

Charging for Preliminary Enquiries and Pre-Application Advice

Development Control, Item 8

Committee:	Development Control	Agenda Item
Date:	25 July 2007	8
Title:	Charging for Preliminary Enquiries and Pre-Application Advice	
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Summary:

This report outlines various options for charging for general planning, listed building and tree enquiries, including pre-application advice. There is increasing pressure both externally and internally to ensure that the planning service offers value for money, and the need to reduce the costs of providing the service through income generation has been identified in the budget saving exercise for the coming year.

Recommendations:

Members are asked to consider the various options proposed, and (1) agree the principle of charging for non-statutory advisory services; (2) agree one of the recommended charging systems (the officer recommendation is that Option B is adopted); or (3) recommend a workable alternative, or alternative scale of charges; (4) agree a period of public consultation through the agents' forum and the Council's website, prior to implementation; (5) that officers monitor the system and report back to this Committee six months after the commencement of an adopted scheme; and (6) that officers undertake more research regarding the costs of providing the service and review the charges set in one year as a result of that research.

Background Papers:

'A Material World: Charging for Pre-Application Planning Advice' – issued by the Planning Advisory Service (PAS) April 2007.

Impact

Communication/Consultation	The principle of charging for services has been raised with agents through the Agents' quarterly Forum.
Community Safety	No impact
Equalities	Charging would not be introduced for householder developments i.e. home extensions and outbuildings. A free Duty Officer service would continue to operate for basic enquiries.
Finance	Officers currently provide much free advice, and there would be benefits to recovering some of the costs of providing that service.

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Human Rights	None
Legal implications	The Local Government Act 2003 requires that income generated must not exceed the cost of providing the service.
Sustainability	The income generated would benefit the long-term ability to provide non-statutory advisory services.
Ward-specific impacts	All wards
Workforce/Workplace	Staff already offer this advice. A procedure to record the request for advice and to process the fee would be needed, but otherwise staffing implications should be unchanged. It may deter speculative meetings for proposals with little prospect of success, thus saving officer time.

Situation

- 1 The Development Services directorate is charged with saving in the region of £75,000 in the current financial year. There are some savings to be made through the Organisational Re-engineering process and changes to procedures, but this will not achieve the total. Income generation is the most feasible means of addressing this shortfall.
- 2 The Development Control and Planning Policy services have historically offered a considerable amount of advice without charge. In Development Control, this has been through pre-application meetings, and other general enquiries relating to whether or not planning permission is required for a proposal. In addition, considerable advice has been given by the Council's Conservation Officer relating to listed building matters; and the Landscape Officer, on the health of trees and appropriate works. Although some of these services have involved correspondence and office-based meetings, many involve lengthy meetings on site (plus travel time).
- 3 There are recognised benefits to pre-application advice, and best practice would demand that this service be retained. In terms of pre-application advice, this mostly results in improved submission of resulting applications, thereby saving officers' time and resultant planning appeals. However, it is not sustainable to continue at the level which is currently offered without additional funding.
- 4 With regard to the Conservation and Landscape advice, this highly specialised advice can be obtained for a charge in the private sector, and it is no longer appropriate for this subsidised service to be offered without charge. Any reduced take-up of service would increase staff capacity to deal with consultations on formal applications, and in the case of the Conservation Officer, to personally handle applications for listed building consent (where there is no parallel planning application). This would reduce the workload of the Development Control team.
- 5 The Local Government Act 2003 gave planning authorities a discretionary power to charge for giving pre-application advice (as a service that an authority has the power, but is not obliged, to provide). A proviso to the legislation is that income generated

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- must not exceed the cost of providing the service. To date, it is mostly the London Boroughs that have acted on this, although it is gradually occurring further afield.
- 6 However, where it has been introduced, charging has been limited to larger developments. Householder proposals are invariably excluded, as are small businesses. Many also exclude listed building and tree advice, but given the high number of listed buildings and trees in the district this is not feasible.
 - 7 A survey undertaken by PAS has identified that charges need to be easy to understand to administer, and for that reason a standard fee is preferable to an hourly rate. The lowest charge set by authorities for a meeting is £100, with £250 - £500 plus VAT being more typical.
 - 8 Benefits that other authorities have reported as a result of charging are fewer speculative and poorly thought out enquiries, better quality applications, improved performance and fewer appeals. Some have reported that income generated has either funded posts or enabled posts that would otherwise have been left vacant to be filled.
 - 9 In practice, the advice given would have the same status as that currently offered, and there would be caveats on correspondence making clear that the advice given is officer opinion only.
 - 10 Appendix 1 provides a series of tables with suggested charging scales, and the rationale behind them. In arriving at the estimated income generation, the figures have been based on the number of pre-application letters handled by the service last year (1203), with the proportion of majors, minors and others estimated as the same as formal applications handled (please see the commentary to 'option B' for the definitions of major and minor). This equates to approximately 3% major enquiries, 20% minor, and all others householder. Excluding the householder cases, this would generate in the region of 36 major and 240 minor enquiries per year. In addition, approximately 400 requests for conservation/listed building advice and 120 tree works in Conservation Area requests are received annually. This data forms the basis of the calculations at the end of each option.
 - 11 Appendix 2 provides details of some local authorities that are known to charge for such services, and gives ranges charged. The basis for arriving at the charges proposed in this report is also quantified as far as possible at this stage. However, officers have limited experience of quantifying costs for this aspect of the service, and further research is required. The proposed charges are therefore based partly on an assessment of the charges by other authorities, but further research and review would be undertaken, and charges reduced if they are found to be greater than cost recovery.
 - 12 Even assuming a worst case scenario, all of these options have the potential to generate significant additional income. Additionally, Members may wish to consider the option of requiring all requests for whether planning permission is needed to be via a formal Certificate of Lawfulness application, which would generate a half-planning fee.

13 Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
That charging may discourage development.	1	3	None. Development is market driven and it is not considered that a modest charge for advice would deter a development, as the cost would be a small proportion of the overall profit. It may save the applicant money in the long term by resulting in a development more likely to obtain planning permission.
That it would damage the relationship with our customers, including professional agents	2	2	The views of agents have already been canvassed through the agents' forum, and were (1) accepted as an inevitability and (2) regarded positively, if the charge resulted in a more structured process. Householders and small businesses would not be affected. Any development incurs professional fees which reduce the profit, and this would be part of that.
That there are insufficient staff to administer the process	2	3	The system would be monitored and suspended if staffing levels dropped to a point that it could not be consistently operated. As staff already provide this service the risk is not considered high provided staffing levels are maintained.
To charge when neighbouring authorities do not would detract from inward investment, and result in a competitive disadvantage	2	2	As 1. The local economy is considered sufficiently buoyant to cope. Small businesses would not be charged. Feedback from the Council's Economic Development Officer would be used to modify the system.

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APPENDIX 1

OPTION A	Letter Only (No Meeting)	Meeting in Office	Meeting on Site	Meeting involving 2 nd Officer *	Follow- up meeting
1. New dwellings (1+), incl. conversion to dwelling(s)	£100	£250	£300	£50 per extra officer	£50
2. Changes of use and new commercial floorspace 250 sqm and above	£100	£250	£300	£50 per extra officer	£50
Conservation advice (all types, including householder)	£100	£250	£300	£50 per extra officer	£50
Conservation advice – urgent structural repairs only **	Free	Free	Free	NA	Free
Tree Advice (TPO's and Trees in Conservation Areas only)***	NA	NA	£50	NA	£20

COMMENT:

- * = Conservation Officer; Planning Policy Officer; Development Control Officer; Legal Officer; Housing Officer; Highways Officer
- ** = it is appropriate to offer this as a free service as the Council has a responsibility to ensure the preservation of listed buildings.
- All meetings will result in a follow-up letter or notes of meeting within 10 working days after the meeting.
- All payment must be received (and cleared) at least 2 days prior to the meeting, or it will not take place.
- Meetings either on site or in the office will be restricted to 1 hour (or for slightly longer duration at the discretion of the officer), excluding travel time. (NB – any additional amount beyond 1 hour would be difficult to process after the event).
- ***A full advisory service could not be offered whilst the Landscape Officer is on long-term sick leave. Charges for Conservation Area tree works could however be introduced, to partly meet the cost of buying the services provided by the County Council.
- The cost to the householder of listed building advice may be considered high by Members. However, this is currently free architectural and specialist advice provided at the Council's expense, and which can be purchased in the private sector.

ESTIMATED INCOME GENERATION:

All pre-apps (1&2) combined – if letter only = £13,800; in-house meeting = £17,250; site meeting = £20,700
 Conservation advice = letter only = £20,000; in-house meeting = £25,000; site meeting = £30,000
 Tree advice = £6,000

The break-down of how many types of request would generate a letter, in-house meeting or site meeting cannot be guaranteed, and there could be any combination of options. A combined estimate of £132,750 cannot therefore be guaranteed. Even halving this estimate, partly to include the potential drop in requests because of the charge, would give an estimate of £66,375.

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OPTION B	Letter Only (No Meeting)	Meeting in Office	Meeting on Site	Meeting involving 2 nd Officer	Follow-up meeting
1. Major Developments*	£200	£500	£600	£50 per extra officer	£100
2. Minor Developments**	£100	£250	£300	£50 per extra officer	£50
Conservation advice (all types, including householder)	£100	£250	£300	£50 per extra officer	£50
Conservation advice –urgent structural repairs only **	Free	Free	Free	NA	Free
Tree Advice (TPO's and Trees in Conservation Areas only)	NA	NA	£50	NA	£20

COMMENT: as A plus:

* & ** The definitions are as defined in the PS2 returns to central government:

Major = for residential development: 10 or more dwellings, or a site area of 0.5 hectares or more. For all other uses: 1000 square metres or more of floorspace, or where the site area is 1 hectare or more. This includes changes of use.

Minor = development which does not meet the criteria for Major Development above nor the definitions of Change of Use or Householder Development e.g. 1 to 9 dwellings; new building with 999sqm. floorspace.

This model allows for a limited form of 'sliding scale', depending on the size of the development, but would not reflect the nature of the work involved in a pre-application scheme for a very large site e.g. airport development, a housing allocation of 150 units, etc. Members may wish to consider introducing a further tier for these.

ESTIMATED INCOME GENERATION:

Major - if letter only = £3,600; in-house meeting = £4,500; site meeting = £5,400

Minor - if letter only = £12,000; in-house meeting = £15,000; site meeting = £18,750

Conservation advice = letter only = £20,000; in-house meeting = £25,000; site meeting = £30,000

Tree advice = £6,000

Combined estimate = £140,250

Conservative estimate = £70,125

OPTION C	Letter Only (No Meeting)	Meeting in Office	Meeting on Site	Meeting involving 2 nd Officer	Follow-up meeting
All major and minor development	One fixed cost, as a proportion of the planning application fee (e.g. 50%).			£50 per extra officer	£50
Conservation advice (all types, including householder)	£100	£250	£300	£50 per extra officer	£50
Conservation advice – urgent structural repairs only **	Free	Free	Free	NA	Free
Tree Advice (TPO's and Trees in Conservation Areas only)	NA	NA	£50	NA	£20

COMMENT: as A plus:

This is a fairer model, as the fee increases depending on the scale of the development. It would however be more

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difficult to administer, as a detailed proposal would need to be submitted beforehand so that staff could determine the fee. This analysis is likely to require professional officer time, which would not be a good use of resources in terms of administering the system. This proposal is also not considered to be a fair reflection of the officer time spent, and the other costs of administering the service. **This option is not recommended.**

ESTIMATED INCOME GENERATION:

Major - £14,099 ÷ 2 = £7,050

Minor - £93,994 ÷ 2 = £46,997

Conservation advice = letter only = £20,000; in-house meeting = £25,000; site meeting = £30,000

Tree advice = £6,000

Combined estimate = ££135,047

Conservative estimate = £67,524

OPTION D	Letter Only (No Meeting)	Meeting in Office	Meeting on Site	Meeting involving 2 nd Officer	Follow-up meeting
Major Development only	A single fee of £1000 to cover all options			Included in cost	£50

COMMENT: as A plus:

This would relate to only the larger-scale developments, which would reduce the burden on the smaller company/developer. This would not however contribute to the costs of handling the bulk of the pre-application enquiries. A simpler scheme to administer.

ESTIMATED INCOME GENERATION:

The Council handled 51 major applications last year.

Estimate = £51,000

Conservative estimate = £25,500

Appendix 2

Examples of Local Authorities that charge for Non-Statutory Advice:

Hart District Council: 25% of application fee; Permitted Development enquiries are only dealt with through formal Certificate of Lawfulness applications; planning history research £35; amendments to plans 25% of original application fee.

Lewes District Council: £550, or £412.50 if written advice only. Hourly officer rates for subsequent meetings.

Mid Sussex District Council: Planning advice: £100 fixed fee plus £50 per extra attending officer. £50 per letter; Tree advice: £20 site meeting; £20 per letter; £50 if 'extra' officer.

LB Barnet: £646 to £2,935; extra officers hourly rate £117.50 - £176.

Westminster City Council: Between £1000 + VAT to £2000 + VAT, and up to £1000 for subsequent meeting.

Wokingham District Council: £500 - £1000

LB Havering: Major - £1200; Minor - £600; £80 per follow-up. Also an hourly sliding scale depending on the level of the officer handling; £20 per letter.

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Basis of Initial Cost Calculation:

Hourly rates for professional staff time, including planning history research, planning policy assessment, attendance at meeting, travel time, travel costs, stationary, postage and IT costs; administration of charging system; support staff time; contribution towards general on-costs of staff employment and use of facilities.