

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest includes a crown at the top with four maple leaves, a shield with a ship on the left and an eagle on the right, and a banner at the bottom with the motto 'CITY OF VANCOUVER' (partially visible as 'ANE FOR A').

# **AGENDA ITEM**

**5**

**Cost per planning application-  
Local Government Benchmarking  
Framework LGBF Indicator**

**Falkirk Council**

**Title:** Cost per planning application- Local Government  
Benchmarking Framework LGBF Indicator  
**Meeting:** Scrutiny Committee  
**Date:** 1 February 2018  
**Submitted By:** Director of Development Services

**1. Purpose of Report**

- 1.1. This report provides the panel with updated information on the Local Government Benchmarking Framework indicator ECON2 on the cost per planning application.

**2. Recommendation**

- 2.1. **It is recommended that the Scrutiny Panel notes the content of this report.**

**3. Background**

- 3.1. At the meeting on 17 August 2017, Scrutiny Panel considered the latest published Improvement Service LGBF indicators for 2015-16 on Scottish Local Authorities, including those for Development Services. Members asked for clarification on the cost per planning application, indicator ECON2, which at £11,421, was showing as the highest in Scotland. At the meeting it was suggested that the cost provided by the Improvement Service may be incorrect and that further work on this would take place to confirm the position.
- 3.2. This report confirms that the performance figure for indicator ECON2 was incorrect. It gives the detail of this, the accurate performance information for 2015-16 and some further information about the cost of planning indicator. The report notes that the Scottish Government has recently published the Planning Reform Bill and summarises its implications for monitoring of performance.

**4. Considerations: Further Information on Indicator ECON2 cost per planning application**

- 4.1. The performance against this indicator is calculated by the Improvement Service by dividing the total costs applicable to the planning service by the number of applications decided in the reporting period. The total costs are part of the annual Local Finance Return submitted by all local authorities to the Improvement Service. The number of planning applications is taken by the Improvement Service from Scottish Government data, also supplied by local authorities.

4.2 It has been confirmed that some of the costs submitted in the Local Finance Return were not appropriate to include. An allocation of cost centres that related to roads maintenance has been assigned in error against Planning. As a result, £1.912M of costs should have been in ENV4a rather than ECON2. When these cost allocations are removed the revised performance figure for 2015-16 gives a cost of planning per application of £7543. This figure would have placed Falkirk at position 25 out of 32 in the 2015-16 benchmarking table. The figure for 2015-16 is historic and fixed, so it is not possible to change the placing as such.

4.3 The submission for 2016-17 is finalised and submitted. The council's position for 2016-17 is more consistent with its historic trend. The 2016/17 figure is £7617.65, which places Falkirk at position 28. The table below shows the revised 2015-16 figures and the submitted figures for 2015-16 and 2016-17.

	2015-16 (submitted)	2015-16 (revised)	2016-17 (submitted)
Cost of service	£5,630,000	£3,718,670	£3,885,000
Number of applications	493	493	510
Cost per application	£11,420	£7,543	£7,618
Position in benchmarking table	32	25	28

4.4 Classification of expenditure to be included in the Local Finance Return (LFR) is based on the Service Reporting Code of Practice (SeRCOP). Under 'Planning', costs for the operation of development control, planning policy, environmental initiatives and building control are included. This is intended to give consistency as all local authorities receive the same guidance.

4.5 Examination of the approach to this indicator highlights a number of issues. In particular it indicates that in 2015-16 in Falkirk the Council had approximately £1.2m allocated against the element for "Environmental Initiatives". Comparable authorities with similar numbers of planning applications had low amounts allocated against this category (see table in Appendix 1). It is evident therefore that the submissions do not compare like for like and that some costs should more appropriately have been classed as e.g. 'parks and open spaces' or 'countryside recreation and management'. This will have had an effect on the relative placing of the Council. When comparing costs for planning related services (development control, planning policy and building control) for authorities with similar numbers of application, the expenditure levels are broadly similar.

- 4.6 The figure for 16-17 has been reported in a way that is now more consistent for Falkirk; however there remain some cost differences between the Council and other authorities and, while moving costs elsewhere will potentially impact on performance on another indicator it merits attention. The in-depth treatment of expenditure for 2017-18 is now being reviewed to determine if further revision is necessary.
- 4.7 It is noted that the Scottish Government has recently published its Planning (Scotland) Bill, 2017. This follows the review of planning which commenced in 2015. The Bill proposes a number of changes to strengthen and simplify the planning system. In addition to a number of legislative changes the Scottish Government has proposed a number of changes in the financing and monitoring of the performance of the planning system. These changes would build on the current methods for monitoring of performance including local government benchmarking. Consultations on these changes are underway at the present time and involve Cosla in respect of the changes to current financing and monitoring arrangements..

## **5 Consultation**

- 5.1 No statutory consultation is required.

## **6 Implications**

### **Financial**

- 6.1 There are no direct financial implications arising from this report.

### **Resources**

- 6.2 There are no direct resource implications arising from this report.

### **Legal**

- 6.3 No implications

### **Risk**

- 6.4 There are no risks arising from the recommendations in this report.

### **Equalities**

- 6.5 An equality and poverty impact assessment was not required.

### **Sustainability/Environmental Impact**

- 6.6 A sustainability/environmental assessment is not required.

## **7 Conclusions**

- 7.1 This report explains that the 2015-16 performance figure of £11,421 reported for ECON2 was incorrect due to the inappropriate inclusion of some costs in the Local Finance Return. The accurate figure for 2015-16 is £7,543. This places Falkirk 25<sup>th</sup> in the 2015-16 benchmarking table for cost per planning application.
- 7.2 The report shows that more detailed analysis of the applicable costs to be submitted in the Local Finance Return will be beneficial in providing a more accurate figure on this particular performance indicator in the 17-18 return.
- 7.3 The report highlights that it is understood that there will be some variations in the way that local authorities capture and show expenditure in Local Finance Returns. This should be considered when comparing when benchmarking performance figures. Future work on this matter will also require to be informed by any changes arising from the outcome of consultations on the Planning (Scotland) Bill.

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Date: 24 January 2018

## **Appendices**

Appendix 1 - Cost of Planning: Comparison with other authorities

### **List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None

## Cost of Planning: Comparison with other authorities:

2015-16 - ECON 2 RESULTS					LFR SOURCE DATA			
Authority	No of Applications	Cost of Planning (£)	Cost per applic'n (£)	Position	<i>Planning</i> (inc. Dev't Control, Bdg Control, Planning Policy)	Env'tal Initiatives (£)	Country Rec & Mgt (£)	Parks and Open Spaces (£)
Falkirk	493	3719000	7544	32 / 25	2616000	1269000	729000	5104000
Stirling	596	2570000	4312	15	2893000	151000	327000	2006000
North Ayrshire	454	1939000	4271	13	2223000	0	1249000	4340000
Midlothian	488	1893000	3879	9	2754000	0	1585000	849000
Dundee City	462	2370000	5130	20	2593000	0	1436000	4924000