



**SCOTTISH GOVERNMENT CONSULTATION - INVESTING IN PLANNING - A
CONSULTATION ON RESOURCING SCOTLAND'S PLANNING SYSTEM**

Report by Depute Chief Executive

PURPOSE

- 1.1 The purpose of the Report is to make the Comhairle aware of a consultation by Scottish Government on the resourcing of Scotland's planning system and provide an opportunity to consider and input to the Comhairle response.

EXECUTIVE SUMMARY

- 2.1 On 28 February 2024 the Scottish Government issued a Consultation [Investing in Planning – a consultation on resourcing Scotland's planning system](#) to which it seeks responses by 31 May 2024. The Consultation is wide ranging with the document comprised of forty pages of proposals and discussion interspersed with forty consultation questions and arises in response to the current resourcing challenges being experienced nationally by the planning system in Scotland.
- 2.2 The Consultation acknowledges that there is no simple answer to the challenge of resourcing planning, given financial constraints and a complex set of circumstances to address. These circumstances include: local authorities continuing to face financial pressures and planning departments having seen a reduction in their resources and workforce; growing demographic challenges for the planning workforce; the wider jobs market being challenging with increasing competition with the private sector with the remuneration of professional planners having not kept pace with inflation and the pace of change for planning; all compounded by significant challenges arising for the development sector from the prevailing economic context.
- 2.3 This Consultation therefore responds to both current and future challenges, with a view to identifying actions that could improve the capacity of the planning system by helping build resilience and by strengthening cross-sector collaboration. Part 1 of the Consultation document considers the potential to do things differently or 'work smarter' while Part 2 explores options for leveraging in additional financial resources to better support the system and move towards full cost recovery. The Scottish Government is clear that these proposals are options upon which they invite comment on prioritisation and potential cumulative impact but are also very keen to hear further ideas for resourcing the planning system.
- 2.4 As the Consultation is extensive and has just been launched and will close on 31 May 2024, falling between Committee cycles, delegation to the Depute Chief Executive to respond is being sought. Members' views on the Consultation questions, a copy of which is appended, are welcomed.

RECOMMENDATION

- 3.1 It is recommended that the Consultation response be delegated to the Depute Chief Executive in consultation with the Chair and Vice Chair of Sustainable Development.

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Appendix: Respondent Information Form – Consultation Questions
Background Papers: None

IMPLICATIONS

- 4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	The outcome of the Consultation could in due course result in an increase in fees levied for certain types of applications and introduce scope for planning authorities to locally set some fees.
Legal	Further regulations are likely to emerge from Scottish Government to implements any proposals to be implemented.
Staffing	Some of the measures proposed will increase demand for staff resources while others may generate income to support investment in staff resources.
Assets and Property	None.
Strategic Implications	Implications/None
Risk	None arising from response to Consultation.
Equalities	No equality impact assessment is required by the Comhairle.
Corporate Strategy	Be a sustainable and inclusive Council - communities are empowered and continue to be at the heart of our decision making.
Environmental Impact	None arising from response to Consultation.
Consultation	No external consultation required.

BACKGROUND

- 5.1 The Scottish Government published an independent review of the Scottish planning system in May 2016 with many of its recommendations enacted through the Planning (Scotland) Act 2019. The pace of change in planning has been rapid with many procedural and consultation changes arising from the Act, the introduction of National Planning Framework 4, and for the creation of new style local Development Plans with a longer maximum review cycle of 10 years. This is all at a time of increasingly constrained resources, and significantly increased demands for development including housing and in energy and electricity infrastructure to address climate change and help meet Net Zero targets.
- 5.2 The Consultation states that the Scottish Government is committed to working with all stakeholders to ensure that the planning system is better equipped to deal with current and future challenges. It is an important Consultation seeking input on how best to go about improving resourcing of planning services, in the immediate future and for the years to come.
- 5.3 The Consultation acknowledges that there is no simple answer to the challenge of resourcing planning, given financial constraints and a complex set of circumstances to address. These circumstances include: local authorities continuing to face financial pressure and planning departments having seen a reduction in their resources and workforce; growing demographic challenges for the planning workforce; the wider jobs market being challenging with increasing competition with the private sector; the remuneration of professional planners having not kept pace with inflation; and the pace of change for planning. These are all compounded by significant challenges arising for the development sector, and business and industry from the prevailing economic context.
- 5.4 The Consultation was published on 28 February and closes on 31 May 2024. The Consultation seeks feedback on forty specific questions and a copy of these is contained in the Appendix to this Report.

DETAIL

- 6.1 The focus of the Consultation is on the Development Management process, although there are also some implications arising for Development Planning. Part 1 of the Consultation document considers the potential to do things differently or 'work smarter' while Part 2 explores options for leveraging in

additional financial resources to better support the system and move towards full cost recovery.

Part 1 – Working Smarter

- 6.2 This part of the Consultation document is focused upon Collaboration, Leadership; Performance and Improvement; Digital Innovation; System Changes (Planning Reform); Proportionality; Certainty; Streamlining; Alignment and Standardisation; Skills, Recruitment and Retention; and potential for a Planning Hub, its financing and hosting. Key discussion and proposals around ‘Working Smarter’ include:
- 6.3 Collaboration – an increase in collaboration between authorities, with stakeholders and with the wider development community.
- 6.4 Leadership - the introduction of Chief Planning Officers within each planning authority.
- 6.5 Performance and Improvement – the appointment of Scotland’s first National Planning Improvement Champion (NPIC) appointed in September 2023 who is piloting a new approach to monitoring performance of the system with the introduction of the National Planning Improvement Framework (NPIF). This will replace the previous Planning Performance Framework with key principles focused on self-assessment, peer review, measuring quality, attributes of a high performing planning authority and the need to recognise resources available.
- 6.6 Digital Innovation - use of technology to improve efficiency within the planning system and future-proof planning processes.
- 6.7 System Changes - including the introduction of National Planning Framework 4, and new style local Development Plans including a longer maximum review cycle of 10 years to allow more time to focus on delivery of the Plan; effective community engagement in local Development Planning, extended Permitted Development Rights (PDR); regulations and guidance on Masterplan Consent Areas (MCAs), implementing a new infrastructure levy and work on Compulsory Purchase Reform.
- 6.8 Proportionality - identifying and sharing best practice in proportionate approaches to information requirements, for example proportionate Environmental Impact Assessment reports, flood risk, transport, environment and socio-economic benefit assessments and appraisals.
- 6.9 Certainty - the effectiveness of processing agreements in creating certainty of timescale for determination of applications.
- 6.10 Streamlining, Alignment and Standardisation - standardising approaches and using agreed templates versus the commitment to respect local circumstances and enabling flexibility; considering the scope of Schemes of Delegation; standardisation of styles for Section 75 Planning Agreements; and potential for standardisation of elements of EIA reports for wind farms.
- 6.11 Skills, Recruitment and Retention - the projected demand for planners in Scotland over the next 10 to 15 years (550 to 600 plus potentially 130FTE for added growth); there is recognition of the need for a multi-dimensional approach working with Heads of Planning Scotland (HOPS), Royal Town Planning Institute (RTPI) and other partners including Universities for both undergraduate and post graduate courses; together with the introduction of mandatory training in planning for elected Members.
- 6.12 A Planning Hub – views are sought on the creation of a national planning hub, where such a hub, if supported, could be hosted and how it could be financed/funded/resourced. The hub model, if supported, could potentially ‘house’ a central pool of staff or specialists that would be accessible to planning authorities to use as and when required to assist them with their planning functions. There is a key challenge around how such a hub would operate and how it would be funded, and how planning authorities would draw upon resources from it. Key priorities are suggested as potentially including:

- Providing technical expertise and advice in new or evolving areas, such as energy, heat, biodiversity, or climate adaptation.
- Providing technical support/advice on a topic where the Council has lost expertise.
- Providing additional support to process large or complex applications.
- Helping to provide some additional 'surge' capacity during a period of unexpected staff absence.
- Helping to embed good practice.
- Helping to build confidence and resilience within authorities by providing training, skills sharing and Continuing Professional Development (CPD) opportunities.

Part 2 – Raising Resources

- 6.13 This part of the Consultation document is focused upon Planning Fees, Annual Inflationary Increase, Locally Setting Planning Fees, Increasing Discretionary Charging, Increased Fee for Proposals on Unallocated Sites in the Development Plan, allowing authorities to set their own fees/charges in relation to MCAs and resourcing other parts of the planning system (including Fees for Planning Appeals, introducing a service charge for Digital Services, shifting decision making threshold for applications for electricity generation by local authorities to above the current 50MW and the implications of such a change for resourcing); amount and basis of voluntary fees for applications made to Marine Scotland for Marine Offshore Wind, a new fee category for Hydrogen projects, and reviewing the fees for Prior Notifications and Approvals and for shellfish farming. Consideration is also given to the cumulative impact of such proposals and the various Regulatory Impact Assessments.
- 6.14 Planning Fees –the degree to which planning fees resource the Development Management function of Planning Services will vary across authorities but research on the matter (2019) estimates it to be around 65% of the cost of determining applications. Planning fees were increased in 2014, 2017 and 2022 with a parallel provision allowing authorities to increase discretionary charging for services.
- 6.15 Annual Inflationary Increase - planning fees have been increased irregularly and in recent years in particular have not kept pace with inflation. Proposals include an annual inflationary increase linked to the 12-month Consumer Price Index rate.
- 6.16 Locally Setting Planning Fees – the Consultation states that the Scottish Government, through the Verity House Agreement and the Scottish Budget 2024/25 have committed to looking at planning fees as one area where Councils can be empowered by increased discretion to determine and set fees and charges locally. It is suggested that locally setting planning fees would allow each authority to set their fees in a way which could enable them to meet local needs and demand, achieve full cost recovery and increase accountability for the service they provide. Alternatively, the Scottish Government could continue to set fee levels as is currently the case with authorities given greater scope to identify and implement services which are intended to facilitate the effective and efficient processing of applications which go beyond the current levels of service provided.
- 6.17 Increasing Discretionary Charging – the 2022 increase in planning fees gives authorities the option to introduce charges for providing written confirmation of compliance with conditions, the non-material variation of a planning application, retrospective applications and to introduce charges for entering into pre-application discussions with an applicant. The Consultation is seeking views to allow consideration of the introduction of additional charges; these to focus on actions which support the efficient processing of planning applications to ensure a strong link between what is paid, and the service directly provided.
- 6.18 Fee for Proposals on Unallocated Sites in the Development Plan – the Consultation acknowledges that sites which have been allocated in the Development Plan have been subject to public consultation,

scrutiny by the planning authority and consideration has been given to proposed uses, and that an authority is likely to have greater costs in determining unallocated sites due to the additional work required to identify what information is required to be submitted to support the application, what impact the proposed development may have and identifying any mitigations.

- 6.19 Masterplan Consent Areas - a separate Consultation is underway on Regulations and Guidance for Masterplan Consent Areas. The Investing in Planning Consultation acknowledges that the planning authority will incur costs, for example through the need to analyse the site, consult, prepare a masterplan, and set out the type of development consented along with any necessary conditions, and the Consultation considers that it would be appropriate to allow authorities to set their own fees/charges in relation to MCAs. Authorities may also wish to consider charging for applications covering Approval of Matters Specified in Conditions (AMSCs) within the MCA scheme.
- 6.20 The Consultation document also sets out a wide range of proposals for resourcing 'Other Parts of the planning system'. These are detailed briefly below.
- 6.21 Fees for Planning Appeals – there are extensive proposals and consideration under this heading. The Consultation states that the introduction of fees for appealing is not intended to inhibit access to justice or to discourage applicants from appealing planning decisions; rather the purpose is to ensure that public services are appropriately resourced to deliver the service expected by customers. It is proposed that the fee for appealing a planning decision is the same irrespective of whether the appeal is being considered by a Local Review Body or Scottish Ministers. Consultation input is sought on the types of applications where it is considered a fee should be payable.
- 6.22 Digital Service Charge – planning authorities currently pay a quarterly fee for the Scottish Government hosted eDevelopment portal. The Consultation seeks to explore new ways to fund the ongoing operation of eDevelopment that reduces costs for authorities.
- 6.23 Energy Generation – Onshore - tackling the climate change emergency has led to a significant increase in proposals for electricity generation and storage developments using energy from renewable sources. As technology has moved forward there has been a trend towards taller and more powerful wind turbines. This increase in capacity has meant that a greater proportion of applications are over the 50MW threshold for consideration by planning authorities under the Town and Country Planning Act 1997. The Scottish Government has committed to undertake work to explore the benefits and disadvantages of altering the threshold, and to explore the scope for planning authorities to determine more applications for onshore electricity generating stations. Initial views are sought through this Consultation on the resourcing implications arising from any change to the threshold, including the difference in workload arising were planning authorities to determine more such applications, rather than acting as a statutory consultee under the Electricity Act 1989.
- 6.24 Energy Generation - Offshore – it is the case that where a planning authority is responding to an invitation by Marine Scotland (Marine Renewables) to comment on an application for an offshore generating station, there are resource implications for the planning authority in undertaking the necessary work to comment on the application. Currently there is no recovery of costs for authorities for this work, unlike the voluntary contribution assigned to planning authorities for the consideration of onshore applications. The Consultation seeks initial views on approaches to a voluntary contribution to cover costs.
- 6.25 Energy Generation – Hydrogen projects – the Fees Regulations do not currently include a specific fee category for hydrogen projects and therefore views are sought on the introduction of a new fee category for Hydrogen projects and how these should be set and calculated.
- 6.26 Prior Notification/Approval – there has been an increase in notifications of this type in recent years with fees levied not reflecting the processes and work involved. The Consultation seeks input on

whether this issue is more acute for certain PDR classes and why that is the case.

- 6.27 Shellfish fees – the fee increase introduced in April 2022 has been seen as penal by the shellfish farming industry and a barrier to new development. Revised fee proposals and methodology are proposed in relation to fees for this development sector.
- 6.28 Cumulative Impacts – the Consultation does not envisage that all proposals will be implemented and acknowledges that doing so could lead to significant additional costs for applicants. There are also likely to be costs for authorities in establishing new processes and views are sought on which proposals it is thought should be prioritised.
- 6.29 Regulatory Impact Assessments - due to the wide-ranging nature of the proposals included in the Consultation paper there may be a need to complete more detailed impact assessments when taking forward specific proposals; the Consultation seeks views on these.

CONCLUSION

- 7.1 The scope of the Consultation paper is extensive and arises from the need to identify ways to invest in planning services in the immediate period and for the future. The Consultation acknowledges that there is no simple answer to the challenge of resourcing planning given financial constraints and a complex set of circumstances to address. HOPS has arranged a workshop to be held on 16 April 2024 to discuss a select number of questions within the Consultation in order to seek a level of consensus to inform its own response to the Consultation.
- 7.2 The Scottish Government has been keen to stress that these are proposals, and that the Consultation does not envisage that all proposals will be implemented; it is acknowledged that to do so could lead to significant additional costs for applicants and in some cases prove to be a barrier to development.
- 7.3 As the Consultation has just been launched and will close on 31 May 2024, falling between Committee cycles, delegation to the Depute Chief Executive to respond is being sought. Members' views on the issues raised within the Consultation document and a response to the Consultation questions, a copy of which is appended, are welcomed.