



To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert

Report by: Stephen Kelly – Director of Planning and Economic Development

Relevant scrutiny committee: Strategy & Resources 03/07/2017
Scrutiny Committee

Wards affected: All Wards

FORMATION OF A NEW PLANNING SERVICE FOR CAMBRIDGE CITY COUNCIL AND SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Key Decision

1. Executive summary

This report provides information regarding proposals for a new, transformed Planning Service between Cambridge City Council and South Cambridgeshire District Council. Approval of the Business Case is sought in line with the principles which were approved by this Council in March 2017.

2. Recommendations

The Executive Councillor is recommended to approve:

1. The Business Case for the new Planning Service attached is approved (see Appendix 1)
2. That South Cambridgeshire District Council is agreed to be the Employing Authority for this shared service.
3. That Delegated authority is given to the Director of Planning and Economic Development to deliver the phases of the proposal as set out in the Business Case.

3. Background

- 3.1. Cambridge City Council ('CCC') and South Cambridgeshire District Council ('SCDC') have agreed the principle of working in partnership to deliver a range of shared services. They have also agreed to the principle of moving to a fully integrated Shared Planning Service across CCC and SCDC Councils to deliver the suite of services consistent with their obligations as the Local Planning Authority for the two areas. In Spring 2017, it was agreed that the project would proceed on the basis of a multi-phased programme in line with a broad set of principles and an outline of the proposed management structure.
- 3.2. The Greater Cambridge economy is one of the country's most successful clusters and extremely important to the UK economy as a whole.

This economic growth has been facilitated by partnership working across the two local authorities over a long period time, enabling significant housing growth extending across the boundaries of the two council areas. This close working was consolidated in a single spatial strategy, reflected in the two Local Plans which were developed in tandem.

The Greater Cambridge area continues to be the subject of unprecedented growth pressures and economic interest and the two councils need to play effectively into national, sub national and sub-regional initiatives. This means that CCC and SCDC increasingly need to work together (and with others) to deploy scarce specialist resources on a range of planning and related strategy outcomes

The two councils currently manage a significant number of planning applications and related activities from discrete services, using two separate processes and systems.

In addition local communities and partner agencies are also seeking increased engagement with the Councils and their planning services on initiatives as diverse as Neighbourhood Planning Strategic Planning and Health. The creation of new communities/neighbourhoods of businesses and residents requires long term, cross boundary and multi-agency working joining up approaches at both the strategic and operational level.

With the expected growth of strategic planning, economic development and infrastructure initiatives (including City Deal) raising a need for continued cross boundary planning activities, the creation of a new joint planning service therefore provides a range of opportunities for both Council's It is the next logical step to build on the successful

partnership working of the past and make the most of the two council's combined resources and specialist skills and to ensure we continue to deliver good outcomes for both council areas.

A Greater Cambridge planning service also provides unprecedented opportunities to attract talent and to grow and nurture skills amongst the existing teams.

In recent years, both services have experienced movement of staff from one organisation to another by those seeking progression and career development. Ensuring efficient and consistent approaches to cross boundary growth has also led to duplication of staffing commitments to avoid/manage potential differences of approach between the organisations. The planning service for SCDC and CCC deals with over 7000 applications, employs some 142 (FTE) either directly or indirectly and has a combined budget of £8.533 million for 2016/17. A significant contribution to that cost (£3.973m) is made by both regulated (nationally set fees) and locally derived (via charges for services) income. The current combined cost amounts to, £4,399 million. In 2017/18, the services expect to determine proposals for development with an estimated value in excess of £2bn and to secure development contributions in cash and in kind (notably Affordable Housing) worth over £100m.

Currently the two authorities deal with:

- Planning policy and strategy
- Neighbourhood Planning
- Consultancy/specialist services relating to development activity
- Planning and related Application Processing (including trees and Listed Building Consent) and decision making
- Planning Enforcement
- Support for corporate and sub-regional projects (City Deal/Duty to Co-operate/Local Enterprise Partnership/Combined Authority support etc.)
- Consultation and related responses on behalf of the local planning authorities
- Economic Development (as defined by Corporate Plan)
- Local Land Charges

3.3 In Spring 2015 the following principles were agreed by members for the service:

- Remaining close to customers in localities whilst considering a co-located strategy function.
- A single portal for customers to support a streamlined service and deliver efficiencies for the more transactional services.

- A single leadership post would be key to ensuring a strong link between strategy, policy and delivery and to manage the capacity of the workforce (Director appointed 2016).
- Transport and the role of the County will need to be an integral and integrated part of the new approach.

The City Council's Strategy and Resources Scrutiny Committee in March 2017 added the following high level objectives:

- To note the high-level objectives identified by the project team and invite them to consider adding to them the need to retain and support an understanding of Place in the way the Shared Service was structured, delivered and managed.
- Noting the competitive market for planning staff, officers are asked to explore measures that would strengthen the retention and recruitment of planning staff.

These points were then agreed by the SCDC Cabinet on 20 April 2017.

3.4 The benefits of the proposed new planning service are set out in the Business Case. These benefits include:

- The creation of the capacity required to meet growing strategic planning and development enabling requirements without adversely impacting quality or community participation.
- The scale and range of the service would be of regional/national significance and scale, capable of retaining, developing and recruiting talent.
- Improved resilience provided through the scale and investment in the operational architecture of the service and the capacity to sustain and develop/market specialist roles which individually are not viable in the long term.
- A single "way of working" for Greater Cambridge, benefiting customers and communities including cross boundary projects delivered efficiently by a single leadership team.
- There are procurement and purchasing efficiencies to be realised for example through operating one ICT system in the medium term. The new planning service would offer greater capacity to engage with developers and the community on strategic (long term) site development through more effective deployment of staff (senior and juniors), and support for a common system of programme management.
- There would be improved capacity and flexibilities through a joint team which would enable it to represent Greater Cambridge's interests in a wide range of national and sub national initiatives

3.5 The potential dis-benefits that have been identified relate primarily to the potential disruption that can occur when new processes and procedures are introduced, particularly in relation to the impact on staff where uncertainty could lead to the loss of key staff. These potential dis-benefits are recognised as risks, and mitigation measures are being put in place to ensure that delivery is carefully planned and managed. The attached business case therefore proposes the appointment for the duration of the project of an additional senior manager to support the joint Director in the delivery of this significant change programme. Alongside a phased approach to change, additional resources in project management and ongoing and continued engagement with staff, members and partners, the business case is aiming for full integration of the services to be achieved in line with a new ICT rollout - currently projected to be complete by December 2018.

4. Proposed Joint Planning Service Arrangements

4.0 The proposed joint planning service is being progressed on a phased basis in line with the earlier operational models for shared services which was presented as a Lead Authority model in the original report of July 2015. However, the term caused some confusion due to different interpretations of the term "Lead" and so was changed to the Employing Authority model. All other aspects of the model previously endorsed remain the same. Taking account of the key risks (notably surrounding staffing) and given the aspiration to minimise disruption during implementation arising from lower staff numbers involved it is proposed that SCDC becomes the Employing Authority for the new service. This would be subject to the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

4.1 The recently appointed (2016) Joint Director of Planning and Economic Development will retain overall responsibility for the phased implementation of the new joint planning service, the overall operation of that service, the delivery of the business plan and achievement of performance and financial targets.

4.2 In Phase 1 the new senior management team will be appointed, and the new planning service will be created by the TUPE transfer of staff from CCC to SCDC, following the appropriate consultation process with staff for each authority. This is proposed to be implemented on 1 February 2018. In addition, there will be an evaluation and identification of a new ICT platform and process alignment will be undertaken which includes a number of elements.

4.3 Phase 2 will require the detailed design, implementation and integration of the remaining staff structure into the new shared service. This will

include a review of the activities which are undertaken outside the current services at the moment, for example trees and landscaping services in the City Council, and an assessment of the impact of the new shared service on wider council's service areas that are not in scope, for example customer contact. The ICT solution will also be specified, procured and implemented and any implications for office accommodation evaluated, although the need to retain visibility and access through offices in both authority's areas is recognised. The Building Control Service is not included within the scope of the proposed new Planning Service and will continue to be managed by the Joint Director.

The project is not currently proposing to review Committee arrangements for decision making (where appropriate) other than to explore areas to capitalise from best practice in both Councils. Equally, significant changes to the front-line services in Development Management are not anticipated to be made until Phase 2, alongside the roll out of the new ICT provisions in mid/late 2018.

5. Implications

(a) Financial Implications

The business case attached to this report includes a broad financial strategy identifying areas where in future, the 15% reduction in net cost of the service – consistent for all joint services - might be derived. Given the broad range of objectives for the new joint service, these reductions in net cost are not expected to be explored at the expense of the increased capabilities, and quality of outcome that form equally important objectives for the service.

The scale of the service and its critical role in leveraging investment and delivering corporate priorities around quality affordable homes, and sustainable economic growth justifies some initial investment in the implementation phase. This is consistent with reducing risks to existing projects and maintaining services to exiting communities throughout the phased implementation process. Whilst therefore the financial strategy, targeting the reduction in duplication, improved productivity and exploring opportunities for improved cost recovery mean that there is confidence that net cost can be reduced in the medium term, this is not expected to be realised in year 1 of the project.

The earlier report in Spring 2017, noted that additional investment in the resources to deliver the new service would be generated from within the service by a proposed national 20% increase in planning fees. The additional costs primarily associated with additional dedicated staffing detailed in the business case can still be contained within this

projected envelope subject to government continued commitment to a change in planning fees post general election. If this funding (scheduled originally in July 2017) is not now available, a further bid to respective transformation funding will be required, or alternatively the project will need to be re-scoped to extend the implementation timetable.

The existing separate budgets for planning services are complicated by the variations in structure, income and the significant fixed costs associated with staff. Initially therefore it is proposed to simply and combine the budgets. Officers will nevertheless be exploring the opportunities for 2018/19 as to how the cost risks are to be managed in the future with the finance teams and how future costs and income derived from the service are to be disbursed between the two Councils.

(b) Staffing Implications

It is proposed that SCDC will become the Employing Authority for the new planning service. The staff survey undertaken during Spring 2017 has identified a range of priorities for all employees as well as providing insight into the benefits and dis-benefits of working for the two employers. Providing certainty for all staff, including managers nevertheless means that a priority for the service now is to fill the management tiers within the service later in the year. In addition to providing additional capacity to engage with staff on the design of the new service, this will also enable the design of new role profiles to begin, in time for implementation of the phase 2 re-structure proposals. The transfer of all affected staff to a single employer by February 2018 is also proposed to facilitate effective engagement around the review of role profiles in phase 2. Whilst it is anticipated that all affected staff will transfer to the Employing Authority by February 2018, it is not expected at this stage that wholesale re-structures will take place at the same time and will be staged accordance with service need. Formal consultation with Unions and Staff is therefore proposed to take place from August through September 2017 in accordance with each Councils policy on consultation. The consultation will be in respect of the proposed TUPE arrangements and the new management structure.

(c) Equality and Poverty Implications

An EqIA has been carried out for this project and submitted in July report to Strategy and Resources Committee and has been updated to reflect this proposal. The proposed joint planning service detailed in the business case is not expected to result in any different impacts.

(d) Environmental Implications

Low Positive Impact.

A potential reduction in accommodation and energy use associated with greater mobility amongst the service may have a positive impact

alongside reduced staffing duplication at meetings on cross boundary projects. The implementation of a new workflow system at scale, and deployment of digital ways of working through the procurement of a new ICT solution will have potential benefits on significant paper consumption within the service. Potential negative impact from initial increases in travel by managers and staff between offices will be offset by gains through more agile and flexible working.

(e) **Procurement**

Part of this project will be the procurement of a new common ICT solution.

(f) **Consultation and communication**

This will be conducted in accordance with the respective Councils' agreed policies.

(g) **Community Safety**

This will be conducted in accordance with the Councils agreed policy.

6. Background papers

These background papers were used in the preparation of this report:
Shared Services Report – Strategy and Resources – 13 July 2015
Report to Strategy and Resources - March 2017
Report to SCDC Cabinet - April 2017

7. Appendices

1. Business Case for the proposed new Planning Service
2. EqlA

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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