

CHESHIRE EAST COUNCIL

REPORT TO: Environment and Prosperity Scrutiny Committee

Date of Meeting: 21 February 2012
Report of: Development Management and Building Control Manager
Subject/Title: Planning Enforcement
Portfolio Holder: Rachel Bailey

1.0 Report Summary

1.1 This report looks at the Council's new pre-application planning system and specifically the background to implementing charging, its current fees and initial reactions to its implementation.

2.0 Recommendation

2.1 That Members of the Committee note its content

3.0 Reasons for the Recommendation

3.1 The Portfolio Holder has requested information on the Council's new pre-application planning system introduced on 3rd October 2011.

4.0 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 All

6.0 Policy Implications

6.1 None

7.0 Financial Implications

7.1 None

8.0 Legal implications (authorised by the Borough Solicitor)

8.1 None

9.0 Risk Management

9.1 N/A

10.0 Background

10.1. The Council introduced a pre-application charging system on 3rd October 2011. These charges were approved as part of the budget package for 2011/12.

10.2. The intention is to provide a much more structured and improved service for pre-application advice. The advantage to the customer is that they receive:

- Identification of all the planning issues raised by application.
- Identification of all the requirements needed to validate and process an application.
- Earlier decisions on applications.
- Higher level of certainty concerning the decision the Council will reach.
- Cost savings (no unnecessary applications / additional work).
- Reduced confrontation.
- More involvement of Stakeholders (formal consultation with statutory bodies, Town and Parish Council's, Members and residents).
- Providing the necessary time, within a co-operative climate, to negotiate changes to a proposal so the development can meet policy objectives and the expectations of the local community.

10.3 The benefit for the Council is that the users and people who benefit from the pre-application service start to contribute to the cost of providing it and that this cost does not fall as a general cost to the Council taxpayer.

10.4 It should be noted that the current statutory planning fees do not cover the cost of pre-application planning advice.

11.0 Current Fees

11.1. The sliding scale of fees the Council charges is as follows:

Service Type	Cost	Description
Duty Planning Officer	FREE	Free for a single 30-minute session, booked on an appointment basis. It provides verbal advice only. It is available for any size scheme and is intended to provide initial guidance to applicants of all types.
Householder	£100	This service is for proposals to extend or alter a single domestic property, which is not a listed building and will apply to extensions / outbuildings to houses.
Minor Operations	£200	<p>This service is for:</p> <ul style="list-style-type: none"> • Residential schemes between 2-5 units. • Non-residential schemes up to 500 sqm. • Agricultural Buildings up to 540 sqm. • Glasshouses up to 465 sqm. • Plant and machinery. • Telecommunication Masts. • Car Parks. • Advertisements • Forestry Services • Demolition of Buildings • CLEUD's • Discharging of conditions • Trees • Non-material alterations • Minor-material alterations

		<ul style="list-style-type: none"> • Changes of use • Shopfront's
Replacement Dwelling	£335	This service reflects the complex nature of these types of applications, especially in green belt areas
Medium-sized Developments	£700 + follow up fees	For 'medium-sized' schemes (6-29 residential units, approximately 500-2999 sqm of development). It is not suitable for complex cases that raise significant planning concerns
Large Developments – the 'Development team'	£2000 initial meeting £1000 follow up	This service is designed for proposals that are more complex (30+ residential units, 3000 sqm+ of commercial floorspace). It involves one or more meetings with the process being project managed by a planning officer. Depending on the complexity and scale of the proposal, the team may comprise of officers from all parts of the Council. At the end of the process, the applicant will receive written advice from a senior officer.

11.2 Other planning authorities already charge for such services. Of our neighbouring authorities, Staffordshire Moorlands charge £1000, £750 or £500 depending on whether a scheme is a 'major', 'medium' or 'small' scale scheme. Similarly, Shropshire charge £1750, £1000, £500 or £80 depending on the scale of a scheme. Both Trafford and Stockport Council's are looking to adopt pre-application charging in the next financial year.

12.0 What is the potential future income that will be created from this process?

12.1 The Council has based its projections on the income expected from the pre-application process based on the number of applications received by Cheshire East in 2010-11 and on the experience of others who have implemented pre-application charging. However, it should be borne in mind when considering the below that:

- the numbers of the applications received by Cheshire East last year were lower than expected in 'normal' economic circumstances.
- the number of applications will rise significantly should the economy improve in due course.
- the majority of experience of pre-application charging is South and South-East based and therefore may not transfer directly to a North-West authority such as Cheshire East.

12.2 The table below sets out how the funding estimate is broken down

TYPE OF APPLICATION	NUMBER OF PRE-APPS EXPECTED	% TOTAL OF THIS TYPE OF APPLICATION	COST OF PRE-APPLICATION (£)	INCOME FROM PRE-APPLICATION (£)
Large Scale Major	9	90% (9 of 10)	2000	18000
Small Scale Major	12 (Between 30 and 199 residential unit schemes)	48.6% (36 of 74)	2000	24000
	24 (between 10 and 29 residential unit schemes and		700	16800

	medium sized employment sites)			
Minor	100	10.5% (100 of 952)	200	20000
Householder	100	5.6% (100 of 1780)	100	10000
Replacement Dwellings	20**	Not known (not recorded in NI 157 data)	335	6700
TOTAL	265	7.8% (265 of 3400)		£95,500

12.3 The total income was initially downplayed by £20k to reflect take up increasing during the first year. We therefore expected £75k income in 2012-13 from this service.

12.4 In relation to the potential future income that will be created from this process, this will obvious depend principally on the state of the economy and the development industry. Should the economy recover, then more pre-application enquiries can be expected than those estimated. Nevertheless, it can be assumed – based on others experience – that as the service ‘beds-in’ there will be an increase in revenue as the service matures, develops further and as it provides more services for Cheshire East’s planning customers.

13.0 Issues

Cost of Service

13.1. At a time when the planning system is being encouraged to promote economic growth it is important that charges are not seen as an impediment to development. This is the main criticism of customers who have questioned the need for this service. In these circumstances, Officers accept that the charging regime will require careful operation – and regular review.

13.2. However, it has to be remembered that this service is discretionary – in other words nobody is forced to use it. Instead applicants can simply choose to submit a planning application in the normal way if they feel the service will add no value to them. It is their choice if they wish to use the service. Indeed choice is deliberately promoted in the scheme since the applicant has the choice as to which Officers advice they require if they use the service (they can choose the Officers they require at any meeting).

13.3. Furthermore, the cost of our pre-application planning advice service is significantly less than than using private sector advice. There is some evidence elsewhere that suggests that the success of our service could affect the amount of private sector planning advice required by applicants as they may prefer a cheaper planning advice service that comes directly from the Council, rather than pay for ‘second hand’ advice on planning constraints from others.

13.4. Additionally, the governments own figures show that pre-application charges are no more than 0.2% of the total cost of a development anywhere in the country and significantly less than this in major schemes. Cheshire East has set it’s fees to ensure typically no pre-application fee is more than 0.1% of any total development cost. Furthermore, the Council’s fees are set well below the figure required for full-cost recovery at present.

13.5. Moreover, the Government in its own guidance: Planning for Business, makes it clear that:

“ for a more extended pre-application discussion, the Council may charge a fee”.

The Council are therefore doing nothing that isn't encouraged by Government Planning Advice.

Consultation

13.6 Service Users were consulted on pre-application charging before it is implemented. We will be reviewing its effectiveness at the next Developers Forum meeting on 12th March 2012. Fees will be thoroughly reviewed starting in April, with the aim of amending fees (if required) in October 2012.

Initial thoughts on the new service

13.7 Over the first four months of the new service, the Council has received 102 pre-applications made of:

- 13 Householder applications
- 47 Minor operations applications
- 24 Replacement dwelling applications
- 14 Medium-sized applications
- 4 Large-scale applications

These produced a revenue of £38 040 for the Council.

13.8 The positive news is that it appears that the initial take-up of the service has been strong. If repeated over a 12-month period, the service would provide revenue of £114 120 a year, well above the £75 000 envisaged initially.

13.9 In terms of numbers, the table below indicates the originally estimated and current number of cases expected in a year.

Type of Application	Original Estimate	Current Projection for the year
Large	9	12
Medium	36	42
Replacement	20	72
Minors	100	141
Householders	100	39

13.10 In summary, it shows that the majority of estimates were reasonable, but are slightly ahead of projections across the board, barring the householder service where take-up has been less than expected and replacement dwellings where take-up has been significantly stronger. Overall, the take-up of the new service has been stronger than expected showing significant confidence in the level and quality of the service.

13.11 Moreover, this take-up is all the more positive in view of the fact that there is still some evidence of other sections of the Council giving out 'free advice', in part because some of our pre-application discussions started before 3rd October 2011 (the start date of the new service) and in part because some sections of the Council have not engaged initially with the pre-application process as quickly as others (they are having free meetings). These 'kinks' are being ironed out by Officers at the time of this report.

13.12. Initial reaction from service users has been extremely positive, with several users of the pre-application service reporting:

- A more positive interaction with the Council staff across the board (i.e. beyond planning, as well as with planning).
- More timely and disciplined responses to enquiries.
- They found the responses they have received are more useful than previously.

13.13. Whilst clearly this process is in its early stages, there is some evidence to support the contention that the service is providing a much more structured and improved service for pre-application advice, as envisaged in paragraph 1.2 of this report.

13.14. Finally, the Government has indicated that Local Planning Authorities will be allowed to set their own Planning Application fees (currently set nationally) with a view to recovering more of the cost of providing the planning service. This proposal is out for consultation currently and is likely to be implemented within the next year. It will then be open to the Council to decide on the balance of charging between the pre-application stage and the planning application itself and this will clearly need to be taken on board when deciding the future level of pre-application charges.