

STRATEGIC PLANNING, SUSTAINABILITY & TRANSPORT COMMITTEE

14 March 2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Planning Performance Agreements (PPAs)

Final Decision-Maker	Strategic Planning, Sustainability and Transport Committee
Lead Head of Service	Rob Jarman
Lead Officer and Report Author	Tim Chapman
Classification	Public
Wards affected	All wards

This report makes the following recommendations to this Committee:

1. That the Committee approves the use of PPAs and the updated PPA fees in Section 2.3 of this report.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all – Encourages the submission of high quality planning applications
- Securing a successful economy for Maidstone Borough – Encourages the submission of high quality planning applications which can be determined more efficiently.

Timetable

Meeting	Date
Strategic Planning, Sustainability and Transport Committee	14 March

Planning Performance Agreements (PPAs)

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report outlines the background and purpose of Planning Performance Agreements (PPAs) and provides a summary of the pilot so far. It requests that Committee approve the use of PPAs in Maidstone.
 - 1.2 The report outlines the fee schedule that is being proposed to accompany this. The proposed fees focus on frontloading application discussions through pre-application packages. It also allows for additional fees to be charged that are relevant to the processing of specific applications.
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2. INTRODUCTION AND BACKGROUND

- 2.1 Planning Performance Agreements (PPAs) were formally introduced into the planning system on 6 April 2008 and seek to improve the quality of planning applications and the decision making process through collaboration. PPAs have been in operation for almost 9 years and are a common mechanism already used by many Local Planning Authorities which are widely recognised by many in the development community. They bring together the Local Planning Authority (LPA), developer and key stakeholders, at an early stage, to work together in partnership throughout the planning process. The Planning Performance Agreement process is a project plan framework through which the local planning authority and applicant manage suitable planning proposals. For a PPA to be successful, it is essential that the local planning authority and the applicant establish a collaborative relationship based on trust, with good communication and regular exchange of information. However, it is important to emphasise that a PPA is not a guarantee, nor an indication of likelihood that the application will be approved. It relates to the process of considering development proposals and not to the decision itself.
- 2.2 By providing a clear project management approach the PPA process offers advantages, including: having a realistic and predictable timetable; a more efficient service; identifying key issues early on in the process; greater transparency and accountability; improved partnership working; and overall better management of the planning application process.
- 2.3 The fee for a planning application subject to a PPA will be the same as that for a normal planning application. The LPA has the power to charge for services provided in the pre-application phase of a PPA, under Section 93 of the Local Government Act 2003. Within Development Management we have taken the approach to focus on encouraging quality applications at the point of submission in addition to the project management a traditional PPA offers. This has the benefit of enabling more efficient processing of the applications and quality design. To fund this emphasis on pre-application advice a revised fee structure has been proposed below. These costs will also cover the case officers' time taken to negotiate the signed PPA. These fees are a guideline as each PPA is bespoke and the final fee will depend on agreed elements of work.

- Large PPA (100units+/5000sqm commercial) Up to 4 pre-app meetings plus Member briefing and signed PPA to be charged at £5000. It is suggested that the Committee consider that a formal design review process is added to the large PPA category, which would increase the fee by £4000 to £9000.
- Medium PPA (50units+/2500sqm commercial) Up to 3 pre-app meetings plus Member briefing and signed PPA to be charged at £3500.
- Small PPA (under 50 units, 2500 sqm commercial or other minor application) Up to 2 pre-app meetings and signed PPA to be charged at £2000.

2.4 The proposed PPA fee table above differs from the PPA Pilot in that a new category ('Small PPA') for scheme of under 50 units or equivalent has been added to reflect customer feedback. As a consequent the previous 'Small PPA' category for 50-100 units has been retitled as 'Medium PPA'.

2.5 However, under Section 93 any charge must be on a not-for-profit basis (year-by-year) and, taking one year with another, the income from charges for such services must not exceed the cost for providing them. Where an LPA agrees to a pre-application fee they may also agree to refund this element once the planning application is submitted if they consider that the application fee would cover the administrative costs of the whole PPA.

2.6 These fees exclude Planning fees (as set by government) and other charges that may be negotiated as part of the PPA. For very large or complex schemes the agreement may also provide a basis for any contributions which have been negotiated to assist with abnormal costs of processing the application. The parties will want to ensure that such payments do not exceed the cost of the additional work involved, are not seen to have any implications for the decision on the application, and do not deflect resources from processing other cases; any additional resource provided in this way needs to be used for additional capacity that is genuinely required to ensure a timely and effective service. These additional charges will be determined on an application by application basis and will reflect the scale and complexity. This category of charges may include additional pre-application meetings if requested by the developer to ensure a quality application. Alternatively additional charges could relate to the processing of the applications for example the use of specialist consultants for viability assessments or a review of ES statements. In addition it is suggested that the Committee consider additional fees for large PPA schemes to cover the review of the application via a mechanism such as Design South East's Design Review Process. This would have the benefit of reviewing and improving design quality of such schemes without additional cost to the Council.

2.7 This approach of frontloading the application creates efficiency post submission which will result in an overall improved performance for all applications by identifying and mitigating in advance bottlenecks in the process. This PPA framework will speed up the planning process through a project management approach which commits both parties to an agreed

timetable containing “milestones” that make clear what level of resources and actions are required and ensure that all key planning issues are properly considered and resolved in a timely fashion. This agreed timescale also moves the department away from using extensions of time as applications with a PPA in place the statutory time limits for determining the application is overtaken by the new determination date agreed in the PPA. The PPA must be signed prior to the submission of the application. The determination date can be updated if required and both parties feel it is necessary. The agreed determination date is what the council will be measured against for PS2 returns, applications that are then determined within the agreed time, will be counted positively for the purposes of the performance management.

2.8 The main differences between PPAs and pre-application discussions are as follows:

- A PPA is an agreed project management plan timetabling necessary work, consultation and communications pre and post submission, including an indicative decision date.
- The pre-application process occurs before the submission of a planning application, to gain advice to guide the drafting of the subsequent application. Typically it consists of a one-off meeting followed by written advice.

2.9 The Pilot commenced in November 2016 and currently consists of four signed PPAs. The total income associated with these PPAs is £24,270. This excludes planning application fees. The following schemes are subject to a PPA:

- Springfield Park – 310 residential units
- Springfield Mill – residential development
- Hen and Duckhurst – reserved matters on a residential development
- Wares Farm, Redwall Lane – commercial development

Negotiations for PPAs on other sites have commenced but are not yet signed.

2.10 Based on the lead officer’s experience, and developer feedback, the following observations can be made:

- The front-loading of the evidence base, a central element of the PPA, can speed up the planning assessment and decision-making process;
- The process of carrying out PPAs is beginning to improve project management practice more generally within the Planning process, not just within PPA schemes;
- The evidence so far is that the PPA fee level is not putting off customers from seeking PPAs. The firming up of the decision deadlines is seen by participating developers as a positive outcome;
- Developers have shown interest in a number of smaller applications than those suggested in the current fee banding, such as a reserved matters, minor material alterations and an application for 7 dwellings. It is recommended that the scope of PPAs should be widened to specifically include such applications, as put forward in Section 2.3;
- Ultimately PPAs can help to strengthen incomes and thus maintain and improve levels of service.

3 AVAILABLE OPTIONS

- 3.1 **Option 1:** That the Committee approves the further investigation of PPAs and a continuation of the Pilots. The final fee structure would need to be approved by committee at a later date.
- 3.2 **Option 2:** That the Committee approves the introduction of PPAs and the associated proposed fees.
- 3.3 **Option 3:** That the Committee decides to not proceed with the introduction of PPAs.
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4 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 2 is the recommended option. The increased focus on the pre-application stage links with the objective of 'front loading' the planning application process so that quality of submissions is improved and a clear timetable is established. This will result in a more efficient service and increased capacity. It also puts in place a format for charging for abnormal costs for processing applications. The Committee have the opportunity to review the operation of PPAs including fee levels in the future.
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5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No specific consultation has been completed for Planning Performance agreements however feedback from Developers was sought from Maidstone Developers Forum in November 2016. Subsequent feedback has been considered in informing this report as detailed in Section 2.10.
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6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Should the Committee agree the setting of fees as put forward in Section 2.3 of this report that would be publicised on the Council's website and via forums such as the Developers Forum.
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7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Introduction of fees and charges can have a significant impact on the Council's objectives. The direct charging of a fee for this service reduces the level of subsidy required	Rob Jarman Head of Planning and Development

	and results in a greater element of the cost is recovered directly from the service users.	
Risk Management	<p>The budget agreed will form part of the medium term financial strategy for 2017/18. The major risk is that the proposed increases do not deliver the income that is reflected in the budget once it is approved. If the income does not reach the levels expected within the budget, the committee will have to take corrective action to manage the shortfall.</p> <p>This risk is faced every year and, where the income generated is not sufficient to reach the budget, corrective action is taken by service managers. In such cases the quarterly budget monitoring report will highlight any significant issues to the Committee. In addition the constitution requires that any significant variances from income targets are reported to the Policy & Resources Committee along with proposed actions to resolve the budget pressure created.</p>	Director of Finance & Business Improvement
Financial	The budget agreed will form part of the medium term financial strategy for 2017/18 and PPAs will assist in delivering the budget, given the volatility of Planning Fee income.	Director of Finance & Business Improvement
Staffing	No specific issues have been identified.	Rob Jarman Head of Planning and Development
Legal	No specific issues have been identified.	Legal Team
Equality Impact Needs Assessment	No specific issues have been identified.	Policy & Information

		Manager
Environmental/Sustainable Development	No specific issues have been identified.	Rob Jarman Head of Planning and Development
Community Safety	No specific issues have been identified.	Rob Jarman Head of Planning and Development
Human Rights Act	No specific issues have been identified.	Rob Jarman Head of Planning and Development
Procurement	No specific issues have been identified.	Rob Jarman Head of Planning and Development
Asset Management	No specific issues have been identified.	Rob Jarman Head of Planning and Development

8 REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- **Appendix A:** PPA template

9 BACKGROUND PAPERS

None