

REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION

COSTS IN THE PLANNING SERVICE

Cabinet Member(s): Cllr Richard Chesterton
Responsible Officer: Mrs Jenny Clifford, Head of Planning, Economy and Regeneration

Reason for Report:

In 2018 a cost analysis of planning service and recording of officer time was carried out in partnership with Chartered Institute of Public Finance and Accounting (CIPFA). A report by CIPFA was subsequently produced on the 30th October 2018 and is attached as **Appendix 1**. Analysis of the data in this report has enabled the Development Management Service to identify areas of focus to deliver greater efficiencies, service improvement and in some instances opportunities for the recovery of costs in discretionary areas of service. This report highlights some of the headline findings of the recent costs exercise to provide Members with background information on suggested service improvements and changes. It also demonstrates that the Planning Service is actively assessing the level of customer care, performance improvement, cost recovery and process efficiencies.

RECOMMENDATION:

That Cabinet notes the contents of this report and the CIPFA report of 30th October 2018.

Relationship to Corporate Plan:

The core of the Planning Service is a statutory service, although some of the work undertaken, particularly before the formal planning application stage is discretionary and carried out for customer service reasons as well as seeking to secure higher quality planning outcomes through positively influencing development schemes at an early stage. The effective operation of the Planning Service delivers not only the processing of planning applications in line with the Government's performance targets, but also customer care and high quality development. The Planning Service directly contributes to the Corporate Plan priorities of community, housing, economy and environment, together with many of the aims under each of these priorities.

Financial Implications:

The introduction of service efficiencies and exploring cost recovery opportunities will improve the service for customers whilst reducing the costs of the operation of the service. Underpinning the cost of discretionary services through charging that seeks to recover the cost of providing that service will reduce the extent to which the discretionary elements of the Service budget are subsidised and will instead transfer more of the cost of non-statutory services to the users and beneficiaries of the service.

The CIFA report also considered the fee income received for certain application types and compared it with the cost to the Council of processing those applications by type. This is considered in more detail below and in the attached report.

Legal Implications:

The provisions of the Local Government Act 2003 are relevant to any consideration of charging for discretionary services as this must be on a cost recovery basis (s93). Planning fees for formal application processing are set nationally by the Government via Fee Regulations.

Risk Assessment:

This evidence based report is providing the focus for improvements to the Planning Service by aiding understanding of the amount of staff time spend in different activity areas, the cost of providing different parts of the service in relation to income (either as set by the Government in the case of the formal planning application process or discretionary for non-statutory areas). The time recording exercise and cost analysis undertaken reduce risks associated with either over or under-recovery of the costs of the service and will lead to targeted service improvements on an evidenced basis.

Improvements to efficiency and greater opportunities for cost recovery (where appropriate) will lead to less financial risk going forward. Having an appropriate and funded level of resource in place will allow for a sustained level of service delivery for customers that also reduces the risk of Government performance requirements not being met.

Equalities Impact:

There are no equality issues identified in this report.

1.0 BACKGROUND.

- 1.1. In 2018 a cost analysis of planning service and officer time was carried out in partnership with Chartered Institute of Public Finance and Accounting (CIPFA). The report by CIPFA incorporated data obtained from a four week time recording exercise, information on the costs of operating different parts of the service and the application of corporate on costs for support services. This resulted in annualised information on the cost and time spend of different activities and is being used as a basis for the service to identify and prioritise efficiency opportunities and areas of discretionary activity suitable for the recovery of costs through locally set fees.
- 1.2. Similar costs exercises were undertaken in 2011-2013 at a time when the Government was considering the introduction of local fee setting for planning. At that time local authorities worked with the Planning Advisory Service and CIPFA to establish the level of fees that would be applied by each Council by application type based upon activity levels, time taken and costs of service provision. Through this exercise benchmarking information was gained with a range of other councils both within the local area and on a more national basis. The Government did not introduce local fee setting for applications, these still being set nationally by fee regulations.
- 1.3. The 2018 exercise sought to undertake a similar approach to give an updated picture of costs in order to drive service improvement. Unfortunately it was not part of a wider exercise with other councils on this occasion and hence no benchmarking of the outcomes has taken place against other councils. However the information gathered in 2018 has been compared to that of 2013

to provide a limited comparative analysis. Outcomes from the study are informing the Development Management service improvement plan.

2.0 SERVICE COST HEADLINES

- Pre-application and duty planning officer services currently include time for which a fee is not charged. Based upon the time recorded and annualised, the currently non-fee generating aspects of this service costs the Council £109,000 pa to deliver.
- The assessment and processing of applications on a delegated basis (as compared with via Planning Committee) costs £137,000pa and represents 94% of decisions.
- Planning Committee reports and decisions cost £174,000pa and represents 6% of decisions. In cost terms, 16 delegated applications may be processed for the equivalent of each application that is considered at Planning Committee. However Planning Committee items are by their nature usually the most significant and complex applications.
- The percentage of delegated decisions is the same as it was in 2013(94%)
- The cost of complainant and contravener liaison in Planning Enforcement has increased by £18,000pa compared to 2013. This indicates a greater amount of staff time being recorded to this activity than previously.
- Running the planning application consultation process costs £111,000pa.
- Evaluation and negotiation costs on planning applications cost the service £236,000pa.
- The percentage of planning approvals is slightly up, to 94% from 91% in 2013.
- The number of planning appeals allowed in 2018 is down to 36% compared to 38% in 2013.
- The cost per hour of handling planning applications has increased from £30 to £36 per hour.

3.0 FEE INCOME HEADLINES

There has been a 29% increase in planning fee income since the 2013 data was gathered. This can partly be explained by the 20% increase in planning fees introduced by the Government on 17th January 2018. It has also been established through this process that in some instances fee income does not cover the costs of dealing with a particular type of planning application:

- Non-residential planning applications currently cost £68,000pa more to determine than the fees they generate.
- Householder planning applications cost £19,000pa more to determine than the fees they generate. This disparity between the cost of determining this application type in comparison with the fee income gained is significantly narrower than in 2013, although planning fees have increased by 20% within this period. This indicates that they are being processed with greater efficiency than previously, but that further efficiencies are still required.
- Heritage planning applications (for which the council is not able to generate a fee) cost £72,000pa. The introduction of greater efficiencies for this application type will reduce the financial extent to which the council must cover the cost of processing such applications.

Whilst there is a significant shortfall in the 18/19 planning fee income against target, this has primarily been due to a drop off in the receipt of major fee earning applications. This is mainly due to uncertain economic conditions that are outside the control of the service, but it does not mean there is a drop off in officer workload as lower fee earning applications can often generate significant work for officers and do not give the opportunity for Planning Performance Agreements (PPAs) to be entered into. PPAs are agreements between the council and applicant that lay out agreed timescales, actions and resources to process an application. They give greater certainty to the applicant and Council that technical issues will be addressed within a timely manner and the application will be processed to an agreed timescale. They do not commit to a particular outcome or decision, the Council retaining full discretion over the determination of the application in the usual way.

4.0 HEADLINE COST RECOVERY OPPORTUNITIES

- The target income for PPAs in 2018/19 is £20,000 and is in addition to the national planning fee. More efficient processes will ensure greater engagement in PPA's as they are very dependent on officer capacity to provide this additional service for applicants.
- The currently unpaid element of the duty planning officer service costs £46,000 per annum. The introduction of a £30 fee for each duty enquiry could bring in revenue of £21,420pa taking into account the expected demand for such a service. This is the subject of a separate report to this meeting of Cabinet.

4.0 EFFICIENCY SAVINGS IN PROCESSES

- A virtual sign off basket has already been created for the electronic checking and signing off of both delegated and committee decisions.
- The CIPFA report has identified the need to improve Planning Committee processes in order to reduce costs whilst still recognising the importance of this vital democratic process.

- All Development Management activities have now been process mapped with the aim of setting out procedures for each element of the service. Process mapping is seen as a priority in order to challenge established practices, ensure service resilience through clear well documented processes and result in greater efficiencies.
- The service will continue to look at opportunities to streamline the consultation process whilst still ensuring the provision of a high level of customer care. This is being explored through consideration of the Council's Statement of Community Involvement (SCI).
- The service will continue to explore opportunities to streamline the simplest planning applications such as householder planning applications. Efficiency savings in processing times can lead to improved customer care, reduced costs to the Council and improved performance statistics. More efficient processes on simpler planning applications will result in more officer time to deal with the higher fee generating major planning applications and to secure and resource other services such as PPA's and the paid for pre-application advice service. It will also give more time for officers to assist service users.
- A reduction in the time spent on negotiation can reduce service costs by taking less staff time. An example is where a refusal could be issued earlier in the application process in lieu of seeking to negotiate several rounds of application revisions. However, this must be balanced against the impact on customer care, the potential increase in appeal rates and associated costs and the fact that a quick refusal will result in a free resubmission as a new application.

5.0 SUMMARY

- 5.1 The time recording exercise and subsequent CIPFA report of 30th October 2018 has provided benchmarking evidence to show that in many areas the service is operating more efficiently than in 2013. It has also provided the service with evidence of officer time and overheads to help drive forward efficiency and cost savings whilst improving customer focus. Work of this nature is providing a more commercially aware approach to service delivery. The Development Management service will utilise this information to drive further service improvement and efficiencies including assessing opportunities for cost recovery in areas of discretionary service provision. It is intended that a staff time recording exercise is undertaken annually to provide up to date intelligence on the time taken on different service activities.

Contact for more Information: Mr David Green, Group Manager for Development
01884 234348
dgreen@middevon.gov.uk

Mrs Jenny Clifford, Head of Planning, Economy and Regeneration 01884 234346
jclifford@middevon.gov.uk

Circulation of the Report: Cabinet Members

List of Background Papers: CIPFA Report Oct 2018