



Proposed Revision to Pre-Application Charging

Report by the Director for the Economy

1. BACKGROUND

- 1.1 In 2015, the Committee agreed to charge for pre-application advice for residential and commercial proposals. (This followed an earlier agreement to charge for such advice in 2010, but was not implemented at that time due to the recession and an ongoing service review). The Committee agreed to the charging of fees from £150 + VAT for proposals of 1-4 dwellings or up to 499 square metres of commercial floorspace up to £750 + VAT on proposals of over 50 dwellings or above 5000 square metres of commercial floorspace. Strategic schemes, such as New Monks Farm or Teville Gate, are subject to bespoke planning performance agreements (PPA). There is currently no charge for advice for householders. The current charging schedule is attached as **Appendix 1**.
- 1.2 When considering the proposals in 2015, Members did indicate that the charging scheme should be reviewed after a suitable period, and given that nearly 3 years have elapsed since the scheme was introduced, your Officers now feel it is appropriate to review the charges.
- 1.3 Government advice encourages pre-application discussions and such discussions are often beneficial in ensuring that the Council's planning policies are explained to an applicant at an early stage. Often, discussions at the pre-application stage reduce the length of time taken to determine an application when it is subsequently submitted. Early engagement can secure design improvements and advice on relevant planning policies that the application will need to address

- 1.4 It is also relevant to note that planning application charges fall along way short of covering the cost of the Service. This has been compounded in recent years as changes in legislation have meant that a number of applications now do not attract any fee (prior approval applications for instance which still require neighbour notifications and planning assessments if objections are received).
- 1.5 In 2017/18 the cost of the Development Management Service was £1.638 million whilst the fee income received was only £0.680 million. The Government has recognised that there is a need to invest in the Service and last year fees were increased by 20% which has helped increase fee income and reduce the level of shortfall. Nevertheless, even with this increase in fees it is likely that the Service would have a shortfall for this financial year of £1.536 million.

2.0 Current Workload

- 2.1 The number of pre-application enquiries remains high and there is little apparent evidence that the charging scheme has dissuaded applicants from seeking advice. Indeed, the number of pre-application enquiries is still a significant part of the workload of Officers, reflective of the number of planning applications between the Councils remaining at its peak of around 1900 per annum, having dropped to around 1500 during the recession. Householder planning enquiries, for which no fee is currently charged, also remain high and in light of the fact that no fee is charged, relatively resource intensive. Indeed, out of 700 pre-application enquiries received during the financial year, only 15% attracted a fee. The total income from pre-application charging in the financial year 2017/2018 was £27,550 and for this current financial year a total of xxx has been secured.
- 2.2 Given the benefits of providing pre-application advice, it is important to ensure that the Service meets the costs of providing such advice and we ensure that, as far as possible, the advice can be provided is of high quality and provided in a timely manner. It is noted that Arun District Council and Brighton and Hove Councils recently suspended their pre-application advice services, except for the most major schemes, because of the backlog of enquiries received. There is no desire from your Officers to suspend pre-application advice, given the benefits of providing such advice as outlined above. However, it is important that the financial costs of the providing such a service are appropriate and cover all application types.

3.0 HOUSEHOLDER PRE-APPLICATION ENQUIRIES

3.1 It is noticeable that a high number of householder enquiries are received. Your Officers note that other local authorities in the area charge as follows:

Arun:	£30 for enquiry and response and £30 for any subsequent meeting.
Brighton and Hove:	£100 or £150 with a meeting
Chichester:	£100
Crawley:	Do not charge
Horsham:	£50
Mid Sussex:	Verbal advice free but £50 if a site visit required.

A comparison with other local authorities who currently provide a similar level of performance to the Councils, in respect of speed of decision making for non major applications (with reference to the government performance tables), also revealed:

East Hampshire:	£48
Elmbridge:	£70 to £210
Central Bedfordshire:	£84
Test Valley:	£58

Other Councils, particularly in London charge significantly more for instance Westminster charges £300 for householder development.

3.2 While, both Adur & Worthing generally perform well in terms of government performance tables (ordinarily in the top third of planning authorities), it has become increasingly difficult, especially in Worthing, to maintain current performance levels with the current level of work being received.

3.3 It does appear from the above comparisons that, Crawley BC apart, other local authorities both locally and of similar performance, charge for advice on householder proposals and therefore the Councils would be justified in doing the same.

3.4 Aside from the obvious benefit of providing income to the Councils, a charge for pre-application advice for householder proposals, with set parameters for the information that needs to be submitted for such advice to be received, is likely to improve the quality of information submitted making easier and quicker to deal with the enquiry. Often, at present, householder enquiries lack

information which requires Officers to contact the enquirer again to seek more information or alternatively means that only basic advice can be given. It is also hoped that it would help to reduce very speculative enquiries where a householder is unsure about what they want and could obtain general planning guidance from the Planning Portal.

- 3.5 It is therefore considered that a charge of **£100** (inc VAT) would be justified for householder pre-application proposals. Officers have considered whether there should be a sliding scale of fees depending on either the size or value of the property. For instance the charge could vary depending on the council tax band. However, your Officers favour a more simple charging regime and most smaller extensions are likely to be permitted development in any event.
- 3.6 Nevertheless, there is scope to increase the charge for very large householder extensions as the cost of a large two storey extension on a large detached house is likely to be significant. It is recommended, therefore, that for extensions in excess of 100 sqm (gross floorspace) a charge of **£175** would be reasonable. An extension of this size would cost approximately £160,000 and therefore, in this context, such a fee would be a modest outlay.
- 3.7 The fee for dealing with householder development is currently £206 (although an applicant could apply for two extensions at the same time for this fee). It is not considered appropriate that the pre-application charge for advice should exceed the cost of the application, although it is noted that some London authorities have exceeded the application fee.

4.0 RESIDENTIAL PRE APPLICATION ENQUIRIES

- 4.1 In respect of residential development proposals, the Council pre-application charges are currently as follows:

1-4 dwellings:	£150 + VAT (£180)
5-9 dwellings:	£350 + VAT (£420)
10-49 dwellings:	£550 + VAT (£660)
50+ dwellings:	£750 + VAT (£900)

- 4.2 Comparison with other authorities is rather more difficult in respect of this category as different thresholds are used by the various authorities. Using the fees for below 10 dwellings, where the Councils fee is currently £180 - £420 after VAT:

Arun: £204 to £380

Brighton & Hove:	£420 to £1,012 (including meeting)
Chichester:	£350 to £550
Horsham:	£350
Mid Sussex:	£205 to £307.50
East Hampshire:	£130 to £245
Elmbridge:	£145 to £870
Central Bedfordshire:	£180 to £600
Test Valley:	£144 to £432
Westminster	£600 to £3,000

4.3 The table above demonstrates that fees vary significantly between authorities, although the more local authorities in the table appear to charge a higher fee for smaller developments (the lower Arun fee only applies for developments up to 2 dwellings and the lower Chichester fee for developments up to 3 dwellings). The Councils current charging regime does differ quite markedly between 4 dwellings, which would attract a fee of £150 + VAT, and 5 dwellings which would attract a fee of £350 + VAT, although the likely work required in responding to the respective proposals is unlikely to differ as widely.

4.4 It is considered, therefore, that there may be scope to raise the 1 - 4 dwelling figure to **£450** (inc VAT) with the 5 - 9 dwelling figure increasing to **£650** (inc VAT). This would still be in line with neighbouring authorities but still significantly less than some authorities. Whilst, a higher figure could be justified when considering the potential uplift in the value of land and/or the overall cost of the development, your Officers are keen to encourage pre-application dialogue and not be completely out of kilter with neighbouring authorities given that often we are dealing with the same agents and developers.

4.5 For developments between 10 and 49 dwellings, where the Council currently charges £550 + VAT, other authorities currently charge:

Arun:	£700 (up to 99 dwellings)
Brighton and Hove:	£720 to £1560 (up to 99 dwellings)
Chichester:	£2,000
Horsham:	£500 to £750
Mid Sussex:	£460
East Hampshire:	£550
Elmbridge:	£360 to £2160
Central Bedfordshire:	£960 to £2400
Test Valley:	£763 to 10% of planning application fee
Westminster	£3,000

4.6 The Council's charge is therefore lower than the majority of the other councils quoted, and given the relative rarity of developments of this size within the Borough and District, there may be some justification to raise the charge to a higher level to that of Arun and Horsham's charge, at **£1,000**.

4.7 At present, the Councils charge a fee of £750 + VAT for all developments over 50 dwellings, whereas some of the authorities in the table below, have further thresholds at over 100 dwellings for example.

Arun:	£700 upto 100 dwellings) £1500 (upto 200 dwellings). Over 200 dwellings £300 for every additional 50 dwellings)
Brighton and Hove:	£1560 to £2400
Chichester:	£2500 to £4500
Horsham:	£1250
Mid Sussex	£460 to £770
East Hampshire:	10% of the planning application fee
Elmbridge:	£720 to £4320
Central Bedfordshire:	£2400 + £120 per additional dwelling
Test Valley:	10% of the planning application fee + VAT.

4.8 It is considered that there is scope to significantly increase the fees for these larger developments and it is recommended that a charge of **£1,500** for schemes between 50 and 100 dwellings would be appropriate.

4.9 For the very large strategic developments of over a 100 dwellings an individual negotiated fee through a bespoke Planning Performance Agreement (PPA) would be required. This would set out a proposed timetable for pre-application discussions and a target determination timescale and involve senior Officers within the Council. These have been successfully negotiated with large scale developments in Adur (Free Wharf) and Worthing (Teville Gate) and fees of £15,000 have been agreed particularly where the pre-application discussions involve Regional Design Panels such as Design South East (DSE).

4.10 Nevertheless, it would still be important to set out a basic fee for these strategic developments and a fee of **£3,000** would be appropriate particularly such developments would involve the Head of Planning and Development or the Planning Services Manager and the Design and Conservation Officer. It is noted that one Council seeks to set the fee on the basis of a percentage of the

application fee, however, there is a significant difference in fees between outline and full applications and therefore this is not considered an appropriate way of calculating the fee.

5.0 Performance Standards

- 5.1 It is important that the guidance notes accompanying the new pre-application charging fees set out clearly the level of service that customers can expect. For householder enquiries for instance site visits will not be undertaken and written advice will be provided without a meeting. For larger development proposals a site visit would be taken, if required, and for major developments a meeting with the relevant Case Officer would be included with the charge. Where a series of meetings is required a Planning Performance Agreement (PPA) would be required and an appropriate fee calculated based on the Officer time anticipated to be spent on the enquiry.
- 5.2 The guidance notes are being prepared in consultation with planning officers to ensure that any service standards set can be delivered.

6. COMMERCIAL PRE APPLICATION ENQUIRIES

- 6.1 At present, commercial and residential pre-application enquiries are subject to the same pricing regime based on the size of the development.
- 6.2 Current charges are, therefore:

Up to 499 sq m:	£150 + VAT
500 to 999 sq m:	£350 + VAT
1000 to 4999 sq m:	£550 + VAT
5000 sq m+	£750 + VAT

- 6.3 The other authorities listed above currently charge:

Arun:	No charge except for food retail, between £750 and £1500	
Brighton & Hove:	Up to 499 sq m	- £420/£840 (letter/meeting),
	500-999	- £612/£1012,
	1000-4999	- £720/£1200,
	5000-9999	- £936/£1560,
	10000+	- £1440/£2400
Chichester:	Up to 499 sq m	- £350,
	500 to 999	- £550,

	1000 to 2499	- £2000,
	2500-4999	- £2500,
	5000+	- £4500 or 10% of application fee
Horsham:	Up to 999 sq m	- £350
	1000-4999	- £500,
	5000-9999	- £750,
	10000+	- £1250
Mid Sussex:	Up to 999 sq m	- £102/£250 (letter or meeting),
	1000-4999	- £153/307,
	5000+	- £256/£512
Test Valley:	Up to 100 sq m	- £108,
	100-499	- £288,
	500-999	- £540,
	1000+	- £648
Elmbridge:	Up to 49 sq m	- £70 to £210
	50-999	- £145-£870,
	1000-4999	- £360-£2160,
	5000	- £720-£4320
Central		
Bedfordshire:	Up to 999 sq m	- £600,
	1000-1999	- £960,
	2000-2999	- £1440,
	3000+	- £2400

- 6.4 The above fees therefore vary, but it does appear that the current charge of £150 + VAT for developments of up to 499 square metres is rather less than other authorities, and it is suggested that there to simplify the charging regime that a single fee of **£450** for all developments up to 999 sq m may be appropriate, particularly as the likely work involved between pre-application enquiries of, say, 250 square metres and 750 square metres is likely to be quite similar, therefore justifying a flat rate fee.
- 6.5 The current charge for development between 1000 and 4999 square metres appears comparable to other authorities but there is no reason why a slightly higher charge of **£650** could not be justified (this would be comparable with the proposed increase for smaller residential developments of 5 - 9 dwellings). For developments over 5,000 sqm a fee of **£850** is proposed and for over 10,000 sqm a fee of **£1,500** is considered reasonable. Where food retailing is proposed it is considered a higher charge would be imposed if this required the appointment of retail consultants to undertake a retail impact assessment.

7. OTHER PRE APPLICATION OR GENERAL ENQUIRIES

LISTED BUILDINGS

- 7.1 At present there is no charge for listed building enquiries, but these are often of a specialist nature and require the input of the Council's Conservation Architect. Given the statutory protection afforded to listed buildings, effective pre-application advice is often of importance and can be of considerable benefit to an applicant in the formal application process. Some of the other authorities charge for listed building advice as follows:

Chichester	- £95
Horsham	- £150
Mid Sussex	- £76/153 (letter/meeting)
Brighton & Hove	- £216/£432 (letter/meeting)

- 7.2 It would appear justifiable for the Council to charge a fee equivalent to that of the householder fee at **£100 + VAT**. Whilst this is still a lower cost than some of the authorities above, other authorities do not appear to charge at all as is the case presently at Adur & Worthing and it is relevant that there is no charge for a Listed Building Consent application.

ADVERTISEMENTS

- 7.3 Similarly, some other authorities charge for advertisement pre application enquiries as follows:

Chichester	- £120
Horsham	- £150
Mid Sussex	- £76/153 (letter/meeting)
Brighton and Hove	- £150/£300 (letter/meeting)
Test Valley	- £58

- 7.4 Advertisements are an important part of the street scene, especially in district or town centres and again it is considered that a charge of **£100 + VAT** could be justified.

TREES

- 7.5 Both Horsham and Mid Sussex charge for pre-application advice:

Horsham	- £30
Mid Sussex	- £30.75

7.6 The Councils have a single Arboricultural Officer whose individual planning application caseload is usually higher than any other Officer. Given the high number of enquiries received, it is felt that there is justification to charge for tree advice and while higher than the examples above, a similar charge to listed buildings and advertisements of **£100 + VAT** could be applied.

7.7 It is noted that Chichester charge for other specialist advice, Environmental Health being cited as an example. The Council's Environmental Health team are intending to introduce their own charging regime which could be linked to any planning advice where necessary with consideration to a joint charge being applied once the Environmental Health section have finalised their own fees. This would be particularly important for major developments where there is a need to consider air quality and more complex noise/environmental issues.

8.0 CONFIRMATION OF COMPLIANCE WITH CONDITIONS/SECTION 106 OBLIGATIONS

8.1 The Councils receive many enquiries regarding compliance with conditions from potential purchasers of properties and a charge of £116 is applied to such enquiries and it is proposed that this is increased to **£125**. However, at present there is no charge for confirmation of compliance with Section 106 obligations (eg provision of infrastructure). Often, the enquiries relate to obligations agreed some years ago and therefore they are quite time consuming to respond to. It is therefore considered that a charge of **£125** could also be applied to Section 106 enquiries.

9.0 CONCLUSION

9.1 It is considered that the pre-application charging system has proved successful in the quality of pre-application advice provided and that, after 3 years, it is justified to review the charges to bring them in line with other local and comparable authorities.

10.0 RECOMMENDATION

10.1 It is recommended that the Committee considers the proposed changes to the Councils Charging Schedule and recommends to the Adur and Worthing Executive Members for Regeneration that the following charges are adopted by both Councils to be implemented from the 1st April:

Householder:	£100 and £175 (extensions over 100 sqm)
1-4 dwellings:	£450
5-9 dwellings:	£650
10-49 dwellings:	£1,000
50 dwellings and above:	£1,500
100 dwellings and above:	£3,000

Commercial developments up to:

999 sq m -	£450
1,000 to 4999 sq m	£650
5,000 sq m -	£850
10,000 and above	£1,500

Listed Buildings:	£100
Advertisements:	£100
Trees:	£100

Confirmation of compliance with Conditions and Section 106 obligations: £125

(All the above are excluding VAT other than Householder enquiries which will be inclusive of VAT)

Local Government Act 1972

Background Papers:

Charging Schedules of other Authorities
2015 Planning Committee Report - Introduction of Pre-Application Charges

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Schedule of other matters

1.0 Council Priority

1.1 Protecting front line services

1.2 Ensuring value for money and low Council Tax.

2.0 Specific Action Plans

2.1 (A) Provide and develop customer driven cost effective services.

(B) Generate financial capital, increase income and seek external funding sources.

3.0 Sustainability Issues

3.1 Matter considered and no issues identified.

4.0 Equality Issues

4.1 Matter considered and no issues identified.

5.0 Community Safety issues (Section 17)

5.1 Matter considered and no issues identified.

6.0 Human Rights Issues

6.1 No direct HR implications arising from this report.

7.0 Reputation

7.1 It is anticipated that introducing charging for householder enquiries will reduce the number of speculative enquiries and free up Officer time to deal with genuine proposals. Overall it is envisaged that charging for pre-application advice will enhance the reputation of the Council by ensuring that the pre-application service is appropriately funded.

8.0 Consultations

8.1 Stakeholders will be advised of the revision to the charging system following committee consideration and Executive Member approval (if given)

9.0 Risk assessment

9.1 There is a perception that charging for pre-application advice raises the expectation of the customer about the level of service they can expect to receive, but at present a number of enquiries are received which do not attract a charge which officers are finding difficult to respond to within prescribed timescales.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified

11.0 Procurement Strategy

11.1 Matter considered and no issues identified

12.0 Partnership working

12.1 Matter considered and no issues identified