WARWICK DISTRICT COUNCIL	**Overview and Scrutiny Committee: 1 November 2016**	**Agenda Item No. 5**

Title	An update on the pre-application charging regime for development proposals.
For further information about this report please contact	Gary Fisher
Wards of the District directly affected	All wards
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	Executive: 14 January 2015 and 1 July 2015; Overview and Scrutiny: 28 June 2016.
Background Papers	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	**Date**	**Name**
Chief Executive/Deputy Chief Executive	17/10/16	Chris Elliott/Bill Hunt
Head of Service	17/10/16	Tracy Darke
CMT		
Section 151 Officer	17/10/16	Mike Snow
Monitoring Officer	17/10/16	Andy Jones
Finance	17/10/16	Jenny Clayton
Portfolio Holder(s)	17/10/16	Councillor Stephen Cross
Consultation & Community Engagement		
N/A		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. Summary

1.1 The purpose of this report is to provide a further update for the committee on progress with the pre-application advice scheme which since February this year includes a financial charge for advice, and to advise the committee of a small number of minor changes to the scheme which are proposed to be recommended to Executive in order to assist with its smooth running.

2. Recommendation

2.1 That the Committee notes the content of the report.

3. Background

3.1 Pre-application advice is a key element of the provision of a rounded and effective development management service.

3.2 The provision of such advice is important in providing developers with an appropriate steer as to the acceptability of their proposals prior to the submission of a planning application. It is also useful in identifying at an early stage, schemes where there is little or no prospect of success thereby potentially preventing significant expenditure on the part of an applicant directed at schemes which are not acceptable.

3.3 It is widely acknowledged that the benefits of effective pre-application services are generally welcomed within the development industry and that developers are willing to pay for that service subject to it being provided in a timely and transparent manner.

3.4 Members will recall that the successful implementation of this scheme relies upon additional staff resource within the Development Management Team. This will build in sufficient capacity to ensure that pre-application work is undertaken in a focussed and timely manner.

3.5 This approach was agreed on a trial basis by Executive last year in order to establish whether the scheme is successful and whether the level of income derived will be such that in the longer term the scheme will become at least self-funded. If the scheme is not successful, then the alternative is to cease any pre-application advice as there is no capacity to offer a free service.

3.6 As indicated above, the budget for running this scheme on a permanent basis arises from the ability to provide an additional resource within the development management team which through the recruitment of a permanent member of staff will cost £40,000 per year and which is therefore the level of income required to ensure that it is able to continue on that basis.

3.7 It should however be noted that following a recommendation from the Finance and Audit Scrutiny Committee, on 1 July 2015, Executive authorised the scheme to be trialled for a 12 month period using a member of staff recruited through a specialist agency in order that, should the scheme prove not to be successful, it could be terminated speedily. Members will be aware that the cost of recruiting to a role in that way carries a significantly greater cost, which in this case is over £60,000 per year.

3.8 Therefore, whilst the current costs of trialling the scheme are greater than they would be to run it on a permanent basis, in considering whether sufficient income is being generated to enable the Council to do so, it is appropriate to monitor income relative to the cost of providing the service in the longer term which is £40,000 per year.

3.9 In order to assist Members in considering this report, the scheme itself has been reproduced at Appendix 1.

4. The Current Position

4.1 The revised pre-application scheme has been in operation since February this year during which time a number of issues and challenges have been experienced, some of which were drawn to the committee's attention in June this year and which are discussed further below:-

4.2 In order to enable the monitoring of the scheme during its trial period, an additional Planning Officer post has been created within Development Management , which as indicated above is initially on a temporary basis and has been recruited through a specialist agency.

4.3 At the time that this issue was last considered by this Committee in June this year, officers reported that the commencement of the project later than intended was due to difficulties experienced in recruiting an Officer on a temporary basis for the trial period and that unfortunately the officer initially recruited was not suitable and the contract was terminated after 3 months.

4.4 At that time, a further officer had been recruited into the post who again was subsequently unable to fully undertake the role and decided to leave the authority in August this year. A further 3rd officer has now been recruited and has been in post since 12 September.

4.5 This series of events over a 9 month period has inevitably been disruptive to the provision and monitoring of the service, with other officers working as far as possible to backfill that role at the times during which there was no officer in post. As a result, to date it has not been possible to reliably monitor the quality and speed of the service provided in the manner intended which would have been the case had the recruitment to the role been more successful and which has also impacted on the ability to update this committee in the manner intended.

4.6 Nevertheless, since February this year, 140 non-householder pre application requests have been received of which 32 (23%) were exempt from the payment of a fee as per the exemptions set out in the charging schedule (Appendix 1). Over that period, the cost of providing the service on a permanent basis, i.e. through the provision of a permanent member of staff rather than a temporary member of staff recruited through an agency, as is currently the case, would be £27,900 whilst the income received was £27,825.

4.7 Whilst this demonstrates that, to date, the income received is in line with the cost of providing the service on a permanent basis, it is evident that the level and nature of pre-application requests can vary significantly from week to week. The number of requests received in any one week has varied between none and 7, whilst the fee income received in any one week has ranged between zero and £2,400. Consequently, in the short term, it has been difficult

to predict both the number of requests and level of income likely to be received on an on-going basis and the likelihood of the scheme operating successfully in the longer term, however the indications nevertheless appear positive.

4.8 Of the requests received that did not attract a fee, the majority have arisen from proposals relating to Listed Buildings and works on behalf of local charities and Housing Associations. It is noteworthy that these schemes have included significant proposals for market housing and offices and that the total fee income that would have arisen from all of the exempt proposals had a fee been required, to date is £7,400.

4.9 At this stage, it remains difficult to predict whether in the long term the level of income relative to the cost of providing the service will continue on an on-going basis, however, were that to be the case, which currently appears likely, the level of income received would be sufficient to fund a permanent Planning Officer post in order to provide an appropriate level of resource to deliver this service in an effective manner.

4.10 The pre-application scheme has been designed to operate on the basis of the making of a charge for the provision of advice on a one-off basis by means of either a single meeting or written response. Whilst at the outset, it is not possible to design a scheme to address all possible combinations of circumstances, officers have reflected on the experience of running the scheme to date particularly in respect of the way in which the exemptions to the making of a charge have operated but also to other circumstances which have arisen.

4.11 There have, for example, been circumstances over the last 9 months where a number of proposals which are exempt from the payment of a fee have been the subject of repeated requests for further advice over and above that which would have been the subject of the fee. One of the reasons for this is likely to be that the scheme, as set out on the Council's website doesn't identify the approach to be taken in that set of circumstances.

4.12 In order to clarify the position in that respect, it is proposed that the charging schedule be amended to limit the advice provided free of charge to that provided by means of the first meeting or written response.

4.13 There have also been examples where advice has been provided free of charge to both local charities and housing associations in respect of proposals for large scale i. office and ii. residential schemes providing predominantly market housing, which do not directly benefit their service users and which therefore are considered not to fall within the spirit in which the exemption from paying a fee is provided.

4.14 It is therefore also proposed to revise the charging regime to ensure that the exemption may only be applied to smaller scale projects or larger proposals which directly benefit service users.

4.15 Finally, it has also become clear that there is a lack of clarity within the scheme relating to the circumstances where advice is sought following a grant of outline planning permission but prior to the submission of the details of a scheme which can often involve regular meetings with the developers involved or following the refusal of planning permission.

4.16 The intention of the pre-application scheme from the outset was to include the making of a charge for each meeting or written response provided and the charging regime is also proposed to be clarified in order that in such circumstances the relevant fee is paid in advance of each meeting.

5. The Next Steps

5.1 It is proposed that the trialling of this service continues until February 2017 in order to continue to establish the level of pre-application work and income being received to inform the further consideration of the ability to, and appropriateness of continuing this service on a permanent basis.

5.2 It is intended that a further report be made to Executive in January 2017 which on the basis of the experience and income to date will recommend that after the end of the trial period either i. the service be continued on a permanent basis including the above revisions to the scheme or ii. should the level of work and income not be sufficient to sustain that approach, the scheme be discontinued and pre-application advice no longer provided.

Appendix 1

Warwick District Council Pre-Application Service Charges

Tier 1: Self service advice via the WDC website: No charge.
Tier 2A: Request for a written response as to whether planning permission is required. Fee of £35 for a written response.
Tier 2B: Request for a written response as to the acceptability of a minor proposal: Fee of £50 for householders or £150 for other proposals.
Tier 2C: Provision of verbal advice at the Development Management/Building Control householder drop in session: free of charge.
Tier 3: Provision of pre-application advice for small scale non-householder proposals which do not fall with tiers 4 – 6: Fee of £150 per meeting or written response; or £300 for both.
Tier 4: Provision of pre-application advice for proposals which fall within the "minor" development category: i.e. residential proposals of 1-9 dwellings or involving a site area up to 0.5 ha; commercial proposals involving less than 1,000 sq m of floor space or a site area of less than 1 ha: Fee of £300 per meeting or written response; or £600 for both.
Tier 5: Provision of pre-application advice for proposals which fall within the "small scale major" development category: i.e. residential proposals of 10 – 199 dwellings or involving a site area of 0.5 - 4 ha; commercial proposals involving between 1000 and 9999 sq m of floor space or a site area of 1 -2 ha: Fee of £600 per meeting or written response; or £1200 for both.
Tier 6: Provision of pre-application advice for proposals which fall within the "large scale major" development category: i.e. residential proposals of 200 or more dwellings or involving a site area of 4 ha or more; commercial proposals involving 10000 sq m or more of floor space or a site area of 2 ha or more: Fee of £900 per meeting or written response; or £1800 for both.

1. All fees are inclusive of VAT
2. A fee will not be charged for advice relating to proposals which:-

- are brought forward by small charitable organisations that are based within Warwick District;
- are submitted by or on behalf of Housing Associations;
- assist disabled people: for example, proposals involving modifications to make a house more accessible or user friendly.
- which require Listed Building consent (not including redevelopment schemes where the work to a Listed Building is part of a wider proposal).
- are for employment development falling within the B use class.