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| Planning Advisory Service |
| PAS Development Management Challenge Toolkit |
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| Financial Management |



# Introduction

Financial Management forms one of 15 sections of the PAS Development Management Challenge Toolkit. Please refer to the complete document for information on the other 14 sections and further background to the toolkit.

This section looks at the way you manage your Development Management service financially. Do your Development Management managers properly forecast income from Development Management activities? Is every opportunity taken to drive up income or are you content to give advice for free or below cost because your income is being driven from other sources? Do you make the best use of your own staff before using consultants or agency staff or are you happy to use the Planning budget to fill the gaps to relieve the pressure on your permanent staff? There is no “one size fits all” approach to prudent financial management but it is important that DM understand their budgets and use resources effectively.

Please consider the statements below that attempt to define what an excellent and poor Planning Authority looks like and then consider some tips to improve performance. The purpose of defining poor and excellent is meant to be controversial and to stimulate debate within a Council. The tips will work for some Councils and not for others because every Council is different and therefore has different priorities for improvement. The tips are also aimed at getting Planning Authorities to think about solutions and to work through challenges in bite size ways rather than being overwhelmed by the problems it faces.

# How to use it

For each part discuss where you feel your Council sits on a scale from 1 (poor) to 5 (excellent). If you disagree with one another (which you are likely to do) discuss why you have different views as perception is a really important factor in improving how things are done. Ultimately the final score is not as important as what you are going to do about it. However it is really important to write down why you have either agreed on a score or why you can’t decide on a score. This will help you to understand where you are as a service on the journey between poor and excellent and if you don’t write it down you will have no record of why you came to those conclusions.

Next look at the ‘top tips’ and actions you want to take from the session. Which tips are you going to take on board and which are you going to dismiss? – it is ok to say a tip is not for you as long as you know why. Then if you decide you want to take forward a tip decide how you are going to implement it. Some you simply need to do and others may involve outside support such as from PAS. Also consider what other actions have come out of the discussion. Encourage all staff taking part in the session to generate other ideas and actions to help you develop an action plan.

Finally decide what score you would like to be. It may seem obvious that you always will want to be a 5 (excellent) but this is not always the case as it depends on where you want to focus your priorities as a service. For example how important is monitoring performance to your service? All Planning Authorities will want to monitor speed and quality of decision making as these are the minimum benchmarks set by Government but you will then need to balance the time spent in collecting information about all areas of the Development Management process against the staff resources you have to deliver an excellent service. Only you will know whether you want to reach a 5 or whether you may be happy to be a 3 or 4. However again it is really important to write down why you have settled on a particular score.

Following pilot work on the toolkit each section usually takes about an hour to an hour and a half to complete. However the time you spend on each section very much depends on how much discussion and disagreement takes place – it will sometimes be shorter and sometimes longer. Also some sections are longer than others so there will inevitably be a difference in time spent on each.

When you have completed the sections that you feel are important to your service you should be in an excellent position to prepare your own action plan of improvement in the format that is appropriate for your organisation. However it is also really important to use the toolkit to reflect back on the things you are doing well and therefore do not need to change. Do not simply dwell on the negatives but celebrate success and promote best practice within your service. It is really important when Planning Departments are struggling with resourcing and workload presssures to celebrate with staff good practice and a job well done.

# How to involve staff in the discussion

The information required in this section will largely be known by the management team so they should take the lead in this section. However representation from more junior staff is also important to gauge the ownership of income targets from all staff and their views on recruiting agency staff and consultants.

# Facilitator’s tips

* Ask yourself challenge questions such as: Do we agree with excellent? Do we agree with poor? Are the tips helpful? What do we need to do if anything to change?
* Make sure you have someone to write down your conclusions and check what has been written before moving on to the next session. It is really important to ensure everyone’s thoughts are represented accurately
* The scores are there to help you conclude the effectiveness of your Development Management service but do not spend too long debating the scores, they are only there to give you guidance
* As always it is about getting the right people in the room and making them comfortable to contribute. Some staff may feel that their contribution is not as important as others. Make sure it is inclusive and everyone’s views are given equal weight
* Some staff may feel uncomfortable when some topics are discussed. Ultimately you need to decide whether all staff should be involved in the whole session, but the toolkit works best when staff are able to express their views openly without fear of repercusssions.
* This process can work really well with people from different councils so that services can learn from each other and suggest ways of working together in future.
* Many issues that people identify can be tackled at a number of different levels. Encourage people to think of what they could just do on Monday, as well as the bigger trickier things that need buy-in.
* Always agree a follow up action plan that will result from the discussions, otherwise the ideas, enthusiasm and momentum will be lost.

# For more information & Help

If you would like more information about any aspect of the Development Managament Challenge Toolkit or would like to take part in or organise a facilitated improvement session please contact Planning Advisory Service**pas@local.gov.uk****.**

To help you progress your action plan there is a range of support available on the PAS website along with links to other helpful sources of information. Please visit the website at <https://www.local.gov.uk/pas>

| **A poor Development Management Service (score 1)** | **An excellent Development Management Service (score 5)** | **Top tips** |
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| Development Management managers are not involved in the monthly monitoring of Development Management budgets and actions are initiated by the Finance team or a manager from outside the specialism of Development Management. Therefore Development Management staff have little understanding of the need to drive up income by bringing in planning income or other discretionary services such as pre application fees. | There is a manager who takes responsibility for monitoring Development Management income and expenditure on a monthly basis with clear projections on actual income and expenditure against targets. This is regularly discussed with both the management team and the Finance team with actions taken with the involvement of relevant staff when required. | 1. Ensure the manager responsible understands the budgets and the necessary actions that are required.
2. Work with the Finance Team to ensure that income and expenditure can be easily understood and relates to actual work carried out e.g. planning application income in current year against previous year and 5 year average
3. Raise finance as part of the regular management discussions with a Development Management Manager recommending actions
4. Involve staff in discussing income generating ideas
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| **SCORE: (out of 5)** **Why this score?****What score would you like? (out of 5)** **Why this score?** |
| An income target is imposed on the Development Management service based on Council needs and cross subsidises other areas of the Council where income is more difficult to achieve. The discretionary service charging schedule is based on historic charges and has not been assessed against customer needs or value for money. | Development Management managers set an income target based on realistic forecasts taking into account the previous years’ income, expected applications that are likely to be received in the year and a pre application charging schedule that maximises income when required whilst also meeting the statutory restraints in the Local Government Act and good value for money for the customer. | 1. Forecast likely fee income based on Local Plan delivery targets and from intelligence obtained from the development industry
2. Regularly discuss progress on key developments with key delivery partners and likely fees that will be received in forthcoming months
3. Annually review discretionary fees and ensure they both give value for money and keep in pace with inflation.
4. Speak to customers and benchmarking authorities to find out what discretionary services are helpful to customers and will attract a fee.
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| **SCORE: (out of 5)** **Why this score?****What score would you like? (out of 5)** **Why this score?** |
| Frequent use is made of consultants to undertake urgent work when a crisis is reached. As the work is needed at short notice staff do the minimum necessary to meet financial standing orders and selection is largely based on who is available or willing to undertake the work at short notice. | Development Management expenditure is carefully managed that maximises the use of in-house resources. Where work is contracted out work it is undertaken for good business reasons and achieves best value for money through the use of service level agreements, framework agreements and competitive tendering processes. However when agreeing partners it is not just based on price but on qualitative measures and track record.  | 1. Set up a framework agreement for services that are likely to be needed on a frequent basis e.g. viability assessments or use an existing framework agreement in operation
2. Discuss consultancy opportunities with neighbouring LPAs. Can you share an Urban Designer or Tree specialist?
3. Ask colleagues in other LPAs about consultants and whether they would recommend them. Speak to colleagues direct rather than relying on formal references.
4. Think carefully about the qualitative measures for assessment – will you work well together and give you the quality you need?
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| **SCORE: (out of 5)** **Why this score?****What score would you like? (out of 5)** **Why this score?** |
| Workload pressures are managed through the frequent use of agency staff from a variety of recruitment agencies. The agency staff rarely stay long. Key posts are blocked from recruitment due to budgetary constraints and ongoing restructuring. They are therefore filled through recruitment agencies on an availability basis.  | The use of agency staff is managed based on sound management decisions and consideration is always given to employing permanent staff or staff on fixed term contracts in the first instance. Where it is necessary to employ agency staff a selection process is used and advice is sought from other LPAs who have previously used the staff concerned. | 1. If you know there will be a recruitment issue try to fill temporary posts through trusted sources such as PAS, previously employed staff or recommendations from other LPAs.
2. Look to local Universities to source recent graduates or students who are looking for relevant experience with a view to obtaining their first planning job.
3. Consider more junior staff acting up as a career development opportunity or temporarily seconding staff from other parts of the department or Council.
4. When using agency staff ensure they have a buddy / mentor to help them understand how the Development Management process works in your LPA.
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| **SCORE: (out of 5)** **Why this score?****What score would you like? (out of 5)** **Why this score?** |
| **Actions to follow up and tips you will you be considering?****Which tips are helpful?****Actions to take forward** |