

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

**SUMMARY AND RECOMMENDATIONS**

To review the charges for pre-application planning advice and to consider amendments to the scheme.

Recommendations:

- (a) Continue the practice of charging for pre-application discussions.
- (b) With effect from 1<sup>st</sup> April 2021, set charges at £70 for small householder developments, domestic outbuildings and advertisements; £120 for two storey/complex and large householder extensions; £240 for changes of use; £405 for single house schemes and simple minor developments; £860 for small major schemes and medium sized housing developments; and £1340 plus £195 per additional meeting for major developments.
- (c) Confirm that pre-application charges will not be required in respect of:
  - Wellesley/Grainger PLC schemes in relation to the Aldershot Urban Extension
  - The Council's own developments, and those of Hampshire County Council where they relate to the provision of public services in the Borough.
- (d) Confirm that the minimum householder/minor development charge of £70 will continue to apply to requests for pre-application advice, irrespective of the proposal type, made by community/charity groups which demonstrate that they meet all the following criteria:
  - A registered charity.
  - With headquarters in Rushmoor Borough
  - Involved in activity which serves the people of Rushmoor
  - Not part of a national charity with multiple UK or international offices

**1. INTRODUCTION**

1.1 Charges to potential planning applicants and developers for discussion and advice before the submission of planning applications were introduced in Rushmoor with effect from 1<sup>st</sup> February 2017. After one year the practice was reviewed and charges amended to include an approximate increase of 20%, reflecting the parallel government decision to increase planning fees by the same percentage.

1.2 The charges were introduced in pursuance of the corporate objective to establish a sound financial position, make sustainable budgetary savings, investigate new sources of income and implement channel shift, whilst

maintaining a high level of service.

- 1.3 Pre-application charging cannot be used to make a profit. In appropriate circumstances, authorities are permitted to charge as a means of meeting, and effectively regulating demand for pre-application advice. The key role of Local Planning Authorities in encouraging other parties to take maximum advantage of the pre-application stage is cited in the National Planning Policy Framework and forms an essential part of our planning process at Rushmoor.

## **2. BACKGROUND**

- 2.1 The Cabinet decision to increase the charges (6<sup>th</sup> March 2018) resulted in the following being introduced:
- 2.2 Householder and other small-scale enquiries - £40  
Small to medium sized developments - (1-10 dwellings or up to 1000sqm commercial floorspace) - £270  
Major Developments (in excess of 10 dwellings or residential sites of 0.5ha and above, or 1000sqm commercial floorspace, or other sites of 1ha or more) - £720
- 2.3 These receipts are subject to VAT at 20% meaning the actual receipt from a householder charge of £40.00 is £33.00, a minor development charge of £270.00 is £225.00 and a Major development charge of £720.00 is £600.00.
- 2.4 It was estimated at the time of the initial introduction that pre-application charges could generate up to £30,000 - £40,000 gross per annum, assuming that the demand for discussions ahead of applications being submitted did not fall as a result of charging. The introduction of the charges on 1<sup>st</sup> February 2017 fell part-way through the final quarter of the financial year. The original budget estimate for receipts from pre-application planning charges for the financial year 2017-18 was set at £30,000. In the event, pre-application discussions with developers initially declined, resulting in a revised estimate of £25,000 for that and future years. However, income picked up later in the year and the outturn for 2017-18 was £31,136. The annual performance reports to the Development Management Committee show the outturn figures for 2018-19 were £32,363 against a budget estimate of £36,000 and for 2019-20, when the estimate was again revised to reflect the period of political and economic uncertainty, £23,584 against a budget estimate of £29,000.
- 2.5 For the current 2020-2021 financial year, exceptional circumstances are again expected to be a significant factor. The initial pre-application budget estimate was £36,000 (£18,000 for the first six months) actual receipts for March to September are £14,907.
- 2.6 It remains the case that, particularly with reference to householder and minor development enquiries, the introduction of charging was not accompanied by a moratorium on providing informal advice to telephone callers. Fees are only charged in respect of written advice provided in response to submitted draft proposals. It is therefore commonplace for initial contact to be in the form of a telephone call, and for the resulting discussion to lead to a decision by the potential

applicant as to whether to make a pre-application submission requiring payment of a fee. Since charges were introduced however, discussions by telephone which do not result in a chargeable submission are no longer registered on the Uniform system as pre-application enquiries.

2.7 The size of the fees should be considered in relation to the costs of the works to which they relate. Even small householder extensions are likely to have construction costs of several thousand pounds. The payment of what are relatively small fees (even if the proposed increases are agreed) which to ensure that projects are likely to receive planning permission, is a very minor cost.

### 3. A Review of the Basis and Calculation of Appropriate Charging

3.1 Having established and observed over the three and a half year period since the introduction of charging, that it is effective in adding value and efficiency to the planning process, and benefits both applicants and the authority without discouraging engagement, it is appropriate to review the basis and level of charges currently in operation. Initial benchmarking of our current charging regime against available information on other Hampshire authorities using adjustments to provide a 'closest fit' comparison gives rise to the following table 1\*

Table 1. Comparison with other Hampshire authorities.

Authority	Householder/Listed Building/Advertisement	Single Dwelling/Change of Use	Other Minor Developments	2-9 Dwelling s	Major Development
Rushmoor	£40	£240	£240	£720	£720
Winchester	£123.60	£277.20	£572	£954	25% of Planning fee
Basingstoke	25% of planning fee + VAT				
East Hants	£49	£133	£250	£561	£1036 – 10% of planning fee
Eastleigh	£85	£275	£460	£460	£1075-£2190
Fareham	£0	£300	£240	£900	£POA
Gosport	£20	£131	£65	£265	£661 - £1050
Hart	£65	£200	£200		25% of planning fee capped at £6930
Havant	£54-£98	£133 - £255	£133 - £255	£383	£577
Isle of Wight	£52.50	£157.50	£157.50	£262.50	£892.50
New Forest DC	£130	£396	£726	£796	£1188
New Forest NP	£60	£125	£225-£450	£650	25% of Planning fee

Southampton	£42	£180	£360	£360	£840/10% of planning fee
South Downs NP	£0	£240	£360	£360	£1800/10% of planning fee
Test Valley	£58	£144	£108-£540	£432	10% of planning fee

\*Figures available at July 2020

Table 1. indicates that of the 15 bodies for which information was available, Rushmoor's charges ranked approximately 12<sup>th</sup> for Householder, listed building and advertisement enquiries; 6<sup>th</sup> for Single dwellings/changes of use; 12<sup>th</sup> for other minor developments; 5<sup>th</sup> for medium scale residential developments; and 14<sup>th</sup> for Major developments.

3.2 Table 2. below, records Rushmoor's pre-application receipts in the financial year 2019-2020 by number and type.

Table 1

Month	Estimated receipts	Actual receipts	No of enquiries*	Major	Minor	Householder
Apr 2019	£2,417	£1,727	25	0	8	17
May	£2,417	£2,699	23	0	7	16
Jun	£2,417	£835	10	0	1	9
Jul	£2,417	£1,733	24	0	11	13
Aug	£2,417	£2,020	16	0	3	13
Sept	£2,417	£1,553	21	0	8	13
Oct	£2,417	£1,217	15	0	4	11
Nov	£2,417	£2,170	18	3	5	10
Dec	£2,417	£2,027	10	1	5	4
Jan 2020	£2,417	£2,304	21	2	9	10
Feb	£2,417	£3,387	27	1	7	19
Mar	£2,417	£1,912	11	1	4	6
Total	£29,000	£23,584	221	8	72	141
% of Total Number				3.6%	32.6%	63.8%

\*38 cases on the system are recorded with no fee paid against them. These comprise principally internal pre-application enquiries where no fee is payable.

3.3 Whilst the charges levied by other authorities represent background information, and indicate that our charges are currently among the lowest in the County for householder, minor developments and major developments, the legal basis on which charging is permitted remains one of cost recovery. Any analysis of, and decision to amend our pre-application charges should therefore be based on more detailed information regarding the actual costs we incur in responding to them.

3.4 Initially consideration was given to trying to establish the overall cost of individual development projects and to ascertain whether a charging regime proportionate to this should be explored. However first, there is no reliable basis for establishing this in a simple category-based manner; secondly, the pricing and cost models of different builders and developers are not comparable and this potentially would require a detailed and separate analysis of the costs of each scheme before

discussion could be entered into as the Council has no access to detailed or verifiable information on the contractual arrangement between them and their clients; and thirdly, this would break the legally required link between the actual cost of the service provided by the Council and the charge levied.

3.5 In order to examine the cost recovery implications of the service provided, information was collected by officers within the planning service during the first three months of the current financial year. They were asked to take a sample of the typical pre-application cases they were dealing with, and to record and report the time actually spent on researching and responding to them. The hourly cost to the Council of officer time on various salary grades together with on costs was provided by the finance department. This information has been brought together in table 3. Below.

Table 3

Development Type	Time Spent	Officer Level	Cost Estimate (Rounded up from hourly salary plus on costs)	Current Charge
Householder, single storey extensions, roof extensions and garden buildings. Advertisement Consents etc.	1-2 Hours	Development Officer (£38 ph)	£40-80	£40
Householder, two storey and large scale extensions	3-5 Hours	Development Officer	£110-190	£40
Changes of Use	1-6 Hours	Planning Officer (£45 ph)	£45-270	£240
Simple Minor Developments (Single dwellings etc.)	4-14 Hours	Planning Officer	£180-630	£240
Small majors and medium sized housing schemes	4-14 Hours plus meeting.	Principal Planning Officer (£57 ph)	£230-800	£720
Large scale major developments	14-28 Hours plus 1 hour per additional meeting	Principal Planning Officer plus Corporate Planning Manager (70 ph) or Head of Service (80 ph)	£800-1596 plus £130-£200 per additional meeting	£720

3.5 The information in table 3 indicates that, whilst our current simple three tier charging arrangement results in effective cost recovery in relation to changes of use, simple minor developments and small majors/medium householder developments, it does not cover the cost of providing householder pre-application advice – particularly for more complex extensions, or of major redevelopment schemes. It is notable that our current middle ‘minor’ charging category involves,

year on year, approximately one third of the pre-application cases we deal with, but contributes in excess of half the total pre-application income.

- 3.6 With regard to householder proposals this makes the case for splitting the category between simple single storey extensions and others.
- 3.7 With regard to major redevelopment projects, pre-application discussion can typically involve a preliminary meeting, assessment in detail of a complex proposal, discussion with internal consultees and the involvement at various stages of the case officer, Corporate Planning Manager and Head of Economy, planning and Strategic Housing. Furthermore, rather than the single meeting which normally suffices for a small major application, these schemes can involve multiple (typically 3-6) follow-up meetings. Each individual meeting therefore has a staffing cost implication upwards of £130. Whilst benchmarking information indicates that some authorities set pre-application charges based on percentages of the planning fee for the application itself (mostly 10% but in some cases as much as 25%) it is difficult to see how this can fairly and reasonably relate to the cost of providing the service. It should be further noted in any event that fee income from the small number of Major projects that come before the authority constitutes a substantial proportion of the planning fee income received by the service, generally exceeding the cost of processing the application itself. This being so a fixed fee based on officer time with an additional charge for subsequent meetings is considered more appropriate.
- 3.8 Attempting to create a 'best fit' between the officer time costs and development types suggests our current three tiers could be divided into six with amended charges as set out in table 4 below. The final column in the table show approximately where this charging schedule would place Rushmoor in relation to the July benchmarking exercise with other Hampshire authorities.

Table 4

Development Type	Current Charge	Recommended Amended Charge	Approx change in Position relative to other 14 Hants authorities.
Householder, single storey extensions, roof extensions and garden buildings. Advertisement Consents etc.	£40	£70	12 <sup>th</sup> to 7 <sup>th</sup>
Householder, two storey and large scale extensions	£40	£120	12 <sup>th</sup> to 3 <sup>rd</sup>
Changes of Use	£240	£240	6 <sup>th</sup> no change
Simple Minor Developments (Single dwellings etc.)	£240	£405	12 <sup>th</sup> to 6 <sup>th</sup>
Small majors and medium sized housing schemes	£720	£860	5 <sup>th</sup> to 3 <sup>rd</sup>

Large scale major developments	£720	£1340 plus £195 per additional meeting	14 <sup>th</sup> to 6 <sup>th</sup>

#### **4. Exceptions and Exemptions from Charging**

- 4.1 Our current arrangement specifies three exemptions. First in respect of the Wellesley (Aldershot Urban Extension) development, the reason being that Grainger PLC, through the S.106 agreement associated with the development, are providing funding for a full time Council Officer post for a ten year period. The responsibilities of that officer include providing pre-application advice on future stages of implementation of the project.
- 4.2 The second is in respect of the Council’s own occasional, and often small-scale planning applications, for works to its own properties and display of advertisements etc. and queries from Hampshire County Council where they relate to the provision of public services in the Borough. This does not however relate to development schemes where the Council is involved as a partner or developer in commercial development and regeneration.
- 4.3 The third relates to schemes submitted for pre-application advice by locally registered charities which serve the people of Rushmoor, and takes the form of the minimum charge (applicable to householder schemes and minor developments) regardless of the scheme involved.

#### **5. Risks**

- 5.1 Risks identified in previous reports were the possibility of public concern over a fee being taken from developers for private discussions, meetings and advice, in advance of planning applications giving rise to a perception that subsequent decisions on the applications would not be impartially taken; potential conflict with developers who have paid for advice but whose applications are unsuccessful; that charging would deter pre-application engagement and interrupt the flow of work through the system; that the proposed measures will not result in savings and additional income at the levels estimated; and that additional costs in staff and resources would be incurred in administering the new measures.
- 5.2 No formal complaints regarding the practice or ethics of pre-application charging have been received since introduction and existing staff resources are available to cope with the associated work. The planning service continues to provide informal ‘free’ advice to callers and this is not recorded as pre-application cases on the Uniform system.

#### **6. Legal Implications**

- 6.1 There are considered to be no legal implications.

## **7. Financial and Resource Implications**

- 7.1 In the three years since the introduction of charging, the number of recorded pre-application cases and the costs recovered through charges rose and then fell in line with the varying period of economic and political uncertainty. Total cases in the three financial years 2017/18, 2018/19 and 2019/20 were 368, 327 and 261 and charging receipts were £31,136; £32,363; and £23,584.
- 7.2 Any estimate of the financial implications of the new recommended charges will be dependent on a number of variables including the likelihood of demand continuing at current levels, the number of major redevelopment schemes coming forward, and the actual proportion of different types of proposal resulting from the splitting of development types into more categories. Even if previous years' demand were subject to exhaustive detailed analysis by type, the reliability of this information as a basis for estimating future receipts would not necessarily be enhanced. It has been noted in the quarterly and annual reports to the Development Management Committee that the recent periods of 'lockdown' have seen a significant fall in numbers of medium sized applications and small housing schemes and a large increase in applications to carry out works to TPO trees (which command no fees). The important factor with regard to the new recommended charges is that if adopted, they will be more closely and demonstrably relatable to the actual cost of meeting the demand for pre-application advice.
- 7.3 If the recommended charging categories were applied to the 221 cases dealt with in 2019/20 applying a simple 50/50 split between the 141 smaller and larger householder proposals, the same between the 72 changes of use and simple minor developments currently in the minor category, and again to the 8 applications in the major category (assuming each larger scheme involved three additional meetings), the income recovered from charging in a full year would be in the region of £48,000. If the split between lower and higher charged applications were assumed to be 25/75. The estimated figure would be approximately £41,000. After deduction of VAT this would amount to £32,800 - £38,400 compared to the £23,584 of actual receipts in 2019-2020 under the current fee scheme.

## **8. Equalities Impact Implications**

- 8.1 There are considered to be no equalities impact implications.

## **9. CONCLUSIONS**

- 9.1 The introduction of pre-application charging has, in its first three years, come close to delivering the financial returns predicted when it was introduced and provided added value to the provision of the planning service and delivery of development. The factors outlined as risks prior to introduction have not given rise to organizational or reputational issues during this initial period. Increasing the charges to reflect more accurate information on the cost of providing this discretionary service would be appropriate.



**BACKGROUND DOCUMENTS:**

Town and Country Planning Act 1990  
Development Management Procedure Order  
National Planning Policy Framework

**CONTACT DETAILS:**

Report Author - John Thorne – [john.thorne@rushmoor.gov.uk](mailto:john.thorne@rushmoor.gov.uk) 01252 398791