

<b>REPORT TO:</b>	<b>ENVIRONMENT AND DEVELOPMENT SERVICES COMMITTEE</b>	<b>AGENDA ITEM: 14</b>
<b>DATE OF MEETING:</b>	<b>07 NOVEMBER 2024</b>	<b>CATEGORY:</b>
<b>REPORT FROM:</b>	<b>EXECUTIVE DIRECTOR - PLACE AND PROSPERITY</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>STEFFAN.SAUNDERS</b> <a href="mailto:steffan.saunders@southderbyshire.gov.uk">steffan.saunders@southderbyshire.gov.uk</a>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>INTRODUCTION OF PRE-PLANNING APPLICATION CHARGING</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

## **1.0 Recommendations**

- 1.1 That the Committee recommends to Finance and Management Committee to approve the charges at Appendix 4 for planning pre-application advice to be implemented from 1 January 2025.
- 1.2 That the Committee recommends to Finance and Management Committee to approve the increase in fees for Footpath Diversion Orders as set out in paragraph 3.15 of this Report to be implemented from 8 November 2024.

## **2.0 Purpose of the Report**

- 2.1 To seek the Committee's approval for the introduction of charging for pre-application advice.

## **3.0 Detail**

- 3.1 In 2021 Members approved a report which sought to introduce pre-application charging. The charging matrix approved at that time is included at Appendix 1. Due to significant staffing shortages and increased workloads post covid, which resulted in a significant backlog it wasn't possible to implement this service. Members will be aware that the Planning Team have over the more recent past made significant headway into this backlog with the recruitment of permanent members of staff, improved processes and the engagement of consultants to assist in clearing this backlog. Appendix 2 shows the current position in terms of this backlog of planning and related applications with government defining a current caseload of 15% of annual applications as the maximum for a planning team with no backlog (this does not take into account all applications the Council deals with for example works to trees, discharge of planning conditions, NSIP or neighbouring authority / county council consultations). Whilst the team do still carry a much-reduced backlog, additional resources borne out of the planning review are in the process of being implemented with two out the five recommended posts filled with progress the remainder anticipated to be in post by the end of 2024. Therefore, the recommended longstop date of 1 January 2025 for implementation is recommended, but, if possible, the pre-app charging scheme would be introduced sooner. With this

additional resource, it is considered that the service will be in the position to implement a paid for pre-application service that would appropriately resource the team.

- 3.2 Since Members approved the previous charging regime in 2021, planning fees increased for the first time in a number of years in December 2023. In addition to this the Government have recently undertaken a consultation exercise which included questions regarding increasing the fees further across all application types to ensure that the application fees cover the full costs associated with considering an application, including publication and consultation, officer time and any advice which may be sought from other professionals such as design and conservation.
- 3.3 Whilst fees increased in December 2023, given the time lapse since the previous increase in fees and the increases in costs which lie with the service, including significant increases in the fees charge for publicising applications in the press, officer time and other associated add on fees such as software, it is not considered that the service is currently appropriately resourced by the planning fees alone to provide pre-application advice.
- 3.4 The Local Government Act 2003 provides authorities with a power to charge for discretionary services, including the provision of pre-application planning advice and therefore allows authorities to recover the costs incurred before an application is submitted. The income raised must not exceed the costs of providing the service (i.e. it cannot be a profit-making service). Pre-application advice and the ability to charge for this service is something which has been accepted by the development industry for some time. In effect all those who require pre-application advice are currently accessing a service at no cost to them. This leads to significant additional workload and the council cannot afford to continue this free service, particularly as there are measures that can be taken to recoup these costs. This will ensure that the pre-application advice service is appropriately resourced and ensure that the Council actively engage with the full range of users of the planning service from larger developers to individual householders prior to submission of an application.
- 3.5 There are additional benefits to the LPA for engaging, as it can contribute to higher quality development (i.e. some unacceptable schemes could not be made acceptable with amendments, and other applicants may have dealt with issues which may have caused delays and taken more officer time later on in the process). Like other LPAs, the Council has difficulties with poor-quality applications being made, with key information missing or incorrect, despite regular reminders from officers. A pre-application fee can also help reduce this particularly if it includes an element of "application checking". The Council incurs costs in dealing with invalid applications even if they can be made valid later. Pre-application charging fees will allow customers to access a service which helps in the submission of applications and ultimately leads to better quality developments and decisions made within the statutory timeframes for processing planning applications.
- 3.6 The practice of pre-application engagement is firmly encouraged in the National Planning Policy Framework (NPPF). Relevant pre-application engagement is considered to be very important for both LPAs and applicants/developers, in order to help secure developments that improve the economic, social and environmental conditions of an area, as well as saving time through adding clarity and reducing uncertainty which can be a financial saving for both parties. The matter was raised with agents who attended the Agents Forum (a new bi-annual event set up to share news and receive feedback from those agents who regularly submit applications to the council) and no major issues or concerns were raised by them to this approach. The

consensus being that they are supportive in principle to the concept of pre-application charging and will pay for a service that gives greater certainty on the applications they submit.

- 3.7 To ensure transparency, the PPG advises that, where local planning authorities opt to charge for pre-application services, they are strongly encouraged to provide clear information online about:
- the scale of charges for pre-application services applicable to different types of application (e.g. “minor” or “major” or “other”);
  - the level of service that will be provided for the charge, including: the scope of work and what is included (e.g. duration and number of meetings or site visits); the amount of officer time to be provided (recognising that some proposed development may usefully have input from officers across the local authority and/or from other statutory and non-statutory bodies); the outputs that can be expected (e.g. a letter or report) and firm response times for arranging meetings and providing these outputs; it is also helpful for LPAs to provide links to any charges that statutory consultees (such as the Highway Authority and Environment Agency) may levy for pre-application advice, where this is known.
- 3.8 Officers have engaged with statutory consultees regarding their role in a pre-application service. Derbyshire County Council Highways Authority have confirmed that the County Council have their own charging schemes for pre-application discussions and wouldn't wish to be involved in the service the Council intends to provide. The Council currently has a Service Level Agreement with Derbyshire Wildlife Trust and the Derbyshire County Council Archaeological team, and it is considered that the pre-application service can be absorbed into these long-standing agreements. Officers are exploring ways to effectively engage with all statutory consultees to get timely feedback on pre-application discussions and those during the application process, through increased standard information and regular catch-up meetings. Although these discussions are not concluded, there is sufficient information available now, that it will be possible to provide a meaningful and comprehensive pre-application advice service adequately resourced in line with the charging schedule proposed, that the development industry will utilise.
- 3.9 Exploring charging for pre-application advice was a recommendation which came out of the recent Planning Review. Officers have reviewed the previous report from 2021 which gained Member approval and looked at examples from other Councils local to the Council. From the information gathered all Councils local to the Council charge for pre-application advice. The costs of this advice, what types of development attract a fee, and the extent of the advice differs between each. A table is included at Appendix 3 which gives an overview of the charges from a sample of local authorities and those charges agreed by members in 2021.
- 3.10 The Local Government Association provided guidance of costings for pre-application advice, acknowledging that there will be an inevitable amount of approximation and estimation but that these should be based on true costs which can be valued as a case officers hourly rate plus 35% (covering training annual leave, corporate costs, accommodation etc).
- 3.11 With this in mind and having regard to the nature and complexity of various types of preapplication submissions and having regard to example of other councils local to the Council Appendix 4 sets out the proposed charging schedule and a broad SLA in

relation to expected response times and the level of information and access to officers that customers will receive as part of their enquiries. If this is approved by members, the means of providing free advice in person, in writing or over the phone would need to be removed for the scheme to be effective. Members of the public including developers, would still be able to access officers via the phone on the general planning number, or in person at the Council Offices, but in each case when asking questions covered by the charging schedule, they would be directed to the approved fee to obtain the service.

- 3.12 In reviewing the number and types of pre-application enquiries submitted in 2023 it is estimated that the service would have made approximately £260,000 through the pre-application charging regime proposed in Appendix 4. This figure needs to be treated with caution as there were numerous poor-quality submissions with no disincentive to utilise a service which is free, and these poor-quality pre-apps have disproportionately impacted on the workload of the planning team. Once a pre-app charging schedule is implemented, pre-app enquiries from those not committed to pursue a scheme would be most unlikely to be submitted in the first place. A figure of £100,000 is therefore considered a reasonable estimate of the money generated in the first full year of the service. The money generated would sufficiently resource a pre-application advice service that would be used to proactively engage with developers, which will have substantial benefits. The breakdown of enquiries received, and potential fees is included as Appendix 5. As mentioned above this is an illustration of the fees generated if exactly the same pre-apps are submitted with a charging schedule in place as without. In practice this would not occur, hence the estimate of £100,000.
- 3.13 In addition to the pre-application service Members are also asked to consider increasing the fees associated with Footpath Diversion Orders. Local Authorities are granted powers under Section 257 of the Town and Country Planning Act 1990 (“the Act”) to make Orders for the diversion or extinguishment of footpaths, bridleways or restricted byways. Currently the fee for these is £2,247. There is no national fee set for these types of applications and LPAs are able to self-set the charges associated with this work.
- 3.14 The current fee has not been altered for a number of years and is not close to covering the costs to the Council. This work requires the input of not only the planning team but the legal team also. The applications are required to be published in the local newspaper several times which adds to the costs of dealing with these. Although it isn’t a ‘one size fits all’ approach diversions associated with major applications are generally more extensive and time consuming than those affected by minor applications and may need the buy-in of expert advice since the withdrawal of the advice from the County Council.
- 3.15 It is considered appropriate to differentiate therefore from the processing of Footpath Diversion Orders associated with major application and minor applications. Having regard to the costs associated with these it is considered appropriate to increase the fees for each to £3,500 in relation to minor applications and £7,000 in relation to major applications.

## **4.0 Financial Implications**

- 4.1 An increase to the Planning Services income budget of £100,000 is additional to the £50,000 included in the Planning Services Review Report approved at Environmental & Development Services Committee in June 2024 and subsequently ratified at Finance & Management Committee.

4.2 The income from pre-application fees and the increase in Footpath Diversion Orders will be monitored and reported in the quarterly revenue outturn updates at the Finance & Management Committee.

4.3 Monitoring of income generated from Pre-application fees will also be reviewed to ensure that the charges do not exceed the costs of supplying the service.

## **5.0 Corporate Implications**

### **Employment Implications**

5.1 None directly arising from the report.

### **Legal Implications**

5.2 None directly arising from this Report

### **Council Plan Implications**

5.3 None directly arising from the report.

### **Risk Impact**

5.4 None directly arising from this report.

## **6.0 Community Impact**

### **Consultation**

6.1 Feedback has been sought from planning agents at the two agents forums held over the summer. They are supportive of the principle of pre-application charging provided this leads to an adequately resourced service.

### **Equality and Diversity Impact**

6.2 None directly arising from this report.

### **Social Value Impact**

6.3 None directly arising from this report.

### **Environmental Sustainability**

6.4 None directly arising from this report.

## **7.0 Conclusions**

7.1 The fees for Footpath Diversion Orders should be increased in line with the details set out in paragraph 3.15 to ensure that the process is self funded, including publications in the local press, legal advice and officer time.

7.2 The fees set out for pre-application charging in the table at Appendix 4 will allow the planning service to be sufficiently resourced to provide a responsive, proactive pre-application service that that the council can demonstrate excellence in.

## **8.0 Background Papers**

8.1 Appendix 1 – Previously approved SDDC charging matrix

8.2 Appendix 2 – Backlog of planning applications and pre-app advice

8.3 Appendix 3 – Table showing approved SDDC charging regime and other LPAs fees

8.4 Appendix 4 – Table of proposed charging regime and SLA

8.5 Appendix 5 – Table showing fees that would have been generated from enquiries received in the year 2023.

## Appendix 1 Previously approved pre-app charging schedule

### Model 2: Zero charge for employment proposals with one free meeting

Additional meetings charged at normal rate. First meeting for employment proposals free before flat rate of £100 applies for subsequent meetings.

Cat.		Written response	Meeting (optional)
Q1	Do I need to make an application	£50	Not available
H1	Householder	£50	Not available
H2	Householder (listed building)	£100	£100
A	Advertisements	£75	Not available
D1	Dwellings (1-3)	£150	Not available
D2	Dwellings (4-9)	£400	Not available
D3	Dwellings (10-99)	£650	£250
D4	Dwellings (100-199)	£850	£250
D5	Dwellings (200+)	£1,000	£250
E1	Employment (Less than 500sqm)	Free of charge	Not available
E2	Employment (500 to 999sqm)	Free of charge	Not available
E3	Employment (1,000 to 4,999sqm)	Free of charge	£100
E4	Employment (More than 5,000sqm)	Free of charge	£100
S1	Shopping (Less than 500sqm)	Free of charge	Not available
S2	Shopping (500 to 999sqm)	Free of charge	Not available
S3	Shopping (1,000 to 4,999sqm)	Free of charge	£100
S4	Shopping (More than 5,000sqm)	Free of charge	£100
O1	Other proposals (Less than 1,000sqm)	£125	Not available
O2	Other proposals (More than 1,000sqm)	£400	£250
T	Telecommunications	£150	Not available
V	Vehicular access (to non-domestic properties)	£50	Not available
C1	Variation of conditions	£150	Not available
M2	Material and non-material amendments (householder)	£25	Not available
M2	Material and non-material amendments (all other)	£150	Not available

## Appendix 2 Backlog of applications on hand

Date	Applications on hand	Backlog calculation (15% of 1300 apps is 195)
01/01/2022	549	354
01/04/2022	705	510
01/07/2022	766	571
01/10/2022	733	538
01/01/2023	695	500
01/04/2023	545	350
01/07/2023	518	323
01/10/2023	463	268
01/01/2024	412	217
01/04/2024	431	236
01/07/2024	394	199
01/10/2024	374	179

10 unresolved pre-application enquiries on 16 October 2024



### Appendix 3

	Planning fees	SDDC approved	Broxtowe	Erewash	Charnwood	NW Leics (inclusive of VAT)	Derbyshire Dales (Inclusive of VAT)
Do I need planning permission	N/A	£50	£72.50				£33
Alterations/extensions to a single dwellinghouse	£258	£50	£72.50	£100	£42 (+£30 FOR MEETING)	£99	£65 - £131 with meeting
Outline residential							
Less than 0.5 Ha	£578 for each 0.1	Covered by other fee categories	£310	Covered by other fee categories	Covered by other fee categories	Covered by other fee categories	Less than 0.5ha £196 - £457 with meeting
0.5 – 2.5 Ha	£624 for each 0.1		10% of planning fee +VAT max £2,025 +VAT				£653 - £979 with meeting (0.5 – 1.99ha)
More than 2.5 Ha	£15,433 + £186 for each 0.1 in excess of 2.5 ha MAX FEE £202,500		£848 - £1145 with meeting (2-4ha)				
							£979 - £1305 with meeting
Outline not residential							
Less than 1 Ha	£578 for each 0.1 £624 for each 0.1 £15,433 + £186 for each 0.1 in excess of 2.5 ha MAX FEE £202,500	Less than 1,000m2 - £125	£310 less than 1ha	Covered by other fee categories	Covered by other fee categories	Covered by other fee categories	Less than 1ha £196 - £457 with meeting
1 – 2.5 Ha		More than 1,000m2 - £400	10% of planning fee +VAT max £2,025 +VAT				£653 - £979 with meeting (0.5 – 1.99ha)
More than 2.5 Ha		Employment or retail – no fee					£848 - £1145 with meeting (2-4ha)
							£979 - £1305 with meeting (4ha +)
Fewer than 10 dwellings	£578 per dwelling	1-3 dwellings £150	£310	£100 OR £200 WITH MEETING (SINGLE UNIT / PLOT ONLY)	1-4 £300 + £120 FOR MEETING	1-2 £248 OR £380 with meeting	1-3 dwellings £196 - £457 with meeting
		4-9 dwellings £400		£200 OR £400 MULTIPLE BELOW MAJOR	5- £600 + £120 FOR MEETING	3-4 £560 or £638 with meeting	4-9 £392 - £653 with meeting
						5-0 £990 or £1,122 with meeting	
10 – 50 dwellings	£624 for each dwelling	10-99 dwellings £650	10% of planning fee +VAT Max £4,050 +VAT	£1,000 UP TO 20  £2,500 OVER 20 (SUBSEQUENT MEETING)	£1,200 +£600 FOR MEETING	£2640 or £3168 with further meeting	£653 - £979 with meeting (up to 99 dwellings)

				AND FOLLOW UP WRITTEN LETTER £1,000 PER MEETING)			
More than 50 dwellings	£30,860 + £186 for each dwelling in excess of 50 MAX FEE £405,000	100-199 £850  200+ dwellings £1,000	Max £4,050 +VAT	£2,500 OVER 20 (SUBSEQUENT MEETING AND FOLLOW UP WRITTEN LETTER £1,000 PER MEETING)	£2,400 + £900 FOR MEETING.  More than 200 £3,600 +£1,200 for meeting	£4950 or £5940 with additional meeting	£848 - £1145 with meeting (99-199 dwellings)  £979 - £1305 for a meeting (200+)
Erection of buildings (not dwellings, agricultural, glasshouses, plant)							
Less than 40 m2	£293 £578 for each 75 m2	Less than 1,000m2 - £125	£102.50  £310	£100 OR £200 WITH MEETING (SINGLE UNIT / PLOT ONLY)  £200 OR £400 MULTIPLE BELOW MAJOR	Less than 50m2 £300 + £120 FOR MEETING  Less than 1,00m2- £600 + £120 FOR MEETING	Less than 500m2 - £396 £528 with meeting  Below 1,000	0-499m2 £131 - £196 with meeting  500-999m2 £196 - £457 with meeting
More than 40 less than 1,000 m2	£624 for each 75 m2	More than 1,000m2 - £400	10% of planning fee +VAT	£1,000 UP TO 2,000M2 FLOORSPACE	Less than 2,500m2 - £1,200 +£600 FOR MEETING	£792 or £924 with meeting	1,000-9999m2 £392 - £653 with meeting
Between 1,000 and 3,750 m2	£30, 680 + £186 for each additional 75 m2 in excess of 3,750 m2	Employment or retail – no fee	Max £4,050 +VAT	£2,500 OVER 20 (SUBSEQUENT MEETING AND FOLLOW UP WRITTEN LETTER £1,000 PER MEETING)	Less than 10,000 £2,400 + £900 FOR MEETING.  More than 10,000 £3,600 +£1,200 for meeting	Below 10,000 £4950 or £5940 with additional meeting	
Erection of buildings for agriculture				N/A			
Not more than 465	£120	Less than 1,000m2 - £125				Covered by other fee categories	0-499m2 £131 - £196 with meeting
465 – 540	£578						500-999m2 £196 - £457 with meeting
More than 540 but less than 1,000 m2	£578 for 1 <sup>st</sup> 540 then £578 for each 75 m2 in excess.		£310 for sites under 1 ha				1,000-9999m2 £392 - £653 with meeting
1,000 – 4,215 m2	£30,860 + £186 for each additional 75 m2 in	More than 1,000m2 - £400	10% +VAT Max £4,050 +VAT				

	excess of 4,215 m2 Maximum fee of £405,000						
Erection of glasshouses				N/A	£240 + £30 for meeting		
Not more than 465m2	£120	Less than 1,000m2 - £125	£72.50				0-499m2 £131 - £196 with meeting
More than 465m2 but less than 1,000	£3,225		£310				
1,000m2 or more	£3,483	More than 1,000m2 - £400	£348.30 +VAT				500-999m2 £196 - £457 with meeting
							1,000-9999m2 £392 - £653 with meeting
Erection/alterations/replacement of plant				N/A			
Less than 1 ha	£578 for each 0.1ha	Less than 1,000m2 - £125	£310				£196 - £457 with meeting
Between 1 hectare and 5 ha	£624 for each 0.1ha	More than 1,000m2 - £400	10% Planning fee +VAT Max £2,025 +VAT				£393 - £653 with meeting (1-2ha) £848 - £1145 with meeting (2-4ha)
More than 5 ha	£30,860 + £186 for each additional 0.1 ha in excess of 5 ha Max fee £405,000						£979 - £1305 with meeting (4ha +)
Car parks, service roads, accesses	£293	£50 – non-domestic	£102.50	N/A	£120 +£30 for meeting		N/A
Other operations- not coming within any of the above categories	£293 for each 0.1 ha Max fee £2,535	Less than 1,000m2 - £125  More than 1,000m2 - £400		N/A	£120 +£30 for meeting	1 Hectare or more £2640 or £3,168 with additional meeting	Covered by another category
Change of use							
Fewer than 10 dwellings	£578 for each dwelling	Covered by other fee categories	Covered by another category	Covered by another category	Covered by another category	Covered by another category	Covered by another category
Between 10 and 50							

dwellinghouses  More than 50 dwellinghouses	£624 for each dwelling  £30,860 + £186 for each additional dwelling over 50 Max fee £405,000						
Change of use of land	£578	Less than 1,000m <sup>2</sup> - £125  More than 1,000m <sup>2</sup> - £400	£207.50	N/A	£180 + £90 for meeting	£209 OR £341 WITH MEETING	£131 no meeting offered.
Lawful development Existing use/operation  Proposed use/operation	Same as full ½ normal fee	N/A	N/A  N/A	N/A	£120 +£30 for meeting	£77	N/A
Reserved matters	Full fee or ½ if the fee has already been paid	For dwellings – covered by another category. Employment or retail no fee	Covered by another category	Covered by another category	Covered by another category	Covered by another category	Covered by another category
Removal/variation of condition	£293	N/A	£72.50	N/A	£120 +£30 for meeting	£160 or £292 with meeting	£65 – NO MEETING OFFERED.
Discharge of condition Householder All other permissions	£43 £145	N/A	N/A N/A	N/A	£120 +£30 for meeting	N/A	£26 £65
Advertising Business premises Advance signs Other adverts	£165 £165 £578	£75	N/A N/A N/A	N/A	£60 + £30 for meeting	£83	£65 – no meeting offered.
NMA Householder Any other devpt	£43 £293	£25 £150	N/A N/A	N/A	£120 +£30 for meeting		£65
Listed Building Consent	No fee	£100	N/A	N/A	£120 +£30 for meeting	N/A	£65 - £196 with meeting (householder) £131 - £261 with meeting (commercial)
Works to trees	No fee	N/A	N/A	N/A		No advice given	N/A
Prior approval		N/A	£72.50	N/A	£120 +£30 for meeting		N/A
Request for information: Confirmation of last known use							£33 – less than 1000m <sup>2</sup>

Confirmation of whether a structure is curtilage listed							£65 – above 1000m2 £33