

# Financial Intelligence Toolkit 2021/22 Subscription

**Financial Benchmarking - Unit Costs** 

**Tunbridge Wells** 



# Overview

This report compares unit costs between local authorities in England, using budgeted expenditure from authorities' Revenue Account (RA) returns for 2021/22. The report is intended to act as an initial guide for further investigation into areas where unit costs differ to those of similar authorities and where there may potentially be scope for savings.

# Contents

Summary of Key Points	3
1. Methodology	4
2. Comparator groups	5
3. Potential savings	6
4. Change in unit costs 2020/21 to 2021/22	8
5. Overview of unit costs	9
6. Unit costs by service	12
Education	12
Housing Services (General Fund)	13
Cultural & Related Services	14
Environmental & Regulatory Services	15
Planning & Development Services	16
Central Services	17
Annex A - Denominators and data sources	18



# **Summary of Key Points**

# **Notional savings**

- The notional impact of setting your authority's unit costs, across every service, equal to:
  - The bottom 20% of authorities in England: ■ notional savings of £4.5m
- - The top 20% of authorities in England:
- ♠ additional expenditure of £5.4m

### **Annual change in unit costs**

- Change in your authority's unit costs between 2020/21 and 2021/22: 22.0%
- Your authority's ranking changed from 14th highest to 12th highest in its nearest neighbour (NN) group.

### **Unit costs**

Service:	Relative unit co	osts:	Your authority's relative unit cost:
Overall unit costs (exc. schools)	Your authority Neighbours England		<ul> <li>Expenditure per resident:</li> <li>7.2% below the NN average</li> <li>10.2% below the England average</li> </ul>
Highways & Transport*	Your authority Neighbours England		Expenditure per resident:  179.5% below the NN average  165.1% below the England average
Housing (General Fund)	Your authority Neighbours England		<ul> <li>Expenditure per resident:</li> <li>1.1% above the NN average</li> <li>0.4% above the England average</li> </ul>
Cultural & Related	Your authority Neighbours England		<ul><li>Expenditure per resident:</li><li>60.5% above the NN average</li><li>36.0% above the England average</li></ul>
Environmenta I & Regulatory	Your authority Neighbours England		<ul><li>Expenditure per resident:</li><li>23.0% below the NN average</li><li>25.2% below the England average</li></ul>
Planning & Development	Your authority Neighbours England		<ul><li>Expenditure per resident:</li><li>60.1% above the NN average</li><li>63.0% above the England average</li></ul>
Central Services	Your authority Neighbours England		<ul><li>Expenditure per resident:</li><li>20.1% below the NN average</li><li>23.3% below the England average</li></ul>

<sup>\*</sup> Excludes levies for transport authorities and expenditure by the GLA, which may affect national comparisons.



# 1. Methodology

Unit costs are based on local authorities' planned expenditure for 2021/22, as reported in Revenue Account (RA) forms. **Expenditure on Fire and Rescue services is excluded from this report**, so as to enable a like-for-like comparison between authorities with otherwise identical functions and

When estimating unit costs, **expenditure is first deflated by the Area Cost Adjustment (ACA).** This controls for geographical variations in the cost of providing services due to differences in wage and salary costs. These adjustments are based on the ACA figures for 2013/14 as published by MHCLG.

To calculate unit costs, deflated expenditure is divided by relevant cost drivers; for example, the number of local residents or weighted road length. The latest available data is used for these denominators, which varies from year to year. Details on each denominator are provided in Annex A.

Where local authorities have been restructured, it has been necessary in some cases to estimate expenditure or activity levels using data that relates to now-abolished authorities.

Unit costs are based on net current expenditure (NCE), which is comprised of expenditure on employees and running expenses, net of sales, fees and charges, internal recharges and other income. NCE excludes levies paid to Waste Disposal Authorities and Integrated Transport Authorities, and this should be borne in mind when making any comparisons between authorities where their costs may be recorded differently, due to differing structural arrangements for such services.



# 2. Comparator groups

For benchmarking purposes, two sets of comparator groups are used in this analysis: (a) Tunbridge Wells' nearest neighbour group, and (b) all comparable authorities across England.

# Nearest neighbour group

Please note that some authorities did not submit budgeted expenditure (RA) data in 2021/22. In cases where data is missing for your authority's nearest neighbours, these have been replaced by the next closest authorities from LG Futures' nearest neighbour model.

To enable a like-for-like comparison, this analysis makes use of LG Futures' statistical 'nearest neighbours' groups. These identify councils with similar economic, social and geographic characteristics and groups them on a statistical basis. These were last updated in 2021.

Tunbridge Wells' nearest neighbour group is shown in the table below:

Table 1 - Nearest neighbour group

<ul><li>Maidstone</li></ul>
<ul><li>North Hertfordshire</li></ul>
<ul><li>Reigate &amp; Banstead</li></ul>
Epping Forest
<ul><li>Waverley</li></ul>
<ul><li>Eastleigh</li></ul>
Cherwell
<ul><li>Surrey Heath</li></ul>

### National comparator group

When making national comparisons, it is necessary to consider the services provided by each authority. Unit costs should only be compared among authorities with similar functions and responsibilities.

To enable national comparisons, authorities are therefore categorised into three groups, according to whether they provide (1) both upper-tier and lower-tier services, (2) exclusively upper-tier services, or (3) exclusively lower-tier services.

Based on the services it provides, Tunbridge Wells falls into Group 3, as shown in the table below. All national comparisons in this report are made with reference to this group of councils. In 2021/22, data was available for 179 of these authorities.

Table 2 - National comparator groups

Group	Authority Type	Lower tier	Upper tier	Fire*	No.
Group 1	Metropolitan districts, London boroughs and unitaries without fire responsibilities	✓	✓		121
	Unitaries with fire responsibilities	✓	✓	✓	3
Group 2	Shire counties without fire responsibilities		✓	✓	14
Group 2	Shire counties with fire responsibilities		✓		10
Group 3	Shire districts	✓			179

<sup>\*</sup> Expenditure on fire and protective services is excluded from this report, so does not affect comparisons.



# 3. Potential savings

This section considers the *notional* savings that could be achieved by setting your authority's unit costs to certain levels relative to other councils.

Benchmarks are set relative to Tunbridge Wells' nearest neighbour group.

Benchmark unit costs are defined as the cut-off points for the top 20% of authorities, the top 40% of authorities, the median, the bottom 40% of authorities, and the bottom 20%.

The chart below illustrates the theoretical savings that would result if Tunbridge Wells set its unit costs to these benchmarks for every service. For example, setting its unit costs to the bottom 20% of authorities in the nearest neighbour group, within every major service, would generate notional savings of £4.5m. Setting its unit costs to the top 20% of all comparable authorities would impose additional expenditure of £5.4m.

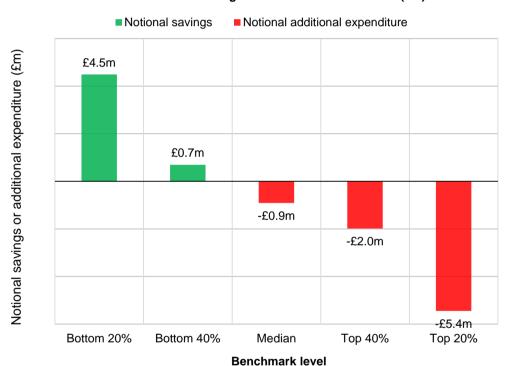


Chart 1 - Potential savings from alternative unit costs (£m)

Please note that these notional savings will vary from those presented in LG Futures' Adults' Social Care Report and Children's Social Report, due to different data and methodologies used.



The table below provides a breakdown of these potential savings (or additional expenditure) by service.

Table 3 - Potential savings by major service

Notional savings Additional expenditure

Service	Bottom 20%	Bottom 40%	Median	Top 40%	Top 20%
Highways & Transport	-£0.6m	-£0.9m	-£1.0m	-£1.3m	-£1.8m
Housing Services (GFRA only)	£0.7m	£0.0m	-£0.2m	-£0.3m	-£0.6m
Cultural & Related Services	£2.7m	£1.5m	£1.1m	£1.0m	£0.4m
Environmental & Regulatory Services	-£0.1m	-£0.5m	-£0.7m	-£1.1m	-£2.2m
Planning & Development Services	£1.6m	£1.0m	£0.8m	£0.7m	£0.0m
Central Services	£0.2m	-£0.4m	-£0.9m	-£1.1m	-£1.3m
Total (excluding schools)	£4.5m	£0.7m	-£0.9m	-£2.0m	-£5.4m

Negative figures indicate increased expenditure. Your authority would incur additional expenditure if its unit costs are currently below the relevant benchmark level.

Please note that for shire districts, notional savings are not calculated for Education, Children's Social Care, Adults' Social Care or Public Health. This is due to a lack of expenditure data for these services.



# 4. Change in unit costs 2020/21 to 2021/22

This section highlights the change in Tunbridge Wells' unit costs, compared to its nearest neighbours, between 2020/21 and 2021/22.

In 2021/22, Tunbridge Wells' overall unit costs (excluding schools) increased by 22.0%. Its ranking, relative to its nearest neighbours, changed from 14th highest to 12th highest in the group. The change for each major service is shown in the table below.

Table 4 - Change in unit costs relative to the nearest neighbour group

	U	Unit Costs			Nearest Neighbour Ranking			
Service Area	(£	(£ per unit)			(1 = high)			
	2020/21	2021/22	Change	2020/21	2021/22	Change		
Highways & Transport	-30.11	-14.79	•	16th	16th	•	Residents (all)	
Housing (General Fund)	18.14	16.87		8th	10th	•	Residents (all)	
Cultural & Related Services	26.41	30.14		2nd	2nd	•	Residents (all)	
Environmental & Regulatory Services	33.86	33.98		14th	15th		Residents (all)	
Planning & Development Services	21.64	24.08		4th	4th		Residents (all)	
Central Services	28.33	29.54		14th	12th	•	Residents (all)	
Total Expenditure (exc. Schools)	98.22	119.79	•	14th	12th	•	Residents (all)	

- **Key:** Decreased unit costs / improved rank
  - Unchanged unit costs / unchanged rank
  - Increased unit costs / worsened rank

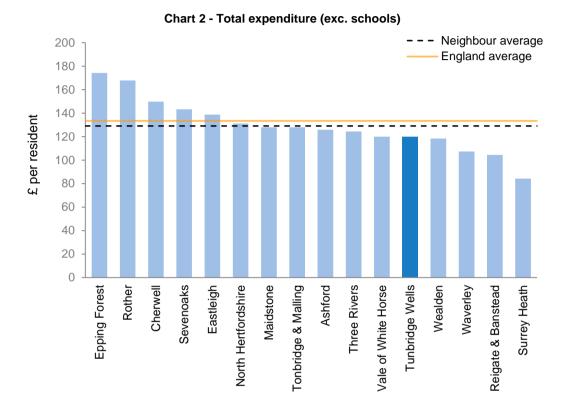
Annex A provides more details on the units used to calculate unit costs, as listed in the table above.



# 5. Overview of unit costs

In 2021/22, Tunbridge Wells' total expenditure per resident (excluding schools) was 7.2% lower than the nearest neighbour average. It was ranked 12th highest out of the 16 authorities in the group.

Its position relative to its nearest neighbours is illustrated in the chart below.





The table below shows Tunbridge Wells' unit costs, in each major service area, relative to its nearest neighbours.

Table 5 - Unit costs compared to nearest neighbours

	Budget	Unit	cost*	Difference		Rank	
Service Area	2021/22	Your authority	NN average		nearest neighbour average		Units
	(£m)	(£ per unit)	(£ per unit)	(%)	(Band)	(1=high)	
Education (exc. schools)	0.000						
Adults' Social Care	0.000						
Children's Social Care	0.000						
Public Health	0.000						
Highways & Transport	-1.780	-14.79	-5.29	-179.5%	•	16th	Residents (all)
Housing (General Fund)	2.026	16.87	16.68	1.1%		10th	Residents (all)
Cultural & Related Services	3.620	30.14	18.77	60.5%	•	2nd	Residents (all)
Environmental & Regulatory Services	4.082	33.98	44.15	-23.0%	•	15th	Residents (all)
Planning & Development Services	2.893	24.08	15.04	60.1%	•	4th	Residents (all)
Central Services	3.548	29.54	36.97	-20.1%		12th	Residents (all)
Other Services	0.000			_			
Total (excluding schools)	14.389	119.79	129.09	-7.2%	•	12th	Residents (all)
Total (including schools)	14.389	119.79	129.09	-7.2%		12th	Residents (all)

Bottom 20% of NN group •••• top 20% of NN group

<sup>\*</sup> In this report, unit costs are based on budgeted expenditure **deflated by the Area Cost Adjustment**, which reflects geographical differences in the costs of providing local services, primarily due to wage and salary costs. Values are left blank for 'Other Services' (which varies widely between authorities) and for services where your authority does not have primary responsibility.



# **England comparison**

Relative to all comparable authorities in England, Tunbridge Wells' unit costs were 10.2% lower than average, and ranked 124th highest out of 179 authorities.

The table below provides details of Tunbridge Wells' unit costs relative to all comparable authorities across England.

Table 6 - Unit costs compared to England average

	Budget	Unit	cost	Difference	from	Rank	
Service Area	2021/22	Your authority	England average	England average		out of 179	Units
	(£m)	(£ per unit)	(£ per unit)	(%)	(Band)	(1=high)	
Education (exc. schools)	0.000						
Adults' Social Care	0.000						
Children's Social Care	0.000						
Public Health	0.000						
Highways & Transport	-1.780	-14.79	-5.58	-165.1%	•	154th	Residents (all)
Housing (General Fund)	2.026	16.87	16.80	0.4%		80th	Residents (all)
Cultural & Related Services	3.620	30.14	22.15	36.0%	•	40th	Residents (all)
Environmental & Regulatory Services	4.082	33.98	45.42	-25.2%	•	157th	Residents (all)
Planning & Development Services	2.893	24.08	14.77	63.0%	•	32nd	Residents (all)
Central Services	3.548	29.54	38.53	-23.3%		135th	Residents (all)
Other Services	0.000						
Total (excluding schools)	14.389	119.79	133.41	-10.2%	•	124th	Residents (all)
Total (including schools)	14.389	119.79	133.41	-10.2%		124th	Residents (all)

Bottom 20% of authorities •••• top 20% of authorities

The following section provides additional details on each of these services.



# 6. Unit costs by service

## Highways and Transport

For Highways and Transport, Tunbridge Wells' unit costs were 179.5% lower than the nearest neighbour average, and ranked 16th highest in the group. This is illustrated below.

Compared nationally, its units costs were 165.1% lower than average (and ranked 154th highest out of 179 authorities).

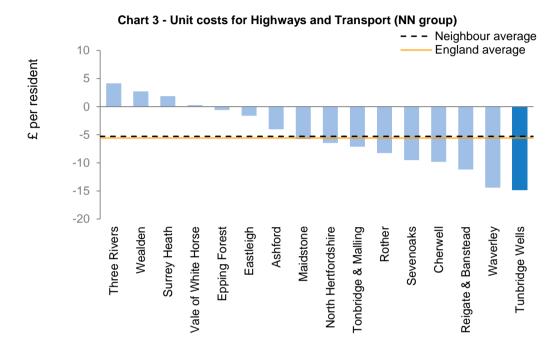


Table 7 - Detailed unit costs for Highways and Transport (NN group)

		unit oooto it		-	• •	1 7	
Service Area	Budget 2021/22	Your authority	nit cost Difference from Neighbour nearest neighbour y average average		nearest neighbour		Units
	(£m)	(£ per unit)	(£ per unit)	(%)	(Band)	(1=high)	
Highways Maintenance	0.000	0.00	0.51	-100.0%		9th= / 16	Residents (all)
Parking Services	-1.844	-15.32	-6.53	-134.5%	•	15th / 16	Daytime population
Street Lighting	0.064	0.53	0.08	564.3%		1st / 16	Residents (all)
Transport Planning, Policy and Strategy	0.000	0.00	0.13	-100.0%	•	6th= / 16	Residents (all)
Winter Service	0.000	0.00	0.00			1st= / 16	Residents (all)
Traffic Management and Road Safety	0.000	0.00	0.03	-100.0%		5th= / 16	Residents (all)
Public Transport	0.000	0.00	0.49	-100.0%		11th= / 16	Residents (all)
Other Highways and Transport Services	0.000	0.00	0.00	100.0%		1st= / 16	Residents (all)
Total	-1.780	-14.79	-5.29	-179.5%	•	16th / 16	Residents (all)

Bottom 20% of NN group •••• top 20% of NN group



# Housing Services (General Fund)

For Housing Services, Tunbridge Wells' unit costs were 1.1% higher than the nearest neighbour average, and ranked 10th highest in the group.

Compared nationally, its units costs were 0.4% higher than average (and ranked 80th highest out of 179 authorities).

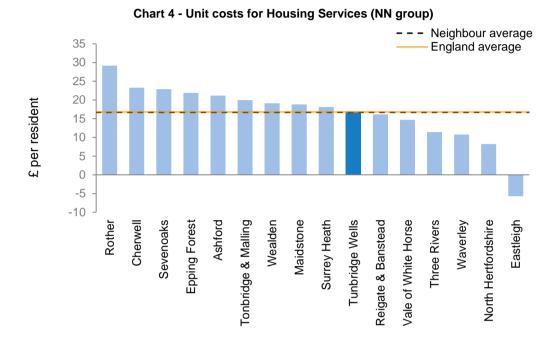


Table 8 - Detailed unit costs for Housing Services (NN group)

	Budget	Unit	cost	Difference	from		
Service Area	2021/22	Your Neighbour nearest neighbour R authority average average		Rank	Units		
	(£m)	(£ per unit)	(£ per unit)	(%)	(Band)	(1=high)	
Homelessness	1.042	7,011.94	7,322.66	-4.2%		7th / 16	Homeless households
Housing Benefits Administration	0.299	72.49	155.35	-53.3%		13th / 16	Housing Benefit claimants
Housing Benefits: Rent Allowances and Rebates	0.000	0.00	29.15	-100.0%	•	8th= / 16	Housing Benefit claimants
Housing Strategy, Advice, Advances etc.	0.682	5.68	4.61	23.3%	•	5th / 16	Residents (all)
Housing Welfare: Supporting People	0.000	0.00	0.19	-100.0%		3rd= / 16	Residents (all)
Other Housing Services	0.003	0.02	0.06	-57.4%		6th / 16	Residents (all)
Total	2.026	16.87	16.68	1.1%		10th / 16	Residents (all)

Bottom 20% of NN group ●●●● top 20% of NN group



### **Cultural and Related Services**

For Cultural and Related Services, Tunbridge Wells' unit costs were 60.5% higher than the nearest neighbour average, and ranked 2nd highest in the group.

Compared nationally, its units costs were 36.0% higher than average (and ranked 40th highest out of 179 authorities).

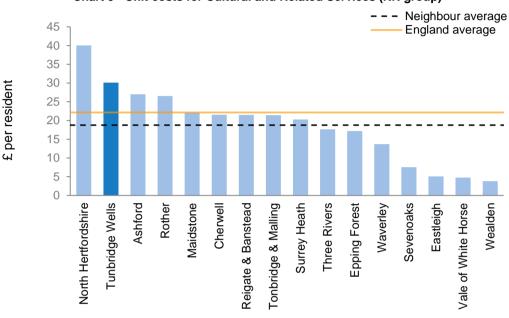


Chart 5 - Unit costs for Cultural and Related Services (NN group)

Table 9 - Detailed unit costs for Cultural and Related Services (NN group)

	Budget	Unit	cost	Difference from							
Service Area	2021/22	Your authority	Neighbour average		nearest neighbour average				nearest neighbour average		Units
	(£m)	(£ per unit)	(£ per unit)	(%)	(Band)	(1=high)					
Culture and Heritage	1.366	11.37	3.41	233.3%		1st / 16	Residents (all)				
Library Service	0.000	0.00	0.00		•	1st= / 16	Residents (all)				
Open Spaces	1.644	49.28	56.23	-12.4%		8th / 16	LA area (hectares)				
Recreation and Sport	0.561	4.67	4.97	-5.9%	•	7th / 16	Residents (all)				
Other Cultural and Related Services	0.049	0.41	0.40	2.6%		6th / 16	Residents (all)				
Total	3.620	30.14	18.77	60.5%	•	2nd / 16	Residents (all)				

Bottom 20% of NN group ●●●● top 20% of NN group



# **Environmental and Regulatory Services**

For Environmental & Regulatory Services, Tunbridge Wells' unit costs were 23.0% lower than the nearest neighbour average, and ranked 15th highest in the group.

Compared nationally, its units costs were 25.2% lower than average (and ranked 157th highest out of 179 authorities).

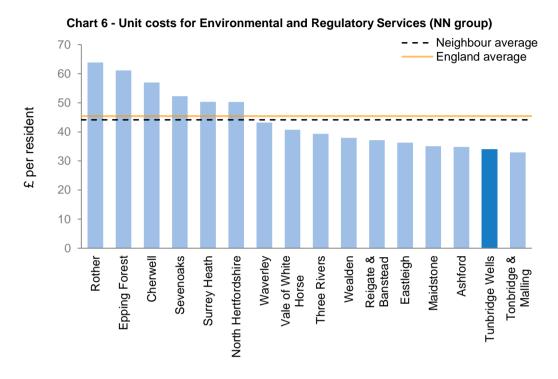


Table 10 - Detailed unit costs for Environmental and Regulatory Services (NN group)

Service Area	Budget 2021/22	Unit Your authority	cost Neighbour average	Difference from nearest neighbour average		Rank	Units
	(£m)	(£ per unit)	(£ per unit)	(%)	(Band)	(1=high)	
Cemetery, Cremation and Mortuary Services	-0.938	-7.81	-0.54	-1345.4%		16th / 16	Residents (all)
Community Safety	0.426	3.55	2.83	25.2%		5th / 16	Residents (all)
Regulatory Services	1.693	14.09	8.56	64.6%		2nd / 16	Residents (all)
Street Cleansing	1.056	8.79	8.54	3.0%		8th / 16	Daytime population
Waste Collection	1.743	34.51	40.61	-15.0%		9th / 16	Number of households
Waste Disposal & Recycling*	0.000	0.00	20.72	-100.0%	•	13th= / 16	Waste collected (household)
Trade Waste & Waste Minimisation*	0.000	0.00	-2.05	100.0%		2nd= / 16	Waste collected (all)
Other Environmental and Regulatory Services	0.102	0.85	1.24	-31.7%		9th / 16	Residents (all)
Total	4.082	33.98	44.15	-23.0%		15th / 16	Residents (all)

Bottom 20% of NN group ●●●● top 20% of NN group

<sup>\*</sup> Net Current Expenditure (used to calculate unit costs) excludes levies paid to waste authorities, which will affect relative unit costs for these services.



# Planning and Development Services

For Planning & Development Services, Tunbridge Wells' unit costs were 60.1% higher than the nearest neighbour average, and ranked 4th highest in the group.

Compared nationally, its units costs were 63.0% higher than average (and ranked 32nd highest out of 179 authorities).

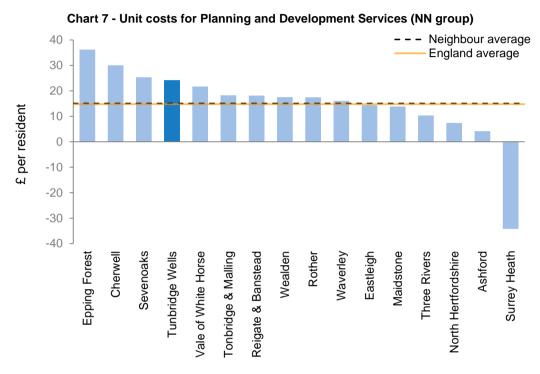


Table 11 - Detailed unit costs for Planning & Development Services (NN group)

Service Area	Budget 2021/22	· · · · · · · · · · · · · · · · · · ·		Difference from nearest neighbour average		Rank	Units
	(£m)	(£ per unit)	(£ per unit)	(%)	(Band)	(1=high)	
Building Control	0.096	65.53	65.01	0.8%		5th / 16	Planning decisions
Business Support	0.289	39.62	-56.19	170.5%		3rd / 16	Number of businesses
Community Development	0.169	1.41	2.03	-30.7%		7th / 16	Residents (all)
Economic Research and Development	0.336	2.80	0.47	491.8%	•	4th / 16	Residents (all)
Planning Policy	1.048	8.72	7.12	22.6%		2nd / 16	Residents (all)
Environmental Initiatives	0.080	0.67	0.28	138.4%	•	3rd / 16	Residents (all)
Development Control	0.875	597.31	802.91	-25.6%		13th / 16	Planning decisions
Total	2.893	24.08	15.04	60.1%	•	4th / 16	Residents (all)

Bottom 20% of NN group ●●●● top 20% of NN group



### **Central Services**

Within Central Services, Tunbridge Wells' unit costs were 20.1% lower than the nearest neighbour average, and ranked 12th highest in the group.

Compared nationally, its units costs were 23.3% lower than average (and ranked 135th highest out of 179 authorities).

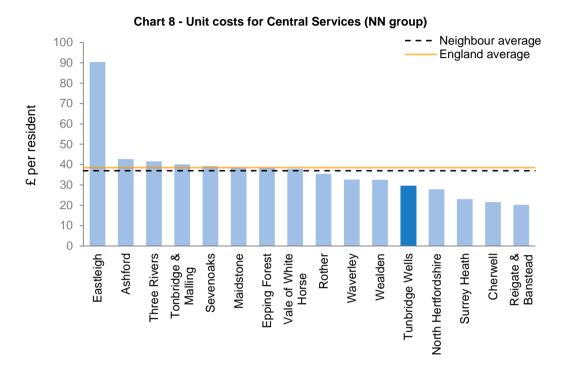


Table 12 - Detailed unit costs for Central Services (NN group)

	Budget	et Unit cost		Difference from			
Service Area	2021/22	Your authority	Neighbour average	nearest neighbour average		Rank	Units
	(£m)	(£ per unit)	(£ per unit)	(%)	(Band)	(1=high)	
Coroners Court Services	0.000	0.00	0.00			1st= / 16	Residents (all)
Corporate and Democratic Core	1.542	12.84	16.47	-22.1%		11th / 16	Residents (all)
Emergency Planning	0.125	1.04	0.59	75.1%	•	3rd / 16	Residents (all)
Local Tax Collection	0.746	13.86	16.74	-17.2%		11th / 16	Taxable properties
Non-Distributed Costs	0.940	7.83	5.58	40.3%	•	5th / 16	Residents (all)
Other Central Services	0.195	1.62	6.84	-76.3%	•	14th / 16	Residents (all)
Total	3.548	29.54	36.97	-20.1%		12th / 16	Residents (all)

Bottom 20% of NN group ●●●● top 20% of NN group



# Annex A - Denominators and data sources

Then following table provides details on the data used to calculate unit costs in this report (presented in alphabetical order).

Table A1 - Data sources

Denominator / Unit	Source	Description
Daytime population	MHCLG, ONS	The projected resident population in 2021, based ONS's population projections, plus estimated net in-commuters from the 2011 Census. (Source: NOMIS and LG Futures' calculations).
Homeless households	MHCLG	Number of households assessed and owed a duty by the local authority (prevention or relief), average of eight quarters to Q1 2021. (Source: Live Tables on Homelessness, MHCLG).
Housing Benefit claimants	DWP	Housing benefit caseload by local authority, average for the 12 months to May 2021. (Source: DWP Stat-Xplore).
LA Area (hectares)	ONS	Size of the local authority in hectares, from the UK Standard Area Measurement (SAM).
Number of businesses	ONS	Count of the number of business units in each local authority, as at March 2020. (Source: NOMIS, UK Business Counts).
Number of households	ONS	Projected number of households in 2021. (Source: Household Projections for England, ONS).
Obese & overweight adults	Public Health England	Estimate based on the percentage of adults classified as overweight or obese (average 2017/18 to 2019/20), multiplied by the projected adult population in 2021. (Source: Public Health Outcomes Framework, NHS).
Planning decisions	MHCLG	Number of planning applications decided by the district level planning authority in the year to Mar 2021. (Source: Live Tables on Planning Application Statistics, MHCLG).
Pupils (primary, secondary and special)	DfE	Number of pupils in LA-maintained primary, secondary and special schools in 2020/21. Primary and secondary school pupil numbers exclude those in academies. (Source: Schools, Pupils and their Characteristics, DfE).
Residents (all age categories)	ONS	2018-based Sub-national Population Projections (SNPP) for 2021. These take the 2011 census as the baseline, 'age on' the population each year, and reflect recent trends in births, deaths and migration. (Source: ONS).
Road Length	MHCLG	Index in which built-up roads carry twice as much as non-built up roads (as published by MHCLG in the calculation of the Relative Needs Formula for 2013/14).
Smokers	Public Health England	Estimate based on the percentage of adults who smoke (average 2017 to 2019) multiplied by the projected adult population in 2021. (Source: Public Health Profiles, NHS).
Taxable Properties	MHCLG, VOA	The sum of (i) chargeable dwellings for Council Tax purposes in 2020 and (ii) the number of rateable properties on the rating list as at 25 September 2016. (Sources: Council Taxbase 2020 in England; Central and Local Rating Lists 2017).
Waste collected - all	DEFRA	Household and 'all' waste collected (tonnes) in the year to 31 March 2020. In the case of waste authorities, waste volumes are
Waste collected - household	DEFRA	apportioned based on each member authority's population size. (Source: Local Authority Collected Waste Statistics, DEFRA).





