

| Report of | Meeting | Date |
|--|-------------------------------------|-------------------------------|
| Director of Finance Head of Development and Regeneration | Community Overview & Scrutiny Panel | 8 th February 2006 |

COMMUNITY PANEL – BUDGET SCRUTINY

PURPOSE OF REPORT

1. To present to members details of the spending on Planning Services.
2. To analyse in more detail the findings of the Audit Commission review of costs undertaken as part of their use of resources value for money review.
3. To allow Members the opportunity to establish if the Council's policy objectives are being met and if the benchmark findings are a measure of the reality of Members and Stakeholders experiences.

CORPORATE PRIORITIES

4. Part of the Council's Greener, Cleaner, Safer priorities.

RISK ISSUES

5. The issue raised and recommendations made in this report involve risk considerations in the following categories:

| | | | |
|------------|---|------------------|---|
| Strategy | | Information | |
| Reputation | √ | Regulatory/Legal | |
| Financial | √ | Operational | √ |
| People | | Other | |

6. Council services need to be provided in an effective and efficient way so as to meet public expectations without representing an unreasonable burden on the taxpayer.

BACKGROUND

7. The Council has recently been subject to a value for money assessment undertaken by the Audit Commission as a precursor to a more formal comprehensive performance assessment, which may be undertaken once the CPA process for District Council's is agreed.
8. As part of their assessment the Audit Commission have undertaken a very basic benchmark of the costs of providing Planning Services by comparing absolute costs with the Council's family group that represent other Council's that exhibit the same attributes as ourselves in terms of demography, population etc.

9. The assessment, using the 2004/05 cost base and 2003/04 performance data, comprised of an analysis of the costs of the Planning Service as a whole, no breakdown or analysis of the different elements of cost have been provided by the Audit Commission.

AUDIT COMMISSION BENCHMARKING

Summary of Analysis

10. The Audit Commission Benchmarking comprises the Council's absolute costs against authorities which make up our family group as follows:

| | | |
|--|--|--|
| <ul style="list-style-type: none"> • Broxtowe • Crewe • Erewash • Gedling • High Peak • Hinckley | <ul style="list-style-type: none"> • Kettering • Newark • Newcastle • North East • South Derbyshire • South Ribble | <ul style="list-style-type: none"> • Vale Royal • West Lancashire • Wyre Forest |
|--|--|--|

11. In total the spending in 2004/05 on planning was £1.051m. This represents around 10% of the Council's total spending on services in that year. The breakdown of these costs is as follows:

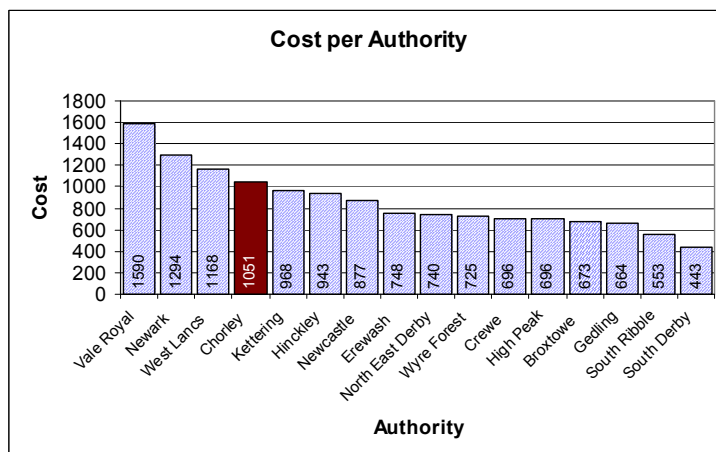
Table 1 – Total spend on Planning

| | |
|------------------------------------|-----------|
| Costs of: | £ |
| Building Control | 109,690 |
| Development Control | 408,430 |
| Planning Policy – Various | 341,840 |
| Planning Projects & Implementation | 191,300 |
| | 1,051,260 |
| | 1,051,260 |

Comparison with Family Group

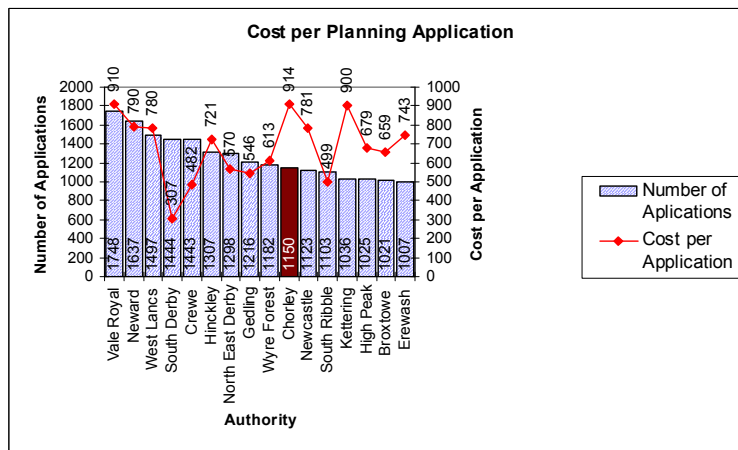
12. The Audit Commission analysis compares the cost of spending per head of population but a comparison of the absolute costs produced the following results:

Chart 1 – Compares Costs of Services



13. In cost terms, Chorley's costs are £2.048 greater per head of population than the family group. In total this amounts to Chorley spending £209k more than the average in the group.
14. However clearly a measure per head of population, which is the Audit Commission's measure, is perhaps not the best comparator. The driver of costs is ultimately the number of planning applications. Therefore an alternative measure has been calculated that derives from the number of applications and this is shown in the chart below.

Chart 2 – Cost per Planning Application

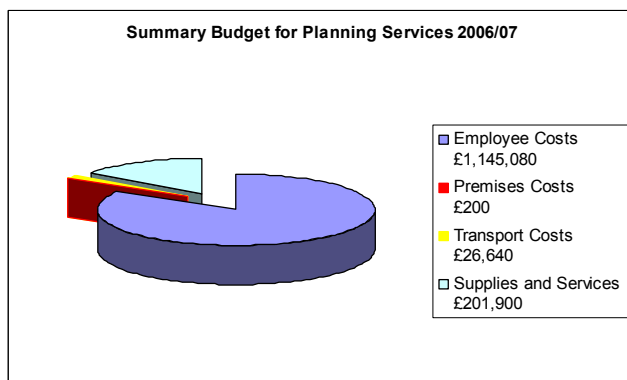


15. The chart shows that there is no simple correlation between the costs of the service and the throughput of applications.
16. Further analysis shows that during 2003/04, whilst costs are high, the number of planning applications was 9% lower than the family average. As a result the unit cost of an application is high and is in fact the highest in the family group.
17. The analysis however does not show either the scales or complexity of applications that have been dealt with and clearly this will have an impact on the number of staff required and therefore total costs.

BUDGET ANALYSIS

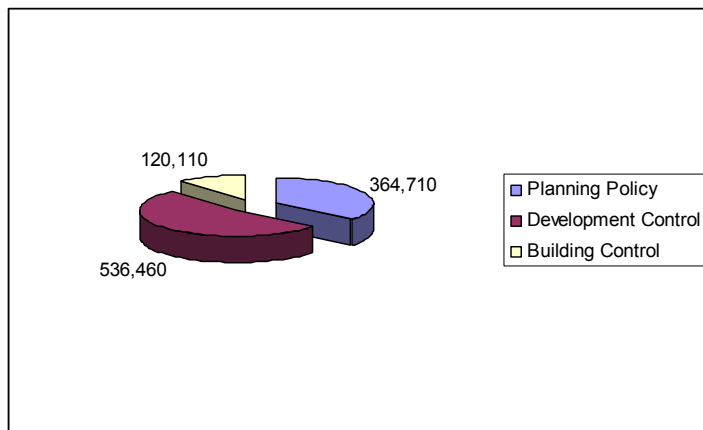
18. The Audit Commission analysis showed the cost of Planning Services at Chorley to be £209k greater than the family group average.
19. In order to understand the key cost drivers, summarised below is an analysis of the Planning Services expenditure budget for 2006/07

Chart 3 – Summary Budget for Planning Services 2006/07



20. The table shows that the bulk of the costs of the Planning Services are associated with employee costs.
21. In cost terms the Planning Department can be broken down into three distinct service areas as illustrated below.

Chart 4 – Costs per service area



22. The cost analysis shows Development Control and Planning Policy are the main constituents of the budget.
23. No data is available within the Audit Commission benchmarking to compare staffing numbers and structures, but for contextual information the unit structure is outlined at Appendix 1. A complete detailed breakdown of the costs of the service is also provided at Appendix 2.

POLICY AND TARGETS

24. The Planning Unit provide a number of services that contribute towards the Council's objective of making Chorley a better place to live and providing a greener environment through the control of development and subsequent enforcement. As the Government now regards the control of development as a key issue for communities, the Council now has a shared local and national priority to improve the planning service to customers.
25. In terms of outputs from the Unit, the Audit Commission provide a number of comparisons mainly around the speed of decision making. Clearly the Council's ability to meet turnaround time for applications is determined by the number and level of staff available to provide that service.
26. A comparison of the Council's performance, compared to the family group for 2003/04, which is the Audit Commission measure, is shown via the grouping below.

Chart 5 – Major Applications decided In 13 weeks

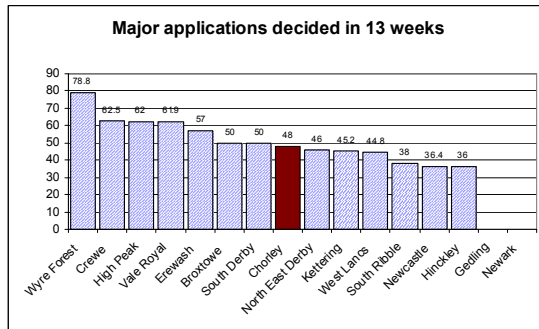


Chart 6 – Minor planning applications decided in 8 weeks

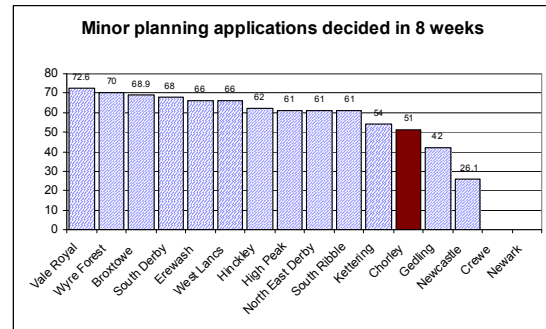
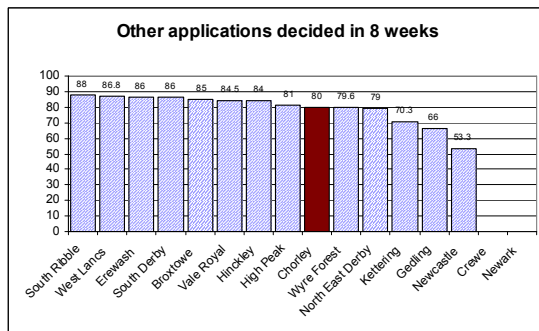


Chart 7 – Other application decided in 8 weeks



27. The charts show that in 2003/04 the service performed poorly against its family group, with almost all the indicators being in the lowest quartile.
28. Since 2003/04 which is the benchmark year, there has been significant investment in the Planning Service, both from the Council's own resources and through the receipts of Planning Delivery grant from the Government. The Grant is made to Council's who can show improving performance and has been the Governments main weapon for improving Planning Services across the piece not just in Chorley. The Government has attempted to raise the game of many Planning Authorities by providing a grant to aid investment. In 2004/05 the Council received £84,375 in grant. Although the grant is not ring fenced the Council took the decision to use the money to invest in the Planning Service in an attempt to increase the performance. Consequently the service was restructured and performance in 2004/05 for the key Best Value Performance Indicators is as follows:

| Best Value Performance Indicator | Target 2003/04 | Chorley 2003/04 | Target 2004/05 | Chorley 2004/05 | National Average | National Top Quartile | National Bottom Quartile | Top Quartile |
|---|----------------|-----------------|----------------|-----------------|------------------|-----------------------|--------------------------|--------------|
| % of major applications delivered in 13 weeks | 60.0 | 48.0 | 60.0 | 74.0 | 57.64 | 68.9 | 46.88 | Y |
| % of other applications delivered in 8 weeks | 80.0 | 80.0 | 80.0 | 88.0 | 82.48 | 88.0 | 80.0 | Y |
| % of minor applications delivered in 8 weeks | 65.0 | 51.0 | 65.0 | 71.0 | 67.85 | 75.4 | 61.12 | N |

29. The table shows that the direction of travel on performance is good, with significantly improved performance in all the best value performance indicators. Pleasingly 2 out of the 3 measures are in the national upper quartile with the third being better than the national average and heading towards the upper quartile.
30. In comparison with the family group, updated BVPI comparisons for 2004/05 show the following:

2004/2005 Comparison with Audit Commission Family Group of Authorities

Chart 9

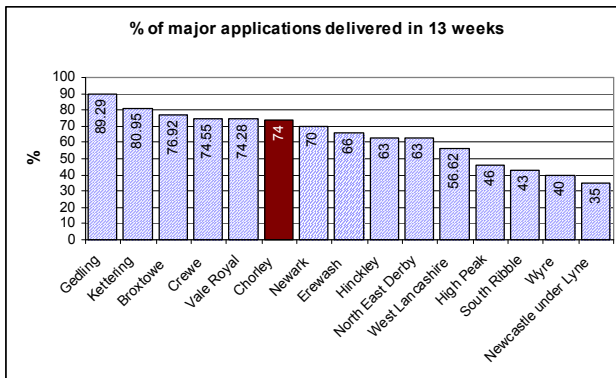


Chart 10

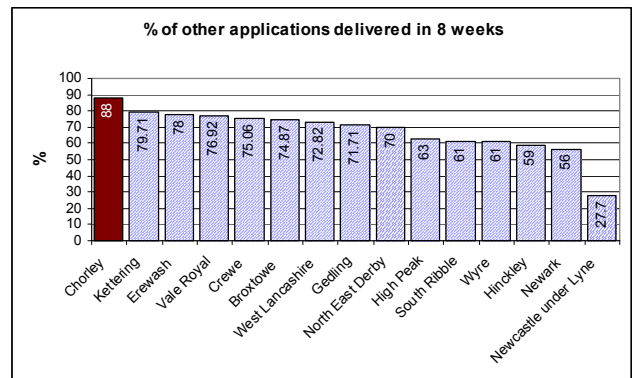
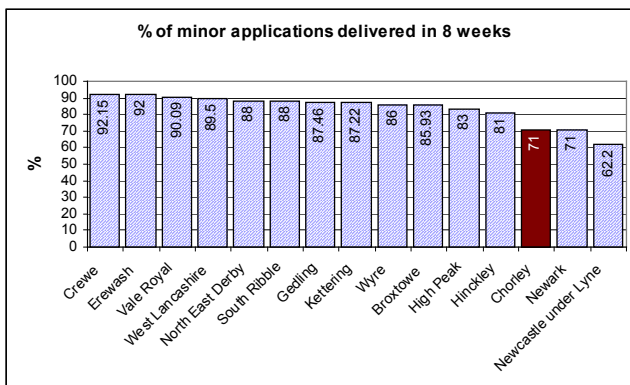


Chart 11



31. Not surprisingly as some of the BVPI measures are now upper quartile nationally, the Council's performance compared against the family group has also improved. By comparing the charts year on year it is possible to assess Chorley's relative performance to others in the family group, and the following conclusions can be drawn:

- In 2003/04 as measured by the Best Value Performance indicators, the performance of the unit was poor with all the measures being in either the lowest or second lowest quartile.
- For 2004/05 the situation has improved significantly with 2 out of the 3 indicators now being in the higher or second highest quartile in the family group.
- Only the minor applications relative score has remained unchanged and the Council is still in the bottom quartile for the family group.

SUMMARY AND CONCLUSIONS

32. In overall terms it is possible to draw a number of conclusions from the analysis provided through the Audit Commission data on cost and performance.
33. The analysis by the Audit Commission which is at a very strategic or high level prompts a number of questions, not least of which is why do the Borough Council appear to spend more resources in this particular areas than some others.
34. The budget scrutiny exercise has probably identified that without detailed analysis, it is not always possible to provide an explanation of the reasons for the difference in resource consumption, but that further work is necessary to establish the reasons for this.
35. The manifestation of the Council policies and targets is through the budgeted cost of services and through the Council's ability to deliver continuous improvement and meet its policy objective targets.
36. The analysis provided, whilst at a very broad level shows that through investment in the Planning Service, performance now compares favourably both at a national and family group level for some of the measures, but that there is still room for improvement with regard to establishing Chorley as a top performer in all areas.

RECOMMENDATION

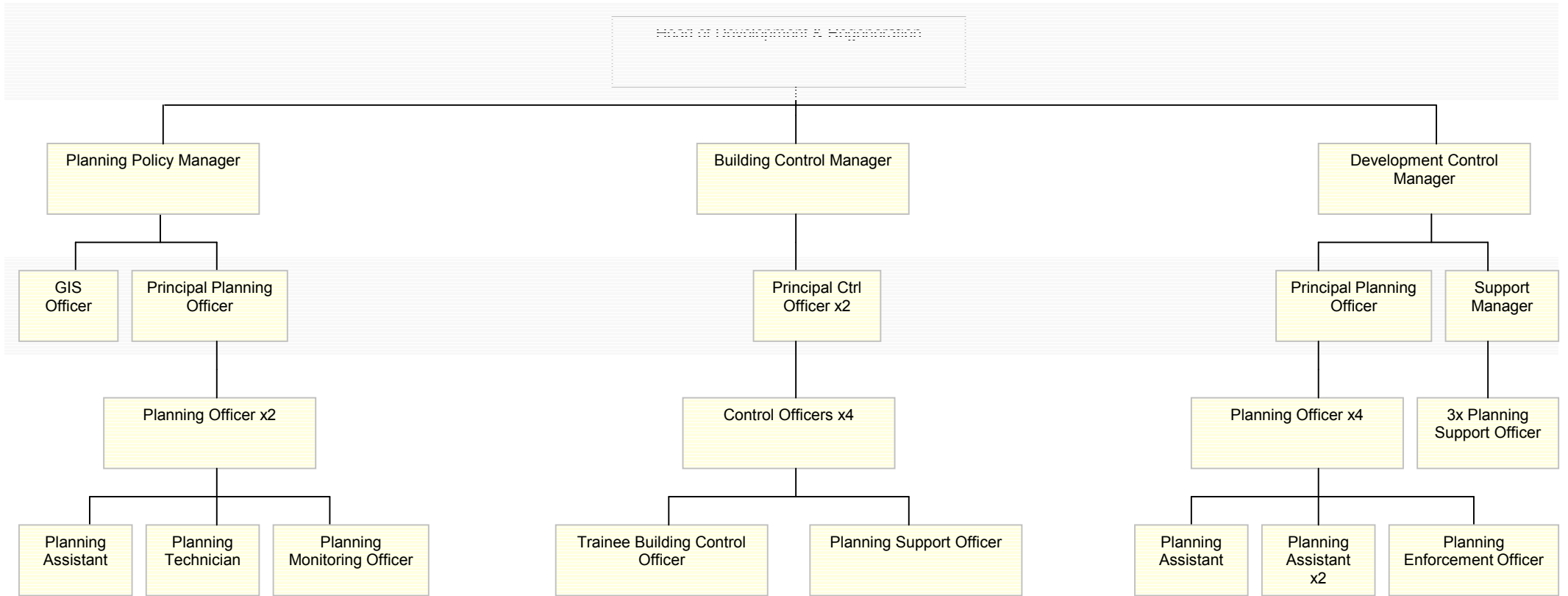
37. Members of the Scrutiny Panel are asked to note the comments of the report and determine whether it has any recommendations for the Overview and Scrutiny Committee to take forward to the Executive for consideration when recommending a budget for the Council for 2006/07.

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

| Report Author | Ext | Date | Doc ID |
|----------------------|------------|-----------------|-----------------|
| Gary Hall | 5480 | 30 January 2006 | ADMINREP/REPORT |

Staffing Structure



Full Year Budget

143EA Planning Services Unit

| | | |
|-------|-------------------------------------|-------------|
| 10000 | Operational Employees Salaries | 873,260.00 |
| 10001 | Young Persons Development Salaries | 2,500.00 |
| 10005 | Honorarium | 2,500.00 |
| 10100 | Operational Employees Overtime | 1,400.00 |
| 11000 | Operational Salaries NI | 64,960.00 |
| 12000 | Operational Salaries Superannuation | 126,630.00 |
| 13000 | Agency Staff | 29,160.00 |
| 14002 | Emergency Call Out Pay | 100.00 |
| 14011 | Professional Fees | 240.00 |
| 14100 | Car Leasing Payment | 26,680.00 |
| 14101 | Car Leasing National Insurance | 4,000.00 |
| 14102 | Car Leasing Insurance | 4,000.00 |
| 18003 | Employee Related Insurance | 9,650.00 |
| 20017 | Rent/Hire Of Premises | 200.00 |
| 30031 | Staff Bus Fares | 10.00 |
| 30032 | Staff Rail Fares | 130.00 |
| 30035 | Car Allowances | 20,750.00 |
| 30036 | Parking Fees | 70.00 |
| 30037 | Parking Permits | 5,680.00 |
| 40003 | Purchase of Tools or Equipment | 200.00 |
| 40012 | Purchase Furniture | 1,100.00 |
| 40014 | Maint Of Furniture/Equipment | 150.00 |
| 40040 | Protective Clothing | 550.00 |
| 40043 | Printing | 500.00 |
| 40044 | Printing Chorley Local Plan | 12,000.00 |
| 40048 | External Photocopying | 200.00 |
| 40050 | Stationery | 4,460.00 |
| 40051 | Photographic Supplies | 810.00 |
| 40052 | Drawing Office Supplies | 750.00 |
| 40053 | Microfiche/Microfilming | 4,000.00 |
| 40054 | Publications | 3,250.00 |
| 40063 | Professional Fees | 40,000.00 |
| 40068 | Search Fees | 60.00 |
| 40077 | Consultants' Fees | 9,000.00 |
| 40082 | Postages | 8,890.00 |
| 40083 | Telephones - Rentals | 420.00 |
| 40086 | Mobile Phones | 480.00 |
| 40099 | Computer Consumables | 2,700.00 |
| 40101 | IT Software - Annual Licences | 940.00 |
| 40105 | Computer Equipment-Maintenance | 720.00 |
| 40107 | Computer Software-Maintenance | 29,310.00 |
| 40111 | Computer - Support Services | 15,500.00 |
| 40115 | Travel & Subsistence - Staff | 40.00 |
| 40146 | General Subscriptions | 1,510.00 |
| 40147 | Ordnance Survey Licence | 6,020.00 |
| 40155 | Miscellaneous Insurances | 40.00 |
| 40160 | Statutory Notices | 9,000.00 |
| 40171 | Legal Fees | 5,900.00 |
| 40199 | Works In Default | 1,000.00 |
| 40201 | Hospitality | 250.00 |
| 40212 | Other Fees | 42,150.00 |
| 60004 | Home Office Grant | 250,000.00- |
| 60045 | Publications | 1,500.00- |
| 60097 | Photocopying Private Use | 6,030.00- |
| 60137 | Ordnance Survey Map Printing | 1,200.00- |
| 60138 | Ordnance Survey Royalties | 50.00- |
| 60147 | BCC'S Plans Fees | 137,040.00- |
| 60148 | Inspection Fees Buildg Control | 176,130.00- |
| 60149 | Planning Application Fees | 351,000.00- |

APPENDIX 2

Full Year Budget

| | | |
|-------|-------------------------------|---------------------|
| 60150 | Award Of Costs - Enforcements | 300.00- |
| 70040 | Deferred Charges Write-Off | 29,560.00 |
| 80000 | Accountancy | 26,430.00 |
| 80001 | Payroll | 8,930.00 |
| 80002 | Creditors | 2,390.00 |
| 80003 | Audit | 3,740.00 |
| 80004 | Debtors | 13,270.00 |
| 80007 | IT Services | 99,090.00 |
| 80009 | Personnel Services | 18,210.00 |
| 80010 | Health And Safety | 4,640.00 |
| 80011 | Occupational Health | 1,400.00 |
| 80012 | Corporate Training | 13,470.00 |
| 80013 | Central Recruitment | 1,720.00 |
| 80016 | Gillibrand Street Offices | 46,890.00 |
| 80021 | Civic Buildings Supervision | 920.00 |
| 80022 | Asset Management | 5,760.00 |
| 80023 | Legal Services | 48,640.00 |
| 80026 | Corporate & Policy Services | 5,180.00 |
| 80028 | Admin Services (Th) | 1,080.00 |
| 80030 | Admin Services (Gs) | 225,430.00 |
| 80032 | Desktop Publishing Services | 29,150.00 |
| 80033 | Corporate Management | 6,940.00 |
| 80035 | Central Printing Recharge | 4,240.00 |
| 80036 | Photocopying Recharge | 400.00 |
| 80059 | Regeneration | 6,770.00 |
| 80060 | Planning Policy | 44,740.00 |
| 80062 | Building Control | 4,020.00 |
| 80063 | Highways And Traffic | 20,570.00 |
| 80069 | Telephone /Fax Recharge | 9,420.00 |
| 80071 | Flexitime Recharge | 530.00 |
| 89000 | Internal Recharge Income | 112,820.00- |
| | Net Expenditure | 1,021,280.00 |