

# AGENDA ITEM 13

## RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

16<sup>th</sup> MARCH 2011

### JOINT REPORT OF HEAD OF REGULATORY SERVICES AND HEAD OF COMMUNITIES & NEIGHBOURHOODS

#### REPORT INTO NATIONAL BENCHMARKING EXERCISE FOR DEVELOPMENT CONTROL

#### 1.0 PURPOSE OF THE REPORT

1.1 To implement the instructions of the Development Committee to highlight the above report to REEA Committee provide to members the findings in relation to the planning policy function.

#### 2.0 RECOMMENDATIONS

2.1 It is recommended that:-

(a) The Committee notes the results of the exercise, as set out in the attached report (Appendix A) and supplementary sheet addressing Planning Policy findings (Appendix B)

#### 3.0 KEY ISSUES

3.1 At its meeting of 24<sup>th</sup> February the Development Committee resolved to note the content of the attached report and instructed that it also be presented to REEA Committee

3.2 Appendix A comprises the report received by Development Committee.

3.3 Appendix B presents the findings of the benchmarking study in relation to Planning Policy, which shows costs are at, on average, lower by 35% for delivery of the policy function.

#### 4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 There are no significant corporate implications arising from this proposal.

#### 5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are no direct financial implications arising from this report. The findings will assist in future exercises for local fee setting for planning applications.

#### 6.0 LEGAL IMPLICATIONS/POWERS

6.1 There are no direct legal implications arising from this report.

#### 7.0 COMMUNITY SAFETY

7.1 There are no direct community safety implications.

**8.0 EQUALITIES**

8.1 There are no direct equality implications.

**9.0 RISKS**

9.1 There are no risks arising from this report.

**10.0 CLIMATE CHANGE**

10.1 There are no climate change implications.

**11.0 CONSULTATION**

11.1 No consultation has been carried out.

**12.0 WARDS AFFECTED**

12.1 None

Background Documents: None

**DEVELOPMENT COMMITTEE**

**24TH FEBRUARY 2011**

**REPORT OF HEAD OF REGULATORY SERVICES**

**REPORT INTO NATIONAL BENCHMARKING EXERCISE FOR  
DEVELOPMENT CONTROL**

**1. PURPOSE OF THE REPORT**

- 1.1 To advise the Committee of the findings of the national benchmarking exercise carried out by the Planning Advisory Service.

**2. RECOMMENDATION**

- 2.1 **That members note the content of this report.**

**3. BACKGROUND**

- 3.1 Melton BC was invited to join a detailed Benchmarking exercise. This comprised a detailed review into several aspects of the planning process and has delivered information on the following aspects:

- hourly costs;
- activity (e.g. processing applications)
- a first look at chargeable planning costs
- a breakdown for every £1,000 spent
- customer satisfaction
- performance indicators

- 3.2 The exercise broke down the component parts of the application process in order to allow comparisons with other Authorities, to allow examples of good practice to be identified for future examination. 90 Authorities were included in the exercise, offering a large sample group with whom to make comparisons. This included all but one of the Leicestershire Authorities which allows for detailed local discussions.

**4. APPRAISAL**

- 4.1 The results provided are reported as follows:

**(i) Cost per activity summaries**

Detailed data was collected by breaking down planning processes into numerous (over 40) smaller areas of activity. This then allowed comparisons to be made in terms of both where activity is dedicated and the cost of activity. Key findings are as follows:

- Melton's overall costs are some 17% below average (and higher than average costs in only 2 out of 42 categories – dealing with complaints/feedback and Committee reporting/decisions)

- We dedicate a greater proportion of time to the evaluation and negotiation of applications than is average.
- We dedicate a greater proportion of time to appeals than average\* but costs remain average.
- We dedicate a greater proportion of time (but not cost) to staff supervision than average.

\*it is suspected this may result from the sampling period, which coincided with the dates the Bottesford Wind Farm Inquiry was running

**(ii) Costs per productive hour**

A summary of the findings are reproduced below:

	Direct costs	Lost time	Direct charges	Generic charges	Total cost	% total cost	Avg
Generic	32,323	1,915		£0	34,239	11%	14%
Strategic Planning	43,892	2,589	£7,010	£0	53,291	17%	22%
Planning Applications	105,531	6,254	£86,708	£0	198,493	62%	49%
Compliance & Delivery	20,322	1,204	£15,000	£0	36,527	11%	11%
Non-planning	0	0		£0	0	0%	4%
Lost time	11,963	-11,963					
	213,831		£108,718	£0	322,549		

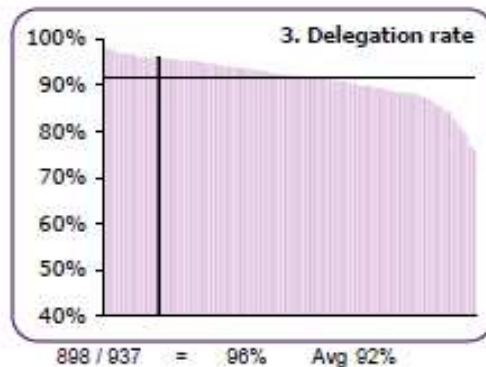
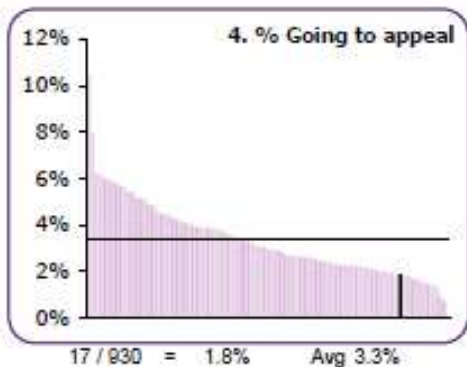
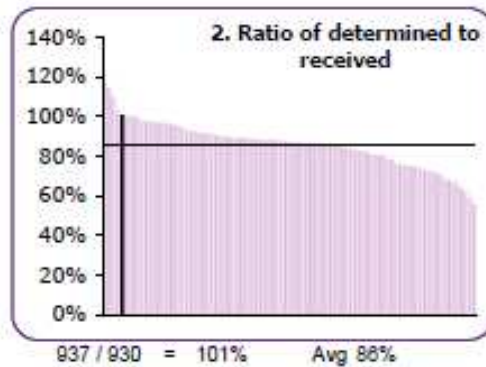
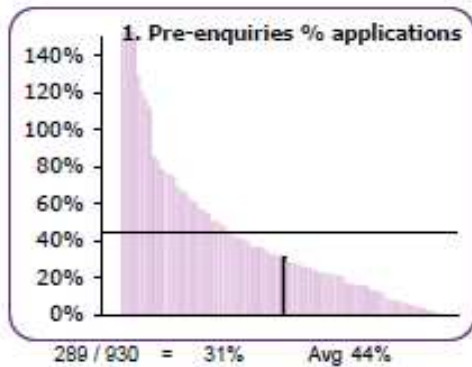
This table shows the distribution of officer time spread across planning activity (n.b please note inclusion of LDF work by the Policy Team, which formed part of the exercise). Key factors of note are:

- Proportion of resource dedicated to applications
- Impact of recharges ('direct charges') which come close to doubling the cost of Development Control activity. This relates to costs charged for premises, support provided by other departments (e.g Financial Services, Customer Services etc) and additional commissioned advice (e.g specialist technical advice)

**(iii) Activity**

Details were provided which compares our activity (i.e dedication of resources available to various aspects of the application process) to those recorded by others. Key findings identified are:

- Slightly below average quantity of pre-application enquiries leading to applications.
- A 'turnover' of applications greater than numbers received, i.e. no backlog is being developed.
- A lower than average appeal rate – an indication of sound decision making?
- Slightly above average delegation rate.

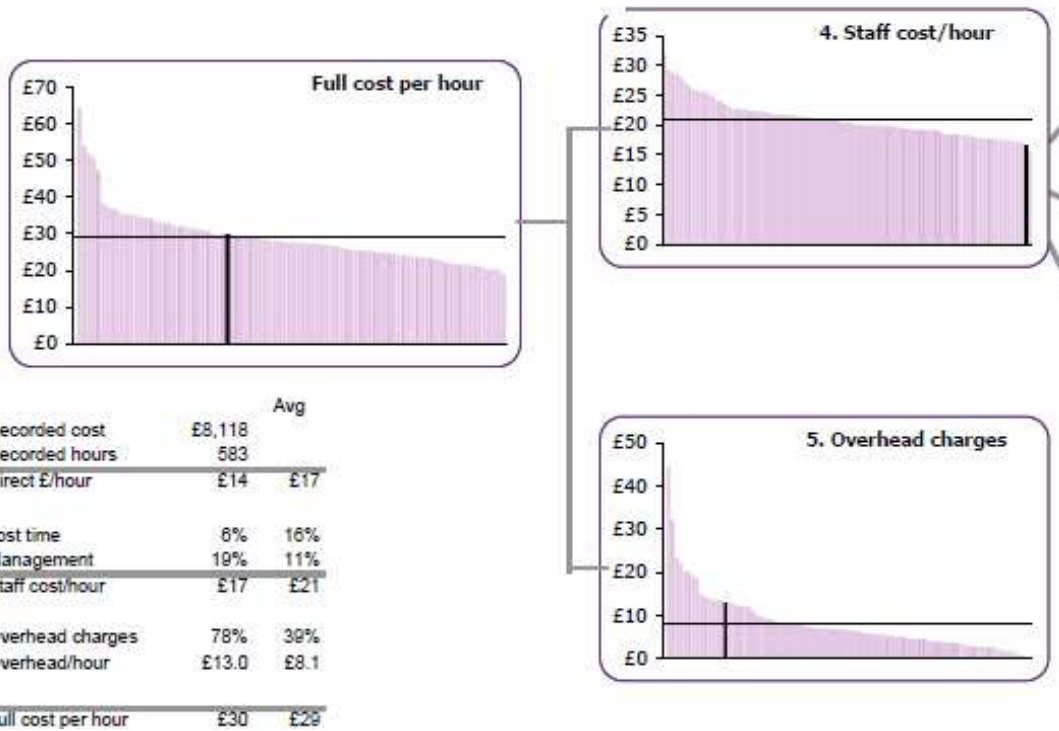


**(iv) Chargeable costs to fees**

Data analysis suggests that the fees received exceed the costs dedicated to dealing with applications. It is likely that future fee regimes will enable Authorities to set their own fees against costs and this implies that (a) there will be little scope for increases and (b) fees currently support non-application activity such as enforcement and pre-application advice which may be difficult to support under future regimes.

**(v) Costs per hour**

The following graphs show overall costs and combine staff costs with overheads. As will be noted, staff costs are the second lowest in the entire sample group of 90, but overheads raise overall costs to an average level. For information, 'staff costs' include the costs of departmental management and supervision and all expenditure on goods and materials (from transport costs to stationary) but costs relating to 'back office' activity such as customer services, IT systems etc are included as 'overheads'.



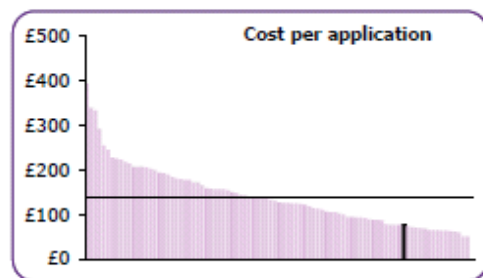
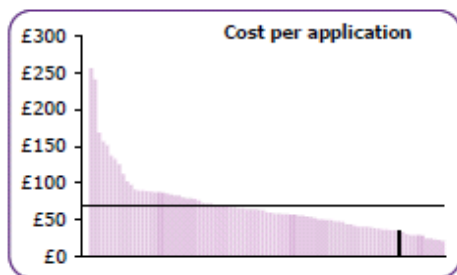
**(vi) Costs per application**

The study broke down the application process into its 'component parts' and analysed the cost of each element. These results were then amalgamated to produce a final, overall, cost per application.

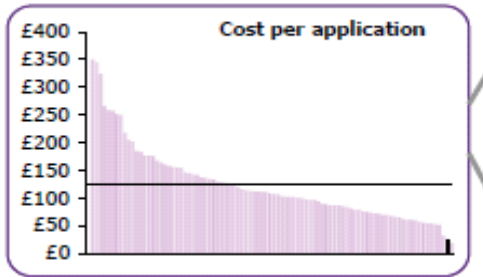
As will be noted, Melton delivers all aspects of the application process at well below average costs, culminating in one of the lowest overall costs per application of the entire study (this despite the overheads findings referred to above).

**Validation and receipt**

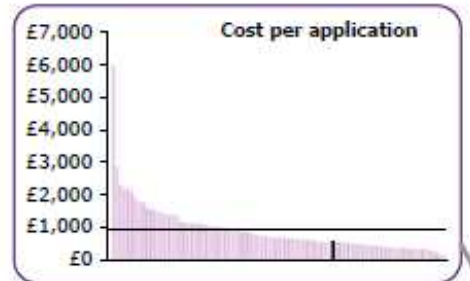
**Evaluation and negotiation**



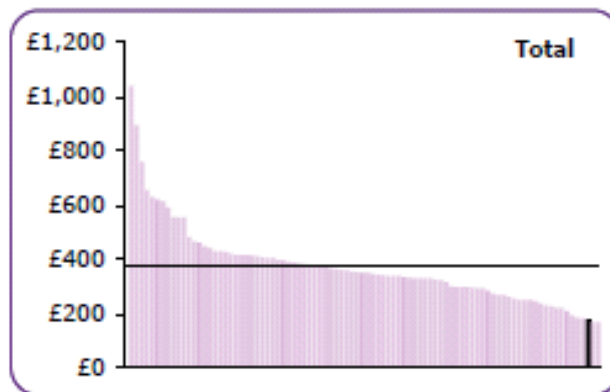
### Decisions – delegated



### Decisions – Committee

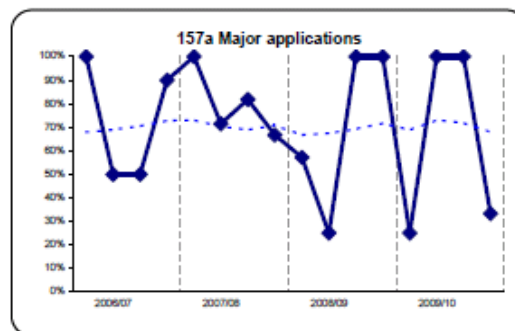


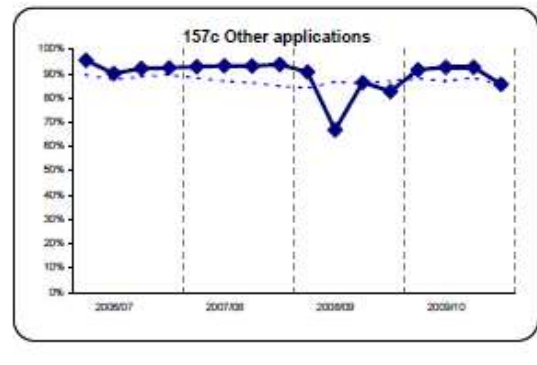
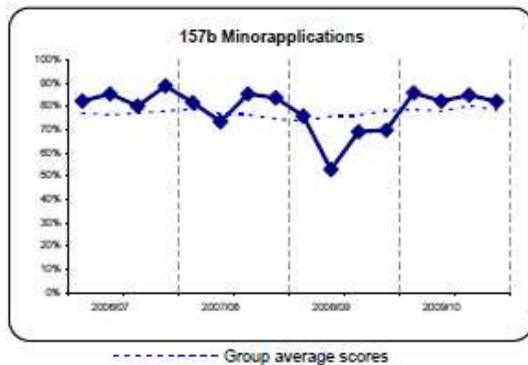
### Overall application costs



### (vii) Performance

The study took a narrow overview of performance, reliant only upon national indicators (as the only universal measure available). We tend to take a more 'rounded' view of performance but comparative measures are not available for other measures. However, the data supplied shows Melton to be around, or just above, the average level.





#### 4.2 Conclusions and next steps

The study provides substantial evidence that Melton's DC service can be described as 'high performing and extremely low cost', illustrated most clearly at (vi) above.

4.3 However, the data also reveals some detail that is of interest beyond the key findings. Melton's staffing model is founded upon large contributions from staff of limited qualification and experience. This is the main factor behind the low costs but is also the driver for the higher than average levels of Management time dedicated to the area. We are aware of alternative, diametrically opposite approaches, whereby more qualified staff are employed with greater autonomy over their case load. However, this study shows that our approach is lower cost and delivers a good standard of service.

4.4 The next steps will comprise the identification of Authorities that display costs and performance superior to our own, as examples of good practice that we may be able to learn from. The detail of the study enables this to be isolated to discrete aspects of the service which will enable ideas from a range of sources to be considered.

### 5.0 POLICY AND CORPORATE IMPLICATIONS

5.1 There are no significant corporate implications arising from this proposal.

### 6.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

6.1 There are no direct financial implications arising from this report. The findings will assist in future exercises for local fee setting for planning applications.

### 7.0 LEGAL IMPLICATIONS/POWERS

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### 8.0 COMMUNITY SAFETY

8.1 There are no direct community safety implications.



**9.0 EQUALITIES**

9.1 There are no direct equality implications.

**10.0 RISKS**

10.1 There are no risks arising from this report.

**11.0 CLIMATE CHANGE**

11.1 There are no climate change implications.

**12.0 CONSULTATION**

12.1 No consultation has been carried out.

**13.0 WARDS AFFECTED**

13.1 None

Background Documents: None

Contact Officer:

Mr J Worley - Head of Regulatory Services

## APPENDIX B

### REPORT INTO NATIONAL BENCHMARKING EXERCISE FOR PLANNING: PLANNING POLICY

- 1.1 The national benchmarking exercise for planning required the input of planning policy professionals in addition to those working in development management. It is important to note that the survey period of four weeks does not provide the opportunity for a wholesale comparison between planning policy services at the 89 authorities. Within that four week period the services audited are likely to be at different stages within the development plan process and, as a consequence, undertaking quite different tasks. Within a four week period an authority may be engaged in a single task within the process, such as; evidence gathering, DPD preparation, consultation, examination or implementation.
- 1.2 The benchmarking report does not consider the development of planning policy to the same extent that it provides for the development management process. As a result, there is less information set out in the report. Nevertheless, it provides a summary of our strategic planning processes, benchmarked against an average position for the 89 participating authorities.
- 1.3 The headline results for 'Strategic Planning' are set out in the table below.

RECORDED STAFF HOURS & COST						
Generic	Hours	% total	Avg	Cost	Cost /hour	Avg
<b>Strategic Planning</b>						
200 - Professional advice to applications	41	16%	11%	£524	£13 <<	£20
210 - Professional advice to other orgs	0	0%	4%	£0	na	£22
220 - Articulating strategy	11	4%	6%	£146	£14	£22
230 - Research, evidence, projections	122	47%	30%	£1,587	£13	£18
240 - Options generation & appraisal, writing poli	1	0%	20%	£25	£25	£20
250 - Comms, engagement & delivery	11	4%	12%	£146	£13 <<	£21
260 - Project management	31	12%	8%	£407	£13	£22
299 - Staff management	41	16%	9%	£525	£13	£22
<b>Sub-total</b>	<b>257</b>	<b>22%</b>	<b>16%</b>	<b>£3,361</b>	<b>£13 &lt;&lt;</b>	<b>£20</b>

- 1.3 In general, the table shows that during the four weeks of the survey the policy team at MBC are engaged in several activities to a greater extent than the average and others to a lesser extent. This is a result of the current workload and is not a cause for concern, although there may be benefits to replicating the survey in the future to undertake a second comparison.
- 1.4 Perhaps of more interest are the 'costs', when compared to the 'hours'. A greater amount of time is spent on 'planning applications', 'research, evidence and projections', 'project management' and 'staff management' for example, although the costs are lower than the average. Costs remain cheaper per hour than the average across the board with the exception of the figure for 'Options generation & appraisal, writing policy' which is higher, but interestingly has no hours associated with it. A reason for this is being sought from the authors of the report.

- 1.5 Perhaps the headline from the survey is the overall cost of the policy function compared to the average - £13 per hour compared to an average of £20. At approximately 35% lower than the average this represents a considerable financial saving when compared to the costs of the other authorities who participated.
- 1.6 Work by the members of the team also feature in other sections of the report, most notably in 'Council/ corporate duties' (particularly the Principal Policy Officer and one of the Planning Policy Officers) and two areas of development management work; 'pre-application (unpaid)' and 'planning appeals'. This is a consequence of having a limited number of experienced and chartered planners at the authority but also due to the nature of the workload 'on the books' of the local planning authority' during the four week period which included three major applications for supermarkets and direct involvement in planning appeals. Any decisions that are taken concerning local fee setting, particularly in relation to pre-application advice, should capture involvement of the planning policy team.

Contact Officer

D. Pendle  
Principal Policy Officer