



**RTPI  
Research  
Paper**

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# **FINANCIAL IMPLICATIONS OF IMPLEMENTING THE PLANNING (SCOTLAND) ACT 2019**

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## 1. Executive Summary

The Royal Town Planning Institute (RTPI) is the champion of planning and the planning profession. We work to promote the art and science of planning for the public benefit. We have around 2100 members in Scotland and a worldwide membership of over 25,000. RTPI Scotland's members will in large part be responsible for the successful implementation of the Planning (Scotland) Act. We want to ensure that the planning system works effectively and efficiently so that it can manage the development and use of land in the long term public interest.

This research has been undertaken to assess the impact of the changes made to the planning system by the Planning (Scotland) Act 2019 and start a productive discussion on how to more effectively resource the planning service. It outlines the new duties that will fall on planning authorities that have been included in the Act and provides an analysis of the potential costs of implementing them. The costing estimates are indicative and have been made with the information currently available. They have minimum and maximum ranges to take account of differing scenarios. RTPI Scotland would like to thank Heads of Planning Scotland and COSLA for their support throughout this costing exercise. Our research has found that:

- 49 new and unfunded additional duties have been placed on planning authorities by the Planning (Scotland) Act 2019.
- The cost of implementing these could be between £12.1M and £59.1M over a ten year period.
- If this is the case it is estimated that staff numbers will need to increase from between 1.9% and 9.4% to merely maintain a 'business as usual' planning service.

- If central funding for communities wishing to produce Local Place Plans is not secured an additional cost of £3.28M and £9.84M could be incurred by planning authorities over a ten year period
- 40 additional duties have been placed on Scottish Government, which could lead to a saving of between £0.28M and £0.33M has been made over a ten year period.
- This comes at a time when
  - planning authorities' budgets have decreased in real terms by 40.8% and staff numbers have been cut by 25.7% since 2009
  - development management and development planning functions only make up 3.2% of local authority net revenue budgets
  - over 35% of staff in Scottish planning services are over 50 years old
  - there is a static number of planning graduates entering the profession

## 2. Recommendations

Based on this analysis and the resourcing context, to implement the Planning (Scotland) Act, RTPI Scotland recommends the following:

1. Scottish Government should look to cover the costs of these new duties in forthcoming spending review and budget allocations.
2. Scottish Government should consider the resource implications of the new duties when programming their implementation so as to manage resource demand for planning authorities.
3. Scottish Government should consider the costs of implementing each of the new duties and agree a resource plan when introducing them through secondary legislation or guidance.
4. Scottish Government should feed the results of this research into its forthcoming consultation on future approaches to resourcing the planning system.
5. Scottish Government should be clear about where funding will come from to support communities who wish to prepare Local Place Plans.
6. Local authorities should recognise the need to finance planning services effectively to help them achieve their ambitions. RTPI Scotland is willing to work with Chief Executives and SOLACE to achieve this.
7. Local authorities should ensure that any revenue generated from processing applications is reinvested in the planning service.
8. Scottish Government guidance on statutory Chief Planning Officers should recognise the need for these positions to be important corporate players whom should be engaged early in decision making.

## 3. Background

Attaining new climate change targets, growing the economy and creating a fairer Scotland depends on the country having enough planners to administer the planning system. If we are not able to process planning applications and agree development plans we won't be able to build more new homes, tackle climate change, regenerate our town centres or protect our most treasured buildings and landscapes.

### The Resourcing Context

Over the last 10 years we have seen disinvestment in planning authorities in Scotland.

- There have been major reductions in planning authorities' budgets. Figures from Scottish Local Government Provisional Outturn and Budget Estimates for 2019 show that only 0.32% of net revenue budgets in local authorities were spent on development management and development planning<sup>1</sup>. This is a reduction from 0.63% in 2015.
- Scottish Local Government Financial Statistics 2009/10 and 2016/17 show planning authorities' budgets decreasing in real terms by 40.8% since 2009<sup>2</sup>.
- Scottish Government figures show that between 2009/10 and 2016/17 expenditure on planning reduced by 25%, the highest of any local government service by a margin of 10%<sup>3</sup>.
- Budget cuts are impacting staffing numbers. A comparison between the Planning Workforce Survey 2010 and the Planning Performance Frameworks for 2017/18 highlight that there has been a 25.7% loss of staff in planning services since 2009<sup>4</sup>.
- Research published by Heads of Planning Scotland and CIPFA in 2018 and 2019 showed that planning application fees of only met 68% of development management costs. The work also evaluated the impact on the planning fees for major scale applications being increased in June 2017. It showed that despite the £4.2M additional fee income generated across Scotland the fee increase will not cover the disparity between income and expenditure nor provide full cost recovery<sup>5</sup>.
- The average number of graduate planners going through RTPI accredited courses each

<sup>1</sup> Scottish Government (2019) *Local Government Capital Expenditure & Financing –2018-19 Provisional Outturn and 2019-20 Budget Estimates*. March. Available at: <https://bit.ly/2UdqQ9K>

<sup>2</sup> RTPI Scotland (2019) *Resourcing the Planning System: Key Trends and Findings 2019*. April. Available at: <https://bit.ly/2WxNNVr>

<sup>3</sup> *ibid*

<sup>4</sup> *ibid*

<sup>5</sup> Heads of Planning Scotland (2019) *Action Report on Recent CIPFA/HOPS Survey on Costing the Planning Service in Scotland*. March. Available at: <https://bit.ly/2NyWEEI>



year in Scotland is around 100. Not all of these will go on to work in Scotland<sup>6</sup>.

- Data gathered from planning authorities' Planning Performance Frameworks indicate that only around 9% of staff in planning authorities are under 30 whilst over 35% of are over 50 years old.<sup>7</sup>

## The Planning (Scotland) Act

Given the pressure on resources in planning authorities, there was a need to ensure that the introduction of a new Planning Act does not exacerbate this and place further demands on an already overstretched service.

When the Planning (Scotland) Bill was laid before Parliament on 5<sup>th</sup> of December 2017 the financial memorandum accompanying<sup>8</sup> it said that it presented a cost-neutral approach. It argued that although a number of new duties and provisions were included these would be offset by, for example, increasing the life of local development plans from 5 years to 10 years and abolishing strategic planning.

During the stage 2 debate in Parliament 91 new duties and responsibilities were introduced without identifying the resources required to undertake them: 66 new and unfunded duties would have been put on planning services with a further 25 responsibilities placed on Scottish Government<sup>9</sup>. A revised Financial Memorandum estimated that this would cost planning authorities between £18.84M and £74.33M<sup>10</sup>. It also said that the figures for developers would be between £395.20M and £1,176.79M, whilst it would cost communities £11.96M. This led to a number of organisations including RTPI Scotland, Heads of Planning Scotland and the Scottish Property Federation, to voice concerns about the need to either drop these new duties or ensure that resources were found to fund them.

## Resources

During the stage 3 debate in Parliament on the Bill, a number of duties were removed. However, a number were retained and some added. This research therefore, looks to assess the impact of the changes made to the planning system by the agreed Planning (Scotland) Act 2019. It quantifies the number of new duties that will fall on planning authorities and provides an analysis of the potential costs of implementing them.

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<sup>6</sup> RTPI Scotland (2019) *Resourcing the Planning System: Key Trends and Findings 2019*. April. Available at: <https://bit.ly/2WxNNVr>

<sup>7</sup> *ibid*

<sup>8</sup> Scottish Government (2017) *Planning (Scotland) Bill Policy Memorandum*. December. Available at: <https://bit.ly/2Zv3Zvh>

<sup>9</sup> RTPI Scotland (2018) *Planning (Scotland) Bill – Additional Duties Introduced at Stage 2*. December. Available at: <https://bit.ly/2Zn0WpG>

<sup>10</sup> Scottish Government (2019) *Revised Financial Memorandum for Planning (Scotland) Bill as Amended at Stage 2*. March. Available at: <https://bit.ly/2U5Xiug>

The costing estimates are indicative and have been made with the information currently available. Uncertainties over the scale of some tasks and local take up mean that this is not an exact science and therefore minimum and maximum ranges have been produced to take account of differing scenarios. However, the analysis builds upon the approach taken for the Financial Memorandum for Stage 3 of the Planning Bill. Support was provided by Heads of Planning Scotland and COSLA throughout the research process. The assumptions made and calculations are included in the report to ensure transparency. When secondary legislation and guidance is produced more detailed financial projections can be made. RTPI Scotland wants this research to be used as a constructive tool to move forward discussions on how we effectively resource the planning system.

RTPI Scotland is aware that many hidden costs of the additional duties for planning authorities have not been estimated in this work, for example, the purchase of new software, additional staff training requirements and the production of new information materials for the public. Whilst the Act will certainly incur additional costs for Key Agencies and applicants this is outwith the scope of this research.

### Local Place Plans

A particular issue is that Local Place Plans (LPPs) will have wide-ranging costs on planning authorities depending on uptake and funding made available to communities by Scottish Government. It is estimated that LPPS could cost between £3.28M and £9.84M over a ten year period. It is not clear whether these costs will fall upon planning authorities, Scottish Government, communities themselves, or a contribution from all.

## 4. Costings of Additional Duties for Planning Authorities

The table below sets out the new duties that have been introduced through the Act for planning authorities and contains an estimate for each of these.

| <b>Additional Duty</b>  | <b>Lower estimate</b> | <b>Higher estimate</b> |
|---|-----------------------|------------------------|
| 1. Information to assist in the preparation of NPF in regards to the principal physical, cultural, economic, social, built heritage and environmental characteristics of the area | £52,299               | £52,299                |

|  |   |             |
|--|---|-------------|
| 2. Information to assist in the preparation of NPF in regards to the capacity of education services in the area  | £225,428  | £225,428    |
| 3. Information to assist in the preparation of NPF in regards to the capacity of health services in the area   | £450,857  | £450,857    |
| 4. Information to assist in the preparation of NPF in regards to the health needs of the population of the area  | £18,034   | £18,034     |
| 5. Information to assist in the preparation of NPF in regards to the housing needs of the population of the area, the housing needs of older people and disabled people within the area                    | £450,857  | £450,857    |
| 6. Information to assist in the preparation of NPF in regards to the desirability of allocating land for the purposes of resettlement  | £149,684  | £149,684    |
| 7. Information to assist in the preparation of NPF in regards to the infrastructure of the area (including communications, transport and drainage systems and systems for the supply of water and energy), | Work already undertaken in planning authorities |             |
| 8. Information to assist in the preparation of NPF in regards to how that infrastructure is used   | Work already undertaken in planning authorities |             |
| 9. Information to assist in the preparation of NPF in regards to the supply of energy including land available for the development and use of facilities for renewable sources of energy                   | £18,034   | £18,034     |
| 10. A planning authority is to prepare and publish an open space strategy  | £450,000  | £450,000    |
| 11. Contribute evidence to Scottish Ministers towards a report on how the planning system is operating to help ensure that the housing needs of older people and disabled people are met                   | £690,000  | £690,000    |
| 12. A planning authority, or two or more such authorities acting jointly, are to prepare and   | £4,080,000                                      | £23,800,000 |

|   |          |          |
|---|----------|----------|
| adopt a regional spatial strategy   |          |          |
| 13. LDP is to include a statement of the planning authority's policies and proposals as to the provision of water refill locations  | £225,428 | £225,428 |
| 14. LDP is to include a statement of the planning authority's policies and proposals as to the provision of public conveniences   | £225,428 | £225,428 |
| 15. LDP is to include targets for meeting the housing needs of people living in the part of the district to which it relates, the housing needs of the population of the area, including, in particular, the needs of persons undertaking further and higher education, older people and disabled people and the availability of land in the district for housing, including for older people and disabled people | £901,714 | £901,714 |
| 16. LDP is to include evidence in regards to the desirability of allocating land for the purposes of resettlement   | £149,684 | £149,684 |
| 17. LDP is to include evidence in regards to the health needs of the population of the district and the likely effects of development and use of land on those health needs   | £34,265  | £34,265  |
| 18. LDP is to include evidence in regards to the education needs of the population of the district and the likely effects of development and use of land on those education needs   | £450,857 | £450,857 |
| 19. LDP is to include evidence in regards to the extent to which there are rural areas within the district in relation to which there has been a substantial decline in population  | £34,265  | £34,265  |
| 20. LDP is to include evidence in regards to the capacity of education services in the district   | £450,857 | £450,857 |
| 21. LDP is to include evidence in regards to the desirability of maintaining an appropriate number and range of cultural venues and facilities (including in particular, but not limited to, live music venues) in the district   | £34,265  | £34,265  |



|   |                                     |               |
|---|-------------------------------------|---------------|
| 22. LDP is to include evidence in regards to the supply of energy including land available for the development and use of facilities for renewable sources of energy  | £34,265                             | £34,265       |
| 23. LDP is to have regard to the desirability of preserving disused railway infrastructure for the purpose possible future public transport requirements  | £34,265                             | £34,265       |
| 24. A planning authority must make such arrangements as they consider appropriate to promote and facilitate participation by children and young people (meaning for the purpose of this section a person aged 25 or under) in the preparation of the LDP  | £204,000                            | £408,000      |
| 25. LDP evidence report must include a summary of the action taken by the planning authority to support and promote the construction and adaptation of housing to meet the housing needs of older people and disabled people in the authority's area and an analysis of the extent to which the action has helped to meet those needs | See estimate for additional duty 19 |               |
| 26. LDP must include a summary of the action taken by the planning authority to meet the accommodation needs of Gypsies and Travellers in the authority's area and an analysis of the extent to which the action has helped to meet those needs.  | See estimate for additional duty 28 |               |
| 27. LDP evidence report must set out how the planning authority has invited local communities in their district to prepare local place plans in accordance with the schedule and the assistance provided to local communities to assist them to prepare local place plans   | See section 6                       | See section 6 |
| 28. LDP evidence report must set out action taken to include the views of Gypsies and Travellers in the authority's area  | £102,000                            | £1,806,000    |
| 29. LDP evidence report must set out action taken to include the views of disabled persons  | £51,000                             | £51,000       |

|  |   |             |
|--|---|-------------|
| 30. LDP evidence report must set out action taken to include the views of children and young people  | See estimate for additional duty 23             |             |
| 31. LDP evidence report must set out action taken to include the views community councils  | £34,000   | £1,200,000  |
| 32. A planning authority must assess the sufficiency of play opportunities in its area for children in preparing an evidence report  | £450,000  | £450,000    |
| 33. A planning authority is to prepare and maintain a list of persons who have registered interest with the authority with the intention of acquiring land in the authority's area for self-build housing. | £1,360,000                                      | £3,410,000  |
| 34. Every planning authority must keep a register of local place plans.  | £680,000  | £2,040,000  |
| 35. Planning authorities are to publish an invitation to local communities in their district to prepare local place plans  | See section 6                                   |             |
| 36. The making and alteration of masterplan consent area schemes including annual reporting  | £340,000  | £680,000    |
| 37. A planning authority may designate all or part of its area as a short-term let control area  | £640,710  | £14,756,800 |
| 38. The consideration is to be given, before planning permission for a national development or a major development is granted, to the likely health effects of the proposed development                    | £421,757  | £538,450    |
| 39. Notice by planning authority of certain applications made to them  | No significant resource requirements estimated  |             |
| 40. Assessment of environmental effects to include the net positive effects on biodiversity that would be likely to result from the development.   | £101463   | £395,174    |
| 41. Noise-sensitive development to be subject to conditions, which take account of whether the development includes sufficient measures to mitigate, minimise or manage the effect of noise                | Work already undertaken in planning authorities |             |

|   |   |                    |
|---|---|--------------------|
| between the development and any existing cultural venues or facilities  |   |                    |
| 42. Provision of toilet facilities within certain large developments  | £9,478  | £21,360            |
| 43. A planning authority must prepare and keep under review a scheme of delegation  | Work already undertaken in planning authorities |                    |
| 44. Determination of applications: statement to accompany the notification  | Work already undertaken in planning authorities |                    |
| 45. As soon as reasonably practicable after the end of each financial year, a planning authority is to prepare and publish a report in regards to planning obligations                                  | £68,000   | £102,000           |
| 46. Local authorities must have regard to any guidance published by Scottish Ministers in relation to the promotion and use of mediation  | £136,000  | £13,136,000        |
| 47. Enforcement charters are to contain a statement in relation to the planning authority's monitoring of compliance with planning permissions which have been granted in respect of major developments | £340,000  | £680,000           |
| 48. Annual report on the performance of functions   | Work already undertaken in planning authorities |                    |
| 49. Notice by planning authority of applications for LBC  | -   | -                  |
| 50. A planning authority is to prepare a forestry and woodland strategy.  | £80,000   | £120,000           |
|   |   |                    |
| <b>Gross cost over 10 years</b>   | <b>£16,616,879</b>                              | <b>£63,741,685</b> |
|   |   |                    |

|                               |             |             |
|-------------------------------|-------------|-------------|
| <b>Savings over 10 years</b>  |             |             |
| LDPs                          | -£2,239,000 | -£2,239,000 |
| SDPs + NPF                    | -£2,239,000 | -£2,239,000 |
| Supplementary guidance        | -£5,210,000 | -£5,210,000 |
|                               |             |             |
| <b>Net cost over 10 years</b> | £12,138,880 | £59,263,685 |

## 5. Calculations

The assumptions made and calculations undertaken for the costing estimates are set out below.

### Regional Spatial Strategies (RSSs)

With provisions for RSSs in the Planning (Scotland) Act, accurately anticipated costings will be reliant on the detail provided by secondary legislation and guidance. Depending on how many RSSs are established and the degree to which they are funded by local authorities a range of estimated costs can be generated. In doing this forecast, we have made two separate estimations based on a low funding and a high funding scenario. The higher funding scenario uses funding figures from the current Strategic Development Planning Authorities (SDPAs), in terms of yearly contribution from authorities. The low funding scenario costs a three year period of plan preparations, with a minimal amount of resource from local authorities.

*Table 1: Regional Spatial Strategies: Summary of projected costs for planning authorities (low and high funding scenarios)*

|                       | Costs/planning authority/yr | For 1 year (x34 planning authorities) | Total over 10 years (x34 planning authorities) |
|-----------------------|-----------------------------|---------------------------------------|--|
| Low funding scenario  | £30,000                     | £1,020,000                            | £4,080,000 (4 years)                           |
| High funding scenario | £70,000                     | £2,380,000                            | £23,800,000 (10 years)                         |

## New requirements for content of development planning

*Table 2: New requirements for content of development planning*

Figures shown are the proportion of FTE of a senior planner (@ £53,042), per authority. 0.83 = 1 month, 0.019 = 1 week. This is consistent with the methodology used in the Financial Memorandum published for the stage 3 debate on the Bill.

|  | Info for NPF | LDP                   |
|--|--------------|-----------------------|
| Local characteristic evidence  | 0.01         | 0.019                 |
| Population statistics  |              |                       |
| Education statistics - capacity, needs and effects of the likely effects of development and use of land on those education needs | 0.125        | 0.25                  |
| Health service capacity  | 0.25         | 0.5                   |
| Population health needs  | 0.01         | 0.019                 |
| Desirability of resettlement land allocations  |              | 0.083                 |
| Evidence for renewable energy land supply  | 0.01         | 0.019                 |
| Water refill evidence  |              | 0.019                 |
| Public convenience evidence  |              | 0.019                 |
| Student, elderly, disabled housing need evidence   | 0.25         | 0.5                   |
| Rural decline evidence   |              | 0.125                 |
| Cultural venues and facilities evidence  |              | 0.125                 |
| Disused railway evidence   |              | 0.019                 |
| Evidence action on older and disabled housing  |              | See student, elderly, |



|  |  |                                |
|--|--|--------------------------------|
|  |  | disabled housing need evidence |
|--|--|--------------------------------|

## Participation of young persons in LDP

To undertake the engagement needed to meet the statutory requirement to produce evidence on engagement with young persons for LDPs, the estimations would be as follows:

We estimate the sum of £5,000 - £10,000 to engage with schools and £1000 - £2000 to engage with youth councils and youth parliament representatives per LDP.

Low estimate costing:  $£6000 \times 34 = £204,000$

High estimate costing:  $£12,000 \times 34 = £408,000$

## Participation of Disabled Groups in LDP

To undertake the engagement needed to meet the statutory requirement to produce evidence on engagement with disabled groups for LDPs, we would estimate a cost of £1500 per workshop. This would account for venue hire, facilitation, catering, travel and write up. This is a higher estimation than workshops for Community Councils to reflect the need to provide transportation to ensure events are accessible and inclusive for disabled groups.

$34 \times £1500 = £51,000$

## Participation of Community Council in LDP

To undertake the engagement needed to meet the statutory requirement to produce evidence on engagement with Community Councils for LDPs, the estimations would be as follows:

We estimate workshops with Community Councils to cost £1000 per workshop to cover venue hire, facilitation, catering, travel and write up. There are currently 1200 Community Councils in Scotland. Therefore the maximum estimation is calculated as:

$1200 \times £1000 = £1,200,000$

If the minimum of one workshop was to be undertaken per authority, then an estimated cost would be calculated as:

$34 \times £1000 = £34,000$

## Participation of Gypsy and Traveller groups in LDP

To undertake the engagement to inform the statutory requirement to produce evidence on

engagement with Gypsy/Traveller communities for LDPs, the estimations would be as follows:

Considering that engagement with Gypsy/Traveller communities can pose specific challenges beyond typical engagement exercises, the estimated cost of £1,000 per workshop has been increased to £3,000. This would account for venue hire, facilitation, catering, travel and write up, over multiple days. There are currently 54 Gypsy/Traveller sites across Scotland with an estimated 748 pitches, with an average of 13.9 pitches per site<sup>11</sup>. Using an average occupancy of 2.39 persons per caravan<sup>12</sup> an estimated number of travellers of 1,787 are on registered sites. Organisations that work with Gypsy/Travellers believe Scotland's community comprises 15,000 to 20,000 people<sup>13</sup>. This makes an upper estimate of 8368 for the number of pitches across Scotland and 602 sites.

Therefore a maximum estimation, in which every community is consulted would be:

$$602 \times £3000 = £1,806,000$$

However not all Gypsy/Travellers live on authorised encampments. Therefore planning authorities will likely need to reach out to those who may be using unauthorised encampments or settled housing, as well as those using formal sites.

To calculate a lower estimate one consultation would be carried out per LDP, therefore, the minimum estimate would be:

$$34 \times £3000 = £102,000$$

## Play Sufficiency Assessment

From the Financial Memorandum published for the stage 3 debate on the Bill:

*“Taking account of these variances [from Welsh Play Sufficiency Assessment] would result in an estimate for assessments meeting the requirements in the Bill totalling around £450,000 across Scotland”*

## List of Persons Seeking Land for Self-Build

From the Financial Memorandum, in regards to setting up a register of Culturally Significant Zones the estimations were as follows:

*“Establishing a list or register is expected to cost around £10,000 per authority, and £5,000 per year thereafter to maintain it, giving an overall cost of £2,040,000 over 10 years”*

As self-build registers will require contact individuals a higher estimated cost of £10,000 per year to

<sup>11</sup> Scottish Government (2019) *Gypsy/Traveller Sites in Scotland*. April. Available at: <https://bit.ly/2ZknK9C>

<sup>12</sup> South Cambridgeshire District Council (2014) *Gypsy and Traveller Development Plan Document Frequently Asked Questions*. March. Available at: <https://bit.ly/2Laq35d>

<sup>13</sup> <https://www.gov.scot/policies/gypsy-travellers/>

maintain the register has been included, giving an upper estimate of £3,410,000 over 10 years has been calculated.

However similar to one of the scenarios provided for Local Place Plans beneath this could potentially be provided centrally through the eDevelopment service costing Scottish Government around £40,000 for set-up and technical maintenance, and £1,360,000 for planning authorities for maintaining the information.

## Masterplan Consent Areas

From the Financial Memorandum published for the stage 3 debate on the Bill:

*“Planning authorities already have a duty to review whether an SPZ should be prepared for any part of their area. Publishing a report on the equivalent review for MCAs is not expected to add any significant cost, particularly as it can be part of the LDP delivery programme the planning authority will be obliged to produce. Costs of including the report on MCAs may be £1,000 to £2,000 for each authority per year.”*

This leads to an MCA report estimates of between £340,000 - £680,000, over ten years for planning authorities.

The difficulty of assessing the costs of producing MCAs for planning authorities means that this estimate has not been included in this work.

However from the Financial Memorandum:

*“The preparation of any MCAs is optional for planning authorities, and should be based on an analysis of the costs and the benefits to be achieved, as set out in paragraph 81. The cost of any individual scheme may range from £15,000 to £200,000; it may be possible for the authority to recoup some of this cost in discretionary fees.”*

## Short-term Lets

The Financial Memorandum published for the stage 3 debate on the Bill estimates of 1,521 – 11,500 new potential planning applications a year, in a scenario in which all local authorities across Scotland would set out that the use of a dwellinghouse for the purpose of providing short-term lets is deemed to involve a material change of use of the dwellinghouse. Taking into consideration recent research published by HOPS<sup>14</sup> where figures showed that planning fees only cover 68% of the cost of handling applications. With a planning fee of £401 a high cost scenario where all planning authorities designate all or part of their area as a short term let control area would be:

<sup>14</sup> Heads of Planning Scotland (2019) *Action Report on Recent CIPFA/HOPS Survey on Costing the Planning Service in Scotland*. March. Available at: <https://bit.ly/2NyWEEI>

High cost scenario: £189 x 11500 applications x 10 years = £21,735,000

Low cost scenario: £189 x 1,521 applications x 10 years = £2,874,690

## Assessment of Health Effects

The average cost of days training in terms of staffing and travel is £216 x 1265 planners in Scotland = £273,240

In the Planning (Scotland) Act the assessment of health effects is in relation to national or major developments. In 2018/19 a total of 325 Major Development decisions were made. Therefore if considering that the level of Major Development applications remains steady over the next ten year period and a higher predicted time of 3 hours to assess report is used a higher estimated cost would be calculated as:

3 hours of Senior Planner time x 325 = 0.5 FTE Senior Planner (@£53,402) x 10 years = £265,210  
+ £273,240 = £538,450

However by taking an average of decisions made on applications for major applications between 2013/14 – 2016/17<sup>15</sup> a lower average number of applications could be calculated at 272. A lower estimated time of 2 hours to assess the report has been used to provide a lower estimate:

2 hours of Senior Planner x 272 = 0.28 FTE Senior Planner (@£53,402) x 10 years = £148,517.60  
+ £273,240 = £421,757.60

## Assessment of Environmental Effects (Biodiversity)

As the biodiversity assessment is as an addition to current assessment of environmental effects, it is assumed to be less onerous than assessment of health effects. Therefore a lower estimation of officer time has been estimated between 0.5 – 1 hour.

The average cost of one day's training in terms of staffing and travel is £216 x 1265 planners in Scotland = £273,240

In the Planning (Scotland) Act a provision adds biodiversity to the provisions in EIA regulations. Roughly 5% of planning applications require EIAs. In 2018/19, 27698 local and major applications were decided by Planning Authorities. Therefore if the level of major and local planning applications is considered to remain steady over the next ten years, the lower estimated anticipated costs for planning authorities would be:

0.5 hours Senior Planner time x 1385 = 0.19 FTE Senior Planner (@£53,402) x 10 years = £101,463.80

However by taking an average of decisions made on applications for major and local applications

<sup>15</sup> <https://www2.gov.scot/Resource/0053/00538604.docx>

between 2013/14 – 2016/17 a higher average number of applications could be calculated at 29241. A higher estimation of costs for planning authorities would therefore be:

1 hour Senior Planner time x 1462 = 0.74 FTE Senior Planner (@£53,402) x 10 years = £395,174.80

## Provision of Toilet Facilities in Large Developments

Assuming the process to check for the provision of toilet facilities in large developments is less onerous than the assessment of health effects a lower estimation of officer time has been estimated between 0.5 – 1 hour.

The Financial Memorandum estimates these provisions to affect 70 – 80 developments a year.

A higher predicted time of 1 hour to assess provisions has been used for an upper estimate:

1 hour of Senior Planner time x 80 = 0.04 FTE Senior Planner (@£53,402) x 10 years = £21,360.8

A lower estimated time of 0.5 hours to assess the report has been used to provide a lower estimate

0.5 hours of Senior Planner x 70 = 0.018 FTE Senior Planner (@£53,402) x 10 years = £9,478

## Planning Obligations Publication

From the Financial Memorandum:

*“Planning authorities produce a voluntary annual performance report, which is estimated to cost £2,000 to £3,000 for each authority. It is assumed that the annual report on planning obligations might cost a similar amount, totalling £68,000 to £102,000 per year.”*

## Mediation

As the provision in the Planning (Scotland) Act place a duty on Scottish Ministers to issue guidance for mediation it is unclear whether the costs will fall on the planning authority or the developer.

High cost scenario pre-application:

Pre-application mediation is estimated to be between £900 and £4000, depending on whether it is between individuals or is a group mediation involving a community.

In 2018/19 a total of 325 Major Development decisions were made. Therefore if considering that the level of Major Development applications remains steady over the next ten year period and every one triggered a group mediation process the anticipated costs to the system would be:

£4,000 x 325 x 10 = £13,000,000

Due to the heightened importance of an LDP to community groups/developers/individuals compared to a Major Developments, for the purposes of this estimation, it is assumed that every



LDP preparation processes will trigger a mediation process and that the mediation will be a group one. This will give me a rough estimate of £4000 per LDP.

$$34 \times £4,000 = £136,000$$

A low cost scenario would assume that developers will cover the costs of mediation, except in the LDP preparation process. Therefore a low cost scenario for planning authorities would be:

$$34 \times £4,000 = £136,000$$

## Enforcement Charters Statement on Major Applications

This calculation has been approximated from the FM at stage 3 which estimates the cost of including the report on MCAs may be £1,000 to £2,000 for each authority per year.

This leads to an estimates of between £340,000 and £680,000 over ten years for planning authorities, for statements on major developments in enforcement charters.

## Annual Report on Performance of Functions

From the Financial Memorandum:

*“Planning authorities produce a voluntary annual performance report, which is estimated to cost £2,000 to £3,000 for each authority.”*

Therefore it is assumed that the annual report on performance of functions might cost between £68,000 and £102,000 per year.

## Listed Building Consent Neighbourhood Notification Procedures

Due to the lack of detail in the provisions for Listed Building Consent neighbourhood notification, it is, at this stage, too difficult to assess the costs for planning authorities and therefore no estimates have been included in this work.

## Forestry and Woodland Strategy

4 planning authorities do not have currently have up-to-date forestry and woodland strategies including Fife, Shetlands, Aberdeen City and Comhairle nan Eilean Siar.

Woodland strategies are estimated to cost between £20,000 and £30,000 therefore producing 4 additional plans would bring estimates of between £80,000 and £120,000.

# 6. Local Place Plan duties and calculations

As discussed above Local Plan Plans have wide-ranging costs on planning authorities depending on uptake and funding made available to communities by Scottish Government. The two additional duties as set out above are:

27. LDP evidence report must set out how the planning authority has invited local communities in their district to prepare local place plans in accordance with the schedule and the assistance provided to local communities to assist them to prepare local place plans

35. Planning authorities are to publish an invitation to local communities in their district to prepare local place plans

From the Financial Memorandum published for the stage 3 debate on the Bill:

*“The requirement to establish a register and map of LPPs will have some costs, which may fall to planning authorities or to the Scottish Government. In line with other registers of information it is considered that it will cost around £10,000 for each authority to set up such a register, and £5,000 per year to maintain it, costing up to £2,040,000. However, if the new requirements are provided centrally through the eDevelopment service this figure would be reduced to around £40,000 for the Scottish Government, for set-up and technical maintenance, and £680,000 for planning authorities for maintaining the information.”*

In terms of calculating the costs of providing evidence to support requirements to report invitation to support

In England, over the six years since the 2011 Localism Act, 1969 Neighbourhood Plan areas have been designated<sup>16</sup>, giving an average of 328 Neighbourhood Plan areas designated per year.

With roughly 320 planning authorities in England, we could estimate the volume of Local Place Plans to be 10 times less in Scotland. Therefore using the above figures we can estimate 328 LPPs to be produced in ten years.

Current estimates from work undertaken with Charrettes and community plans are between £10,000 and £30,000 each per plan.

Low costing estimate: £10,000 x 328 = £3,280,000

High costing estimate: £30,000 x 328 = £9,840,000

In England, all groups undertaking a neighbourhood plan or neighbourhood development order are eligible to apply for up to £9,000 of basic grant funding. Whether a central fund is set up by Scottish

<sup>16</sup> Lichfields (2018) *Local choices? Housing delivery through Neighbourhood Plans*. May. Available at: <https://bit.ly/2Zt8lOe>

government to support will have therefore have a profound impact on resourcing required from planning authorities. Regardless, providing information and support will have a resourcing impact on planning authorities.

## 7. Costings of additional duties for Scottish Government

Our research shows a slight cost saving for the 10 year period for the Scottish Administration of between £252,965 and £332,965. 40 additional duties placed on the Scottish Government from the Planning (Scotland) Act 2019 are as follows:

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| 1. NPF to contain such maps, diagrams, illustrations and descriptive matter as may be prescribed of rural areas in relation to which there has been a substantial decline in population  |
| 2. NPF to have regard to any national strategy and action plan for housing prepared by the Scottish Ministers  |
| 3. NPF statements relating to national developments must have regard to an infrastructure investment plan published by the Scottish Ministers and include a statement setting out the ways the plan has been taken into account in preparing the framework |
| 4. NPF must have regard to any national transport strategy prepared by the Scottish Ministers  |
| 5. NPF must have regard to any strategic transport projects review prepared by the Scottish Ministers to set out their priorities for transport investment   |
| 6. NPF must have regard to the land use strategy prepared under section 57 of the Climate Change (Scotland) Act 2009   |
| 7. NPF must have regard to the programme for adaptation to climate change prepared under section 53 of the Climate Change (Scotland) Act 2009  |
| 8. NPF regard to any national strategy in respect of the improvement of air quality prepared by the Scottish Ministers   |
| 9. NPF have regard to any land rights and responsibilities statement prepared under section 1 of the Land Reform (Scotland) Act 2016   |
| 10. NPF have regard to any national strategy or action plan for the ownership or use of land prepared by the Scottish Ministers  |
| 11. NPF have regard to the national marine plan prepared under section 5 of the  |

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| Marine (Scotland) Act 2010   |
| 12. NPF have regard to the desirability of resettling rural areas that have become depopulated   |
| 13. NPF have regard to the desirability of preserving disused railway infrastructure for the purpose of ensuring its availability for possible future public transport requirements  |
| 14. NPF have regard to the desirability of preserving peatland   |
| 15. NPF participation statement from Scottish Ministers of when consultation as regards the proposed revised framework is likely to take place, with whom they intend to consult, the steps to be taken to involve the public at large in the consultation and the likely form of the review |
| 16. Scottish Ministers must lay before the Scottish Parliament a report on how the planning system is operating to help ensure that the housing needs of older people and disabled people are met  |
| 17. Information to assist preparation of NPF in regards to the principal purposes for which land in the area is used   |
| 18. Information to assist preparation of NPF in regards to the size, composition and distribution of the population of the area  |
| 19. Information to assist preparation of NPF in regards to the desirability of allocating land for the purposes of resettlement  |
| 20. Scottish ministers to produce regulations in regards to open space strategies  |
| 21. Scottish Ministers may issue guidance in relation to the preparation, adoption, review and content of regional spatial strategies  |
| 22. Scottish Ministers may issue guidance to planning authorities about undertaking effective community engagement in relation to the LDP  |
| 23. Scottish Ministers must, as soon as practicable after the end of the 7 year period, carry out a review of local place plans, publish a report including conclusions and lay it before parliament   |
| 24. Scottish Ministers may by regulations prescribe circumstances in which a planning authority must give a person of a description prescribed in the regulations an opportunity to appear before and be heard by a committee of the authority   |
| 25. Scottish Ministers may direct a planning authority to notify them, as soon as reasonably practicable, of any proposals for making or altering a scheme that the  |

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| authority have publicised  |
| 26. Production of masterplan consent area regulations by Scottish Government   |
| 27. Scottish Ministers must by regulations make provision about the consideration to be given, before planning permission for a national development or a major development is granted, to the likely health effects of the proposed development |
| 28. Scottish Ministers may by regulations or a development order make special provision as regards the procedure to be followed in connection with such applications   |
| 29. Scheme of delegation guidance to be issued by Scottish Ministers   |
| 30. Review of decisions of appointed person guidance   |
| 31. Call-in statement SG   |
| 32. Determination of applications: statement to accompany notification   |
| 33. Compensation for withdrawal of PP granted by DO regulation   |
| 34. Production of Mediation guidance   |
| 35. Improvement Coordinator  |
| 36. Publication of directions  |
| 37. Chief Planning Officer guidance  |
| 38. National Scenic Areas: report on consultation  |
| 39. Infrastructure levy  |
| 40. NPF must have regard to the programme for adaptation to climate change prepared under section 53 of the Climate Change (Scotland) Act 2009   |
| 41. NPF regard to any national strategy in respect of the improvement of air quality prepared by the Scottish Ministers  |





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