

PREVIOUSLY AGREED CABINET REPORT FROM MONDAY 5 JUNE 2017

PLANNING RESOURCES

Cabinet Member: Councillor David Johncock

Wards Affected: All

Officer contact: Penelope Tollitt Ext:3519

Email:Penelope.tollitt@wycombe.gov.uk

PROPOSED DECISION

- (i) The Council's Planning and Sustainability Service has been experiencing rising pressures due to an increased volume of applications; the need for detailed preparatory work on the local plan; and the need to defend a number of planning appeals. The service has coped largely through the professionalism and good will of its staff. However, it is now under significant strain and requires a short term injection of funding to cope with these pressures; take the local plan through the examination process next year; and modernise the service to make it more cost efficient and customer focussed;
- (ii) The Government has allocated a total of £366k to the Council to build the necessary capacity to deliver the local plan in relation to Princes Risborough and to promote more self-build housing, and a further grant (the amount to be specified) will be provided in relation to the brownfield register. The Service has also already been allocated match funding of £66k in relation to the government grant for capacity work at Princes Risborough and has also accumulated reserves totalling £95k from 2016/17, and income from providing an enhanced service on the major projects programme of £50k a year;
- (iii) In addition to these funds Council is asked to approve the one-off allocation of £155k to finance the submission of the new Local Plan in this financial year;
- (iv) The funding requested will enable the Service to:
 - a) Recruit additional short term staff to ensure that the Department continues to provide a satisfactory service over the next 2 years;
 - b) Finance a business transformation and cultural change programme with the aim of modernising the service and delivering significant cost efficiency gains and additional income with the aim of reducing the level of taxpayer subsidy to the service to the minimum achievable without compromising quality standards;
 - c) Progress a detailed, fully evidenced local plan through the process of examination next year; and
 - d) Progress work on a detailed delivery plan for the development of 2,500 new homes at Princes Risborough as proposed in the draft local plan, and maintaining other current strategic priorities.
- (v) Cabinet is asked to note that the Government's proposed 20% increase in planning fees has been put on hold pending the outcome of the General Election.

REASON FOR DECISION

The Planning and Sustainability Service plays a key role in facilitating the sustainable growth of the District's economy and providing a land use framework for new housing and employment sites while protecting the Green Belt and ensuring sensitive development in the Chilterns Area of Outstanding Natural Beauty. The Service has been under considerable strain. The new funding sought aims both to achieve a measure of respite from recent pressures and the necessary capacity to modernise the service and its management and administrative processes to deliver cost efficiency improvements and a better service for customers; deliver the local plan; and prepare the major strategic housing site at Princes Risborough.

Corporate Implications

1. Within planning legislation some functions are statutory duties and it is important for the local planning authority to have sufficient capacity to carry out these duties. Where functions are powers not duties, it is for the Council to judge priorities and funding arrangements. S111 of the Local Government Act 1972 empowers the Council to do anything calculated to facilitate or conducive or incidental to the discharge of any of its functions.

Executive Summary

2. This report sets out some of the challenges facing the Council's Planning and Sustainability Service and aims to ensure current priorities can be suitably resourced, and a programme of cultural change and process improvements can be put in place over the next 2 years to help the service become as efficient and effective as possible, while maintaining high standards of service. The funding request and proposed sources of funding are explained in the recommendations above.

Sustainable Community Strategy/Council Priorities - Implications

3. The Planning and Sustainability service is pivotal to the delivery of the Council's 'Place' priorities.

Background and Issues

4. The funding proposals will enable the Service to:
 - a) support a comprehensive change programme and improve processes and procedures to ensure the service becomes fit for the future;
 - b) fund the additional evidence required to achieve a sound Local Plan; and
 - c) ensure the current workload can be sustained, including providing additional resource to deliver a detailed delivery plan for Princes Risborough.
5. The funding is made up of a number of sources, most of which are already committed. This is set out in the table below. Some of this funding will be used to bring in additional short term staff resources, as is set out in the final line of the table.
6. There is uncertainty around the fee income increase. In the Housing White Paper published on 7 February, a commitment was made to raise the statutory fees for planning applications by 20% from July this year. There has been no increase in fee income (including for inflation) for many years. The General Election means this is delayed, and there is some risk that this change will not be made.

7. The detailed programme for the change programme has not been prepared: this is the first task of the change programme. No savings profile has therefore been prepared as part of this initial work. However, it is expected that some changes will result in savings early in the programme, and this will be able to offset any shortfall that there may be in the estimates of the increase in the fee income.

	total	17/18	18/19	19/20	20/21
Costs					
Princes Risborough and short term service needs	£681,000	£249,500	£335,500	£96,000	£0
Transformation and change programme	£737,500	£70,500	£242,500	£171,000	£253,500
Local	£155,000	£155,000	£0	£0	£0
Costs total	£1,573,500	£475,000	£578,000	£267,000	£253,500
Income					
20% fee increase (provisional)	£712,000	£142,000	£190,000	£190,000	£190,000
WDC funding sources already committed	£361,000	£55,000	£201,000	£55,000	£50,000
Government grants already committed	£366,000	£130,000	£191,000	£30,000	£15,000
Income total	£1,439,000	£327,000	£582,000	£275,000	£255,000
Balance	-£134,500	-£148,000	£4,000	£8,000	£1,500
Additional funding required	£155,000	£155,000	£0	£0	£0
Final Balance	£20,500	£7,000	£4,000	£8,000	£1,500
FTE: Planning & Sustainability (excluding Building Control)					
Current establishment	n/a	53	53	53	53
Additional staff*	n/a	9	6 – 9	6	0

* The additional staff on short term contracts will be recruited during the current financial year, some contracts will expire during 18/19, and some during 19/20.

Change programme 'fit for competition'.

8. There is emerging anecdotal evidence that Planning is facing a challenge in delivering the service that has come to be expected. However, this is not yet reflected in our Performance indicators. Market Share in Building Control remains at 80-85% (well above many authorities) while in Planning applications majors are on 82%, minors on 79% and others on 89%. On appeals we are winning 66%.
9. The Service has a dedicated staff with a high level of professional knowledge. However, results from the Corporate Staff Survey from the late summer of 2016 demonstrate that while staff remain highly committed and proud to work for the Council, they have significantly greater difficulty in maintaining work-life balance

than other sections of the Council. This should be of little surprise as caseloads continue to rise year on year, while resources remain broadly static.

10. 2016 saw a peak in workload including work on the Reserve Sites and numerous appeals in addition to year on year increases in the number of planning applications and enforcement cases.
11. The Housing White Paper also lays down a challenge to Councils with regard to implementation. The Planning Service needs sufficient capacity to address that challenge as well as a sharper focus on implementation.
12. Senior management struggles to focus on the strategic issues because it is bound up in the day to day. There is limited capacity to drive change and a need to work harder simply to maintain the 'status quo'. The renewed emphasis on housing delivery, combined with the need to respond more efficiently to increasing volumes of work means that the need to modernise and reform the service is an increasingly pressing one.
13. A business case is needed for the Fit for Competition change programme, but additional resource is needed in the department for this to be prepared. Rather than bring in consultants to prepare the business case, it is preferred to recruit short term contracts into the team, to both prepare the business case and then implement the change programme, over a 2 year period. This will achieve better value for money, and will allow the change programme implementation to be properly embedded within the teams – which is known to be the most effective way of ensuring the changes are enduring.
14. The change programme will engage with members to ensure there is clarity about the future levels and costs of service to be provided. Decisions about the subsequent steady state for the reformed service will be able to be made in the 2019 budget cycle for implementation in 2020/21.
15. The change programme is focusing on two themes:
 - d) finance – reducing costs and maximising income; and
 - e) culture – establishing a positive responsive and responsible culture.

Finance

16. Key to the review is reducing the on-going subsidy that is provided to the Planning Service each year by the tax-payer. This currently sits in the region of £1.5m. This will be reduced to a maximum of £1m, with an ambition of £500k, and an aspiration of £0.
17. This will be achieved through a detailed 'lean systems' review of all processes including making better use of IT support systems to ensure efficiencies are being maximised. The detailed programme for this 'lean systems' review will be implemented once the business case has been prepared. In broad terms it is expected this will be by the end of this calendar year, for implementation through 2018 and the early part of 2019. In addition, a process of benchmarking the Council's IT systems with that available to other local planning authorities forms part of the change programme. No firm commitment can be made to the efficiencies that will be found at this stage, as no detailed numerical analysis has taken place. However, the programme is setting an aspiration of a minimum of 10% efficiency savings.
18. It is not proposed to bring in consultants to undertake the 'lean systems' review. Management in the department is fully aware of, and committed to, the principles

of reviews of this nature. Evidence shows that implementing changes 'in house' in a steady way that allows them to be fully embedded is more effective in the long term than through the short term employment of consultants.

19. This work will be supported by a review of our ICT systems and processes. The ICT review will be prioritised and promoted via the emerging Digital First strategy, which seeks to provide better and faster customer services for both digital and non-digital interactions, operational efficiencies, and cost savings across the organisation by leveraging digital tools and processes.
In broad terms it is expected that both reviews will be completed by the end of this calendar year, for implementation through 2018 and the early part of 2019. No firm commitment can be made to the efficiencies that will be found at this stage, as no detailed numerical analysis has taken place. However, the ICT programme is setting an aspiration of a minimum of 10% efficiency savings.
20. A second strand to the finance side of the change programme is to ensure the service is maximising its income. A full time recording system across all staff in Planning has been implemented from the start of this financial year, to ensure there is reliable data on time-costs on which to draw. This will allow costs to be understood by:
 - f) application type' (such as advertisements, householder etc),
 - g) type of activity (amount of time spent scanning, writing reports, etc),
 - h) individual case or project
 - i) teams or individual officers
21. Fees for planning and related applications are set by Government. The time recording data allows us to understand how much processing different applications costs, and will allow choices to be made that may allow the costs of processing to be aligned with the fee income.
22. The Service also offers discretionary services, including the pre-application service. Again, the time recording data will allow true present costs of delivering this service to be assessed and interrogated.
23. Part of the issue of raising fee income is ensuring that discretionary services are offered that suit potential fee-paying clients. To that end workshops with clients (agents and applicants), and with customers (third parties and amenity groups) were held in the autumn of last year. We also recognise that in future, discretionary services could benefit from greater promotion, and as such we hope to increase their prominence within our communications and marketing activities.
24. The aim is to pilot some alternative service charges over the summer and autumn, with a view to bringing new fees and charges into place at the start of the financial year 2018/19.
25. It is proposed that, to incentivise maximising fee income, that 50% of any additional income over the agreed budget can be retained in the service for further efficiency and service improvements, contributing to a 'self sufficiency' reserve.
26. The time recording data will also be instrumental in conversations that will take place during the change programme with members, about the level of service that they wish to 'commission'. Time recording data will allow objective conversations about the costs of different potential service quality levels.

Culture

27. Process efficiencies and fee income are only part of the programme of achieving a first class service – culture also plays a large part.
28. There is a long-standing concern that the culture of the department is one of ‘gold plating’. This was commented upon in the light touch PAS review of 2016, and highlighted in research into the Service’s culture, later in the year. Staff get huge job satisfaction from being able to ‘do a good job’ – but this tends to be a focus on process, rather than solutions. Instead the focus needs to be on the customers – those that are fee-paying (clients) and other ‘third parties’ that become involved both in plan making and in planning applications.
29. The change programme sets out 8 principles by which the future culture of the service will be assessed (not in any order of priority):
 - j) Learning culture
 - k) Understanding the costs of time
 - l) Clarity and consistency
 - m) Solution focused
 - n) Client centred
 - o) Public trust
 - p) Clear expectations
 - q) Active delegation
30. The change programme allows for training on a number of matters, as well as a management development programme, during 2017. Similar activities will be rolled forward into 2018.

Local Plan

31. The continuing complexity around the ‘Duty to Co-operate’, the additional implications of the Housing White Paper, plus new requirements relating to assessing the potential impacts of climate change on flooding and various ancillary matters has meant that the Council has not only had to delay finalising the plan, but will now need additional resources to complete it.
32. A further £155k is required over the project lifetime to cover additional costs. This is in part for further consultancy advice, and in part to provide additional resource to the local plan team.
33. Members should note that the Housing White Paper is proposing more regular reviews of local plans – at least every 5 years – and there are a range of strategic factors that mean an early review is likely to be necessary. The financial implications of any Local Plan review are not included in this report.

Delivering the Princes Risborough expansion and maintaining other current strategic priorities

34. The Council has been allocated a Government grant of £222k to support the delivery additional housing at Princes Risborough. The funding award will support further advice from consultants in terms of evidence in support of plan making. It also provides funds for additional in-house capacity to engage with developers and progressing planning applications.
35. The Government has also provided grant funding in relation to Self and Custom Build (£90k over 3 years), and the Brownfield Register (not yet specified).

36. Last year the service handled a peak of planning appeals through Public Inquiries. This placed a considerable pressure on Council reserves and consumed the equivalent of at least one full time officer's time for the year.
37. Work has also been progressing on local plan reserve sites, a large volume of planning applications for house extensions and other smaller matters, along with the statutory planning enforcement activities.
38. The challenge facing the service is to maintain focus on these important strategic issues at the same time as implementing the change programme, and the additional resources will help to address this challenge.

Consultation

39. Two workshops with customers and with clients were undertaken in the autumn of last year to prepare for the Fit for Competition programme.
40. A consultation on the Fit for Competition programme is currently being undertaken with staff in the Service on the change programme, for 30 days, closing on 11 June.

Options

41. To agree the non-ring fenced Government grants, any increase in fee income, and £155k for the local plan are made available to P&S for the reasons set out in the report.
42. To make some of the funding available – members will need to specify what, and the reasons for the decision.
43. To make none of the funding available. This would not allow the Service to undertake the change programme, would constrain opportunities to address short term project needs, and could lead to the local plan being found unsound.

Conclusions

44. The option in paragraph 41 is recommended.

Next Steps

45. To implement the decision.

Background Papers

None.