

10. EXTENSION OF CHARGING FOR PRE-APPLICATION PLANNING ADVICE (JRS)

Purpose of the report

1. To consider the extension of charging for pre-application advice related to householder developments.

Recommendations:

1. That the pre-application charging scheme be extended to cover householder developments from 1 April 2015.

How does this contribute to our policies and legal obligations?

2. The introduction of charges for pre-application advice is permitted under Section 93 of Local Government Act and a number of local authorities have already introduced charges for this purpose. The introduction of charges for pre-application planning advice presents an opportunity to recoup some of the costs associated with undertaking pre-application discussions with potential applicants for planning permission, and to offset some of the costs of the planning process.
3. Many local authorities offer pre-planning application guidance, seeing it as a key part of delivering a good planning service. The National Planning Policy Framework states:

“Early engagement has a significant potential to improve the effectiveness of the planning system for all parties. Good quality pre-application discussion enables better coordination between public and private resources and improved outcomes for the community. Local Planning Authorities have a key role to play in encouraging other parties to take maximum advantage of the pre-application stage. They cannot require that a developer engages with them before submitting a planning application, but they should encourage take of any pre-application services they do offer. They should also, where they think this would be beneficial, encourage any applicants who are not already required to do so by law to engage with the local community before submitting their applications. The more issues that can be resolved at pre-application state, the greater the benefits. This assists local planning authorities in issuing timely decisions, helping to ensure that applicants do not experience unnecessary delays and costs”

Pre-application advice is advantageous both to applicants and to Local Planning Authorities for the following reasons:

- It provides an opportunity to suggest that an application should not be submitted if the proposal is wholly unacceptable;
- It enables officers to influence the proposal to provide a better development, particularly in terms of design and layout;
- It allows discussion regarding the information required to accompany an application and any draft legal requirements; and
- It allows liaison with other departments and consultees (internal and external) to bring out any conflicting views and issues.

Corporate Objectives 2012 – 15

4. The review undertaken in this report furthers Corporate Objective 3: to provide a high quality planning service to the community of the National Park that achieves national park purposes and that is responsive to and contributes to the debate on planning reform nationally and locally. The introduction of charging is intended to support the provision of a high quality planning service at a time of budget constraints.

Current Position and Justification for Extending Charging

5. The principle of charging for pre-application advice was agreed by the Authority in December 2013 and was introduced on 1 April 2014. This scheme covers a wide range of developments which were considered to be commercial or business related, but it did not include householder developments. These are principally house extensions and alterations. A target of £20,000 has been set from charging for planning advice in 2014-15. This report therefore seeks to provide Members with the additional detail they requested and to provide a level of fee income to achieve the £20,000 target. After 6 months of operation the fees received were above target at approximately £13,000.
6. The business case for extending charging to householder developments was raised with Members at a Finance workshop in November 2014 and was generally accepted by those Members present on the basis that the current charging scheme appears to be working well and is likely to achieve its income target. The Planning Service is currently funding in two ways – an allocation in the annual budget from the DEFRA grant given to the Authority and from planning application fee income, with the additional income from pre-application charging now added to this. Planning application fee income is variable and cannot easily be predicted, but in recent years it has been relatively consistent at around £210-220,000 pa, with a “spike” of £279,000 in 2011-12. The current position for 2014-15 is that application fees are around 15% above expectation, largely because of a number of high fee-earning applications. Fees are set nationally and rarely cover the cost of determining an application; proposals for local fee setting were considered by the Government but were not progressed.
7. **Background to Pre-application charging:**

The background to charging for pre-application charges was set in some detail in the report to Authority in December 2013, so this is not repeated here. That report also set out the background to, and proposals for, introducing Planning Performance Agreements (PPAs). Although PPAs were agreed by the Authority in December 2013, none have been used to date. This is partly because they are voluntary and require an applicant to either offer one or agree to one. They are particularly useful for the pre-application stage of major developments, including minerals and waste proposals. Officers are expecting to make greater use of these in the coming year and will actively promote them with applicants.
8. The Authority encourages prospective applicants to seek pre-application advice so that issues that could arise during the application process are identified and dealt with as early as possible and the application is submitted in the best form possible. It can also help to avoid validation problems and delays (this can be as high as 30% of applications). At present the National Park Authority provides free pre-planning advice for householder developments, with no restriction on the length and detail of this. The advice is largely provided through the Planning Service, but a significant amount of general advice on more straight forward matters is provided by the Customer Service Team, particularly by the Planning Advisor. In addition to this, other officers provide specialist advice - for example on developments which affect listed buildings, conservation areas, trees, features of ecological or archaeological interest, for example.
9. The introduction of pre-application fees in April 2014 has worked well, with very few complaints about the level of fees and how the system has worked. There have been a small number of cases where advice has been delayed and, in some cases, the fee has been returned as gesture of goodwill. As agreed when the current charging regime was agreed at Authority in December 2013, a report will be brought to the Authority meeting in May 2015 reviewing the operation of the current system and making proposals for changes, if necessary. In the meantime, the Authority, including the Planning Service, is

faced with a reducing budget, so further proposals for charging users of the Authority's services are considered to be reasonable and necessary. The principle that the person receiving a service should cover part of the cost of providing that service was considered to be acceptable and equitable by the Authority in December 2013.

10. The purpose of extending charging is therefore to generate some additional income which would help to provide/maintain resources within the Planning Service at a time when budgets are constrained. The process also results in a clearer expectation by applicants/agents and Planning officers about the nature of the advice being given, with a more business-like approach being adopted to the submission of information and the provision of advice in return.
11. The following principles were adopted when the current pre-application advice charging scheme was introduced:

Principles:

- Fees should be set at a level which will not be prohibitive and which would not deter most applicants/agents from seeking advice, whilst be sufficient to justify the administrative costs and time taken to collect and process them.
 - The proposed fee scales are not intended to meet the whole cost of providing the Planning Service; this would require a level of fees which would be significantly higher than proposed. The purpose is to generate some additional income which would help to provide/maintain resources within the Planning Service at a time when budgets are constrained.
 - Fees should be simple and easy to understand.
 - Fees should be fixed rate for single meetings, letters and reports for all but major developments where variable fees may be more appropriate.
 - Fees for major developments shall be based on the above principles, but with project specific fees being negotiated with applicants and agents at an initial meeting. Where possible the applicant will be encouraged to enter into a Planning Performance Agreement, which will include agreement on fees, at the outset (see below for further guidance on PPAs).
 - Where an hourly rate is to be charged, it is recommended that this be charged at £45 per hour.
 - All fees include VAT.
 - The fees shall be reviewed every 12 months and revised as necessary on 1 April each year.
12. Members may recall that when the principle of charging for pre-application advice was discussed at finance/budget workshops in November 2012 and September 2013, the principle of charging for businesses for advice was accepted, but it was considered that householders should not be charged. Given the nature and scale of applications received by the Authority each year, with a predominance of householder applications, charging for pre-application advice could provide a reasonable level of income, but it would also impact on a much wider range of applicants. There is mixed practice elsewhere, with some LPAs charging householders whereas others do not. In 2013-14 over 300 householder applications were received in the Peak District, approximately 30% of the total received. Officers also consider that no fee should be charged for confirming whether or not planning permission is required as this is an important piece of advice which applicants require – a charge may discourage householders or their agents from seeking advice on this, possibly resulting in unauthorised extensions and alterations, although it should be noted that some LPAs (such as Staffordshire Moorlands District Council) do charge for this (currently £56).
 13. The current fee for householder applications is £172. Using the same principle as was adopted with charging for non-householder developments, the fee for pre-application

advice should not exceed the planning application fee (the only exception is for advice on developments subject to the prior notification procedure, where the application fee is £80, but the pre-application advice fee is £100, reflecting the fact that the relatively notification fee does not reflect the full cost to an applicant of submitting an application).

14. Using the principles set out above, it is recommended that the fee for pre-application advice on householder developments should be set at a level between £60 and £120. Members' views are sought on this, but officers recommend that a fee of £100 per enquiry would be reasonable. A further option would be to charge an additional fee for a site visit, but at present pre-application advice is often given without a site visit as this is not always considered to be necessary. Offering a site visit on the payment of an additional fee may generate additional income, but it may also create a disproportionate amount of additional work, some of which will not be necessary as appropriate advice could be given on the basis of plans, photographs and an understanding of the site's setting and planning history. It is therefore recommended that a single flat rate fee be charged, with the option of a site visit and meeting being at the officer's discretion.
15. If a fee of £80 is charged and approximately 50% of householder proposals are the subject of pre-application advice (although some may not proceed to an application), then this would result in around 150 x £100, giving an income of £15,000 per annum in addition to the existing pre-application fee income. This would contribute to the target of £25,000 additional income which has been set for the Planning Service in 2015-16. The remainder of this income is expected to be generated through additional income from the existing pre-application charging scheme and through making better use of Planning Performance Agreements (PPAs), the basis of which was set out in the report to Authority in December 2013, but which, in practice, have not been used. The background to PPAs was set out in that report, explaining that this is a widely used voluntary agreement between planning authorities and developers on major application and which is encouraged by the Government to provide a more structured, project management approach to the consideration of major proposals. In the National Park these are mainly, but not exclusively, minerals applications.

16. **Are there any corporate implications members should be concerned about?**

No

17. **Financial:**

There are obviously financial implications in extending the pre-application charging scheme to householder, as set out above. Firstly, it will provide additional income, although the level can only be estimated and cannot be guaranteed. In terms of costs to the Authority, a system for collecting fees has been set up so there is no additional cost or significant officer time involved in extending this to householder developments. A target of £20,000 from the existing charging scheme was set in the Planning Service budget for the year 2014-15 and is on target to be exceeded. The additional income from the extended charging scheme and income from the use of Planning Performance Agreements should add a further £20,000-£25,000 in 2015-16. This will be kept under monthly review so if income is falling well short of target, a mi year review will have to consider additional mitigating action.

18. **Risk Management:** The financial risk is covered above. The other risk which should be considered is that of the possible damage to the reputation of the Authority and its relationship with applicants and agents, who may consider that they are paying for a service which should be covered by the planning application fee. However, the principle of charging for pre-application advice is now well established in the planning system and within the Peak District. The majority of LPAs in the areas surrounding the Peak District now have a charging regime. If the income can be seen to support the retention of a

good planning service, then the public is more likely to accept the principle that users should pay for the service.

19. **Sustainability:** None

Consultees: Management Team, Head of Finance.

Background papers (not previously published): None

Report Author, Job Title and Publication Date:

John Scott, Director of Planning, 28 January 2015.