



Agenda item:

[No.]

Name of Meeting: Cabinet

On: 18th March 2008

Report Title: Pre-Application Advice Services	
Forward Plan reference number (if applicable):	
Report of: Niall Bolger, Director of Urban Environment	
Wards(s) affected: All	Report for: Key Decision
1. Purpose (That is, the decision required) 1.1 To agree the proposal for a more formalised service and associated charging regime for Pre-Application Planning Advice and Planning Performance Agreements in Haringey.	
2. Introduction by Cabinet Member (if necessary) <p>This report asks members to note the proposal of a more structured approach to the way Haringey deal with the pre-application phase of planning applications in the borough.</p> <p>The report looks at two different charging regimes one for basic pre-application planning advice (PAPAs) and one for Planning Performance Agreements (PPAs) which would introduce a project management approach to preparing Major, Strategic, and Complex Applications.</p> <p>There are currently several local authorities charging for PAPAs including our neighbours Camden, Islington, Barnet and Enfield. This report demonstrates the advantages of doing so and recommends Haringey implement a charging regime benchmarked against our neighbours.</p> <p>PPAs are a new concept which have been piloted by the Department of Communities and Local Government (DCLG) via the Planning Advisory Service (PAS) and The Advisory Team for Large Applications (ATLAS) and have now been put forwarded as an option for Local Planning Authorities to consider.</p>	


I fully support the recommendations of this report.

3. Recommendations

- 3.1 For Cabinet to agree the proposal to proceed with the implementation of a formalised service for pre-application planning advice (PAPA) and a charging regime benchmarked against neighbouring local authorities.
- 3.2 For Cabinet to agree the proposal to proceed with the implementation of Planning Performance Agreements (PPAs) and the associated charging regime based on guidance from Government.

Report Authorised by: Niall Bolger, Director of Urban Environment

Signed



Contact Officer: Costas Christoforou, Group Manager Business Support, Development & Performance, Planning Policy & Development Service ext: 5529

4. Director of Finance Comments

- 4.1 The Councils external incomes policy states that services should raise income wherever there is the power or duty to do so and the income should, at least, cover the full cost, including all overheads, of the service.
- 4.2 It is estimated that the proposals in this report are likely to generate additional income which will be used to fund the enhanced services provided and deliver a net saving of £70k to achieve the Services PBPR savings target for the budget planning period 2008/09 to 2010/11.
- 4.3 The income forecast has been set conservatively which will mitigate against the risk of reduced uptake of the service. Should a shortfall occur it will be managed within existing budgets.
- 4.4 The charges should be subject to annual review taking account of at least inflationary increases in costs.

5. Head of Legal Services Comments

- 5.1 The powers to introduce charges for PAPAs and PPAs are executive functions within the remit of the Cabinet. The statutory powers to charge and the legal implications connected with the operation of PAPAs and PPAs are set out in sections 8 and 9 of this report.

6. Local Government (Access to Information) Act 1985

6.1 Local Government Act 2003

6.2 Planning and Compensation Act 2004

7. Strategic Implications

- 7.1 Officers currently spend a lot of time giving pre-application advice to developers on schemes which may only be speculative. It is proposed that a charge be introduced for this service in line with Government recommendations. The charge will mean that the developer, who benefits from the advice, pays for the service, instead of the cost of this advice falling on the general council tax payer.
- 7.2 The new services will be available to any agent/ developer interested in receiving advice on a proposed planning application for a development of two units or more. This removes the average householder from the charges. PPAs will only be considered for applications of major or strategic significance to the borough.

8. Financial Implications

- 8.1 Local planning authorities have the power to charge for services provided in the pre-application phase of a planning application under Section 93 of the Local Government Act 2003.
- 8.2 Any charging system must be based on recovering costs and should not be profit making. Payment in advance is the usual practice as it avoids extra costs associated with debt recovery should payment in arrears not be made.
- 8.3 Several local authorities have already implemented a charging regime for PAPA. It is proposed that fees are charged in Haringey for any application of two units or more with charges ranging from £300 for an application of 2-4 units to £4,000 for an application of more than 100 units. A full breakdown of the proposed charges is detailed in **Appendix 1**.
- 8.4 Current Government recommendations state that for a basic PPA with a pre-application phase of 13 weeks the applicant should be charged a fee in the region of £15,000.
- 8.5 As both the new services could potentially create a larger workload and require more resources it may be necessary to employ a project manager/ senior administrator to ensure the smooth running of the PAPAs and PPAs. The cost of this member of staff would be funded by the charging regime.

9. Legal Implications

- 9.1 There are certain probity issues with regards to how members of the public might view PAPAs and PPAs.

- 9.2 To make the PAPA process as transparent as possible it is essential that more than one officer is present at any pre-application advice meeting and that one officer takes formal minutes.
- 9.3 With regards to PPAs Government has recommended that a charter is adopted that states explicitly how the agreement is conducted. The charter contains information such as what the fees are and what the developer gets for the fee, what the structure of the project team looks like and what expectations are on either side. For more information on the charter please see Appendix 2.
- 9.4 When both sides agree to PAPA or a PPA a legal disclaimer will accompany all necessary documentation to make it very clear that the advice or agreement **does not guarantee or give any indication of likelihood that the final planning application submitted will be approved.** As the DCLG consultation paper states any agreement “relates to the process of considering development proposals and not to the decision itself.”¹

10 Equalities Implications

- 10.1 The charging regime will only apply to developments of two units and above. This excludes householder developments which constitute the majority of our schemes. Free advice will continue to be available for all applicants however this will be less formal and restricted to ‘in principle’ issues.

11 Consultation

- 11.1 Agent’s Forum – a presentation to Haringey’s Agent’s Forum and a feedback session took place at the end of November. A questionnaire was also sent to Agent’s who could not attend the forum to gain their views on the scheme.
- 11.2 The report was also taken to Planning Committee for consultation and agreement on the proposals.

12 Background

Pre-Application Planning Advice (PAPAs)

- 12.1 Due to the gradual reduction of the Planning Delivery Grant local authorities are looking for ways to recover some of the costs of the planning process and allow for potential re- investment in the service. One way in which many authorities are addressing this issue is by charging for pre-application planning advice. Charging for such services is permitted by Section 93 of the Local Government Act 2003.
- 12.2 The main objective of introducing a charging mechanism for pre-application planning advice is to improve the pre-application advice offered to our customers

¹ <http://www.communities.gov.uk/documents/planningandbuilding/doc/326072.doc>

through providing a formalised service which is self funded through the fees levied.

- 12.3 The pre-application planning advice process is similar from council to council and usually takes the form of one meeting, with officers considering the proposals and documentation before the meeting and an officer sending a formal written account of the meeting to the applicant. For a basic PAPA meeting it is estimated that the total officer time spent will be 14 hours. The more complex/larger the proposal the more officer time and other resources will be required. See **Appendix 4** for a detailed process map of a pre-application planning advice service.
- 12.4 It is expected and advised that all matters should be covered during one meeting, however for some larger and more complex developments further meetings may be required, for such extra meetings other councils either charge a lesser flat rate or an hourly rate (please see **Appendix 3** for examples of what other councils charge).
- 12.5 A recent survey of neighbouring boroughs states that roughly 60% of developers take up pre-application planning advice. Some of the reasons for this level of take up are that PAPA will speed up the application process for the developer and will also provide greater certainty with regards to the outcome of the application.
- 12.6 There are several possible advantages of introducing PAPAs including:
- Filtering out speculative and poorly thought-out development proposals
 - Ensuring better quality application submissions
 - Refusing fewer applications and performing better against best value targets.
 - Other authorities have found that developers are generally happy to pay if they believe they will receive assured and timely access to a planning officer and carefully considered, detailed written advice at the end of the process.
 - The software to record pre-application advice meetings (i-plan) is already in place and will record the meetings on the same system that records the final application.

Planning Performance Agreements (PPA)

- 12.7 The use of PPAs was piloted by PAS and ATLAS in a year-long project which began in January 2006². The project involved 22 local planning authorities and their developer partners. PAS published a final report, and made a series of recommendations to the Department for Communities and Local Government (DCLG), including:

² <http://www.pas.gov.uk/pas/aio/33643>

- PPAs should be incorporated into the planning system and endorsed as good practice for suitable applications.
 - The principle of a PPA should be a voluntary agreement.
 - The handling of large scale major applications via a PPA should be exempted from BVPI 109a reporting, and a new target agreed between applicant and planning authority.
 - Guidance should be provided to help planning authorities undertaking PPAs.
- 12.8 The Government has now accepted all of these recommendations but has added that all applications regardless of size should be exempt from the BVP1 109a reporting requirement if they have entered into a PPA.
- 12.9 PPAs are designed to enable the two parties, developer and LA, to work in partnership throughout the entire planning process creating greater certainty with regard to the speed and quality of large planning application assessments and decisions.
- 12.10 The DCLG consultation paper estimates that a basic PPA lasting for 13 weeks would take up 50% of a senior planners' time and would also require 5 days support from another planning officer.
- 12.11 A basic PPA would consist of one screening meeting, the LA scoping of the PPA, an inception day and one meeting per month thereafter. The cost takes into account resource implications such as support and administrative work, overheads, record keeping and other officer time. Please see Appendix 5 for a more detailed flowchart of the process involved.
- 12.12 **There are several possible advantages of introducing PPAs:**
- Opportunity to recover some of the costs of delivering the service and allows for potential re-investment.
 - Filtering out speculative and poorly thought-out proposals.
 - Better quality application submissions
 - Less refusals, appeals and appeals upheld
 - Better performance against best value targets and in customer perception surveys
 - Exclusion from the calculation of BVPI 109a performance figures
 - The developer will benefit from a more structured and project managed application process and greater certainty with regards to the outcome of the application.

13 Conclusion

PAPAs

- 13.1 The practice of charging for PAPAs is now well established across London; authorities such as Westminster have now been charging for advice for over three years.
- 13.2 The introduction of pre-application fees could bring many benefits including the opportunity to offset some of the costs of the planning process and filtering out speculative and poorly thought-out development proposals, which may in turn lead to less refusals and better performance against best value targets.
- 13.3 It is proposed to introduce the new procedure with effect from 1 April 2008. Internal procedures will need to be set up, tested and guidance produced, particularly regarding the receipt of fee income and the extent and standard of advice given.

PPAs

- 13.4 PPAs are a more structured way of managing the application process of a major development. The agreement promotes a partnership approach to major and strategic developments so that a good working relationship is established and joint priorities can be worked on resulting in the best development possible for the borough.
- 13.5 The concept of PPAs is relatively new but the Government sees the agreements as the way forward when it comes to dealing with major and strategic applications.
- 13.6 The implementation of PPAs will provide a higher quality service to applicants, give Haringey the opportunity to recover some of the costs of delivering the service and allow for potential re-investment in the service. If the agreements are implemented now the Planning Service could capture the next round of major applications that we are expecting to see in the borough shortly.

14 Appendices

Appendix 1: Charging Regime Breakdown PAPA

Council	Description	Main Charge(s)	Extra Charges
Haringey	Category 5 Proposals • 100 or more residential units • 10,000m ² or more commercial floor space	£4,000 (inc. VAT)	£2,000 (inc. VAT) for any subsequent meetings
	Category 4 Proposals • 25-99 residential units • 2000m ² – 9,999m ² of commercial floor space	£2,000 (inc. VAT)	£1,000 (inc. VAT) for any subsequent meetings
	Category 3 Proposals • Provision of 10-24 dwelling units • Provision of 1000m ² – 2000m ² of commercial floor space • Development of a site of 0.5ha and over • Mixed use developments	£1,200 (inc. VAT)	£600 (inc. VAT) for any subsequent meetings
	Category 2 Proposals • Provision of commercial development of 500-999m ² • Creation of 5-9 residential units.	£600 (inc. VAT)	£300 (inc. VAT) for any subsequent meetings
	Category 1 Proposals • Provision of commercial development of 100-499m ² • Creation of 2-4 residential units • Change of use of 100m ² -999m ² • Advertisement application for hoardings • Individual proposals for telecommunications equipment & masts	£300 (inc. VAT)	£150 (inc. VAT) for any subsequent meetings

Appendix 2: Charter Information

During the pilot on 22 local authorities, it was identified that some had had issues with probity. When members of the public saw a PPA in place they thought the council were working in league with a developer and that the PPA gave a developer guaranteed approval of planning permission.

The report recommends that one way of overcoming this is for LAs to adopt a PPA Charter to give the process more transparency.

The charter should include information on:

- The structural approach to the PPA e.g. establishment of roles such as a project manager, stream board membership
- Partner organisation commitment – for partners such as the PCT, Highways Agency – to demonstrate the council is committed to partnership working
- A community engagement statement
- Details of Member involvement
- Expectations from applicants - what the council expects of the developer e.g. approaching the agreement in an open and collaborative way
- What the fees will be and what they cover
- What is agreed in writing between the two parties
- What information the draft PPA will contain

If these issues are covered by the charter it presents the process in a transparent way that keeps members of the public and Council Members well informed and aware of the processes.

The ATLAS report features a model charter³ that could be adapted by LAs. We will be working closely with ATLAS to adopt our own charter in due course.

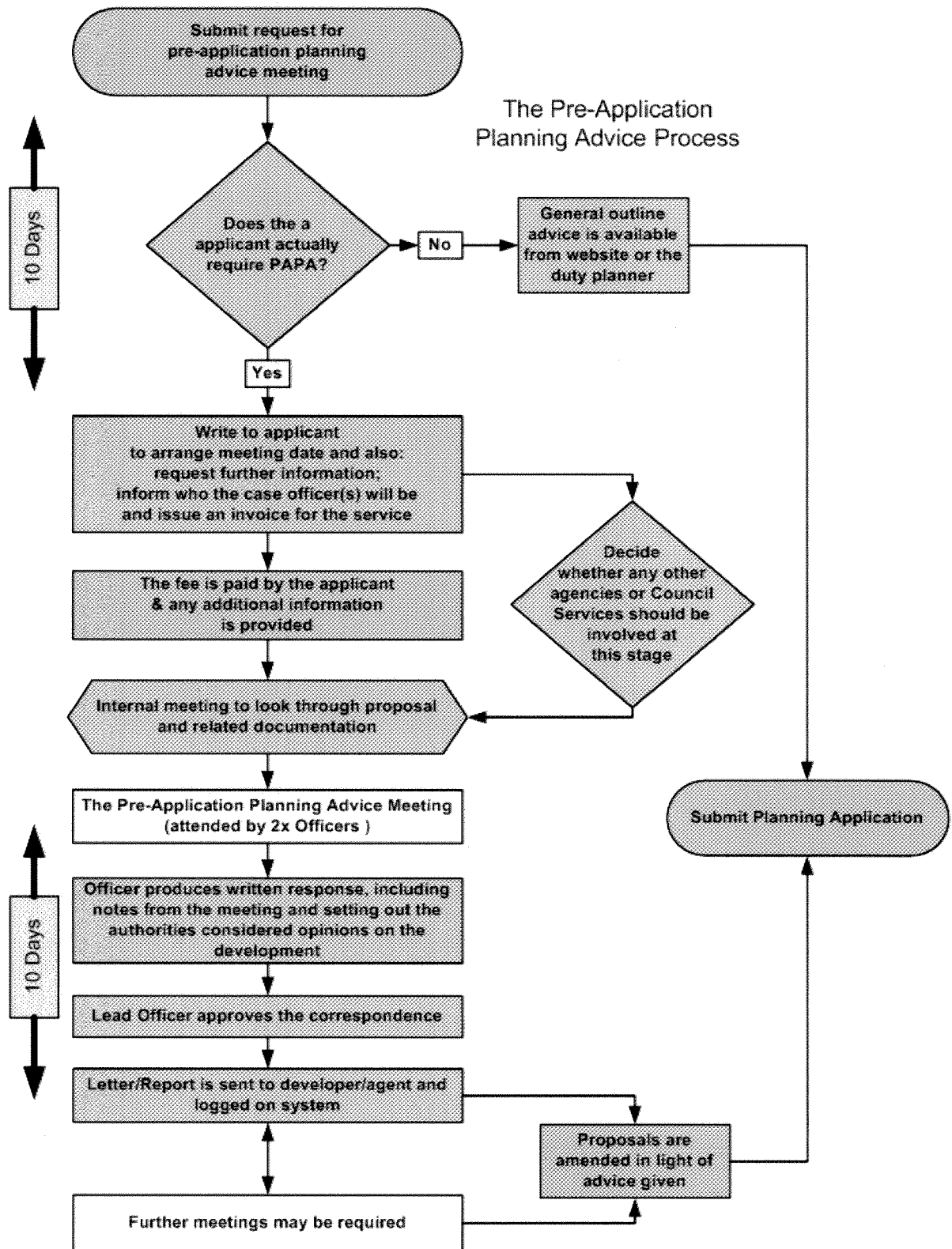
Appendix 3: Charging Regimes in other Local Authorities

Council	Description	Main Charge(s)	Extra Charges
Barnet	Category 'A' Proposals Large Scale, Complex Development • 25 or more residential units • 2000m2 or more of commercial floor space	£2,935 (inc. VAT)	Where additional officers are required at meetings, additional charges will apply. The appropriate hourly rate for officers' time is dependent on their seniority: • Officers up to Principal level - £117.50 per hour • Team Leaders/Managers - £147.00 per hour • Section Heads & Directors - £176.00 per hour (all above inc. VAT)
	Category 'B' Proposals Other Major Development • Provision of 10-24 dwelling units • Provision of 1000m2 – 2000m2 of commercial floor space • Development of a site of 0.5ha and over • Mixed use developments	£1,468 (inc. VAT)	
	Category 'C' Proposals Minor Development • Provision of commercial development of 100-999m2 • Creation of 2-9 residential units • Change of use of 100m2-999m2 • Advertisement application for hoardings	£646 (inc. VAT)	

³ <http://www.pas.gov.uk/pas/aio/42762>

Council	Description	Main Charge(s)	Extra Charges
	• Individual proposals for telecommunications equipment & masts		
Camden	• Over 50 units of accommodation • Over 5,000 m2 floor space or masterplans and site marketing information	Fee negotiated (See Extras)	Fee negotiated depending on size of proposal to cover council's cost
	• 21-50 units of accommodation • 2,001m2-5,000m2 of floor space	£2,000	£1,000
	• 10-20 units of accommodation or • 1,000 m2 to 2,000 m2 floor space	£1500	£750
	• 5-9 units of accommodation or 500m2 to 999m2 floor space	£750	£375
Enfield	Category A Large Scale, Complex Development • 25 or more residential units • Any development of 2000 sq metres or more of floor space	£2350 (Including VAT)	A maximum of £2350 for each subsequent meeting
	Category B Other Major Development • Provision of 10-24 dwelling units • Any development of 1000sq metres – 2000 sq metres of floor space • Development involving a site of 0.5ha and over	£1175 (Including VAT)	A maximum of £2350 for each subsequent meeting
Westminster	Category 4 Planning briefs/Master plans	Charge by agreement for estimated officer time, printing costs etc at cost recovery level.	
	Category 3 Large Strategic Developments • 100 or more new residential units • 10,000m2 or more floor space	£2,000 + VAT	Further charge by agreement for a defined series of meetings (charge for officer time at cost).
	Category 2 Major Developments • 10-99 new residential units • 1,000-9,999m2 floor space	£2,000 + VAT	£1,000 + VAT = 1 follow up meeting. In appropriate cases, option of an agreed charge for a defined number of additional meetings (charge for officer time at cost)
	Category 1 Medium Developments • 5-9 new residential units • 500-999m2 floor space	£1000 + VAT	£500 + VAT = 1 follow up meeting

Appendix 4: Pre-Application Planning Advice Process



Appendix 5: Planning Performance Agreement Process

