

## WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 2 MARCH 2010

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**Title:**

**REVIEW OF CHARGING FOR PRE-APPLICATION ADVICE**

[Portfolio Holder: Councillor Richard Gates]

[Wards Affected: All]

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**Summary and purpose:**

In April 2009, the Council commenced charging for pre-application planning advice. The Executive requested that the scheme be reviewed six months after its implementation. This report reviews the scheme and suggests changes to the quality and system of the advice given and the schedule of charges.

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**How this report relates to the Council's Corporate Priorities:**

The service is important to achieving corporate objectives to deliver affordable housing and leisure facilities and to improve the environment through the planning process. By encouraging good development, it should help improve lives and by offering good advice at a cost effective rate, it provides value for money.

**Equality and Diversity Implications:**

The service is key in delivering development to meet all sections of the community. Most advice is given in the Planning Reception area which is DDA compliant.

**Resource / Value for Money implications:**

The report proposes an increase in the level of charging for significant written development to more closely reflect the rate of other authorities.

**Legal Implications:**

No direct legal implications. All guidance given to applicants clearly indicates that it is officer advice only.

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**Introduction**

1. Pre-application planning advice is officer advice given to applicants prior to the submission of formal planning applications. The new scheme has sought to provide speedier and more reliable advice aimed at frontloading the Development Control function, reducing the number of unacceptable applications and improving the quality of development. The report reviews the performance and effectiveness of the service, with particular reference to speed of response and customer satisfaction. An evaluation of the effect upon workloads and quality of built development has not been included as these aspects are sensitive to a number of factors and any direct link would be

difficult to establish at this time. This report was considered by the Planning Policy SIG on 2<sup>nd</sup> February 2010. The recommendations of the SIG are incorporated into the report.

### **Background**

2. The current structure for pre-application advice charging was agreed by the Executive in April 2008 and included:
  - (i) a schedule of charges
  - (ii) some exemptions to pre-application charges, notably affordable housing schemes
  - (iii) a commitment to review the charging system within six months of its implementation;
  
3. Taking into account the other organisational and procedural changes at the time, the date for pre-application charging was originally scheduled for 1 January 2009. Due to the economic downturn, however, a delay in charging was agreed until April 2009 following the Council's desire to support the business community in a difficult period. The structure and process for the new service were, however, launched from 1 January 2009 and operated as a pilot prior to the commencement of charging. The charging structure, as previously agreed by the Executive, including the agreed exemptions, has operated since 1 April 2009 but with a specific 15% concessionary rate for local businesses (defined as a Waverley business but not including planning agents operating over a wider area) in continuing recognition of the current difficult economic climate. The current schedule of charges is set out in Annexe 3

### **Review of Charging Scheme**

4. The review of the current charging scheme has included a number of aspects:
  - (a) number and speed of cases handled;
  - (b) related income generated across different types of inquiry since April 2009;
  - (c) customer satisfaction / feedback;
  - (d) benchmarking with other local authorities, including comparison of fee exemptions;
  - (e) other changes affecting charging.
  
- (a) Number and speed of cases handled

Annexe 1 sets out the number of pre-application enquiries received since April 2009, split by type.

The **householder planning surgery** has remained an efficient method of providing focused advice on domestic level development. Due to the appointment system, the meetings are time limited to 20 minutes. The

flat fee of £30.00 has not significantly discouraged use of the service and the available Monday and Wednesday appointments are well used.

A total of 81 **written enquiries** were handled since April 2009 (30 householder, 40 minor (small-scale) and 11 significant proposals). Consistent with the terms of the new advice protocol, written responses have needed to be detailed and comprehensive to add maximum value to the process. 63% of all householder enquiries were delivered in the target time of 15 days and 55% of minor proposals for the same target time. 36% of major proposals were handled in the target of 10 days from meeting.

There have been no DCCFs held since April and no Planning Delivery Agreements concluded.

From 1 April to 1 October 2009, there were 158 **minor amendment proposals** processed. 93% of these were processed in the set target time. Following the introduction of the new statutory non-material amendment application system from October 2009 under the General Development Procedure Order, the informal system was withdrawn. Government advice from the DCLG states that, under the new system, there should be no fee levied on these applications.

The speed of response on written enquiries has been below the target. This had been due to the need to give priority to meeting corporate plan targets for planning applications. Members should note, however, that the target is not a statutory one, nor, at present, a Local Performance Indicator. The original report to the Executive indicated that stipulated targets could be agreed with agents to ensure an appropriate timescale, particularly to allow inclusion of the views of consultees who may require additional time to respond. More important, therefore, than speed of response, is customer satisfaction with the service (dealt with below).

(b) Income generated across different types of inquiry

**Income levied 1 April 2009 – 31 December 2009**

<b>Type of Inquiry</b>	<b>£</b>
Planning Surgeries	£15,394
<u>Written pre-application:</u>	
Householder	£1,500
Minor (small-scale)	£5,055
Significant	£7,200
DCCF	0

Planning Delivery Agreement	0
Post decision minor amendments	£4,716
TOTAL (at 31 December 2010)	£33,866

\*rounded

The Budget estimate for pre application charging for 2009/10 was £75,000. Income has been affected by initial customer resistance, reduction for local businesses and reduced numbers of applications in comparison to previous years. A revised figure of £55,000 income is in the budget for 2010/2011. This is a higher figure than the forecast budget outturn of £45,000 for 2009/2010 but is considered realistic taking into account the steady increase in planning applications which the service is experiencing, some modest proposed increases in charges and reducing customer resistance.

(c) Customer satisfaction

Two methods of eliciting response to the new charging scheme have been used:

- Customer questionnaires sent with each pre-application written response letter and completed by surgery customers.
- Agents' Focus Group help in November 2009 (including regular architects and planning consultants) to review success of service.

(i) Customer Questionnaire

Questionnaires are completed at the end of the advice process and therefore receipt did not commence until June 2009. (Questionnaires required a scoring of 1 - 5 from strongly agree (1) to strongly disagree (5). *Satisfied* is regarded as scoring either 1 or 2).

	Number of questionnaires completed since June 2009
Surgery and written responses	37

<u>Responses</u>	% Satisfied
Question 1 (whether help / advice was given in answering enquiry)	94
Question 2 (whether dealt with courteously and promptly)	97
Question 3 (understand reasons for advice given)	100
Question 4 (whether documents and advice given were helpful)	100

Of those respondents who had used the pre-application system prior to 1 April 2009

	Better %	Stayed Same %	Got Worse %
Question 1			
<u>Has Service Improved?</u> Communication of progress	72	18	9
Clarity of response	54	36	9
Promptness	63	27	9

\*rounded

Customer satisfaction is high with the quality, clarity and helpfulness of service given. Moreover, customers felt that the service has significantly improved over the pre-charging system in terms of communication and speed.

(ii) Agents' Focus Group

There were a number of very positive elements identified. The key conclusions were:

- Validation advice and conservation / historic buildings (no charge at present) are highly regarded services.
- Surgeries - helpful and value for money.
- Efficient response on smallscale developments.
- Communication generally good.
- Principle of payment not objectionable.

There were also a number of areas identified requiring improvement:

- Time targets often not met / delays in response.
- Responses lack substance - often repeating known information. No value judgement.
- Lack of follow through (consistency) by officer or to recommendation.
- Lack of consistency between officers.
- Information required often disproportionate to enquiry.
- Disclaimer needs to be minimised.
- Require prioritising in response dependent upon importance of development.
- Members should be alerted when pre-application discussions have informed negotiations by comment in Committee report.
- Middle level charge for written responses required to capture medium complexity enquiries.
- Larger developments could be broken into three charging stages / categories:
  - principle / further detail / draft layout.

5. In summary, agents felt that they receive good advice on smallscale developments but that the written advice on significant and major development is not always timely and lacks consistency and substance. However, subject to improvements on these areas, there is general understanding by agents that charging is justified if it adds value to the process. Timescales can be negotiated to ensure that maximum useful detail, particularly from consultees, is included.

6. In addition to those points, a number of other suggestions and concerns were expressed by agents on the system which have been more appropriately handled outside of this Charging Review. These matters include need for staff training, technical detail over sustainability issues and need for better website information on case / officer details.

An additional concern that has been raised by members of the public is that pre-application negotiations restrict the ability of Planning Committees to assess applications. This is not the case and Members are free to come to their own conclusions on applications so long as the reasons for these are clearly explained and that the decision takes into account all the relevant planning considerations.

(d) Benchmarking

As part of the Review, a comparison with the charging schemes of similar neighbouring authorities has been carried out. In depth discussions with one authority have also been held around assumptions for its schedule (Elmbridge Borough Council).

The conclusions of this exercise are:

- (i) The majority of surrounding authorities that charge for pre-application advice use sliding scale, flat rate fee systems.
- (ii) No other authority, other than Waverley, charges for householder development. Some charge significantly higher fees for significant developments, i.e. up to £1,000 compared with £600 (Waverley).
- (iii) Other authorities using similar flat rate systems charge a similar level to Waverley for minor written enquiries.
- (iv) Waverley provides for a greater number of exemption cases than other authorities, notably for disabled adaptations, Listed Building applications, 100% affordable dwellings and non-profit making organisations.
- (v) Of those authorities reviewed, approximately 50% have increased their rates since 2008.

(e) Other changes affecting charging scheme

From 1 October 2009, a new system for handling non-material amendments was introduced for which there is no charge in law. The previous informal system for agreeing changes (with the charge of £50.00 amounting to £4,716 since 1 April 2009) has therefore been superseded meaning that particular source of fee has been lost.

**Conclusions and recommended changes**

7. Set out below is a number of conclusions for Members' consideration:

- (i) The charging for pre-application advice has been successful in terms of additional value to the development management process and generating income to finance the improved service provided. It is therefore considered that the service should be maintained.
- (ii) Applicants and agents are generally satisfied with the principle of payment but would like to see some refinement to quality of feedback. Officers will put in place further training and checks to ensure improved consistency of written advice.
- (iii) From 1 April 2010 affordable housing and the Council's own development should be subject to charging to reflect more closely the practice of other authorities and go some way to cover the often very

significant costs of officer time. The Planning SIG recommends that this be on the basis of a 15% concessionary rate reflecting the current rate for local businesses.

- (iv) The rate for significant developments should be raised to reflect that of other authorities and reflect the resource intensive nature of this aspect of the service. It is recommended that the charge for written enquiries for significant proposals should be raised to £900 for each enquiry. No other changes in the charging structure are proposed.
- (v) A suggestion was made by agents that there should be an additional rate for medium level complexity or medium sized developments (in between the existing rate for smallscale and significant developments). The officers' original background report into pre-application charging (April 2008) considered the appropriate breakdown of rates between scale of charging and recommended the three levels currently in place. Taking into account the experience of the necessary officer resource required to respond to smallscale enquiries and the benchmarking with other authorities, the existing breakdown is considered to be appropriate and to reflect the cost of providing the service at each level. No change to the three-tier system is therefore recommended.
- (vi) Following the specific request from agents, the charge for significant written advice should be broken down to reflect three stages of enquiry:
  - initial meeting;
  - further detail;
  - draft layout.

It is considered that this could be achieved by splitting the cost of written advice for significant enquires into incremental payments to reflect this staged process. The advantage of this would be to both applicants and the Council by building in flexibility to mean that if a proposal does not progress beyond Stages 1 or 2, then neither payment nor officer time would be necessary in relation to the final stage / detail.

- (vii) Having regard to the competing work priorities and, in particular, the Council's top quartile targets for planning applications, the timescale for written enquiries should be extended to allow greater response time and to ensure maximum opportunity to include responses from statutory consultees. In addition, some flexibility is considered appropriate to allow prioritising of most important i.e. those delivering economic or community benefit. It is recommended that the timescale for each different scale of development be retained but that the target for each level be agreed at 80% of enquiries to be completed within the agreed timescale. Officers should also retain discretion, as at present, to negotiate a mutually acceptable alternative timescale with customers if appropriate.
- (viii) The Planning Service currently provides advice on Listed Buildings and Validation. Currently these aspects of the service are without charge. The justification for this is that there is no statutory charge for Listed



Building applications and advice on validation adds great value to the efficiency of the application process. A charge may discourage use of the validation service with consequent impacts upon speed of registration and ability to meet statutory targets for applications. Moreover, charging for listed building enquires may prove counter productive as it could discourage early involvement with the Council's Conservation Officers leading to possible unauthorised alterations or insensitive proposals. It is recommended therefore that these services should continue to be provided without charge.

- (ix) Whilst not raised explicitly through the Review, officers' experience of customer expectations is that a further tier of advice is generally desirable. This would be in the form of a one-off initial meeting with senior officers (usually Development Control Manager and / or Head of Planning) regarding significant, strategically important or potentially controversial sites. The meeting would discuss very general issues. The agreement to such meetings would be at the officers' discretion but, as a one-off, would not be subject to the charging system. Any further or following discussions would be charged in accordance with the scheme.
- (x) There is a difference in opinion from customer groups as to whether Planning Committee reports should alert Members to pre-application discussions. Agents believe there is a benefit in highlighting this. However this may reinforce perceptions by some residents that pre application advice could place a restraint on members' consideration of the application. The SIG felt that reference to pre-application advice is appropriate and uncontentious. It felt that committee members understand the weight to be attached to it and are not constrained by reference to it.
- (xi) Since April 2009, and having regard to the economic downturn, a concession has been given for local businesses. It is considered that, for the time-being, this concession should be continued.

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### **Recommendation**

It is recommended that:

1. the system of charging for pre application advice be continued;
2. from 1<sup>st</sup> April 2010, affordable housing and the Council's own development be subject to pre-application charging on the basis of a concessionary rate of 15% of the normal tariff;
3. from 1<sup>st</sup> April 2010, the charge for written enquiries for significant proposals should be raised to £900 for each enquiry to include 3 stages of enquiry each at a rate of £300 (as set out in Annexe 3);
4. from 1<sup>st</sup> April 2010, the target timescales for written enquiries should be set at 80% of enquiries to be agreed within the relevant approved timescales (as set out in Annexe 3). Officers shall retain discretion, as at present, to negotiate a mutually acceptable alternative timescale with customers if appropriate;

5. advice on Listed Buildings and Validation should continued to be provided without charge; and
6. the concessions for local businesses should for the time being continue, as set out in Annexe 3.

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Background Papers

ODPM General Power for Best Value Authorities to charge for discretionary services.  
Guidance on the Local Government Act 2003.

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## ANNEXE 1

	<b>Target 100%</b>	<b>No appointments / responses since April 2009</b>	<b>Handled within target time</b>	<b>%</b>
<u>Planning Surgeries:</u>				
Householder	Day of request	310	310	100
Small-scale	Within 15 days of request	44	29	66
<u>Written pre-application:</u>				
Householder	Within 15 days of request	30	19	63
Minor proposals	Within 15 days of request	40	22	55
Significant proposals	Within 10 days of meeting	11	4	36
<u>Development Control</u>				
Consultative Forum (DCCF)	None held			
Planning Agreements (Major proposals dealt with in a mutually agreed timescales with developers).	Delivery (Major proposals dealt with in a mutually agreed timescales with developers).	0		
History Searches		10	10	100
Post decision minor amendments (to 01/10/09)		158	147	93

## ANNEXE 2

### CURRENT EXEMPTIONS TO PRE-APPLICATION CHARGES AGREED BY EXECUTIVE - APRIL 2008

- Disabled adaptations to dwellings
- Listed building alterations not requiring a planning application
- Parish and Town Councils
- Registered Social Landlords
- 100 per cent affordable dwelling sites
- Tree works advice
- Non profit making community facilities
- Works for infrastructure provisions

## ANNEXE 3

### TABLE OF CURRENT AND PROPOSED PRE-APPLICATION CHARGES

	Current agreed (as by Executive 2008)	Concessionary rates (current)	Proposed new rate April 2010
Planning Surgeries			
Householder	£30 (inc VAT)		no change
Small scale	£80 (plus VAT)	£68 (plus VAT)	no change
Written pre-application advice			no change
Householder	£50 (inc VAT)	£42.50 (non-householder) (plus VAT)	no change
Small scale	£150 (plus VAT)	£127.50 (plus VAT)	No change
Significant	£600 (plus VAT)	£510 (plus VAT) (for 4-9 dwellings only)	£900 (plus VAT) in 3 payment stages (Principle £300 Detail £300 Layout £300)
Development Control Consultative Forum	£1000 plus the cost of any recoverable external fees (VAT not applicable)		No change