

Decision Maker: Development Control Committee

Date: 8 March 2011

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

Title: **PROPOSED INTRODUCTION OF CHARGES FOR PRE-PLANNING APPLICATION ADVICE ON NON-MAJOR DEVELOPMENTS**

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Chief Officer: Bob McQuillan, Chief Planner

Ward: N/A

1. Reason for report

To obtain Members' agreement to establish a charging structure for pre-application meetings related to non-major developments.

2. **RECOMMENDATION(S)**

- 2.1 Members accept the principle of charging for pre-application advice for non-major development proposals and consider the charges set out in paragraph 3.12 of this report.
- 2.2 If Members accept the principle of pre-application charging for non-major developments, a recommendation be made 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: Estimated cost Cr £30k
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Planning Division Budget
 4. Total current budget for this head: £3.9m
 5. Source of funding: Existing revenue budget 2010/11
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Staff

1. Number of staff (current and additional): 103.39 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 planning functions 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 This report seeks Members' authorisation to introduce charging for pre-application advice on non-major developments (i.e. minor and household proposals).
- 3.2 Members will be aware that charging for such advice in respect of major schemes (defined as 10 or more dwellings, developments over 100sq m or 1 hectare, or minerals/waste development) was introduced in January 2008 and is now well established. All other types of development proposals are generally defined as either "householder" (i.e. domestic extensions and outbuildings within the curtilage of a dwelling etc) or "minor" (i.e. small scale retail, industrial or housing development or material changes of use of buildings or land etc that fall below the "majors" threshold). To date there has been no charge for providing pre-application advice on proposals within these categories.
- 3.3 Requests from both agents and individual members of the public for pre-application advice are received by letter and email and also from personal callers at the Planning Reception, where a duty officer service is provided. The current service, which receives in the order of 2400 enquiries a year, requires a significant commitment of resources and as there is provision for local authorities to charge discretionary fees for planning functions, it is considered appropriate to introduce a charge for householder and minor proposals.
- 3.4 A number of other Councils within London have been charging for pre-application advice on minor proposals for some time. The majority restrict their charges to minor proposals only and do not make a charge for advice on householder schemes. Indeed, only 3 of the 32 London Boroughs charge for advice on householder proposals. This charge varies from £100 to £180, depending upon whether the advice is written or includes a meeting. Given the cost of a householder planning application is currently £150, these charges appear to be at the upper end of the scale and it is suggested that, in the first instance, a charge of £35 be made for general written advice only which will be limited to guidance on the planning process and the Council's planning policies. This will, in effect, replace the current duty officer service. This advice will not include a meeting or a site visit.
- 3.5 As regards other small scale proposals, such as shop fronts, advertisements and changes of use, 4 local planning authorities (LPA's) within London have specific charges for advice. These range from £20 to about £200 and again depend upon the complexity of the proposals and whether a meeting and a site visit are required. In this case it would be appropriate to introduce a range of charges from £35 (giving general written advice) to £150 where there is a meeting and site visit included.
- 3.6 In respect of the more complex minor proposals (i.e. housing developments comprising 1-9 units or commercial floorspace of 100m² to 999m² etc), 23 LPA's within London currently make a charge for pre-application advice. Some authorities have a flat rate for all development proposals within the category whereas most divide the category into 2 (usually 1-4 units/100–499m² and 5-9 units/500-999m²) to enable the charge to reflect the complexity of the proposal. As is the case in other general categories, charges vary from one LPA to another and several inner London authorities have relatively high charges for the service. However, the average charge for 1-4 units/100m² to 499m² of commercial floorspace is about £400 and for 5-9 units or 500-999m² of floorspace is in the order of £750. This reflects a reasonable charge for written advice following a meeting and, where necessary, a site visit.
- 3.7 In a number of examples, LPA's have an additional charge for follow up meetings and this is usually about half of the original cost.
- 3.8 Information from a number of authorities has indicated that the 'take-up' of this type of service ranges between 25% and 50% of the total number of applications in each category. For the

purposes of this report a conservative percentage of 33% has been used to estimate the likely level of income.

3.9 The benefits to the prospective planning applicant will be:

- the opportunity to better understand the way in which an application will be judged against the policies in the UDP and other material considerations.
- identification of the need for specialist input on issues such as historic buildings, trees or landscape, contaminated or unstable land and any other regulatory requirements.
- the opportunity to develop and modify a proposal to make it potentially more acceptable to the Council and help to ensure a smoother and quicker passage through the development control process.
- a reduction in the time spent by professional advisors in working up a proposal.
- saving the applicant the costs of finalising an application and paying a fee where a proposal is completely unacceptable to the Council.
- ensuring an application is complete and comprehensive and to a satisfactory standard, avoiding rejection at registration stage or early refusal of permission because of inadequate or insufficient information.
- pre-application discussions can be counted as a material consideration when making a decision.

3.10 The benefits to the Council will be that the cost of providing the advice will no longer fall as a general cost to Council tax payers and it will help to establish a more effective and efficient service.

3.11 If Members are minded to accept a charging structure for pre-application advice on non-major proposals, this will ensure that the service is front-loaded and should improve the efficiency of the application process. However, in order to ensure that the arrangements are effective, it will no longer be possible to negotiate on applications once they are received and registered.

3.12 In the first instance, the suggested charges for pre-application advice are:

- Householder proposals
 - £35 + VAT (for general advice on the process and planning policies)
- Other small scale proposals
 - £35 + VAT (for general written advice) - £150 + VAT (where a meeting and site visit may be included)
- More complex minor proposals
 - 1-4 residential units/up to 499m² of commercial floorspace - £400 + VAT
 - 5-9 residential units/up to 1000m² of commercial floorspace - £750 + VAT (including meeting and site visit).
- Follow up meetings will be charged at half the original cost and a detailed schedule of all types of proposal covered by the charging structure and the associated costs will be publicised at the appropriate time.

3.13 Given the current uncertainty in the economic situation and the likelihood that LPA's may shortly be able to set planning application fees on a cost recovery basis, it is recommended that a review of these charges should be undertaken after 6 months of operation to enable a co-ordinated approach to the service. On the basis of current information, it is estimated that the introduction of these charges will generate an income in the order of £30,000 per year.

4. FINANCIAL IMPLICATIONS

4.1 Using the suggested prices in 3.12 above and the assumed 33% 'take-up' of this service, the estimated annual income is expected to be £30k and is detailed below: -

Type of Pre-Application Fee	Average number of applications per annum	Average level of 'take-up'	Proposed price (excl VAT) £	Estimated Annual Income £
Householder proposals & small scale minor applications	1,260	33%	35.00	14,553
1 - 4 Residential Units/up to 499 square metres floorspace	84	33%	400.00	11,088
5 - 9 Residential Units/between 500 & 1000 square metres floorspace	18	33%	750.00	4,455
Total estimated annual income				30,096

4.2 Provided that at least 33% of the applicants request this service, the budget option of £30k which has been built into the planning budget for 2011/12 should be achieved. As mentioned in 3.13 above, these charges will be reviewed after 6 months.

Non-Applicable Sections:	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.