

**Decision Maker:**      **Development Control Committee**

**Date:**                      **8 March 2011**

**Decision Type:**      Non-Urgent                      Non-Executive                      Non-Key

**Title:**                      **PRE-PLANNING APPLICATION ADVICE - REVIEW OF CHARGES MADE FOR THE SERVICE**

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**Chief Officer:**              Bob McQuillan, Chief Planner

**Ward:**                      N/A

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1.    Reason for report

The charges for pre-application advice have been unchanged for over 3 years, and Members are asked to consider revising the charge for this service.

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2.    **RECOMMENDATION(S)**

2.1    Consideration be given to the suggested fees set out in para 3.15.

2.2    If Members consider that the fees should be increased, they make recommendations to the Portfolio Holder accordingly.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Quality Environment.
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### Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Planning Division Budget
  4. Total current budget for this head: £3.3M
  5. Source of funding: Existing revenue budget, but income will be generated
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### Staff

1. Number of staff (current and additional): 103.89 ftes
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory requirement. Local planning authorities can make charges for pre-application meetings by virtue of powers in the Local Government Act 2003 and Planning and Compulsory Purchase Act 2004.
  2. Call-in: Call-in is not applicable.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Those who make planning applications for development in the Borough
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

- 3.1 Since January 2008 the Council has charged for meetings giving advice at pre-application stage for major developments – basically 10 dwellings or more and developments of over 1000 sq m and 1 ha. The fee was set at £1000 + VAT (i.e. £1200). The service includes consultation with relevant Council departments and the provision of detailed written advice about policy, technical and procedural matters.
- 3.2 The Development Control Committee considered a report on 8<sup>th</sup> July 2008 on the initial operation of the charging scheme, and agreed that –
- no charge be made for works on sites over 1 ha where no floorspace is proposed
  - the charge for 2<sup>nd</sup> and subsequent meetings and for meetings following refusals would be £500 + VAT (i.e. £600).

However in relation to the first bullet, it has been found that the small number of such proposals have generated a similar workload to other pre-application enquiries eg all weather pitches. Such proposals raise issues like impact on openness, traffic impact, drainage, noise, floodlighting etc. As such in the light of experience, it is considered that this exemption should no longer be continued with.

- 3.3 The charging scheme has operated well and generated income as follows –
- £6,000            January – March 2008
  - £24,500        April 2008 – March 2009
  - £19,000        April 2009 – March 2010
  - £15,000        April 2010 – present

These figures exclude VAT. The fall in fee income since the initial operation of the scheme reflects the downturn in the economy. Feedback from agents and applicants has been favourable, and the advice given has been well-received and considered to add value. The provision of pre-application advice is in accordance with Central Government encouragement for the positive and proactive aspects of this phase of development management, to “front-load” the process, avoid problems and delays at later stages and improve the quality of applications.

- 3.4 28 London Boroughs charge for pre-application meetings regarding major developments. Greenwich, Lewisham, Sutton and Wandsworth do not charge. The City of London has not been included in the following figures.
- 3.5 14 of the Boroughs charge a standard fixed fee for all major developments, while 14 charge more for developments over a certain threshold – typically more than 25 dwellings and 2000m<sup>2</sup>. Some Boroughs have a more fine-tuned approach to charging, with more thresholds, while Camden negotiates fees for larger projects. The following averages and other figures are based on some generalisation of the fees charged where there are such detailed charging mechanisms. All of the following figures include VAT.
- 3.6 5 Boroughs charge less than Bromley – Barking and Dagenham (£900), Hackney (£1000), Hillingdon (£1080), Merton (£1123) and Croydon (£1175), while Haringey and Havering also charge £1200. These figures are for the “smaller” major developments. The highest charges for such applications are at Kensington and Chelsea (£3600), Westminster (£3120), Islington (£3000), Bexley (£2766) and Tower Hamlets and Redbridge (both £2500).

- 3.7 For the “larger” majors Merton, Croydon and Havering charge less or the same as Bromley (see figures in previous para), 7 Boroughs charge £3000 or more for such applications e.g. Barnet (£4200), Kensington and Chelsea (£3600) and Hillingdon (sliding scale for “larger” majors, average £3600). Typically the approach to charging for these meetings is that they are twice the cost of meetings for developments of 25 or less dwellings etc.
- 3.8 The average fee for development of 10-25 dwellings/less than 2000m<sup>2</sup> is £1750.
- 3.8 The average fee for developments of over 25 dwellings/2000m<sup>2</sup> is £2350 (for all 28 Boroughs) and £2650 (average of the 14 Boroughs that charge a higher fee for “larger” major proposals).
- 3.10 11 of the Boroughs charge less for a follow up meeting, 8 of these charge 50% of the first fee, while 3 charge around 60-67%.
- 3.11 Charges for pre-application advice are made to cover the cost of providing the service, and it is a legal requirement that it should not make a profit. The officer time spent providing the service has increased since it was first introduced, to include more advice about sustainability issues and other technical requirements e.g. as set out in the local requirements for the validation of applications, revisions to which were agreed by Members at the last meeting.
- 3.12 As such it would be appropriate to review the charges made for the service, as they have been unchanged since January 2008. As general principles it is suggested that proposed charges should take account of –
- the average charges made by other London Boroughs
  - introduction of a threshold, such as charging a higher fee for more than 25 dwellings/2000m<sup>2</sup>
  - the need for increases to be reasonable
  - retaining a half-price charge for follow up meetings
  - no longer continuing the exemption for large sites where no floorspace is proposed.
- 3.13 In relation to the criteria in the previous paragraph
- the average charges for “smaller” majors is £1750, and £2350 for “larger majors” in other Boroughs
  - the suggested threshold has been adopted by half of the Boroughs
  - an increase in the present £1200 by 25% would appear to be reasonable in view of the period it has been unchanged and to reflect the officer time spent
  - a reduced fee for follow up meetings reflects the work carried out previously in respect of the principle of the type of development proposed
  - see comments in para 3.2 about all weather pitches etc.
- 3.14 Of the pre-application meetings held since January 2008, about half would have concerned “larger” majors.
- 3.15 It is considered that the fee for proposals concerning 10-25 dwellings and of 1000-2000m<sup>2</sup> should be set at £1500, and for major developments of more than 25 dwellings/2000m<sup>2</sup> the fee should be £2500. The half-price charge for follow-up meetings should be retained, but the exemption for large sites which include no floorspace should not be continued.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 Fee totals received are set out in para 3.3. Increasing the fees should increase income to cover the cost of the service, but the impact of the recession and the effect of increases on demand for the service cannot be predicted.

<b>Non-Applicable Sections:</b>	Policy, Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Reports to Development Control Committee on 11/12/07 and 8/7/08, Environment and Leisure Portfolio Holder on 28/11/07 and Local Economy Portfolio Holder on 5/8/08.