

Forest Heath District Council

(This report is a key decision. This report has been subject to appropriate notice of publication under the Council's Access to Information Rules)

Report of the Cabinet Member for Planning, Housing and Transport

CABINET

31 JULY 2012

CAB12/018

SHARED PLANNING SERVICE (Forward Plan Reference JUL12(A)/01)

Summary and reasons for recommendation(s)

The Shared Services Steering Group (SSSG) considered the high level outline of the business case at its meeting on the 20 June 2012.

The Shared Services Steering Group approved the Planning Shared Services Business Case and recommends to both Cabinets the integration of the Planning Service across both Authorities as set out in the Business Case.

Recommendation(s)

To approve the integration of the Planning Service across both authorities as set in the Business Case.

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How will the recommendations help us meet our strategic priorities?

1. The proposal is directly related to being an efficient and effective Council. The Planning service is critical in delivery the Council's objectives in relation to housing and economic growth.

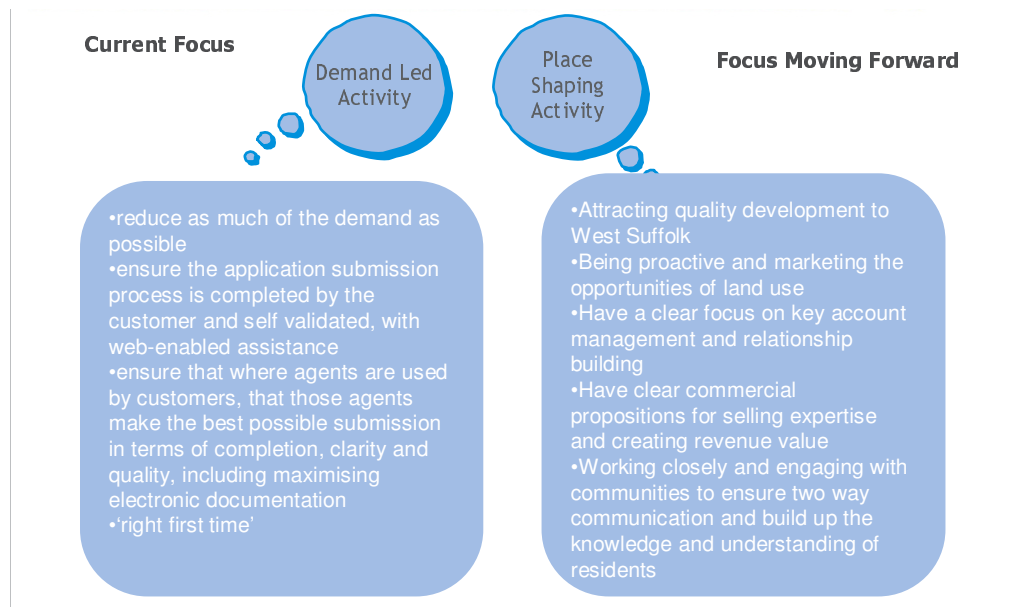
Wards affected

2. All

Background

3. Planning is one of our key frontline services, which has a high profile politically and within the local community. It is however clear that given the current financial pressures and the overall changes to Planning, that the service needs to change to remain fit for purpose moving forward.

Vision for the future service



4. Planning essentially consists of two key components:

- ◆ the transactional, demand-led activity involved in determining applications, including development control, building control, land charges and enforcement. If this is not done properly, the result will be complaints, re-worked and wasted work putting it right or offering detailed explanations. It is therefore critical that this work is done right first time, by the right people and in a way that meets our customers' expectation.
- ◆ the strategic, proactive 'place shaping activities' such as planning policies, dealing with major applications, centred around the skills held by the teams, where interventions by staff specialists should maximise value and quality of outcomes.

5. Currently the focus of the service tends to be on the first element – the demand-led activities and this is where both councils spend the majority of their time and resources. The vision for the future reverses this focus. Further details as to how this is to be achieved is set out in the full Business Case.

6. Existing Staff structure

Function	FHDC	SEBC	Total
	FTEs	FTEs	FTE
Head of Service	1	1	2
Group Support		0.8	0.8
Managers	2	2	4
Customer, validation, support admin, land charges	5.3	14.04*	21.34
Building control	3	5	8
Development control	4	6.8	10.8
Monitoring	1	1**	2
Enforcement	1	3	4
Policy	3.5	2.6	6.1
Specialist Skills	0.5	3.8	4.3
Total	21.3	40.04	61.34

* initial pooling of staff (amended following informal consultation to exclude enforcement posts)

** additional post to be self financing in the long term

The Proposal

7. The new service would consist primarily of 3 teams; Development Management, Place Shaping, and the Support Team.

Role of Members

8. Given the high degree of political interface with the planning, Members have a key role in the success of any shared service. At present the internal processes and procedures between the two authorities vary significantly. Members are familiar with what happens in their home authority.

9. In the future we will need to have a single way of operating. This will require Members from both authorities to work together to review:

- ◆ Pre-application protocol
- ◆ Protocol for handling planning matters
- ◆ Single scheme of delegation
- ◆ Format for planning committee report, presentations and site visits
- ◆ Decision making protocol
- ◆ Enforcement policy and priorities

10. Failure to achieve this will cause confusion for public and staff working within the context of a shared service, and lead to mistakes and inefficiencies. The success of the shared service will be dependent on Members and Officers working together.

Moving to a seamless joint service

11. The delivery of the new service is heavily dependent on the implementation of common IT systems, customer journey work and business process re-engineering.
- 12.5 It is considered that in order to be able to implement the proposal, that there is a need to maintain the management capacity below the Head of Service level. The business case recognises this, and proposes a second structural change at Year 3 (2015/16), which would see a reduction in this management tier.
13. Whilst the document refers to transition and then transformational change, it is highly likely that change will continue to happen, in response to changes in our external environment. The business case outlines the key building blocks to take the service forward.

Key Implications: Staff

14. The table below shows the impact on the number of staff:

Staff Numbers – As Is	To be – changes in financial yrs						
	SEBC	FHDC	Both	12/13	13/14	14/15	15/16
Head of Service	1	1	2	1*	1*		1*
Managers plus group support	2.8	2	4.8		5.8		3.8
Customer, validation, support admin, land charges	14.04	5.1	19.14		13.5		13.5
Building control	5	3	8		8		8**
Development control	6.8	4	10.8		8.8		8.8
Monitoring	1	1	2		2		2
Enforcement	3	1	4		1		1
Policy (plus major projects)	2.6	3.5	6.1		7.6		7.6
Specialist Skills	3.8	0.5	4.3		3.8		3.8
Total	40.04	21.1	61.14	60.14	51.5		49.5

* Head of Service will be part of the Senior Management Review

** Building control will need to deliver income to cover 75% of costs on a 3yr break even basis, or further expenditure reductions will be necessary

*** Enforcement work now split across two teams see 7.3.1 below.

Outcome of consultation

15. Informal consultation / engagement has been undertaken with staff and Members of Development Control Committee across both authorities
16. On the whole, the responses (7) received from Members were positive in terms of the way forward, albeit there were some concerns as to the impact of cuts on the overall quality of the service.

17. Staff raised a number of issues. In some cases they were seeking detailed information that will become available as we progress onto the formal consultation. Dialogue with staff will continue and be ongoing, as we progress. The main issues raised are summarised below.
18. **Enforcement** Currently the work undertaken by the Enforcement Officer at FHDC is supplemented by a proportion of the Monitoring Officer's time, plus a Principal Planner who provides overall management support. Enforcement at SEBC is provided by a Principal Planning Officer and two Enforcement Officers and Admin Support post. The two Enforcement Officers and support post were originally included in the figure for customer, validation, support and admin, land charges. This has been amended in the table shown in Section 3 above. Under the proposed new structure, enforcement would be dealt with within the development management team, retaining a single Principal Enforcement Officer to deal with the most complex issues. There is concern from staff about the proposed drop in dedicated enforcement staff.
19. **Conservation** Similarly, it is important for Members to recognise the reduction that has occurred in terms of the Conservation / Listed Building expertise across the two authorities. FHDC previously brought the service back in house and now has 0.5FTE undertaking the proactive and Development Control work. Likewise the contract post at SEBC used previously to deal with Listed Building applications has recently ended (May 2012). This contract post has existed (0.5FTE) in addition to the two Conservation posts within the specialist team in SEBC. The new structure shows a further reduction in the specialist skill set by 0.5FT, leaving two posts covering both districts. There is concern from staff that this will inevitably mean that less proactive work will be undertaken and the focus will be on dealing with development proposals.
20. **Capacity** We no longer have the resources to continue delivering the service as we always have. The new vision for the shared planning service is ambitious, it requires us to challenge how we deliver the service, how we simplify, stop doing, avoid duplication and make the most of technology, in order that we can reduce the cost of the service and use frontline professional staff in the most efficient and effective way, focused on delivering the priorities of both Councils.
21. The business case provides the headlines as to how this can be achieved and the structure. At this stage we are seeking approval of the overall staffing numbers, the precise make up the teams may vary, in response to the outcome of the further workload modelling that is currently being undertaken.
22. The new ways of working will be formulated in parallel with the corporate way in which services will be delivered in the future.

Key Actions arising from Consultation

23. Work is continuing in respect of the detailed comments raised during the consultation period. These are primarily operational issues that do not prevent the consideration of the overall Business Case, the outcome of this additional work will feed into the detailed implementation plan.

Finance/Budget/Resource Implications

24. Expected revenue savings, additional income stream and the share between the 2 Councils over the 6 year period from 2013/14 to 2018/19 are shown in the following table:

Year	Savings		Add'l Income Streams £000s	Totals £000s	Cum. Savings £000s	SEBC Share £000s	FHDC Share £000s	Impact of Building Control Fee Changes (SEBC Only) £000s
	Staff £000s	ICT £000s						
0 - 12/13	(362)	-	-	(362)	(362)	(235)	(127)	-
1 - 13/14	192	-	-	192	(170)	125	67	66
2 - 14/15	(2)	10	45	53	(117)	68	(15)	66
3 - 15/16	329	10	55	394	277	240	154	66
4 - 16/17	302	10	65	377	654	229	148	66
5 - 17/18	302	10	65	377	1,031	229	148	66
6 - 18/19	302	10	65	377	1,408	229	148	66
Totals	1,063	50	295	1,408	1,408	885	523	396

25. The estimated costs of the shared service against the 2012/13 baseline figures for both Councils over a 6 year period are as follows:

Planning Service - 6 Year Totals from 2013/14 (including initial cost of change in 2012/13)	Baseline Totals			Shared Service Total £000s	Cost / (Saving) £000s
	SEBC Total £000s	FHDC Total £000s	SEBC & FHDC Total £000s		
Employees Salaries	8,970	4,218	13,188	12,125	(1,063)
Other Employee Costs	336	336	672	672	-
Supplies and Services	2,172	1,710	3,882	3,832	(50)
Contributions to Suffolk County	168	48	216	216	-
Total Direct Costs	11,646	6,312	17,958	16,845	(1,113)
Income from Fees & Charges	(6,018)	(4,266)	(10,284)	(10,579)	(295)
Net Direct Costs	5,628	2,046	7,674	6,266	(1,408)
Accommodation	636	240	876	876	-
Support Costs	4,212	1,782	5,994	5,994	-
Total Costs before Reserves	10,476	4,068	14,544	13,136	(1,408)
Contributions to/(from) Reserves	(2,088)	(990)	(3,078)	(3,078)	-
Net Cost of Service	8,388	3,078	11,466	10,058	(1,408)

26. Over the 6 year period the estimated saving of **£1,408k** represents **12.2%** of the total combined baseline cost for the two Councils.

IDOX Implementation

27. The anticipated payback period for these setup costs, based upon the currently estimated revenue savings, is just over 4 years.

Setup Costs - IDOX Option 2	Total £000s	SEBC Share £000s	FHDC Share £000s
Business Process Re-engineering Costs	15	10	5
Member / Skills Training	10	6	4
IDOX Staffing Resource Costs	208	135	73
Redundancy Costs	362	235	127
TOTAL REVENUE SETUP COSTS	595	386	209
IDOX Capital Implementation Costs	90	58	32
TOTAL SETUP COSTS	685	444	241

Impact of Building Control Harmonisation

28. As part of the sharing of services the Building Control sections will need to work towards harmonising their hourly rates and fee structures. Some initial work has been done in this area, and based upon current figures there is a possibility that the fee income for St Edmundsbury Building Control could reduce by around £66k per annum, as shown in the expected revenue savings table. This will, however, be subject to ongoing review as the new service takes shape, and there is further work to be done to ascertain whether the two Councils will be able to harmonise their charging mechanisms in line with the Building Regulations in order to achieve the statutory break-even position.

29. At present both Councils operate with different Building Control Fee Earning / Non-Fee Earning proportions, Forest Heath's being 60% / 40% and St Edmundsbury's being 90% / 10%. As part of a shared service it is desirable that both Councils move towards a more uniform split of costs. It is therefore suggested that 75% / 25% would be an appropriate proportion initially for the service to work to. This will be reviewed as the service develops in order to ensure that it continues to comply with the Building Charging Regulations which require that the function "break even" over a three year rolling period. The impact of this change to SEBC will be a growth requirement of £66k currently, which will be dealt with through the DRIVE (local savings) process.

Local Savings

30. Both councils have 'local savings' to deliver as part of their Medium Term Financial Strategies. It is proposed that these are dealt with outside of the business case, by each individual authority, mindful of the fact that the Planning Business Case itself

will deliver in excess of the original local savings targets, albeit that they will be delivered to a slightly later timeframe (by 1 year).

Interdependencies

31. There are two key corporate interdependencies:

IT Systems

32. The two services currently operate different back office systems. It has been agreed that Forest Heath will move onto Uniform/Idox.

33. A single system will help to merge the teams and allow greater efficiencies but it will need to be accompanied by detailed work on simplifying processes (process re-engineering), based on a clear understanding of customer requirements and journeys. Greater automation of processes, better use of web sites, and more self-service are all critical to implementing this business plan, delivering a new service and making savings.

34. The delivery of savings in terms of support staff reductions will be dependent on the implementation of the IT, and driving out efficiencies in the way we currently work.

Customer Access

35. In designing the new service it is essential that we understand our customers and their requirements better and in particular how they use our services: their journeys. This is critical if we are to design services that involve the right interaction at the right time, and to ensure that our resources are targeted where they will have most impact and be most cost-effective. To do this requires changes to the corporate approach to customer access.

36. At the moment, both councils handle customer access differently, and a clear corporate strategy for a single organisation is essential to ensure that the transformation can offer not only in Planning but also in other services. The work is currently being undertaken, and therefore the implementation of the Shared Planning Service will need to be consistent with any corporate changes to Customer Access.

Next Steps

37. The next step will be to work out a detailed implementation programme. This will detail the work that needs to be undertaken before the shared service can 'go live', including:

- ICT – moving onto a single system
- Internal process reviews – re-engineered with our customers at the centre of a new service design
- Work with Members on both Development Control Committee to develop a 'single operation system'

38. We will continue discussions with staff and work towards recruiting to the new structure. The aim is to achieve this at the earliest opportunity in order that we can retain staff, and fully engage with them in working up the detailed implementation plan.

Other options considered

39. The decision has already been taken to bring the two organisations together at an operational level.

Community impact (Diversity and Equality, Sustainability, Other)

40. This will be considered at the detail is worked through a part of the implementation plan.

What consultation has been undertaken and what were the outcomes?

41. See above, informal consultation has been undertaken with staff and Members of Development Control Committee from other authorities. Initial workshop also involved representative of the Town and Parish Councils and the Developers/agents.

Financial and resource implications

42. See above.

Risk management implications

43. As a high profile front line service, changing the service is high risk. It is therefore essential that the implementation is properly planned. Reduction in staff cannot take place until we are sure the new service is ready to run.

44. In preparation for shared service, a number of vacant posts have been filled using short term contract or agency staff. Whilst this is appropriate in the short term, it is not sustainable in the long term and difficult in regard to consistency in service delivery.

Legal/Policy implications

45. Both Councils will be required to meet all of the requirements of current HR Policies, based on current employment

Documents attached

46. None

Background papers

47. Report of meeting of Shared Service Steering Group on 20 April and 20 June 2012.