



The South African  
Council *for* Planners  
S A C P L A N

# GUIDELINE PROFESSIONAL FEES

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SOUTH AFRICAN COUNCIL FOR PLANNERS  
◆ SACPLAN ◆

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**GUIDELINE ON THE METHOD OF CALCULATION OF  
PROFESSIONAL FEES TO BE CHARGED BY PROFESSIONAL AND  
TECHNICAL PLANNERS AS CONTEMPLATED IN SECTIONS 29 AND  
30(2) OF THE PLANNING PROFESSION ACT, 2002 (ACT 36 OF  
2002)**



**SAACPP**  
SOUTH AFRICAN ASSOCIATION OF  
CONSULTING PROFESSIONAL PLANNERS

## **DOCUMENT**

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BE CHARGED BY PROFESSIONAL AND TECHNICAL PLANNERS AS  
CONTEMPLATED IN SECTIONS 29 AND 30(2) OF THE PLANNING PROFESSION  
ACT, 2002**

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## DEFINITIONS

For the purposes of this report, the following definitions shall apply:

- Act** - Planning Profession Act, 2002 (Act 36 of 2002).
- By-Law** - A municipal by-law enacted by a municipality in terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), to regulate spatial planning and land use matters contemplated in SPLUMA.
- Charge out rate** - A guideline monetary amount, expressed in South African Rands and Cents, that could be charged per hour, or part thereof, as calculated for planning related work done by a planner on instruction of a client.
- Client** - Any person or body who instructs a planner, either verbally or in writing, to undertake certain planning related work on behalf of such person/body, which work shall be remunerated at an agreed professional fee.
- Planner** - A Registered Professional Planner or Technical Planner as contemplated in the Act and “planning practitioner” shall have the same meaning.
- Planning Practitioner** - See “planner”.
- Professional Fee** - A monetary amount, expressed in South African Rands and Cents, charged as a fixed price by a planner for planning related work done on instruction from a client.
- Regulations** - The Spatial Planning and Land Use Management Regulations: Land Use Management and General Matters, 2015.
- SAACPP** - South African Association of Consulting Professional Planners, a voluntary association as contemplated in the Act.
- SACPLAN** - The South African Council for Planners, as contemplated in the Act.
- SPLUMA** - The Spatial Planning and Land Use Management Act, 2013 (Act of 2013) and the Regulations thereto.



## RECOMMENDED GUIDELINES FOR THE CALCULATION OF PROFESSIONAL FEES

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### 1. INTRODUCTION

- 1.1 The provisions of Section 29 read with Section 30(2)(a) of the Planning Profession Act, 2002 (Act 36 of 2002) (the Act) place certain obligations on the South African Council for Planners (SACPLAN) to, from time to time, determine guideline professional fees (fees). This pertains to guideline fees for professional services rendered by professional and technical planners (planning practitioners) active within the private sector. The guideline professional fees are typically presented in two parts namely:
- Time based charge out rates (the guideline hourly charges (per hour or part thereof) published by SACPLAN in the Government Gazette from time to time at which planners may charge clients for planning work, based on the time taken to attend to such work. “Charge Out Rate” shall have the same meaning); and
  - Recommended professional fees per identified category of work to be undertaken by a planning practitioner (based partly on the time taken to complete the task, charged for at the prevailing charge out rate and, in certain instances, by the addition of a percentage (%) of the increased value of the property which forms the subject of the work attended to by the planning practitioner).
- 1.2 To date, the SACPLAN guidelines for the calculation of professional fees were based largely on the original model developed by the then South African Council for Town and Regional Planners (SACTRP). The original guidelines were, in turn, premised mainly on old order legislation, including various provincial ordinances on town planning and township establishment.
- 1.3 As a result of the coming into effect of the Spatial Planning and Land Use Management Act, 2013 (SPLUMA) in July 2015 and the enactment of various municipal by-laws on spatial planning and land use management matters, the SACPLAN guidelines for the calculation of professional fees have become somewhat redundant and require to be revisited, so as to align properly with the new legislative landscape.
- 1.4 Against the aforesaid background, the South African Association of Consulting Professional Planners (SAACPP), a recognised voluntary association of SACPLAN, was requested by SACPLAN to revisit the guidelines and to present a report for consideration, with a view to SACPLAN possibly adopting an alternative guideline to substitute the former. In the paragraphs to follow, the proposals of the SAACPP are presented for consideration by SACPLAN.

## 2. LEGISLATIVE FRAMEWORK

2.1 The following excerpts from the Planning Profession Act, 2002 (Act 36 of 2002) (the Act) provide the framework against which the adoption of guidelines for the calculation of professional fees must be approached:

- **Section 29(1):** *“The Council may annually, but at least every three years, after consultation with voluntary associations, determine guideline professional fees and publish such fees in the Gazette”.*
- **Section 29(2):** *“The Council must, before determining the guideline fees in terms of subsection (1), publish a draft of the proposed guideline fees in the Gazette, together with a notice calling on interested persons to comment in writing within a period of not less than 30 days after such publication, and must consider any comments received.”*
- **Section 30(2):** *“The Council may, by notice in the Gazette, make rules not inconsistent with this Act, with regard to –*
  - (a) any matter that it is required or permitted to be prescribed in terms of this act;”*

2.2 Having regard to the provisions of SPLUMA, it is evident that the following broad categories of planning profession work have been identified as the matters which are to be regulated in terms of SPLUMA, read with the associated municipal by-laws on spatial planning and land use management which may be relevant to different municipal jurisdictions throughout the country:

- **Section 41(1):** “The municipal planning tribunal, upon application in the prescribed manner, may –
  - (a) change the use, form or function of land; or
  - (b) remove, amend or suspend a restrictive condition (**of title**).
- **Section 41(2):** “An application contemplated in subsection (1) includes an application for –
  - (a) township establishment;
  - (b) the subdivision of land;
  - (c) the consolidation of different pieces of land;
  - (d) the amendment of a land use or town planning scheme, except any change affecting the scheme regulations in terms of Section 25(2)(a); or
  - (e) the removal, amendment or suspension of a restrictive condition.”

**\*Additions by author**

- 2.3 The provisions set out in Section 41 of SPLUMA create the framework against which individual municipal by-laws on spatial planning and land use management are required to be prepared. The provisions of Section 41, as quoted above, are not so detailed as to talk to all the possible types of land development applications and, as a result, it is necessary to have regard to the more detailed categories of land development and land use applications as provided for in Schedule 5 to the Spatial Planning and Land Use Management Regulations: Land Use Management and General Matters, 2015. An adaptation of the aforesaid Schedule 5 is attached hereto as **Annexure A**. These, in turn, define the categories of work to be attended to by a Professional Planner or Technical Planner and, in turn, for which professional fees may be charged.
- 2.4 It follows that, for the purposes of structuring new guidelines for the calculation of professional fees, such guidelines require to align with the identified categories of planning related work.

### 3. CATEGORIES OF PLANNING WORK

- 3.1 The following more detailed categories of planning work (land development and land use applications) are evident from various adopted by-laws of municipalities which, in turn, derive their status from the aforesaid provisions of SPLUMA and the relevant Regulations:

■ **CATEGORY 1: LAND DEVELOPMENT APPLICATIONS**

- (a) An application for amendment of the provisions of the town planning or land use scheme (by rezoning).
- (b) An application for the amendment and/or removal of restrictive conditions of title, servitudes or reservations (with regard to land development matters).
- (c) An application for consent of a municipality to use land as contemplated in a land use or town planning scheme, or an application to depart from or relax the provisions of a town planning or land use scheme, title deed or similar instrument.
- (d) An application for consent of a municipality to use land as contemplated in a condition of title, condition of township establishment or similar provision.
- (e) An application for township establishment and/or the extension of boundaries of an existing township.
- (f) An application to divide an approved township into different phases (different township extensions), to be proclaimed and developed independently.
- (g) An application for subdivision of urban land (an erf or erven in a proclaimed township) not expressly provided for in a land use scheme, which application may include the simultaneous consolidation of two (2) or more of such erven.
- (h) An application for subdivision of urban land (an erf or erven in a proclaimed township) expressly provided for in a land use scheme, which application may include the simultaneous consolidation of two (2) or more of such erven.



- (i) An application for subdivision of land held under farm title or as an agricultural holding, which application may include the simultaneous consolidation of two (2) or more such properties.
- (j) An application for the consolidation of different pieces of land (either urban, farm land or agricultural holdings) as a separate matter (not linked to the simultaneous subdivision of the same land components).
- (k) An application for the alteration, amendment or cancellation (either wholly or in part) of a general plan of a township.
- (l) An application for consent to use land or to depart from or relax any land use management provision in terms of any applicable provincial or national law.
- (m) An application to permanently close a public place (street, square or park).
- (n) An application to motivate an amendment of the provisions of an adopted spatial development framework or adopted policy of a municipality pertaining to spatial planning and land use management matters in support of a land development application.

3.2 The aforesaid generic categories of land development applications appear to be common to most (if not all) municipal by-laws on spatial planning and land use management matters. As a result, such applications will form the core of the guidelines on the calculation of professional fees for each such service to be rendered by a Professional Planner or Technical Planner.

3.3 Whereas the municipal by-laws and SPLUMA do not specifically define the matters described hereunder, a number of implied categories of planning profession work come to the fore in the context of the adopted by-laws namely:

■ **CATEGORY 2: SPATIAL PLANNING AND LAND USE MANAGEMENT INVESTMENTS**

- (a) The preparation of a spatial development framework or land development policy guidelines on instruction from a municipality or other authority, including the preparation of policy guidelines on any matter relevant to spatial planning and land use management.
- (b) The preparation of a new or revised land use or town planning scheme under instruction from a municipality or other authority.
- (c) The preparation of a site development plan or similar illustrative plan for one or more properties to accompany a land development application or for other purposes, as may be required by the municipality or other authority.

3.4 In addition to the categories of work which stem from SPLUMA and the municipal by-laws (either directly or implied), a Professional Planner or Technical Planner may, from time to time, also be required to attend to the following categories of work for which professional fees require to be calculated namely:

### ■ CATEGORY 3: MISCELLANEOUS PLANNING WORK

- (a) The preparation for and attendance at a hearing conducted by a municipal planning tribunal or appeal authority or similar body, to represent a client in the event of a disputed land development application or for whatever other reason.
- (b) Participation as an expert witness in court proceedings or arbitration proceedings or similar and the preparation of an expert summary of professional opinion regarding matters which may be broadly described as falling within the realm of spatial planning or land use management matters.
- (c) Providing general spatial planning and land use management advice to an instructing client which may include the conducting of due diligence investigations or investigations regarding the potential feasibility of an intended land development project.
- (d) Providing project co-ordinating services by representing the client as co-ordinator of the involvement of a number of consultants/specialists forming part of the professional team appointed by the client to attend to a land development project.
- (e) Certifying and / or verifying work and / or documentation with regards to compliance with ruling planning legislation.

3.5 Collectively, the aforesaid categories describe the tasks which may be executed by professional planners or technical planners upon receiving instructions from a client and for which purpose professional fees require to be calculated and charged. It is in this context that the proposed guidelines for the calculation of professional fees for each of the aforesaid categories of work is set out

## 4. TIME BASED REMUNERATION

- 4.1 In the most recent publication by SACPLAN in the Government Gazette on 5 October 2018 (Notice number 1080 of 2018 that was published in the Government Gazette of 5 October 2018), the various categories of hourly charge out rates for different categories of employees of a planning firm were brought into effect (see **Annexure B**). This remains as the *status quo*, as on date of this report.
- 4.2 The services rendered by a planner (either by a Professional Planner alternatively a Technical Planner as contemplated in the Act) are generally charged for based on the time spent rendering the service in favour of the instructing client. This is similar to the principle of time based remuneration relevant to allied professionals such as Attorneys, Conveyancers, Engineers, Quantity Surveyors, Land Surveyors and the like.
- 4.3 SACPLAN, from time to time, publishes new hourly charge out rates, based on incremental increases relevant to benchmarks such as the consumer price index, inflation rate and related statistics. In other words, the published guidelines on hourly charge out rates will change over time, to keep abreast of changing cost structures as alluded to above. This is also the practice in allied professions as mentioned above.

- 4.4 For the purposes of formulating guidelines for the calculation of professional fees relevant to each of the categories of work to be undertaken by planning practitioners, it follows that the basis of such calculation should, in the main, be based on the time taken by the planning practitioner to render the service, for which time the planning practitioner must be remunerated by the instructing client. This is different to, for example, the tariff structure charged by registered estate agents or brokers who facilitate a property transaction in return for a predetermined percentage (%) of the value of the transaction. The remuneration in these examples bears no direct relationship to the time spent by the practitioner in executing the instructions of the client. The same principle applies where an architect or engineer is remunerated, based on a percentage (%) of the construction cost of the building/structure designed by the practitioner.

## 5. FEES EXPRESSED AS PERCENTAGE OF LAND VALUE

- 5.1 Architects, consulting engineers, project managers and quantity surveyors often charge fees equal to a predetermined percentage (%) of the value of the construction work which forms the subject of their appointment by instructing clients. This has no direct relationship to the number of hours spent by the practitioner in rendering the service. A high cost structure (based on the cost of material) or a high cost building (based on the chosen finishes thereof) will inevitably result in a higher fee payable to the instructed practitioner (whether or not the practitioner dedicates more or fewer hours to rendering the service).
- 5.2 It cannot be denied that a planning practitioner generally adds value to the property of the client by successfully concluding the required land development application and, in turn, effecting a positive change in the value of the land. The value of a property is generally related to the land use zoning rights which is attach thereto. In other words, the value of the land prior to the amendment (based on property market trends at the time of appointment of the planner) as compared to the assumed improved value (on the same date), as if the amendment was effected successfully at such time (i.e. on date of appointment).
- 5.3 The work rendered by planning practitioners may be compared to work done by attorneys acting for instructing clients in various capacities. Attorneys are often instructed to represent the client by preparing and submitting various applications to various courts and other authorities, seeking relief with regard to various matters regulated by a statute. Where matters are disputed, the attorney is often required to represent the client before a court or board or tribunal or similar. In return, the attorney is remunerated, based on the time spent on the matter, in addition to which direct disbursements and costs expended on behalf of the client are recovered. Although the nature of the professional service rendered by a planning practitioner may be entirely different, the basic principle thereof is similar to what applies in the legal profession.
- 5.4 The work rendered by planners in private practice may also be compared to that of a Registered Valuer. The valuation of a property is done, based on a fee which represents a percentage (%) of such value. Whilst the method of valuation will determine the time taken by the valuer to complete the work, this has no direct relationship to the actual property value. The work done by a valuer is, in part, very similar to work done by a planner (at least the investigation into and interpretation of land development rights, development potential, development restrictions and the like).

- 5.5 It follows that, based on the aforesaid examples derived from allied professions, it is reasonable to argue that planning practitioners should be remunerated based on the time spent on an assignment and, where relevant, to be compensated in relation to the additional value of land which may result from their endeavours.
- 5.6 These guidelines are based on the anticipated time to be spent by the appointed planning practitioner to render the particular service which, in turn, may be remunerated at the prevailing hourly charge out rate. Where justified, the increase in value of land resulting from the planning practitioners work may also be compensated in addition to the time based remuneration.

## 6. DESCRIPTION OF PLANNING WORK

- 6.1 Having regard to paragraph 3 above (as derived from SPLUMA and the by-laws), same presents as a summary of the generic categories of work to be performed by planning practitioners acting for instructing clients in various capacities. The work in this regard may be collectively described as “land development or land use applications and related services” as also defined in SPLUMA and the various municipal by-laws.
- 6.2 Land development or land use applications are generally divided into three generic phases, as described in Regulation 16 to the SPLUMA Regulations namely:
- the Administrative Phase;
  - the Consideration Phase; and
  - the Decision Phase.
- 6.3 In addition to the above, the planning practitioner is also required to assist the instructing client where a decision of a municipality with regard to a land development application requires “post” decision-making services to bring the decision to full effect. In other words, the planning practitioner may be required to assist in addressing various post approval formalities on behalf of the client for which additional remuneration will be justified on a time and cost basis. It follows that, in addition to the aforesaid generic stages of any land development application, a fourth stage may be added to address the so-called “Post Decision Phase”.

## CATEGORIES OF PLANNING WORK DERIVED FROM RULING LEGISLATION

**TABLE 1: SPATIAL PLANNING AND LAND USE MANAGEMENT INSTRUMENTS**

ITEM NO	DESCRIPTION	NOTES
1(a)	Preparation or amendment/review of a Spatial Development Framework/Precinct Plan/Spatial Development Policy or similar instrument.	Acting for client – preparation and processing of framework/ plan to point of adoption by relevant authority including public participation (where required).
1(b)	Preparation or amendment/review of a Town planning/Land Use Scheme.	Acting for client – preparation and processing of new/ amended land use or town planning scheme (including scheme maps and land use regulations) to point of adoption by relevant authority including public participation (where relevant).
1(c)	Preparation of a Site Development Plan to accompany a land development application.	Preparation of a Site Development Plan to accompany a land development application.

**TABLE 2: LAND DEVELOPMENT APPLICATIONS**

ITEM NO	DESCRIPTION	SCOPE OF SERVICE
2(a)	Application for amendment of town planning/ land use scheme by rezoning of one or more properties.	Preparation, submission and processing of a prescribed rezoning application in compliance with the ruling legislation, including public participation where required.
2(b)	Application for the amendment or removal of conditions of title, servitudes or reservations which affect the proposed use of land.	Preparation, submission and processing of prescribed application, in compliance with the ruling legislation, including public participation where required.
2(c) and (d)	Application for consent of municipality to use land as per scheme or to amend/depart from scheme provisions.	Preparation, submission and processing of prescribed application, in compliance with the ruling legislation, including public participation where required.
2(e)	Application for township establishment and/or extension of boundaries of an existing township.	Design of layout of township/ extension, preparation, submission and processing of prescribed application in compliance with the ruling legislation, including public participation where required.
2(f)	Applicant to divide approved township into phases.	Design of layout of township/ extension, preparation, submission and processing of prescribed application in compliance with the ruling legislation, including public participation where required.
2(g)	Application for subdivision of urban land (an erf or erven in a township) not expressly provided for in scheme.	Preparation of subdivision sketch plan, preparation, submission and processing of prescribed application in compliance with the ruling legislation, including public participation where required.
2(h)	Application for subdivision of urban land (an erf or erven in a township) expressly provided for in scheme.	Preparation of subdivision sketch plan, preparation, submission and processing of prescribed application in compliance with the

ITEM NO	DESCRIPTION	SCOPE OF SERVICE
		ruling legislation, including public participation where required.
2(i)	Application for subdivision of farm land/agricultural holdings (one or more portions of farm land or agricultural holdings).	Preparation of subdivision sketch plan, preparation, submission and processing of prescribed application in compliance with the ruling legislation including public participation where required.
2(j)	Application for consolidation of land components (either urban or farm land or agricultural holdings).	Preparation of consolidation sketch plan, preparation, submission and processing of prescribed application in compliance with the ruling legislation including public participation where required.
2(k)	Application for amendment and/or cancellation (in whole or a part) of a General Plan of a township.	Preparation of amended cancelled layout plan, preparation, submission and processing of prescribed application in compliance with the ruling legislation, including public participation where required.
2(l)	Application for the consent of the Provincial/Central Government Department (as relevant authority) to use land as provided for.	Preparation of application, submission and processing of prescribed application in compliance with the ruling legislation including public participation where required.
2(m)	Application to permanently close a public place (street, square or park).	Preparation of application, submission and processing of prescribed application in compliance with the ruling legislation including public participation where required.
2(n)	Application to motivate amendment of provisions of adopted spatial development framework or other policy in support of land development application.	Preparation of application, in accordance with municipal guidelines, submission and processing, including any public participation where required.

**TABLE 3: MISCELLANEOUS PLANNING WORK**

ITEM NO	DESCRIPTION	NOTES
3(a)	Preparation for and attendance at hearings before Municipal Planning Tribunals, Appeal Authorities or similar bodies.	Preparation of written arguments and attending at hearing to represent client in a disputed matter.
3(b)	Giving evidence as an expert witness before a court or arbitration panel, board, tribunal or similar body.	Attending consultations with legal representatives, preparation of expert summary of evidence and attendance at proceedings to give evidence.
3(c)	Undertaking due diligence or similar investigations on instruction of client with regard to one or more properties, with due regard to the development potential of the land and compliance of the development thereon with ruling legislation.	Undertaking investigations and reporting to client, including recommendations.
3(d)	Providing general advice to client in respect of spatial planning and land use management matters.	Consultations with client resulting in verbal/written advice/opinions.

- 6.4 The planning profession work categories associated with the categories listed in **Table 1** above are those which will generally be attended to in a fashion which aligns with the phases described in paragraph 6.2. Also, the Post Decision Phase, as described in paragraph 6.3 above, will come into consideration where relevant. For each of the discernible phases, a number of sequential steps make up the responsibilities of the planning practitioner. Having regard to the different charge out rates which SACPLAN determines by publication in the Gazette from time to time, each sequential step in the land development application process and related work may be equated to a number of hours (or parts thereof) to be spent by each category of planner or employee (in descending order of seniority) and for which an hourly charge out rate shall be applicable.
- 6.5 Collectively, the time spent with regard to each sequential step in each discernible phase of the land development application or related planning assignment will constitute a reasonable professional fee payable to the planning firm responsible to carry out the work, as instructed by the client. In addition to the professional work to be attended to by the different categories of planners described herein, it is also reasonable to assume that, in support of the planning personnel, the relevant firm will be obliged to involve administrative and other assistants to complete the array of tasks associated with the work to be performed by the planning firm as per the instruction of the client. It follows that reasonable provision should also be made for the costs associated with administrative and other support staff.
- 6.6 In addition to the actual work to be performed by each category of planning personnel, it will also be reasonable to provide for regular interaction with the instructing client (and other professional team members appointed by the client) which will account for project co-ordination meetings, feedback meetings, general consultations and related time. This will not be covered by the actual work per sequential step in the land development application process or related planning work and separate provision should be made for this time.
- 6.7 The planning profession work alluded to in **Tables 2 and 3** are matters which fall beyond the scope of typical “land development applications”. In other words, such work categories generally follow a different set of steps to be completed by the planning practitioner for which time based remuneration may be charged.

## 7. GENERAL TIME SHEET

- 7.1 In **Table 4** below the typical format of a “spread sheet” is set out which may be used as the basis to apply to the different categories of work defined in **Table 1** above. This “model” spread sheet may be used and adapted to be specific to the different categories of tasks set out in **Table 1** above and be populated with the anticipated hours or parts thereof that may be spent by planning and administrative and support staff to complete each task associated with the categories of work alluded to in the preceding tables.
- 7.2 Not all planning tasks/assignments will necessarily “fit” into the generic steps and guidelines as alluded to above. In other words, there may be circumstances which justify a fee higher than the guideline recommended by SACPLAN with regard to a generic composition of the sequential steps and allocated time per step. In circumstances which justify additional time to spent by the planning practitioner (due to complications relevant to the matter under consideration), the difficulty factor associated with the required time in each step may motivate in favour of an increased fee. Peculiarities of the site in question, with regard to

slope or other design constraints, complications associated with geographical considerations, distance to the application site, etc.), may reasonably justify that the planning practitioner may add a component of additional hours per remuneration category to compensate for these additional obligations.

- 7.3 In such an instance the planning practitioner may add the requisite time per remuneration category and “motivate” or “justify” the addition by reference to a set of explanatory notes which shall accompany the aforesaid spread sheet for consideration by the instructing client.
- 7.4 In all instances, SACPLAN would insist on the planning practitioner and the instructing client reaching agreement with regard to the remuneration of the planning practitioner prior to the work commencing. The proposed guideline fee may be presented to the client and the planning practitioner may add whatever justified additions may be relevant, as described above, to reach an anticipated total of the professional fee to be charged. Based on the latter, an agreement may be concluded between the planning practitioner and the instructing client and, in so doing, prevent disputes with regard to the calculation and recovery of professional fees.
- 7.5 In **Table 4** hereof, the “model” spread sheet (the format and presentation thereof) has been inserted. As far as **Table 4** is concerned, the content may be determined by the circumstances which prevail, the nature of the instruction and the time required for the planning practitioner to attend to his/her obligations. By using the format of the “model” spread sheet template, the categories of planning work may be costed, based on the peculiar circumstances which pertain to the instruction in each instance. The aforesaid spread sheet has been used as the point of departure in the attached draft Manual on the Calculation of Professional Fees (**Annexure C** hereto).
- 7.6 With regard to instances where the involvement of the planning practitioner results in an increase in the value of land which forms the subject of the work of the planner, the professional fee calculated on the basis of the “model” spread sheet/template may be amplified by the addition of a percentage (%) of the increase in land value, based on the following generic formula:

$$(ALV - ELV) \times 0.01 = PF$$

Where:

**ALV** = Anticipated Increased Land Value

**ELV** = Existing Land Value upon instruction

**PF** = Professional Fee

**Note:** “*Land Value*” does not include top structures/improvements



**TABLE 4: MODEL SPREAD SHEET: CALCULATION OF PROFESSIONAL FEES**

CALCULATION OF PROFESSIONAL FEES FOR PLANNING PROFESSION WORK	
	Date
Description of Brief:	
Client:	Property Description:

STEPS			Director/ Principal		Town Planner		Planning Technician		Administrative Staff		FEE (R)
			Hrs	RX.XX	Hrs	RX>XX	Hrs	RX>XX	Hrs	RX>XX	
1	Taking instructions/ Inception Meeting(s):	Client									R
		Municipality									R
		Other Authorities									R
		Project Team									R
2	Collect and Collate Base Information										R
3	Site Visit/Land Use Survey										R
4	Collation of specialist <sup>1</sup> inputs										
5	Prepare Draft Application Bundle										R
6	Meeting(s):	Client									R
		Municipality									R
		Project Team									R
7	Finalize Application Bundle/ Details										R
8	Prepare Layout Plan/Sketch Plan/Site Plan										R
9	Meeting(s):	Client									R

<sup>1</sup> E.g. heritage, environmental, traffic and transport, engineering, architectural and urban design.

STEPS			Director/ Principal		Town Planner		Planning Technician		Administrative Staff		FEE (R)
			Hrs	RX.XX	Hrs	RX>XX	Hrs	RX>XX	Hrs	RX>XX	
		Project Team									R
10	Arrangements to submit Application to authorities										R
11	Arrangements to give notice of Application										R
12	Monitor Notice period and advise client (objections/ representations/comments)										R
13	Meeting(s):	Client									
		Project Team									R
14	Prepare and submit response to comments/ representations/ objections										R
15	Facilitate/Procure municipal and other technical comments										R
16	Negotiate Conditions of Approval	Legal									R
		City Planning									R
		Technical Municipal Divisions									R
		Other Authorities									R
17	Procure Decision and advise client/project team: Conditions of Approval										R
18	Meeting(s):	Client									R
		Project team									R
19	Facilitate compliance with conditions of approval										R
20	Meeting(s):	Client									R
		Project Team									R
		Conveyancer									R
		Land Surveyor									R
21	Facilitate promulgation/ registration process										R
22	Close out Meeting(s):	Client									R
		Project Team									R
<b>TOTAL TIME CHARGES PER CATEGORY</b>											R

STEPS	Director/ Principal		Town Planner		Planning Technician		Administrative Staff		FEE (R)
	Hrs	RX.XX	Hrs	RX>XX	Hrs	RX>XX	Hrs	RX>XX	
<b>PROFESSIONAL FEE - Exclusive of Application Fees, Notification Costs, Disbursements and VAT</b>									R
Provisions for Disbursements									R
Provision for VAT									R
<b>TOTAL FEE</b>									<b>R</b>

7.7 Unless the planning practitioner and the client agree definitely, the guidelines may suggest the following method of the agreed fee and discounts to be recovered:

SCHEDULE OF PAYMENTS			
■	20%	On confirmation of Appointment of planning practitioners	R
■	40%	On Submission of Application to Authorities	R
■	15%	On Closure of Notification/Public Participation Process	R
■	15%	On Procuring Decision of Authority	R
■	10%	On Promulgation/Registration	R
<b>TOTAL</b>			<b>R</b>

7.8 The charging of a percentage of increased land value may also be the subject of an agreement to be concluded between the instructing client and the planning practitioner prior to the work commencing. Such agreement may also include the determination of land value at the time of appointment and the anticipated increase in the value of the land (also to be relevant to the date of appointment), so as to prevent any downstream disputes with regard thereto. The additional fee based on a percentage (%) of increased land value may only apply to certain of the categories of work listed in **Table 1** and only in instances where it may be considered that the work of the planning practitioner will indeed result in the associated increase in land value. These matters are also more fully set out in **Annexure C** hereto.

## 8. SURVEY RESULTS

8.1 For the purposes of determining the guideline professional fees as set out in **Annexure C** hereto (the Method of Calculation), the SAACPP conducted research under its members (firms of practising planners throughout the country) to determine certain “benchmark” fee calculations per category of planning assignment.

8.2 Participants were required to respond to a set of generic questions relevant to typical planning assignments. In each instance the respondent calculated what he/she would expect to be reasonable remuneration for the work described per assignment. The averages of the various fee calculations were used as the basis to determine a reasonable “benchmark” in

each instance. The latest results of the 2017 summary are available from SACPLAN on request.

- 8.3 Although site specific circumstances will affect the method of calculation of a professional fee, dependent on the situational context of the property in question, the “recommended fee” per planning assignment, is to serve as a point of departure for planning practitioners (registered persons under SACPLAN) to calculate professional fees and to present such calculations to instructing clients for consideration, before concluding an appointment agreement to undertake any particular assignment.
- 8.4 Planning practitioners are advised to take local circumstances into account when calculating professional fees and, where relevant, to adjust the fees accordingly. It must be considered that SACPLAN only provides a guideline which remains a recommendation only and is not cast in stone. Nevertheless, the guideline must be premised on reasonable assumptions and must align appropriately with the regulating legislation and typical circumstances which prevail in the profession.
- 8.5 SACPLAN is often approached by disputing parties to provide guidance on the fee charged by a planning practitioner. Also, courts and arbitrators often rely on SACPLAN to assist in determining a “reasonable” fee for planning related work which forms part of a legal dispute or cost order. The guideline on the calculation of professional fees may be used as a point of departure to assist in such matters.

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***Prepared by SAACPP for SACPLAN***