

SHP Summary Note

Changes to Application Fees – February 2022

Introduction

1. The Scottish Government undertook consultation in December 2019 seeking views on reviewing the planning performance and fee regimes. It was announced on 11 February 2022 that planning fees will rise from 1 April 2022, for the first time in eight years. SHP is supportive of the proposed increase, provided the moneys are ringfenced by Local Authorities for planning services. However, from reviewing the information provided by the Scottish Government, this would not appear to be the case as it is likely Local Authorities will have the ability to use the increased funds out with planning services.

Notable Changes

2. Perhaps most notable are the changes to fees for residential developments, with the cost for building or changing the use of a building to a single residential dwelling increasing by almost 50% from £401 to £600, with 20% increases to the maximum fees for applications for planning permission in principle (increasing from £62,500 to £75,000) and all other applications (increasing from £124,850 to £150,000) for residential developments.
3. Also of note is the amendment to the application fee for a change of use of a building (other than residential, waste disposal or fish farming & excluding any alterations to the building). Previously there was only a standard fee of £401 for any scale of change of use out with these categories. This will now be calculated based on floor space, up to a maximum of £150,000. This is clearly a significant change.
4. The new regulations introduce a £200 fee for non-material variations, a service which is currently offered by many Local Authorities for free.
5. A summary of the other key changes to certain sectors is provided below.

Residential Developments – New Dwellings

6. The fees for applications for **planning permission in principle** for residential developments is changing as follows:
 - Single dwelling house – increasing by nearly 50% from £401 to £600.
 - More than one dwellinghouse where the site area does not exceed 2.5 hectares – again increasing by nearly 50% from £401 to £600 for each 0.1 hectare.
 - More than one dwellinghouse where the site area exceeds 2.5 hectares – £600 for each 0.1 hectare up to 2.5 hectares of the site area, and then £300 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum of £75,000. *This represents a 20% increase from the current maximum fee which is £62,500.*

7. The fees for applications **other than planning permission in principle** for residential development is changing as follows:

- Where the number of dwellinghouses to be created by the development does not exceed 10 – increasing by nearly 50% from £401 to £600 for each dwellinghouse.
- Where the number of dwellinghouses to be created by the development is fewer than 50, £600 for the first 10 dwellinghouses, and £450 for each dwellinghouse thereafter. *This represents nearly a 50% increase from the current fee which is £401 per dwellinghouse.*
- Where the number of dwellinghouses to be created by the development is 50 or more, £600 for the first 10 dwellinghouses, £450 for each dwellinghouse in excess of 10 up to 49 dwellinghouses, and £250 for each dwellinghouse in excess of 50, subject to a maximum total of £150,000. *This represents a 20% increase from the currently maximum fee which is £124,850.*

Residential Developments – Existing Dwellings

8. Below is a summary of how the fees are changing for applications in relation to the following types of development:

- The enlargement, improvement, or other alteration of existing dwellinghouses is increasing from £202 to £300, for one dwellinghouse, and from £401 to £600 to two or more dwellinghouses, increases of approximately 50%.
- The carrying out of operations, including the erection of a building within the curtilage of an existing dwellinghouse, for purposes ancillary to the enjoyment of the dwellinghouse as such, is increasing from £202 to £300, again an increase of nearly 50%.

Non-Residential Developments

9. This category excludes agricultural and residential developments; and will include development types such as purpose-built student accommodation, industrial, office, retail, and hotel developments and alterations to existing buildings.

10. The fees for applications for **planning permission in principle** for non-residential developments is changing as follows:

- Where the site area does not exceed 2.5 hectares, the current fee is £401 for each 0.1 hectare. This is increasing by nearly 50% to £600 for each 0.1 hectare up to 2.5 hectares of the site area.
- Where the site area exceeds 2.5 hectares, the current fee is £10,028 plus £100 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum in total of £62,500. This is increasing to £300 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum of £75,000.

11. The fees for applications **other than planning permission in principle** for non-residential development is changing as follows:

- Where no floor space is to be created by the development or where the area of gross floor space to be created by the development does not exceed 40 square metres, the fee is currently £202. This is increasing to £300.
- The fee is increasing for applications where the gross floor space exceeds 100 square metres, to £600 plus £600 per 100 square metres in respect of any gross floor space exceeding 100 square metres and up to 4,000 square metres. Where the gross floor space exceeds 4,000 square metres, the fee is increasing to £24,000 plus £300 per 100 square metres in respect of any gross floor space exceeding 4,000 square metres, subject to a maximum of £150,000,
- For applications where no buildings are to be created, the fee will be £600 per 0.1 hectare of site area, subject to a maximum of £150,000.
- The maximum fee is currently £125,000, so this represents an increase of 20%.

Changes of Use

12. The fee for the change of use of a building to use as one or more dwellinghouses is changing as follows:
 - Where the number of dwellinghouses to be created by the development does not exceed 10, £600 for each dwellinghouse. This is a 50% increase from the current fee which is £401.
 - Where the number of dwellinghouses to be created by the development is fewer than 50, £600 for the first 10 dwellinghouses, and £450 for each dwellinghouse thereafter.
 - Where the number of dwellinghouses to be created by the development is 50 or more, £23,550 plus £250 for each dwellinghouse in excess of 50. This appears to remove the current fee cap of £124,850.
13. The fee for changing the use of a building to a use other than residential, refuse / waste disposal or fish / shellfish farming is currently £401 and is changing as follows:
 - Where the gross floor space does not exceed 100 square metres, £600.
 - Where the gross floor space exceeds 100 square metres, £600 plus £600 per 100 square metres up to 4,000 square metres.
 - Where the gross floor space exceeds 4,000 square metres, £24,000 plus £300 per 100 square metres in respect of any gross floor space exceeding 4,000 square metres, subject to a maximum of £150,000.

Planning Permission in Principle granted before 1 April 2022

14. Under the new regulations, where planning permission in principle is granted before 1 April 2022 and an application is submitted for the approval, consent or agreement required by a condition imposed on a grant of planning permission in principle (for residential / non-residential buildings / change of use / other operations on land), the fee payable is subject to a maximum of £125,000.



15. This will offer some comfort to many Applicants who have been granted planning permission in principle that the fee for subsequent applications will be subject to a lower cap (the new regulations will increase this to £150,000).

Pre-Application Discussions

16. The new regulations set out that a Planning Authority may only charge fees for pre-application discussions after the publication of information setting out:
 - For which services a fee is to be charged,
 - How fees are to be calculated for those services, and
 - Under what circumstances the Planning Authority may waive or reduce that fee.
17. The information published by a Planning Authority in relation to the above, must be published on the website of the Planning Authority.
18. This will be of benefit to prospective Applicants and Planning Authorities by ensuring there is clarity regarding pre-application advice fees for different services, how these are calculated and when they may be waived or reduced.

Non-Material Variation

19. Where a request is made to a Planning Authority to vary a planning permission under Section 64 of the 1997 Act, the fee payable to that Planning Authority is £200 for each request. At present, many Planning Authorities offer non-material variations as a free service, so this is of note for Applicants.

Confirmation of Condition Compliance

20. Where a request is made to a Planning Authority for written confirmation of compliance with a condition imposed on the grant of planning permission the fee payable to that Planning Authority is £100 for each request. This is of note for Applicants who benefit from planning permission and are in the process of confirming the discharge of any conditions on that consent, as this process is usually provided for free by many Planning Authorities.

Conclusions

21. The above summary of changes highlights some notable fee increases which will impact on Applicants at many stages in the planning process, from pre-application services, application submissions, non-material variations and confirmation of condition compliance.
22. SHP support the increased fees and understand that many of the services noted above have been offered for free, or a greatly reduced rate, by Local Authorities for some time. Provided the funding is ringfenced



for planning departments, the increased revenue could benefit overstretched Local Authorities and improve services, as supported by the Royal Town Planning Institute.