CABINET

12 JUNE 2013

REPORT OF THE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT

1.   MKIP – PLANNING SUPPORT SHARED SERVICE

1.1   Issue for Decision

1.1.1   To present the business case for entering into a planning support shared service between Maidstone, Swale and Tunbridge Wells Borough Councils

1.2   Recommendation of the Director of Development and Environment

1.2.1   That Maidstone, Swale and Tunbridge Wells Borough Councils enter into a planning support shared service with that covers the identified planning support functions (Appendix 2)

1.2.2   That the single site model identified in the business case be used for the shared service (Appendix 6B - Model 2)

1.2.3   That Maidstone be chosen as the location for the service as a result of the location criteria assessment (Appendix 5) and that authority be delegated to Chief Executives to consider whether and how TUPE should apply to this particular service

1.2.4   That a Shared Planning Support Manager be appointed to manage the shared service and to lead on the implementation and delivery of the service as part of the MKIP Planning Support Shared Service project team (Appendix 3)

1.2.5   That the principle of a single team structure be agreed and the Director of Development and Environment be given delegated authority to finalise the structure, including consideration of a technical officer at each site within cost limits of Appendix 4, for union and staff consultation.

1.2.6   The initial savings split for the shared service be on an investment basis, as set out in Appendix 4, with the costs of service moving toward a volume based costing model as further savings are identified and the volumes of work through the new team can be accurately measured.

1.2.7 That s151s appoint lead accountants from each authority to form a finance group to support the project board and team in developing the setup of the budgets for the Shared Planning Support Service.

1.2.8 That the treatment of the predicted efficiencies in planning officer time for Maidstone and Swale, estimated at £27k-£32k, from transferring validation to the support team be noted as being outside of the scope of this project and for each authority to determine.

1.3 Reasons for Recommendation

Background

1.3.1 Planning support was identified as a possible shared service in June 2011 by the MKIP Board (Leaders and Chief Executives of Maidstone, Swale and Tunbridge Wells Borough Councils and a Cabinet Member and Director from Kent County Council) following an away day with Leaders, Cabinet Members and senior officers of the MKIP authorities.

1.3.2 Work commenced on taking planning support forwards in March 2012 with the MKIP programme being agreed by the MKIP Board in June 2012. A Gateway model for taking forward shared service proposals was agreed by the MKIP Board and has been applied to producing the business case for planning support.

Business Case and Follow-Up Actions

1.3.3 In September 2012 a scoping document for planning support was agreed by the MKIP Board and in December 2012 a high level business case (Appendix 6) was approved to go forwards to each authority's respective Cabinet subject to the following actions:

1. Further feasibility testing of the preferred model of a one site location for the shared service.

2. Agreeing the savings split for the service by authority

3. Agree performance levels for the change period

Following production of the report for Cabinet in March 2013 further analysis identified that it would be beneficial to this project to determine location prior to business case approval. An assessment of location criteria has been carried out and scored (Appendix 5).

1.3.4 Please note the business case attached at Appendix 6 is the business case approved by the MKIP Board in December 2012 with the implementation plan updated as at May 2013. Appendix 4 – financial

Appendix – supersedes the finances within the business case at Appendix 6.

<u>Shared Service Vision</u>

1.3.5 Following on from the MKIP Board identifying the priority order of objectives for the Planning Support Shared Service the following critical success factors for the shared service were produced:

1. Efficiencies – Delivery of significant savings through economies of scale, sharing systems, processes and carrying out common work once.
2. Quality – Provision of reliable, accurate and flexible support to the Mid-Kent planning teams in order to enable them to meet their targets.
3. Resilience - Robust cover and sharing of specialisms to reduce the impact of absences and spikes in workload on service quality and provide opportunities for staff to learn and develop.
4. Culture - Creation of a service where the culture is pro-active in serving the Mid-Kent public as a whole and for the benefit of all Mid-Kent planning authorities.

1.3.6 The business case and preferred model for the service have been produced on the basis of maximising the shared service's delivery against those factors. The ambitious vision is of a high performing planning support service that delivers high quality, accurate and timely support to customers including planning departments and external customers with a culture of ownership of overall planning targets, as well as the service's own targets, whilst reducing overall costs to partners.

1.3.7 To do this the planning support staff will be supported in delivering a skilled technical administration and support function able to provide technical functions such as validation with accuracy and provide customer departments with confidence. Providing opportunities to staff within the shared service is crucial to the ethos of providing a high quality planning support service and as such the culture will be one of accountability, ownership and delivery with opportunities for staff to increase knowledge of a wide variety of planning support functions, understanding of the overall planning processes and providing the training and support required to improve the skills of staff, particularly in more technical areas. All of this will need to be underpinned by fit for purpose ICT systems and efficient processes.

1.3.8 Entering into a shared service is an opportunity for investment and review of existing equipment, processes and policies and a significant ambition of entering the shared service is to use this opportunity to reduce inefficiencies and redundant processes, improve equipment and

share best practice. This will be expected to deliver additional efficiencies over time.

1.3.9 This will take a lot of work but once delivered will provide a platform for high quality planning performance at the partner authorities.   A successful, efficient planning support service also provides the opportunity to look at delivering against other wider MKIP objectives to trade and sell services with the possibility of future expansion, in the medium to long term (3-5 years), to other planning authorities once the shared service is established.

1.3.10 In order to produce a successful shared service and to ensure delivery from the investment made by MKIP authorities performance management will be integral to service delivery. Embedding that approach and culture into the team is a crucial part of forming the shared service and robust service level agreements will underpin the service. Performance reporting will be done individually to each authority, sharing performance indicators where suitable but allowing for bespoke local indicators as required. Benchmarking versus pre-shared service performance will be undertaken to ensure that service levels are maintained or improved for each authority and their customers.

Planning ICT System

1.3.11 A procurement process is underway to procure an Environmental Health and Planning System across Maidstone, Swale and Tunbridge Wells Borough Councils. This is in accordance with the aims of the ICT partnership business plan and forms a crucial aspect of delivering a shared planning support service. The planning support shared service business case is built on the assumption that a suitable fit for purpose system will be delivered. The project to do this is being run to its own timetable but provides critical dates for the shared service delivery and as such close links with the ICT project will need to be maintained. It is therefore proposed that a Senior Supplier role (ICT) be included on the project board for the shared service and a supplier role (ICT) to the project team in order to provide assurance of delivery.

1.3.12 Shared services are an expanding market nationally and ICT suppliers have responded to this by providing products that specifically meet shared service needs, such as a means of accessing three separate databases from a single instance of a programme (this is demonstrated through the MKIP Revenues and Benefits shared service and joint system with Swale Borough Council). Work will be carried out throughout the life of both projects (ICT and shared service) to ensure the specifications required by the planning departments and planning support shared service are fed into the development of the ICT system.

1.3.13 The savings identified in the planning support business case do not include the savings deliverable through joint procurement of an ICT system as these are captured by the ICT partnership. This also means that the costs of delivering the ICT system fall within the business plan for ICT and will not attributable to this project.

Planning officer changes and impacts

1.3.14 The steer was given by the MKIP Board that they were happy to consider sharing planning support but that local planning application determination was considered too sensitive and responsive to local requirements to be shared. However, in sharing planning support there will be inevitable consequences for planning. These include changes to tasks carried out by planning officers (such as validation) and the use of new ICT systems and electronic working for planning officers. Sharing planning support allows the sharing of best practice, processes and provides a link to learn from each authority driving further improvements across planning departments.

1.3.15 This will represent changes for planning officers who will also need to be supported and trained over the period of delivery and will feed into the formation of the shared service and specification of a planning ICT system.

1.3.16 There will be efficiencies in planning officer time that arise from the formation of the shared service however as these are outside of the scope of this project they have not been captured in the business case. Estimated efficiencies are £27-32k in value for each of Maidstone and Swale Borough Councils but it will be for each authority to determine the best approach for managing those efficiencies.

1.3.17 A risk has been identified by Heads of Service and planning officers in follow-up work of the numerous tasks that fall outside of standard processes carried out by support staff that they are concerned will fall to planning officers if support is moved off site. These issues are discussed below under feasibility assessment.

Feasibility Assessment

1.3.18 Further work was done on testing the one site location for the shared service following the business case going to the MKIP Board. Work was undertaken with Planning Support team leaders and supervisors on 18 January 2013 to identify any major issues that would prevent this model from operating and to produce service design requirements for the Planning Support Manager to factor into the new service in order to be able to deliver the service from a single location.

1.3.19 No insurmountable issues were identified and a list of requirements for the new service was produced. Whilst it is recognised that there will be significant work required to deliver some of the design requirements they are all considered to be deliverable.

1.3.20 A follow-up meeting was held with planning officers in order to get their early views on the impact of a planning support shared service delivered from a single location with a series of recommended actions arising. Key among them is the recognition that the officers are concerned that removing planning support from on site to a remote location could result in numerous incidental tasks falling to planning officers and putting extra pressures on their time.

1.3.21 The Heads of Service have considered this issue as part of the project team and have identified that there may be benefit to the planning service as a whole in including residual tasks that cannot be removed or handled within the planning support team into a technical officer post at each authority that would form a link between each planning department and the central support team and provide a potential career link into becoming a planning officer. A key recommendation from this work is therefore that the Shared Planning Support Manager (once appointed) would work with the Heads of Service and planning officers to identify and address those functions.

1.3.22 In broad terms three solutions are feasible, the third relating to the provision of a technical officer:

1. Remove the activity - through identifying the processes that produce the activity and re-designing the processes to avoid its creation in the planning office.

2. Remote delivery – design processes that produce the activity to (a) rely on electronic delivery to planning officers (i.e. histories and powerpoint presentations), (b) ensure the activity takes place in the central office (i.e. photocopying to be sent to an external address) or (c) programme the activity to allow time for delivery to the planning officer (i.e. documents for planning officers).

3. Fund an alternative method of delivery –such as through the technical officer solution in 1.3.20. This would be done within the existing cost limits agreed in the business case as functions would transfer to the technical officers from the planning support team.

1.3.23 Another key aspect of the feasibility work has been the identification of significant differences across the three authorities in terms of their current levels of electronic working and the processes used to deliver registered planning applications and planning support services. There will be a significant amount of work to do for the Shared Planning

Support Manager in aligning processes, technologies and cultures across the three planning departments and this represents a significant opportunity for the authorities to share best practice and improve planning and planning support services.

1.3.24 It is recommended that the preferred one site model be confirmed as the model for the shared service.

Savings Split

1.3.25 Chief Executives have been consulted on the preferred method of sharing the savings from the planning support shared service based on the outcomes required by each authority. The initial savings split for the shared service is recommended to be on an investment basis, as set out in Appendix 4, with the costs of service moving toward a volume based costing model as further savings are identified and the time taken to handle the volumes of work through the new team, system and processes can be accurately measured.

Performance levels during change period

1.3.26 The issue of acceptable levels of performance across planning during the change period has been discussed with the Heads of Planning. The principle behind agreeing performance levels is not to make poor performance acceptable but to predict where due to the significant changes expected to the service there may be a temporary impact on performance so that should that occur it can be managed.

1.3.27 The detailed implementation plan from the Planning Support Manager is required before the details of performance impacts over the year April 2013 to April 2014 can be agreed. The Heads of Planning will sign off and need to be satisfied with these impacts and will be part of the project team that agrees the detailed implementation plan.

Employment and budget recommendation

1.3.28 MKIP is currently reviewing its future employment approach and structure with the project due to report to the MKIP Board in June 2013, with reports coming to Cabinets following that date in quarter 2 of 2013/14. As staff will be at a single location it is recommended that the Chief Executives, having regard to the wider employment model work, consider whether staff should be transferred to a single employer for this shared service.

1.3.29 Experience from previous shared services has demonstrated that retaining staff with existing employers can create a complicated situation with budgets as they are retained at each of the authorities. This increases the work required by the Shared Manager for those

services as they need to manage multiple budgets rather than one, including, for example, getting authorisation for staff training from multiple authorities. It is therefore recommended that lead accountants be appointed by s151s for the planning support service and form a finance group to support the work of the project team in developing a suitable budget setup for the Shared Planning Support Manager.

Implementation, Delivery and Next Steps

1.3.30 A high level delivery plan is provided at Appendix 6. A more detailed implementation plan will be produced by the Planning Support Manager and delivered within overall project tolerances. The plan will be closely linked to the ICT implementation plan and as such ICT representation is proposed for both the Project Board and Project Team.

1.3.31 Investment in the service is required in order to deliver it successfully. Proposed investment is set out in the business case and has been factored into the return on investment profile.

1.3.32 There will be a significant amount of work for the Shared Planning Support Manager to carry out. The headline tasks for 2013/14 are:

1. Agree detailed implementation plan

2. Finalise structure and appoint staff

3. Implement new ICT system and align processes

4. Agree performance standards for 2013/14 and up to go live date

5. Produce service level agreements and collaboration agreement

6. Produce a shared service plan

7. Train and develop staff

1.4   Alternative Action and why not Recommended

1.4.1   Alternatives are considered in the Business Case approved by the MKIP Board (Appendix 6) and are not recommended as they do not deliver against the critical success factors to the degree of the preferred option.

1.5 Impact on MKIP Objectives

1.5.1 MKIP's objectives are:

The objectives of the Mid Kent Improvement Partnership are to work together in partnership-

(a)   To improve the quality of service to communities;
(b)   To improve the resilience of service delivery;
(c)   To deliver efficiency savings in the procurement, management and delivery of services;
(d)   To explore opportunities for trading in the medium to long-term;
(e)   To share best practice; and
(f)   To stabilise or reduce the environmental impact of service provision.

1.5.2 Producing shared services delivers against objectives (a), (b), (c) and (e). For Planning Support the primary driver is (c).

1.6 Risk Management

1.6.1 Risks are considered in the Business Case (Appendix 6). Risks involved in the delivery of the shared service will be managed using project controls under the ownership of the project sponsor and a project risk register will be maintained and updated.

1.7 Other Implications

1.7.1

No.	Implication	
1.	Financial	X
2.	Staffing	X
3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	X
9.	Asset Management	

1.7.2 Financial -   Appendix 4 to this report sets out the financial implications of entering into the shared service, including the level of investment required and the level of savings expected to be delivered. The method of sharing savings between authorities is also set out in Appendix 4.

1.7.3 Staffing – Forming a planning support shared service will have a significant impact on planning support staff. The first action will be to appoint a Planning Support Manager following all necessary HR consultation processes and procedures and then to confirm, consult, amend and appoint to the new planning support shared service structure. This will follow all HR processes and will include consultation with staff and unions.

1.7.4 Legal – a collaboration agreement will be signed for the shared service and service level agreements will be required to underpin the performance culture of the shared planning support service.

1.7.5 Procurement – The procurement of a joint ICT system will be carried out as part of a separate ICT project but will impact on the planning and timescales for this project.

1.8 Finance and Governance - Cabinet Advisory Board (Tunbridge Wells)

1.8.1 On 28 May 2013 the Finance and Governance Cabinet Advisory Board considered this report and made the following recommendation:

"That the recommendations set out in the report be supported, but that the Tri-Cabinet meeting on 12 June be asked to provide reassurances over Tunbridge Wells-specific service standards during the establishment of the service and post-implementation."

This assurance can be given and paragraph 1.3.10 has been amended to clarify how performance reporting will be carried out, specifically that each authority can have its own indicators, will be reported to individually and will be benchmarked versus pre-shared service performance.

1.9 Relevant Documents

1.9.1 Appendices

Appendix 1 – Project Snapshot (as at 29 May 2013)
Appendix 2 – MKIP Planning Support Functions
Appendix 3 – MKIP Planning Support proposed project board and team
Appendix 4 – Financial appendix and cost split by authority
Appendix 5 – Location criteria assessment

Appendix 6 – Business Case approved by MKIP Board with Appendices
A to F attached (dated December 2012)

1.9.2 <u>Background Documents</u>

Gateway Model Document
Scope of Business Case (Dated September 2012)
Single Location feasibility assessment event notes
MKIP Planning Support meeting with planning officers notes

<u>IS THIS A KEY DECISION REPORT?</u>

Yes   ▢   No   ▢

If yes, when did it first appear in the Forward Plan?

…………………………………………4 February 2013………………………………………………..

This is a Key Decision because: …It represents a significant service development with significant impacts on staff

Wards/Parishes affected: …………None directly……………………………………………..

MKIP PROJECT SNAPSHOT – PLANNING SUPPORT SHARED SERVICE – MBC, SBC, TWBC
PRIMARY SUCCESS FACTOR - SAVINGS
Delivery Model – Shared Service Gateway Model – Gate 2 decision point (business case approval)

Initiated (G1)	Scope Approval (G2)	Business Case Approval (G2)	Business Case Decision Due (G2)	Implementation Date (G3)	Benefits Review (Ben)
June 2012	September 2012	December 2012	June 2013	June 2014	September 2014

Investment table

Item	2013/14	2014/15	2015/16	2016/17	Total Cost
Business Improvement / Delivery Sections	£8,000	£2,700			£10,700
HR Support (0.3 FTE)	£6,400	£1,600			£8,000
Investment (training and equipment)	£2,000	£8,000	£5,000		£15,000
Redundancy & Pension cost allowance		£117,000			£117,000
Additional mileage costs		£15,000	£15,000	£15,000	£45,000
Total	**£16,400**	**£144,300**	**£20,000**	**£15,000**	**£195,700**
Project Support (MKIP central budget)	£15,000	£5,000			

Savings table

	Budget Cost 2013/14	Estimated Cost of Shared Service	Calculated Staff Savings - Based on 2013/2014 Budgets	Less Budget Saving already included 2013/14	Total Net Budget Staff saving per annum
MBC	£253,753	£207,299	£46,454		£46,454
SBC	£303,926	£248,287	£55,639	£21,940	£33,699
TWBC	£403,716	£329,808	£73,908		£73,908
	£961,395	**£785,394**	**£176,001**	**£21,940**	**£154,061**

Other benefits
- Estimated £27-32k saving in planning officer time at Swale and Maidstone
- Post-implementation benefits – streamlined processes, improved processing times, additional savings
- Service positioned to generate income (medium to long term)

Delivery milestones
- **Key - Planning Support Manager appointed – August 2013**
- **Key - ICT procurement decision – August 2013 (Dependency on external project)**
- Agree local functions – September 2013
- **Key - Finalise structure and Staff consultation – December 2013 – February 2014**
- Sign-off SLAs and Collaboration Agreement – March 2014
- **Key - Staff appointed to new structure – April 2014**
- **Key - Combine Sites – April 2014**
- Accounts sign-off – June 2014

Key Dependencies
Joint Planning Support/Environmental Health ICT System procurement project – will impact on timetable directly – dependent on procurement outcome – will need to revise timetable in accordance with ICT project.

Tolerances
- Maximum investment - £215,270 (cost table figure + 10%)
- Maximum timescale – July 2014 (combine sites date + 3 months - to be reviewed following ICT procurement outcome)
- Maximum impact on planning services – action to be completed by Planning Support Manager following completion of detailed implementation plan

Headline Risks

Risk	Control	Action
Performance impact on planning services	Managed through the project by agreeing quality tolerance (see tolerances below)	Managed by Planning Support Manager during delivery
Failure to deliver project impacting on return on investment	Managed through project controls and managing a subset of risks to be identified by the Planning Support Manager	Managed by Planning Support Manager during delivery, maintain a risk register, regular reporting to the Project and MKIP Board
Employment change risks	Numerous risks associated with significant changes for staff. Full project support to the project manager required including HR support	Managed by Planning Support Manager during delivery, maintain a risk register, regular reporting to the Project and MKIP Board
Redundancy cost risks (i.e. maximum redundancy costs are required)	Estimates based on midpoint of lowest and highest redundancy costs.	If likely to occur planning support manager will need to review the business case, revise cashflow projection and get approval from Project and MKIP Board
ICT project risks	Management through the ICT Project	Managed by the Head of ICT (or delegate) through maintaining risk registers and controls in ICT project

Gateway Model

1. Defining the programme – MKIP Board agreed Planning Support inclusion in the programme

2. Initiating the programme – Gateway 1 – MKIP Programme Manager produced programme agreed at Board meeting June 2012, along with critical programme elements including governance arrangements, communications strategy, collaboration agreement templates and consideration of resourcing

3. Viability study/business case – **Gateway 2** – Underway for Planning Support business case scoping showed service was viable, business case produced for December 2012 for MKIP Board, additional feasibility work completed March 2013, **final decision for Cabinet due on 12 June 2013**

4. Implementation – Gateway 3 – Business cases will include implementation timetables and the Shared Planning Support Manager with the project team will need to produce a more detailed implementation plan.

5. Benefits Realisation – Shared Service comes under MKIP governance, regular reporting of benefits delivered and monitoring of continuous improvement