

**REPORT TO:** Planning Portfolio Holder  
**LEAD OFFICER:** Stephen Kelly

20<sup>th</sup> March 2018

## **Officer hourly rate increase for Planning Performance Agreements**

### **Purpose**

1. The Council currently provides pre-application advice to developers on planning and related matters. The advice takes two forms; advice provided in line with an agreed outline for which standard charges apply, and; tailored advice for mostly larger or more complex projects where a “bespoke” response is provided. In respect of the latter service, the Council has calculated the cost of that advice by reference to an “hourly” rate for planning and related officers. This report seeks to update the “hourly rate” following a recent review. The review has highlighted that the hourly rate used to determine the cost falls significantly below the cost of providing the service. This report seeks to update the schedule of charges to address this shortfall. This will ensure that:
  - (a) Income received through planning performance agreements recovers the cost of providing the service
  - (b) That the service can continue to ensure that appropriately qualified staff are available to enable effective and expert advice, reflecting the Councils planning and related objectives, to be provided to developers at the pre-application stage to help shape future development in the area.
2. This is not considered to be a key decision because the potential additional income generated via a planning performance agreement is not anticipated to exceed £50,000.

### **Recommendations**

3. It is recommended that the Planning Portfolio Holder **approves:**
  - (a) revised officer hourly rate for Planning Performance Agreements – Appendix 1
  - (b) the revised officer hourly rate is to be implemented on the 1<sup>st</sup> April 2018

### **Reasons for Recommendations**

4. Greater Cambridge has is experiencing unprecedented growth, and pressure for growth. A significant number of large and complex development proposals, requiring expert technical assessment and challenging pre-and post-submission assessment continue to be submitted to the Council. The provision of pre-application advice is critical in ensuring that the Council aspiration for high quality appropriate new development, which meets the objectives of the existing and emerging local plan can be secured In some sites this takes the form of a single process, in other parts of the

District, on sites such as Northstowe the relationship is likely to require a longer term commitment.

5. The statutory period to determine the “major” planning applications associated with such schemes is either 13 or 16 weeks unless a planning Performance Agreement is in place. With all schemes of this size, given the need for multiple meetings and longer-term engagement to address the range of complex issues (including via S106), we encourage developers to enter into a Planning Performance Agreement, which sets out the key milestones of the process – from the inception meeting, to delivering new homes on site.
6. The PPA (Planning Performance Agreement) do not only set out key milestones of the process but also a project timeline and seek to define the dedicated resource that will work on the scheme – and its cost.
7. Cambridge City and South Cambridgeshire already have different officer hourly rates which are applied to such agreements – appendix 1. As part of the work associated with the implementation of the shared planning service, the project team have revisited the existing hourly rates to ensure that they properly reflect the costs to the Council of providing the service to the development industry. The revised schedule proposes a significant increase in these rates which reflects an aspiration to achieve cost recovery only.
8. It is important to note that the charges proposed will continue to be less than conventional “market” prices for comparable skills within the consultancy sector.

## **Background**

9. The delivery of pre-application advice to developers is encouraged by the NPPF and is widely acknowledged to represent good practice – by providing an opportunity for key issues associated with the development process to be resolved before a final decision is made. In a number of cases, the complexity of a project requires continued dialogue through the application process, including the statutory processing phase, in order the positive outcomes, which deliver on local priorities can be secured. The provision of pre-application advice is however discretionary and ties up a considerable amount of professional and technical resources, not just within the planning service, but amongst a range of services. The costs of this additional resource commitment are not routinely recovered through the planning application fee paid.
10. Unlike the planning application fees, there is no nationally determined charge for pre-application advice. Typically, Local Authorities have sought to levy a charge based upon a range of criteria. Given the significant number of complex projects within this area, and the considerable cost pressures facing the service, officers have re-visited the charging regime to consider whether the costs of providing pre-application advice to the development industry might be more effectively recovered.
11. Section 93 of the Local Government Act 2003 provides that Local Authorities applying discretionary charges for the purposes of delivering extra services must do so only on the basis of securing cost recovery – i.e. charges should not be set to produce a profit. The proposed schedule of charges would be consistent with this principle.

## **Considerations**

12. This report seeks to amend the charge for officer time. A review of other pre-application services is also underway to consider whether the charges for the range of “fixed cost” services, or the services themselves might be changed, having regard to user feedback and the potential improvements in support that might be provided to residents and businesses.
13. Officers have considered whether the service might wish to continue to provide advice to the development industry at a lower cost. Given the considerable cost pressures on the service, the significant amount of work underway and anticipated that will require officer input and the difficult funding choices facing the service, the case for continuing this approach would require evidence that levying the full charge would result in significant harm to delivery of corporate priorities. The small proportion of the development cost represented by (local authority) pre-application advice costs however means that the additional charges arising for PPA’s would not in officer’s view put at risk those important strategic projects that the Council would wish to see promoted within the District.

## **Options**

14. The following options are suggested:
  - (a) Keep current officer hourly rates
  - (b) Remove pre-application charges
  - (c) Approve suggested revised officer hourly rates
  - (d) Promote an alternative hourly rate to that contained in the recommendation.

Of the options outlined above, there is little evidence to justify withdrawing charges from the pre- application advice service – which continues to receive significant interest from applicants. Equally, whilst it remains for the Council to maintain its current charges, the proportion of such charges compared with the overall cost of development is relatively insignificant in comparison to “private” sector costs - or the cost of bringing forward development projects to delivery. Maintaining the current charges (or a lower charge) would however require the service to continue to fund the delivery of advice at less than the cost of delivering that advice and would mean that resources to other parts of the service would need to be reviewed to meet the financial commitments of the service.

## **Implications**

15. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

### ***Financial***

16. The proposals will improve cost recovery for the pre- application advice services that the Authority offers. The increased income above existing charges is not expected to generate more than £50,000 over and above the previous charge

### ***Legal***

17. None

### ***Staffing***

18. The proposals will improve the extent to which existing staff are “charged” to discretionary projects and will help to maintain appropriate staffing resources for pre-application advice in the future.

### ***Risk Management***

19. Risks will be managed through the Greater Cambridge Planning Risk Register, in particular the risk associated with if developers will not enter into PPA's, leading to the planning service has to carry the cost of processing these large-scale developments

### ***Equality and Diversity***

20. The increase in charges has the potential to impact those who have limited financial means. The proposals relate to the hourly rate for staff – most commonly charged for planning performance agreement which relate to the largest/most complex planning proposals in the District – where a substantial investment is required by the developer. The continued provision of pre-application advice through PPA's increases the Council's capacity to more plan for all parts of the community effectively.

### ***Climate Change***

21. Through PPA's the Authority is able to effectively negotiate positive development outcomes that can effectively contribute towards the Council's aspirations in respect of climate change.

### **Consultation responses**

22. No formal consultation has been undertaken.

### **Effect on Strategic Aims**

#### **Aim 1 – Corporate Aim**

23. Living Well – the effective recovery of pre-application costs allows for continued positive engagement with developers to ensure that new development supports positive community outcomes across the District through direct (development) and indirect (S106 funding) means.

#### **Aim 2 – Corporate Aim**

24. Homes for our Future – ensuring continued delivery of an effective pre-application service will allow the effective progression of development proposals that support SCDC's commitment towards providing new and affordable high-quality homes of the right size and tenure to meet the Districts housing needs.

### **Background Papers**

None

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