



PRCC.07 12/13

Prosperous Communities
Committee

6 June 2012

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Subject: Report on the approach to providing a Pre-development Advice Service in West Lindsey and responses to the issues raised by Members.

Report by:

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Purpose / Summary:

At the Prosperous Communities Committee on 1 February 2012 members requested a report responding to the discussion over the Council's pre-development advice service.

This report addresses the specific issues raised by Members during the committee and responds to the concerns that were expressed over whether the service was having any form of negative impact on the level of development in the district.

RECOMMENDATION(S):

- 1) That Members note the contents of this report.
- 2) That the matter of charging for pre-application advice is reviewed along with other issues around support for business, assistance to business, regulatory services and council procurement at the recently established "Open for Business" task and finish group (the remit of which is attached as an appendix to this report)

IMPLICATIONS

Legal: None as a result of this report.

Financial : This service provides an income stream to the Council and has been accounted for in the budget targets for the current financial year. Therefore, any changes to the service need to be evaluated to assess the likely impact on this income.

Staffing : This service forms a significant part of the current workload for planning officers and any changes to the service need to be assessed to evaluate the impact on staff resources.

Equality and Diversity including Human Rights : N/A

Risk Assessment : Not applicable at this stage. Any changes would require an assessment of business risks.

Climate Related Risks and Opportunities : Pre-development advice provides the Council with the opportunity to work with applicants at an early stage. This enables officers to promote sustainable and environmentally sensitive development in West Lindsey.

Title and Location of any Background Papers used in the preparation of this report:

None

Executive Summary

At the Prosperous Communities Committee on 1 February 2012 members requested a report responding to the discussion over the Council's pre-development advice service.

This report:

- outlines the rationale for the way that the service has been developed
- identifies that the service needs to be structured so that it continues to support the district's development needs and
- provides the context of the service locally and nationally

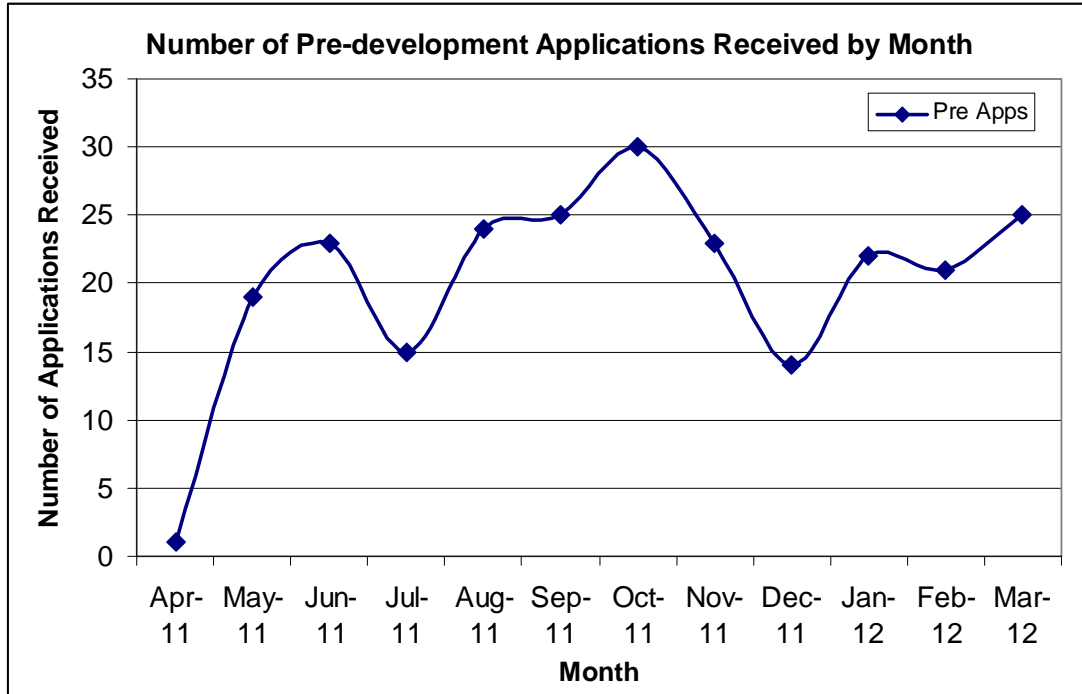
Charging for pre-development advice is not just about income; it is about adding value and raising the quality and customer experience of a planning service. It is also about "demand management" and helps prevent advice being sought for half formed or purely speculative proposals, as happened in the past. It also ensures that the Council secures value for the information it holds on planning in the District. Prior to the introduction of this charging regime it was not unknown for agents to receive free advice from the Council only to re-charge their clients for it. It front-loads the planning process so that users are clear, in advance of submitting a full application, about what is expected from them. Customers will understand whether the Council is likely to be able to support their proposal. There are clearly good reasons for charging for pre-application advice.

Pre-development advice is not a compulsory service and therefore, not an additional cost burden to new businesses; is a service which adds value to the planning process.

1.0 Background

1.1 Since its introduction in 2011 there have been 246 requests for pre-application advice these generated an income to the Council of £33,893.

Figure 1 – Number of Pre-development Advice Applications Received by Month



2.2 Figure 1 In the last quarter of the year the number received remained consistent and overall there was an average of 21 pre-development applications being received each month. This equates to around a third of all applications received by the Council.

Figure 2 – Monthly Fee Income from Pre-development Advice

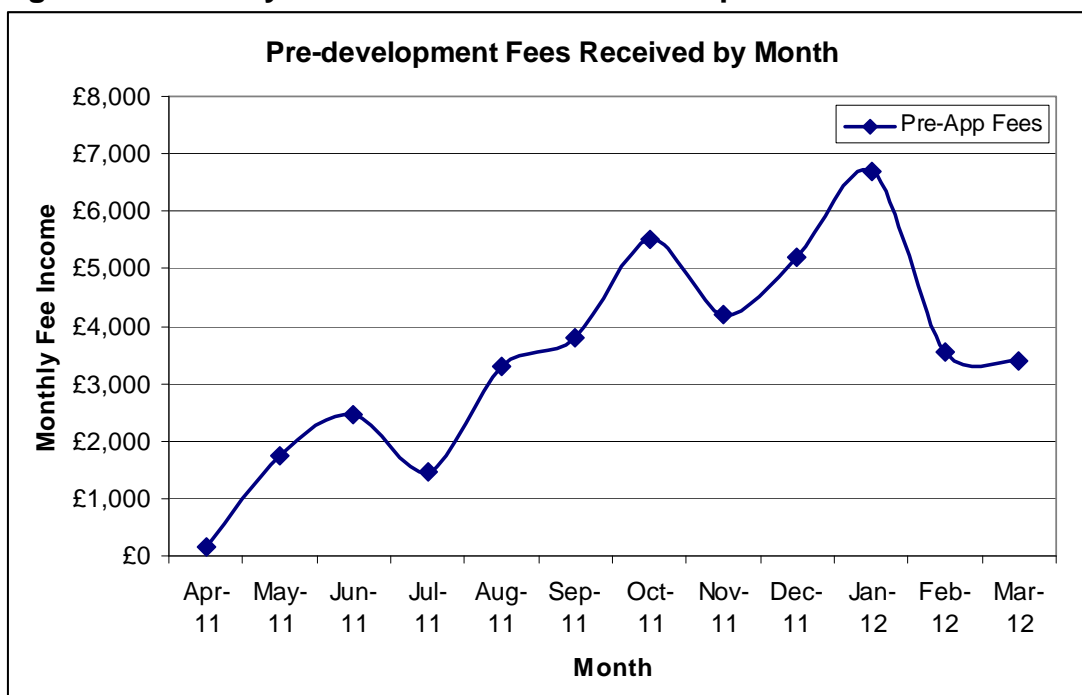


Figure 2 shows the fee income each month generated from the Pre-development Advice service.

2.0 Main Purpose of the Service

2.1 Pre-development advice is not just about income, it is about adding value and raising the quality and customer experience of a planning service. A chargeable service ensures that planning teams are able to spend time on the most important planning issues, and often this means influencing and improving the standard of development in the district. It front-loads the planning process so that users are clear, in advance of submitting a full application, about what is expected from them. Customers will understand whether the Council is likely to be able to support their proposal. The majority of local authorities have fees in place for this service.

2.2 Having a pre-development advice service in place:

- Can save an applicant time and money as much of the work needed to develop a scheme (design, layout and the production of other necessary reports) is carried out in advance of a full application
- Puts a value on the information and experience the Council has in dealing with planning matters throughout the District
- Means that some customers do not need to incur the expense of appointing a planning agent to receive advice. Planning is a complex process and pre-development advice helps guide potential applicants and assists them with making important decisions about their scheme before finalising a design, and prior to appointing an architect or agent to produce detailed plans. This makes the service marketable and of value to customers choosing to make use of it
- Ensures that applicants are well informed about the process and what they need to do next in order to achieve the development that they want
- Focuses the Council's valuable staff resource, time and knowledge on dealing with genuine schemes
- Stops inappropriate schemes, or those that do not have a reasonable chance of success, entering the system. For this reason initial talks are held, and some advice is given, at no cost. This enables officers, as early as possible, to identify where there is no merit in following the pre-development advice route
- Stopped agents with speculative ideas sending numerous requests. Such requests can inhibit our ability to provide a high quality service to our other customers

3.0 The Approach to Pre-Development Advice in West Lindsey

3.1 There is no requirement for applicants to use the pre-development advice service, although we do encourage customers to make use of it for certain applications. In all cases customers are directed to the 'Planning Portal' (a Government-backed information website) as an alternative source of free planning advice.

Only at the point where specific and detailed work needs to be undertaken to assess a scheme is the pre-development advice service recommended. If applicants would like officers to undertake this site-level scrutiny, and provide detailed written advice to them, the pre-development advice route is encouraged.

3.2 All Councils are structured differently so there will always be differences in the costs of the services they provide. This gives rise to geographical fee variation.

Pre-development fees are devised locally and were set by Full Council on 5 March 2012. Fees for this service are consistent across the Central Lincolnshire authorities and take into account both our own service costs and the nature of the work that the planning teams usually undertake (the most common schemes). Government have encouraged this approach because it means that users of the service also pay for the service. It therefore, does not fall as a general expense to the Council, or the taxpayer.

3.3 Although it is quite an unusual and an open approach, the pre-development service at West Lindsey was designed with input from local planning agents and developers. This has ensured that they understand the service and consequently it has received good support from them. At the Joint Central Lincolnshire Development Forum in December 2011 the service provided by the Councils was discussed. Comments received from our customers attending the forum showed that our approach is judged to be appropriate for the level of fees charged. This was reinforced by the meeting of this Forum on 17 May 2012.

3.4 Pre-development advice includes providing customers with:

- an initial discussion or meeting to fully scope the proposal, including when appropriate a site visit. For larger schemes there may be a number of initial meetings and site visits, **at no charge**, before a pre-development application is made (and only then if it is deemed by the customer to be an appropriate route to follow).
- history of the development site and details of any constraints that the Council has details of, or that it is made aware of by any consultees we work with regularly
- a written report from an officer that includes guidance on any further information that the applicant should produce. The report states a, without prejudice, view over whether or not the Council would be able to support the proposals or application.
- further additional support, where needed, with the subsequent application process

3.5 Fees for planning applications themselves are set nationally by the Government. Councils were advised in 2010 that the Government intended to change legislation so that fees can be set locally, based on cost recovery. In response to this, Planning Officers have been involved in a national pilot to ensure that, if this happens, the council will be prepared for the change.

To calculate our fees we need to know income and expenditure. Pre-development advice fee income has been accounted for in the work carried out and any changes to the current service will affect this work. Currently, the income generated from pre-development advice offsets some of the total costs of the planning service. Reducing or removing the income effectively increases the overall costs of the planning service. In turn, this would increase all other application fees because the Government's draft proposals state that fees must be set at a level that will recover full costs. This approach to fee setting is already in place for Building Control services.

This is the reason for ensuring that users of the pre-development advice service pay for the additional professional advice they will receive, rather than making the cost of providing the service a further expense to the council.

4.0 Specific Issues Raised at Committee

4.1 Alternative Options- At the Prosperous Communities committee on 1 February 2012, it was suggested that officers could consider approaching applicants of expired applications to encourage them to re-apply. This was proposed as an alternative source of income generation, to lessen the requirement for the existing chargeable pre-development advice service.

For a number of reasons this approach could not be followed at this time, these include:

- If an applicant re-submits an application after a previous permission has expired, the Council must process it as a new application. Circumstances change over time. An example of this is the political and policy changes that have seen the new National Planning Policy Framework be introduced this year. These kinds of changes can significantly affect whether proposals that have previously been given permission would still be found to be acceptable. It would be essential to consider any application against issues identified at the time the application was resubmitted, such as; local and national policies, up to date local need, and any other constraints
- It would not be advisable to invite applicants to re-apply before carrying out a full re-assessment because the application may no longer be acceptable. In terms of good use of officer time, this exercise could be considerable work for potentially no gain; currently there is no staff capacity for this, and there could be no guarantee that an applicant would want to re-submit
- If an applicant was subsequently refused permission, after they had been encouraged by the Council to re-submit, our actions could be challenged, damaging our reputation and sending a negative message to customers
- It is not considered that expired applications are a particularly significant issue in West Lindsey. It is not common for applications to frequently expire, or for applicants to allow an application to expire unintentionally. Where applications expire it is usually for sound reasons, such as; a change of ownership has taken place and plans for the site have changed, or inability to secure investment or funding

4.2 Justification for the current level of fees- There are a number of reasons why charging schedules differ between authorities. For example, some councils have chosen not to charge for providing pre-development advice to homeowners or for house building enquiries, charging only for advice on commercial or business developments. This is based on their individual circumstances and priorities, such as their housing need or existing housing supply. Such drivers indicate why there will always be differences amongst councils in the fees charged.

However, this approach has been criticised in some areas for hitting businesses, stifling growth, job creation and economic recovery. It was felt that this type of approach would not be appropriate in Central Lincolnshire and could send out the wrong message to

developers. Most of the planning work undertaken in West Lindsey relates to householder or house building applications, and it is these applications that use most of our resources.

However, on its own and without other supporting policies in place, a reduction in fees would not necessarily increase the number of applications coming forward as pre-application fees are only a very small proportion of the total cost of implementing a development. It is therefore not a sound basis for fee setting to only compare fees with other authorities, as many other factors need to be considered.

4.3 The approach to providing Pre-Development Advice at other Local Authorities- At the Prosperous Communities committee on 1 February 2012 it was suggested that North Kesteven and Newark & Sherwood District Councils were considering stopping their chargeable services. These Councils have been contact and this is not the case.

The challenge for all councils is making the service work, and ensuring both the council and the customer benefit from it. The current agreement in place locally is for NKDC, CoLC and WLDC to offer consistent fees and generally aligned approaches, having launched their services jointly in April 2011. At the Joint Development Forum in December 2011, both NKDC and CoLC stated their commitment to continuing with the present system and in a review during April 2012 NKDC determined that they would continue to provide the chargeable service, with the same fee structure that is in place here.

In terms of the picture across Lincolnshire, at the time when WLDC launched its fee paying service, only Boston and South Kesteven still operated on a no charge basis. However, it is understood that both of these Councils are now programmed to introduce a charging regime, with a similar schedule of fees to Central Lincolnshire. This will result in all of the Lincolnshire authorities operating a paid for service, which is very much in line with the national picture.

4.4 Impact of Pre-development Advice on growth- Members of the Prosperous Communities committee questioned whether charging for pre-development advice could inhibit business start-up. It is not considered that there is evidence to support this view.

Pre-development advice is not a compulsory service, and therefore not an additional cost burden to new businesses. Officers can not and will not impose the service upon any developers or businesses that do not wish to use it.

Generally, most businesses move into existing vacant premises. When this occurs there is often no development taking place, therefore, no planning consent required. In some cases there may be a 'change of use' involved, and this could require planning permission. Pre-development advice may be useful for this, but that would be for the applicant to determine after receiving free initial advice from officers.

For significant changes we would encourage but could not enforce, use of the pre-development advice service. Generally however, applicants would appoint an agent to provide advice and act on their behalf, albeit in most cases this does not benefit from the detailed local knowledge that officers at the council could provide. In these cases the

Council may have little opportunity to influence the quality or suitability of the scheme, before the application is made.

When responding to enquiries for new-build commercial or other business use developments, a cross-team approach is used. This involves one or more initial free meetings to scope out the best way for officers at the council to support the proposal. This may result in a subsequent pre-development application if the applicant wishes to pursue this option.

Overall, it is unlikely that developers would look elsewhere when considering development locations, solely because the Council has a chargeable advice service in place. The main reason is because the service is not mandatory, all customers have a choice over whether to use it or not and other neighbouring councils also make a charge for this service.

Larger developers and construction companies that operate on a national scale will already be familiar with chargeable advice services, and because of the situation in Lincolnshire this will also be the case for the majority of more locally based developers.

4.5 Further relevant issues- Central Government stopped Planning Delivery Grants in 2010 and therefore, there is now a reduced level of income to the Council for its planning service. This is why the Government encourages councils to pursue other income generating options, using their resources in the most entrepreneurial way. It has not been easy to introduce the pre-development service but officers have been committed to it, plus it is now an essential income stream and a budget requirement. It has succeeded because users of the service have recognised the value that the service will add to their own ventures.

Officers are dedicated to achieving economic growth and investment in the district, and to delivering the objectives of the Corporate Plan. Officers deal first-hand with developers and agents on a daily basis. Officers fully appreciate the difficulties arising from the current economic climate. The teams that work on development and growth are closely integrated. This offers a high-level and broad range of expertise to those wishing to develop or invest in West Lindsey.

Planning advice can and would as an alternative, be sought from the private sector. However, there is value in our local knowledge, experience and contact network that is of clear benefit to developers. This would be under-utilised if focused only on determining planning applications. Clients recognise this, which is why increasing numbers are now making use of the pre-development advice service that we provide.

The structured approach to a chargeable and professional advice service is in line with being an entrepreneurial Council. It is a modern approach to providing a planning service and is now in place at the majority of local authorities. Only a small number of other authorities nationally are not yet charging for pre-development advice. With decreasing budgets and reduced fee income this number is likely to reduce as those authorities modernise and realign their resources.

Fees must be proportionate to the application fee, and members have set ours at a level which do this. Ideally, fees should also be consistent, so far as practicable, with other local councils. Again, this was taken into account when members supported the setting

of the same level of fees across Central Lincolnshire authorities. Meetings with developers during the conception stages of the pre-development advice service showed that they favoured this consistent fee charging approach across the Central Lincolnshire authorities.

Pre-development advice does not currently recover all of our costs, but it does go some way to help ensure that the Council can continue to provide this dedicated high-level of advice.

5.0 Recommendation

Use of the service reflects that there is clearly a high level of demand for it and it is an important tool in helping to raise the quality and design of development in the district. The consistent approach to providing the service in Central Lincolnshire has been endorsed by our customers. Charging for this kind of service is very much in line with the national picture and with the other authorities in Lincolnshire.

Members are therefore requested to note the contents of this report and to endorse the approach previously agreed and note the recommendation 2 at the beginning of this report which is, **“That the matter of charging for pre-application advice is reviewed along with other issues around support for business, assistance to business, regulatory services and council procurement at the recently established “Open for Business” task and finish group (the remit of which is attached as an appendix to this report)**

Additionally this issue will be considered by the Open for Business task and finish group the remit of which is attached as appendix 1.

OPEN FOR BUSINESS – “HOW BUSINESS FRIENDLY ARE WE?”

What is the evidence of need?

The Council can influence the attractiveness of the District as an area to do business in a wide range of ways.

In the current economic climate it needs to be aware of how its activities impact on West Lindsey as a place to do business.

Recent reports to Council Committees have not demonstrated sufficient awareness of the impact of proposals on businesses operating in the District. These include:

- Proposals to increase car parking charges
- Charging for pre-application advice in relation to planning applications

These are not the only areas which need to be examined, but give a flavour of the type of area the Group should be involved with.

In order to examine these issues in more detail Prosperous Communities Committee has “commissioned” the Challenge and Improvement Committee to undertake a review of the Council’s activities in order to determine “How open are we for business”.

What is the issue, idea, opportunity or problem?

In the present economic climate it makes sense for the Council to examine closely how it interacts with the businesses which operate within the District and those that might seek to locate here.

There is an opportunity to look at this issue comprehensively by focusing on the following:

- What business support and development is offered by the Council and how effective it is
- What business relief and assistance is offered by the Council (NNDR relief, grants etc.)
- How the Council operates its regulatory functions (including enforcement) – are they business friendly?
- How good is the Council at procuring its goods and services from local suppliers?

This review will cover all Council activities and other public services operating in the District.

The working group should adopt an inquisitorial approach (in the manner of a Select Committee) and invite local businesses, national experts, best practice councils to advise on how we should tackle this issue. The approach to these outside experts should seek to establish what the barriers are to being more business friendly, what are the greatest challenges and what the best practice is nationally.

Stakeholders and Expectations

Businesses operating within the District

Businesses seeking to locate within the District
Job seekers within the District
Town Centre facilities
Heads of Service at West Lindsey District Council

The stakeholders would expect that we operate our services so that they maximise the opportunity for businesses to thrive and expand, whilst maintaining control over harmful activities which might have a negative impact on the business environment of the District.

What outcomes are we trying to deliver?

To deliver more local jobs by creating the best possible environment for local businesses to expand and for new businesses to locate to the District.

Membership of the Group

So far the following members have been nominated to serve on the group:

Cllr Kinch
CllrR Bierley
Cllr Patterson
Cllr Bowler

Consideration should be given to inviting a member of the local business community to serve on this group.

Timescales and Milestones

- 1. Approval of this brief for the Group by Challenge and Improvement Committee**
- 2. First meeting of the Group**
 - a. Approve scope of the review and decide the key steps and timetable**
- 3. Second meeting**
 - a. Question Heads of Service about the services they manage and how they ensure they are business friendly (perhaps a questionnaire should be filled in prior to their appearance before the group so that members have a basic understanding of the services and how the impact on business)**
- 4. Third meeting**
 - a. Key local businesses**
- 5. Fourth meeting**
 - a. National Experts and Best Practice Councils**
- 6. Fifth meeting**
 - a. Workshop to consider findings and to draft recommendations**

7. Sixth meeting

a. Consideration of draft report and recommendations

8. Consideration of the report and recommendations by the Challenge and Improvement Committee

9. Presentation of Report to Prosperous Communities Committee with recommendations for change both short and long term.

10. Adopt recommendations and deliver

Resources

Mainly Councillor and staff time.

Risks

Risk	Likelihood	Impact/Severity	Controls/Mitigation	Review	Who
Deregulated approach	Low	High	Ensure proper advice is available	Chairman' brief	Chair/Officer lead
More Regulations	Low	High			

Communications

Suggest a “Highlights” report be prepared after each meeting and distributed electronically to all Councillors, Directors and Heads of Service. Suggest that all those that participated in the review are invited the Prosperous Committees to hear the presentation on the findings.

Training and Development Needs

Interdependencies

Link to the customer access strategy

Exclusions

None

Measures

To be decided.