



PRCC.28 11/12

Prosperous Communities
Committee

1 February 2012

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Subject: Analysis of Income and Expenditure Streams in the Planning and Local Land Charges Functions.

Report by:

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Purpose / Summary:

To provide members of the Prosperous Communities Committee an analysis of income and expenditure streams in the Planning and Local Land Charges functions, as requested at their meeting of 2 November 2011.

RECOMMENDATION(S):

- 1) That Members note the contents of this report**
- 2) Members to advise if there are any areas that need further attention and detail to be brought to a further meeting.**

IMPLICATIONS

Legal: None as a result of this report.

Financial : To assist with the budget setting for the Planning and Local Land Charges functions for the 2012/13 financial year

Staffing : None as a result of this report.

Equality and Diversity including Human Rights : N/A

*NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.*

Risk Assessment : N/A

Climate Related Risks and Opportunities : Agile working will contribute to reducing the Council's carbon footprint.

Title and Location of any Background Papers used in the preparation of this report:

None

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

Executive Summary

The members of the Prosperous Communities Committee at their meeting of 2 November 2011 requested an analysis of income and expenditure streams in the Building Control, Planning and Local Land Charges functions.

This report covers aspects of the Planning and Land Charges functions as reports outlining the future of Building Control will be brought to the Committee in due course.

Fee income in 2011/12 for Local Land Charges and Planning will be significantly less than the budgeted income targets. This report identifies the links between the impacts on the Development and Construction industry caused by the current economic climate, and the effect this is having on our income streams.

Income Strand	Budgeted Income	Actual income to December 2011	Predicted income by year end	Predicted shortfall in income against 2011/12 budget
Pre-development	£60,000	£27,781	£35,000	£25,000
Planning Applications	£500,000	£288,879	£370,000	£130,000
Land Charges Search Fees	£176,000	£90,859	£115,000	£61,000

Some important trends are identified within the report:

- The reduction in fee income in Local Land Charges is directly linked to a lower number of search requests.
- In planning the number of applications received over the three year period examined has actually increased.
- However fee income is falling indicating that less larger scale applications are coming forward that generate a higher level of fees.

To address the shortfall in fee income against budget targets, savings have been identified within the Development Services section to mitigate the budget pressures. The overall cost to the authority of providing these services has significantly reduced over time.

Service Area	Predicted Income by year end	Predicted Expenditure by year end	Difference between income and expenditure
Development Control (Combines Pre-development and Planning Application fee income)	£405,000	£421,538	£16,538 deficit
Land Charges	£115,000	£86,565	£28,435 surplus
Totals	£520,000	£508,103	net surplus £11,897

Development Services is therefore much closer to our target of being a cost neutral service.

Overall the cost of:

- the Planning Service has been reduced by 22%
- the cost of the Local Land Charges service has fallen by 18%. The report identifies how these cost savings are now embedded in the new ways of working that the services operate.

There are some clear indicators that the quality of the services has steadily improved:

- the number of Planning Appeals against our decision not to grant planning permission has fallen.
- the number of Appeals that are dismissed by the Planning Inspectorate has increased. This is a strong indicator that we are making more transparent and robust decisions.

Currently there are two significant projects underway that will result in further improvements in our service delivery:

- an electronic system for land charge searches to replace the current manual system
- an agile working pilot that is making better use of technology to reshape the planning service.

1 INTRODUCTION

- 1.1 The members of the Prosperous Communities Committee at their meeting of 2 November 2011 requested an analysis of income and expenditure streams in the Building Control, Planning and Local Land Charges functions.
- 1.2 This report covers aspects of the Planning and Land Charges functions as reports outlining the future of Building Control will be brought to the Committee in due course.

2 BACKGROUND

2.1 National Context – headline research

The current economic conditions are having a detrimental impact on the construction and development industry. A consequence of this is that most councils are experiencing a significant drop in income from planning applications.

Developers and other professional organisations in the sector have indicated in their forecast reports that 2012 is likely to remain static in terms of growth, with the inability to secure support from the financial sector as the biggest barrier to kick-starting developments. House builders such as Redrow and Bovis have indicated that they do not expect 2012 to be any different from the past two years in terms of the level or volume of development taking place. Others with more of an overview of the sector, such as the Home Builders Federation (HBF) indicate that it is likely that house-building targets for the delivery of new dwellings will not be met in many parts of the country.

2.2 Local Context

Around the district there are now a number of sites where a planning permission exists but where development has then not started. In some cases those permissions have now lapsed. In addition there are a number of further sites where construction has started but due to low demand, work on the site has ceased. Consequently the effects of the downturn can also be identified in the falling number of completed developments. New-build housing completions in the last financial year were at a 10 year low, with completion levels falling steadily since 2007 as shown in Table 1.

Table 1. New dwelling completions in West Lindsey 2007-2011

	New Dwelling Completions in WLDC	Variance on the previous year completion total
2007/08	668	⬇️ 24%
2008/09	506	⬇️ 24%
2009/10	383	⬇️ 24%
2010/11	347	⬇️ 9%

Source: WLDC Annual Housing Supply Assessment

A further factor to the reduction in completions can be attributed to there being only a low number of available allocated development sites in the district. Most sites allocated in the current plan, the West Lindsey Local Plan First Review (2006), were built-out very soon after the plan was adopted in 2006. The current

lack of allocated sites when coupled with particularly bad economic conditions does not favour the development sector. This is an important factor for the Council's development related services and emphasises the importance to the sector of up to date planning policies and identification of new allocated development sites. This work is being progressed by the Central Lincolnshire Joint Planning Committee through the Joint Planning Unit.

2.3 **Income and Service Costs for Planning and Local Land Charges**

Income from fees has been declining at a relatively steady rate during the economic downturn and this is particularly noticeable from early 2009 onwards. Since this time there have been some occurrences of income increasing but these have not been sustained and can be linked to a small number of individual high-value applications.

Appendix One shows graphically the monthly fee income from planning fees for the current and past two financial years. The data shows that while monthly fee income can fluctuate quite significantly, the overall trend during this period is one of decline.

Although fee income from both Local Land Charge searches and planning applications has declined from 2008/09 levels there have been significant measures taken during the same period to successfully reduce the costs of providing these services. Cost of service and actual income figures for these services are shown in Table 2.

In both of these service areas the costs to the Council of providing the services are now significantly below 2008/09 levels. In the case of planning the total expenditure in 2010/11 was £162,353 less than in 2008/09, a reduction of 22%.

The overall cost to the authority of providing a Local Land Charges service is much lower than the planning service costs but large efficiencies in delivering the service have still been achieved. Costs of the service were reduced from £84,538 in 2008/09 to £69,488 in 2010/11, a total reduction of 18%.

Table 2 – Costs and Income for development based services

Development Control	Actual Expenditure	Actual Income	Other Income**	Net Expenditure
2008/09	£741,559	-£446,215	-£131,741	£295,344
2009/10	£678,789	-£580,320*	-£13,113	£98,469
2010/11	£579,206	-£461,237	£0	£117,969
Land Charges	Actual Expenditure	Actual Income	Other Income	Net Expenditure
2008/09	£84,538	-£117,313		-£32,775
2009/10	£95,900	-£162,068		-£66,168
2010/11	£69,488	-£142,974		-£73,486

* includes the fees from the first growth point application of £125k

** Other income includes the Planning Delivery Grant which no longer exists.

2.4 Pre-development Advice

Background

The Pre-Development Advice service provides anyone with a development proposal a structured method of achieving professional advice and guidance on a scheme or a pending application. West Lindsey District Council was comparatively late in introducing this service, when compared to other local authorities nationally but this has itself had benefits since many users of the service are aware of the advantages of its use and we have been able to learn from the experience of other authorities.

Our pre-development advice service was devised and launched as a joint initiative with City of Lincoln and North Kesteven District Councils. A multi-team approach was used to help inform and design the service with different internal teams, plus developers and planning agents contributing directly to the shaping of the final service. The service was then promoted through a forum for local developers and planning agents as well as our website.

The three local authorities favoured a joined up approach to introducing a chargeable pre-development advice service. Feedback from developers also favoured this consistent approach across Central Lincolnshire as planning policy is considered collectively for this area. The approach to charging and the level of fees adopted at West Lindsey is therefore the same as that set at those councils. The fees, endorsed by constituent planning committees are at a level deemed appropriate to the type of development concerned. In setting fees it was important to give regard to the full application fee and ensure that pre-development advice was significantly less so as to offer value for money and reduce the likelihood of applicants pursuing an application without first seeking detailed advice.

An underlying principle of pre-development advice is that that officer time should be directed to serious planning proposals ensuring that only those that use the service pay for the service, avoiding any additional costs to the local authority. Charges do not recover our costs directly but do result in a number of positive benefits once an application is submitted. Where there is no realistic chance that an application would be successful, or where there are known policy or environmental constraints that would mean an application would be very unlikely to be supported, applicants are clearly advised of this at the outset.

2.5 West Lindsey's Approach to a Pre-development Advice Service.

General planning advice continues to be freely available from our officers through the duty planner service. This ensures that during office hours a planning officer is available to answer telephone enquiries or to provide advice to people that arrive in person at the Guildhall.

Initial advice focuses on general planning policy principles and permitted development rights. This provides a general indication of whether planning permission for the proposal would be required. If the proposal is for a large development it is likely that an initial scoping meeting with different officers from the Council would be held. Following this the case officer would advise anyone

wishing to pursue a development proposal further to use the formal pre-development advice route prior to submitting a full planning application.

The Pre-Development Advice Service was launched on 18 April 2011. Pre-development advice provides a detailed analysis of the specific site concerned and includes a review of the site history and any specific constraints that may exist. Depending on the nature of the proposal it can also include consultation with certain statutory consultees and further meetings at the site. Although this process can not guarantee that planning permission will be granted it does provide a strong but without prejudice view as to how an application should proceed.

This is of significant benefit to many potential applicants as it ensures that the scheme is appropriately designed at the first submission of an application. It identifies where additional information will be needed by a planning officer or any issues that would need to be investigated further by the applicant before submitting an application. This is important as changes during the application process introduce delays and added expense if plans need to be redrawn. It also ensures the likelihood of a more positive outcome for the customer.

For the Council there are a number of benefits.

- An income stream which is helping to ensure we retain the resources needed to offer an effective and modern planning service.
- Raising the quality of new development in the district.
- Reducing delays later in the decision making process.

The pre-development advice service effectively front-loads much of the total time that can be taken in determining a planning application. It helps ensure that applications are valid when they reach us and that all the necessary information that officers will need is included upon submission of the application.

Pre-development advice also provides an opportunity for officers from a number of service areas to have an input into a scheme before final decisions are made by the applicant on how to proceed with their proposal. This can help ensure that the Council's objectives are delivered such as design quality or influencing the type of development that is to be built.

The approach outlined above has been well received by users of the service. The service was reviewed with developers and agents at a forum held by the Central Lincolnshire authorities on 12 December 2011. Feedback at that forum supported the approach at West Lindsey in offering basic guidance and preliminary meetings to determine whether pre-development advice would offer value to the customer.

At the same meeting concerns were raised by customers that the approach taken by NKDC has had an impact on the quality of the service provided. In comparison our approach to assessing when to refer customers to the formal pre-development advice route was raised as a more favourable option and one that customers are more inclined to use.

2.6 West Lindsey’s Approach to Dealing with Planning Applications

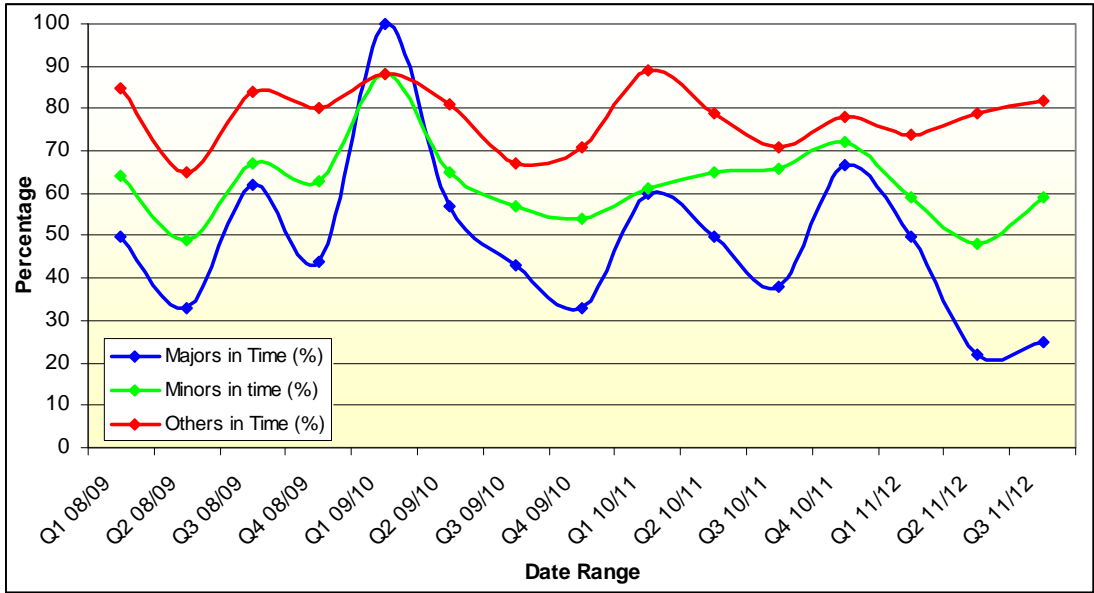
A revised scheme of delegation was introduced in early 2011 that empowers officers to make appropriate judgements, and ensure that the Development Management committee was able to better focus on the more complex or strategic applications.

2.6.1 Time Taken to Determine Planning Applications

The time taken to determine planning applications is an indicator used to manage the service. Targets are set nationally although since the new Coalition Government entered office there has been a cultural shift away from this as an integral part of service planning, with a greater emphasis on quality indicators set locally.

The end-to-end time data is currently still collected by the Department for Communities and Local Government on a quarterly basis but is no longer related to the grant income that the Council receives, since the Housing and Planning Delivery grant was scrapped in 2010.

Figure 1 – Percentage of planning applications determined within target



During the past three years (Figure 1) the level of performance in terms of applications determined on time has fluctuated. However, the Planning Appeals data (see section 2.6.2) also indicates that the quality of those decisions has steadily improved, and this has been achieved whilst also reducing the overall cost of delivering the planning service.

2.6.2 Planning Appeals

The number of planning appeals is a further indicator used to manage the service and shows that, as the number of appeals significantly decreases the quality of the decisions officers are making is increasing, with much less challenge of the decisions being made. Pre-development advice will have contributed to this change but it is also reflective of the time taken by officers to ensure that applicants better understand the statutory elements of the planning process that the Council must follow.

Table 3 - Delegated Decisions by District for 2010/11

	Boston	Lincoln	North Kesteven	South Kesteven	South Holland	West Lindsey	East Lindsey	North Lincs	NE Lincs
% delegated decisions	94%	92%	92%	91%	93%	95%	95%	91%	93%

Last financial year West Lindsey had the joint highest rate of delegated decisions out of all Lincolnshire authorities, with 95% of all our decisions delegated to officers (Table 3).

Table 4 – Percentage of Appeals Allowed by District for 2010/11

	Boston	Lincoln	North Kesteven	South Kesteven	South Holland	West Lindsey	East Lindsey	North Lincs	NE Lincs
% Appeals allowed	16%	33%	50%	36%	32%	26%	21%	28%	34%

During this period there were 23 planning appeals submitted in West Lindsey. Of these only 6 were allowed (26%), one of the lowest rates in Lincolnshire. In NKDC 50% of all appeals against their decision to refuse planning permission were subsequently allowed by the Planning Inspectorate (Table 4).

Table 5 - No of Appeals against WLDC planning decisions by year

Year	Appeals Determined	Percentage Allowed	Percentage Dismissed
2007-08	37	24%	76%
2008-09	59	31%	69%
2009-10	37	46%	54%
2010-11	23	26%	74%
YTD 2011/12	24	25%	75%

The monitoring data collected shows that the number of appeals against refusal to grant planning permission in West Lindsey is at a ten-year low. In addition the number of those appeals that were then dismissed by the Planning Inspectorate is the second highest (table 5).

This is a very strong measure of both the quality of the decisions that officers are making and the general confidence in our service. The year to date (YTD) figures show that this has been sustained in 2011 and at 31 December 2011 there had been a total of 24 appeals, of which just 6 (25%) were allowed by the Planning Inspectorate.

2.7 Local Land Charges

Unlike the Planning Service, the Council's Local Land Charges function does face direct open market competition. Personal Search companies are legally entitled to inspect the Council's Local Land Charges data free of charge and it is with these organisations that the market share is divided. For this reason the later sections of this report relating to Local Land Charges contain details of our performance against this sector, rather than providing analysis of income and performance against other local authorities.

3 PLANNING INCOME AND PERFORMANCE

Fee income from applications derives from both full planning applications and pre-development advice. This section examines these two income streams independently and also in comparison with the same services provided at North Kesteven District Council to add some context to the impact that the economic conditions are having locally on the development industry. This is considered a comparable authority on character, size, and proximity to West Lindsey and due to many elements of the planning services now being delivered in a consistent way.

3.1 Pre-development Advice Income and Performance

There is no statutory requirement for applicants to use this process and it is ultimately a matter for the applicant, guided by the preliminary advice provided by officers, to determine whether the process (outlined in section 2.5 of this report) would offer a positive option for them. Since launching the service there has been a good level of interest in the service.

Figure 2 – Monthly pre-development advice application fee income since launch on 18 April 2011.

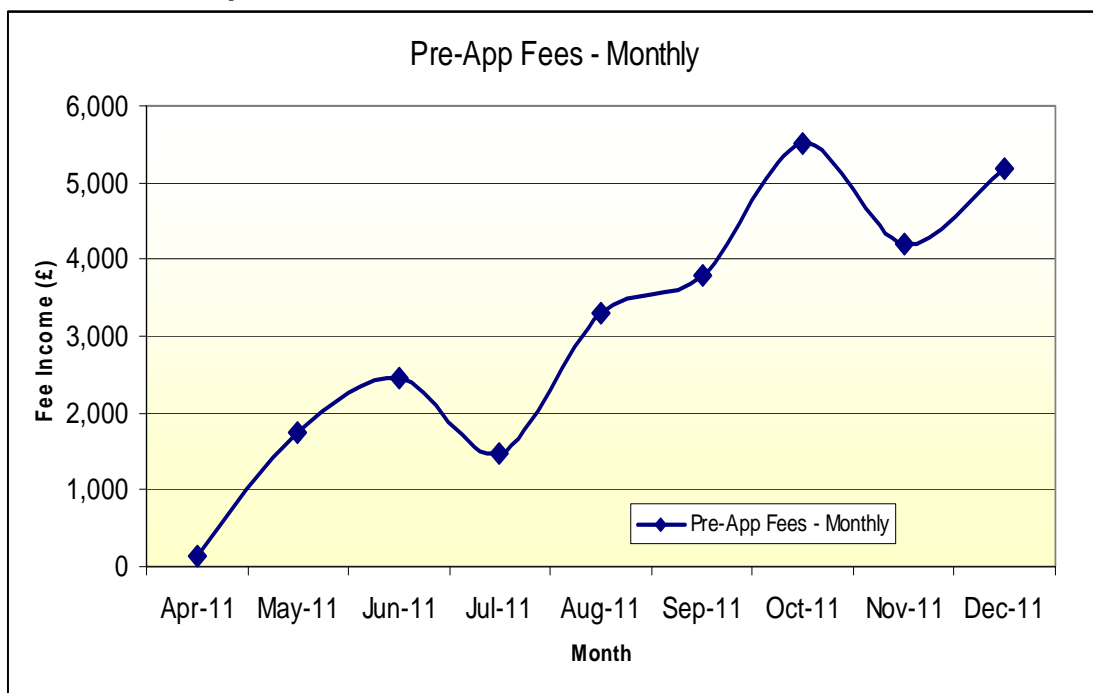


Table 6 – Fee income from pre-development advice fees since launch

Month	Number of Applications Received	Pre-App Fees – Monthly Received	Pre-App Fees – 2011/12 Cumulative
Apr-11	1	£150	£150
May-11	19	£1,734	£1,884
Jun-11	23	£2,458	£4,342
Jul-11	15	£1,464	£5,806
Aug-11	24	£3,288	£9,094
Sep-11	25	£3,789	£12,883
Oct-11	30	£5,496	£18,379
Nov-11	23	£4,212	£22,591
Dec-11	14	£5,190	£27,781

As shown in Figure 2 and Table 6, the income from pre-development advice fees since the service launched on 18 April 2011 is £27,781 (as at 31 December 2011).

This is less than the profiled budget which set a target of £45,000 for the same period (and £60,000 for the financial year). This is not unexpected however, given that it is a new service that will have taken time to establish locally. The current poor economic and construction climate as outlined in Section 2.1 has significantly reduced the number of larger applications coming forward.

By comparison fee income from pre-development advice during the same period in North Kesteven was considerably less. This may be due in part to some of the different ways that the two authorities offer the service. It is expected that monthly fee income will start to stabilise.

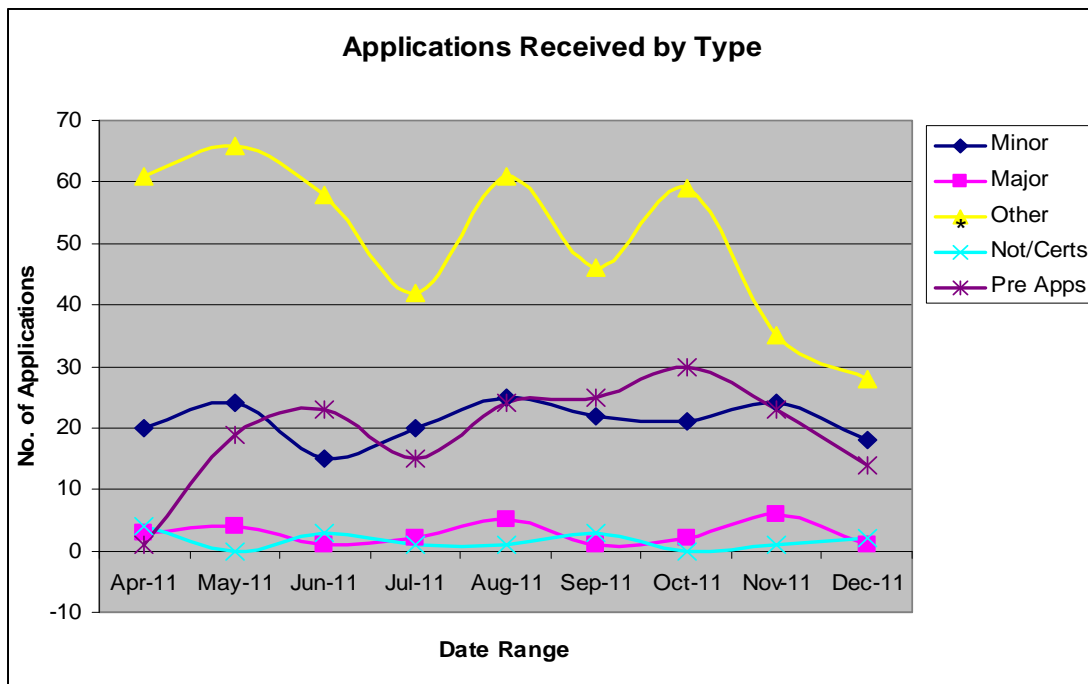
In West Lindsey the service has been very positively received by our customers. From launch in April to 31 December 2011 there had been 178 formal pre-application enquiries. On top of the income generated, pre-development advice will directly influence and raise the quality of development in West Lindsey.

Table 7 – Pre-development advice fee Income and forecast against 2011/12 budget

Budgeted Income	Actual Income to December 2011	Forecast Income to end of financial year	Predicted shortfall in income
£60,000	£27,781	£35,000	£25,000

As can be seen in Table 7 the level of income from Pre-development Advice fees is forecast to be £25,000 under the budgeted income for 2011/12.

Figure 3 – Applications received (by type) April – December 2012



*Other applications include Householder, Change of Use and Advertisement applications.

Pre-development advice has quickly grown to become a significant and integral part of the total workload for the Development Management team, as shown in Figure 3. During the period April to December 2011 a total 507 full planning applications were received (including minor, major, other and notices or certificate applications) which means that since launch the 178 pre-development advice requests account for around 30% of the total applications received.

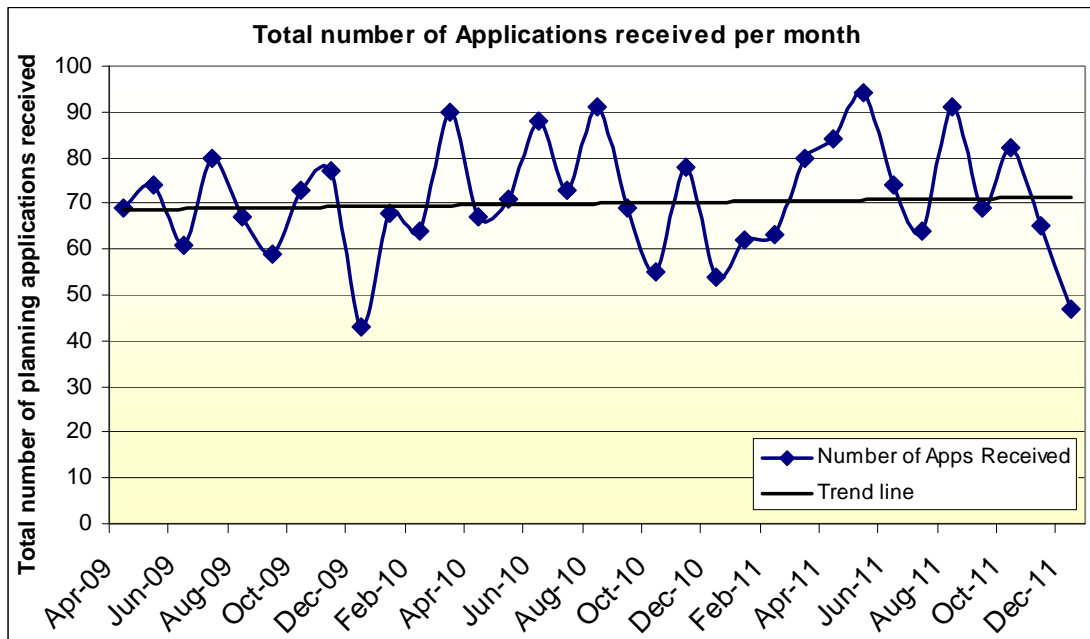
Seasonal drops in the number of pre-development requests received can be seen during mid-summer and in the lead up to the festive season.

3.2 Planning Application Income and Performance

Unlike other development related services offered by the Council, namely Local Land Charges and Building Control, there is no open market competition for the planning application process. As such the number of planning applications received and the level of fee income this generates are direct indicators of the level of planned development within the District.

Fees for planning applications are currently set nationally, by Central Government. In West Lindsey these do not currently cover our costs. For this reason it is important that we closely monitor our service costs continually. A summary of the measures that have been implemented to reduce our costs, and the latest update on the status of Government's proposals to allow Local Authorities to set their own fees, is contained later in this report at Section 5.

Figure 4 – Total number of planning applications received April 2009 – Dec 2011



As shown in Figure 4 the total number of planning applications has remained at a healthy level despite the effects of the economic conditions. The trend line indicates that the average number of applications received monthly over this period has increased marginally, however the increase has predominantly been for minor applications.

Figure 5 – Monthly planning application fee income April 2009 – Dec 2011

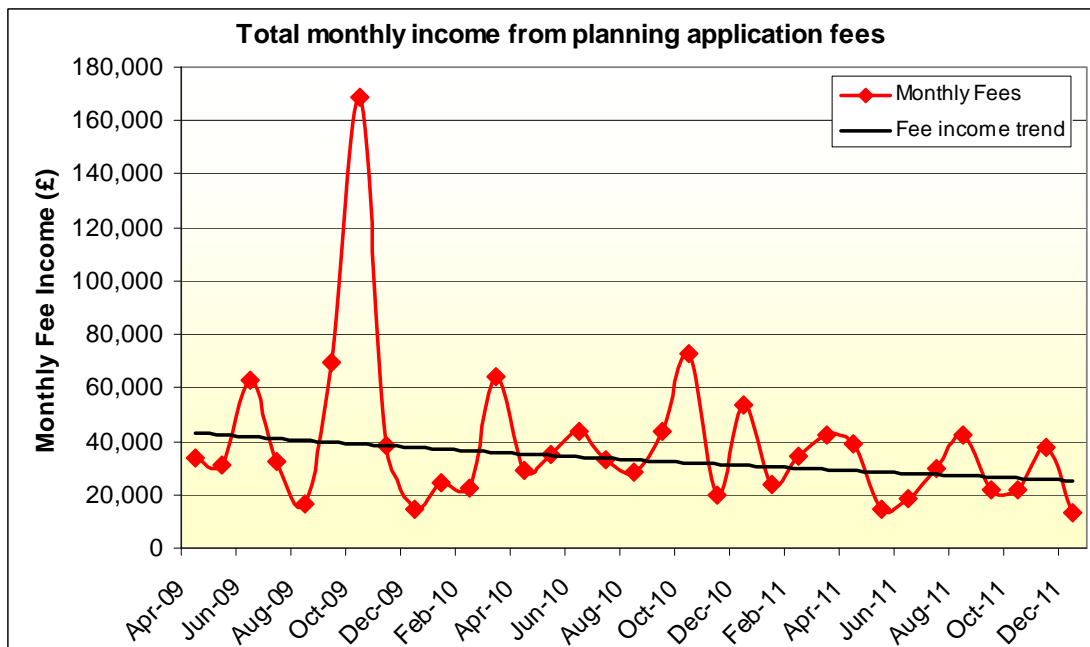


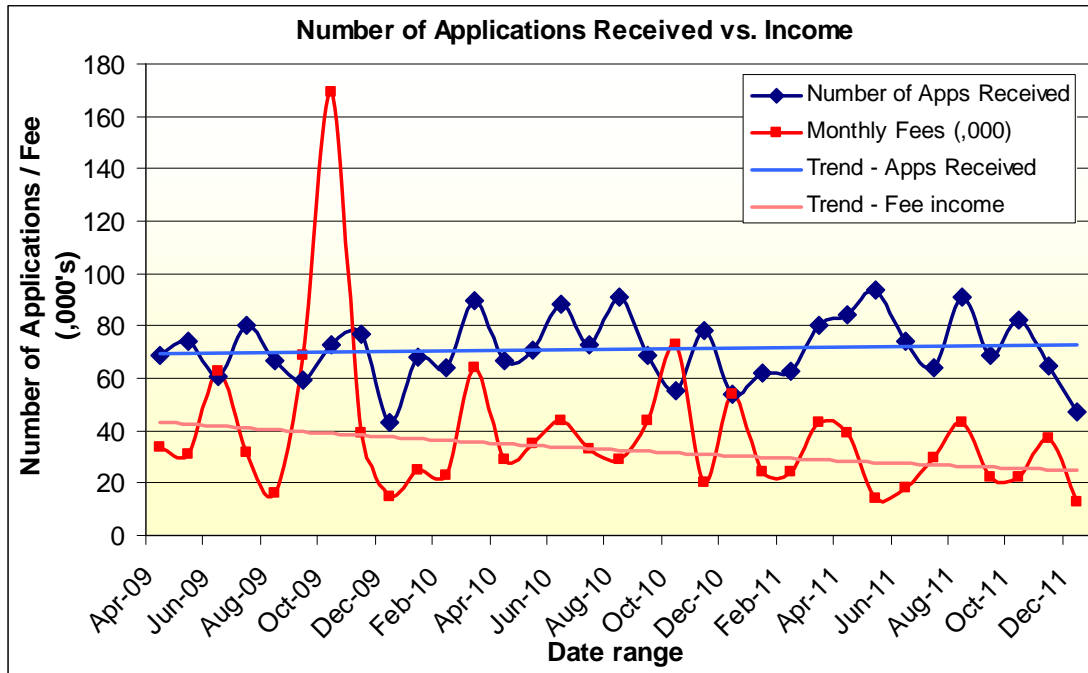
Figure 5 shows the monthly fee income from planning applications during the current and past two financial years, actual income figures are shown in Appendix One. As the trend line indicates there has been a steady fall in the level of income generated from fees.

Table 8 – Planning application fee income and forecast against 2011/12 budget

Budgeted Income	Actual Income to December 2011	Forecast Income to end of financial year	Predicted shortfall in fee income
£500,000	£288,879	£370,000	£130,000

As can be seen in Table 8 the level of income from planning application fees is forecast to be £130,000 under the budgeted income for 2011/12.

Figure 6 – Number of applications vs. Fee Income



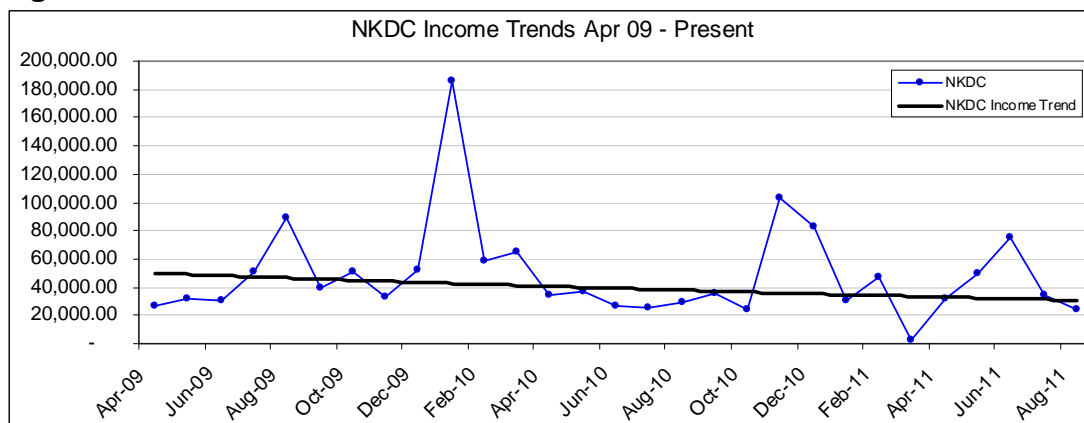
When the number of applications received is viewed in contrast to the fee income generated (figure 6) the resulting trends indicate a key issue for management of the service. At the same time as fee income falls the total number of applications has marginally increased. This indicates the need to ensure that staff resources remain at current levels.

It is a further clear indication that the nature of the sector has changed during the economic downturn in that less applications incurring a higher fee are being received. It is these larger applications that typically also ensure a higher level of growth and sustained delivery of new housing or commercial sites.

3.3 Planning Application Fee Income Comparator

The fall in planning application fee income is consistent with the national trend and experiences of other local authorities. Whilst development levels are stalled and without suitable finance being available to the development sector the current situation shows no indication of improving in the short term.

Figure 7 –NKDC Fee Income Q1 2009 – Q2 2011



The last available monthly figures for fee income in North Kesteven (April 2009 to Quarter 2 2011) show a consistent trend to that of West Lindsey and whilst NKDC data indicates similar short periods where fee income has improved, these have not been sustained.

4 LOCAL LAND CHARGES INCOME AND PERFORMANCE

4.1 WLDC Approach to Local Land Charges Pricing

Pricing for the service is bound by The Local Authorities (England) (Charges for property searches) Regulations 2008 and this means our fees must be set on a cost recovery basis only. In addition we must give free access to all property information in accordance with the 2005 Environmental Information Regulations.

This means we are not able to set our own pricing policy and we are not permitted to make profits through our pricing structure. Our costs are based upon the completion of timesheets that record the resources required for each type of search.

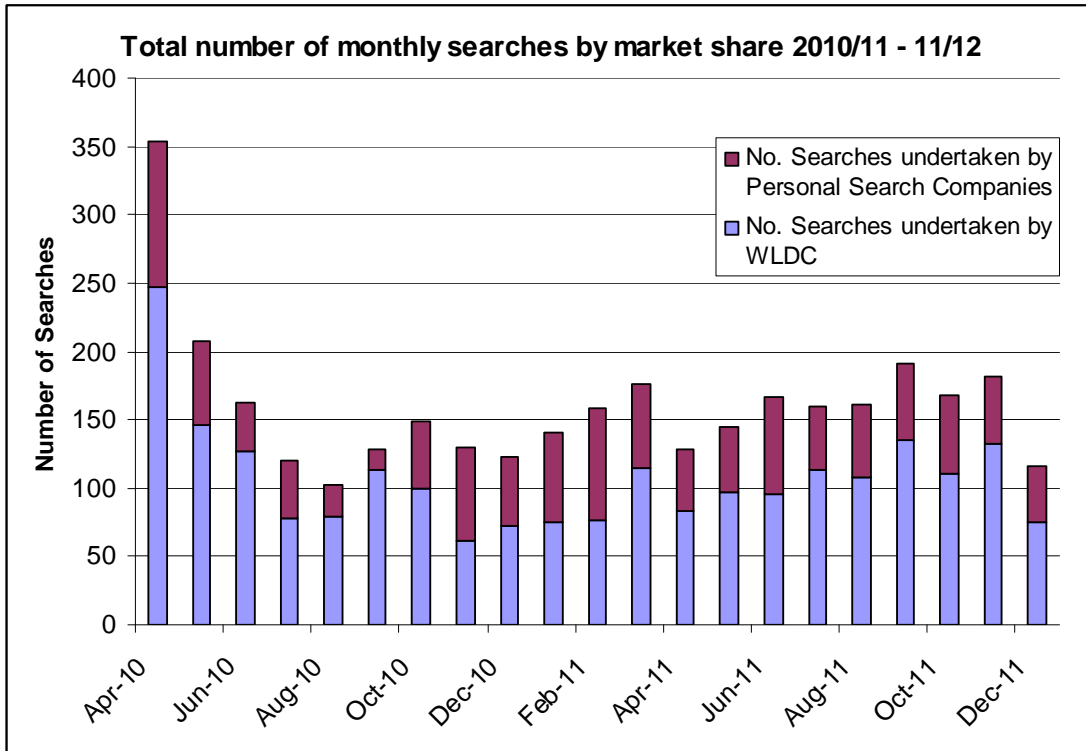
4.2 Private Sector Pricing

It is not possible to provide any information on the private sector (Personal Search companies) approach to pricing since this is not available for public inspection. Groups of personal search companies are also involved in a number of cases of direct legal action against Local Authorities including West Lindsey which focus on fairness of competition. The cases are subject to legal privilege but generally they concern the way that pricing is different between sectors, including the issue that their work is subject to VAT where ours is not.

4.3 Volume of Local Land Charge Searches and Market Share

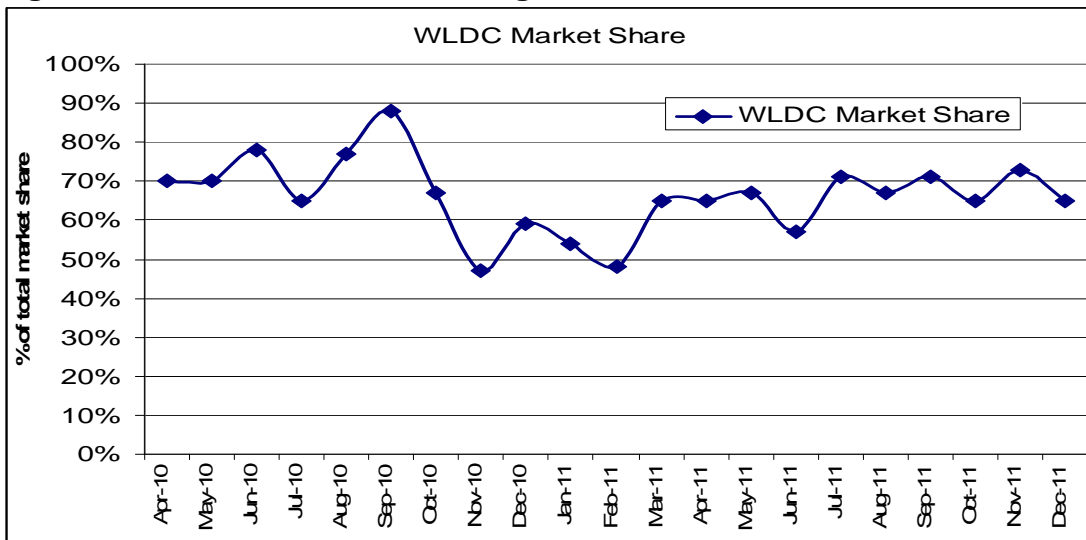
The overall volume of searches has fallen when compared to longer term averages but has remained relatively steady during the past two years (see Figure 8). The fall in search requests is consistent with the slow development industry. Income from search fees is wholly reliant on a buoyant housing market (new-build completions, house sales and remortgages) and the purchasing of land. With low levels of market activity in these areas the consequence is a generally lower volume of searches, and therefore income has fallen accordingly.

Figure 8 – Total number of searches and market share



A positive indicator of our pricing and service being at a good level is that during the last two years there has not been any period of sustained increase in the market share held by personal search companies. In the current financial year to date the data shows that we have marginally increased our share during this time (Figures 8 and 9).

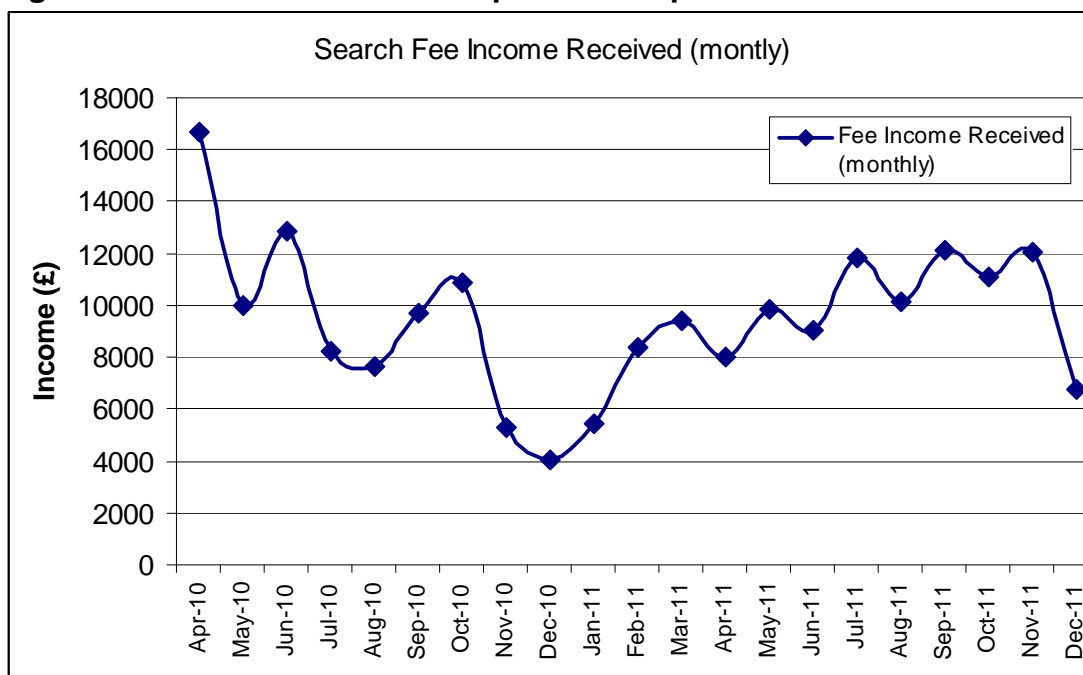
Figure 9 – WLDC Local Land Charges Market Share



As a result we have maintained a good level of income in the section which has remained relatively steady throughout the current financial year.

4.4 Fee income from Local Land Charges search requests

Figure 10 – Search fee income April 2010 to present



Despite the usual seasonal fall in search requests the trend for 2011 shows a positive overall increase in fee income. As can be seen in Figure 10 the large and sustained falls in income shown throughout 2010 did not continue to the same extent into 2011.

Table 9 - Land Charges search fee income against budget

Budgeted Income	Actual Income to December 2011	Forecast Income to end of financial year	Predicted shortfall in income
£176,000	£90,859	£115,000	£61,000

As can be seen in Table 9 the level of income from Land Charges search fees is forecast to be £61,000 under the budgeted income for 2011/12.

4.5 Combined income and expenditure

Table 10 – Forecast Fee Income

Income Strand	Budgeted Income	Actual income to December 2011	Predicted income by year end	Predicted shortfall in income against 2011/12 budget
Pre-development	£60,000	£27,781	£35,000	£25,000
Planning Applications	£500,000	£288,879	£370,000	£130,000
Land Charges Search Fees	£176,000	£90,859	£115,000	£61,000
Totals	£736,000	£407,519	£520,000	£216,000

As can be seen in Table 10 the total level of income is forecast to be £216,000 under the budgeted income for 2011/12.

Table 11 – Forecast Service Expenditure

Service Area	Budgeted expenditure	Actual expenditure to December 2011	Predicted expenditure by year end	Underspend
Development Control	£429,150	£316,161	£421,538	£7,602
Land Charges	£106,500	£64,924	£86,565	£19,935
Totals	£536,650	£381,085	£508,103	£28,547

Table 11 shows that the expenditure for both the Local Land Charges and Development Control functions in 2011/12 is forecast to be below budget. The combined expenditure is forecast to be £28,547 less than budget.

Table 12 – Forecast Service Income and Expenditure

Service Area	Predicted Income by year end	Predicted Expenditure by year end	Difference between income and expenditure
Development Control (Combines Pre-development and Planning Application fee income)	£405,000	£421,538	£16,538 deficit
Land Charges	£115,000	£86,565	£28,435 surplus
Totals	£520,000	£508,103	net surplus £11,897

Table 12 shows the cost to the Council of providing the Development Control and Local Land Charges functions. It is forecast that Development Control income will not fully cover the section's expenditure and a shortfall of £16,538 is predicted.

The figure for Development Control expenditure does not represent the cost of the total planning service; it excludes elements such as the statutory technical and administrative functions that the Council can not recover costs for. The figures for Development Control have however been calculated in a consistent way throughout this report and as such are directly comparable. Figures shown do not include recharges which are calculated at the end of the year.

The Local Land Charges income however is forecast to cover the section's expenditure and as shown in Table 12 this would provide a surplus of £28,435.

The combined income for Development Control (fee income from Pre-development Advice and Planning Applications) and Land Charges is forecast to exceed the total expenditure of these two services, leaving a net surplus of £11,897.

This is based on estimated income and expenditure and may change during the next three months.

It does not take account of recharges as these are calculated and added at the end of the financial year.

Therefore the budgets are making a slight surplus and contribution (£11,897) towards overheads, however this is not as big as that expected at the beginning of the financial year (£200,000).

5 USING THIS DATA TO PLAN & FURTHER DEVELOP THE SERVICES

5.1 Using this data to budget plan

The budget targets did not fully reflect the full extent of the decline in the development sector. During this financial year there has been a much closer scrutiny of a number of different internal performance measures to better assess our service. This has been used to inform the budget setting process for the coming financial year. An example of the current budget targets is best demonstrated by looking at the Local Land Charges budget. Even if 100% of the market share had been reached, the budget target would still not have been achieved. This is why better quality data is needed to set future income targets in Development Services.

5.2 Improvements in Development Services

During the last 12 months there have been a number of efficiencies and new ways of working introduced in the service to deliver further improvements. Some of these could lead to some fundamental long-term changes to the service.

- The **Managing Excellent Planning Services** (MEPS) programme started in 2010 and led to the formation of a **Benchmarking Club** in 2011. This is a national pilot that West Lindsey officers have been involved with since inception and has developed to become a useful network of local authorities. Through the benchmarking group the Planning Advisory Service (PAS) have been working closely with Council officers to devise a model and prepare for the local setting of planning application fees. The Government has indicated that it intends this to be devolved to Local Authorities and that legislation would be changed to ensure that cost recovery would be achieved. Officers have been involved in the first tranche of this work and are prepared to implement this at the earliest opportunity. The PAS fee setting model uses data recorded by officers; each application fee being priced on the basis of the time it takes to complete that type of application.

- Preparation of a **West Lindsey Local List**. This document will be used to set out what we require applicants to submit with different types of planning applications. Government require Local Authorities to adopt this document for use in planning and it will be an integral tool in improving the number of valid applications we receive. The range of supporting information needed to accompany different applications is vast. Without a Local List in place there is no formal basis to refuse some applications and consequently we validate a high number of poor quality applications or spend considerable time working through issues with applicants or their agents. A local list will also make the process clearer for applicants and set out formally what is expected of them.

- An **'agile and area working' pilot** is currently underway and could significantly change the way that officers work. Part of an ongoing service redesign, and parallel to the current 'Organising for Delivery' process, this pilot is looking to establish how the planning service can best adapt to suit our corporate area working priorities.

Officers involved in the pilot are trialling the use of new technology which enables them to have information available electronically when they are out at a site visit. The technology is being developed so that information can be fed from offsite directly into our back-office systems. If this pilot is successful it will mean officers are less dependent on a fixed office base and are able to spend more time working in the district. It is anticipated that this element of the pilot could identify an opportunity to better support the Area Managers with any projects in their area that have a spatial or development aspect.

- **Electronic search processes in Local Land Charges** have been in development at West Lindsey for some time but have taken a significant step forward during the past six months. Currently the section is in the testing phase of a system that could eventually enable much of the existing manual process to become automated. Initially this has meant digitising the detailed information that the department maintains, and then checking the accuracy of that data ahead of using it in practice. Early indications are positive.

- **Paperless working** has ensured that resources have been better focused on the electronic systems in place and this has resulted in sustainable cost savings. The notable change has been with the cessation of the circulation of paper plans. There are some known difficulties in adapting to electronic services with certain Parish Councils and these issues are being dealt with by officers.

5.3 **Horizon scanning**

Looking ahead there are a number of issues that will need careful monitoring and that could each have a significant impact over the level of income, costs and performance in Development Services. These include;

- **Planning Policy (Core Strategy and Site Allocations).** Up to date planning policies and an appropriate supply of locally designated development allocations are going to be key to growth in West Lindsey. Continued engagement with the Joint Planning Unit and Central Lincolnshire Joint Strategic Planning Committee will be essential to ensure that local policy objectives are set that are ambitious yet achievable.
- **Time Lag in Recovery.** When a recovery in the development and construction industry does start to emerge there may be a time lag before it starts to have an impact on our fee income. Developers will favour locations that will yield a higher financial return and typically these will be where property values and scales of development are greater.

6 **CONCLUSION**

The national economic situation has led to a reduction in planning fee and land charge search fee income across the country.

In order to tackle this the service has looked at reducing costs over the last few years. In Development Control expenditure has reduced from £741,559 in 2008/09 to £429,150 in 2011/12.

This has meant that the authority is much nearer to its goal of a cost neutral service in Development Control and Local Land Charges.

It is now a major priority of the service to monitor expenditure, and maximise income generating opportunities, for example marketing of the Local Land Charges service to increase market share. We will also continue to investigate technical enhancements to improve service delivery further.

7 **RECOMMENDATION**

- 7.1 That members note the contents of this report.
- 7.2 Members to advise if there are any areas that need further attention and detail to be brought to a further meeting.

APPENDIX ONE

Planning Fee Income by month (actual) in West Lindsey

April 2009 to Present

	WLDC Income
April 2009	£33,680
May 2009	£30,872
June 2009	£62,594
July 2009	£32,481
August 2009	£16,381
September 2009	£69,222
October 2009	£168,791
November 2009	£38,679
December 2009	£14,860
January 2010	£24,688
February 2010	£22,580
March 2010	£64,239
April 2010	£29,379
May 2010	£35,157
June 2010	£43,539
July 2010	£32,765
August 2010	£28,630
September 2010	£43,829
October 2010	£73,123
November 2010	£19,845
December 2010	£53,725
January 2011	£23,856
February 2011	£34,412
March 2011	£42,628
April 2011	£39,154
May 2011	£14,475
June 2011	£18,279
July 2011	£29,726
August 2011	£42,670
September 2011	£21,896
October 2011	£22,129
November 2011	£37,416
December 2011	£13,105

APPENDIX TWO

Local Land Charges searches in West Lindsey April 2010 – December 2011

	Total number of searches	No. Searches undertaken by WLDC	No. Searches undertaken by Personal Search Companies	WLDC Market Share
Apr-10	353	247	106	70%
May-10	208	146	62	70%
Jun-10	162	127	35	78%
Jul-10	120	78	42	65%
Aug-10	103	79	24	77%
Sep-10	129	113	16	88%
Oct-10	149	100	49	67%
Nov-10	130	61	69	47%
Dec-10	123	72	51	59%
Jan-11	140	75	65	54%
Feb-11	159	77	82	48%
Mar-11	176	115	61	65%
Apr-11	128	83	45	65%
May-11	145	97	48	67%
Jun-11	167	95	72	57%
Jul-11	160	113	47	71%
Aug-11	161	108	53	67%
Sept-11	191	135	56	71%
Oct-11	168	110	58	65%
Nov-11	181	132	49	73%
Dec-11	116	75	41	65%