
PRE-APPLICATION PLANNING FEES

1 SUMMARY

- 1.1 This reports sets out information about the merits of introducing charges for pre-application advice.

2 BACKGROUND

- 2.1 The determination of planning applications is a statutory function for the Council carried out by the Development Management team. Planning and Transportation deals with a wide range of non-statutory work, but one specific element is advice provided on whether proposals for development require planning consent and on the material issues to be taken into account in reaching a decision – pre-application advice.
- 2.2 The Council has long been committed to providing pre-application advice both verbally (through a Duty Officer system) and in writing. There is no doubt that pre-application discussions can improve the quality of planning applications and reduce the time taken to deliver a decision.
- 2.3 Planning Policy Statement 1: Delivering Sustainable Development states in paragraph 12 that:
- “Pre-application discussions are critically important and benefit both developers and local planning authorities in ensuring a better mutual understanding of objectives and the constraints that exist.”*
- 2.4 Not surprisingly perhaps, the draft National Planning Policy Framework (NPPF) also firmly supports the principle of good quality pre-application discussion – *“The more issues considered at pre-application stage, the greater the benefits”*.
- 2.5 Interestingly, both PPS1 and the draft NPPF are silent on the principle of charging for pre-application advice. However, over the last two or three years some authorities have introduced a schedule of charges.

3 OPTIONS AND OPPORTUNITIES

- 3.1 There is no doubt that pre-application discussion, often now involving Members as per the Council’s protocol, is an invaluable way to ensure the Council receives good quality planning applications.
- 3.2 To date in many authorities pre-application advice has been provided free of charge, not least because it has been felt that developers will not take up the offer if there is a charge for the service. A key consideration is whether charges might be made for larger development proposals, but that free advice would continue to be provided to householders, small business and so on. In Rochford, the majority of applications are made by or on behalf of householders or small businesses; the income generated from introducing a

pre-application advice service for larger proposals might not be significant. It might also be important to have a distinction between providing general advice and specific pre-application advice.

- 3.3 On the other hand developers are anxious to see their schemes progress to a positive decision with the minimum of fuss and that being the case there is some evidence from those authorities providing the service that developers are happy to pay a reasonable charge providing a suitable service is delivered.
- 3.4 This latter point is important. At present the provision of pre-application advice is fitted into the work of processing planning applications and advice provided is often verbal rather than more formally in writing.
- 3.5 Experience from those authorities with a charging schedule is that prospective applicants want to be assured of a minimum level of service, if there is a payment made for the service.
- 3.6 In reality this means pre-application work has to be processed in a managed way with reference numbers, the allocation of a case officer, and the expectation that a response will be provided within a set timescale. Furthermore, there is an expectation of a formal report being prepared providing details likely to include:-
- relevant planning history of the site;
 - site context and surroundings;
 - relevant policies and constraints;
 - recommended consultations before submission;
 - identification of material issues – scale, design, amenity, transport, environment and so on;
 - likely developer contributions;
 - case officer conclusions; and
 - likelihood of the development proposed being found to be acceptable.
- 3.7 All this introduces a very different dimension to the current more informal processes of pre-application consultation. Given the expectations of a developer/applicant, introducing charges is expected to place an additional burden on staff already challenged to deliver a quality planning service. Whilst it may be argued that some resource redirected to the pre-application process will reduce the resource required at the application stage, the formal submission of an application often flushes out other issues of concern requiring attention. There is not a straight relationship between any reduction in resource possible from dealing with applications and an enhanced pre-application service.

- 3.8 Recent research suggests that in Rochford pre-application advice accounts for about 3.5% of officer time, but comparisons to authorities with charges suggests an average of 5.25% of officer time devoted to pre-application work. This may seem a small difference, but in reality when looking at the working hours of an individual officer this is a not insignificant difference.
- 3.9 A further point to bear in mind is that developers/applicants are likely to expect a very clear indication their proposal will be acceptable, but it will remain necessary to provide a disclaimer about the advice provided by officers. This may lead to dissatisfaction when there is an expectation of a positive outcome which cannot be guaranteed. It should also be borne in mind that for a pre-application advice service to function effectively, it will be necessary for the fees to be paid in advance of the work being carried out, as is the case for processing planning applications. In such circumstances, there will be a virtual moratorium on communication with prospective applicants, a situation that many find a frustration with those authorities that do already operate a pre-application advice service.
- 3.10 Some research has been carried out on the level of charges that have been set by authorities introducing a paid for pre-application service.

Example 1

	Total inc. VAT	
Householder	£30.00	Secondary fee at 50% rate if more advice is required
Major development	£700.00	
Minor development	£400.00	
Affordable housing advice	£100.00	
Non residential dev where no new floorspace	£100.00	
Advertisements	£50.00	

Example 2

Large scale development	Meeting	£576 inc. VAT
	Report	£288 inc. VAT
Medium scale	Meeting	£432 inc. VAT
	Report	£216 inc. VAT
Small scale	Meeting	£288 inc. VAT
	Report	£144 inc. VAT

Note for example 2:

Large – 25 plus houses over 2000m² floorspace

Medium – 6-25 houses, 500-2000m² floorspace

Small - < 6 houses, < 500m² floorspace

Example 3 – figures including VAT

	Written	Meeting
Major	£240	£380
Minor	£100	£245 (1 hour) or £130 (30 mins)
House holder	£50	£130 (30 mins)
Listed Building	£100	£150 (1 hour)

Note:

Major – 10 plus houses, 1000m² floorspace

Minor – 9 or fewer houses, up to 999m² floorspace

- 3.11 It will be apparent from these examples there is some variation in the charges that have been introduced by authorities.
- 3.12 Whilst there may very well be an expectation of a particular level of service from a local planning authority where that service is subject to a charge, it is

not clear that introducing charges actually improves the ultimate outcome of the application process.

- 3.13 The government is proposing to introduce regulations to require local planning authorities to set fees locally for processing planning applications. Fees must be set at a level to enable the full recovery of costs attributed to the processing of planning applications.
- 3.14 Pre-application advice will not, however, be a chargeable item regardless of whether there are benefits to the application process. That being the case, any pre-application fees would be an additional cost to the developer/ applicant, but as with planning application fees, the fee charged could only be set at a level to recover the costs of the service and not designed to make a profit.
- 3.15 Officers have been considering the options for introducing pre-application fees in Rochford in parallel with work taking place to determine the level at which local planning fees should be set. At present, it is expected that local fee setting will commence on 1 April 2012. If pre-application fees are to be introduced in Rochford, it would be sensible to do so at the same time as the change to local fees.
- 3.16 As will be apparent from the examples given above, there are various models for charging for pre-application advice. Officers will be undertaking further work to determine a model that will work best for Rochford, not least whether pre-application charges should be introduced, given the likely change in the relationship that will occur with prospective applicants/developers.

4 RISK IMPLICATIONS

- 4.1 The key risk to consider is the impact that pre-application fees may have on the number of requests received. If pre-application discussions do improve the quality and outcome of planning applications they are to be encouraged – introducing charges may have a negative affect.
- 4.2 Furthermore, there is expected to be an increase in the resource required to deliver a paid for pre-application advice service and this could have an impact on processing planning applications. The government is keen that the time spent processing planning applications is minimised.

5 RESOURCE IMPLICATIONS

- 5.1 There is no doubt a cost is attached to providing free advice to developers/applicants, though at present the focus for planners is on processing applications, with pre-application advice, including meetings and duty officer shifts, being fitted into the work day when possible. Introducing charges does change the dynamics and there would be an expectation of an enhanced level of service from customers, but with the same level of resource available there would be a need to demonstrate that time spent on pre-application advice would reduce somewhat the time required to process

planning applications. At this stage it is not possible to show this would be the case and therefore the introduction of pre-application fees would need to be very carefully managed to ensure planning officers are able to devote sufficient time to processing applications.

- 5.2 In terms of fee setting, the work being undertaken to determine the level for local fees will provide some assistance, but it is not possible to give an indication at this time of an appropriate charging structure for pre-application advice.
- 5.3 Any attempt at this stage to estimate income from pre-application advice is difficult. Research to date suggests that some authorities are generating a few thousand pounds' income, though the income in London Boroughs or larger authorities may be much greater.
- 5.4 It is anticipated that existing IT systems can be used to manage an enhanced pre-application advice service, though there may be some resources required to set up new systems and procedures.
- 5.5 It should be noted that the figures given in the tables include VAT, though the Council does not keep the VAT element.

6 LEGAL IMPLICATIONS

- 6.1 The Local Government Act, s93, allows local authorities to set charges for discretionary services, if there are no other powers available. However, no profit can be made from providing the service.

7 RECOMMENDATION

- 7.1 It is proposed that the Committee resolves to note the report and the work being carried out by officers on the options for introducing fees for pre-application advice in parallel with the introduction of local fees for planning applications, expected on 1 April 2012.

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Background Papers:-

None

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