

REQUEST FOR MAYORAL DECISION – MD1443**Title: Planning Unit Annual Review of External Fees and Charges****Executive Summary:**

Planning Fees and Charges were last reviewed in summer 2014 and increased from the initial standard charge of £4,000 per request to £5,000 (approved under MD1376). The new charges were formally published and implemented 1st September 2014.

Effectively, this was a “catching up” fees and charges review to reflect cost recovery and the increased resource input to the service offered. The previous charge increase has been well received by planning and development customers, generating an increase in pre-application revenue from approximately £661,000 per annum to £762,000 per annum for the financial year end 2014-15.

To reflect the very significant and ongoing increases in demand for the highly valued pre-application advice service and the necessity to appropriately resource this demand, the pre application service is therefore being looked at, particularly the Development & Projects side of the Unit as part of the Planning Unit reorganisation.

From August 2015 it is proposed to uprate the standard charge by 10% from £5,000 to £5,500 and follow up meeting charge from £1,000 to £1,100. The net additional income and revenue will be reinvested directly into a reorganised and expanded planning service in order to meet growing demand and maintain an efficient and rapidly responsive quality pre-application advice service.

Decision:

That the Mayor approves:

1. An increase in the Planning pre-application service charges by 10% from £5,000 to £5,500 for an initial meeting and from £1,000 to £1,100 for a follow up meeting, to reflect full cost recovery of the advice service under Section 93 of the Local Government Act 2003.
2. New charges to be published on the GLA website and come into effect on 1st August 2015.

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:**

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

Decision required – supporting report

1. Introduction and background

- 1.1 The current pre application advice service was first introduced in November 2007 via Mayoral Approval Form, MA2965 on 28 March 2007. The Business Management and Appointments Committee approved the posts associated with the introduction of the service on 27 March 2007.
- 1.2 Mayoral Decision MD1376 authorised the increase of GLA pre-application flat-rate service charges from £4,000 to £5,000. All other related charges remained the same.
- 1.3 Since 2009 the amount of service requests has continued to rise. In 2012 the GLA received 132 requests for initial pre application meetings and had 72 follow up meetings. In 2013 there were 136 initial meetings and 32 follow up meetings, providing total external income of £576,000. In 2014 this rose again to 169 requests for initial meetings and 73 requests for follow-up meetings, despite the charge increase to £5,000 which commenced 1st September 2014, generating £762,000 of pre-application income. Early evidence for 2015-16 suggests an increased demand for this service as the London economy recovers and the property market strengthens.
- 1.4 As such, a new benchmark of 150 service requests per annum has been forecast as an estimate for the actual cost of providing this service. This is a conservative estimate designed to reflect the fluctuations in the property and development market.

Pre Application Charges

- 1.5 Rising service requests for pre-application planning advice require additional staffing and resources to maintain an efficient, rapidly responsive and high quality professional service to users and development related customers.
- 1.6 A reorganisation of the Planning Unit is currently taking place to ensure it is appropriately resourced to ensure it is “*fit for purpose*” for the challenges ahead with rising work demands and Mayoral expectations of high quality delivery. As part of this process we are looking at the resources needed to provide this pre application service. The increased charges proposed will directly support the expanded pre-application service including the addition of a new Principal Strategic Planner (Grade 10)
- 1.7 The Mayor is therefore requested to agree the introduction of increases to the existing pre application charges and the use of PPAs (Planning Performance Agreements) for the reasons set out above.

2. Objectives and expected outcomes

- 2.1 The principle objective is to maintain an effective high quality strategic planning service at a time of pressure on resources and growing external and corporate demands, by ensuring that there are sufficient resources to deal with pre application and applications, including *call ins* by the Mayor.
- 2.2 The expected outcomes would be:
 - (i) an enhanced ability to deal with increasing workloads particularly the pre application service;
 - (ii) enable the GLA planning function to keep up with high and rising levels of demand for advice whilst delivering an efficient and fit for purpose strategic planning function for the Mayor.

3. Equality comments

The public sector equality duty requires the identification and evaluation of the likely potential impacts, both positive and negative, of the decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation). In this instance the change to the levels of pre application charging should have no impacts on those with protected characteristics.

4. Other considerations

- 4.1 Links to strategies and Strategic Plan. The Mayor's comments and decisions on referable planning applications is a key implementation tool of the London Plan. The pre application advice service helps to ensure that subsequent applications deliver London Plan objectives.
- 4.2 Impact Assessment and consultation. There is no requirement to consult on the proposed increase in charging.
- 4.3 Risk. There is a risk that some developers will be put off requesting pre application advice because of the increased charge. This could result in poor quality applications and a lower income than predicated. There is no evidence that this occurred when the charging service was originally introduced. Even in the worst part of the recession during 2009-10 the income was sufficient to cover costs. However regular monitoring of fee income will be necessary to ensure that the costs of providing the service are covered and that income is spent within the scope of the Regulations associated with the Local Government Act.

5. Financial comments

- 5.1 Approval is being sought to increase the Planning pre application service charges from £5,000 for an initial meeting to £5,500, and the charges for a follow up meeting from £1,000 too £1,100, with effect from 1st August 2015.
- 5.2 Under the Local Government Act 2003 income derived from charging fees cannot exceed the cost of providing the service and a profit cannot be made to cover other services. However guidance published alongside the Act (General Power for Best Value Authorities to Charge for Discretionary Services - Guidance on the Power in the Local Government Act 2003) recognises that estimating costs and incomes can be difficult and therefore the Act allows for the budget to be balanced over a period of time (Section 93(3) of the Act refers to taking one year with another for this purpose). The Act does not prescribe how long this period of time should be. It is therefore proposed that the reserve established under MD717 is maintained to cover periods when income is less than expenditure.
- 5.3 It should be noted that the Pre-application Unit's annual salary budget from 2015-16 will be amended to reflect the planning team's restructure costs and revised charges. There will be an income budget increase of £141,000 per annum from £421,000 to £562,000 per annum based on the current Planning teams restructure proposals.
- 5.4 All appropriate budget adjustments will be made.
- 5.5 The Planning Unit within the Development Enterprise and Environment Directorate will continue to monitor fee income to ensure the costs of providing the service are covered and the income spent within the Regulations associated with the Local Government Act.

6. Legal comments

- 6.1 The above paragraphs indicate that the decision requested of the Mayor fall 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 will promote the improvement 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:

- (a) pay due regard to the principle that there should be equality of opportunity for all people;
- (b) consider how the proposals will affect:
 - i. the health of persons in greater London;
 - ii. the health inequalities between persons living in Greater London;
 - iii. the achievement of sustainable development in the United Kingdom;
 - iv. climate change, and the consequences of climate change; and
- (c) consult with appropriate bodies.

6.2 The Mayor has a statutory role as strategic planning decision maker as part of the Act and the Town and Country Planning (Mayor of London) Order 2008. Planning Policy Statement 1: Delivering Sustainable Development sets out that 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 which is calculated to facilitate, or is conducive or incidental 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 perceived 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. Investment & Performance Board

This decision is not being considered at the IPB as it involves no cost to the core GLA budget.

8. Planned delivery approach and next steps

Set out how the project will be delivered and complete the outline timetable

Activity	Timeline
Procurement of contract [for externally delivered projects]	NA
Announcement [if applicable]	NA
Delivery Start Date [for project proposals]	01/08/2015
Final evaluation start and finish (self/external):	Ongoing monitoring
Delivery End Date [for project proposals]	NA
Project Closure: [for project proposals]	NA

Appendices and supporting papers:

1. MD1376 and MD717: Pre Application Fees
2. Pre application history and trajectory chart (2008-14/15)

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

Part 1 Deferral:

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

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:

Stewart Murray has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Stewart Murray has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

Fiona Fletcher Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Sir Edward Lister has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

CHIEF OF STAFF:

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

Signature

Date