraisal – review update(50% of initial SA)	-	-	-	-	40,000
Total	100,238	180,238	37,222	30,222	87,095

2.3 Consultation events:

- Translation - £3,000
- Printing - £1,000
- Events (room hire, equipment, refreshments) - £3,000

2.4 Welsh Government Costs – Production of Statement

The cost for Welsh Government officials is estimated to be £3,719 (based on one days work of a Grade 7 and two weeks work of a Senior Professional Technical Officer and a Higher Professional Technical Officer including on-cost). This may vary depending on the number of recommendations made during the scrutiny process.

2.5 Total cost for preparing, reviewing and monitoring the NDF over 5 years is estimated to be around **£438,715**.

3. Local Development Plans

3.1 The costs within the following sections are based upon the cost of producing a LDP:

- Strategic Development Plans
- End Date of Local Development Plans
- Prior Notification of Local Development Plan Withdrawal
- Joint Local Development Plans

Total Cost of a Local Development Plan

	Lower estimate	Higher estimate
Staff costs (including 60% on-cost)	£900,000	£1,600,000
Additional staff ¹ within local authority (including 60% on-cost)	£93,551	£93,551
Elected members (with 44% on-cost)	£29,071	£29,071
Evidence base	£195,000	£265,000
Examination	£146,590	£146,590
Printing costs	£25,000	£30,000
Translation costs (based on a 40,000 word document)	£3,320	£3,320
Cost of adverts	£10,080	£10,080
IT (consultation database or website maintenance)	£15,000	£20,000
TOTAL	£1,417,612	£2,197,612

3.2 The total costs are broken down into further detail below.

¹ Additional staff are staff outside of the LDP team such as housing, transport and engineering officers

Local planning authorities

Staff Costs

- 3.3 The total staff cost (including a 60% on-cost) for an average LDP team in Wales, producing the LDP over a five year period is estimated to be on average between £900,000 and £1,600,000.
- 3.4 The estimated pay for each job title has been based on NJC pay scales for 2013 at a mid point. These can be found using the following link;

<http://www.nicva.org/news/njc-payscales-agreement-now-reached-2013>

On-costs

- 3.5 A 60% on-cost has been applied to the annual staff cost to cover staff on costs which covers;
- national insurance and pension contributions (27%),
 - accommodation (10%),
 - IT /stationery /telephone (13%),
 - training/professional fees (2%),
 - travel and subsistence (2%),
 - recruitment / personnel (3%),
 - finance (3%).
- 3.6 This on-cost has been estimated from an average of the data received from eight local planning authorities.

Additional staff costs within Local Authorities

- 3.7 In addition to staff within the LDP team, a number of staff within the local authority contribute to plan preparation. These are shown in the table below. The hourly wage was calculated based on NJC pay scales for 2013 with a 60% on-cost, as above.

	Hours work provided
GIS	1000 (data from a LPA)
Ecologist	160 (data from a LPA)
Landscape architect	80 (data from a LPA)
Highways engineer	100 (data from a LPA)
Legal	80 (data from a LPA)
Leisure	80 (data from a LPA)
Education	40 (data from a LPA)
Social services	40 (data from a LPA)
Press / communications	20 (estimated)
Development Management	80 (estimated)
Housing	100 (estimated)
Property / Estates division	60 (estimated)
Archaeology / heritage	60 (estimated)

3.8 The data provided by LPAs was used to inform this table this was from a small LPA. The costs have therefore been scaled up to reflect an average size authority. Therefore it is estimated that the additional staff cost within local authorities is estimated to be £93,551 (£43,969 / 0.47).

Cost of Local Authority Members

3.9 The involvement cost of Members is estimated to be £29,071 (including a 44% on-cost).

3.10 For 2014/15 the basic salary paid to a Councillor is £13,300 per annum. A Senior Salary (£22,000) is paid to Councillors appointed with specific positions e.g. Chairs of Committees. It is estimated that on average, councillors spend the equivalent of three days a week on council business. (<http://www.wlga.gov.uk/expectations-of-councillors>).

3.11 The average number of Councillors per local authority is 57 (1,254 Councillors / 22 unitary authorities). Of these, a maximum of 18 Councillors per authority (based on a mean average) can be paid senior salaries. It is estimated that 38 Councillors will be paid a basic salary and 18 Councillors will be paid a senior salary rate.

On-costs

3.12 A 44% on-cost has been applied to the Members cost to cover the following on costs;

- national insurance and pension contributions (14%), (lower than staff on-costs due to cater for Councillors who, because of age would not pay NI and those who are not in the LGPS)
- accommodation (10%),
- IT /stationery /telephone (13%),

- training/professional fees (2%),
- travel and subsistence (2%),
- finance (3%).

3.13 Recruitment & HR (3%) does not apply to Councillors.

3.14 The involvement of Members has been estimated for each stage of the LDP process and is estimated to be 3.5 days in total, over a five year plan period.

Stage of the LDP Process	Description of members' involvement	Members involvement
Delivery Agreement	The DA must be approved by resolution of the local planning authority prior to submission to WG	0.1 day
Reg 14	Workshop event on key issues	0.5 day
Preferred Strategy (Reg 15)	0.5 day public consultation response Report of consultation and recommendations go to Council 0.1 day	0.6 day
Strategic Sites	0.5 day public consultation response	0.5 day
Deposit	1 day public consultation response Report of consultation and recommendations go to Council 0.5 day	1.5 days
Submission	Report and recommendations go to Council 0.1 day	0.1 day
Examination	Matters Arising Changes for approval by Council 0.1 day	0.1 day
Adoption	Inspector's report and recommendations go to Council 0.1 day	0.1 day
Total		3.5 days

Cost of gathering the LDP evidence base

3.15 The estimated cost for an authority to gather a robust evidence base is between £195,000 and £265,000.

3.16 Information was gathered from several local authorities' Delivery Agreements and directly from local planning authorities in relation to budgets for undertaking studies.

3.17 The studies include:

- Sustainability Appraisal and Strategic Environmental Assessment
- Habitats Regulations Assessment
- Local Housing Market Assessment
- Gypsy and Traveller Accommodation Assessment
- Affordable housing viability
- Employment sites and market appraisal
- Retail assessment
- Renewable Energy
- Landscape
- Recreation/ open space
- Flooding – Strategic Flood Consequences Assessment
- Minerals
- Waste
- Transport

3.18 It is suggested that a range of between £195,000 (based on 3 authorities' actual spend) and £265,000 (based on officials estimates) be used to estimate the cost of preparing a robust evidence base.

Examination costs

3.19 The total cost of the examination for a LDP, which covers the cost of the Inspector and programme officer, accommodation costs and expert evidence is estimated to be £146,590.

Printing costs

3.20 The cost of printing is estimated to be between £25,000 and £30,000.

3.21 Printing costs are based on the following costs:

	Single sided	Doubled sided
Black copies	5p per page	8p
Colour copies	20p per page	36p

3.22 The costs have been based on a print run of 200 copies.

Translation costs

3.24 Translation costs are estimated to be £3,320.

3.25 Translation costs are based on £83 per 1000 words and based on a 40,000 word document.

Cost of adverts

- 3.26 The total cost of eight adverts over the LDP process is £10,080.
- 3.27 There is a need for the authority to place adverts in the local paper at the following stages of the LDP process; delivery agreement, candidate sites, preferred strategy consultation, deposit consultation, alternative sites, submission, examination and adoption. The total cost of eight adverts over the LDP process is estimated to be £10,080.

IT consultation database

- 3.28 Local planning authorities generally invest in a specialist consultation database. A range of £15,000 to £20,000 is estimated to take account of consultation databases and website maintenance.

Cost of specific consultation bodies' involvement

- 3.29 The cost of involvement for specific consultation bodies is estimated to be between £91,500 - £122,750. The costs show the involvement per LDP over the 5 year plan production period.

4. Strategic Development Plans

4.1 The costs of producing a SDP has been based on the cost of producing a Local Development Plan. Details of the assumptions made are set out in the following section.

4.2 The team size and composition has been estimated for South East Wales as an illustrative example

Option 2 – Introduce a statutory framework for the production of Strategic Development Plans and the establishment of an independent decision making body.

4.3 Cost of the Strategic Planning Panel producing a SDP

South East Wales SDP

	Lower estimate	Higher estimate	Cost to the SDP
Staff costs (including 60% on-cost over a 5 year period)	£1,739,350	£1,739,350	£1,739,350
Strategic Planning Panel	£174,398	£174,398	
Additional costs associated with SPP	£34,290	£34,290	£34,290
Additional staff within local authority (including 60% on-cost)	£353,347	£353,347	
Evidence base	£795,000	£795,000	£795,000
Examination	£283,180	£283,180	£283,180
Printing costs	£50,000	£60,000	£50,000 - £60,000
Translation costs (based on a 20,000 word document)	£1,660	£1,660	£1,660
Cost of adverts	£44,100	£44,100	£44,100
IT (consultation database or website maintenance)	£15,000	£20,000	£15,000 - £20,000
TOTAL	£3,490,325	£3,505,325	£2,962,580 - £2,977,580

4.4 The total costs are broken down into further detail below.

Cost of Panel

4.5 The Panel will comprise of two thirds locally elected members and one third from social, economic and environmental partners. It is estimated that the Panel will comprise of 20 local elected members and 10 partners for the South East Wales area.

Elected members

4.6 For 2014/15 the senior salary paid to Councillors appointed with specific positions e.g. Chairs of Committees is £22,000. It is estimated that on average, councillors spend the equivalent of three days a week on council business (<http://www.wlga.gov.uk/expectations-of-councillors>). Therefore the daily rate has been worked out at £140 per day. When a 44% on-cost is applied the total daily rate for 20 locally elected members is £4,061 (details of the on-costs are set out the LDP section above).

Time required

4.7 It is estimated that the Strategic Planning Panel will be required to meet on a quarterly basis for half a day. The SPP will be required to set the constitution, agree standing orders and deal with certain HR issues such as appointments and disqualifications. Therefore it is estimated that 20 meetings, which is equal to 10 full days over the five year plan period will be required.

4.8 The total number of days the SPP will be required is estimated to be 12.5 days. The daily rate of the SPP for 20 councillors is £4,061 plus 10 stakeholders is £2,422 which totals £6,483 x 12.5 days = £81,038

Involvement in the topic based sub committees.

4.9 When preparing the SDP, it is anticipated that all members of the strategic planning panel will sit on sub committees. It is anticipated that 4 sub committees would be formed to consider the main strategic issues of population, housing, transport and infrastructure. It is assumed that 9 members of the strategic planning panel will sit on each sub group (consisting of two thirds members and one third stakeholders). Each sub committee would meet for a full day, four times a year, over a three year period, therefore 12 days per sub group. This equates to 12 days x 4 subgroups = 48 days for 9 members = £93,360.

Additional costs

4.10 Whilst the on-cost applied the additional costs associated with employment, the undertaking of the SPP's role and function is likely to incur additional costs in relation to expenses, room hire etc. It is estimated that this would cost the SPP £34,290 over the five year plan preparation period.

Staff Costs for SPP

4.11 It is estimated that the secretariat for the SPP will consist of 7 officers:

▪ Head of SDP	£39,351
▪ Principal Officer x 2	£69,782
▪ Senior Officers x 2	£59,056
▪ Planning Officer	£27,323
▪ Administrative support	£16,604

4.12 This would be an annual cost: £212,116 with a 64% on-cost which would equal £347,870 a year. A five year plan period would costs £1,739,350.

On-Costs

4.13 The on-costs are 4% higher than those of a LPA due to estimated higher accommodation costs. These figures were taken from a Welsh Government funded body.

Additional staff costs within Local Authorities

4.14 The time spent by LPAs on the SDP and light touch LDP will be the same as for inputting on the LDP. There will be no increase in their work load, but a redistribution of their time between the SDP and light touch LDP. It is estimated they will spend two thirds of their time inputting to the SDP and one third on the light touch LDP.

4.15 The cost for the South East Wales SDP is estimated at £353,347. This figure has been factored up from £166,073 as this figure was based on a small authority which had estimated staff costs below the median for Wales as a whole. To give a figure that reflects the median for Wales the cost needs to be divided by 0.47. Giving a total figure of £353,347.

Cost of gathering the SDP evidence base

4.16 The estimated cost to the authority for gathering the evidence base is likely to vary between SDP areas. It was estimated that on average the cost of gathering the LDP evidence base for a single authority would be between £195,000 and £265,000.

- 4.17 For a large area, such as the South East Wales area which could consist of up to 10 local authorities, it is estimated that the evidence base could cost approximately three times the cost of preparing an individual LDP's evidence base, £795,000.
- 4.18 The scope of the studies required for an SDP will be similar to those prepared for an LDP however the SDP will consider broad principles and scale of provision, whilst the detail, such as site identification will be reflected in LDPs. These studies include:
- Sustainability Appraisal and Strategic Environmental Assessment
 - Habitats Regulations Assessment
 - Local Housing Market Assessment
 - Gypsy and Traveller Accommodation Assessment
 - Affordable housing viability
 - Employment sites and market appraisal
 - Retail assessment
 - Renewable Energy
 - Landscape
 - Recreation/ open space
 - Flooding – Strategic Flood Consequences Assessment
 - Minerals
 - Waste
 - Transport

Examination costs

- 4.19 Based on the estimated cost for an LDP examination, the estimated cost of a SDP examination for South East Wales is £283,180. This estimated cost takes into account the cost of two Inspectors and programme officer, accommodation costs and expert evidence.

Printing costs

- 4.20 It is estimated that the printing costs for a SDP are approximately £55,000.

Translation costs

- 4.21 Translation costs are estimated to be £1,660. This is based on £83 per 1000 words and based on a 20,000 word document. It is estimated that it would be approximately 50% of the size of an average LDP (40,000 words). As a comparison, in Scotland, the adopted TAY Plan (10,300 words) SES Plan (17,000 words).

Cost of adverts

4.22 It is assumed that adverts will be required by regulations at the following SDP stages; Delivery Agreement; Preferred Strategy; Strategic Sites; Deposit; Submission; Examination and Adoption. It is assumed that one advert could cover two local planning authorities, therefore giving a 50% saving and would cost around £44,100.

IT consultation database

4.23 The estimated cost of an IT consultation database is assumed to be the same as for an individual local planning authority. A range of £15,000 to £20,000 was estimated for the LDP costs to take account of consultation databases and website maintenance which will be used for SDP.

Cost of specific consultation bodies' involvement

4.25 The cost of involvement for specific consultation bodies is estimated to be between £274,500 - £491,000. The costs show the involvement a 5 year plan production period.

Start up costs

4.26 These are estimated to total £12,572 and include desks, storage, IT, phones, printing equipment etc. for 7 members of staff.

Option 3 – Introduce a statutory framework for the production of Strategic Development Plan on a collaborative basis.

4.27 The assumptions and calculations are set out in the following section.

Total Cost

	Lower estimate	Higher estimate	Cost to the SDP
Staff costs (including 60% on-cost over a 4 year period)	£1,739,350	£1,739,350	£1,739,350
Joint Committee	£89,342	£89,342	
Cost for each authority to make decisions	£287,210	£287,210	
Additional costs associated with SPP	£29,433	£29,433	£29,433
Additional staff within local	£353,347	£353,347	

authority (including 60% on-cost)			
Evidence base	£795,000	£795,000	£795,000
Examination	£283,180	£283,180	£283,160
Printing costs	£50,000	£60,000	£50,000 - £60,000
Translation costs (based on a 40,000 word document)	£1,660 (based on 20,000 words)	£1,660 (based on 20,000 words)	£1,660
Cost of adverts	£44,100	£44,100	£44,100
IT (consultation database or website maintenance)	£15,000	£20,000	£15,000 - £20,000
TOTAL	£3,687,622	£3,702,622	£2,957,723 - £2,972,723

4.28 The total costs are broken down into further detail below.

Cost of a joint committee approach

4.29 The estimated costs of establishing the SDP committee is estimated for the RIA Option 3 to be **£89,342** (including on-costs).

Local elected members

4.30 The committee will comprise of 20 nominated local members from the local authorities.

4.31 It is estimated that the locally elected members will be paid a senior salary daily rate of £141 x 20 equals £2,820. When a 44% on-cost is applied the total daily rate for 20 locally elected members is £4,061.

4.32 It is estimated that the committee will be required to meet on a quarterly basis for half a day. The committee will be required to set the constitution, set standing orders and deal with certain issues such as appointments and disqualifications. Therefore it is estimated that 20 meetings, which is equal to 10 full days over the five year plan period will be required. The total number of days the committee will be required is estimated to be 10 days. The daily rate of the SPP for 20 councillors is £4,061 x 10 days = £40,610

Topic based sub committees

4.33 When preparing the SDP, it is anticipated that all 20 members of the committee will sit on topic based sub committees. It is anticipated that 4 sub committees would be formed to consider the main strategic issues of population, housing, transport and infrastructure. It is assumed that 5 members of the strategic planning panel will sit on each sub group. Each sub committee would meet for a full day, four times a year, over a three year period, therefore 12 days per sub group. 12 days for all 20 members per day = £4,061 x 12 = £48,732

Cost of each LPA making decisions

4.34 The committee will make recommendations to the constituent local authorities who will retain decision making powers.

	Cost for South East Wales SDP
Additional cost of members retaining decision making powers in LAs.	£28,721 x 10 = £287,210

Additional costs

4.35 Whilst the on-cost applied the additional costs associated with employment, the undertaking of the SPP's role and function is likely to incur additional costs in relation to expenses, room hire etc. It is estimated that this would cost the SPP over a five year period a budget of **£29,433**.

Light touch LDP process.

4.36 For local planning authorities within SDP areas they will have to produce a light touch LDP. The calculations and assumptions for the production of light touch LDPs are set out in the following section.

4.37 As the strategic elements of a LDP, such as housing, employment, transport, gypsy and traveller provision, minerals and waste have been elevated for inclusion in the Strategic Development Plan; this will result in a slimmer LDP in scope and content.

4.38 The SDP will have formulated the spatial strategy for the area; therefore, the requirement for Regulation 15, Preferred Strategy consultation stage in the LDP will be removed.

Cost to the local planning authority

	Lower estimate	Higher estimate
<p>Staff costs (including 60% on-cost over a 5 year period)</p> <p>Staff Assume one less Principal Planning Officer. £34,891 + 60% on-cost = £55,825.60 x 5 years = £279,128</p> <p>One Planning Officer £27,323 + 60% on-cost = £43,716.80 x 5 years = £218,584</p>	<p>£900,000 (minus one principal planning and one planning officer) (£279,128 + £218,584 = £497,712) £402,288</p>	<p>£1,600,000 (minus one principal planning officer) (£279,128) £1,320,872</p>
Additional staff within local authority (including 60% on-cost)	£58,217	£58,217
<p>Members</p> <p>Same as LDP costs minus preferred strategy consultation (Reg 15) stage</p>	<p>£29,071 (with 44% on-cost) - £4,983.55 = £24,087</p>	<p>£29,071 (with 44% on-cost) £4,983.55 = £24,087</p>
Evidence base	£195,000 – 50% = £97,500 (based on 50% saving)	£265,000 – 50% = £132,500 (based on a 50% saving)
Examination	£146,590 – 50% = £73,295 (based on 50% saving)	£146,590 – 50% = £73,295 (based on 50% saving)
<p>Printing costs</p> <p>Minus Reg 15 stage (minus candidate sites register cost £5,455)</p>	<p>£25,000 – £5455 = £19,545 – 33.3% = £13,030</p>	<p>£30,000 – £5455 = £24,545 -33.3% = £16,363</p>
Translation costs	£3,320 – 33.3% = £2,213 (based on a third saving or 26,500 word document)	£3,320 – 33.3% = £2,213 (based on a third saving or 26,500 word document)
Cost of adverts	£10,080 - £2,520 =	£10,080 - £2,520 =

(Minus Reg 15 stage £1,260)	£7,560	£7,560
IT (consultation database or website maintenance)	£15,000 No change	£20,000 No change
TOTAL	£693,190	£1,655,107
SAVING	£1,417,612 - £693,190 = £724,422	£2,197,612 - £1,655,107 = £542,505

Staff costs

4.39 Due to the elevation of strategic issues to the SDP, the LDP should be rationalised so that it only focuses on local matters, in particular site specific allocations and the formulation of development management policies. This should result in a much slimmer LDP in scope and content. The preferred strategy stage of the LDP process will also be omitted, enabling the LDP to be produced more quickly. It is estimated that LDP teams could be reduced by 1 principal planner (annual salary £34,891 + 60% on-cost = £55,825.60 x 5 years = £279,128) or 1 principal planner plus 1 planning officer (annual salary £27,323 + 60% on-cost = £43,716.80 x 5 years = £218,584)

Additional staff costs within local authorities

4.40 The cost of staff within the local authority inputting on LDP work has been estimated as follows.

	Hours work provided
GIS	1000
Ecologist	160
Landscape architect	80
Highways engineer	100
Legal	80
Leisure	80
Education	40
Social services	40
Press / communications	20
Development Management	80
Housing	100
Property / Estates division	60
Archaeology / heritage	60

4.41 Overall the time spent by these employees on the light touch LDP and SDP will be the same as for current LDP system. There will be no increase in their work load, but a redistribution of their time between the SDP and light touch LDP. The estimated cost for additional staff within the local authority is £58,217 per LDP over the whole plan period.

Members

4.42 The involvement of Members has been estimated for each stage of the LDP process. The involvement of Members will be the same as for the full LDP, apart from the omission of Regulation 15 stage.

4.43 The cost of full Council (daily rate including 44% on-cost) is £8,306. Therefore the cost of members working 2.9 days is £24,087

Evidence base

4.44 The cost of preparing the evidence base for a light touch LDP would be reduced as studies covering strategic issues such as a Strategic Housing Market Assessment, Affordable Housing Viability Assessment, Employment sites and market appraisal and retail assessment would be done at a higher strategic level. The estimates of the costs are inline with a 50% reduction in the costs of producing an evidence base for a full LDP.

Evidence base	£195,000 – 50% = £97,500 (based on 50% savings)
	£265,000 – 50% = £132,500 (based on 50% savings)
Median	£115,000

Examination

4.45 As the strategic issues are elevated to the Strategic Development Plan, the remaining issues for the LDP to cover are largely site specific issues and development management policies. With the range and depth of issues to be covered at examination reduced, the examination of the LDP would be quicker. The cost of the Inspector and Programme Officer is therefore likely to be over a shorter time period. Expert evidence would not be required and the accommodation costs would be reduced as there would be a reduced number of hearing sessions.

4.46 Officials have estimated the range of costs below to be £73,295 (based on 50% saving).

Printing costs

4.47 Printing costs had been estimated for each stage of the full LDP process. As the Regulation 15, Preferred Strategy consultation stage will be omitted, the savings from this stage (£5,455) have been deducted from the estimated printing costs calculated for a full LDP. It is therefore estimated that the printing costs will range between £13,030 and £16,363.

Translation costs

4.48 The translation costs estimated for the full LDP process have been reduced by 33.3% to take account of the reduced size of the LDP document.

Translation costs	$£3,320 - 33.3\% = \mathbf{£2,213}$ (based on a third saving or 26,500 word document)
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Cost of adverts

4.49 The cost of newspaper adverts for the full LDP process was based on the need for the authority to place adverts in the local paper at the following stages of the LDP process; delivery agreement, candidate sites, preferred strategy consultation, deposit consultation, alternative sites, submission, examination and adoption. The estimated costs have been reduced due to the omission of Regulation 15, Preferred strategy consultation stage and the alternative sites stage.

Cost of adverts (Minus Reg 15 stage £1,260)	$£10,080 - £2,520 = \mathbf{£7,560}$
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IT

4.50 There is no change in the estimated cost to the authority of investing in a consultation database. The cost is estimated to be between £15,000 and £20,000.

Cost of specific consultation bodies' involvement

4.51 The involvement of consultation bodies' involvement is estimated to be reduced as there are no strategic issues to consider and no preferred strategy consultation stage. Specific consultation bodies would be involved in the Strategic Development Plan process where they would comment on the strategic issues. The involvement in the LDP would be reduced to site specific issues, therefore, the cost of involvement has been reduced based on estimated savings of one third. The cost of specific consultation bodies' involvement ranges between £61,000 to £81,833.

1/3 savings	$£91,500 - 33.3\% = \mathbf{£61,000}$	$£122,750 - 33.3\% = \mathbf{£81,833}$
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5. End Date of Local Development Plans

Option 3, Require local planning authorities to set out the plan period for their development plan, after which the development plan will no longer have development plan status and there will be financial penalties.

Cost of Welsh Government administering a fine

5.1 The cost for the Welsh Government would be time and resources to prepare a notification letter issuing the fine. A Ministerial Briefing would also need to be prepared to inform the Minister of the issuing of the fine. The cost for WG officials is likely to be £152 based on a HTPO preparing the letter and briefing amounting to 1 days work.

Job Title	Pay Grade	Annual Salary	Annual salary with on-cost	Weekly salary (salary / 52 weeks)	Daily cost (weekly/5 days)
Planning Manager	MB2, point 3	£30,650	£39,450	£759	£151.80

6. Prior Notification of Local Development Plan Withdrawal

Cost of withdrawal

Current process:

6.1 Local planning authorities can withdraw a Local Development Plan at any time prior to submitting the plan to the Welsh Government. Once the local planning authority has decided to withdraw the plan it has to publish a statement of that fact on its website; give notice of that fact by local advertisement; notify statutory and general consultees or those who have responded (dependent on the stage) of the withdrawal and remove all documents made available for inspection. The proposed change is to introduce a requirement where the local planning authority will have to notify Welsh Government prior to withdrawal.

Cost of withdrawal

6.2 The cost of withdrawing the LDP is the cost attached to the specific regulatory requirements, and also includes the cost of preparing the plan – these stages would have to be repeated again if a plan is withdrawn. The cost has been estimated for two different stages of the LDP process; after preferred strategy stage (Regulation 15) and just before submission stage (Reg 22). It is not possible for a local authority to withdraw their LDP after they have submitted their LDP to Welsh Ministers for examination. It has been estimated that local planning authorities would reach the preferred strategy stage after 2.5 years, and just before submission to the Welsh Ministers for examination (Regulation 22) after 4 years.

Cost to the local planning authority

	Lower estimate	Higher estimate	Withdrawal after preferred strategy consultation stage (2.5 years in) Costs incurred	Withdrawal just before submission (4 years in) costs incurred
Staff costs (including 60% on-cost over a 5 year period)	£900,000	£1,600,000	£450,000 - £800,000	£720,000 - £1,280,000
Additional staff within local authority	£93,551	£93,551	£46,776 (£93,551 / 2)	£74,841 (£93,551 / 5)

(including 60% on-cost)			= £46,776)	* 4 = £74,841)
Members	£29,071 (with 44% on-cost)	£29,071 (with 44% on-cost)	£6,922 + 44% on-cost £9,968 (based on Members involvement at stages up to Reg 15, 1.2 days)	£19,034 + 44% on-cost £27,410 (based on Members involvement at these stages up to Deposit, 3.3 days)
Evidence base	£195,000	£265,000	£136,500- £185,500 (70%)	£195,000 - £265,000
Examination	£146,590	£146,590	Not reached this stage	Not reached this stage
Printing costs	£25,000	£30,000	£8,065 (based on estimate of cost up to this stage)	£19,610 (based on estimate of cost up to this stage)
Translation costs (based on a 40,000 word document)	£3,320	£3,320	Not reached this stage	Not reached this stage
Cost of adverts	£10,080	£10,080	3 adverts at £1,260 = £3,780 (based on estimate of cost up to this stage)	5 adverts at £1,260 = £6,300 (based on estimate of cost up to this stage)
IT (consultation database or website maintenance)	£15,000	£20,000	No additional cost incurred	No additional cost incurred
TOTAL	£1,417,612	£2,197,612	£655,089 - £1,054,089	£1,043,161 - £1,673,161

Staff costs

6.3 Staff costs have been calculated up to preferred strategy stage (reached after 2.5 years) and before submission (4 years) and include a 60% staff on-cost. The calculations have been based on the estimated range of staff costs calculated for the full LDP process over a five year period which ranged from £900,000 to £1,600,000. Therefore in order to estimate the staff cost up to preferred strategy stage the staff costs have been halved (2.5 years out of 5), and for withdrawal at deposit stage the costs are based on 80% (4 years out of 5).

Additional staff within local authority (including 60% on-cost)

6.4 The cost of additional staff within the local authority have been calculated up to preferred strategy stage (reached after 2.5 years) and submission stage (4 years) and include a 60% staff on-cost. The estimates have been based on the estimated costs calculated for the full LDP process for a range of staff who contribute to the LDP process within local authorities over the five year period which totalled £93,551. Therefore in order to estimate the staff cost up to preferred strategy stage the staff costs have been halved (2.5 years out of 5), and for withdrawal before submission stage the costs are based on 80% (4 years out of 5).

Members

6.5 The cost of members involvement has been estimated to be £8,306 a day (including a 44% on-cost).

6.6 The cost of member involvement has been based upon the assumptions made in the above table. If withdrawal occurred following preferred strategy stage, Members involvement would be 1.2 days and withdrawal before submission stage involves 3.3 days of members' involvement.

Evidence base

6.7 The estimated cost of a local authority preparing an evidence base for its LDP ranges from £195,000 to £265,000. It has been assumed that at preferred strategy stage 70% of the evidence base will be completed which will cost between £136,500 and £185,500. Where a local authority withdraws their LDP after before submission it is considered that the full evidence base would be in place therefore costing between £195,000 and £265,000.

Examination

6.8 As the authority will have withdrawn the LDP before it reached examination stage, there are no costs associated with this stage.

Printing costs

6.9 The estimated printing cost to preferred strategy stage is £8,065 and to submission stage (but not including it) is £19,610 with total printing cost of LDP estimated to be £26, 510.

Cost of adverts

6.10 These have been estimated as £1,260 per stage of the LDP process with a total of £10,080 for the entire LDP process.

6.11 The cost up to preferred strategy stage is £3,780 and up to submission stage (but not including) is £6,300.

Cost to specific consultation bodies

6.12 Staff costs for specific consultation bodies have been calculated up to preferred strategy stage (reached after 2.5 years) and before submission stage (4 years) and include staff on-costs.

Specific consultation bodies (not evidenced) only data for WG	£91,500	£122,750	£45,750 - £61,375 (£91,500 / 2 = £45,750 £122,750 / 2 = £61,375)	£73,200 - £98,200 (£91,500 / 5 * 4 = £73,200 - £122,750 / 5 * 4 = £98,200)
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Administrative costs for the local planning authority

6.13 The costs would result from the local planning authority having to formally agree and notify the Welsh Government of their intention to withdraw their LDP. This would include getting Council agreement, writing to Welsh Government and stakeholders, publishing a notification on their website and a newspaper advert. This is estimated to cost around £2,269

Administrative costs for Welsh Government

6.14 The cost for the Welsh Government would be time and resource to consider the notification and prepare a Ministerial Submission Folder for the Minister to decide whether to use intervention powers. The cost for WG officials could range from a minimum cost of £259 (based a Grade 7 preparing a SF amounting to 1 days work including on-cost) to £3,719 (based on one days work of a Grade 7 and two weeks work of a Senior Professional Technical Officer and a Higher Professional Technical Officer including on-cost). The cost to WG officials would vary according to the amount of work required to understand the issues and reasoning presented by the local planning authority. The use of intervention powers would not result in further costs for the Welsh Ministers should the Welsh Ministers decide to call in the plan and progress it to adoption as it is set out in section 71(6) of the Planning and Compulsory Purchase Act that costs are recoverable from the local planning authority.

7. Joint Local Development Plans

Current process

- 7.1 Each local planning authority has a statutory duty to prepare a Local Development Plan for its area. There are currently powers in place (section 72 of the Planning and Compulsory Purchase Act 2004) to permit a voluntary approach for authorities to produce a joint LDP. The only authorities currently preparing a joint LDP are Anglesey and Gwynedd.
- 7.2 The cost of preparing a joint LDP has been estimated for two authorities preparing a joint LDP and three authorities preparing a joint LDP.
- 7.3 The table below shows the estimated cost of two authorities preparing a joint LDP. The second column shows the cost of a single authority preparing a LDP, these costs have been doubled in the third column to show the cost for two separate authorities preparing two separate LDPs. The fourth column shows the potential (maximum) cost savings that could be made if two authorities prepared a joint LDP and the final column shows estimated (average) savings that could be made.

Option 2, Enable Welsh Ministers to direct local planning authorities to produce Joint Local Development Plans.

Cost of two authorities producing a joint LDP

	Single LDP cost (Lower estimate & higher estimates)	Costs for two separate LDPs (Lower estimate & higher estimates)	Potential (maximum) savings for 2 authorities preparing a joint LDP	Estimated (average) savings for 2 authorities preparing a joint LDP
Staff costs (including 60% on-cost over a 5 year period)	£900,000 to £1,600,000	£1,800,000 to £3,200,000	Up to 50% savings £900,000 - £1,600,000	25% £450,000 - £800,000
Additional staff within local authority (including 60% on-cost)	£93,551	£187,102	Would still be required to consult staff within two separate local authorities. No saving.	Would still be required to consult staff within two separate local authorities. No saving.
Members	£29,071 (with 44%)	£58,142	Would still be required to	Would still be required to

	on-cost)		consult Cabinet and full Council Members at required stages. No saving.	consult Cabinet and full Council Members at required stages. No saving.
Evidence base	£195,000 to £265,000	£390,000 to £530,000	LDP requires a single evidence base, but over a larger geographical area. Potential Saving up to 50% £195,000 to £265,000	LDP requires a single evidence base, but over a larger geographical area. Average saving 25% £97,500 to £132,500
Examination	£146,590	£293,180	A Joint LDP requires one single examination. Potential saving up to 50% £146,590.	A Joint LDP requires one single examination. Estimated saving up to 25% £73,295
Printing costs	£25,000 to £30,000	£50,000 to £60,000	A Joint LDP would still require copies to go to libraries, Members and local authority employees. Duplication in statutory consultees could result in up to 15% saving incurred, estimated to be £7,500 to £9,000	A Joint LDP would still require copies to go to libraries, Members and local authority employees. Duplication in statutory consultees could result in up to 15% saving incurred. £7,500 to £9,000
Translation costs (based on a 40,000 word document)	£3,320	£6,640	A Joint LDP would result in a 50% saving of translation costs. Saving £3,320.	A Joint LDP would result in a 50% saving of translation costs. Saving £3,320.
Cost of adverts	£10,080	£20,160	Depending whether a local newspaper	Depending whether a local newspaper

			covers the geographical area of both LPAs there is the potential for a 50% saving. £10,080.	covers the geographical area of both LPAs there is the potential for a 50% saving. £10,080.
IT (consultation database or website maintenance)	£15,000 to £20,000	£30,000 to £40,000	There is the potential for a 50% saving. Saving between £15,000 to £20,000.	There is the potential for a 50% saving. Saving between £15,000 to £20,000.
TOTAL	£1,417,612 to £2,197,612	£2,835,224 to £4,395,224	Potential saving £1,227,490 to £2,053,990	Estimated saving £656,695 to £1,048,195

7.4 The potential (maximum) savings that could result from two local planning authorities producing a single LDP is estimated to range between £1,227,490 to £2,053,990. This represents a saving of 45% ($\frac{£1,227,490}{£2,835,224}$) and 47% ($\frac{£2,053,990}{£4,395,224}$) of the cost for local planning authorities preparing two separate LDPs.

7.5 The estimated (average) savings that could result from two local planning authorities producing a single LDP is estimated to range between £656,695 to £1,048,195. This represents a saving of 23% ($\frac{£656,695}{£2,835,224}$) to 24% ($\frac{£1,048,195}{£4,395,224}$).

Cost of three authorities producing a Joint LDP

7.6 These estimates show that due to the economies of scale principle, the more authorities working jointly to produce an LDP the greater the potential saving. When two authorities produce a joint LDP, is estimated to result in savings of 23% to 24%. This saving increases to 35% where three authorities produce a joint LDP.

7.7 The potential savings could be made in the following areas of LDP production;

- staff costs, with the potential to combine teams and make reductions in staff, due to the duplication of roles and specialisms.
- a reduction in the involvement of specific consultation bodies engaging in a single LDP process,
- cost of gathering the evidence base, as a single evidence base would cover a wider geographical area;
- a single examination process,
- printing costs due to a single copy being required for statutory consultees,
- translation costs for a single LDP,
- cost of adverts due to a single newspaper covering an area larger than a single LPA,
- IT costs due to the need for a single database.

7.8 It is unlikely savings could be made in the following areas of LDP production;

- additional staff within the local authorities would still be required to input into the LDP system.
- members from two or three local authority administration areas would still be required to input in the LDP system, with no estimated saving.

7.9 The areas with greatest potential for variation in savings would be staff costs and costs of preparing the evidence base.

Staff costs

7.10 In terms of staff costs, it would be a matter for the local authority to determine the size of the LDP team, taking into account the staffing budget, volume of work and the expertise of individuals. The potential (maximum) costs savings could be up to 50% if one team prepared the LDP for the new increased area. The potential cost savings could range from 0% if the LDP were simply merged with no staff reductions to 50% if two teams were reduced to one. It is estimated that an overall reduction of 25% could be made.

7.11 Gwynedd and Anglesey are the only authorities in Wales currently producing a joint LDP. From officials' knowledge, no voluntary or compulsory redundancies were made within the team. Where officers have left, these have not been replaced.

Additional staff within the local authority

7.12 The LDP team would still be required to consult staff within the separate authorities. Therefore no savings are anticipated.

Members

- 7.13 The LDP team would still be required to consult their Cabinet and full Council members at the following LDP stages. The requirement for their involvement would not change, so no saving would be made.
- 7.14 The involvement of Members has been estimated for each stage of the LDP process and is set out in section 3.14 above.

Evidence base

- 7.15 The cost of producing an evidence base for the joint LDP would be reduced, as the same studies e.g. Local Housing Market Assessment, Affordable Housing Viability Assessment, Retail Assessment etc would be required for all LDPs, but for a larger geographical area. There is therefore potential for a maximum of 50% savings for two authorities and 66.6% for three.
- 7.16 The issues encountered on a larger geographical scale are however likely to be wider ranging and more complex. The studies would be required to cover a significantly (approximately 100% or 200% larger) geographical area than for a single authority. Whilst the potential cost savings could be up to 50% or 66.6%, it is likely that cost savings would be in the region of 25% or 50% respectively.

Examination

- 7.17 No matter how many authorities are engaged in joint working, a single examination would be conducted. There is therefore potential for up to a maximum of 50% savings for two authorities preparing a joint LDP and 66.6% savings if three authorities prepared a joint plan. However, due to the range and depth of issues being raised, it is likely that the cost savings would be in the region of 25% for two authorities working jointly and 50% for three authorities working jointly. The estimated costs are outlined in the table below.

Printing costs

- 7.18 A joint LDP would still require printed copies to be sent to libraries within the LDP area, members and employees from the local authorities. The main duplication would be statutory consultees who are estimated to comprise 15% of printing costs (it was estimated that 30 printed copies would be sent to statutory consultees out of the print run of 200 copies). It is therefore estimated that a 15% saving could be made per additional authority preparing a joint LDP.

Translation

7.19 It is not considered that a joint LDP would be significantly larger in terms of the number of words produced than for a single authority as there will be a single strategy and the same issues will be covered. It is therefore estimated that there will be a 50% cost saving for two authorities preparing a joint LDP and 66.6% saving for three authorities preparing a joint LDP

Adverts

7.20 The cost saving associated with the requirement to place adverts in local newspapers depends on the geographical coverage of the local newspaper. The savings could range from 50% if a single newspaper covers the joint authority area to 0% if adverts are still required in more than one newspaper. It has been estimated that where two authorities produce a single LDP, cost savings will be 50%, and if three authorities produce a single LDP adverts will still be required in two newspapers, therefore still resulting in a 33.3% saving.

IT

7.21 It is estimated that a single IT consultation database programme will be required and therefore a 100% saving will be made. For each additional authority a 100% saving will also be made.

Cost implications for specific consultation bodies

Cost for two authorities preparing a joint LDP

	Cost for single LDP	Cost for 2 LPAs preparing separate LDPs	Estimated saving of 2LPAs preparing Joint LDP	Total
Specific consultation bodies	£91,500 - £122,750	£183,000 - £245,500	Would have a 50% saving. Saving £91,500 - £122,750	Would have a 50% saving. Saving £91,500 - £122,750

Cost for three authorities preparing a joint LDP

	Cost for single LDP	Cost for 3 LPAs preparing separate LDPs	Estimated saving of 3 LPAs preparing Joint LDP	Total
Specific consultation bodies	£91,500 - £122,750	£274,500 - £368,250	Would have a 66.6% saving for WG input. Saving £183,000 - £245,500	Would have a 50% saving for WG input. Saving £137,250 - £184,125

7.22 It could be that a joint LDP covering two or three authorities' areas would require the same involvement from specific consultation bodies as a single LDP, thus resulting in a 50% or 66.6% saving. However, it has been estimated that a joint LDP covering three authorities' areas would require an increased input than a single LDP from specific consultation bodies. This is due to the significantly larger geographical area that the LDP would cover and the potential diversity of issues. It has been estimated that specific consultation bodies would be reduced by 50% compared to their input in three separate LDPs.

8. Joint Planning Boards

Actual Costs of Development Management Functions

8.1 The costs on 'actual' Development Management Functions have been provided from figures Welsh Government has received from local planning authorities. The data included to estimate total costs of Development Management Functions for each local planning authority is as follows:

- Total Staff Costs (i.e. staff wages);
- National Insurance and Pension;
- Accommodation;
- Telephone;
- IT – Hardware and Software;
- Stationary and Reprographics;
- Advertising and Publications;
- Travel and Subsistence;
- Training;
- Professional fees;
- Planning Committee, including member allowances;
- Consultants / Other Local Planning Authorities;
- Recruitment;
- Finance; and
- Administration.

8.2 The costs for the creation of Joint Local Development Plans are used for the development plan function of a Joint Planning Board, as the functions would be very similar. The costs of a Joint LDP are set out in chapter 7.

9. Pre-application Consultation

Option 1 – Do nothing, continue with the current discretionary approach in which developers choose whether or not to engage directly with communities at the pre-application stage.

Costs to development industry

9.1 The average cost of publicising a planning application is derived from the table below.

Table 6.1: LPA publicity costs (costs in £)

<i>Authority</i>	<i>Advertising</i>	<i>Stationery'+ Reproduction</i>	<i>Postage / telephone</i>	<i>Total costs</i>	<i>No. apps</i>	<i>cost per app</i>
LPA A	471	694	0 (cost not identified separately in data return)	1165	521	2.24
LPA B	6146	16293	0 (cost not identified separately in data return)	22439	943	23.80
LPA C	71232	21109	21961	114302	2239	51.05
LPA D	38333	0(cost not identified separately in data return)	18802	57135	1788	31.95
LPA E	18421	2371	3162	23954	883	27.13
LPA F	22144	1185	2390	25719	1065	24.15
LPA G	13780	12130	250	26160	388	67.42
LPA H	32256	10696	2347	45299	438	103.42
LPA I	15720	0 (cost not identified separately in data return)	5100	20820	643	32.38
					average	40.39

Source: LPA data returns, 2014

9.2 The time taken to analyse comments and produce consultation reports is based on anecdotal evidence and the experiences of staff in the DM section.

Option 3 – Welsh Government to issue guidance on the benefits of pre-application community consultation.

Costs to development industry

Table 6.2 : Total Major Applications Determined in 2013

Blaenau Gwent CBC	7
Brecon Beacons NPA	5
Bridgend CBC	24
Caerphilly CBC	33
Cardiff CC	32
Carmarthenshire CC	43
Ceredigion CC	19
Conwy CBC	19
Denbighshire CC	13
Flintshire CC	77
Gwynedd CC	27
Isle of Anglesey CC	19
Merthyr Tydfil CBC	16
Monmouthshire CC	9
Neath Port Talbot CBC	30
Newport CC	31
Pembrokeshire CC	53
Pembrokeshire Coast NPA	11
Powys CC	23
Rhondda Cynon Taf CBC	31
Snowdonia NPA	3
Swansea CC	18
Torfaen CBC	9
Vale of Glamorgan CBC	21
Wrexham CBC	10
Grand Total	583

Source: Welsh Government Monitoring Data, 2013

9.3 75% of the total major applications determined = 43

10 Pre-application Service and Fees

10.1 The costs associated with these options are as follows:

Option 1 – Do nothing, continue with the current provision of pre-application service by local planning authorities on a discretionary basis.

Local Planning Authorities

10.2 Costs- based on Welsh Government data on average LPA and Welsh Government staff costs.

Based on these figures:

Cost to LPA of providing a written response based on 2 hours of planning officer time - £25 x 2 hours	£50
Cost of planning officer attending an hour long meeting	£25
Cost of 5 meetings (1 hour long each) involving a senior planner and a principal officer £29 x 5 hours + £30 x 5	£295

Development Industry Costs

10.3 Using on-costs of 55% (see Welsh Government data on average LPA and Welsh Government staff costs) this equates to an hourly cost of about £25.

As this is an hourly cost it does not reflect the fee that may be charged by architects.

Given that the ONS data shows the same median hourly pay for “architects and town planners” it has been assumed that the professional fees will be similar, i.e. £40 per hour.

10.4 So the cost of 5 meetings (1 hour long each) involving a planning consultant and architect is estimated to cost:

Planning consultant at £40/hr x 5 meetings = £200

Architect at £40/hr x 5 meetings = £200

Total cost = £400

Pre-application fees

10.5 Data source - local planning authority websites at 6th February 2014.

The costs are highly variable and the definition of “major”, “large major”, and “strategic” varies across the local planning authorities.

Table 1: Cost (£) of pre-app service (written advice) by LPA and development type

	Type of development				
LPA	Strategic	Large Major	Major	Minor	Householder
LPA AA			1,200	600	120
LPA BB			300	180	30
LPA CC	500		250	100	
LPA DD	1,020	320	220	72	
LPA EE			360	240	
LPA FF			800	720	

Table 2: Cost (£) of pre-app service (written advice and meeting) by LPA and development type

	Type of Development				
LPA	Strategic	Large Major	Major	Minor	Householder
LPA AA			1,200	600	120
LPA BB			600	300	30
LPA CC	500		250	100	
LPA DD	1,020	600	600	144	
LPA EE			720	360	
LPA FF			800	720	

Option 3 – Introduction of a statutory pre-application service with no fee

Local planning authorities (LPAs)

Pre-application fee income

Source: Welsh Government – LPA survey returns for 2013.
(NB – limited returns from LPA)

Table 3– Pre-application by LPA

Local Planning Authority	Pre-application income	Pre-application income + 10%
LPA AA	£0.00	£0
LPA BB	£18,775.00	£1,880
LPA CC	£13,000.00	£1,300
LPA DD	£0.00	£0
LPA EE	£10,568.00	£1,060
LPA FF	£0.00	£0
LPA AA	£0.00	£0
LPA BB	£0.00	£0
LPA CC	£15,128.00	£1,510

10.6 If, due to the removal of a fee for the pre-application service, the number of pre-application enquiries increases by 10%, it has been assumed that the resulting fee income increases by a similar proportion.

Option 4 – Welsh Government to issue more prescriptive guidance on the provision of pre-application services and fees

Developers - Potential costs for the development industry

10.7 Referring to the pre-application fees listed in the tables above, the average cost of a pre-application query associated with major development is £522.

10.8 The calculation of the following example provided is as follows:

- an application for 20 residential units is defined as a “major application”
- tables above identify the following charges for pre-application services associated with “major” development proposals

Local Planning Authority	Cost (£) of initial pre-application service associated with major development	Cost of 5 planning applications for major housing development
LPA AA	1,200	6,000
LPA BB	300	1,500
LPA CC	250	1,250
LPA DD	220	1,100
LPA EE	360	1,800
LPA FF	800	4,000
<i>Average cost</i>	522	

11 Developments of National Significance

General

Applications

11.1 The proposal relates to applications for infrastructure development. The ARUP Report 2014² identified 94 relevant applications that were determined, called-in, or resulted in an appeal against non-determination over a period of 8 years. This gives an average of 12 applications per year.

$94/8 = 11.8$. Rounded up to 12.

11.2 The ARUP Report 2014 further identified which of these applications might qualify as a DNS application, applying the criteria included in the Consultation. 27 applications were identified, which is 29% of the applications were above the relevant threshold. This gives an average of 3.4 DNS applications per year.

$27/94 * 100 = 28.7\%$. Round up to 29%
 $11.75 * 29\% = 3.4$

Option 1 – Do Nothing, applications to continue to be submitted to local planning authorities

Development Industry

11.3 The average cost to developers for making an application for planning permission for infrastructure development includes the cost of preparing the scheme and making the application, including the payment of an application fee.

11.4 The ARUP Report 2009³ provides average costs of making different types of planning applications. Applications for infrastructure development are not included in the Report. However, these are assumed to be major development, with the nearest equivalent development (in terms of costs identified) used in the Report being development for approximately 100 dwellings. In order to achieve a cost of making an application, the costs associated with post application work was deducted. The fee level was derived from a different source, so the cost of submitting the application was also subtracted from the overall cost. This gives a total cost of making an

² *Quantification of Infrastructure and Business/Commercial Planning Applications Submitted in Wales*, Final Report, ARUP, 30 July 2014

³ *Benchmarking the costs to applicants of submitting a planning application*, ARUP, July 2009

application, not including the fee, as being £112,903. This was then adjusted, using a GDP deflator⁴ of 1.14⁵, to give a 2014 average cost of making an application of £128,709.

$$£152,310 - £18,717 = £133,593$$

$$£133,593 - £20,690 = £112,903$$

$$£112,903 * 1.14 = £128,709.$$

- 11.5 The fee for planning applications for infrastructure development is derived from research by ARUP for the ARUP Report 2014. The total value of fees paid for the 27 applications identified by ARUP as being potentially DNS was £1,549,258, giving an average fee per application of £57,380. Therefore, the total cost of making one application is £186,089. The total average cost of making 3.4 applications is £632,703.

$$£1,549,258 / 27 = £57,380$$

$$£128,709 + £57,380 = £186,089$$

$$£186,089 * 3.4 = £632,703$$

- 11.6 The ARUP Report 2014 identified 13 appeals resulting from the 94 applications for infrastructure development. This gives an average of 1.6 appeals per year. Of these, only 29% relate to potential DNS applications, which is 0.5 appeals on average per year. These are assumed to be Local Inquiry appeals. Using estimated appeal costs used by DCLG in their Impact Assessment for the Planning Bill 2008⁶, appropriately adjusted using a GDP deflator of 1.20, a local inquiry costs developers £4,800 per appeal. This gives a total average cost of £2,400 per year.

$$13 / 8 = 1.6$$

$$1.6 * 29\% = 0.5 \text{ (rounded)}$$

$$£4,000 * 1.20 = £4,800$$

$$£4,800 * 0.5 = £2,400$$

⁴ A GDP deflator is a measure of price inflation/deflation with respect to a specific base year, and it allows data from different years to be compared on an equal basis. Within the RIA, the base year is 2014-15 therefore the GDP deflator adjustment factor used will vary to reflect the year of the source data.

⁵ <https://www.gov.uk/government/publications/gdp-deflators-at-market-prices-and-money-gdp-march-2014-budget>

⁶ *Planning Bill – Impact Assessment*, DCLG, November 2007

- 11.7 Call-in applications costs consist of the cost of making the application and the cost of the call-in process. It is assumed that an application that is called-in will bear the full cost of the application process and the full cost of the call-in process. The call-in element is processed by the Planning Inspectorate, usually using the local inquiry procedure. Therefore, the cost of a called-in application for developers is estimated to be £190,889. There are estimated to be an average of 0.04 called-in applications, resulting in a total cost of £192.

$$\begin{aligned}\text{£}186,089 + \text{£}4,800 &= \text{£}190,889 \\ \text{£}4,800 * 0.04 &= \text{£}192\end{aligned}$$

Local Planning Authorities

- 11.8 Local planning authorities receive an application fee for applications for planning permission. As explained above, this is estimated to be £57,380 on average per application. The estimated income per year from application fees is estimated to be £195,092 on average.

$$\text{£}57,380 * 3.4 = \text{£}195,092$$

- 11.9 Local authorities decide applications either by committee or delegated to planning officers. ARUP Report 2014 evidence confirms that applications for infrastructure development are decided by Committee. The CIPFA/PAS Benchmarking Report 2012⁷ gives an average cost of £1,188 per decision, consisting of validation, consultation and evaluation stages as well as the Committee report and decision stage. This is considered to be far too low an assumption for infrastructure projects. The weakness in this figure is that it is formed of an average of all types of planning applications. This includes householder development, ranging to major developments. All DNS applications are likely to have a cost on the higher end of the spectrum, given their complexity and scale.
- 11.10 Any application for a development of national significance would require a certain level of involvement by a local planning authority. It is reasonable to assume that this commitment of resources would be that of the planning application fee, which is £195,092.

⁷ *Planning Service Benchmarking Club 2011: Barchester City Council, PAS/CIPFA Report, February 2012*

11.11 The CIPFA/PAS Benchmarking Report 2012 gives an average cost of £1,643 for local planning authorities to engage in the appeal process. This is an average for all appeal procedures. Adjusting the figure using a GDP Deflator of 1.06 gives a cost of £1,742 per appeal. This results in a total average additional annual cost of £871 to engage in the appeals process for the 3.4 applications for infrastructure development.

$$£1,643 * 1.06 = £1,742$$

$$£1,742 * 0.5 = £871$$

11.12 Call-ins also carry a different cost for local planning authorities. It is assumed that a called-in application will incur the full cost of an application decided by Committee plus the cost of participating in the call-in process, which is assumed to be the same as that of participating in an appeal. The additional cost for dealing with a called-in application is estimated to be £1,742 on average. The number of called-in applications is derived from the ARUP Report 2014. This Report identifies how each of the 94 were decided, 1.1% being called-in. This percentage is applied to the 3.4 potential DNS applications, giving an average of 0.04 called-in applications per year. This is an estimated cost of £70 per year.

$$3.4 * 1.1\% = 0.04$$

$$0.04 * £1,742 = £70$$

Welsh Government

11.13 Appeals are made to the Planning Inspectorate, who are the appointed representatives of the Welsh Ministers. Appeals based on applications for infrastructure tend to be determined using the local inquiry procedure (as confirmed by the data for the ARUP Report 2014). The unit cost for processing and determining a local inquiry planning appeal is estimated to be £14,500 (rounded from £14,517) on average per case. The cost of considering the 0.5 appeals associated with the 3.4 applications is estimated to be £7,250 on average per year.

11.14 Called-in applications are processed by the Planning Inspectorate, with the Inspector producing a report for the Welsh Ministers following a local inquiry. This is estimated to cost £524 on average per year to consider the 0.04 cases per year. The Welsh Ministers then issue their decision following consideration of the case. Each case costs £9,500 (rounded from £9,486), which consists of administrative staff costs and some legal costs. The cost per year is, therefore, £380. The total cost of considering called-in applications is estimated to be £960 on average per year.

$£14,500 * 0.04 = £580$
 $£9,500 * 0.04 = £380$
 $£580 + £380 = £960$

Option 2 – The Welsh Ministers to determine Developments of National Significance

Welsh Government

11.15 The DNS applications will be decided by the Welsh Ministers, following the processing of the application and preparation of a report by an appointed representative. It is assumed that the appointed representative will be the Planning Inspectorate and the costs to the Welsh Ministers are based on this assumption.

11.16 It is assumed that the resources required to process and produce a report will sit within the existing Planning Inspectorate Wales structure. Therefore, whilst the DNS Independent Body resources and costs can act as a reasonable guide to the cost of the Welsh Ministers deciding DNS applications, they can be significantly modified to fit within a slimmer structure in terms of staff, wages and accommodation costs, which are present in the Planning Inspectorate Wales. It is also expected that Inspectors will spend 16 weeks with a DNS application, whereas they presently spend 26 weeks with a Development Consent Order. Any posts associated with the management of staff, legal resources, and the Chief Executive and Chair do not need to be costed as part of the DNS resource requirement. Therefore, the staff resources required to consider DNS applications by the Planning Inspectorate amount to 1.3 Inspectors and 3.9 administrative staff. Including accommodation and overheads the resources are estimated to be as follows:

11.17 The set-up costs are anticipated to consist of IT, furniture and recruitment costs of £18,150.

11.18 The total running costs for Welsh Government of determining DNS applications is estimated to be £470,225

$£395,163 + £44,566 = £439,729$.

11.19 Developers will also pay an application fee which is estimated to be £358,309 on average per annum. This gives an estimated overall annual cost of £81,420.

$£439,729 - £358,309 = £81,420$

Option 3 – Establishment of independent consenting regime to determine Developments of National Significance

Development Industry

11.20 The cost of making a DNS application is assumed to vary only in the amount of the fee that developers will be required to pay. This fee will consist of an application fee and a fee paid to local planning authorities for their role in the DNS application process. The illustrative fee is based on the fee currently charged by the Planning Inspectorate for a Nationally Significant Infrastructure Project application that is determined by one Inspector. The current fee is estimated to be £171,250. The DNS process is not exactly equivalent, including a different pre-application requirement and a different outcome (a planning decision rather than a Development Consent Order). This will result in less Inspector involvement, a reduction of 38% from 26 weeks to 16 weeks. This reduction in time can be applied to the fee, reducing it by 38% to £105,385. The LPA fee is expected to cover the cost of the authority. It is estimated that this will be same as the cost of engaging in the appeal process, which is £1,742. Therefore, the cost of making a DNS application is estimated to be £235,836. The cost of making DNS applications is estimated to be £801,842 on average per year.

$$\begin{aligned}£171,350 * 38\% &= £65,113 \\£171,350 - £65,113 &= £105,385 \\£105,385 + £1,742 + £128,709 &= £235,836 \\£235,836 * 3.4 &= £801,842\end{aligned}$$

Local Planning Authorities

11.21 The local planning authorities will be required to engage with the DNS application process. This is expected to consist of providing local information and their views on the proposed development. This is similar to their role in the appeal process for planning applications. Therefore, it is reasonable to assume that the average cost of participating in the DNS application process will be broadly equivalent to the cost of participating in the appeal process. This is £1,742 on average. The cost of the work and the income from the fee is expected to be the same, £5,922.

$$£1,742 * 3.4 = £5,922$$

DNS Independent Body

11.22 An Independent Body does not currently exist to carry out the DNS application work. The nearest equivalent was the Infrastructure Planning Commission (IPC), which was created by the Planning Act 2008 and abolished by the Localism Act 2011. The costs for setting up the IPC were set out in the Impact Assessment for the Planning Bill, in 2007. This estimated that the IPC would receive 46.1 applications per year. The organisation required to determine these applications consisted of 110 staff, including a Chief Executive, Commissioners, Legal staff and Administrators. Using the proportions of resources required per NSIP, and the same staff structure, it is possible to establish the resources required to consider 3.4 DNS applications. It is also expected that Inspectors will spend 16 weeks with a DNS application, whereas they presently spend 26 weeks with a Development Consent Order. A reduction in Inspector time spent is reflected in the below figures. It is also reasonable to use the suggested wages uprated using a GDP Deflator of 1.20. The resources are estimated to be as follows:

Chief Executive	1	£168,000
Chair	1	£180,000
Commissioners	1.3	£171,600
Grade 5	0.3	£36,000
Grade 7	1	£72,000
SEO	0.5	£27,000
HEO	0.7	£29,400
EO	2.6	£93,600
AA	0.4	£9,600
Total	8.8	£787,200

11.23 These staff resources would need to be given accommodation, IT, furniture, etc. in order to function. Using the costs identified for the IPC, and uprating by 1.20, it is estimated that the accommodation costs per workstation would be £12,216 per annum. Workstations would be assigned on a “flexible desking” basis, with 8 desks to every 10 people. Therefore, the accommodation costs per year are estimated to be £85,512. Added to this is a contingency budget, to cover costs such as T&S and auditing, which is calculated as being 10% of the staffing and accommodation costs, giving a contingency of £87,271. The total running costs are estimated to be £959,983 on average per year.

$$£10,180 * 1.20 = £12,216$$

$$8.8 * 0.8 = 7$$

$$£12,216 * 7 = £85,512$$

$$£85,512 + £787,200 = £872,712$$

$$£872,712 / 10\% = £87,271$$

$$£872,712 + £87,271 = £959,983 \text{ (rounded)}$$

11.24 There will also be one-off set-up costs to establish the DNS Independent Body. Again, these are based on the estimated set-up costs of the IPC, suitably adjusted to the DNS process. The cost of IT equipment per workstation was estimated to be £1,390. Adjusting this using a GDP Deflator of 1.20 gives a cost of £1,668 per workstation, and a total cost of £11,676. Office furniture is estimated to cost £1,500 on average per workstation, giving a total cost of £10,500. The IPC also had a budget of £5 million for other set-up costs such as recruitment, communications, etc. The DNS Independent Body is approximately 92% smaller than the estimated size of the IPC. Therefore, it is assumed that the remaining set-up costs will only be 8% of the £5 million required by the IPC, giving a total of £400,000. This cost is uprated by a GDP deflator of 1.2, to £480,000. The total one off costs of Setting up the DNS Independent Body are estimated to be £502,176.

$$£1,390 * 1.20 = £1,668$$

$$£1,668 * 7 = £11,676$$

$$£1,500 * 7 = £10,500$$

$$110 / 8.8 = 8\%$$

$$£5m * 8\% = £400,000$$

$$£400,00 * 1.2 = £480,000$$

$$£11,676 + £10,500 + £480,000 = £502,176$$

11.25 The total estimated average annual cost of the DNS Independent Body will be the running costs netted off against the income from the application fee. The estimated revenue from application fees is £358,309. This gives an estimated annual cost of £601,674.

$$£105,385 * 3.4 = £358,309$$

$$£959,983 - £358,309 = £601,674$$

12 Optional Direct Applications

General

The 'average local planning authority'

- 12.1 The reform being assessed proposes the designation of local planning authorities as poor performing, with the consequence being that planning applications could be made to someone other than the local planning authority. The criteria which define poor performance have not yet been established, although it is assumed for the purposes of this assessment that they will include timeliness and quality of decision-making.
- 12.2 Designation will not affect all local planning authorities equally, only an unknown number each year. It was decided to create an 'average local planning authority' to illustrate the costs and benefits of designation. The 'average local planning authority' is therefore based upon the average taken of actual data from all 25 local planning authorities in Wales.
- 12.3 Between 2009 and 2013, 109,911 planning applications for minor development and 3,123 planning applications for major development were determined in Wales during this 5 year period. This gives an average of 21,982 and 625 applications per year. For the 'average local planning authority' this is 879 applications for minor development and 25 applications for major development on average per year.

All Wales minor applications: $109,911 / 5 = 21,982$

All Wales major applications: $3,123 / 5 = 625$

Average LPA minor applications: $21,982 / 25 = 879$

Average LPA major applications: $625 / 25 = 25$

Average LPA total applications: $879 + 25 = 904$

- 12.4 Using planning appeals data obtained from the Planning Inspectorate for the same 5 year period, the same approach was taken to identify the average number of planning appeals made against decisions (or non-determination) by the 'average local planning authority'.

All Wales totals:

Minor written representations: $3,056 / 5 = 611$

Minor hearing: $685 / 5 = 137$

Minor local inquiry: $172 / 5 = 34$

Major written representations: $238 / 5 = 48$

Major hearing: $103 / 5 = 21$

Major local inquiry: $90 / 5 = 18$

Average local planning authority:

Minor written representations: $611 / 25 = 24.4$

Minor hearing: $137 / 25 = 5.5$

Minor local inquiry: $34 / 25 = 1.4$

Total minor appeals: $24.4 + 5.5 + 1.4 = 31.3$

Major written representations: $48 / 25 = 1.9$

Major hearing: $21 / 25 = 0.8$

Major local inquiry: $18 / 25 = 0.7$

Total major appeals: $1.9 + 0.8 + 0.7 = 3.4$

Total appeals = $31.3 + 3.4 = 34.7$

Option 1- Do Nothing.

Welsh Government

- 12.5 Appeals are made to the Planning Inspectorate, who are the appointed representative of the Welsh Ministers. Appeals can be determined by either written representations, hearing, or local inquiry procedures. It costs £41,607 on average to determine written representations appeals; £32,105 on average to determine hearing appeals; and, £30,486 on average to determine local inquiry appeals. This is a total of £104,198 on average per year.

Local planning authorities

Applications

- 12.6 It is assumed that minor development applications receive a delegated decision and major development applications receive a committee decision. Whilst this is a simplification of the LPA decision-making process, it is appropriate in that it reflects the complexity of each type of development.
- 12.7 The CIPFA/PAS Benchmarking Report 2012⁸ gives an average cost of £530 per delegated decision, consisting of validation, consultation and evaluation stage, and a delegated reports and decision stage. For committee decisions, the average cost is £1,188, with the stages the same as for delegated decisions apart from the last stage which is a Committee reports and decision stage. Both figures are then adjusted, using a GDP deflator⁹ of 1.06, giving 2014 costs of £562 and £1,259.

$$£530 * 1.06 = £562$$

$$£1,188 * 1.06 = £1,259$$

⁸ *Planning Service Benchmarking Club 2011: Barchester City Council, PAS/CIPFA Report, February 2012*

⁹ A GDP deflator is a measure of price inflation/deflation with respect to a specific base year, and it allows data from different years to be compared on an equal basis. Within the RIA, the base year is 2014-15 therefore the GDP deflator adjustment factor used will vary to reflect the year of the source data.

- 12.8 When calculating this cost with the number of major and minor applications it means that the average cost to the average local planning authority of determining minor applications per year is £493,998; and £31,475 on average per year to determine applications for major development.

Minor applications: $£562 * 879 = £493,998$

Major applications: $£1,259 * 25 = £31,475$

Total applications: $£493,998 + £31,475 = £525,473$

- 12.9 Developers pay an application fee to the local planning authority when they submit a planning application. The average fee for applications for minor development is £248, and £11,982 for applications for major development, as calculated and explained in paragraph 12.16. The estimated income per year from application fees for the average local planning authority is £517,542.

Minor applications fee income: $£248 * 879 = £217,992$

Major applications fee income: $£11,982 * 25 = £299,550$

Total fee income: $£217,992 + £299,550 = £517,542$

Appeals

- 12.10 The CIPFA/PAS Benchmarking Report 2012 gives an average cost of £1,643 for local planning authorities to engage in the appeal process. This is an average for all appeal procedures. Adjusting the figure using a GDP deflator of 1.06 gives a 2014 cost of £1,742 per appeal. When applying this cost to the average number of appeals (34.7), it results in a total average cost of £60,447 for the average local planning authority to participate in the appeal process.

$£1,742 * 34.7 = £60,447$

- 12.11 In summary, the total cost to the average local planning authority is £58,5920.on average per year

$£525,473 + £60,447 = £585,920$

- 12.12 It also receives revenue for planning application fees, which is estimated to amount to £517,542 on average per year.

Development Industry

Applications

- 12.13 The average cost to developers of making applications for minor and major development includes the cost of preparing the scheme and making the application, including the payment of an application fee.

12.14 The ARUP Report 2009¹⁰ provides the average cost of making different types of planning application. The cost of applications for minor development is derived from the average of the costs of applications for householder development and 1 dwelling, which is £7,753. The costs for major development are derived from the average costs of developments for 10-15 dwellings and 100 dwellings, which is £58,505. Both figures are then adjusted, using a GDP deflator¹¹ of 1.14 to give a 2014 average cost of £8,804 and £65,018. It should also be noted that the fee levels used in the calculations are taken from the current Planning Application Fee Regulations and so are not accounted for in the GDP deflator¹².

Householder development:

Initial scheme development: £200

Preparation of planning application: £710

Submission of planning application (Fee): £166

Post submission work including determination: £0

$£200 + £710 + £166 + £0 = £1,076$

1 dwelling development:

Initial scheme development: £1,070

Preparation of planning application: £9,550

Submission of planning application (Fee): £330

Post submission work including determination: £3,480

$£1,070 + £9,550 + £330 + £3,480 = £14,430$

Average costs and GDP deflator adjustment:

Initial scheme development: $£200 + £1,070 = £1,270 / 2 = £635 * 1.14 = £724$

Preparation of planning application: $£710 + £9,550 = £10,260 / 2 = £5,130 * 1.14 = £5,848$

Submission of planning application (Fee): $£166 + £330 = £496 / 2 = £248$

Post submission work including determination: $£0 + £3,480 = £3,480 / 2 = £1,740 * 1.14 = £1,984$

$£724 + £5,848 + £248 + £1,984 = £8804$

10 – 15 Dwellings:

Initial scheme development: £7,680

Preparation of planning application: £11,350

Submission of planning application (Fee): £3,300

Post submission work including determination: £675

$£7,680 + £11,350 + £3,300 + £675 = £23,005$

100 dwellings:

Initial scheme development: £25,450

Preparation of planning application: £26,420

¹⁰ *Benchmarking the costs to applicants of submitting a planning application*, ARUP, July 2009

¹¹ <https://www.gov.uk/government/publications/gdp-deflators-at-market-prices-and-money-gdp-march-2014-budget>

¹² The Town and Country Planning (Fees for Applications and Deemed Applications) Regulations 1989 (as amended).

Submission of planning application (Fee): £20,664
Post submission work including determination: £21,470
 $£25,450 + £26,420 + £20,664 + £21,470 = £94,004$

Average costs and GDP deflator adjustment:

Initial scheme development: $£7,680 + £25,450 = £33,130 / 2 = £16,565 * 1.14 = £18,884$

Preparation of planning application: $£11,350 + £26,420 = £37,770 / 2 = £18,885 * 1.14 = £21,529$

Submission of planning application (Fee): $£3,300 + £20,664 = £23,964 / 2 = £11,982$

Post submission work including determination: $£675 + £21,470 = £22,145 / 2 = £11,073 * 1.14 = £12,623$

$£18,884 + £21,529 + £11,982 + £12,623 = £65,018$

- 12.15 For the average local planning authority, 879 applications for minor development are determined per year at a cost to developers of £7,738,716; and 25 applications for major development are determined, at a cost to developers of £1,625,450. Therefore, the total average cost per year is £9,364,166.

$£8,804 * 879 = £7,738,716$

$£65,018 * 25 = £1,625,450$

$£7,738,716 + £1,625,450 = £9,364,166$

- 12.16 The fee for each type of development is taken from the Fee Regulations¹³ that apply to all applications. The average fee for householder and 1 dwelling applications is £248. The average of the fee for 10-15 dwellings and 100 dwellings is £11,982. These figures are current and do not need to be adjusted.

$£166 + £330 = £496$

$£496 / 2 = £248$

$£3,300 + £20,664 = £23,964$

$£23,964 / 2 = £11,982$

Appeals

- 12.17 Using estimated appeal costs used by DCLG in their Impact Assessment for the Planning Bill 2008¹⁴, appropriately adjusted using a GDP deflator of 1.20, the average cost of each appeal procedure for developers is estimated to be £600 for written representations, £1,200 for hearings, and £4,800 for local inquiries. For the average local planning authority, 34.7 appeals are determined per year (as set out in paragraph 12.4), at a cost to developers of

¹³ The Town and Country Planning (Fees for Applications and Deemed Applications) Regulations 1989 (as amended).

¹⁴ *Improving the Appeal Process in the Planning System – making it proportionate, customer focused, efficient and well resourced*, DCLG consultation, May 2007

£27,960 for appeals for minor development, and £5,460 for appeals for major development.

$$\begin{aligned}\text{£}500 * 1.20 &= \text{£}600 \\ \text{£}1,000 * 1.20 &= \text{£}1,200 \\ \text{£}4,000 * 1.20 &= \text{£}4,800\end{aligned}$$

$$\begin{aligned}\text{Minor written representations: } 24.4 * \text{£}600 &= \text{£}14,640 \\ \text{Minor hearing: } 5.5 * \text{£}1,200 &= \text{£}6,600 \\ \text{Minor local inquiry: } 1.4 * \text{£}4,800 &= \text{£}6,720 \\ \text{Total minor appeals: } \text{£}14,640 + \text{£}6,600 + \text{£}6,720 &= \text{£}27,960\end{aligned}$$

$$\begin{aligned}\text{Major written representations: } 1.9 * \text{£}600 &= \text{£}1,140 \\ \text{Major hearing: } 0.8 * \text{£}1,200 &= \text{£}960 \\ \text{Major local inquiry: } 0.7 * \text{£}4,800 &= \text{£}3,360 \\ \text{Total major appeals: } \text{£}1,140 + \text{£}960 + \text{£}3,360 &= \text{£}5,460\end{aligned}$$

$$\text{Total appeals: } \text{£}27,960 + \text{£}5,460 = \text{£}33,420$$

12.18 When combining the costs of applications and appeals, the total average cost to developers is £9,397,586.

$$\text{£}9,364,166 + \text{£}33,420 = \text{£}9,397,586$$

Timeliness and Quality of Decisions

12.19 Of the 879 applications for minor development determined by the average local planning authority, 624, or 71%, were determined within 8 weeks; for major applications, only 4, or 17%, of the 25 were determined in 8 weeks.

$$\begin{aligned}(624 / 879) * 100 &= 71\% \\ (4 / 25) * 100 &= 17\%\end{aligned}$$

12.20 For the average local planning authority, 10.6, or 34%, out of 31.3 application decisions for minor development were overturned at appeal; and, 1.4, or 41%, out of 3.4 application decisions for major development were overturned at appeal.

$$\begin{aligned}(10.6 / 31.3) * 100 &= 34\% \\ (1.4 / 3.4) * 100 &= 41\%\end{aligned}$$

Option 2 – Where a LPA is designated as poor performing, applicants can choose to submit their applications for major developments to the Welsh Minister for determination

General

12.21 Option 2 provides applicants with the option of submitting applications for major development to the Welsh Ministers, or their appointed representative. For the average local planning authority, this is estimated to result in 50% of major applications, 12.5, being made to the Welsh Ministers. This also has an impact on the average number of appeals, as applications made to the Welsh Ministers will not have the option of appealing the application decision to the Welsh Ministers. It is estimated that 31.3 minor appeals, as identified in paragraph 12.4 1.7 major appeals will be decided. This is estimated to result in a reduction in appeals to 33 on average per year.

Average major applications: $25 / 2 = 12.5$

Major appeals: $3.4 / 2 = 1.7$

Total appeals: $31.3 + 1.7 = 33$

Welsh Government

Applications

12.22 The processing and determination of applications by the Welsh Ministers is new work that will need to draw upon existing and new resources. It is anticipated that the work will be carried out by the Planning Inspectorate as the appointed representatives of the Welsh Ministers. The costs for this work, therefore, are based on Planning Inspectorate costs and data.

12.23 It is estimated that the resources required to process and determine 12.5 applications for major development will be 0.3 Inspectors and 2.9 administrative staff. The total cost is estimated to be £237,770

12.24 The total set up costs including recruitment, accommodation, IT, furniture, etc. are estimated to be around £17,214.

12.25 An application fee will be paid to the Welsh Ministers, or their appointed representative, for applications submitted to them. The fees will be the same as those that apply for applications made to a local planning authority, as described in paragraph 12.16. Therefore, the revenue from application fees is estimated to be £149,775 on average per year.

Major applications fee income: $£11,982 * 12.5 = £149,775$

12.26 The number of appeals submitted to the Welsh Ministers, or their appointed representative, is estimated to be 33 on average per year. The costs of processing and issuing a decision are provided in paragraph 12.5. When applying these costs to the average number of appeals determined by procedure, it breaks down to 25.4 written representations appeals, costing £40,183; 5.9 hearing appeals, costing £30,066; 1.7 local inquiries, costing £26,131. The total cost of processing and determining appeals is estimated to be £96,380 on average per year.

12.27 In summary, the combined average cost per year of new casework as a result of the proposal, less fee income is £87,995.

$$£237,770 - £149,775 = £87,995$$

The average total cost per year of existing appeals is £96,380.

12.28 Combined the total average cost per year of new and existing work is £184,375.

$$£87,995 + £96,380 = £184,375$$

Local planning authorities

Applications

12.29 The cost of processing and deciding 879 minor planning applications is the same as that identified in *Option 1*, (paragraph 12.8). The number of planning applications for major development is estimated to reduce to 12.5 on average per year, as identified in paragraph 12.21. It is therefore estimated to cost £509,736 to determine planning applications for minor and major development on average per year, when applying the processing and determination costs identified in paragraph 12.7.

$$\text{Minor applications: } £562 * 879 = £493,998$$

$$\text{Major applications: } £1,259 * 12.5 = £15,738$$

$$\text{Total applications: } £493,998 + £15,738 = £509,736$$

12.30 The fee paid by developers for submitting applications will remain the same, as defined in paragraph 12.16. The revenue from application fees will be the same as *Option 1* for applications for minor development, as identified in paragraph 12.9. However, income from applications for major development will be reduced in line with the reduced number of applications. Therefore, when the income for applications for minor and major applications is added together the total fee income is estimated to be £367,767 on average per year.

Minor applications fee income: £248 * 879 = £217,992
Major applications fee income: £11,982 * 12.5 = £149,775
Total fee income: £217,992 + £149,775 = £367,767

Appeals

12.31 The number of appeals will be reduced to 33 in total, as identified in paragraph 12.21, but the cost of carrying out the work does not change, as defined in paragraph 12.10. The total cost of appeals for the average local planning authority is therefore estimated to be £57,486 on average per year.

$$£1,742 * 33 = £57,486$$

12.32 Local planning authorities will also have to participate in the application process for applications submitted to the Welsh Ministers. This is assumed to be equivalent to the cost of engaging in the appeal process, as defined in paragraph 12.10. Therefore, the cost of participating in applications made to the Welsh Ministers is estimated to be £21,775 on average per year.

$$£1,742 * 12.5 = £21,775$$

12.33 In summary, the combined cost of existing applications and appeals casework, less fee income, is £199,455 per year.

$$£509,736 + £57,486 = £567,222 - £367,767 = £199,455.$$

12.34 The additional average cost incurred as a direct result of the additional work resulting from the proposal is £21,775.

12.35 Therefore, the total combined cost of Option 2 for the average local planning authority is £221,230.

$$£199,455 + £21,775 = £221,230$$

Development Industry

Applications

12.36 The cost to developers of submitting applications is assumed to be the same regardless of who the application is made to. Therefore, the total cost of preparing and submitting applications to the average local planning authority and/or the Welsh Ministers is estimated to be £9,364,166 on average per year, as identified in paragraph 12.15.

Appeals

12.37 The cost of submitting appeals is also the same as Option 1, as described in paragraph 12.17, but the number of appeals submitted is reduced to 33, as

identified in paragraph 12.21. This is estimated to cost developers £30,960 on average per year.

Written representations appeals: $£600 * 25.4 = £15,240$

Hearing appeals: $£1,200 * 5.9 = £7,080$

Local inquiry appeals: $£4,800 * 1.8 = £8,640$

Total appeals: $£15,240 + £7,080 + £8,640 = £30,960$

12.38 When combining the costs of applications and appeals, the total average cost per year to developers is £9,395,126.

$£9,364,166 + £30,960 = £9,395,126$

Option 3 – Where a LPA is designated as poor performing, applicants can choose to submit applications for minor and major developments to the Welsh Ministers for determination

General

12.39 Option 3 provides applicants with the option of submitting applications for minor and major development to the Welsh Ministers for determination. For the average local planning authority, this is estimated to result in 50% of applications, (452 applications on average per year), being made to the Welsh Ministers. This also has an impact on the average number of appeals, as applications made to the Welsh Ministers will not have the option of appealing the application decision to the Welsh Ministers. This is estimated to result in a reduction in appeals to 17.5 on average per year.

Average minor applications: $879 / 2 = 439.5$

Average major applications: $25 / 2 = 12.5$

Average applications: $439.5 + 12.5 = 452$

Average written representations appeals: $26.3 / 2 = 13.2$

Average hearing appeals: $6.3 / 2 = 3.2$

Average local inquiry appeals: $2.1 / 2 = 1.05$

Average appeals: $13.2 + 3.2 + 1.1 = 17.5$

Welsh Government

Applications

12.40 The processing and determination of application by the Welsh Ministers is new work that will draw upon existing and new resources. It is anticipated that the work will be carried out by the Planning Inspectorate as the appointed representatives of the Welsh Ministers. The costs for this work, therefore, are based on Planning Inspectorate costs and data.

- 12.41 It is estimated that the resources required to process and determine 439.5 applications for minor development and 12.5 applications for major development will be 5.6 Inspectors and 8 administrative staff. The total estimated costs are £1,127,233
- 12.42 The start up costs including recruitment, accommodation, IT, furniture, etc. are estimated to be £57,972.
- 12.43 An application fee will be paid to the Welsh Ministers, or their appointed representative, for applications submitted to them. The fees will be the same as those that apply for applications made to a local planning authority, and described in paragraph 12.16. Therefore, the revenue from application fees is estimated to be £258,771 on average per year.

Minor applications fee income: $£248 * 439.5 = £108,996$

Major applications fee income: $£11,982 * 12.5 = £149,775$

$£108,996 + £149,775 = £258,771$

Appeals

- 12.44 The number of appeals submitted to the Welsh Ministers, or their appointed representative, is estimated to be 17.5 on average per year. The costs of processing and issuing a decision are provided in paragraph 12.5. The total average cost of processing and determining appeals, including written representation, hearing and local inquiry is therefore estimated to be £52,432 .
- 12.45 In summary, the combined average cost per year of new casework as a result of the proposal, less fee income is £868,426.

$£1,127,233 - £258,771 = £868,462$

The average total cost per year of existing appeals is £52,432.

Combined the total average cost per year of new and existing work is £1,157,862.

$£868,462 + £52,432 = £920,894$

Local planning authorities

Applications

12.46 The average local planning authority will receive 50% fewer applications, with a corresponding reduction in revenue from application fees. The costs of determining applications for the average local planning authority are described in paragraph 12.7 439.5 applications will receive delegated decisions at a cost of £246,999; and 12.5 applications will receive a committee decision at a cost of £15,738. The total average cost of determining applications for the average local planning authority is therefore estimated to be £262,737.

Minor applications: $£562 * 439.5 = £246,999$

Major applications: $£1,259 * 12.5 = £15,738$

Total applications: $£246,999 + £15,738 = £262,737$

12.47 The fee paid by developers remains the same, as defined in paragraph 12.16, but the number of applications is lower. Fee income from 439.5 applications for minor development is £108,996, and for 12.5 applications for major development it is £149,775. The total average revenue from application fees for the average local planning authority is estimated to be £258,771 per year.

Minor applications fee income: $£248 * 439.5 = £108,996$

Major applications fee income: $£11,982 * 12.5 = £149,775$

Total fee income: $£108,996 + £149,775 = £258,771$

Appeals

12.48 The number of appeals will be reduced to 17.5 in total, as described in paragraph 12.39, but the cost of carrying out the work does not change, as defined in paragraph 12.10. The total cost of appeals for the average local planning authority is therefore estimated to be £30,485 on average per year.

$£1,742 * 17.5 = £30,485$

12.49 Local planning authorities will have to participate in the application process for applications made to the Welsh Ministers. This is assumed to require work that is equivalent to the work required to participate in the appeal process, described in paragraph 12.10. Therefore, the new cost to the average local planning authority of participating in applications made to the Welsh Ministers is estimated to be £787,384 on average per year.

Minor applications: $£1,742 * 439.5 = £765,609$

Major applications: $£1,742 * 12.5 = £21,775$

Total applications: $£765,609 + £21,775 = £787,384$

12.50 In summary, the combined cost of existing applications and appeals casework, less fee income, is: £34,451

$$£262,737 + £30,485 = £293,222 - £258,771 = £34,451.$$

12.51 The additional average cost incurred as a direct result of the additional work resulting from the proposal is £787,384.

12.52 Therefore, the total combined cost of Option 3 for the average local planning authority is £821,835.

$$£34,451 + £787,384 = \mathbf{£821,835}$$

Development Industry

Applications

12.53 The cost to developers of submitting applications is assumed to be the same regardless of who the application is made to. Therefore, the total cost of preparing and submitting applications to the average local planning authority and/or the Welsh Ministers is estimated to be £9,364,166 on average per year, as identified in paragraph 12.15.

Appeals

12.54 The cost of submitting appeals is also the same as Option 1, as described in paragraph 12.17, but the number of appeals submitted is reduced to 17.5, as identified in paragraph 12.39. This is estimated to cost developers £17,040 on average per year.

$$\text{Written representations appeals: } £600 * 13.2 = £7,920$$

$$\text{Hearing appeals: } £1,200 * 3.2 = £3,840$$

$$\text{Local inquiry appeals: } £4,800 * 1.1 = £5,280$$

$$\text{Total appeals: } £7,920 + £3,840 + £5,280 = £17,040$$

12.55 When combining the costs of applications and appeals, the total average cost per year to developers is £9,381,206.

$$£9,364,166 + £17,040 = £9,381,206$$

13 Statutory Consultee – Pre-Application Consultation

Option 2 – Duty for statutory consultee responses to be substantive and time limited and performance to be reported on.

- 13.1 A developer's time is estimated at £40 an hour, a letter/email is estimated to take 20 minutes to draft. There are 600 major applications a year across Wales; therefore the total is estimated to be (13x600) £7,800.

14 Decision Notices – Minor Material Amendments

- 14.1 The costs associated with these options are as follows:

Option 1 – Do nothing, there will continue to be inconsistency in how applicants apply to make minor material amendments to planning permissions

Development Industry

- 14.2 Data on the number of applications resubmitted to make an amendment are not known, it is estimated that this is a quarter of those who are able to undertake a minor-material amendment at present. The average fee costs for minor applications (excluding householder) are £1720 (£1,550 x 1.11 adjustment for inflation), with the average major fee £13,914 (£12,535 x 1.11 adjustment for inflation)¹⁵. Major applications account for 3%¹⁶ of total applications on average. This ratio has been appropriately apportioned to the number of resubmitted applications with a potential total cost of £1,260,000. calculation below.

- 14.3 If all LPAs in Wales did not attach a relevant condition to allow minor-material amendments, the cost to applicants of resubmitting an application is calculated as follows:

Resubmitted minor applications = 21 applications x £1,720 = £36,120 x 25 LPAs = £903,000

Resubmitted major applications = 1 application x £13,914 = £13,914 x 25 LPAs = £347,850

Potential total cost: £1,250,850.

- 14.4 If the permission is granted subject to a relevant condition the developer is able to submit a minor-material change. This application fee is significantly less than the cost of resubmitting the whole application. Based on the data in option one above, if a developer is able to undertake a Section 73 of the TCPA 1990 application, and all LPAs attach a relevant condition, they will have savings of approximately £1,158,700 over resubmitting an application.

¹⁵ Benchmarking the costs to applicants of submitting a planning application (ARUP 2009)

¹⁶ Welsh Government Development Management Quarterly Statistics

Minor-material amendment cost 22 applications x £166 = £3,652 x 25 LPAs = £91,300

Minor application savings = 21 applications x £1,720 = £36,120 x 25 LPAs = £903,000

Major application savings = 1 application x £13,914 = £13,914 x 25 = £347,850

Potential saving to developers = £1,158,700

Local Planning Authorities

- 14.5 If LPAs are unwilling to accept a minor material amendment through informal means or they do not attach a relevant condition to amend then they will receive the same application fee for a change to a scheme as that has already been approved. This will increase the revenue received to approximately £1,250,000. The income from resubmitting an application is calculated as follows:

Minor-material amendment cost 22 applications x £166 = £3,652 x 25 LPAs = £91,300

Resubmitted minor applications = 21 applications x £1,720 = £36,120 x 25 LPAs = £903,000

Resubmitted major applications = 1 application x £13,914 = £13,914 x 25

Potential total income: £1,158,700

Option 2 – Provide a statutory process for local planning authorities to determine minor-material amendments to a planning permission through Section 73 of the TCPA 1990.

Local Planning Authorities

- 14.6 A further full planning application will no longer need be needed to make minor-material amendments. As a minor-material application has a flat fee of £166, the procedure will results in lost income to the LPA. Taking the estimated number of resubmitted applications from above, and assuming that currently all LPAS do not attach a relevant condition, the potential lost income across Wales is approximately £1,158,700. can be calculated as follows:

Additional Minor-material income 22 x £166 = £3,652 x 25 LPAs = £91,300

Lost minor application income 21 x £1,720 = £36,120 x 25 LPAs = £903,000

Lost major application income 1 x £13,914 = £13,914 = £13,914 x 25LPAs = £347,850

Potential total loss of income to LPAs across Wales = £1,158,700

Development Industry

14.7 A more streamlined application process will also allow businesses to respond and adapt more efficiently, quickly and cost effectively where the need to make an amendment to an existing permission. Based on the data in option one above. If a developer can undertake an amendment application, instead of resubmitting an application, and it is assumed all LPAs previously did not attach a relevant condition, they will have savings of approximately £1,158,700.

Minor-material amendment cost $22 \times £166 = £3,652 \times 25 \text{ LPAs} = £91,300$

Minor application savings $21 \times £1,720 = £36,120 \times 25 \text{ LPAs} = £903,000$

Major application savings $1 \times £13,914 = £13,914 = £12,535 \times 25 \text{ LPAs} = £347,850$

Potential total saving to developers = £1,158,700

15 Notification of Development

15.1 The costs associated with these options are as follows:

Option 1 – Do nothing, continue without a requirement to notify the local planning authorities what permission is to be implemented

Local Planning Authorities

15.2 Costs - additional enforcement related costs resulting from the investigation required and enquires about developments received from the public calculated as follows:

- Average enforcement officer wage = £19,855 (+on costs = £34,545)
- Weekly wage = £381.83 (664.33)
- /37
- Hourly wage = £10.32 (£17.95)

15.3 If an LPA received an average of one such query every week, it would cost them £10.32 (17.95) a week, or £536 (£933) a year. There are 25 LPAs in Wales and so this figure could total £13,400 (£23,300) a year in Wales.

Option 2 – require developers to notify the local planning authority before beginning development and, for certain developments and to display on site a notice containing details of the planning permission being implemented.

Development Industry

15.4 Costs – minimal additional costs to the developer, just some administrative assistant time calculated as follows:

- Hourly rate = £37.52
- / 3
- Cost to developer per notice = £12.51
- + notification template email = £12.51
- = **£25.02**

15.5 The figure above is based on a calculation of the time taken to display the notice of 20 minutes. According to statistics gathered by the Welsh Government, an average of 599 major applications are received by LPAs each year. This would equate to approximately £14,987 additional cost per year to developers of this option.

15.6 Posting a notice on site in a durable sleeve will incur some expense. But this requirement will only apply to major planning applications – which are approximately 3% (or 583) of the total planning applications received in Wales.

16 National Scheme of Delegation

16.1 The costs associated with these options are as follows:

Option 2 – Introduce a mandatory national scheme of delegation

Cost of Local Authority Staff

16.2 Data has been collated from a representative sample of LPAs regarding the staffing structure and pay scales. Pay scales for the remaining staff costs have been estimated.

16.3 A 74% on-cost has been applied to the staff cost to cover the following on costs;

- national insurance and pension contributions,
- Accommodation
- Phone/postage
- It
- Stationary and reprographics
- Advertising/publicity
- Travel and subsistence
- Training
- Publications and professional fees
- Personnel/ recruitment
- Finance

Position	Annual Salary	On Costs	Total Annual Cost to LPA	Hourly rate
Development Control Manager	£43,390	£32,100	£75,495	£39.24
Principal Planning Officer/Team Leader	£33,495	£24,785	£58,280	£30.29
Senior Planning Officer	£31,720	£23,470	£55,190	£28.69
Principal Highways Officer	£33,495	£24,785	£58,280	£30.29

16.4 A 55% on-cost has been applied to the staff cost to cover the following on-costs;

- national insurance and pension contributions
- accommodation
- IT /stationery /telephone
- training/professional fees
- travel and subsistence
- recruitment / personnel
- finance

Position	Annual Salary	On Costs	Total Annual Cost to LPA	Hourly rate
Head of Planning	£64,000	£35,200	£99,200	£51.56
Solicitor/Legal Officer	£35,780	£19,679	£55,459	£28.82
Democratic Services Officer	£28,392	£15,615	£44,007	£22.87

Cost of Local Authority Members

16.5 For 2014/15 the basic salary paid to a Councillor is £13,300 per annum (The Independent Remuneration Panel for Wales Annual Report <http://wales.gov.uk/irpws/sub/home/publication/201415/140212-irp-annual-report-1415/?lang=en>). A Senior Salary is paid to Councillors appointed with specific positions e.g. Chairs of Committees. It is estimated that on average, councillors spend the equivalent of three days a week on council business. (<http://www.wlga.gov.uk/expectations-of-councillors>). Therefore the hourly rate has been worked out by dividing the basic salary (including on costs) by 1154 hours (3 day week x 52 weeks) resulting in a basic salary hourly rate of £16.13, or £26.69 for senior salary hourly rate.

16.6 A 40% on-cost has been applied to the Members cost to cover the following on costs;

- national insurance and pension contributions (15%), (lower due to cater for Councillors who, because of age would not pay NI and those who are not in the LGPS)
- accommodation (8%),
- IT /stationery /telephone (10%),

- training/professional fees (2%),
- travel and subsistence (2%),
- finance (3%).

16.7 Recruitment & HR (3%) does not apply to Councillors

	Annual Salary	On Costs	Total Annual Cost to LPA	Hourly rate
Elected Members	£13,300	£5,320	£18,620	£16.13
Chair of Planning Committee	£22,000	£8,800	£30,800	£26.69

Cost of Planning Committee Meeting

16.8 The RTPI Cymru study into the Operation of Planning Committees in Wales 2013 collated the average length of each LPAs planning committee meetings (Page G2). An average has been derived from this data, excluding National Park Authorities (approximately 2 hours).

16.9 Planning Committee sizes vary significantly across the LPAs, from the smallest at Merthyr Tydfil County Borough Council and Newport City Council with 11 Members to the largest at City and County of Swansea Council with all 72 Members. However, the Strategic Development Management and Control Committee that consists of all 72 Members is only scheduled to meet every 2 months should there be any applications to discuss. The most recent meeting was in May 2013. The majority of planning decisions, which are not delegated to Officers, are determined by the two Area Committees. All of the ward Members form part of the planning committee for their regional area, with 35 Members forming Swansea 1 and 37 Members forming Swansea 2. City and County of Swansea Council is the sole LPA operating Area Committees

16.10 Neath Port Talbot County Borough Council operate a single Planning Committee consisting of 45 Members, which is the largest single Planning Committee in Wales (excluding the Strategic Development Management and Control Committee at Swansea due to its infrequency of meetings and delegation arrangements).

16.11 The make-up of planning committees, in respect of Council Officers/employees, varies between each authority. The costs below are based on a minimum approach, with a committee meeting consisting of Head of Planning, Development Control Manager, Principal Planning Officer/Team Leader, Senior Planning Officer, Principal Highways Officer, Solicitor/Legal Officer, Democratic Services Officer, elected Members, and the Chairperson of the committee.

Number of Members	Cost per hour	Total cost (2 hour meeting)
11	£419.75	£839.50
35	£806.77	£1,613.54
37	£839.13	£1,678.26
45	£971.17	£1,942.34
72	£1,403.68	£2,807.36

Cost of Planning Committee – proposed changes

16.12 The intention is to introduce legislation to define the size of the planning committee to a minimum of 11 members and a maximum of 21 members (but no more than 50% of the authority members, excluding National Park Authorities). The costs associated with the proposed parameters are as follows:

Number of Members	Cost per hour	Total cost (2 hour meeting)
11	£419.75	£839.50
21	£581.05	£1,162.10

17 Power to decline to determine a retrospective planning application where an enforcement notice has been served first

Option 1 – Do Nothing – retain the ability to submit a planning application after an enforcement notice has been served.

Welsh Government (Planning Inspectorate)

17.1 Consecutive appeals assumed to be 11 per year

Average length of time to determine an appeal (all types) = 7.5hrs

Average hourly wage of PINS officer (including on-costs) = £34.86

7.5hrs x £ 34.86 = £ 261.45 per appeal

Assumed that all appeal avenues are taken i.e. both planning application and enforcement appeal

Therefore, £ 261.45 x (11 x 2) applications = £ 5,752

Local Planning Authorities

17.2 Number of enforcement notices served over 30 months = 603

Over 12 months this equates to 241 (603 / 30) x 12

Assuming 50% of these enforcement notices result in retrospective planning applications for the same site, this would equal 120

Average cost to determine a retrospective planning application = £562

(PAS benchmarking delegated decisions due to minor nature of applications)

Estimated cost of serving an Enforcement Notice = £98.00

Therefore: (£562 + £98) x 120 = £79,200

Cost to an LPA of defending an enforcement appeal (ground (a)) is:

Approximate cost of staff time = 18.5 hours

Average cost of planning / enforcement officer = £14 per hour + 74% on costs = £24.36

Therefore: 18.5 hours x £ 24.36 = £ 450.66

Consecutive appeal sites assumed to be 11 per year [see one avenue to PP]

Therefore £ 450.66 x (11 x 2) = £ 9,914

Overall cost for LPAs in dealing with sites subject to retrospective applications following enforcement notices plus appeal costs is:

$$£79,200 + £ 9,914 = £ 89,114$$

Fees received

17.3 Average fee for submitting a retrospective application = £322

Retrospective application fee income is therefore $£322 \times 120 = £38,640$

Fees relating to the 11 consecutive enforcement notice ground (a) appeals would be $£322 \times 11 = £3,542$

Total fee income is $£38,640 + £3,542 = £42,182$

Net costs are: $£89,114 - £42,182 = £42,716$

Option 2 – Introduce a power to decline retrospective planning applications, following the service of an enforcement notice

Welsh Government (Planning Inspectorate)

17.4 Consecutive appeals assumed to be 11 per year [see one avenue to PP]

Average length of time to determine an appeal (all types) = 7.5hrs

Average hourly wage of PINS officer = (including on-costs) = £34.86

So, $7.5\text{hrs} \times £ 34.86 = £ 261.45$ per appeal

It is assumed that all retrospective applications are prevented by the LPA.

Therefore only enforcement notice appeals are made:, $£ 261.45 \times 11$ applications = £ 2,875

Local Planning Authorities

17.5 Average number of enforcement notice appeals per year = 95

$(87 + 128 + 126 + 85 + 67 + 75 / 6)$ – data from PINS

Average notices upheld (over 2 years) = 46.5% (44)

- 17.6 We assume 50% of these notices upheld will result in the submission of a retrospective planning application; therefore, the figure we arrive up (rounding up) would be approximately 22.

$$£322 \times 22 = £7,084$$

Estimated cost of serving an Enforcement Notice = £98.00 [see option 1 costs]

Same number of enforcement notices served each year but it is assumed that all retrospective applications are prevented by the LPA.

$$\text{Therefore: } £98 \times 120 = £11,760$$

Cost to an LPA of defending an enforcement appeal (ground (a)) is £259 [see option 1 costs]

Of the 11 consecutive appeal sites only the enforcement notice appeal pursued

$$\text{Therefore } £259 \times 11 = £2,849$$

- 17.7 Overall cost for LPAs in dealing with sites subject to enforcement notices plus appeal costs is:

$$£11,760 + £2,849 = £14,609$$

Fees received

- 17.8 Fees relating to the 11 consecutive enforcement notice ground (a) appeals would be $£322 \times 11 = £3,542$

$$\text{Net costs are: } £14,609 - £3,542 = £11,067$$

$$\text{Savings: } £42,716 - £11,067 = £31,649$$

Benefits

Local Planning Authorities

- 17.9 Approximate number of cases where a retrospective application is submitted after the service of an Enforcement Notice = 22

(Assume that 50% of these will be declined to be determined = 11)

Estimated cost of determining a retrospective application = £140

$$\text{Therefore: } £140 \times 11 \text{ applications} = £1,540$$

18 One avenue to have planning permission granted through appeal

Option 1 –Do nothing, retain the current appeal process

Welsh Government (Planning Inspectorate)

18.1 Average number of ground (a) appeals per year = 29

(Taken from PINS data)

Average number of notices upheld (over 2 years) = 76%

We assume 50% of these notices upheld will result in the submission of a retrospective planning application; therefore, the figure we arrive up (rounding up) would be approximately 11.

Approximate hourly wage of PINS Higher Executive Officer = (including on costs) = £39.36

Approximate time taken to determine an appeal = 37 hours

Therefore cost per appeal: £ 39.36 x 37 = £ 1,456

Cost of hearing consecutive appeals £ 1,456 x (11 x 2) = £ 32,032

Local Planning Authorities

18.2 Cost to an LPA of defending an appeal is:

Approximate cost of staff time = 18.5 hours

Average cost of planning / enforcement officer = £14 per hour (+74% on costs) = £24.36

Therefore: 18.5 hours x £ 24.36 = £ £451

Consecutive appeal sites assumed to be 11 per year [see WG costs]

Therefore £ 451 x (11 x 2 appeal types) = £ 9,922

Fees received

18.3 Fees relating to the 11 consecutive enforcement notice ground (a) appeals would be £322 x 11 = £3,542

Additional monitoring costs resulting from the delay:

Approximate cost of staff time = 18.5 hours

Average cost of planning / enforcement officer = £14 per hour (+74% on costs) = £24.36

Therefore: 18.5 hours x £ 24.36 = £ 451

Total cost of delay across Wales (11 consecutive cases) would be £ 4,961

Net costs are: £ 9,922 + £ 4,961 - £3,542 = £ 11,341

Land owner:

18.4 Average number of ground a) appeals per year = 29

Of these, 76% are upheld

This means: Approximately 22 appeals are upheld and 7 are granted

If an appeal is upheld, the total fee is £644 (double the cost of the average retrospective application)

If the appeal is granted, the total fee is £322

Therefore: $(22 \times £644) + (7 \times £322) / 29 = £566.28$ (approximately)

18.5 Cost to land owner of pursuing consecutive appeals is:

Cost of pursuing enforcement notice ground (a) appeal:

Maximum range of using a planning consultant = £1,772

Average fee when submitting an appeal = £566

$(566 + 1,722) = £2,288$

Average cost of pursuing retrospective application appeal:

Maximum range of using a planning consultant = £1,772

Total cost of pursuing consecutive appeals $(2,288 + 1,722) = £4,010$

Assumed that 11 sites across Wales are subject to consecutive appeals

Therefore total cost is $£4,010 \times 11 \text{ sites} = £44,110$

Option 2 – One avenue to have planning permission granted through the appeal process, when an enforcement notice has been served.

Welsh Government (Planning Inspectorate)

18.6 Cost per appeal: £ 39.36 x 37 = £ 1,456 [see WG costs for option 1]

Only one appeal route available, therefore cost of hearing appeals for the 11 appeal sites is £ 1,456 x 11 = £ 16,016

Savings: £26,488 - £ 16,016 = £ 10,472

Local Planning Authorities

18.7 Average fee of ground a) appeal = £566.28 (see above)

Average number of ground a) appeals determined per year = 29

$(£566.28 / 2) \times 29 = £8,211.06$

Average cost of submitting a retrospective application = £322

Total average number of ground a) appeals = 29

If 100% of this figure remains and a retrospective application is not submitted, this is calculated to be a potential loss of income of £322 x 29 = £11,592

Cost to an LPA of defending an appeal is £259 [see option 1 costs]

Of the 11 consecutive appeal sites only one type of appeal is pursued so the cost being £259 x 11 = £2,849

Fees received

18.8 LPA only receive fees at appeals against enforcement notices. Under this option, of the 11 consecutive appeal sites, enforcement notice ground (a) appeals would not be possible in all cases. It is assumed that 50% of appeals would be ground (a) appeals.

Fees relating to the 11 consecutive enforcement notice ground (a) appeals would be £322 x 6 = £1,932

Net cost would be £2,849 - £1,932 = £917

Savings: £5,005 - £917 = £4,088

Land owner

18.9 Average number of ground a) appeals per year = 29

Of these, 76% are upheld

This means: Approximately 22 appeals are upheld and 7 are granted

If an appeal is upheld, the total fee is £644 (double the cost of the average retrospective application)

If the appeal is granted, the total fee is £322

Therefore: $(22 \times £644) + (7 \times £322) / 29 = £566.28$ (approximately)

18.10 Cost to land owner of pursuing consecutive appeals is:

Cost of pursuing enforcement notice ground (a) appeal:

Maximum range of using a planning consultant = £1,772

Average fee when submitting an appeal = £566

$(566 + 1,722) = £2,288$

Average cost of pursuing retrospective application appeal:

Maximum range of using a planning consultant = £1,772

Total cost of pursuing consecutive appeals $(2,288 + 1,722) = £4,010$

Assumed that 11 sites across Wales are subject to consecutive appeals but under this option enforcement notices. Under this option, of the 11 consecutive appeal sites, enforcement notice ground (a) appeals would not be possible in all cases. It is assumed that 50% of appeals would be ground (a) appeals.

Therefore total cost is $(£2,288 \times 5.5) £12,854 + (£1,722 \times 5.5) £9,471 = £22,325$

Saving $£44,110 - £22,325 = £21,785$

Option 3 – No route to planning permission through an enforcement appeal.

Local Planning Authorities

18.11 Average cost to determine a retrospective planning application = £911.00 (for full) estimated to be halved for a retro = £455

(This figure has been achieved by using data received from LPAs during the 2012/13 financial year across all planning applications)

LPA only receive fees at appeals against enforcement notices. Under this option, of the 11 consecutive appeal sites, no enforcement notice ground (a) appeals would be possible.

So the 11 sites are assumed would be subject to an appeal following a retrospective application, but that additional retrospective applications are generated – say an additional 18 reflecting the other ground (a) appeals received each year.

Estimated cost of determining a retrospective application = £562

Therefore: £562 x 18 applications = £10,116

This would be offset by fee income of £322 x 18 = £5,796

Net cost of additional applications would be £10,116 - £5,796 = £4,320

Cost to an LPA of defending an appeal is £259 [see option 1 costs]

The cost of defending the 11 appeal sites plus the additional 18 retrospective application (assuming 100% go to appeal) would be £259 x (11+18) = £7,511

Total net cost of this option are £4,320 + £7,511 = £11,831

Additional cost: £11,831 - £5,005 - £ = £6,826

Land owner

18.12 Under this option, of the 11 consecutive appeal sites, no enforcement notice ground (a) appeals would be possible.

So the 11 sites are assumed would be subject to an appeal following a retrospective application, but that additional retrospective applications are generated – say an additional 18 reflecting the other ground (a) appeals received each year.

Average cost of submitting a retrospective application = £322

Maximum range of using a planning consultant = £1,772

(£322 + £1,722) = £ 2,044

£2,044 x 18 additional applications = £36,792

Average cost of pursuing retrospective application appeal:

Maximum range of using a planning consultant = £1,772

Total cost of pursuing appeals at the 11 sites (1,722 x 11) = £18,942

Total net cost of this option are £36,792 + £18,942 = £55,734

Additional cost: £55,734 - £44,110 = £11,624

Benefits

Local Planning Authorities

18.13 Average number of ground a) appeals received per year in Wales = 29

These 29 appeals could potentially be submitted as retrospective planning applications

Average cost of a retrospective application in Wales = £322

Therefore: 29 x £322 = £11,592

19 Appeals against notices in respect of land adversely affecting amenity

Option 1 – Do nothing so that appeals against a notice in respect of land adversely affecting amenity continue to be heard in Magistrates Courts

Local Planning Authorities

19.1 Average time taken to prepare S215 appeal information = 3 hours

Average cost of a planning / enforcement officer:

£25,727 - £28,127 per annum =

£13.37 - £14.63 per hour (average = £14 per hour)

Therefore, average cost to prepare for S215 appeal is £24 (+ 74%) = £ 73

Average number of appeals per year = 5 (x 73) = £ 365 per annum

Average salary of a solicitor = £35,780 (based on sample)
= £55,459 (including on-costs)

£55,459 / 52 weeks / 37 hours (to give hourly rate) = £28.82

Therefore: £28.82 x 2 hour hearing x 5 appeals = £420 for LPAs

Total Wales cost : £ 365 + £420 = £ 785

Benefits

Local Planning Authorities

19.2 Average number of ground (a) appeals determined per year = 29

£322 (average fee to LPA) x 29 = £9,338

Option 2 – Such appeals to be heard by the Planning Inspectorate, rather than at a Magistrates Court

Welsh Government (Planning Inspectorate)

19.3 Estimated time taken to determine a S215 appeal = 5.5 hours

Average hourly wage of PINS Higher Exec. Officer (including on-costs) =
£39.36

Number of appeals = 5

$(5.5 \times 39.36) \times 5 = \text{£ } 1,082$ per annum

Local Planning Authorities

19.4 Average time taken to prepare S215 appeal information = 3 hours

Average cost of a planning / enforcement officer:

£25,727 - £28,127 per annum =

£13.37 - £14.63 per hour (average = £14 per hour)

Therefore, average cost to prepare for S215 appeal is £42 (+ 74%) = £ 73

Average number of appeals per year = 5 (x 73) = £ 365 per annum

As under this option the appeal is heard by the Planning Inspectorate, a solicitor is not needed to prepare the case

Saving £785 - £420 = £365

20 Enforcement Warning Notice

Option 1 – Do nothing

Welsh Government

20.1 Number of Section 102 Notices served = 1 (over 30 months) = 0.4 per year

Cost of determining a Section 102 Notice = 7 hours

Approximate hourly wage of a Senior Planner = 17 per hour (+74% on costs)
= £30

7 hours x £ 30 = £ 210 (once over 30 months)

Local Planning Authorities

20.2 Cost of serving 241 enforcement notices: $241 \times £98 = £23,618$

Cost of determining the 29 ground (a) enforcement appeals:
 $29 \times £259 = £7,511$

Minus the appeal fee income: $29 \times £322 = £3,542$

Total net cost is $£23,618 + £7,511 - £3,542 = £27,587$

Option 2 – Introduce a power to serve an enforcement warning notice to require a retrospective planning application

Local Planning Authorities

20.3 Assume 25% of enforcement notices would be better dealt with through an enforcement warning notice.

Cost of serving 181 (75% of 241) enforcement notices is $181 \times £98 = £17,738$

Assume 75% less ground (a) appeals given that the cases most borderline and suitable for challenge at appeal likely to be dealt with by way of enforcement warning notice.

Current ground (a) appeal rate is $29/241 = 12\%$

Therefore 12% of 181 = 22 and subsequent 75% reduction = 6 appeals

Cost of defending 6 appeals is $6 \times £259 = £1,554$

Minus appeal fee received of $6 \times £322 = £3,542$

Total enforcement notice related cost is $17,738 + 1,554 - 3,542 = £27,587$

Cost of serving one enforcement notice is assumed to be 2 hours work including on-costs is £48

Cost of serving 60 (241 – 181) enforcement warning notices is $60 \times £48 = £2880$

It is assumed that 90% of all enforcement warning notices served will result in a retrospective planning application being submitted (90% of 60) = 54

Cost of determining 54 retrospective planning applications is $54 \times £562 = £30,348$

Minus the cost of the fee received $54 \times £322 = £17,388$

Total retrospective application net cost is $£30,348 - £17,388 = £12,960$

Enforcement notices will need to be served in respect of the 10% of enforcement warning notices that have not been complied with (10% of 54 = 6)

Cost of serving additional enforcement notices is $6 \times £98 = £588$

Total net cost for this option is $£17,360 + £2,880 + £12,960 + £588 = £33,788$

Additional cost $£33,788 - £27,587$

Option 3 – Introduce the ability to attach conditions to enforcement notices

Local Planning Authorities

20.4 Number of 'Breach of Conditions Notice' served = 176 (per 30 months)

This equals 70 per year ($176 / 30 \times 12$)

Average cost of serving an enforcement notice is £98.00
(*Half this fee as the development has already been determined unauthorised*)

Therefore, $70 \times £49.00 = £3,430$

21 Town and Village Greens

Option One – Do nothing

21.1 The estimated cost of a LPA producing a letter is based on 10 minutes for a planning officer to check if the land had entered the planning system and 20 minutes to form a response. A planning officer has an hourly rate of £14. Therefore to respond to town and village green applications per year for a LPA would be:

$£7 \times 7.6$ (amount of applications per year) = £53