

Planning Market Insight Report from the Planning Portal



June 2020

COVID-19 and Full Planning Applications



Foreword

Welcome to the second monthly edition of our Planning Market Insight Report.

Our first sample report last month reflected on the impact of COVID-19 on online planning application submission and revealed a drop of nearly 20% in April 2020. We hope you found the data and insight useful.

The global pandemic remains a major issue for everyone involved in the planning and construction industries as we continue to take stock of its full impact and put in place strategies to bring the workforce back following the national lockdown.

This time last month many construction sites had started to re-open and suppliers and merchants were supporting them with increased availability for deliveries, working different hours to what we would normally expect and trying to accommodate a productive operation to suit the 'new' business need. Coupled with this is the requirement to adhere to social distancing whilst working to stay safe, in safe conditions which means added responsibilities, especially for employers.

Since then, government has agreed to re-open schools for some year groups and families are faced with making tough decisions on whether to send their children back in. The new NHS Test and Trace service was recently launched across England to raise confidence that it's safe to begin to gradually come cautiously out of lockdown, by ensuring we can identify, contain and control the spread of coronavirus. But whilst re-opening schools to children of non-key workers is a step forward, it no doubt complicates arrangements for some families and becomes another practical challenge to overcome as the economy re-opens.

Therefore, it's now all about building confidence in where we are. Putting in place steps to move forward and plan a future that will help us meet existing commitments but also to achieve a sustainable, strong and prosperous future – both for business and our most important asset; our employees.

In this month's edition of our Planning Market Insight Report, we demonstrate some cause for optimism in that path to the future, as we see daily planning application numbers rise again continuing the trajectory from the low numbers in April.

We also take an in-depth look at Full Planning Applications, which cover a variety of larger developments as well as retail and other change of use, providing a useful indicator of wider economic confidence. To access the full details of this report, please contact us to take advantage of the subscribers' launch offer. We'd also love to hear from you if there is further information you'd like to see in future reports.

Email: communications@planningportal.co.uk.

Sarah

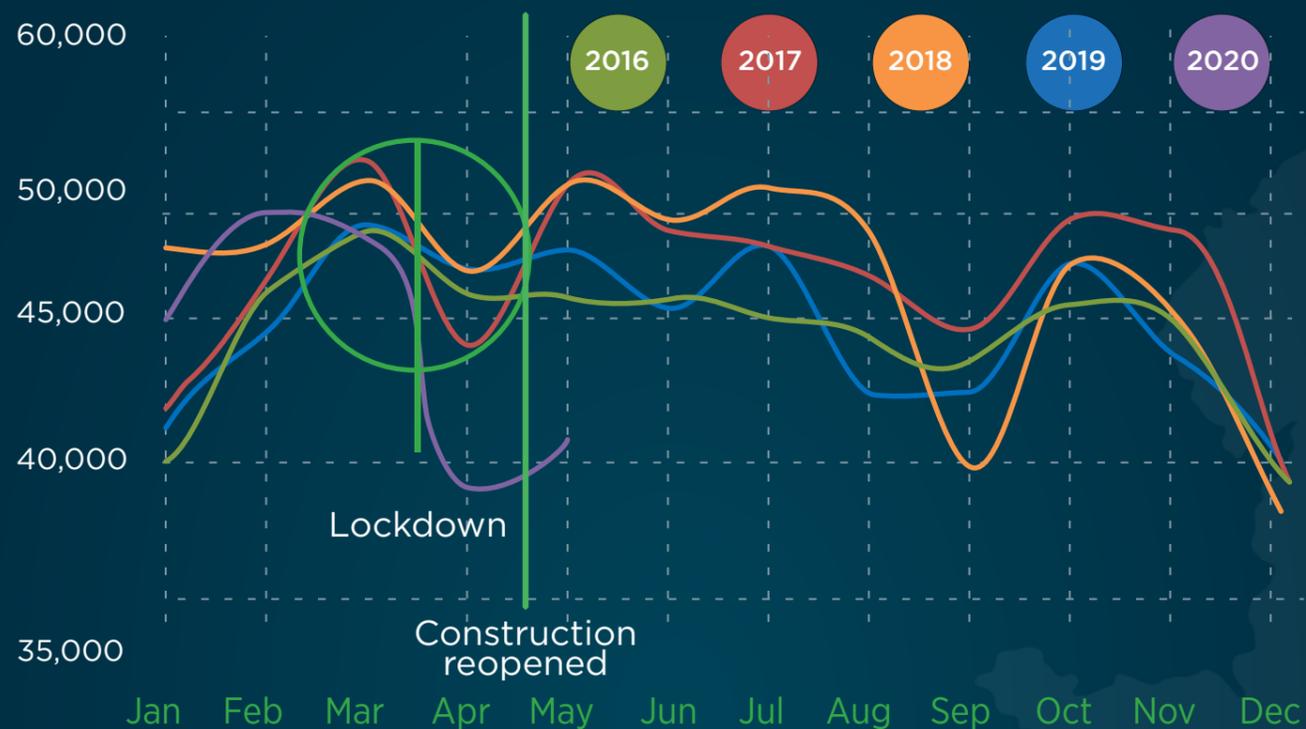


Sarah Chilcott
Managing Director



National graph over five years

Application numbers England and Wales



The national graph represents the number of online planning application submissions via the Planning Portal in each of the last five years, with a more detailed look at the early part of this year also shown.

With the impact of COVID-19 continuing to affect submission, the addition of May's data shows that submissions have followed a usual upward trend with a slight increase on April's total. In comparing figures over the months of lockdown, between March to May 2020, with the previous year, we can see a reduction of 3.5% in March and 18.5% in April, that reduces to a deficit of only 14% in May.

The data shows some early positive signs and indicators that there is sufficient confidence in the market to continue with proposals. This could correlate with new steps taken by the government in May to loosen lockdown restrictions and allow businesses to reopen. This has seen many firms return staff from furlough, construction sites reopen and the workforce returning with social distancing measures in place.

National graph by week

Application numbers England and Wales



It is still very early days and remains to be seen whether the reduction in applications between March to May will result in them being submitted at some point in the future, as confidence returns. We saw this pattern last year when the uncertainty created by Brexit built-up latent demand, which was released after the General Election in December provided greater certainty. With COVID-19, the recovery period is expected to be more gradual, with the Construction Leadership Council predicting in their recovery plan* that lost output will require approximately two years to recover, with most of the recovery in 2021. For a full recovery, confidence will need to be evident at every level of the complete construction supply chain.

*Source: <https://www.constructionleadershipcouncil.co.uk/news/construction-roadmap-to-recovery-plan-published/>

Total number of COVID-19 cases

Region	05-May-20	03-Jun-20	Change	% Change
North East	8,331	10,294	1,963	24%
North West	20,768	25,891	5,123	25%
Yorkshire & The Humber	11,298	14,433	3,135	28%
East Midlands	7,210	9,266	2,056	29%
West Midlands	14,016	16,296	2,280	16%
East of England	11,239	14,309	3,070	27%
London	25,240	27,042	1,802	7%
South East	17,999	21,763	3,764	21%
South West	6,657	7,744	1,087	16%
Wales	10,669	14,203	3,534	33%

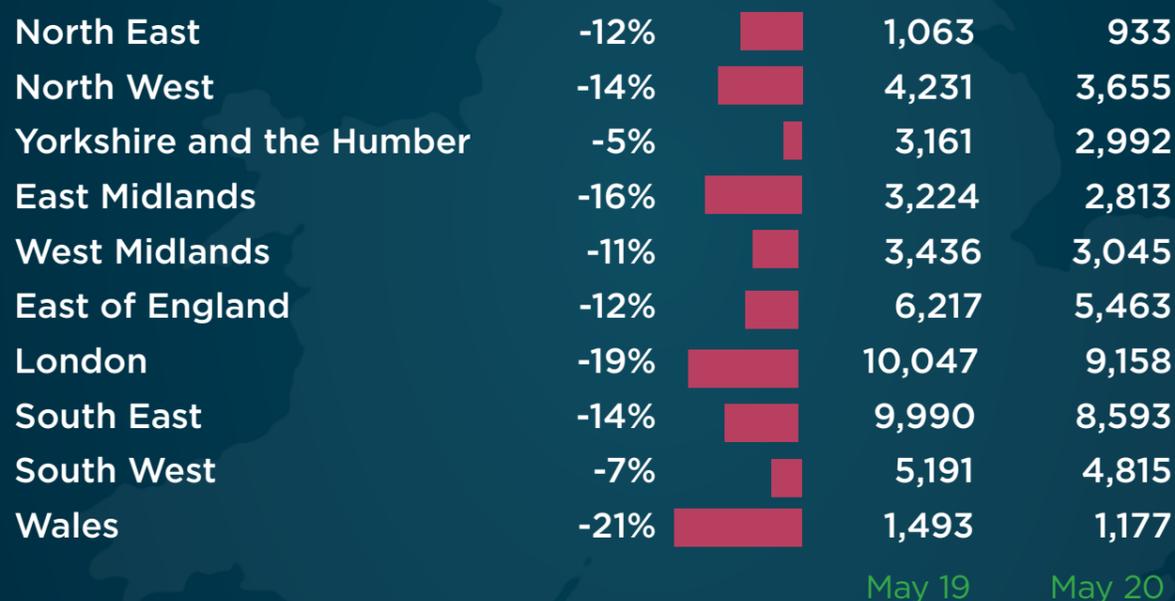
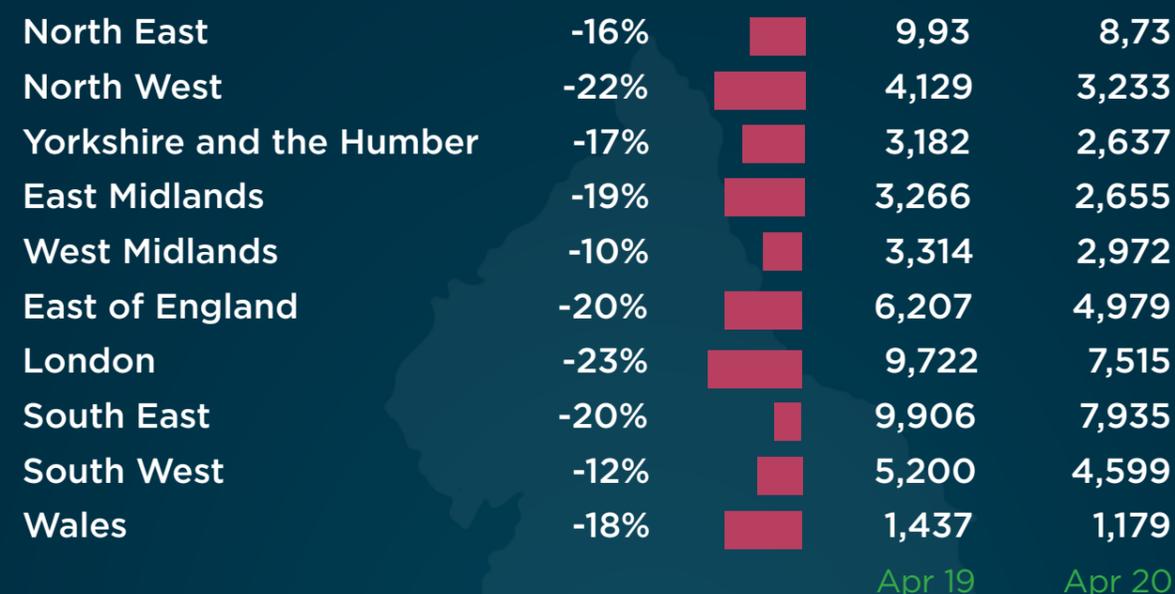
The tables clearly show that April saw the biggest impact from COVID-19 across all regions. Volumes of planning applications were still affected in May, although there are signs of the beginnings of a slight recovery beyond the seasonal increase usually expected.

When comparing the percentage change from April to May, Yorkshire and the Humber has realised the biggest recovery with a 12% gain, with the North West and East of England also realising an 8% improvement between the two months. London and the South East received the highest number of submissions and are showing positive gains with 4% and 6% respectively.

In England, only the West Midlands region has not shown a positive gain, with submissions 1% lower than the previous month, while Wales has noticed a further 3% reduction but with fewer overall submissions than the English regions.

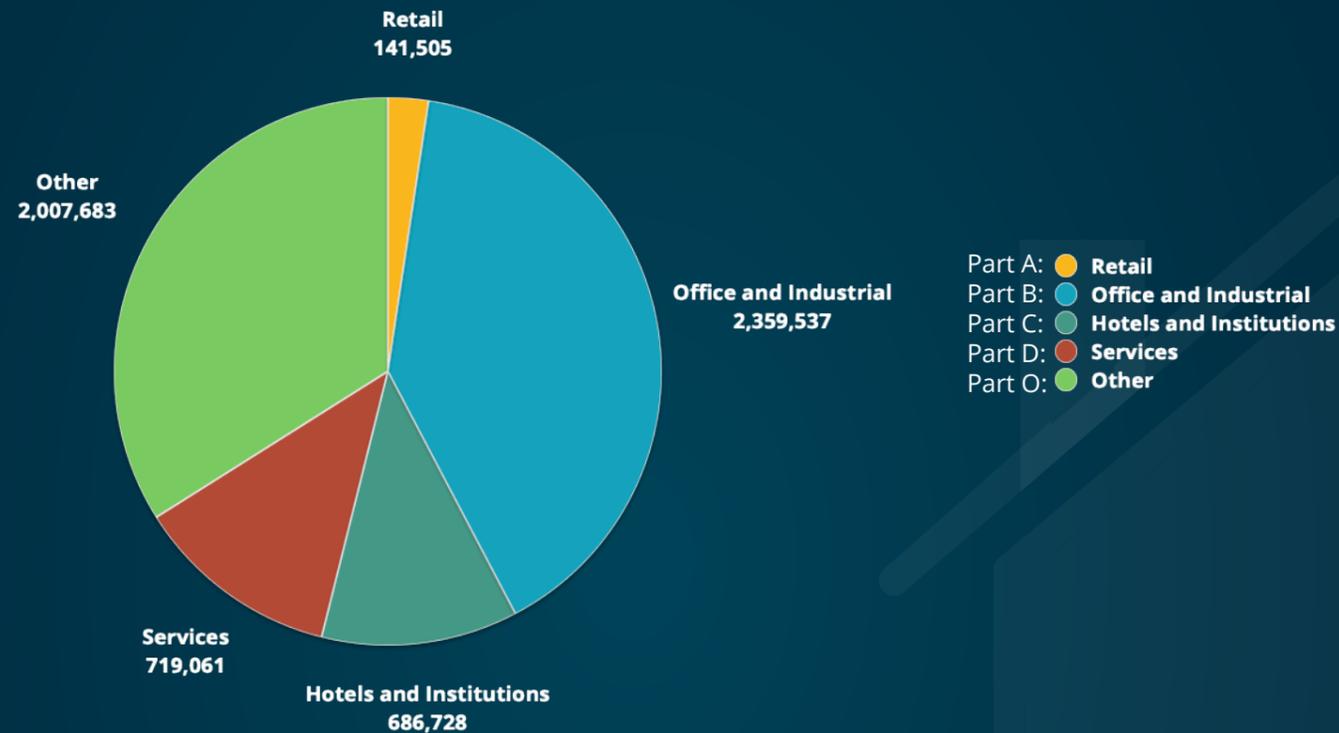
From looking at the regions with the most COVID-19 cases there does not appear to be a correlation between variations in May and application submission figures. For example, Yorkshire and the Humber was one of the most affected regions for COVID-19 cases, but saw the biggest increase in planning application submissions. By contrast, Wales saw the highest rise in COVID-19 cases and a further fall in applications submitted.

Regional summary: Applications

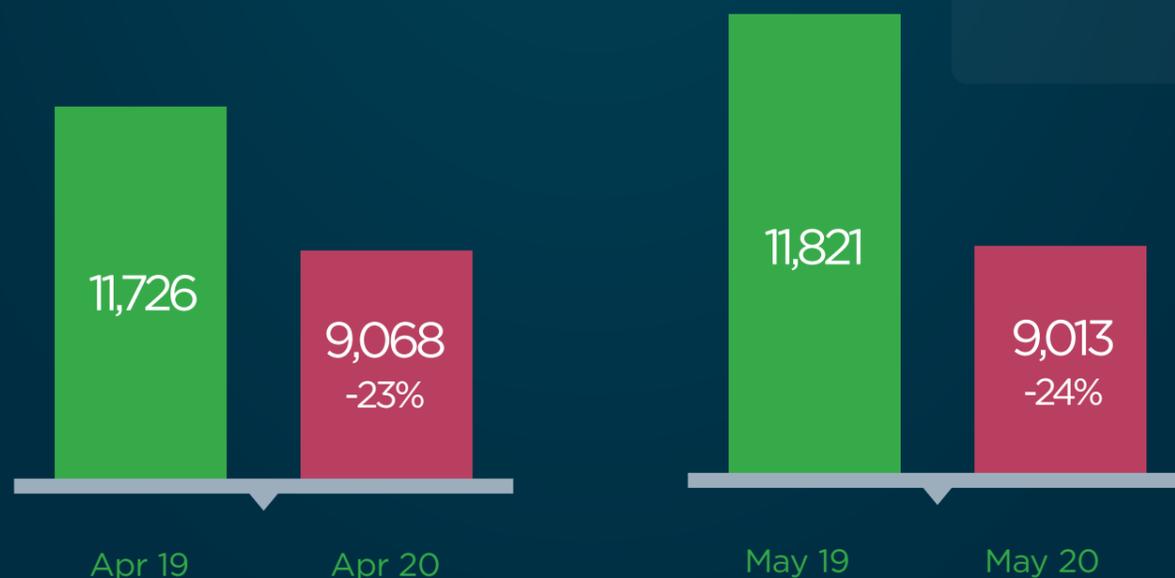


Application types in numbers

Non-Residential data: Net additional gross internal floorspace by Use Class category (Jan-May) in square metres



Full Planning and associated consents



An insight into Full Planning Application proposals

The Full Planning permission form is used to cover proposed developments for a wide range of residential and non-residential development schemes, including schemes of mixed use.

As planned, we have taken a closer look into this data this month to review and analyse all types of non-residential development proposals which has revealed some very interesting insight on the scale, type and location of proposed developments. Non-residential developments cover the full range of Use Classes and include retail, office and industrial, hotels and institutions, services and other sui generis uses, detailed in the Use Class Order table below. It includes both new development and Change of Use for existing buildings.

When completing the table of the application form for 'All Types of Development: Non-residential Floorspace', applicants must provide information on:

- Existing gross internal floorspace (square metres)
- Gross internal floorspace to be lost by change of use or demolition (square metres)
- Total gross internal floorspace proposed (including change of use) (square metres)
- Net additional gross internal floorspace following development (square metres)

This is the first time we have scrutinised the application data in this way; the findings are presented in this report.

Note: the data sets presented come from the data input by applicants/agents in relation to the 'net additional gross internal floorspace following development (square metres)'

Overview of Use Classes

The table below shows the Use Classes and type of use in detail.

A: Retail

Use Class	Type of use	Type of use in detail
A1	Shops	Shops, retail warehouses, hairdressers, undertakers, travel and ticket agencies, post offices, pet shops, sandwich bars, showrooms, domestic hire shops, dry cleaners, funeral directors and internet cafes.
A2	Financial and professional services	Financial services such as banks and building societies, professional services (other than health and medical services) and including estate and employment agencies. It does not include betting offices or pay day loan shops - these are now classed as 'sui generis' uses (see below).
A3	Restaurants and cafes	For the sale of food and drink for consumption on the premises - restaurants, snack bars and cafes.
A4	Drinking establishments	Public houses, wine bars or other drinking establishments (but not night clubs) including drinking establishments with expanded food provision.
A5	Hot food takeaways	For the sale of hot food for consumption off the premises.

Net additional gross internal floorspace m²



B: Office and industrial

Use Class	Type of use	Type of use in detail
B1(a)	Office (other than A2)	Office other than a use within Class A2.
B1(b)	Research and Development	Research and development of products or processes.
B1(c)	Light industrial	Industrial processes.
B2	General industrial	Use for industrial process other than one falling within class B1 (excluding incineration purposes, chemical treatment or landfill or hazardous waste).
B8	Storage or distribution	Including open air storage

Net additional gross internal floorspace m²



Overview of Use Classes

The table below shows the Use Classes and type of use in detail.

C: Hotels and Institutions

Use Class	Type of use	Type of use in detail
C1	Hotels and halls of residence	Hotels, boarding and guest houses where no significant element of care is provided (excludes hostels).
C2	Residential institutions	Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.
C2A	Secure Residential Institution	Use for a provision of secure residential accommodation, including use as a prison, young offenders institution, detention centre, secure training centre, custody centre, short term holding centre, secure hospital, secure Local Authority accommodation or use as a military barracks.
C4	Houses in multiple occupation	Small shared houses occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom.

Net additional gross internal floorspace m²

C1 Hotels and halls of residence	286,702	
C2 Residential institutions	400,026	

D: Services

Use Class	Type of use	Type of use in detail
D1	Non-residential institutions	Clinics, health centres, crèches, day nurseries, day centres, schools, art galleries (other than for sale or hire), museums, libraries, halls, places of worship, church halls, law court. Non-residential education and training centres.
D2	Assembly and leisure	Cinemas, music and concert halls, bingo and dance halls (but not night clubs), swimming baths, skating rinks, gymnasiums or area for indoor or outdoor sports and recreations (except for motor sports, or where firearms are used).

Net additional gross internal floorspace m²

D1 Non-residential institutions	472,834	
D2 Assembly and leisure	246,227	

O: Other

O	Sui Generis	Uses which do not fall within the specified use classes above, including theatres, large HMO (more than six people sharing), hostels, petrol filling stations, shops selling and/or displaying motor vehicles, scrap yards, retail warehouse clubs, nightclubs, launderettes, taxi or vehicle hire businesses, amusement centres, casinos, funfairs, waste disposal installations, betting office, pay day loan shop.
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Net additional gross internal floorspace m²

O Sui Generis	2,007,683	
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Non-residential data by region 2020

Get additional gross internal floorspace following development

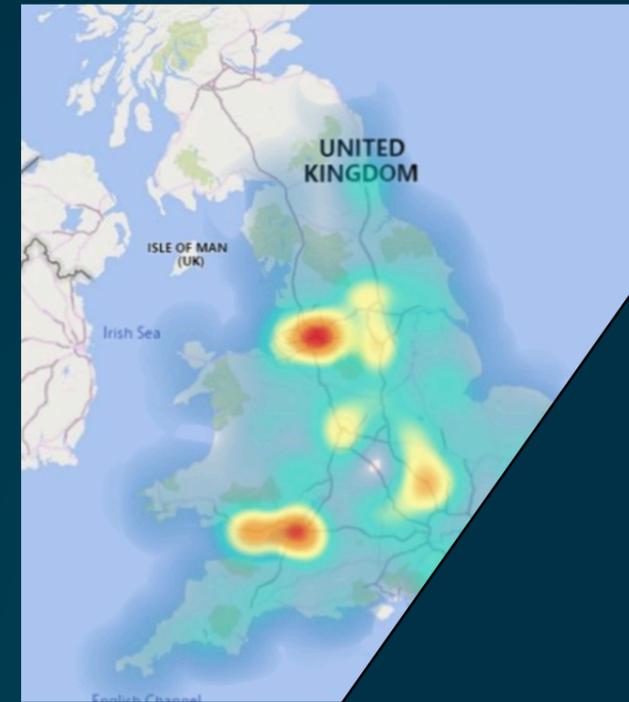
Analysis of the data at a regional level, highlights large variations across the country both in terms of the square meters of floorspace available and by Use Class.

Development for Retail (Use Class A) can be seen on the maps below which show the hotspots.

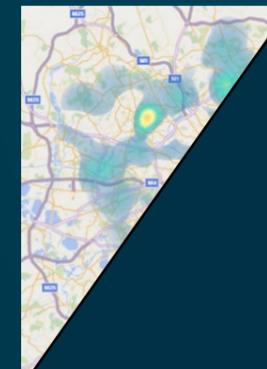
Region	m2
North East	174,592
North West	669,528
Yorkshire and the Humber	547,479
East of England	691,258
London	570,274
West Midlands	756,703
South East	954,041
South West	541,376
Wales	621,501
Scotland	387,717

The first map shows applications outside London and the second shows applications in the capital.

Retail (Class A)
England/Wales,
excluding London



Retail (Class A)
London



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Non-residential data nationally in 2020

Net additional gross internal floorspace following development >1,000m²

Analysing the submission of larger applications of more than 1,000 square metres on a national scale, the data supplied shows that 10% fall into this category but equate to around 95% of the net additional floorspace gain.

Statistics indicate that the major schemes are creating new floorspace, while smaller change of use schemes tend to replace existing floorspace.

Geographical patterns can be seen on the following maps. The first map shows applications outside London and the second shows applications in the capital.

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The first map shows applications outside London and the second shows applications in the capital.

Non-residential applications in 2020 >1,000m²

London



Non-residential applications in 2020 >1,000m²

England/Wales, excluding London



National Non-residential data comparison 2019 vs 2020

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Regional Non-residential data comparison 2019 vs 2020

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Residential proposals submitted using the Full Planning application form

A majority of applications submitted using the Full Planning form and associated consents are for residential developments. At the data for 2020, it revealed that this amounts to 53,829 schemes.

Using the Full Planning form, applicants are asked to provide details of residential units (including conversion) and to include the gain, loss or change of use of dwellings. If this is the case then further details are requested including the number of existing and proposed dwellings, the number which would exist after the development, the category and dwelling type.

More detail on July's edition although the focus is on the number of residential

20	Apr 20	May 20	Total
	343	347	1888
	31	222	937
		597	3087
		68	47917
			53829

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Planning application supporting data

Over 500,000 online planning applications get submitted each year across England and Wales. Have you ever wondered what specialist supporting documentation is provided, so that Local Authorities can process them and issue a decision?

The Planning Portal collects all specialist data and supporting documents, in line with the government national and local validation checklists, along with detailed plans and drawings.

This could provide valuable insight into the nature of specialisms, as well as challenges to ensure a successful outcome through the process.



Materials proposed in development

When submitting a planning application, the applicant must provide details of the materials they wish to use for walls, roofs and paving, including the type, colour and name of the materials to be used.

This information may be provided in a design and access statement, a planning support statement or shown on the plans.

This provides valuable insight into elements of the design of proposed developments, as well as the influence of evolving consumer preferences.

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Planning application fees

Local Authorities rely on the income from planning fees and they also provide a useful indicator of the health of the market overall, by giving an indication of the scale of development activity nationally, regionally and locally.

Looking at the difference in planning fees over March and May can therefore also provide some perspective on the impact of COVID-19 on proposed development. The chart below shows the planning fee income received from applications by month for the period affected, in comparison to 2019.

March 2020 showed an increase of 5.4% on February and was on-track to achieve even more before the lockdown towards the end of the month. However, it was hit hard, showing a drop of £3.5M (7.5%) in April, though applications have started to pick up again in May. Planning fees continued to fall, suggesting that even though Full-time equivalent jobs have risen, the very largest applications are yet to come back into the pipeline.

These are considerable losses for the local authority planning department and the central government department running the system.

Month/Year	2019	2020
Mar	£1.1B	£1.16B
Apr	£1.1B	£750M
May	£1.1B	£1.05B



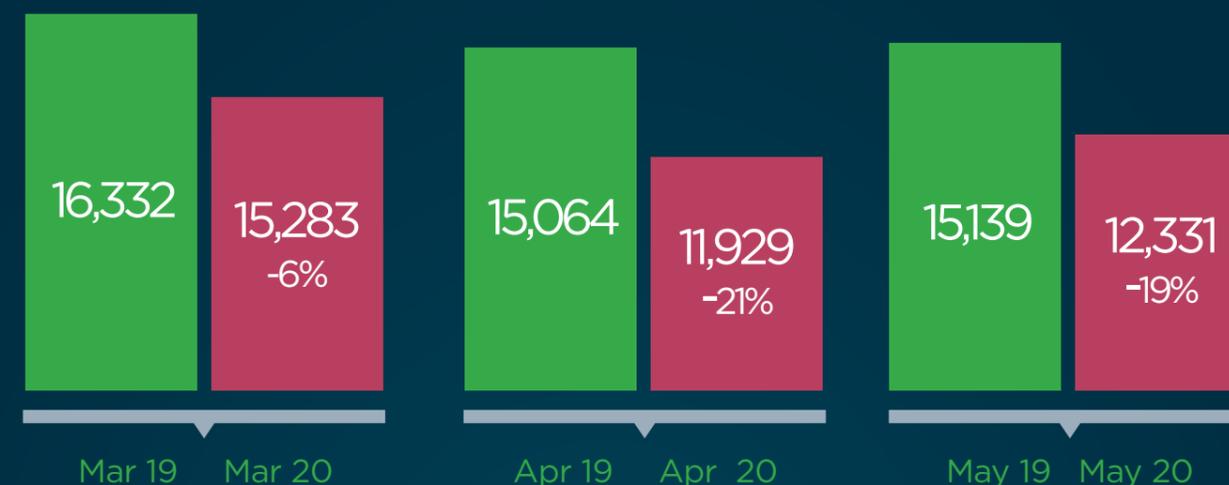
Applications by type

The following table shows the variation between the same month in 2019 and 2020, across a subset of the different planning application types. As you can see, all application types other than Prior Notification: Development by telecoms operators fell below 2019 levels in March and further still in April, with a mixed picture in May. Further analysis of this is provided over the following pages.

	Mar +/-	Apr +/-	May +/-
Householder and associated consents	-6%	-21%	-19%
Full Planning and associated consents	-9%	-23%	-24%
Outline Applications	-9%	-10%	-21%
Advertising Applications	-26%	-61%	-62%
Prior Notification: Development by telecoms operators	560%	939%	104%
Tree Works: Trees in conservation areas/subject to TPOs	-10%	-19%	31%

Householder and Full Planning applications constitute the vast majority of planning applications submitted. As such, the impact on these two application types is particularly important. They also represent two different areas of the construction sector and enable us to compare the relative confidence in these areas. Although they are not mutually exclusive, an uplift in Householder applications will tend to suggest a returning consumer confidence, as individuals feel comfortable about their longer-term job security and start spending and planning home improvements. By contrast, an uplift in Full Planning applications will tend to suggest growing confidence in the economy as a whole, alongside business and investment.

Householder and associated consents



In terms of the data, both application types have seen relatively little month-on-month change with both down around 20% on 2019 volumes in April and May. Looking at Householder submissions, we can see that May shows a slight recovery in the level of submission to April, down only 19% on the previous year as compared to 21% in April. Full Planning submissions however fell slightly further, from -23% in April to -24% in May. In reality this is minimal change, however they will need to be monitored closely in future months to identify if they develop into a trend which demonstrates a divergence in levels of confidence.

Furthermore, Outline Application submission is often seen as an early indicator of the strength of the development pipeline for larger schemes and this data also makes for interesting reading. April saw a reduction of 10% (50 applications) but May has dropped further, to now over double at 21% or a further 110 applications. When considering the impact, this means potentially 160 applications under review or worse-case scenario, cancelled.

In line with April data, advertising consents continue to be negatively affected in May. The total applications for the month are down 62% compared to May 2019. This is similar to the drop of 61% in the previous month.

Whilst this may seem pessimistic there is a lot of optimism in this data. There continues to be a high rate of submission and shoots of recovery across the board.

Application by type: Works to Trees



Interestingly, one of the application types which has seen the biggest resurgence in May is Works to Trees in Conservation Areas or that are subject to Tree Preservation Orders (TPOs). Typically, the majority of these applications fall in the London and South East Region and 2020 has been no different, with nearly half of the applications in March, April and May being within these regions.

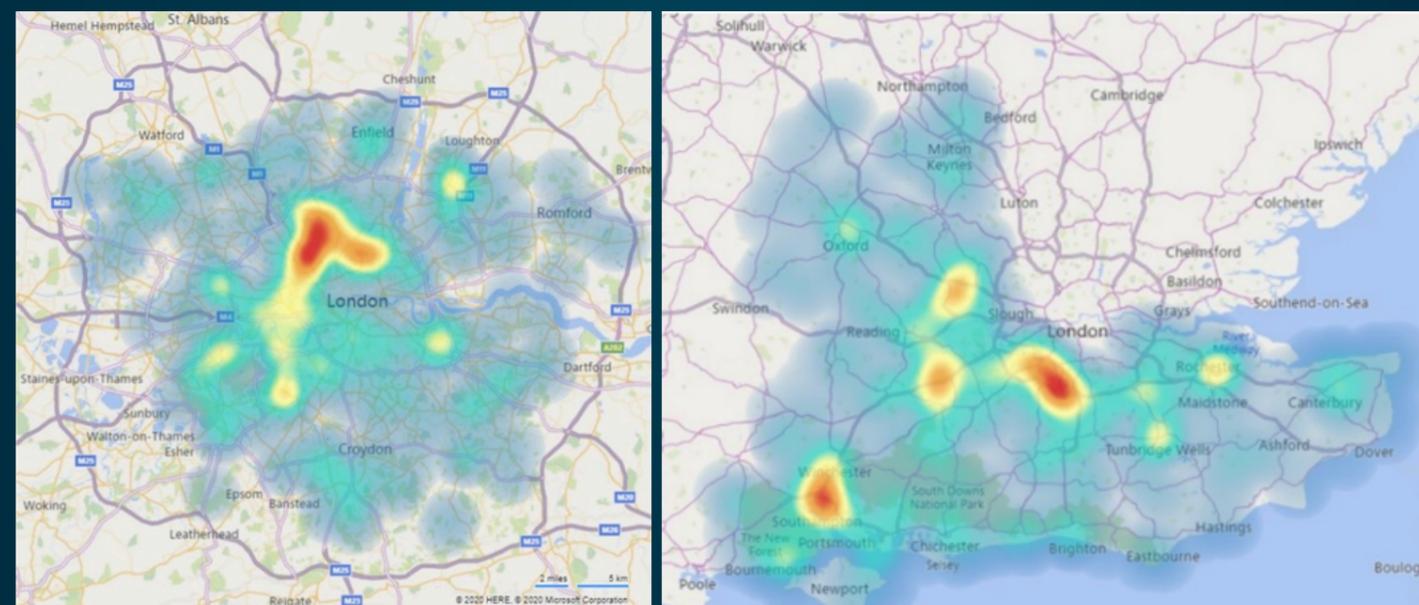
Unsurprisingly, there is a strong seasonal pattern to this type of application and we can therefore see the clear impact of the lockdown and reopening in the profile of applications over the 3 months. The lower numbers of applications than expected in March (-10%) and April (-19%), have been offset by the submission of those applications in May, where volumes have been 33% up on those of last year.

As confidence returns to businesses and homeowners across the country, we would expect to see this pattern repeated, albeit more gradually in most cases.

Regional summary: Applications

Region	Mar	Apr	May	%
North East	84	57	118	2%
North West	242	218	472	7%
Yorkshire and the Humber	208	270	444	7%
East Midlands	256	266	331	6%
West Midlands	194	188	353	5%
East of England	537	487	832	15%
London	935	576	926	19%
South East	964	812	1,484	24%
South West	637	479	742	15%
Wales	22	14	33	1%

Works to Trees May 2020



London

South East

Local Planning Authorities

The table below shows the 10 English Local Planning Authorities (LPAs) who showed the largest percentage increase in application submissions between April and May. Authorities receiving fewer than 20 applications a month have been excluded from the analysis.

By comparing volumes in April and May to the same month the previous year, and then looking at the percentage swing, we can see the underlying impact of COVID-19, without the usual seasonal variations skewing the data.

Further analysis on the shift at an LPA and regional level could be used to identify interesting patterns and clusters of activity in specific localities.

LPA	Region	Apr-19	Apr-20	% (+/-)	May-19	May-20	% (+/-)	Increase
Knowsley Metropolitan Borough Council	North West	47	32	-32%	32	60	88%	119%
Rushmoor Borough Council	South East	55	37	-33%	38	52	37%	70%
Redditch Borough Council	West Midlands	21	17	-19%	24	35	46%	65%
Maldon District Council	East of England	76	65	-14%	63	90	43%	57%
Gateshead Metropolitan Borough Council	North East	79	33	-58%	61	60	-2%	57%
Borough of Broxbourne Council	East of England	65	50	-23%	48	64	33%	56%
Middlesbrough Borough Council	North East	41	31	-24%	25	32	28%	52%
Barnsley Metropolitan Borough Council	Yorkshire and The Humber	91	53	-42%	73	80	10%	51%
Selby District Council	Yorkshire and The Humber	75	39	-48%	57	58	2%	50%
East Cambridgeshire District Council	East of England	129	80	-38%	92	102	11%	49%

What is coming in next month's edition?

We hope that the additional information provided in this edition gives further insight into the planning data captured from the Planning Portal.

This month we have focussed specifically on the non-residential development elements of the Full Planning form and particularly proposed floorspace. However, this is only one side of story. In July's report we are going to delve deeper into the residential proposals, taking a more in-depth review and providing analysis on these schemes.

We will be looking at the locations of where they are proposed, the numbers of existing and proposed dwellings, the particular housing categories (i.e. market, affordable) and dwelling types (i.e. houses, flats), plus the number of bedrooms for each unit.

We implemented a new data standard in late May to capture the housing categories accurately so we are confident it will make for interesting reading.

Find out more

Throughout the report we have given an indication of the range and depth of planning data which exists and the insight it can provide. Some of the content has been retained exclusively for subscribers.

If you are working on a specific research project or are seeking to understand early stage intelligence on the construction pipeline, we can help by identifying valuable trends and insight in planning and building control applications. By offering this data at the earliest possible stage – as permission is applied for – you can gain competitive advantage in your business planning decisions, whether it be a one-off requirement or to monitor change over a longer-period.

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