

<b>REPORT FOR DECISION</b>
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<b>Agenda Item</b>	
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<b>DECISION OF:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>13 JUNE 2012</b>
<b>SUBJECT:</b>	<b>PRE-APPLICATION CHARGING</b>
<b>REPORT FROM:</b>	<b>COUNCILLOR G CAMPBELL CABINET MEMBER – NEIGHBOURHOODS AND REGENERATION</b>
<b>CONTACT OFFICER:</b>	<b>DAVID MARNO</b>
<b>TYPE OF DECISION:</b>	<b>KEY DECISION OF CABINET</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	This report is presented to Cabinet where the Planning Control Service is seeking to charge for pre-application discussions for certain types of planning proposals.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<ol style="list-style-type: none"> <li>1. To accept the proposals within Table 1 of paragraph 2.6 to permit the charging of pre-application planning advice.</li> <li>2. To amend the proposals for charges outlined within table 1 of paragraph 2.6 to permit the charging of pre-application planning advice.</li> <li>3. To reject the proposals for charges outlined within table 1 of paragraph 2.6 to permit the charging of pre-application planning advice.</li> </ol> <p>Option 1 is recommended for the reasons outlined in the report below and for pre-application charging to take effect from 1<sup>st</sup> July 2012.</p>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework?      Yes
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	Charging for pre-application services is permitted, and costs may be recovered in full.

	Income must not however exceed the full costs of providing the service.  Where surplus or deficits are generated, these will be taken into account when setting charges in future periods.
<b>Statement by Executive Director of Resources:</b>	The Budget options in the Plan for Change approved by Council on 22 Feb 2012 include a target of £5000 income from the introduction of the new charges. The level of income actually received will need to be monitored against costs incurred to ensure that surpluses or deficits are minimised and any which do arise are taken into account when setting charges in future periods
<b>Equality/Diversity implications:</b>	No
<b>Considered by Monitoring Officer:</b>	Yes (NS) The report is in accordance with appropriate legislation
<b>Wards Affected:</b>	ALL WARDS
<b>Scrutiny Interest:</b>	

## TRACKING/PROCESS

**DIRECTOR: EDS**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
14/5/12	30/5/12		
Scrutiny Committee	Committee	Council	

## 1.0 BACKGROUND

- 1.1 Many Local Planning Authorities, including Bury, devote considerable time and effort to offering pre-application planning advice and see it as a key part of delivering a good planning service. Many requests for advice are of a speculative nature and do not lead to the submission of an application. If an application is eventually submitted, the application fee is for considering the application, rather than for the cost of the pre-application discussions.

The recently published National Planning Policy Framework (NPPF) encourages pre-application engagement and discussions with local planning authorities and recent consultations on local fees setting for planning applications made it clear that the costs of running pre-application service should be either paid for by

the applicant or the Council and was not reclaimable as part of the costs of processing a planning application.

- 1.2 The Local Government Act 2003 provides planning authorities with 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) and therefore allowed authorities to recover at least some of these costs incurred before the application is submitted. The income raised must not exceed the cost of providing the service.
- 1.3 There is an increasing number of Local Planning Authorities who charge for pre-application planning advice including a number of the 10 Greater Manchester Councils. The provision of pre-application advice can sometimes include a number of technical specialists that play a significant part of the planning function in providing advice to deal with specific issue such as traffic, contaminated land issues, ecology, recreation, employment or housing issues.
- 1.4 Some pre-application planning proposals can be readily dealt with by the planners themselves and involve a single meeting. However, some applications can involve more detailed discussions often resulting in numerous meetings being involved and the need for complicated coordinated advice.
- 1.5 This paper discusses the issues around these matters and suggests that Bury's Planning Service should introduce in-line with other neighbouring Authorities, a pre-application planning advice charge from prospective developers etc., in order to cover costs which are currently borne by the Council.

## **2.0 ISSUES**

- 2.1 The Planning Advice Service (PAS) produced the results of a study in 2007 that pointed towards a series of common factors as to why pre-application planning charges should be introduced. These were –
  - There was a unanimous consensus that a great deal of officer time is committed to pre-application advice and this creates budgetary pressures.
  - The processing of planning applications is a statutory function, whilst pre-application advice is not. However, there is a clear benefit to providing pre-application advice which often suits developers alone with Authorities unreasonably bearing the costs of this service.
  - To help improve the delivery of what all view as an essential but time consuming service, and to help ensure a better quality of application submissions;
  - Those authorities that have introduced charging have found that this helps to filter out speculative and poorly thought out development proposals and focuses the developers to realist and better considered proposals;
  - Better quality submissions leads to better outcomes for all those involved in the planning process, which assists to achieve best value targets and thus helps to sustain strong economic growth and regeneration;
  - Major developers were found to almost expect to meet pre-application charging for the service and would see it as an integral part of their planning and development proposals; they also understood that a planning application fee is paid to process a planning application, and does not consider the pre-application works that have gone on before the application was submitted;

- There is an expectancy to provide clear and timely advice from a Local Planning Authority where a developer can act accordingly in putting their proposals together in an informed and assured way;
  - The pre-application process becomes iterative with expectancy of follow up meetings once pre-application advice has been given. This can help drive internal efficiencies in the process;
  - Charges need to be easy to understand and to administer and for this reason a standard fee is preferred to an hourly fee.
- 2.2 The key factor coming from these points are of supporting the respective Council's planning services to ensure that planning application proposals that are submitted are informed through sound and proper planning advice, thus enabling Council planning services to function effectively and underpin strong economic growth and regeneration for their areas. A key factor of ensuring such growth can be found within the Killian Pretty Review – Planning Applications: A Faster and More Responsive System Final Report (2008), where charges for pre-application advice were considered to be a means of securing growth through a responsive planning system.
- 2.3 There is a need to consider the implications of challenge to the introduction of charges for planning advice, given that it would be a locally introduced charge. Pre-application advice has been a cornerstone of securing 'good planning' for many years and where it is followed, has led to the delivery of good schemes. The introduction of a charging policy would not change the quality of the advice, it would simply formalise the process and ensure that the delivery of the advice is provided in a professional and reliable manner, set out against a clear set of rules and principles on a cost recovery basis. The above study's conclusions clearly indicate that the use of pre-application advice benefits all involved with planning and development and that charging for such advice is neither unreasonable nor unexpected
- 2.4 A handful of Planning Authorities at the time of the PAS report had stated that those who had not introduced a charge had expressed a concern of a risk of discouraging developer interest and inward investment. However, as stated above, developer speculation often becomes filtered out where charges for advice are required to be paid. Moreover, land owners with real intention of development consider that it is more important to obtain the security of good, sound planning advice that enhances the likelihood of bringing a development proposal to fruition and thus a realisation of a true land value and development being actually delivered.
- 2.5 Pre-application charges need to be focused and be realistic to contribute towards the cost of officer time, whilst not being a disincentive to developers to seek formal advice. As such the table below provides guidance on where charging should be introduced and where it should not.
- 2.6 As part of the recent work we have undertaken with PAS and CIPFA we have been able to identify costs directly associated with pre-application work and the proposed fees below are based on this work and would be subject to further benchmarking and time keeping if they were introduced.

**Table 1**

<b>Category of Development</b>	<b>Size of Site</b>	<b>Proposed Fixed Fee</b>	<b>Output for Applicants</b>
Householder Developments	Not applicable	Free	For 1 meeting and/or a letter response
Listed Building Proposals	Not applicable	£100	For 1 meeting and/or a letter response
Prior Approval Notifications Telecoms	All	£100	For 1 meeting and/or a letter response
Any Small Commercial development including changes of use	on a site or occupying a site of less than 0.5ha or less than 1000m <sup>2</sup>	Free	
Major Commercial development including changes of Use	on a site or occupying a site of more than 0.5ha or more than 1000m <sup>2</sup>	£500	For 1 meeting and/or a letter response
Residential development schemes	Up to 10 dwellings	£250	For 1 meeting and/or a letter response
Residential development schemes	More than 10 dwellings	£500	For 1 meeting and/or a letter response
Winning or working or Minerals and applications involving waste	0.5ha or above	£500	Up to 2 meetings and/or a letter response
<p><b>Follow up Advice</b></p> <p>This will be charged on an hourly rate basis (whole hours not part thereof) whether for attending meetings or producing written responses.</p> <p>Examples of hourly rates for 2012/13 are:</p> <ul style="list-style-type: none"> <li>• Assistant Director - £100</li> <li>• Development Manager - £75</li> <li>• Senior Planner - £65</li> </ul> <p><b>Planning Performance Agreements</b></p>			

Where major applications are proposed and would require numerous officers and meetings to take place throughout the process, the fees for such agreements shall be established on a case by case basis.

**All the above rates exclude VAT and VAT will be charged at the rate applicable at the time of the submission. The income raised must not exceed the cost of providing the service. Where a surplus or deficits of income in relation to the costs of the estimated income are realised, these will be taken into account when setting charges in future periods.**

2.7 Below is a sample comparison of pre-application charges that have been introduced by other Authorities. Many Greater Manchester Authorities are in the process of introducing charges, whilst some already have. Below are some examples.

- **Salford** - fixed charges ranging from £350+VAT for 1 hour meeting for non-major to £850+VAT for major proposals
- **Rochdale** - Working up proposals
- **Bolton** - Working up proposals
- **Trafford** – £375+VAT small buildings; major commercial buildings £1000+VAT; Major site proposals £1200 - £1750+VAT
- **West Lancashire Council** – Minor Development £100+VAT; Intermediate Development £200+VAT; Major Development £500+VAT; Significant Development £1000+VAT;
- **Oldham** – No pre-application advice provided except for major schemes.
- **Sefton** – Minor developments upto £250+VAT; major developments £750+VAT
- **Hyndburn Council** - £500+VAT for significant major proposals; £300+VAT major proposals; £100+VAT minor proposals; Householder proposals £35.
- **Croyden** - £500+VAT for minor proposals and £1000+VAT for major proposals

2.8 The key factor to a developer is to ensure that their application proposals are comprehensive and achieve the greatest possibility of a successful outcome. As part of ensuring that this can happen, a structured approach to the pre-application regime must exist. In Bury, this does occur and is a longstanding product of the Development Team Approach and shall work as follows:

- The Development Management Team receives an enquiry, on a standard form with the requisite fee;
- The proposal shall be registered as pre-application proposal on the Council's database;
- The Development Management Team shall allocate an officer and will consult on the proposal and arrange a meeting, if needed with the agent/applicant.
- A response shall be formalised, which shall include the relevant policies, consultee responses, issues analysis and a list of the documentation to accompany any formal application to meet the validation checklist criteria is provided.
- The aim is to ensure that the response is provided within 20 working days.
- This process would continue and be a commitment to all pre-application advice requests subject to the scheme being presented here and if further meetings are required this shall be communicated to the agent or applicant, which will include additional costs in line with table 1 above.

- 2.9 The proposals were also presented to the Council's Planning Committee at its meeting in April 2012 to see whether there were any adverse comments or otherwise to be made on the proposals. The committee understood that there ought to be a method by which officer time should be recouped to provide advice on larger non-minor or difficult proposals. The Committee welcomed the proposals.
- 2.10 Should Cabinet approve the proposals, the Local Planning Authority would publicise the intended charges and process involved on the Council's website and would email the agents that use the planning service through its database.

### **3.0 EQUALITY AND DIVERSITY**

- 3.1 The proposals presented in this report have been derived to ensure that the scale of the pre-application charges reflect the nature of schemes that come forward i.e. a greater fee for a more complex scheme and a lesser fee for a more simple proposal. Additionally, to ensure that there would be no undue burden imposed upon those whom are likely to least be able to pay, the proposals include free classes of charges such as householders and small commercial development, where it is proposed that no pre application charges would apply. In view of this it is considered that the proposals within this report would be in conformity with Equality and Diversity requirements.

### **4.0 CONCLUSION AND RECOMMENDATION**

- 4.1 It is clear that the introduction of legislation for Local Authorities to charge for advice has been taken up by many Councils as a means of ensuring that the planning system is a responsive one and becomes a key part to the delivery of proper planning proposals, economic growth and regeneration to their areas.
- 4.2 The charges being presented in this report for Bury Council are considered to be fair and reasonable and recommended following robust benchmarking and time-keeping evidence using the best available information. They would further underpin the valued, coordinated work and responses that are delivered by the service, whilst being able to recover the costs of the manpower required whilst providing the service.
- 4.3 It will be recommended that Cabinet notes the comments and issues contained within the report and it is recommended that the proposals be accepted in line with the charges shown in Table 1, paragraph 2.6 (Option 1)
- 4.4 Should Cabinet accept the proposals, then the charges shall be introduced from 1July 2012.

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#### **List of Background Papers:-**

- A Material World – Charging for Pre-application Planning Advice – Planning Advisory Service 2007
- Killian Pretty Review – Planning Applications: A Faster and More Responsive System Final Report (2008)
- Pre-application planning advice charges schedules from a sample of Councils including: Salford CC, Rochdale Council, Bolton Council, Trafford Council, West Lancs Council, Oldham Council, Sefton Borough Council, Hyndburn Council and Croyden Council.

- Bury MBC Benchmarking Exercise in association with PAS and DCLG 2011
- General Power for Best Value Authorities to Charge for Discretionary Services – Guidance on the Power in the Local Government Act 2003

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