

APPENDIX A.

3 (b) BUSINESS REVIEW

Business and Environmental Analysis

A Business and Environmental analysis of Planning and Economic Development has been carried out. This confirms that as a result of possible reductions in spending that there is a need to look strategically at what are the priorities for the Directorate.

This analysis has identified three key strategic choices for the Directorate;

- The priority is to promote full cost recovery methods for Development Control to align this with what is currently being carried out by Building Control who have had some success in this area. In addition across all sections of the Directorate there is a need to actively promote improved services and continuously implement efficiency savings.
- However it is recognised that savings need to be based on business principles and that it is essential that any decline or reduction in customer efficiency requires innovative and creative solutions based on Locally Decided Priorities for services.
- Within Budget limitations, there is a need to prioritise measures to safeguard the unique character of the District.

Financial Review

Planning and Economic Development financial activities are primarily divided into four areas;

- Direct Services
- Regulatory Non Fee Earning (Planning Appeals, Enforcement and Building Control)
- Regulated Fee Earning (Development Control)
- Regulated Full Recovery of Fee Earning work (Building Control).

Expenditure is estimated for **2012/13 to be £3.331** million met as follows;

CSB Budget	£ 2 713 000
CSB Savings	£ -106 000
DDF Budget	£ 724 000
Total Net Budget	£ 3 331 000

DIRECT SERVICES

The forecast costs for Direct Services are likely to reach £2,072,000 for 2012/13 as compared with 2011/12 - Original Estimate £1,712,000 and Provisional Outturn of £1,457,000.

Direct Services primarily consists of the sections within Policy and Conservation including;

- Forward Planning
- Economic Development
- Environmental Coordination
- Conservation Policy
- Town Centre Enhancements

- Countrycare

REGULATORY SERVICES NON FEE EARNING

It is expected that the costs for Non Fee Earning activities within Development Control are estimated to be £747, 000 for 2012/13 which represents a decrease as compared with 2007/08 of £820 000.

Development Control Appeals

The forecast cost of Appeals increased from £237 000 in 2007/08 (132 Appeals) to £421 000 in 2008/09 (153 Appeals). The forecast figure for 2012/13 is £275 000 (140 estimated).

Enforcement

The following table illustrates how the annual costs of Enforcement have dropped in recent years combined with a significant increase in Enforcement Notices served.

	2007/08	2012/13 (estimated)
Complaints received	757	720
Enforcement Notices Served	23	50
Costs	£583 000	£469 000

Building Control Non Fee Earning

Building Control Non Fee earning activity costs are expected to reach £158 000 for 2012/13 This expenditure has been managed to ensure that £164 000 for 2007/08 has not increased.

REGULATORY SERVICES FEE EARNING

This comprises of the following estimated Expenditure and Income for 2011/12 and 2012/13

FINANCIAL YEAR	EXPENDITURE	INCOME	NET
Development Control			
2011/12			
(Probable Outturn)	£900,000	£552,000	£348, 000
2012/13	£934 000	£576, 000	£358 000
Building Control			
2011/12			
(Probable Outturn)	£460,000	£528,000	(£68,000)
			(Surplus ring fenced)
2012/13	£507,000	£528,000	(£21,000)
			(Surplus Ring

			fenced)
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Building Control (full fee earning recovery)

Local Authorities were required, by the Building (Local Authority Charges) Regulations 2010, to bring in a new scheme of charges with effect from 1st October 2010. This was to enable cost recovery by Building Control services. Building Control has been able to achieve full cost recovery of fee earning services in recent years. Building Control continues to control costs and search for new income sources.

Development Control (regulated fee earning recovery)

Planning Fees for Development Control Planning Applications have in the past been nationally regulated and do not currently aim to achieve full cost recovery of fees. Development Control has been working with Planning Advisory Services since 2010/11 to set up a Benchmarking exercise aimed at full cost recovery of Planning Application costs.

Recent results from the Benchmarking exercise carried out in conjunction with PAS (Planning Advisory Services) and CIPFA in December 2011 have confirmed that we are under collecting in terms of planning fees. The benchmarking exercise to establish full cost recovery for Development Control Fee earning activities carried out with CIPFA is now complete. As a result we are now awaiting further guidance from Planning Advisory Services and the Department of Communities and Local Government regarding legislative approval for the local setting of planning fees. If accepted and approved by Parliament these charges could be implemented sometime in 2012/13.

APPENDIX ONE - BUSINESS AND ENVIRONMENTAL ANALYSIS

				CONTINUOUSLY IMPROVE EFFICIENCY ADOPT NEW WAYS OF WORKING TO MAXIMISE REVENUE.	PROVIDE STRONG LOCAL COMMUNITY LEADERSHIP TO PROMOTE THE SPECIAL CHARACTER & PEOPLE OF THE DISTRICT
	SAFEGUARD FRONTLINE SERVICES		HAVE THE LOWEST DISTRICT COUNCIL TAX IN ESSEX	BE RECOGNISED AS AN INNOVATIVE AND TOP PERFORMING COUNCIL IN ESSEX;	
STRENGTHS & OPPORTUNITIES	Promoting full cost recovery of services for Building Control and Development Control to safeguard frontline services and reduce the burden on council tax.	Well placed to provide effective, user friendly and high performing planning and building control services Significant progress made in i-Plan that is User and Carbon friendly. Recognition of the benefits of cost recovery in charging for BC and DC			Good record in terms of promoting green and sustainable policies in Conservation, Trees, Countrycare and protecting the environment.
WEAKNESSES & THREATS	Some Frontline Services may be reorganised as a result of reductions in Public Spending. This may lead to perceptions that we are providing less than efficient planning and customer services. Delays in locally setting Planning Application fees may adversely effect income leading to shortfalls being met from Council Tax	Spending reductions may inhibit the ability of the Directorate to contribute towards innovative ways to improve service delivery. Short term savings may lead to a decline in the quantity and quality of electronic planning records held on i-Plan. Short term cost reductions may result in a negative “domino” effect leading to increased paper usage and “invisible” staffing requirements.			Reductions in staffing may have an adverse effect in formulating effective strategies to protect the special character of the district. Reductions in sustainability and economic initiatives’ could well be the subject of future savings with a detrimental “knock on” effect on the special character and economic development of the district.
STRATEGIC CHOICES	A	Substantially reduce frontline services to minimise impact on council tax (ie implement major savings)	Maximise savings by making large cuts in spending to achieve significant savings but reducing service efficiency and effectiveness.		Make major cuts in the provision of green sustainability which may adversely affect the unique character and services for the District
	B	Promote increased charges to meet full cost recovery. This may be subject to market resistance due to perceptions that the increases are combined with the provision of less than efficient service delivery.	Limit spending to achieve greater savings and actively manage the reduction in service effectiveness and decline in service improvement.		Limit cuts in spending to protect the interests of the people and District but recognise that some services may decline or be given less priority.
	C	Promote full cost recovery methods for DC and BC. Actively promote improved services. Continuously implement efficiency savings.	Implement some unpopular savings based on business principles. Manage/limit the decline in customer efficiency by innovatively improving services to compensate for this (for example reducing paper based planning and implement better quality electronic services via iPlan)		Introduce limited savings in conjunction with the active implementation of the Local Plan and other business measures to safeguard the unique character of the District. At the same time implement measures to deliver improved and more efficient ways of working to deliver high quality, accessible planning services throughout the district.