

**To:** City Executive Board

**Date:** 15 October 2015

**Report of:** Planning and Regulatory Service Manager

**Title of Report:** Changes to charging for Planning and Listed Building pre-application advice

## Summary and Recommendations

**Purpose of report:** To increase the level of fees for pre-application planning advice, and to introduce charges for pre-application advice for listed buildings and householder developments.

**Corporate Priorities and Policy Framework:** Delivery of Local Development Framework (LDF), vibrant and sustainable communities, efficient and effective council

**Report Approved by:** Councillor Alex Hollingsworth, Executive Board Member for Planning, Transport and Regulatory Services

**Finance:** David Watt

**Legal:** Michael Morgan

**Recommendation(s):** That the City Executive Board resolves to:

1. **Approve** the proposed increase in the level of fees for pre-application planning advice, and the proposed introduction of charges for pre-application advice in respect of listed buildings and householder developments, effective from 1 November 2015.

## Appendices

- Appendix 1 Current and proposed schedule of fees for planning pre-application advice; size thresholds for fee categories; types of pre-applications not currently subject to a fee (free advice)
- Appendix 2 Risk register

## **Background**

1. The Council encourages pre-application discussions with prospective developers, applicants and their agents before planning applications are submitted in order to identify and, where possible, resolve any potential issues, and improve the quality of the submitted applications.
2. Charging for pre-application planning advice helps to manage development and drive forward the spatial and economic regeneration of the city advancing the objectives of the Local Development Framework consistently with the priority of delivering a vibrant and sustainable community in a manner that accords with the priority of being an efficient and effective council.
3. This accords with the National Planning Policy Framework which emphasises that pre-application engagement by prospective applicants offers significant potential to improve both the efficiency and effectiveness of the planning application system and to improve the quality of planning applications and their likelihood of success.
4. Since 5 May 2009 the Planning and Regulatory Service has charged for this service on various types of development.
5. The general feedback from customers is that this service provides good value for money; has helped to improve the quality of applications that come into the Council; and increased the likelihood of successful applications.
6. Flat rate fees are charged for each meeting with officers and for each piece of written advice required, depending on the scale of the proposal. Additional fees for specialist advice are charged on an hourly rate basis.
7. The initial level of fees for pre-application planning advice was set in May 2009. The hourly rate for specialists has remained unchanged at £50/hour since it was introduced. The flat rate fees for the different categories of development and service provided was last increased in April 2011 to the level set out in the table of fees in Appendix 1.
8. In addition the Council, although it encourages and provides pre-application advice, does not charge for providing such advice in relation to certain types of development / works as also set out in Appendix 1. These include works relating to listed buildings and also householder developments, such as, extensions and alterations to houses.

## **Proposal**

- (i) To increase the level of fees for pre-application planning advice**

9. It is considered timely to increase the level of planning pre-application advice and specialist advice both flat rate fees and also hourly rates in order that they better contribute towards the actual costs of the officer time involved(Appendix 1).
10. Charging schedules vary considerably between local authorities, but the proposed fees compare well to those charged by other (including neighbouring) authorities and represent good value for money. For example,
  - (1) for pre-application planning advice (written response) for small scale residential development (ie.6 units), Oxford City Council currently charges £144 (proposed increase to £180); South Oxfordshire £240; Cambridge £240and Cherwell has a charge of £588 (but including a site visit).
  - (2) for pre-application planning advice (written advice and meeting) for large scale residential development (i.e. over 25 units), Oxford City Council currently charges £864 (proposed increase to £1080); Cherwell between £1170-£3000; South Oxfordshire subject to negotiation but a minimum of £792; Cambridge £720.
11. Individual Planning Performance Agreements for large, complex development proposals and planned timescales will remain on a scheme by scheme basis with bespoke fees to reflect the nature of the development proposal. These Planning Performance Agreements can cover pre application advice, the planning application process and post planning determination of reserved matters and discharge of conditions.
12. Based on the pre-application workload for 2014-15 the increased fees will raise a total planning pre-application income of £95,000 out of the overall cost of the planning pre-application advice service of £245,000 – an increase of £15,000.

**(ii) To introduce charges for pre-application advice for Listed Buildings**

13. Negotiations with property owners, developers and architects, particularly in Oxford with its higher than national average numbers of Grade I and II\* buildings combined with intense levels of public scrutiny, can often be time consuming and prolonged.Unlike planning applications, there is no fee payable for making a Listed Building Consent application. Currently, therefore, the Council is entirely subsidising this service.
14. Many local authorities now offer a chargeable pre-application advice service to anyone wanting help with listed building consent before the submission of an application. Cambridge City Council, for example, introduced such a charge in October 2014 and has not had adverse reactions.

15. To bring this service in line with many other local authorities and to reflect the costs incurred in providing pre-application listed building advice it is proposed to introduce charges for pre-application advice regarding Listed Buildings. The proposed level of fees for specialist listed building advice will be at the same level as that for small scale development and householders (as set out in Appendix 1) and will be additional to that charged for any planning or other specialist advice.
  16. By way of comparison, for listed building advice Oxford City Council is proposing a charge of £540 for a meeting and written response for non-householder and £135 for householders; High Wycombe charges £273; Cambridge £243; South Oxfordshire £120; Cherwell £120
  17. Based on the pre-application workload for 2014-15 the introduction of charging for pre-application advice for listed buildings will provide a new income stream of £10,000 - £20,000 per annum, (depending on uptake and the level of service requested) within the overall pre-application advice service, which costs £245,000.
- (iii) to introduce charges for planning pre-application advice for householder development (extensions and alterations).**
18. The Council has been encouraging householders to seek pre-application advice before they submit their planning applications to extend and/or alter their homes, in order to identify and resolve issues early on in the process and avoid expensive abortive work. The Council has been providing such advice to householders free of charge to date.
  19. Over recent years other councils, including neighbouring authorities, have established charges for householders for pre-application advice, with the aim to recover some of the costs of providing such a service. The charges are modest relative to the cost of the works involved.
  20. Comparing with other local authorities: Oxford City Council doesn't currently charge for householder pre-application advice, and is now proposing a fee of £135 for a meeting and written response; High Wycombe charges £480; Cherwell £120; Cambridge and South Oxfordshire don't currently charge.
  21. It is proposed to introduce fees for planning advice to householders as per the charges schedule in Appendix 1. This would recover a proportion of the cost of providing that service.
  22. Based on the pre-application workload for 2014-15 the introduction of charging for pre-application advice for householder developments will provide a new income stream of £5,000 - £10,000 per annum (depending on take up) within the overall pre-application advice service, which costs £245,000.

## **Benefits and risks**

23. The proposals offer benefits for customers and the Council:
- The earlier the officer involvement in a proposal, the better the investment of their time
  - Greater certainty for applicants for timely provision of service, enabling improved project management
  - Reduced expense and delays for applicants
  - Increased acceptability of submitted schemes
  - Ensures that development schemes aren't jeopardised by a skills shortage within the Council
  - Pre-application discussions can play an important role in improving the quality of proposals and the efficiency of the planning process, helping the Service meet performance targets
  - Recovering some of the costs of pre-application advice for works to listed buildings would help to reduce the Council's subsidy of a specialist conservation service
  - Brings the listed building service in line with pre-application advice for planning proposals.
24. A Risk Register is included in Appendix 2. The risks are considered manageable, and to be outweighed by the benefits the proposals offer.

## **Recommendation**

25. It is recommended that the proposed increases to existing fees and the introduction of new charges are approved as set out above, all with effect from 1 November 2015.

## **Legal issues**

26. There is a general power to change for discretionary services under section 93 of the Local Government Act 2003. The income recoverable under these changes is not to exceed the costs of provision of the discretionary service taking one financial year with another. The Council must have regard to the guidance issued by the Secretary of State. The guidance suggests that costs and income should be assessed over no longer than a three year period to ensure that no surplus is generated.
27. The Council owes a fiduciary duty to local taxpayers to ensure that its resources are not expended improperly and to protect their interest in the preservation of their funds.
28. All pre-application fees (planning and listed building) are set on the basis that overall the pre-application fee income would not exceed the overall pre-application service costs year on year.

29. Listed Building consent itself would remain a free application, as instructed by Government.

### **Financial Issues**

30. Administrative procedures are already in place to collect fees arising from charging for pre-application planning advice. Conservation Officers already provide pre-application advice for works to listed buildings, free of charge. The proposals will assist with improved cost recovery.
31. Development Control has a gross budget cost of £1.56m annually, of which £914,000 is budgeted income.
32. Planning pre-application work within this overall budget costs £245k at an hourly rate of £60. Current pre-application fees (£80,000) recover 35% of the overall cost of the pre-app service. The proposed additional planning (including householder) and listed building pre-application fees will be c. £40,000 per annum and will recover 49% of the overall cost of the pre-application service.
33. There are no significant additional costs associated with either increasing the level of fees for pre-application planning advice, or introducing charges for pre-application advice for listed buildings.
34. All charges related to planning and listed building pre-application advice attract VAT at 20%.

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### **Background papers:**

None