

**EXETER CITY COUNCIL****EXECUTIVE  
15 JUNE 2010****PROPOSED INTRODUCTION OF CHARGES FOR PRE-APPLICATION ADVICE****1 PURPOSE OF REPORT**

- 1.1 The report seeks Executive agreement to the introduction of charges for dealing with pre-application planning enquiries.

**2 BACKGROUND**

- 2.1 As Members are aware Planning Services devotes considerable time and effort to offering pre-application advice to prospective developers. This is considered best practice as early dialogue and an understanding of the developers' aspirations by the Planning Authority, and of the local and national planning policy, local issues and constraints by the developer, can save time/money, enabling the Council to meet its statutory targets and deliver a good planning service.
- 2.2 The Local Government Act 2003 gave planning authorities 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 the costs incurred before an application is submitted. The income raised must not exceed the cost of providing the service.
- 2.3 Take up was initially slow and largely confined to authorities in London and the south east but more recently and despite the recession, Councils nationwide including many of our neighbours in Devon and Somerset have introduced charging regimes. Indeed both the Killian Pretty Review and draft Development Management PPS (PMWG report March 2010) recognise the legitimacy of this approach to ensure that pre-application advice is provided in a timely and comprehensive manner.

**3 NATIONAL EXPERIENCE**

- 3.1 The Planning Advisory Service has undertaken significant research into the experience of authorities who have decided to charge for pre-application advice and their findings are broadly echoed through discussions with colleagues elsewhere. The PAS looked at the experience of six authorities in 2007 and noted that the benefits to authorities included:
- the filtering out of speculative and poorly thought out development proposals;
  - better quality submissions;
  - better performance against performance indicators;
  - the ability to reinvest the income generated in the planning service.
- 3.2 Perhaps surprisingly, developer resistance to charging was not significant. Discussions with local agents at the most recent Agent's Forum held in January seemed to echo this view although it was clear the developers are only happy to pay if the process meets their main prerogatives which largely boil down to clear and timely advice which is consistent throughout the process.

- 3.3 There is often a worry that by charging for advice that a number of prospective applicants will not choose to engage the planning authority at the pre-application stage. There is evidence that this has occurred in some cases, particularly where the costs are seen as disproportionate to the value of a scheme. However for larger developments applicants see the costs as a marginal addition to the overall development costs and recognise the benefits that can accrue.
- 3.4 More recent research by PAS into the charging regime at Purbeck District Council identified a number of benefits to developers:
- prospective applicants better understand how their application will be judged against the policies in the development plan and other material considerations;
  - early identification of where specialist input is needed on historic buildings, trees or landscape, contaminated or unstable land;
  - anticipate other regulatory requirements;
  - the opportunity to develop and modify a proposal to make it potentially more acceptable to the community and help to ensure a smoother and quicker passage through the development control process;
  - a potential saving in the time spent by the proposer's professional advisors in working up a proposal;
  - where a proposal is completely unacceptable to the council, the advice can save the applicant the costs of finalising an application and paying an application fee;
  - stops wasting time on applications where there is inadequate or insufficient information.
- 3.5 It should be noted that charging regimes vary widely and that few authorities charge for advice on householder development and many restrict charging to those developments defined as "major" by Government. A particular challenge for authorities has been how to devise a charging regime that is easily understood by customers and straightforward for the authority to administer. There tend to be two approaches, either as a fixed fee related to the type of application or as an hourly charge. Clearly the fixed fee approach has the benefit of being easy to administer and provides certainty for the developer. The disadvantage is that the fixed fee may not reflect the actual cost of dealing with the enquiry, the complexity of which will vary considerably according to the sensitivity of the location, type of development proposed etc. Conversely an hourly fee approach may appear somewhat open ended from a developer perspective and would be complex to administer. In trying to overcome these issues many authorities have adopted a hybrid system whereby there is a fixed fee for a defined service e.g. a meeting and follow up written advice with a further fee(s) payable for additional meetings thereby seeking to align the fee paid with the service provided.
- 3.6 The level of fees charged by authorities varies enormously. For example South Hams District Council charges £2300 for a major application enquiry (which guarantees 4 meetings with the Development Team) whereas North Somerset Council charges £1000 for written advice and two hours meeting time. However Canterbury City Council, which although not local is similar in many respects to Exeter, charges only £150 +VAT for dealing with a major enquiry. An example of the hybrid approach is Sedgemoor District Council which charges £1500 for an initial meeting and written advice and £80 per hour for additional meetings. An example of an hourly rate approach is Purbeck District Council which charges £55 + VAT per half hour, per officer.

## **4 PROPOSED FEES FOR EXETER**

- 4.1 In common with most other Councils it is not considered appropriate to charge fees for enquiries relating to householder development or for proposals for Listed Building Consent. It is proposed that fees would only be payable, at this stage, for schemes which would fall within the category of “major” development. The Major Applications Protocol is now a well established method of dealing with significant development proposals and should provide the basis of a charging regime. The Protocol specifies the service that the Council will provide on such developments and details the Development Team approach with guaranteed written feedback within a specified period, as many meetings as are necessary to resolve matters prior to the submission of an application, agreement of Heads of Terms for Section 106 Agreements and advice on submission requirements. All pre-application enquiries for major development are now handled by the Council in this way.
- 4.2 It is proposed that a flat fee approach would be most appropriate given its simplicity but that the fee regime should be flexible in some way to reflect the additional work involved in highly complex schemes or proposals which have been poorly conceived by a developer and therefore need a significant number of meetings to resolve. It is proposed therefore that a fixed fee of £3000 be payable which would cover an initial “scoping” meeting with follow up letter and up to three further meetings and a “summary letter” at the conclusion of the process. Any additional meetings would be charged at £100 per hour of meeting. These fees are very similar to those recently introduced by Plymouth City Council.
- 4.3 During the 12 months to 1 May this year Planning Services has dealt with 51 enquiries under the Major Applications Protocol which suggests that a charging scheme on the basis outlined above could generate a minimum of £150,000 per annum. If there is an element of deterrence, this may reduce to about £100,000. Experience at East Devon District Council, which introduced charging recently, was of a significant decline in pre-application enquiries. This compares with annual fee income of about £500,000 per annum. Income in the first year will be much less due to pre-applications that have already commenced.
- 4.4 It is anticipated that that the principle of charging for pre-application advice could be extended to more modest schemes in the future (at a proportionate rate) but that this should not take place until the impact of fees for major development proposals has been fully assessed. There is no intention to charge for advice on householder development.
- 4.5 The charging system would be introduced for new proposals under the Protocol received after a date to be determined. Payment would be expected to accompany the pre-application enquiry form.

## **5 RECOMMENDATION**

- 5.1 That Executive approve the charging regime for pre-application enquiries for major development, that the impact of the proposals and the scale of charges be reviewed on an annual basis; and the Head of Planning and Building Control be delegated to amend the charging regime if appropriate.

**RICHARD SHORT**  
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**ECONOMY AND DEVELOPMENT DIRECTORATE**

**Local Government (Access to Information) Act 1985 (as amended)**

**Background papers used in compiling this report:**

None