

**REPORT TO:** Planning Committee  
Cabinet

**DATE:** 9 March 2011  
14 April 2011

**SUBJECT:** Proposed charging for Pre-Application Advice in Relation to  
Planning Applications

**WARDS AFFECTED:** All

**REPORT OF:** Director of Built Environment

**CONTACT OFFICER:** Sue Tyldesley, Telephone 0151 934 3569

**EXEMPT/  
CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To seek approval of the Planning Committee to levy fees for pre-applications within the Planning Portfolio.

**REASON WHY DECISION REQUIRED:**

At the meeting of 26 February 2004, Cabinet requested that any other amendment to fees and charges be referred for approval prior to implementation. The commitment to pre-application charging is already in the budget for 2011/12.

**RECOMMENDATION(S):**

Planning Committee -

1. approves the proposed level of charges for consultation purposes.
2. requests Cabinet to approve the proposed level of charges for consultation purposes.

Cabinet -

1. Approves the proposed level of charges for consultation purpose.
2. grants delegated authority to the Planning & Economic Development Director to make minor adjustment to fee levels and other presentational changes as necessary.

**KEY DECISION:** NO

**FORWARD PLAN:** NO

**IMPLEMENTATION DATE:** Following the consultation exercise

**ALTERNATIVE OPTIONS:**

That no fees be charged for pre-application advice

**IMPLICATIONS:**

**Budget/Policy Framework:** The 2011 budget includes a new income target for pre-application fees of £30,000

**Financial:** It is anticipated that, subject to approval of the fee levels contained herein, and following a consultation period, £30,000 additional income might be achieved through charging fees for pre planning application advice.

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>	<b>2013/ 2014 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

**Legal:**

**Risk Assessment:**

**Asset Management:**

**CONSULTATION UNDERTAKEN/VIEWS**

Finance Department FD678

**CORPORATE OBJECTIVE MONITORING:**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy		✓	
8	Children and Young People		✓	

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

The Local Government Act 2007 “A Material World – Charging for Pre-application Planning Advice” Planning Advisory Service (PAS).  
The Killian Pretty Review 2008

## **1. Background**

Provision of pre-application advice is a significant and valuable part of the development management service at Sefton but is increasingly time consuming. A time recording exercise in 2010 revealed that almost 15 % of planning officer time in the Development Management team is spent responding to pre-application queries with this figure rising to up to 37% for senior officers. A total of 1294 pre-application queries were received in 2010 and the average response time was just over 4 working days. The government is moving us towards a system whereby fees should be set to cover actual costs for planning applications. Whilst we are not yet ready to introduce local fees, Sefton is able to take advantage of the opportunity to charge for pre-application advice.

The Local Government Act 2003 and specifically Section 93 gives Local Planning Authorities discretionary power to charge for services such as pre-application advice. Where a fee is charged, it must be on a not for profit basis and over the course of each year, the income from charges for such services must not exceed the cost of providing them.

The Planning Advisory Service (PAS) produced a Paper in April 2007 entitled 'A Material World - Charging for Pre-Application Planning Advice'. The research included interviews with Local Authorities who were charging and those that had considered the idea but then dismissed it. The main findings to emerge were that:

- Charging improves the delivery of what is an essential but time consuming service and helps to ensure better quality application submissions;
- Charging helps filter out speculative and poorly thought out development proposals;
- Charging could, however, discourage development or risk harming a good working relationship with local agents;
- No authority interviewed charged for householder development and most exempt development affecting small business premises;
- Charging was largely accepted in principle on the basis that developers would receive in return, assured and timely access to the service/staff and carefully considered and constructive written advice at the end of the process;
- Charges need to be easily understood and administered

Since that time the Killian Pretty Review (November 2008) has noted the need to improve this "critically important" stage and encourages a more measured and consistent approach to pre-application fee charging

## **2. Advantages of pre-application engagement**

In the current economic climate, charging for pre-application advice could be seen as a further burden on the applicant/developer. However, the importance of early consultation and front loading of applications so that all the issues are properly considered at application stage has been shown to be very valuable to both the council and the applicant.

There are many reasons why applicants appreciate clear pre-application advice. In general pre –application discussions :

- Give applicants an opportunity to make changes to their proposals before they apply for planning permission to enable the application to move through the formal system more smoothly and quickly and without the need for multiple applications. Genuine development management approaches seek to work together with the applicant to resolve problems and find the optimum solutions on a site;
- Enable the applicants to identify at an early stage if a scheme is unlikely to be successful and save the cost of working up and submitting an unacceptable scheme.
- Reduce the time spent by professional advisors in working up a proposal by identifying at an early stage those issues and policies which need to be addressed
- Enable the applicant to carry out the necessary studies(which can take some time) an early stage and to identify the need for any specialist input so that the need for further information does not result in delay to validation or at a later stage
- Encourage applicant to carry out early community consultation thus enabling issues to be resolved and reducing the weight of unnecessary objection at application stage. (This is expected to become mandatory for larger schemes as part of the Localism Bill).

In general pre-application discussion can significantly reduce the costs of preparing an application and by providing a greater chance of success and less need for appeal reduce the costs associated with delay.

At an Agent's forum in Sefton last year, agents were asked for their views about what they would expect if there was a charge for pre-application enquiries. They were not negative about this but clearly expected a high quality of response and made the following suggestions :

Response within 2 weeks

Refund of charge on submission of planning application

Don't charge for householder developments

Need to specify response times according to type of enquiry

Staff must be empowered to respond on behalf of all Council areas involved

Should be given the same priority as an application

Discourage charging for anything other than major applications

Response within 30 days

Introduce a fast track service (for an increased cost)

Development Team response

Introduce a validation checklist for pre-applications

Differential charge for varying types of application

What is important to developers is that they are receiving timely, responsive, constructive and reliable advice. In turn, this can save developers significant resources by not pursuing schemes which are unacceptable or have to be modified once submitted.

There are also benefits to the Council in providing pre-application advice in that this can reduce the number of unacceptable applications, reduce the number of issues which need to be resolved at application stage and reduce the number of time consuming appeals. Indeed the experience of the development management team at Sefton is that pre-application consultation has been instrumental in bringing forward better quality development.

### **3. Charging**

Introducing charges would have the following advantages for the Council:

- In line with the government's approach to planning fees, the customer would pay for the service, not the general council tax payer;
- Income can support the planning service and/or reduce the call on Council Tax as part of overall budget savings. Indeed it is anticipated that £30,000 could be generated by such charges in 2011/12 and this has been built in to the anticipated budget.
- On an operational basis charging for pre-application discussions would give them the higher priority on officer time which they deserve and thereby make them more effective for both applicant and the council. Whilst they remain non fee earning they cannot be given the same priority as that which is afforded to fee earning work.
- Applicants would be discouraged from making pre-application queries simply as a valuation exercise with no real prospect of implementation

On the other hand there are potential disadvantages

- The applicant might choose not to seek pre-application advice and problems may arise later which could have been avoided. This may result in poorer quality developments, more refusals and subsequent appeals;
- The charges for advice will require additional officer time in respect of the collection of fees and arrangement of meetings. Planning officers will need to give more time to preparing for meetings and provision of written minutes. This may impact on officers' ability to determine applications within the prescribed periods.

### **4. Fee charging elsewhere**

It is evident that many authorities now charge for pre-planning advice. Many authorities in the South East adopt this approach along with several in the north including Leeds, Ashfield, High Peak and Derby. Strategic major developments charges range from £1,175 for a meeting and written response with Derby to £4,000 at Haringey Locally, the Merseyside Authorities do not yet charge for pre-application

advice although some are researching the possibility. In Lancashire fees are charged by Chorley, Preston, Hyndburn, Ribble Valley and Wyre. Most significantly West Lancashire is shortly to introduce charging.

Setting the level of fees is a challenge and there is no degree of consistency nationally. However there are some similarities between Lancashire districts and given the proximity, the proposed charges at West Lancashire are highly relevant.

The local setting of planning application fees is to be based on a cost recovery basis and a time recording exercise is planned to get a more accurate analysis of costs. This is to be done on a joint basis with other local authorities in the North West. In due course this will also inform the costs of pre-application advice and will enable charging which more accurately reflects costs to be considered. Indeed as part of the local fee setting exercise it would be possible to consider discounted fees for applications where pre-application discussions had taken place and been paid for. This would be appropriate as applications that have been subject of detailed pre-application discussions normally take less work at determination stage.

Some authorities charge a nominal amount for a householder application but many do not. In Sefton there is clear advice in the 'house extensions SPG' which is often sufficient. However, in respect of householders and all other applications it would seem reasonable to charge for a site meeting as there are real additional costs in officer time.

## **5. Pre-application charging in Sefton**

It is proposed to bring in pre-application charging at the present time to cover the gap until local fee setting can properly consider the costs of the whole development management service

### **Service for applicants**

Under the proposed scheme, a prospective applicant would receive a guaranteed level of service and would be able to request follow up advice /meetings but at extra cost. The system would be administered carefully, so that the process is accountable and auditable and would be based on the system which the department already operates for pre-application letters. It would be customer focused and apply to pre-application discussions submitted from a defined date to be published on the Council's website. We would not withdraw from discussion on projects currently under discussion but would look to charge for additional advice.

In summary the applicant can expect that a response would be provided within an agreed timetable, normally 10 working days (unless otherwise agreed because additional information is required or more consultations are needed) and would be in a standard format to identify relevant policies and planning issues with appropriate internal consultations. The response would conclude with recommendations. The provision of external consultations would only be included if agreed in advance and an additional fee may be required.

## **Fee levels**

Proposed costs are set out below and are based on likely time taken together with comparison with other authorities, especially those in Lancashire and proposals for West Lancashire in particular.

In order to be consistent, fair, and impartial the charging regime needs to apply to all pre-application inquiries. However, there should be certain exceptions where the development would benefit the Borough in terms of, for instance, the provision of 100% affordable housing or assisting a community or voluntary sector project where the social benefits of the scheme are paramount. Those exceptions would be set out in more detail in the service standard.

In the context of a significant development the cost of a pre-application advice should be money well spent. However, the sliding scale of charges seeks to ensure that costs are kept modest for smaller developments and small businesses.

## **Moving forward**

It will be necessary to undertake a consultation exercise for 4 weeks with local agents, statutory bodies, Ward Councillors, Parish Councils, other interested parties and members of the public before introducing the charges.

It will also be necessary to set out service standards to explain in full what we require from applicants and what they can expect from us. Whilst based on the comments above, this will need to be set out in a detailed formal document which would be published on the website.

## **6. Sustainability**

The introduction of pre-application charging will provide clarity for all those involved in the planning process.

## **7. Financial and resource implications**

At this stage it is difficult to predict actual income from this new scheme but an income of £30,000 has been budgeted for based on the numbers of pre-application queries received in recent years, and taking into account that charging may result in less inquiries and the present economic situation has reduced queries.

## **8. Risk Assessment**

There is a risk that giving more priority to pre-application work may temporarily affect the council's ability to maintain the current very high performance standards in relation to time periods for determination of planning applications. However this effect is not considered to be significant and will be compensated for by better quality applications in the future. There may also be an expectation that pre-application consultation will result in planning permission being granted. However, it will be made clear to applicants that all advice is given without prejudice and does not fetter the decision making powers of the Local Planning Authority and particularly the Planning Committee in coming to a decision in respect of the subsequent planning application.



## **9. Equality Impact Assessment**

There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality target groups.

## **PRE-APPLICATION ADVICE**

### **PROPOSED FEE SCHEDULE**

	<b>FEE</b>
<b>Householders</b>	No fee  £50 if meeting requested
<b>Minor development</b> less than 3 dwellings <ul style="list-style-type: none"><li>• all non-residential schemes with a floor space less than 500sqm or sites less than 0.5ha</li><li>• adverts</li><li>• change of use of building(s) with a floor space less than 500sqm or sites less than 0.5ha</li><li>• single wind turbines/telecoms mast under 17m high</li></ul>	£100 to cover one unaccompanied site visit and one letter;  £150 if meeting requested;  Hourly rate thereafter (£50 per hour)
<b>Intermediate development</b> 3 to 25 dwellings <ul style="list-style-type: none"><li>• All non-residential schemes with a floor space between 500sqm and 2,000sqm or on sites between 0.5ha and 2ha</li><li>• change of use of building(s) with a floor space between 500sqm and 2,000sqm or sites between 0.5ha and 2ha</li></ul>	£200 to cover one site visit and one letter;  £250 if meeting requested;  Hourly rate thereafter (£50 per hour)
<b>Significant development</b> 26 or more dwellings <ul style="list-style-type: none"><li>• All non-residential schemes with a floor space over 2,000sqm or on sites over 2ha</li><li>• change of use of building(s) with a floor space over 2,000sqm or sites over 2ha</li><li>• any scheme requiring an Environmental Impact Assessment</li></ul>	£750 to cover up to one site visits and two meetings;  Hourly rate thereafter (£50 per hour)