

Report of	Meeting	Date
Community Overview and Scrutiny Panel	Overview and Scrutiny Committee	16/02/2006

## COMMUNITY OVERVIEW AND SCRUTINY PANEL - BUDGET SCRUTINY

### PURPOSE OF REPORT

1. To present to Members the comments made at a meeting of the Community Overview and Scrutiny Panel held on 8 February 2006 on the Panel's review of spending on Planning Services.
2. To present the answers to the questions asked of the Executive Member for Development and Planning.
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 Shareholders' experiences.

### CORPORATE PRIORITIES

4. The delivery of the Planning Service impacts principally on the Authority's key priority to serve its customers well.

### RISK ISSUES

5. The issues 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 Councils 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 Councils that exhibit the same attributes as ourselves in terms of demography, population etc.



9. The assessment comprised an analysis of the costs of the Planning Service as a whole, using the 2004/05 cost base and the 2003/04 performance data. However, no detailed breakdown or analysis of the different elements of costs have been provided by the Audit Commission.
10. The Audit Commission Benchmarking comprises the Council's absolute costs against those authorities which make up our family group as follows:

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

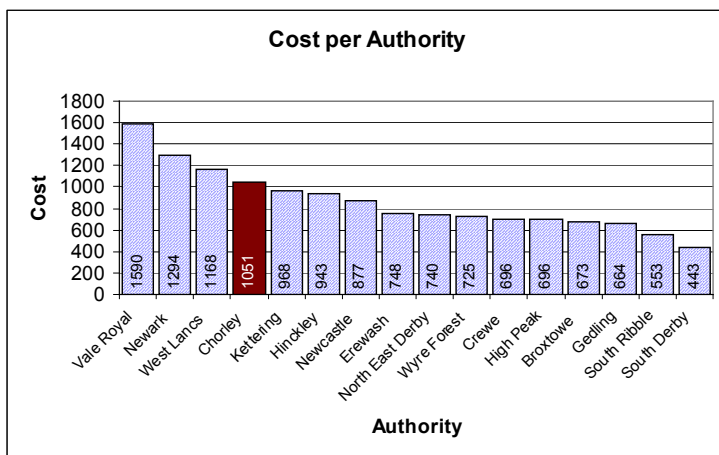
**Table 1 Total spend on Planning**

Costs of:	£
Building Control	109,690
Development Control	408,430
Planning Policy - Various	341,840
Planning Projects & Implementation	<u>181,300</u>
	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:

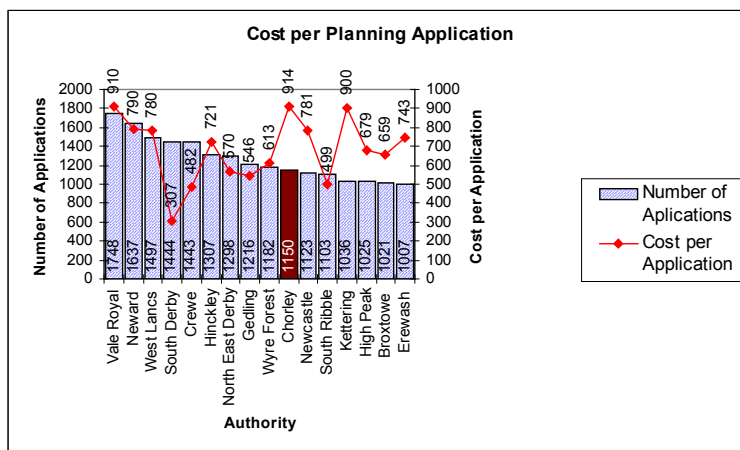
**Chart 1 - Compares Costs of Services**



13. The chart shows that, in cost terms, Chorley's spending in 2004/05 was £209,000 greater than the average in its group. The Audit Commission's measure based on a per head of

population is perhaps not the best comparator. The driver of the costs is ultimately the number of planning applications. Therefore, an alternative measure has been calculated to compare authorities according to the number of planning applications processed. The results of this analysis are shown in the following chart.

**Chart 2 - Cost per Planning Application**



14. While the chart confirms that there is no simple correlation between the costs of the service and the throughput of applications, further analysis has shown that, during 2003/04, whilst costs were high, the number of planning applications was 9% lower than the family average. In fact, the unit cost of an application was the highest in the family group. The Panel appreciated, however, that the statistics may not reflect the scale and complexity of applications dealt with, which clearly impacted on the staff levels required and subsequent total costs.

**CURRENT SITUATION**

15. The Panel noted that, since 2003/04, 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. As a result of the restructuring, the Council’s performance in 2004/05 in relation to the key Best Value Performance Indicators was 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

16. The Panel appreciates that, through the investment in the Planning Service, performance now compares favourably both at a national and family group level for 2 of the 3 key indicators, but accepts that there is still room for improvement.

## QUESTIONS TO EXECUTIVE MEMBER

17. The Executive Member for Development and Planning, accompanied by the Deputy Chief Executive/Group Director and the Head of Development and Regeneration, attended the Panel meeting to assist the review.
18. A number of questions were put by the Chairman and Members of the Panel to the Executive Member. The questions are listed below, together with a summary of the responses to the questions.

### Question 1

**“It appears the Council is not able to demonstrate that it can compare and understand in detail its cost base and to some extent its performance as compared to other Councils. This issue was raised recently at the Borough/Parish Liaison meeting. How will the Executive remedy this issue?”**

The Audit Commission survey results represent only a snapshot of the situation at the time of the survey, a time incidentally when Chorley was experiencing significant staffing problems. The situation has improved considerably since the time of the surveys, thanks largely to the injection of funds from the Planning Delivery Grant, but there is still much work to be done.

The data provided is not sufficient to enable meaningful and reasonable comparisons to be made between the authorities in the family group. There is a need to ‘drill down’ into the data to extract more information. On a surface level, the Council’s cost of providing the service does appear high in comparison with other authorities in the family group. However, without knowledge of other authorities staffing structures, planning application processing policies and procedures, financial resources, delegation arrangements, planning enforcement performance etc., reasonable comparisons between authorities is difficult.

The Chairman reminded the Panel that the authorities had been judged on the speed of their decision making and the performance indicators took no account of the quality of the decisions taken.

There is, therefore, a strong argument to pursue a more probing benchmarking exercise, especially into issues surrounding the cost and quality elements of the planning service.

One of the major issues raised at the recent Borough/Parish Liaison meeting concerned the Authority’s performance on planning enforcement. In this respect, the Council has recently appointed an additional Enforcement Officer and the Planning Services Business Plan will include provision for the production of an Enforcement Charter, with the ultimate aim of the enforcement service becoming more proactive, rather than merely reactive to breaches of planning control. The requirement for effective performance indicators for enforcement work is also recognised and emphasised by the Chairman.

### Question 2

**“What does the Planning Service do to ensure that it achieves value for money for the taxpayer”**

In response to a specific enquiry from a Member, the Executive Member indicated that it is difficult at this stage to define whether to service in delivering value for money in comparison with other Authorities, particularly those in its family group, in the absence of comparable benchmarking statistics. The limited data available is insufficient to enable reasoned judgements to be made as to whether the Council is providing a good value for

money service when compared to other similar authorities. Additional work needs to be undertaken to answer the questions posed by the results of the Audit Commission's survey. Many factors and elements contribute to the costs of Authorities' planning service, but until these factors are known and analysed, it will not be possible to compare 'like with like' and determine the proper value for money level of Chorley's service. In the interim, however, the Council is well aware of the need to maintain a cost effective service and reduce costs wherever possible.

The last budget exercise resulted in the formation of the current Development and Regeneration Unit by the amalgamation of the former Planning Services Unit and the Economic Regeneration Unit, which produced cost savings. The development of the electronic delivery of the service, through, for example the installation of planning portals on the Council's web site, has assisted customer/staff interaction and contributes to a more efficient service. In addition, the Unit is continually reviewing and altering its processes and procedures to ensure that it delivers value for money. A new Urban Designer post has been created and procedures introduced to ensure more efficient working practices within the Unit in relation to the processing of planning applications.

### Questions 3

#### **"How does the service contribute to the Council's Gershon and e-Government targets?"**

The recent restructuring exercise has generated and produced cost savings within planning services.

The Unit Head has introduced a degree of flexibility into the working practise of the Unit, with a Monitoring Officer established to monitor planning application processes. The minor applications are generally processed by the more junior Planning Officers, leaving the more experienced professional staff to concentrate on the major applications.

The availability of the planning portal has increased the efficiency of the Unit and the extension of the delegation scheme to the senior officers has resulted in the region of 90% of planning applications being determined through delegated powers in accordance with Government targets.

### Question 4

#### **"The Council has received additional Planning Delivery Grant to improve the service. How can it be demonstrated that this has been used effectively?"**

While not specifically being ring-fenced, the Planning Delivery Grant awarded to the Council has been utilised, in accordance with Government expectations, to enhance the delivery of the planning service. The Council received in the region of £480,000 in 2004/05 and £513,000 in the current financial year. This money has been expended on efficiency measures, new technology and the improvement of the staffing structure (eg creation of Urban Designer post and additional Enforcement staff) to enhance the overall delivery of the service.

The investment has resulted in the improvement of the service and the Unit achieving the majority of the statutory and Business Plan targets.

It is not envisaged that the Planning Delivery Grant resource will be available as a separate financial resource for much longer, as it is most likely to be incorporated in the Revenue Support Grant in future years.

#### Question 5

**“The target for completing minor applications has been hit, but this is not yet upper quartile. Are there any plans to ensure upper quartile is achieved.”**

The investment provided by the Planning Delivery Grant has assisted the Unit to achieve, and exceed, each of the Best Value Performance Indicators in respect of the determination of both major and minor applications. It is appreciated that the Council has not yet attained the upper quartile of authorities in relation to the processing of minor applications within eight weeks. The Unit does, however, aim to reach the upper quartile, but, if this ultimately entails more staff resources, the cost implications will need to be assessed.

The monitoring processes are to be streamlined and the possibility of effecting greater efficiencies, by, perhaps allowing minor, non-contentious applications to be processed by administrative staff, can be explored.

#### Question 6

**“Can the Executive give the Panel some guidance as to what best practice guidelines exist for the service and whether these have been adopted by the service?”**

The structure of the Unit has been revised to incorporate Development Control, Building Control, Planning Policy, Economic Development and Regeneration services.

Working practices have been revised to maximise efficiency within the Development Control Section, principally by ensuring that the time of experienced, professional staff is largely spent on processing major, complex applications.

There is, of course, still room for improvement and all feasible improvements and efficiencies will be explored. For example, the determination process might be enhanced by greater resources being targeted at the pre-application and customer advice stage, but clearly this would have financial implications.

#### Question 7

**“What are the main cost pressures for Planning Services moving forward and how are these dealt with in the 2006/07 budget?”**

The Planning Services Unit is responsible for the Development Control, Building Control, Planning Policy, Economic Development and Regeneration Sections.

The Council needs to determine the totality of the costs of the service, minus the support recharges and other associated costs, in addition to relevant benchmarking data, before it can effectively compare itself with other authorities. This information will also enforce bids for additional resources to expand and improve the service in future years.

A member of the Panel asked if the costs of processing planning applications could be met by applicants' fees. In response, the Executive Member reminded the Panel of the statutory nature of the fees regime. The scale of fees for planning applications were related to the nature and type of application which was in turn related to the work required to process the application. However, some applications were more complex and time-consuming than others, but business processes were being examined.

Councillor Morgan also drew attention to the fact that the vast majority of the Planning Services' costs related to employee costs and queried whether any measures could be

introduced to quantify Officers' time spent on individual tasks. The Executive Member, in reply, said that the re-organisation of the Unit had led to greater efficiencies and more flexible working amongst the staff. The working arrangements in the Development Control Section were still under review as part of the Unit's 'value for money' aim.

#### Question 8

**“Are there any measures of satisfaction for the service and how is Chorley performing in this area?”**

Customer Satisfaction surveys are undertaken periodically.

The effectiveness and efficiency of the service should not be judged purely on the number of applications processed within the target period, nor the cost of the service. The quality of decision making should also be a relevant factor in the overall assessment of the service. This can be measured by the aesthetic quality of developments; the number of decisions taken contrary to Officer recommendation; and the number of appeals lodged against the refusal of planning applications.

#### Question 9

**“Sometime ago, the Executive Cabinet agreed to pursue the possibility of a joint working arrangement with Preston and South Ribble Councils to deliver building control services. What is the current position on this arrangement?”**

This proposal is no longer presently being actively pursued. The discussions failed to identify any substantial benefits for Chorley Council and no Business Plan emerged from the negotiations.

The Borough Council, however, continues its joint working with Preston and South Ribble on the promotion of the Central Lancashire region within the Regional Spatial Strategy and the production of both the Local Development Framework and an Economic Regeneration Strategy for Chorley.

Chorley Council also collaborated with its neighbouring Authorities to secure the regeneration and redevelopment of the Buckshaw Village site and will be prepared to explore joint working arrangements whenever future opportunities arise.

## **CONCLUSION**

19. The Panel accepts that the delivery and efficiency of the development control service has been improved considerably over recent years, particularly since the investment provided by the Planning Delivery Grant. The national and local targets for the determination of planning applications are being met, but it is accepted that other efficiencies and improvements can be pursued.
20. The Planning Service is not restricted to development control, the Unit being also responsible for Building Control, Planning Policy, Economic Development and Regeneration. In order to evaluate whether the whole service is providing value for money, the Council needs to determine the total cost base for each element, together with comparative costs from similar authorities. The provision of additional key performance indicators, particularly in relation to qualitative issues and enforcement performance, is also essential.

## RECOMMENDATIONS

21. The Community Overview and Scrutiny Panel recommend the Overview and Scrutiny Committee to submit the following comments to the Executive Cabinet:
- (1) That the Executive Cabinet be recommended to pursue the provision of more detailed comparative data from the Audit Commission's 'family tree' authorities, particularly in relation to the output, cost and quality of services, in order to enable a more reasonable value for money assessment of the whole of the Council's planning service.
  - (2) That action be taken to introduce effective performance indicators for planning enforcement work.

There are no background papers to this report.

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