

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3359

Development management pre-application fees and charges

Executive summary

This Mayoral Decision seeks approval to implement an increase to charges relating to the GLA Planning Service and extend the GLA service offer for applicants. The charge increases would apply to:

- Level 1 pre-application meetings
- Level 2 pre-application meetings
- Level 2 pre-application follow-up meetings
- the fixed fee Planning Performance Agreements for called-in applications
- pre-application Planning Performance Agreements.

Alongside this as part of ongoing service improvements, we will be introducing an expanded and enhanced pre-application and Planning Performance Agreement service. This will ensure continued delivery of the Mayor's Good Growth objectives to the wider benefit of London and its physical development.

Decision

The Mayor is asked to approve, with effect from 1 April 2025:

- an increase to the charge for Level 1 pre-application advice meetings from £4,100 plus VAT to £7,000 plus VAT, to reflect full cost recovery, under section 93 of the Local Government Act 2003
- an increase to the charge for Level 2 pre-application advice meetings from £10,000 plus VAT to £14,000 plus VAT, to reflect full cost recovery, under section 93 of the Local Government Act 2003
- an increase to the charge for a Level 2 pre-application follow-up meeting from £4,100 plus VAT to £7,000 plus VAT, to reflect full cost recovery, under section 93 of the Local Government Act 2003
- an increase to the fee for a Planning Performance Agreement call-in from £95,000 plus VAT to £110,000 plus VAT, to reflect full cost recovery, under section 93 of the Local Government Act 2003
- a new charging regime for pre-application Planning Performance Agreements based on the number of meetings, rather than on the hourly rate for GLA officers. The charge for each meeting will be £14,000 plus VAT.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

31/3/25

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

Pre-application advice

- 1.1. Paragraph 40 of the new National Planning Policy Framework (December 2024) (NPPF) emphasises the importance of a pre-application service. It explains that early engagement has significant potential to improve the efficiency and effectiveness of the planning application system for all parties. Good quality pre-application discussion enables better coordination between public and private resources and improved outcomes for the community. Paragraph 42 states: “The more issues that can be resolved at pre-application stage, including the need to deliver improvements in infrastructure and affordable housing, the greater the benefits.” While a pre-application service is not a statutory requirement, it is clear that providing an effective, efficient and well-resourced pre-application service is key to delivering the benefits set out in the NPPF.
- 1.2. The GLA can pass on the cost of operating non-statutory services. As a result, pre-application advice is a chargeable service enabling the costs to be recovered. In May 2018 two distinct levels of advice were introduced with three different components as follows:
 - Level 1: high-level, ‘in principle’ advice based on limited information and generic assumptions with members of the senior management team, normally the Head of Development Management and a Team Leader. The current fee for the service is £4,100 plus VAT.
 - Level 2: detailed advice, in writing, based on plans submitted and other supporting information, providing confirmation as to whether the development complies with planning policy and what alterations may be required to achieve compliance. The current fee for the service is £10,000 plus VAT.
 - Level 2 follow-up meetings: after the initial meeting applicants can request a follow-up meeting to discuss their development further. The current fee for a follow-up meeting is £4,100 plus VAT.
- 1.3. Since the introduction of these services, the Planning Unit within the Good Growth directorate has monitored and reviewed the pre-application service, and the impact of the charges. This is to ensure the costs of providing the service are covered and income is spent in relation to the service within the Regulations associated with the Local Government Act 2003.
- 1.4. Feedback from both the development sector and Local Planning Authorities (LPAs) has shown this service to be a success. While it is discretionary, the Development Management Team has consistently stressed the importance of pre-application engagement to both developers and boroughs in the light of the Mayor’s London Plan. The take-up of the service has been good and plays a major role in delivering good growth in practice.
- 1.5. An increased charge for the Level 2 service was introduced on 10 June 2019 (approved by Mayoral Decision (MD) 2475). Increased charges for the Level 1 service and Level 2 follow-up service were introduced on 1 January 2022 (approved by MD2889).

Level 1 pre-application advice

- 1.6. The Level 1 service has been monitored to ensure the meetings remain a forum for high-level advice and that they are not used by developers to seek more detailed advice (which would be better suited to Level 2). Nonetheless, both the amount of information and the number of planning issues to be considered have increased steadily since the Level 1 service was introduced, requiring more officer time than previously envisaged. The move to virtual meetings since the pandemic has seen a marked

increase in the number of attendees. This has resulted in a wider range of issues being raised, requiring more detailed advice and greater preparation.

- 1.7. It is therefore proposed to increase the charge for the service to £7,000 plus VAT. This has been reviewed and benchmarked against several inner London boroughs, which has confirmed the proposed new charge is comparable.

Level 2 pre-application meetings

- 1.8. Similar to Level 1 meetings, both the amount of information and the number of planning issues to be considered at a Level 2 meeting have increased steadily since the service was introduced, requiring more officer time than previously envisaged.
- 1.9. It is therefore proposed to increase the charge for the service to £14,000 plus VAT. This has also been reviewed and benchmarked against several inner London boroughs; again, this has confirmed the proposed new charge is comparable.

Level 2 pre-application follow-up meetings

- 1.10. As set out in paragraph 1.2, there is also an option available for applicants to have a follow-up meeting at Level 2. As with the Level 2 service, monitoring has identified a steady increase in both the amount of information and the number of planning issues to be considered at these meetings.
- 1.11. It is therefore proposed to increase the charge for the service to £7,000 plus VAT to reflect actual time spent. The charge for the follow-up meetings has been reviewed and benchmarked against several inner London boroughs, which has confirmed the proposed new charge is comparable.
- 1.12. The table below summarises the existing fees for each element of the process and the proposed changes:

Meeting	Existing	Proposed
Level 1	£4,100 plus VAT	£7,000 plus VAT
Level 2	£10,000 plus VAT	£14,000 plus VAT
Level 2 follow-up	£4,100 plus VAT	£7,000 plus VAT

Enhanced pre-application service

- 1.13. The GLA's pre-application service has been invaluable to the delivery of the Mayor's Good Growth objectives. Its value is recognised by both the development sector and the LPAs. Hand in hand with the increased charges set out within this MD, the Head of Development Management is looking to introduce an enhanced and expanded pre-application service, including an option for more focused meetings on a particular issue.

Fixed-fee planning performance agreement (PPA)

- 1.14. The fixed fee for called-in applications the Mayor takes over, under article 7 of the Town & Country (Mayor of London) Order 2008 (called-in applications), introduced in May 2018, is currently set at £95,000 plus VAT. The fee covers the resources required by the Planning Unit:

- planning officer time
- planning support team time
- urban design advice
- other technical advice
- the administration costs of facilitating the public hearing.

- 1.15. A review of called-in applications has found that they have mainly been more complex contentious schemes requiring extensive input of the senior management team as well as considerable time from a dedicated case officer and a supervising team leader. It is therefore proposed that the fixed fee should be raised to £110,000 plus VAT to fully reflect the involvement of GLA officers, and to ensure full cost recovery. This fee should cover the programme agreed in the PPA. If, for any reason not envisaged by the PPA, more time is needed to deal with a called-in application, additional charges would be made based on the extra time needed and the agreed fee rates in the PPA.

A new charging scheme for pre-application PPAs

- 1.16. The current charging scheme was introduced in 2019 by MD2475. It used different hour and day rates for different grades of officers. It has been complex and cumbersome to administer so it is now proposed to use the number of meetings as the basis for the charge. The charge per meeting will be £14,000 plus VAT, the equivalent of a Level 2 pre-app meeting.

2 Objectives and expected outcomes

- 2.1. The principal objective is to maintain an effective, high-quality strategic planning service, by ensuring there are sufficient resources to deal with pre-application advice and applications. The expected outcomes are:
- the ability to deal with more complex workloads and challenges associated with the pre-application service
 - the GLA planning function can keep up with demand for advice and meet its costs whilst delivering an efficient, fit-for-purpose strategic planning function for the Mayor
 - delivery of London Plan policies and Good Growth objectives in practice in developments across London.

3 Equality comments

- 3.1. Under section 149 of the Equality Act 2010, in making these decisions “due regard” must be given to the need to:
- eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity, and foster good relations, between people who have a protected characteristic and those who do not
- 3.2. The “protected characteristics” are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation (along with marriage or civil partnership status, included for the purpose of the duty to eliminate unlawful discrimination only).
- 3.3. An analysis has been undertaken and in this instance the proposals are not expected to have any impacts on those with protected characteristics as distinct from anyone else.

4 Other considerations

Mayoral strategies and priorities

- 4.1. Pre-application advice is fundamental to the implementation of the Mayor’s London Plan. This seeks to ensure that the city meets the challenges of economic and population growth with much needed housing and commercial floorspace along with other associated social, transport and green

infrastructure to enable sustainable development and ensure Good Growth. The Mayor's comments and decisions on applications referred to him under the Town & Country (Mayor of London) Order 2008 ('referable applications') are a key implementation tool of the London Plan. The pre-application service helps to ensure that referable applications deliver London Plan objectives.

Risk management issues

- 4.2. There is a possibility that some developers may be put off requesting pre-application advice because of the increased charge. This could result in poor quality applications due to the lack of engagement with GLA planning officers prior to the submission of the application. Monitoring undertaken since the introduction of the two-level pre-application service in May 2018 shows there has been a good take-up of both the Level 1 and 2 meetings. Based on discussions with major developers, it is anticipated that developers will remain willing to use the service because of the value it provides. We will continue to review the efficacy of the service and ensure it delivers value for money. We will also monitor income to ensure the costs of providing the service are covered and the income is spent within the Regulations associated with the Local Government Act 2003.
- 4.3. There are no conflicts of interest to note for any of those involved in drafting or clearance of the decision form.

5. Financial comments

- 5.1. The proposed increases to existing service charges set out in this report reflect a full cost recovery model. The new charges will be published on london.gov.uk and come into effect on 1 April 2025, just before the start of the new financial year.
- 5.2. As outlined within the Local Government Act 2003, income derived from charging fees cannot exceed the costs of providing the service but allows the budget to be balanced over time. Consequently, and in line with previous financial years, any surplus income received beyond expenditure from pre-application charges and PPAs will be placed in the Authority's pre-application and smoothing reserves at the end of the financial year (in line with Section 93 of the above Act, which allows the GLA to establish a reserve to ensure all income generated is used on the service).

6. Legal comments

- 6.1. The above paragraphs indicate the decision requested of the Mayor falls within his statutory powers under section 30 of the Greater London Authority Act 1999 (as amended) (the Act), acting on behalf of the authority to do anything that he considers will promote the importance of the environment in Greater London. In formulating the proposals in respect of which a decision is sought, officers have complied with the Authority's related statutory duties to:
 - pay due regard to the principles that there should be equality of opportunity for all people
 - consider how the proposals will affect:
 - the health of persons in Greater London
 - the health inequalities between persons living in Greater London
 - the achievement of sustainable development in the United Kingdom
 - climate change and the consequences of climate change
 - consult with appropriate bodies.

- 6.2. The Mayor has a statutory role as strategic planning decision maker as part of the Act for strategic planning applications referred to him under the Town and Country Planning (Mayor of London) Order 2008. Pre-application discussions are critically important and beneficial for both developers and planning authorities in ensuring a better mutual understanding of objectives and constraints that exist; and can help to improve the environment in London.
- 6.3. The Authority also has a subsidiary power, pursuant to section 34 of the Act, to do anything that is calculated to facilitate, or is conducive to, the exercise of any of the statutory functions of the Authority. These pre-application meetings are a facilitative way to exercise the section 30 powers defined above, and as such also fall within section 34.
- 6.4. Section 93 of the Local Government Act 2003 (the Act) provides the GLA with the power to charge for discretionary services. Discretionary services are those services that the GLA has the power but is not obliged to provide. The carrying out of this service is discretionary.
- 6.5. The power to charge is subject to a duty to secure that the income from charges throughout the GLA does not exceed the costs of provision of any service it provides, taking one financial year with another. Providing the cost increase is based on actual costs of providing this service (i.e. salary costs and reasonable estimated/actual on costs), this is lawful. The ability to take one financial year with another allows for the establishment of a contingency. For the purposes of the power to charge for discretionary services, the prohibition on raising money at section 34(2) of the Act is to be disregarded.

7. Planned delivery approach and next steps

- 7.1. This work will be completed according to the following timetable:

Activity	Timeline
Start date	1 April 2025
Evaluation	Ongoing monitoring

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

John Finlayson has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Phillp Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 24 March 2025.

✓

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Fay Hammond

Date:

25/03/2025

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature:

D. Bellamy

Date:

24/03/2025

