


Agenda Item No:	16	
Committee:	Council	
Date:	23 July 2015	
Report Title:	Shared Planning Proposal	

Cover sheet:

1 Purpose / Summary

- 1.1 To consider a proposal for a Shared Planning service with Peterborough City Council and recommend the way forward with this shared service proposal.

2 Key issues

- Fenland District Council has delivered substantial service transformation and efficiencies since 2010. This has included delivering shared services on the basis of two principles, that the quality of the service would remain or improve and that the proposals generate efficiency savings.
- With the recent adoption of the Fenland Local Plan and a rising market confidence, the Council needs to be fully prepared, resourced and skilled to support and respond to the economic and housing growth proposals for the District. This proposal would contribute to these aims.
- The current Planning service is delivered in house and has delivered £650k of cumulative savings since 2010, but there is limited scope for further in-house efficiencies.
- The Planning Advisory Service (PAS) Peer Review in March 2014 has led to a number of service improvements and transformation which has seen performance and service delivery improve.
- A Shared Service Planning proposal has been developed with Peterborough City Council, on an equal partner basis, which will deliver efficiencies, improve service resilience and seek to achieve additional income for both Councils.
- The proposal is estimated to generate full year savings of £237k, of which £137k is for Fenland District Council with a cumulative saving of £446k for Fenland District Council by the end of 2018/19.
- The proposal maintains the individual 'sovereignty' for both Councils over planning delivery with no perception of a 'take over' of the service area.
- The proposal maintains individual Council Planning Committees.
- Should Members approve the proposals and timescale as outlined, the full savings identified and the joint planning team will be in place for the 2016/17 financial year and will make a significant contribution to the financial efficiencies required to deliver a balanced budget in 2016/17.
- The Overview and Scrutiny Panel have considered the Shared Planning Proposal. The Panel fully support it and agree it should be presented to Cabinet and Council.

3 Recommendations

Council are asked to:

- Note the content of the report in respect of the Shared Planning Proposal and the efficiency savings generated; and
- Approve that:-
 - The Council agrees to join a Shared Planning Service with Peterborough City Council and deliver an estimated annual savings of £137k for Fenland District Council; and
 - The Council receive a further report on democratic and governance arrangements for the Shared Planning team in September.

Wards Affected	All (except Town Councils)
Forward Plan Reference	
Portfolio Holder(s)	Cllr John Clark, Leader of the Council Cllr Will Sutton, Portfolio Holder, Neighbourhood Planning Cllr Chris Seaton, Portfolio Holder, Finance
Report Originator(s)	Rob Bridge, Corporate Director and Chief Finance Officer
Contact Officer(s)	Paul Medd, Chief Executive Rob Bridge, Corporate Director and Chief Finance Officer Gary Garford, Corporate Director Graham Nourse, Head of Planning
Background Paper(s)	

Report:

1 Background

- 1.1 In December 2013, Council considered a report on 'Meeting the Challenge - Service Transformation and Efficiencies'. The Council approved the approach and recommendations which will deliver savings of £1.766m from 2014/15 to 2018/19.
- 1.2 Within these proposals, shared service options were considered based on two principles, that the quality of the service would remain acceptable to the Council and that the proposals generate efficiency savings for the Council.
- 1.3 One of the key recommendations in the report was for Fenland District Council (FDC) to join Anglia Revenues Partnership (ARP) for its Revenues and Benefits services as a shared service and equal partner.
- 1.4 In September 2014, the Council also agreed that Fenland would join the CNC Building Control consortium as another shared service delivery model. This went live in January 2015 and has delivered 38% savings against this service budget area.
- 1.5 In addition, during the same time period, FDC have opened two Community Hubs with Cambridgeshire County Council and have had a shared service arrangement with Peterborough City Council for Planning Policy, Housing Strategy and S106 monitoring.
- 1.6 It is estimated that for the next three years at least a further £1.8m of savings will need to be delivered. The Council has begun its own 'Fenland District Council - Comprehensive Spending Review' (FDC-CSR) to identify options and opportunities for further savings and income generation.
- 1.7 The Chancellor's new budget announced on the 8th July did not announce any further reductions in 2015/16. However, as part of the Government's Comprehensive Spending Review in the Autumn, there is a view that there will be a further 3% reduction in funding for local government in 2016/17, increasing the savings target for the Council above the current projected level of £1.8m. The announcement later in the year will give more clarity to the financial outlook for local government and Fenland District Council over the next three years.

2 Fenland Planning Overview

- 2.1 The current Planning service is delivered in-house and the resilience of the service is increasingly important to support housing and economic growth aligned to our recently adopted Local Plan, maintain planning fee income, secure developer contributions and generate New Homes Bonus and Business Rates income.
- 2.2 The Planning team has been reviewed and restructured in the last five years, delivering an annual financial saving of £130k (£650k cumulative savings from April 2010 to March 2015).
- 2.3 In March 2014, the Council had a Planning Advisory Service (PAS) Peer Review. This has led to a number of service improvements and transformation which has seen performance and service delivery improve.
- 2.4 Successful process changes made following the review included significant improvement and use of IT particularly the use of IDOX and the Document Management System, changes to the scheme of delegation, staff training and development, enhanced performance management and introduction of best practice employed by other high performing authorities.

- 2.5 Although the Council could consider continuing on its own, further in house efficiencies however would be limited due the economies of scale in a small team and the likely high level of further investment in the service to drive out further efficiencies and income generation opportunities. As a single district council, the opportunity to trade the service would also be limited.
- 2.6 Part of the PAS review scope included 'consideration of new ways of working', i.e. service delivery collaboration. This could be through a number of ways, as follows:
- In house; limited scope as already highlighted.
 - Outsource/Private Market Provider; could lead to loss of control, governance and flexibility and more focus on transactional rather than transformational service delivery. Previous discussions with potential providers did not lead to any offers being put forward.
 - Joint Service Partnership; a shared service arrangement to deliver savings, service improvement and income generation opportunities.
- 2.7 Building on the success of the shared arrangement in Planning Policy with Peterborough City Council, officers have discussed options and opportunities for a more formal shared planning service team business case to be produced.

3 A Shared Planning Proposal

- 3.1 Officers, with Senior Member support, have been developing a partnership shared service model for Planning with Peterborough City Council. This builds on the successful relationship the two Councils have already and the close geographic and economic links between the Councils.
- 3.2 The Shared Planning Proposal has been developed on a 50/50 basis with no one Council being the single lead authority and builds on both of the Council's experiences on shared services.
- 3.3 It is clear that this proposal is not on the basis of Peterborough City Council taking over Fenland District Council's Planning team, but focussed on an equal shared service delivery model that will deliver efficiencies, improve service resilience and seek to achieve additional income for both Councils.
- 3.4 The proposal has been developed based on the following aims:
- To deliver efficiencies for both authorities.
 - To support the ambitious growth agenda of both Councils.
 - To maintain service delivery standards, and to improve them where possible and appropriate.
 - To maintain individual 'sovereignty' for both Councils over planning delivery; with no perception of a 'take over' in such a sensitive service area.
 - To ensure visibility to Members and customers of key staff.
 - To be scalable – a trading model to deliver services to other Councils in the country that makes the partnership a 'fee earner' and treats the service as a business.
 - To provide fairness of opportunities for staff in both authorities.
 - To maintain individual Council Planning Committees.
 - To ensure that the end users of the planning service see only an improvement in service delivery (i.e. not a reduction).
- 3.5 The proposal has the following key features:

- A staff model that essentially creates the concept of a flexible resource pool, with the ability to work across both (and more) authority areas as required.
- A staff structure underpins this model that:
 - Reduces management overheads in a number of areas.
 - Increases flexible technical support in areas such as enforcement, arboriculture, ecology and conservation.
 - Provides for joint recruitment and flexible working across the two authorities, thereby being more attractive to retaining and attracting quality professional staff.
- Maintaining relevant planning staff located in both councils, with the potential for more generic functions to be located in a single place, and with flexible locations of other field based staff.
- Delivery of savings for both authorities compared to current costs, and the potential to generate further income when the model is expanded in the future to include other councils.
- Additional senior manager planning expertise to support major planning processes and issues.
- Bring in service improvements by learning from each other e.g. Pre-application agreements and potential fees

3.6 With these aims and features, a business case has been developed which develops a shared planning structure, but maintains relevant planning staff in both councils.

3.7 The summary proposed structure is as follows:

- A shared management structure (Head of Service) – expertise and flexibility
- A joint customer ‘front-end’ (Technical team) – efficient and best use of technology
- Dedicated professional planning officer teams in place in both authorities – but with flexibility to deal with peaks and troughs
- Retained Sovereignty for both Fenland and Peterborough i.e. separate Planning Committees
- Shared expertise on major developments
- Joint professional teams in specialised areas, such as:
 - Conservation
 - Enforcement
 - Section 106 and Community Infrastructure Levy (for future consideration)
 - Ecology / Environment
 - Trees
- Continued arrangement for Planning Policy

3.8 The proposed new staffing structure for Fenland District Council is estimated to cost £617k compared to the current staffing budget of £754k

3.9 This proposal is estimated to deliver full year savings of £237k, split £137k for Fenland District Council and £100k for Peterborough City Council. The table below sets out what the savings are over the period of the Council's Medium Term Financial Strategy and is estimated to deliver £446k over this time for Fenland District Council:

	2015/16	2016/17	2017/18	2018/19	Total
	£	£	£	£	£
Savings/Costs	- 59,347	-237,386	-237,386	-237,386	- 771,505
FDC proportion	- 34,347	-137,386	-137,386	-137,386	- 446,505
PCC proportion	- 25,000	-100,000	-100,000	-100,000	- 325,000

- 3.10 These savings are separate to any redundancy or investment costs. Fenland District Council has a number of temporary staff in current planning roles which should lead to minimal redundancies through this proposal. These costs would be shared and funded via the Management of Change Reserve (an earmarked reserve separate to the Council's annual budget), available for this purpose, therefore such costs are already budgeted for and as a result would not detrimentally impact on the annual revenues savings identified above
- 3.11 Investment proposals to drive out further efficiencies are being developed and these are mainly focused on the joint Technical Team and how both Councils can use technology to deliver further savings. The two Councils use the same ICT platform and software and so there will not be any costs associated to system change, but more around learning from Peterborough City Council's further developed system and use of it. The investment proposals are focussed on the reduction of paper and utilising the functionality of our systems and planning portal more.
- 3.12 As well as the immediate financial savings to Fenland District Council, additional benefits of the shared planning proposal are:
- Greater resilience for both councils.
 - Further performance and service improvements.
 - Staff being able to operate over a wider area, with better resilience given the larger pool of personnel.
 - More attractive proposition to recruit and retain skilled staff across both councils.
 - Income generation through trading planning services with other local authorities, and using the Shared Planning team as business operation.
 - Fenland District Council being given the opportunity to be an equal partner with PCC who were only earlier this month awarded the Royal Town Planning Institute (RTPI) Local Authority Planning Team of the Year.
 - PCC Planning Team has achieved Customer Services Excellence (CSE) which along with FDC's CSE for the entire council confirms the continuation of a high level of customer services on offer from the collective teams.

4 Risk Management

4.1 As with all complex projects the Council assesses and mitigates the risks in order to maximise the benefits and not expose the Council to financial or operational risk. The following highlights the key risks along with relevant mitigation measures:

RISK	CATEGORY	MITIGATION
Staff leave due to concerns over job security	Low	The proposals offer better development and learning opportunities for both planning teams. Security in Local Government today cannot be guaranteed, however with a rising housing and economic market and both authorities seeing increased growth, the workload of the joint planning team is likely to grow dictating increased security.
Uncertainty over migration and development of technology	Low	Both authorities operate similar ICT planning system therefore migration is not seen as a significant problem. Further development will be investigated and promoted by the joint team - any implementation will have to be properly planned to ensure service delivery is not adversely affected and that costs are aligned to budget availability.
Concern regarding not maintaining the unique character of Fenland in decision making	Low	Staff equally professionally trained, PCC has similar rural areas to Fenland and each authority has its own newly adopted Local Plans that will maintain and guide the unique character of each area. Both authorities will retain their own Planning Committee.
Drop in performance of the joint team	Low	Both teams are currently delivering upper quartile performance in all categories, therefore there is no reason to not expect that this level will be maintained.
What if economic growth increases	Medium	The current in house team would need to recruit, however with the joint proposal there is more resilience in terms of skills and resources so any such peaks can be responded to quickly and effectively.
Not achieving a balanced budget	Medium	This proposal makes a significant contribution to the 2016/17 financial savings required to deliver a balanced budget. Therefore other options would have to be pursued to ensure the Council has a balanced budget if it was felt that this proposal should not be taken forward.

5 HR and Governance

- 5.1 As outlined, the proposed structure builds on both of the Council's experiences on shared services and needs to be flexible. The proposal is not a route for any partner to be the single lead authority and this is very much a 50/50 partnership.
- 5.2 The management and staffing of the services will be shared/merged where appropriate and there will be no wholesale TUPE required as each Council will 'buy' services off each other, which is similar to the Anglia Revenues Partnership (ARP) arrangement the Council is part of.
- 5.3 The finance model to support this will be simplistic and on the basis that each Council banks the initial saving for each authority from the proposed new joint structure, and then establishes a new baseline budget for each authority, with any flexible staff allocations and service provisions factored in.
- 5.4 If the proposal is agreed by Council, a report and structure will be presented to Fenland District Council's Staff Committee approval. This, when approved, would then enable the new shared structure to be implemented and any recruitment process to begin.
- 5.5 The legislation governing Local Government contains certain provisions/sections to facilitate such an arrangement and the sections relevant to this proposal are:
- Sections 101 of the Local Government Act 1972, and Section 19 of the Local Government Act 2000 (Discharge of functions) outline that one or more local authorities engaging in collaboration or shared services arrangements may delegate one or more of their functions to:
 - another local authority (Section 101 (a) Local Government Act 1972);
 - the executive of another local authority (Section 19 and 20 Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000; or;
 - a joint committee (Section 101(b) Local Government Act 1972). Although the delegating authority remains ultimately responsible for the execution of the functions, Section 101 makes it possible for councils to perform functions on behalf of other councils.
 - Section 113 of the Local Government Act 1972 allows a local authority to enter into an agreement with another local authority to place an officer of one at the disposal of the other for the purposes of discharging the latter's functions.
- 5.6 The sovereignty of each authority will also remain, with each Council keeping its separate Planning Committee responsible for the determination of planning applications within their respective administrative areas.
- 5.7 Subject to the HR and Finance model finalisation, governance issues should be relatively straightforward for both authorities. However, for democratic oversight it is proposed that the respective Portfolio Holders meet quarterly with the two Lead Officers from each Council to monitor performance and service delivery, oversight of the financial and savings delivery and directing the trading opportunities of the partnership. There will also be a formal mechanism for a yearly review by the Overview and Scrutiny Panel and monitor key performance indicators for the partnership.
- 5.8 As highlighted above, a set of key performance indicators will be developed to monitor the performance and success of the partnership. These will be based on operational performance being maintained or improved, initial savings being delivered and ultimately the success of the trading of the planning services.

- 5.9 If Council agree the shared planning proposal, then a further report will be presented to Council in September on democratic and governance arrangements, including any appropriate delegations.
- 5.10 The Overview and Scrutiny Panel considered the Shared Planning Proposal and report on the 13th July 2015. The Panel fully supported the approach to further improve the service and deliver savings and agreed it should be presented to Cabinet and Council.

6 Timetable

- 6.1 The following is an indicative timetable of decision making and implementation:

DATE	MEETING/ACTION
9 July 2015	All member briefing
13 July 2015	Overview and Scrutiny Panel
23 July 2015	Cabinet
23 July 2015	Council
From 24 July 2015	Advise planning related staff of decision and further engage with the team and Staffside through normal Council consultation process. Advise various stakeholders of the decision and indicative proposals, including Statutory consultees, Developer's Forum, Town and Parish Councils etc.
September 2015	Staff Committee
September 2015	Cabinet and Council receive a report on the democratic and governance arrangements for the Shared Planning team
October 2015	Staff recruitment process
October 2015	Finalise joint technical and operational process between PCC and FDC
January 2016	Go live with new arrangements

7 Conclusions

- 7.1 The Planning team have delivered significant savings since 2010 and, following the PAS review, have delivered a number of service improvements and transformation.
- 7.2 A Shared Planning Proposal has been developed that will maintain or improve the level of service and in turn deliver annual savings for Fenland District Council of £137k, and £446k cumulative savings by the end of 2018/19.
- 7.3 This proposal is based on an equal shared service delivery model and will maintain the individual 'sovereignty' for both Councils.