

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2889

### Title: Development Management External Charges

#### Executive Summary

This Mayoral Decision seeks approval for the implementation of an increase to charges relating to the Planning Service. This would apply to Level 1 pre-application meetings; and Level 2 pre-application follow-up meetings. The changes are viewed as being beneficial to London and its physical development and helping to ensure an efficient and effective planning service.

#### Decision

The Mayor is asked to approve:

1. an increase to the charge from £2,500 plus VAT (£3,000 including VAT) to £4,166.67 plus VAT (£5,000 including VAT) for Level 1 pre-application advice meetings to reflect full cost recovery under section 93 of the Local Government Act 2003
2. an increase to the charge from £2,000 plus VAT (£2,400 including VAT) to £4,166.67 plus VAT (£5,000 including VAT) for a Level 2 pre-application follow-up meeting to reflect full cost recovery under section 93 of the Local Government Act 2003
3. The new charges and arrangements coming into effect on 1 January 2022.

#### 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:

25/11/21

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

##### Pre-application advice

- 1.1. 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 £2,500 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 £2,000 plus VAT.
- 1.2. Since the introduction of these services the Planning Unit within the Good Growth Directorate has monitored and reviewed the new pre-application service and the impact of the charges to ensure the costs of providing the service are covered; and that income is spent in relation to the service within the Regulations associated with the Local Government Act.
- 1.3. It is considered that the two-level pre-application service has been a success. While it is a discretionary service the senior management team has consistently stressed the importance of pre-application engagement to both developers and boroughs particularly in the light of the publication of the Mayor's new London Plan, and take up of the service has been good.
- 1.4. An increased charge for the Level 2 service was introduced on the 10 June 2019 (MD2475). No changes were proposed for the Level 1 service.

##### Level 1 pre-application advice

- 1.5. The Level 1 service has been monitored to ensure the meetings remain a forum for high-level advice and are not used by developers to seek the more detailed advice more appropriate 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.
- 1.6. It is therefore proposed to increase the charge for the service to £4,166.67 plus VAT (£5,000 including VAT). The charge for the Level 1 service has also been reviewed and benchmarked against several inner London boroughs and this has confirmed the proposed new charge to be comparable with what the boroughs charge.

##### Level 2 up pre-application follow up meetings

- 1.7. As set out in paragraph 1 there is also an option available for applicants to have a follow up meeting at Level 2. The charge for this follow up meeting is currently £2,000 plus VAT (£2,400 including VAT). As with the Level 1 service, monitoring has found that both the amount of information and the number of planning issues to be considered at these meetings have increased steadily.

- 1.8. It is therefore also proposed to increase the charge for the service to £4,166.67 plus VAT (£5,000 including VAT) to reflect actual time spent. The charge for the follow-up meetings has been reviewed and benchmarked against several inner London boroughs and this has confirmed the proposed new charge to be comparable with what the boroughs charge.
- 1.9. The table below summarises the existing fees for each element of the process and the proposed changes.

Pre-application existing and proposed fees

Meeting	Existing	Proposed
Level 1	£2,500 plus VAT	£4,166.67 plus VAT
Level 2	£10,000 plus VAT	No Change
Level 2 follow up	£2,000 plus VAT	£4,166.67 plus VAT

## **2. Objectives and expected outcomes**

- 2.1. The principal objective is to maintain an effective high-quality strategic planning service at a time of pressure on resources and growing external and corporate demands. This can be achieved by ensuring there are sufficient resources to deal with pre-application advice and applications. The expected outcomes are:
- a continued ability to deal with increasing workloads associated with the pre-application service
  - allowing the GLA planning function to keep up with high and rising levels of demand for advice 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; and to advance equality of opportunity, and foster good relations, between people who have a protected characteristic and those who do not. Protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender, sex and sexual orientation (along with marriage or civil partnership status, included for the purpose of the duty to eliminate unlawful discrimination only). 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**

Links to 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 the development and ensure Good Growth. The Mayor’s comments and decisions on referable planning applications are a key implementation tool of the London Plan. The pre-application service helps to ensure subsequent applications deliver London Plan objectives.

Risk assessment

- 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 and lower income than predicted. Monitoring since the introduction of the two level pre-application service in May 2018 shows there has been a good take up of both levels of the pre-application service. Based on the experience of boroughs who offer the service and discussions with major developers, it is anticipated that developers will still be willing to use the service because of the value the approach provides. In all instances regular monitoring of income will be necessary to ensure the costs of providing the service are covered and the income is spent within the Regulations associated with the Local Government Act.

## **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 January 2022.
- 5.2 Based on application levels over the period of 2018-19 to 2020-21, this fee increase could result in £ 250,000 additional income. Uncertainty exists around whether this fee increase will impact application levels as they are demand driven and how application levels will be impacted going forward in post-pandemic recovery.
- 5.3 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 a period of time. Consequently, and in-line with previous financial years any surplus income received beyond expenditure from pre-application charges and Planning Performance Agreements 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 Local Government Act which allows the GLA to establish a reserve to ensure all income generated is utilised on the service).
- 5.4 The additional fees have been modelled based on costs of operating the service only, in accordance with Section 93 of the Local Government Act future reviews will start to take into account 'actual' costs of operating the service, including support services. This will need to be undertaken very carefully, as it has been the grounds of legal challenges to charges elsewhere in the public sector.

## **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 he considers that will promote the importance of the environment in Greater London; and 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 and consult with appropriate bodies.

- 6.2 The Mayor has a statutory role as strategic planning decision maker as part of the Act, and of 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 authority with the power to charge for discretionary services. Discretionary services are those services that the Authority 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 Authority 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

Activity	Timeline
Start date	1 January 2022
Evaluation	On-going monitoring

### 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 either be published 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 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:**

Phil 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. ✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 1 November 2021

**EXECUTIVE DIRECTOR, RESOURCES:**

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

*D. Gane*

Signature

Date: 23 November 2021

**CHIEF OF STAFF:**

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

*D. Bellamy*

Signature

Date: 17 November 2021