

The Financial Transaction Service: Reducing invalidation and redefining the online application service

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Foreword

It is a busy world in planning and has already been over six months since we introduced the Planning Portal Financial Transaction Service (FTS) in England on 10 September 2018.

The introduction of this national service has been significant and it has certainly transformed planning processes for local authorities and agents. So, as we find ourselves at this six-month milestone, I wanted to firstly thank our customers and partners for their ongoing support and advocacy during the early phase. Any major transformation inevitably means widespread change but through this report I will share with you some early indicators of the impact it is having and the progress to date, plus a vision for what is coming in the future.

During the evolution of the Planning Portal, its commercial journey from a government service to a joint venture between TerraQuest and the Ministry for Housing Communities and Local Government (MHCLG), our mission is to continue to transform planning and building; making improvements and adding new services which will provide greater efficiencies and savings for all our customers, whilst at the same time striving to deliver a sustainable business that would enable further improvements.

There is no doubt that the high rate of invalidation is one of the major issues in the application process. Prior to the introduction of the FTS, over two-thirds of online applications were paid for by using offline payment types. The receipt of a planning fee is a national validation requirement for local planning authorities (LPAs) to register an application, so these methods added delays to the process for all involved and often required chasing by local authorities and agents alike. Missing fees were the single biggest cause of invalidation and accounted for around 60 per cent of all invalid applications; addressing this issue was a major driver for introducing the FTS, which provides standard payment options for all LPAs whilst adding value to the planning process for all concerned.

We have made a start in tackling invalidation rates but there is still more to do and we are starting to turn our attention now to what else can be done. More on that will follow shortly via our blog and other digital channels. We hope that you enjoy this report and as always, we welcome your feedback on its contents and what else we can do to improve the planning process.

Sarah Chilcott
Managing Director, Planning Portal.

What is the Financial Transaction Service?

The Financial Transaction Service (FTS) is a payment service that allows users to pay the planning fee for their application during the online application process. This means that users no longer have to contact the local authority to arrange payment as the transaction element is now built-in to create a seamless single process. The introduction of the FTS has standardised the process of paying for planning applications across all English authorities and provides a consistent range of options available 24 hours a day, 7 days a week, 365 days a year. Fees and applications are reconciled at the Planning Portal and applications are submitted to the local authority once the correct fee is collected.

Previously, applications were submitted to the local authority before payment was made. The payment options offered by individual local authorities varied (**Table 1**), leading to a fragmented planning process with no common option or real certainty on how applicants or agents could pay. Payments were often made by cheque and other offline methods, making this part of the process outdated for a digital system in the 21st Century.

Table 1: Supported payment options before FTS

LPA Payment options	Available	Not available
Online (Integrated)	79%	21%
Online (LPA Website)	24%	76%
Cheque	89%	11%
Telephone	61%	39%
Bank Transfer	20%	80%
Nominated (Online)	21%	79%

Across England, the FTS now gives all applicants and agents the ability to pay their planning application fees online or by telephone regardless of the LPA. These payments are confirmed instantly, allowing the application to be submitted. For larger fees, bank transfer is available and as all payments are now sent to the same Planning Portal account, it has made it easier for agents to use.

Included in the range of payment types is the [payment nomination option](#) (formerly known as Payment ReDirect) which allows agents to nominate another person to pay the planning application fee online (e.g. the client or consultancy's finance department).

We also accept payments by cheque as a fall-back option to cover existing processes.



Always include the Planning Portal application reference (i.e. PP-01234567) in the payment description field for bank transfers or on the back of cheques, to speed up reconciliation and submission of applications!

All applications submitted through the Planning Portal where a planning fee is due now use the FTS. The charge for the service is £16.67 (+ VAT). The income from the service charge covers the costs of delivering the service, as well as the cost of the additional customer support and finance staff recruited to ensure the process runs smoothly. It also allows us to invest in improving 1APP (the planning application service) and to put the business on a secure financial footing in order to continue to deliver our services, content and interactive guidance.

The impact of the FTS so far: improvements in efficiency

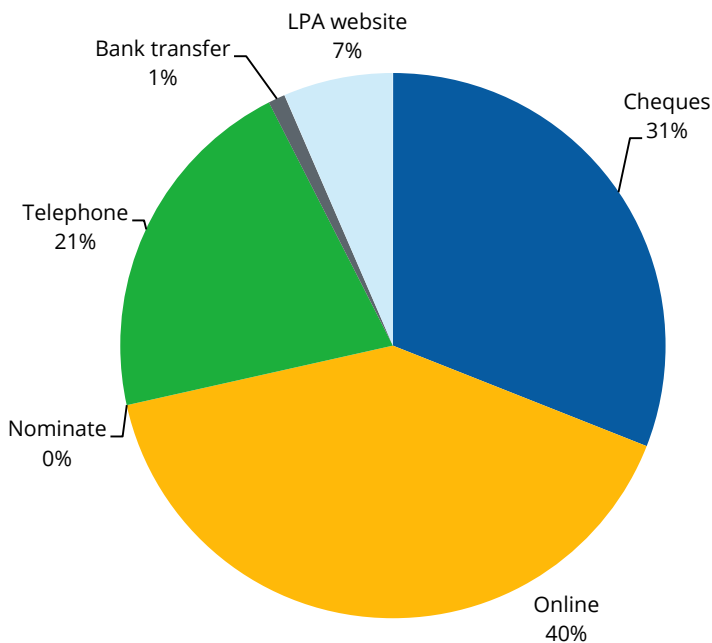
Whilst it is still early days, our data and feedback from LPAs and agents demonstrates significant gains in efficiency across all customer groups. This can be shown as follows:

1. Shift in payment types

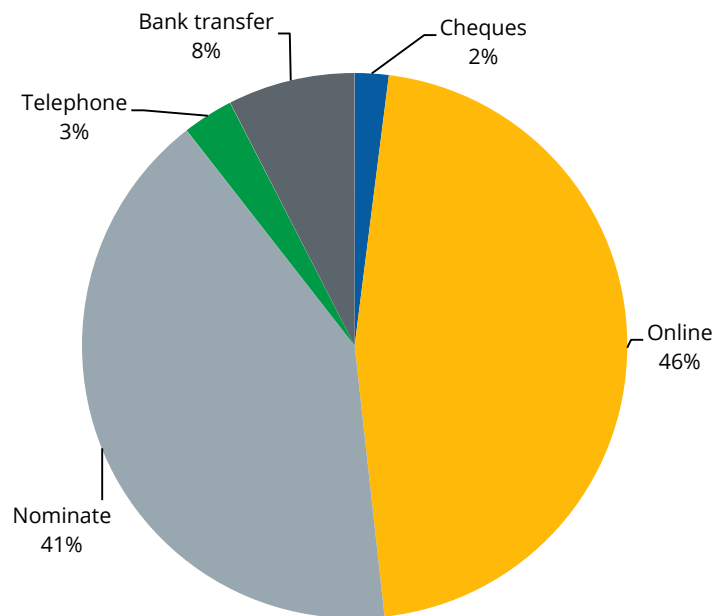
Following the implementation of FTS in September 2018, the change in payment type was immediate. To measure the shift in payment methods used to pay for applications, we have taken a before and after snap shot of the options used as detailed in the **Figure 2** below.

Figure 2: Change in payment types following introduction of the FTS

Pre FTS



Post FTS



Of particular note are:

- **Cheque payments reduced from more than 30 per cent to 2 per cent**

The main reasons for this have been:

- i. The availability of the nominate payment option that provides a viable alternative for agents to nominate their clients to pay. This is typically a homeowner but in some cases agents are using the nominate facility to forward payment details within their own organisation.

"We find that the facility to nominate who pays the planning fees is beneficial to our operation as it allows our surveyors to submit the planning applications themselves onto the Planning Portal and nominate me to make the payments. This results in the council having the surveyors contact details on the application for any queries they may have, saving time and a considerable amount of work for the admin staff."



Linda Hardicker, Sales Contract Administrator, Clearview Home Improvements

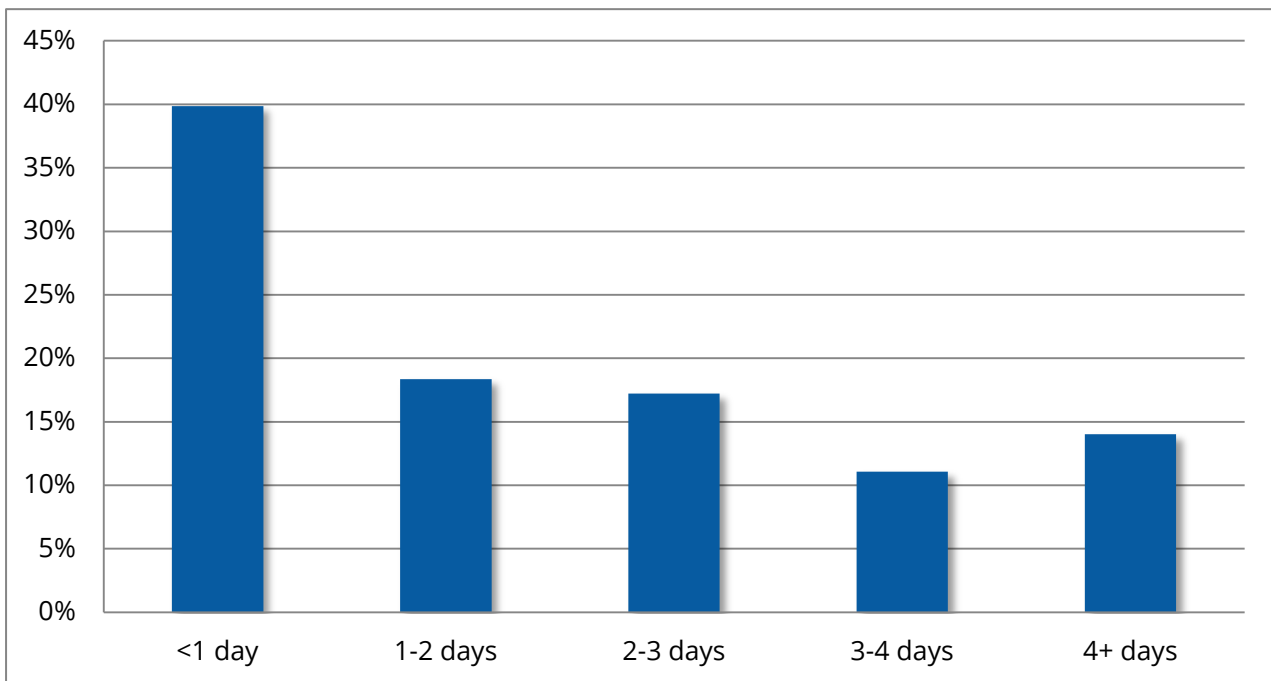
- ii. With bank details now the same regardless of the LPA receiving the application, agents are increasingly using bank transfer for larger fees.
- **Nearly 90 per cent of applications are now paid for online (including nominate), up from 40 per cent prior to launch**

As online, nominate and telephone payments mean that the applications are submitted instantly to LPAs, along with the payment, this represents a marked improvement in speed of receipt of all necessary information to start the validation process.

2. The client is in control of the submission

Previously, agents often had to spend time chasing client payments or waiting for cheques to arrive with them or LPAs, now the client is in control. They know that they need to make the payment for the application to be submitted to the LPA and the clock to start, so it is in their interest to do it quickly, in fact our data shows that around 40 per cent do it the same day (**Figure 3**). If they do forget, the system reminds them automatically.

Figure 3: Days taken to pay using the nominate option



“The new payment system works very well for us as it saves time all round. One aspect which is good is the automated reminders sent to clients if they don’t pay with 24hrs or so as some people genuinely forget, it also saves us chasing them.”

Andrew Hirst, Owner, Cadplan Architecture Ltd



“The new financial transaction process is brilliant...most clients pay within a day or so and definitely has sped up validation of applications with each council.”

Mike Farrell, Director, Draft Design Ltd



3. The process is transparent for everyone

Following successful payment, both the nominated payee and the agent receive an instant email payment receipt. The LPAs also know that the fee has been collected and is on its way. This avoids the need for agents, clients or LPAs to chase the status of payments or application submissions. LPAs can now register applications as soon as they are received, knowing that the application has been paid for in full.

"A receipt of payment using the FTS nominate option to ourselves and applicants is really useful"

Rosalind Price, Gerald Eve



GERALDEVE

"FTS is definitely helping us with registration and not having to chase payment. Previously we had to check the corporate bank account for planning BACS payments that took around 30mins each day. Now the Planning Portal via FTS take all payments, we no longer need to do this."

Val Jacobi, Planning Services Technical Team Leader - Waverley Borough Council



4. Planning fee income is protected

In the first six months of the FTS, the Planning Portal has processed £135M in planning fees. Previously LPAs would have incurred direct banking and card charges from taking these payments of around 2 per cent, equating to around £3M in the same period. Through the FTS, the full planning fee is now passed to the relevant LPA to cover the costs of determination.

This has never been so important as many local authorities are struggling with reducing incomes, particularly in planning. Feedback from many LPAs across England confirms that running costs for their planning departments are not fully met by the planning fees received for applications, but MHCLG data published by the BBC demonstrates a 55 per cent reduction in funding for planning departments between 2010/11 and 2017/18 (**Figure 4**).

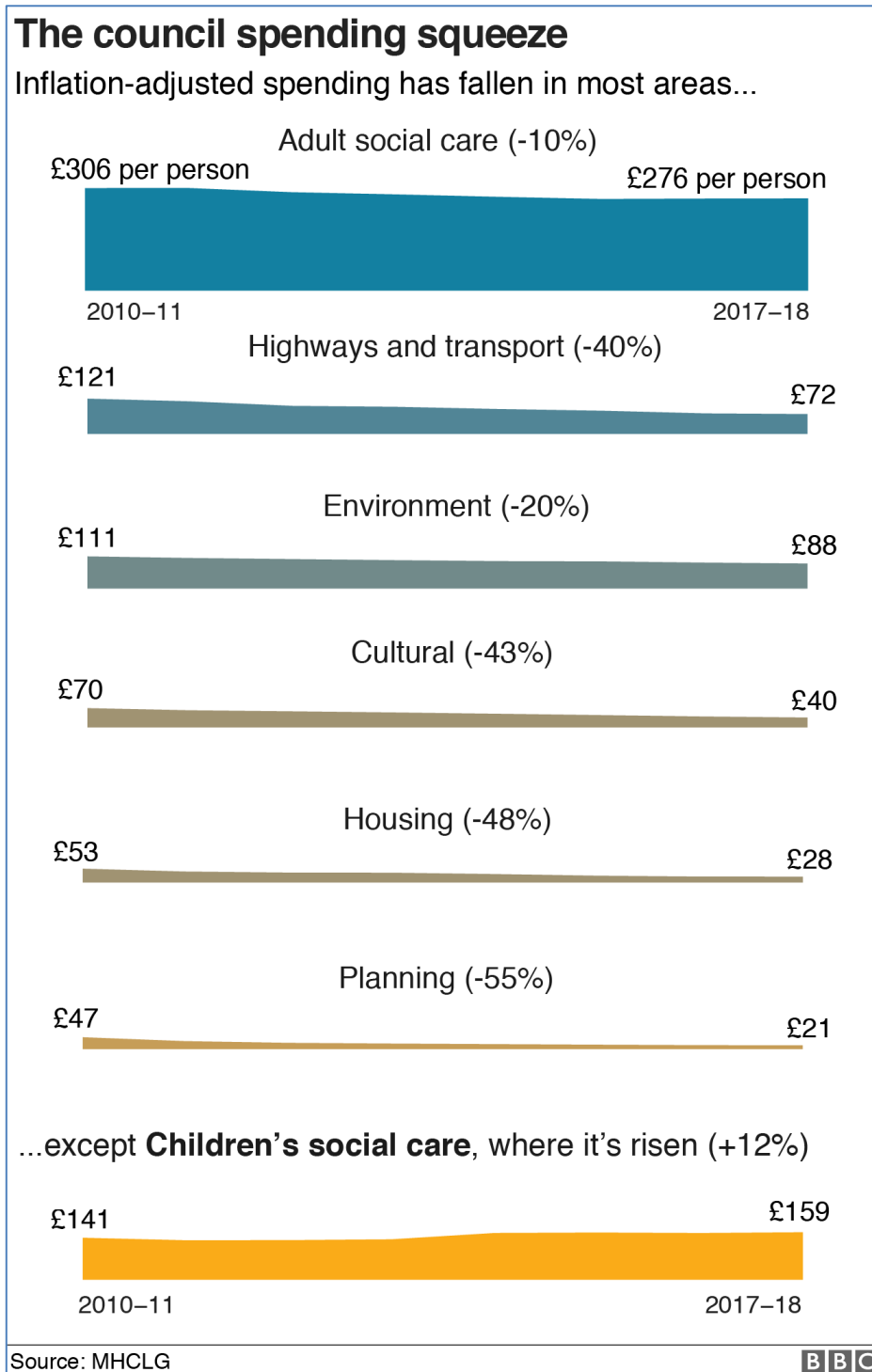
"Previously we had many cheque and telephone payments. With cheques you don't always receive them promptly - delays in sending and potentially in the post - and telephone payments are time-consuming to take and then we still have to enter and reconcile them in all systems. An additional benefit is that we now get the full planning fee with no transactional costs taken as was the case with our payment facilitates."

Given the shortfall in planning fees vs Planning Dept cost, this has certainly provided a benefit to us".

Charlie Fossett, Technical Support Team Manager – Croydon Council

CROYDON

Figure 4: Council Spending



Calver, T. & Wainwright, D., 5 December 2108,
 'How cuts changed council spending, in seven charts'
<https://www.bbc.co.uk/news/uk-england-46443700>

Service improvements enabled

Improvements already delivered

As well as offering enormous value itself, we were clear from the outset that we would reinvest some of the income from the FTS in improving the planning application service, 1App.

Following the introduction of the FTS in September 2018, the first changes to 1App were delivered in early December 2018. These changes reintroduced the ability to download PDF versions of draft planning applications and doubled the maximum file size capacity for supporting documents from 5MB to 10MB.

Restoring the draft application downloads was a decision made based on feedback during the FTS launch, where agents told us that they used these forms to allow clients to check applications prior to submission. The new downloads are designed so they are not valid for offline submission to an LPA as this would only cause additional work and slow down the application process for everyone.

Increasing the maximum file size for supporting documents to 10MB had been at the top of our list of improvements for some time and we were pleased to be able to introduce this so quickly after the launch of the FTS. Going further is still on our list, but for now at least, we need to be sure that all LPAs can accept and handle larger files, so that no-one is left behind. Both of these improvements have been welcomed by many agents as well as LPAs as feedback has shown.

"I'm loving the Planning Portal and in particular the increase to 10MB upload and the reinstatement of the option to create PDFs of the planning form to share with clients".

Tom, Ground Designs



"The new draft actually prevents clients from submitting applications themselves which unfortunately I previously had a case of".

Agent via Planning Portal Support Desk

We're pleased to have made a start, but of course we're not stopping there and are pleased to share just a few of the things in the pipeline.

A redacted version of the application form

The next major change planned is to improve the redaction of third party information provided on the English application forms. For every application submitted to LPAs we send two versions of the application form. One contains all details to satisfy legislative requirements while the other version removes telephone numbers and email addresses of the applicant and is labelled 'No Personal Data'. This is the copy often published on the LPA planning registers as it intended to meet the requirements of the Data Protection Act by removing the personal data of applicants.

With changes in the data compliance requirements following the introduction of the General Data Protection Regulations implemented in 2018, the new version for local authorities in England will redact the personal details of other third parties involved in the processing of applications which is captured by certain questions i.e. owners on certificates. Redacting this will help to reassure applicants that information provided is treated correctly and in accordance with legislation, and help agents and LPAs meet their compliance responsibilities.

The new form will also be renamed to 'Application form redacted' to better explain that some content is withheld.

Further improvements planned

We are currently finalising further improvements to the English application forms for later in 2019. These should include:

- Updating some questions to reflect legislative requirements meaning that different or additional information now needs to be collected
- Adding additional consent types, including prior notifications, to the 1App set
- Improvements to the categorisation of some supporting documents, in particular elevation plans
- An extension to the nominate facility on the FTS to include bank transfers, telephone payments and cheques
- Improvements to the functionality within the FTS for bank transfers – enabling agents to pay for multiple applications in one go, as well as to pre-pay applications to speed up reconciliation and release of applications via this payment method

We're also looking to the longer-term, evaluating how best to capitalise on rapid advances in technology to continue to make the process of planning and building as simple and efficient as it can be.

Contact us

As always, we will work with our customers and partners to understand this, so let us have any thoughts and suggestions by contacting us via any of the usual channels and follow our blog to hear more details about changes as soon as we are able to share them.

Email: support@planningportal.co.uk

Blog: <https://blog.planningportal.co.uk/>

Twitter: <https://twitter.com/PlanningPortal>

LinkedIn: <https://www.linkedin.com/company/planning-portal>