

## Policy and Resources Committee

5 November 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

### Planning Support Shared Service

<b>Final Decision-Maker</b>	Policy and Resources Committee as part of co-located Meeting with Tunbridge Wells BC and Swale BC on the 5 November 2015
<b>Lead Head of Service</b>	David Edwards, Director of Environment and Shared Services
<b>Lead Officer and Report Author</b>	David Edwards, Director of Environment and Shared Services
<b>Classification</b>	Public
<b>Wards affected</b>	ALL

#### **This report makes the following recommendations to this Committee:**

1. To agree the Business Case prepared and presented by the Mid Kent Services Director, subject to any amendments following necessary consultation with affected staff.
2. To agree to the disaggregation of Tunbridge Wells Borough Council from the Mid Kent Planning Support Service.
3. To agree to continue Maidstone Borough Council's partnership in the Mid Kent Planning Support Service with Swale Borough Council, subject to:
  - moving to a 'volume based' contribution mechanism; and
  - undertaking a joint review of the service with Swale Borough Council by June 2017.
4. To note the continuation of the shared Land Charges Service between Maidstone, Swale, and Tunbridge Wells Borough Councils.
5. To agree delegated authority to the Director of Environment and Shared Services to finalise the detail of any collaboration agreement(s) that are required as a result of the decisions taken by the Committee.

#### **This report relates to the following corporate priorities:**

- Keeping Maidstone Borough an attractive place for all
- Securing a successful economy for Maidstone Borough

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Co-Located Policy and Resources Committee	5 November 2015

# Planning Support Shared Service

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This paper provides an update on the discussions and respective positions of the partner local authorities following an 'in-principle' decision by Tunbridge Wells Borough Council to disaggregate from the Mid Kent Planning Support (MKPS) shared service, and to consider what approach Maidstone Borough Council wishes to take with regard to its future role within the shared service.
- 1.2 It should be noted that the three partner authorities wish to continue with a shared Land Charges service, and therefore this function is not part of the review.

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Mid Kent Planning Support Service was established in June 2014. This followed a decision by the three Cabinets covering Swale BC, Tunbridge Wells BC and Maidstone BC on 12 June 2013. The service covers all aspects of planning support and land charges and provides a service to Swale BC, Tunbridge Wells BC and Maidstone BC.
- 2.2 The major operational components of the shared service consist of:
  - a shared Planning Support Manager;
  - the service operated from a single location in Maidstone;
  - all staff are employees of Maidstone Borough Council; and
  - a single software package (IDOX) was installed replacing the three previously in use in each of the three partner authorities. The contract is between Maidstone Borough Council and IDOX as the supplier.
- 2.3 When a decision is taken on the future of the service there will therefore be additional employment and contract implications for the Council when compared to the other two boroughs. The service and staff are based at Maidstone BC offices at no cost to the other participating authorities.
- 2.4 A collaboration agreement (which defines legally how the service will operate) was drafted; however, this has not been signed. All the authorities have agreed at an officer level to follow the principles that are set out in the document as this follows the format of the standard MKIP collaboration agreements that have been signed.
- 2.5 In addition to the Planning Support Service itself, back office support on telephone enquiries is provided through the Maidstone Borough Council contact centre for which each authority contributes to the cost.
- 2.6 In establishing the service each authority transferred their budgeted expenditure at the time into the shared service. The Tri-Cabinet decision taken to enter into the service also reflected an aspiration to move to a volume based financial contribution. Work has also been undertaken to look at this aspect as part of the decision making process.

- 2.7 Although there were some financial savings for Maidstone BC on the ICT system (as these were captured for the ICT business plan) the main drivers in establishing the shared service were the greater resilience that was provided and improving performance.
- 2.8 After 'going live' with the shared service there were a variety of operational and technical issues which led to validation timescales increasing significantly to the detriment of the speed of the decision making process on planning applications. A review was subsequently undertaken by the Head of the Shared Audit Service on the project management leading up to implementation and a report produced, a link to the document is included in the background section to this report.
- 2.9 In the main these service issues have been overcome and the time taken to validate applications is now in line with the service targets. This is also an improvement on the performance levels that were being delivered at Maidstone Borough Council pre the establishment of the shared service.
- 2.10 In March this year the Leader at Tunbridge Wells Borough Council indicated that the Council wished to withdraw from the shared service and re-establish a local arrangement. This was then formally considered by the Cabinet in Tunbridge Wells in August 2015 when an "in principle" decision was taken that the service be brought back in house. In taking this decision the Cabinet agreed to pay for all the costs that were incurred as part of the disaggregation, which at that stage was estimated at up to £150,000. The documents and full decision can be accessed through the link at the end of this report.
- 2.11 The collaboration agreement states that an authority can only leave the shared service arrangement if the other partners (in this case Swale BC and Maidstone BC) are in agreement. The agreement also states that termination of the agreement will be on terms agreed between all the parties.
- 2.12 A project group was established to consider the future delivery of the service which is led by Paul Taylor, Interim Director of Mid Kent Services and includes senior officers from all three boroughs, Finance, ICT and HR representatives. The group has been tasked with exploring how the planning support service could be delivered in the future including a service to Swale BC and Maidstone BC through a shared service or on a stand-alone basis. All three authorities have indicated a desire to continue with the shared land charges service, although technically this is part of the current Planning Support Shared Service. A new collaboration agreement will need to be agreed for this service and potential changes from the land registry will need to also be reflected.
- 2.13 A business case has been prepared and will form the basis of the presentation to the Committee and is attached at Appendix 1. The basis of the business case is Tunbridge Wells BC leaving the partnership and Swale BC and Maidstone BC continuing with a shared service. In preparing this report the option of staying in a three way partnership or splitting into three separate services has also been considered.

- 2.14 The Mid Kent Planning Support Service is currently hitting the set targets with no significant backlog, and has reached a position which enables the team to take on their original full responsibilities, particularly regarding validation, but excluding pre-application processing.
- 2.15 Further changes are also scheduled, particularly as some of the planned ICT work originally anticipated in June 2014, has not yet been completed. This is now planned for implementation with IDOX later in 2015/16 with a comprehensive plan in place for delivery which includes document management. Service improvements continue to be made and this work is overseen by the Planning Support Shared Service Board.
- 2.16 To enable improvement to take place the range of checks that were undertaken by the validation team were temporarily reduced with officers in the planning teams completing the additional tasks. Now the service has cleared the backlog and is up to date the full range of checks in the Team were re-established during October.
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### **3. AVAILABLE OPTIONS**

- 3.1 There are several options for the Committee to consider in terms of the future of the Shared Planning Support Service.
- a. To agree that Tunbridge Wells BC can leave the partnership – providing that decision is made by the Tunbridge Wells BC Cabinet that all the costs associated with the disaggregation are covered and the additional staffing and ICT implications for Maidstone BC are met.

If (a) is agreed to then consider whether

- b. To establish a new two way partnership with Swale Borough Council;  
or
- c. To have a planning support service for just Maidstone Borough Council. Either as a result of a decision Maidstone Borough Council makes or if Swale Borough Council and Tunbridge Wells Borough Council both decide to leave the shared service;

If (a) is not agreed

- d. To continue with the current three way service with the collaboration agreement finalised and signed by all the parties.

In addition there is an additional decision on when to undertake a review of the new service should the shared service between Swale BC and Maidstone BC be agreed.

A collaboration agreement will need to be agreed in relation to any services that are established.

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## 4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The preferred option is (b) to establish a new Shared Planning Support Service with Swale BC. This is, of course, dependent on the decisions taken by the other Councils.

In addition to undertake a review of the operation of the service in June 2017, at which stage the new service will have been in operation for 12 months.

It has been assumed that the shared operational arrangements for Land Charges will continue.

In assessing the options members in Maidstone BC identified six factors that needed to be considered in this report, these are identified below in no particular order of priority and are covered in the following sections.

- Performance – ensuring a fast, efficient and effective high quality support service to meet the standards expected by the planning team and customers;
- Staffing – ensuring staffing matters are addressed as the employer, an efficient structure and seamless transition to the new arrangements;
- Costing – ensuring there is greater alignment around the resources and financial contributions;
- Financial - ensuring there are no extra costs arising from disaggregation and that the service provides value for money;
- ICT – ensuring the system is effective, a smooth transition to the new arrangements and this is co-ordinated through the Council as the holder of the ICT contract; and
- Resilience - ensuring that the support service provides the flexibility and capacity to cover peaks and troughs in the demand for the service

### 4.2 Performance

Whilst the initial performance of the shared service was poor this has improved significantly. The Head of Planning and Development has also confirmed that he is happy with the current levels of performance and these will further improve with the full range of checks re-established and enhancements to the ICT system over the coming months. The latest performance figures are set out in the table below:-

	<b>MBC</b>
Average working days to register major, minor and other applications	<b>4</b>
Average working days to register miscellaneous applications	<b>2</b>
Percentage of major, minor and other applications processed in 5 working days	<b>93%</b>
Percentage of miscellaneous applications processed in 5 working days	<b>100%</b>

Average number of days to register major, minor and other applications that were found to be valid on receipt	6
Average number of days to register miscellaneous applications that were found to be valid on receipt	3
Average number of days to register major, minor and other applications that were found to be invalid on receipt	6
Average number of days to register miscellaneous applications that were found to be invalid on receipt	5
Average number of working days from receipt to inform a customer an application was invalid	2.3

In addition to the measures included in the table there are other indicators on for example appeals and also a range of service specific measures that the Planning Support Team monitors on a day to day basis. The Head of Planning and Development, will work with the Head of Planning at Swale and the Mid Kent Planning Support Manager to continue to develop the service standards expected from a 2 way shared service and some initial suggestions have been provided.

Any change to the structure and systems do carry a risk in terms of the impact on service performance and would need to be carefully managed and resourced. These are covered later in the report and an overall risk register is included in the appendices.

#### 4.3 Staffing

When the shared service was established the way the teams worked changed. All the authorities' officers have agreed that for any disaggregation TUPE will apply and therefore staff will be able to return to their original employing authority.

The staff in the shared service have been kept up to date on the position through regular briefings by the team manager and Interim Director of Mid Kent Services. Officers have also been trained and appraisals and performance management has continued which has further improved the skills, knowledge and experience in the team.

Structure charts have been prepared for each of the three options and costed. The opportunity has been taken to review the structures to see if there are any further efficiencies that can be achieved. It has been assumed that the further ICT changes will be completed in 2015/16 and that any new structure will come into place in June 2016.

There are added implications for Maidstone as the employer, without going through the detail these are captured in the paragraphs below:-

Any proposal(s) would require consultation with staff for a period of 30 days. Advice from employment law specialists has recommended that the council consults on all the agreed structures for each authority/authorities (whatever option is agreed) at the same time. Job descriptions would need to be developed and evaluated, pay and benefits clarified.

There will be several fixed term contracts that expire before the planned implementation date of June 2016. Whilst TUPE would not apply to these posts the fixed term staff will still be part of the consultation process.

Only two of the current shared service staff transferred in from Tunbridge Wells BC, therefore if the Council leaves the partnership Maidstone BC will require an agreement from Tunbridge Wells Borough Council to offer a similar number of jobs to the shared service staff as they would require to deliver that work that has transferred. Staff will be given the option to apply for any post. The costs of redundancy for any staff who are not successful or who consider the jobs at Tunbridge Wells BC to be unsuitable for redeployment will be picked up by Tunbridge Wells BC and Tunbridge Wells BC has included these costs in their cost estimate.

If Swale Borough Council decides to leave the shared service as well the picture would be more complex, the consultation would still be on all the structures (which would now be three) and people would be able to apply for all the posts, however, if Swale BC and Maidstone BC determine that by Tunbridge Wells BC leaving the shared service it had become unviable, then Tunbridge Wells BC would have to pick up and reasonable redundancy costs for all the partners.

The business case attached has been produced by the Disaggregation Project Board, led by the Interim Director of Mid Kent Services, it has been prepared on the basis that Tunbridge Wells BC leaves the planning support element of the shared service (and remains in the land charges shared service), and Maidstone BC and Swale BC stay together in a shared planning support service. If any other option is agreed, then the business case would need to be rewritten in its entirety.

#### 4.4 Costing

As highlighted previously the drivers for entering into the shared service were not financial for Maidstone BC. However, there was an agreement to move to volume based costing. Significant work has been undertaken to look at a model for more accurately reflecting the volume and complexity of cases and the splitting the resources between the three authorities. The provisional figures are set out in the table below:-

	Weighted volume % split	Budget %
Maidstone BC	37%	27%
Swale BC	23%	35%
Tunbridge Wells BC	40%	38%

Whilst this is not an exact science at this stage and the caseload and complexity can vary from year to year it does show that percentage financial contribution from Maidstone BC is below the percentage of the work consumed.

Moving to a volume based financial calculation would bring the service in line with other shared services such as Revenues and Benefits and Legal Services although it is recognised that this model for planning support requires further work.

The Council could continue with the current budget contribution. However, this volume based financial contribution was agreed in principle when the service was established and this analysis has been produced. In addition the volume and complexity has increased since the service was established. Further implications and opportunities arising from making this change are set out in the following financial section.

#### 4.5 Financial

The current Maidstone BC budget for the Planning Support Service for 2015/16 is £227,231. This was the amount that was budgeted for planning support prior to the establishment of the shared service. However, it is recognised that since this time the volume and complexity of applications has increased.

If the Council was minded to move to a volume/complexity model of funding an indicative budget requirement for each of the three options is set out in the table below:-

	MBC
3 way cost on volumes	£ 267,007
2 way cost on volumes	£283,239
1 way cost	£283,654

The cost of the two way and one way option are similar due to the staffing models. Savings would be made in a team leader post in the one way option, however, these would be virtually balanced with the additional cost of fully funding the manager and the project/systems officer.

For all of the options there is an additional budget requirement for Maidstone BC. For the two way service several discussions have taken place with Swale BC on how their budget contribution can be brought in line with the volume based percentage and different options have been explored.

One option was that the Maidstone budget contribution would remain at the current budget level during this period and at £227,231 per annum, however, an additional budget provision, probably in the region of £56,000 (the difference between £227,231 and £283,239) would need to be made for 2017/18. In this way the imbalance highlighted in 4.14 starts to be addressed, there is no immediate additional budget requirement for Maidstone BC and there is some time to refine the volume/complexity based model.

It has also been suggested that over time the volume/complexity model would look at a three year rolling programme of activity to reduce any fluctuations.

However, the preferred officer position is to be transparent and to rebalance the budget contribution now, recognising that the volume and complexity of the service has changed since the decision was taken to establish the shared service in 2013. The Council would therefore identify an additional £56,008



in the budget setting process for 2016/17 which would then further reduce the budget requirement for Swale BC for next year.

The critical assumptions underpinning this financial modelling are that volumes of work remain consistent, choices with regard to the services requested from planning support service remain the same and that the IDOX work programme is delivered.

Tunbridge Wells BC has agreed to cover all the costs associated with the planning disaggregation project. This has included the cost of the time spent by the project manager and Interim Head of Mid Kent Services. Officers at Maidstone Borough Council have also been tracking the officer time spent on the disaggregation work which currently stands at £6,000.

#### 4.6 ICT

When the shared service was established all the authorities moved to a single ICT system IDOX. Maidstone Borough Council is the named customer for the contract and this is managed on a day to day basis by ICT. Significant work was undertaken by the ICT team and the shared service to address a lot of initial problems and this work has continued.

There are further enhancements to the IDOX system planned for later in 2015/16 and many of the documents are now handled digitally.

In considering the ICT options there are going to be additional risks associated with changing the structure of the ICT system, including the access arrangements to the data and the links to other service areas through the IDOX system. The risks will be reduced as Maidstone BC would retain the contract with IDOX and any changes to the systems would be made within this single environment, however, these would still remain a significant issue.

If the current three way partnership did continue the ICT access arrangements would remain the same and the risks would be minimal. In addition any upgrade costs would continue to be split 3 ways.

A two way partnership between Swale BC and Maidstone BC, without going into the detail, is the simplest route and this is also favoured by Tunbridge Wells BC. The change would require Tunbridge Wells BC to replicate all the records on a duplicate system and then delete the Maidstone Borough Council and Swale Borough Council information from their system and then the Tunbridge Wells data would be deleted from the system that Maidstone and Swale continue to use.

If all three boroughs were to operate individually then the system would be split three ways and a similar approach applied with new templates and access arrangements put in place on an individual basis which would need to be paid for direct to IDOX. All the authorities would also need to negotiate their own contract.

Tunbridge Wells BC has agreed to pick up all the cost associated with replicating and revising the ICT arrangements. However, there will be additional costs to Maidstone BC and Swale BC over the duration of the contract. Currently for any system upgrade or change the cost is divided

three ways, in the future in the two way model this would be divided equally between Maidstone BC and Swale BC.

One of the biggest risks around IDOX is the capacity of the company to deliver the programme of work. This was a concern when the service was established and will require a co-ordinated approach with the ICT Shared Service and officers in the planning support service. In particular this could have an impact on the IDOX work that is already scheduled for 2015/16.

In addition the IDOX system is also used by several other service areas across the authorities including Building Control, Environmental Health and Housing.

#### 4.7 Resilience

Resilience was one of the key factors in the decision for Maidstone BC to join the shared service originally. The three way model would provide the greatest resilience as this has the maximum number of staff to provide cover and also has the flexibility to manage peaks and troughs in work across the three authorities.

If each authority provided the service separately this would provide the least resilience of the three options. In assessing the possible structure for this option in Maidstone the Head of Planning and Development has also identified that additional staff would also be moved from the planning team into the shared service to assist with the operational arrangements and flexibility to manage the demands on the service.

The two way option would sit somewhere between these two positions in terms of resilience.

#### 4.8 Conclusion

In considering these factors it is recommended that Maidstone Borough Council continues with a two way shared service with Swale BC. Tunbridge Wells BC has identified a desire to leave the current shared service and one of the founding principles for the Mid Kent Improvement Partnership was around shared services based on a coalition of the willing.

Working with Swale BC as part of shared service will provide additional resilience, minimise ICT costs and limit any further impact on performance when compared to a three way split and further improve quality in the longer term.

In addition the Council should move toward a volume based financial contribution although it is recognised there is further work to do to refine the detail.

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## **5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 Regular reports on the performance of the Planning Support Service were made to the Cabinet during 2014/15.

## 6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The implementation of any decision for the shared service is reliant on decisions also taken by Tunbridge Wells BC and Swale BC. If a decision is taken to implement a new shared service with Swale BC the target date for establishing the service is June 2016.

## 7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The service impacts on both Keeping Maidstone Borough an attractive place for all and Securing a successful economy for Maidstone Borough	Rob Jarman Head of Planning and Development
<b>Financial</b>	<p>The financial consequences of the recommended and alternative actions are set out in the body of the report. The cost of disaggregation will be met by Tunbridge Wells Borough Council and appropriate monitoring systems are in place to ensure that those costs are accurately recorded.</p> <p>The increased cost of a two way shared service reflects significant increases in workload for this Council along with lower economies of scale.</p> <p>The £50,000 required by this Council will form part of future consideration of the Medium Term Financial Strategy. As the increased workload is reflected in increased income from planning application fees it is possible for this to fund the increased cost. This matter will be considered by the Strategic Planning, Sustainability and Transport Committee once an agreement on the future service has been reached</p>	Paul Riley Section 151 Officer
<b>Staffing</b>	The issues relating to staff structures, transfers and redundancies are dealt with in the main body of the report	Sam Fender HR
<b>Legal</b>	Officers have been advised about the disaggregation of the service by the internal legal team and have also had some specialist external advice on issues such as TUPE, the collaboration agreement etc. That advice is	Estelle Culligan Deputy Head of the Legal Partnership

	incorporated into this report. Officers will continue to work closely with the legal support to restructure the service in accordance with the particular decision made.	
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## **8 REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

The following documents are to be published with this report and form part of the report:

- Appendix 1: Planning Disaggregation Proposed Option and Business Case
- Appendix 2: Summary Project Risk Register

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## **9 BACKGROUND PAPERS**

Papers and Decision by Tunbridge Wells BC Cabinet on 6 August 2015

<http://democracy.tunbridgewells.gov.uk/ieListDocuments.aspx?CId=118&MId=3358&Ver=4>

Decision by Maidstone Borough Council to establish the shared service on 12 June 2013

<http://services.maidstone.gov.uk/meetings/ieListDocuments.aspx?CId=146&MId=1924>

Special Meeting, Strategic Leadership and Corporate Services Overview and Scrutiny Committee to consider the Project Implementation Review on 23 February 2015

<http://services.maidstone.gov.uk/meetings/ieListDocuments.aspx?CId=553&MId=2361>

## Planning Disaggregation Proposed Option and Business Case

<b>Planning Support Disaggregation Board</b>				<b>12 October 2015</b>	
Is the final decision on the recommendations in this report to be made at this meeting?					<b>No</b>
<b>Planning Support Disaggregation Proposed Option</b>					
	<b><i>Maidstone</i></b>		<b><i>Swale</i></b>		<b><i>Tunbridge Wells</i></b>
<b>Final Decision-Maker</b>	Policy & Resources Committee		Cabinet		Cabinet
<b>Cabinet Member(s) or Portfolio(s)</b>	Chairman of Policy & Resources		Leader of the Council		Leader of the Council
<b>Lead Officer</b>	David Edwards		Lee Colyer		James Freeman
<b>Head of Service</b>	Ryan O'Connell, Denise Haylett (proposed)				
<b>Lead Officer/Report Author</b>	Michael Josh, Project Manager				
<b>Key Decision?</b>	Yes – Affects more than one ward.				
<b>Classification</b>	Non-Exempt				
<b>Wards affected</b>	All				
<b>This report makes the following recommendations to the final decision-maker:</b>					
<ol style="list-style-type: none"> <li>1. Agree any changes or amendments that might be necessary to the business case.</li> <li>2. Agree that, to the best of its knowledge, the information presented in the attached business case is correct at the time of presentation to the Disaggregation Board.</li> <li>3. Agree what recommendation(s) it will make back to the client authorities, via the individual authority covering reports, in order for a decision to be made at the co-located Cabinets and Policy &amp; Resources Committee meeting on 5 November 2015.</li> </ol>					
<b>This report relates to the following corporate priorities:</b>					
<i>(please explain how your report relates to the corporate priorities, delete those not applicable)</i>					
<b><i>Maidstone</i></b>		<b><i>Swale</i></b>		<b><i>Tunbridge Wells</i></b>	
<ul style="list-style-type: none"> <li>• Corporate and customer excellence</li> </ul>		<ul style="list-style-type: none"> <li>• A council to be proud of</li> </ul>		<ul style="list-style-type: none"> <li>• A prosperous borough</li> </ul>	
<b>Timetable</b>					
<b><i>Maidstone</i></b>		<b><i>Swale</i></b>		<b><i>Tunbridge Wells</i></b>	
<b>Meeting</b>	<b>Date</b>	<b>Meeting</b>	<b>Date</b>	<b>Meeting</b>	<b>Date</b>
Planning Support Disaggregation Board	12/10/15	Planning Support Disaggregation Board	12/10/15	Planning Support Disaggregation Board	12/10/15
Policy & Resources Committee	5/11/15	Cabinet	5/11/15	Cabinet	5/11/15

# Planning Support Disaggregation Proposed Option

## 10 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

10.1 This summary and the accompanying business case at Appendix A, sets out a proposed route to achieving disaggregation of the shared Mid Kent Planning Support Service (MKPS).

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## 11 INTRODUCTION AND BACKGROUND

11.1 The service was launched in June 2014 to provide a centrally shared planning administration service, which covers a range of functions that are set out in the business case. Although the service is now meeting its performance targets, during implementation, and following the launch of the service, several problems were encountered that limited the service's ability to consistently meet expected performance targets. This led to a considerable backlog in processing planning applications building up over a period of months.

11.2 These problems and the performance of the service have been well reported at other forums and are not covered here. The purpose of the report is to set out one potential way forward, based upon certain assumptions, and which allows each authority to achieve a style and level of service that they consider satisfactory to their requirements.

2.3 The Planning Support Disaggregation Board was set up following a notification from Tunbridge Wells Borough Council that they wished to investigate withdrawal from the Mid Kent Planning Support Shared Service. The Disaggregation Board held its first meeting on 27 April to discuss the scope and workstreams of the initial phase of the project, which was essentially to gather the information needed to assess the likely financial and operational impacts of disaggregating some or all of the service.

2.4 Meetings were held on a monthly basis, with relevant officers from all three authorities attending to provide professional advice and support to the formation of a business case that would be based on the following assumptions:

- That Swale Borough Council and Maidstone Borough Council will remain in the existing Mid Kent Planning Support Shared Service.
- That Land Charges will continue to be delivered as a three way shared service.
- That only minor changes that are considered necessary to the MBC/SBC service and the TWBC service will occur following disaggregation.

2.5 A business case was produced with the assistance of the Planning Support Shared Service Manager, Human Resources officers at Mid Kent Human

Resources, and Human Resources officers at TWBC, Finances officers from each authority, and officers from Mid Kent ICT. Client side input was provided by the Heads of Service and Service Managers for Planning at each authority, and strategic direction was provided by the Director of Environment and Shared Services (MBC), the Head of Planning Services (SBC) and the Director of Finance and Resources (TWBC). The Mid Kent Services Director was the Project Sponsor.

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## **12 AVAILABLE OPTIONS**

- 12.1 This business case is presented to the Planning Support Disaggregation Board as the most likely scenario based on current information. It has been created at a particular point in time and some or all of the details may be subject to change or amendment.
- 12.2 It is recognised that there are several other options available to the authorities, and this is only one proposed route that may or may not be taken, subject to Member decision at the co-located Cabinets and Policy & Resources Committee meeting on 5 November. The Disaggregation Board felt the most effective route to formulating a detailed business case would be to model the most likely option, and use the information from this to highlight the likely expenditure, costs, implications and risks that would apply to any scenario.
- 3.3 It is also recognised however, that this business case does not cover all of the costs, risks and implications for every type of option that could be chosen, and so should a different option be agreed by members, a new business case would need to be modelled and created.
- 3.4 The Project Board continue to recognise the role that Maidstone Borough Council plays in this project as both the employer of the majority of staff who would be potentially affected by changes to the Mid Kent Planning Support Service, and also as the contract holder for the IDox Uniform software.
- 3.5 Lastly, it is clear from both the Collaboration Agreement, and from legal advice received to date, that any changes to the Mid Kent Planning Support service must be mutually agreed by all three authorities before they can be implemented. This agreement can be reached through the Shared Service Board where it does not significantly affect service provision, or make changes to the agreed budget, or otherwise through each authority's normal decision making procedures.

## **13 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 13.1 The option described in the business case has been created as, at the time of writing the business case, this was the most likely scenario. The two-way MBC-SBC service and the single TWBC service have been designed through consultation with service managers and clients to ensure the best 'fit' for each organisation going forwards, but will be subject to staff consultation and potential amendment should Members agree to the business case.

(1)

13.2 The reasons for recommending, or otherwise, the option presented in the business case will be the responsibility of each authority in the individual covering reports produced as part of the agenda for the decision making meeting on 5 November 2015.

## 14 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

14.1 No consultation has taken place on the business case at this stage. Should Members confirm at the meeting on the 5 November that the option presented in the business case is the option they would like to proceed with, this will give Maidstone Borough Council the authority to launch a 30 day staff consultation, at a point to be determined in the future, to gain the views on staff on the proposals. The results of the consultation may affect the final designs for each proposed service, and the business case will need to be updated to reflect this.

## 15 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Planning Support Disaggregation Board on 12 October 2015 will need to:
1. Agree any changes or amendments that might be necessary to the business case.
  2. Agree that, to the best of its knowledge, the information presented in the attached business case is correct at the time of presentation to the Disaggregation Board.
  3. Agree what recommendation(s) it will make back to the client authorities, via the individual authority covering reports, in order for a decision to be made at the co-located Cabinets and Policy & Resources Committee meeting on 5 November 2015.

## 16 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
<b>Legal</b> including Human Rights Act	<i>Legal implications are dealt with in the accompanying business case.</i>	Legal officer
<b>Finance</b> and other resources	<i>Financial implications are dealt with in the accompanying business case.</i>	Section 151 Officer or Head of Finance and Procurement
<b>Staffing establishment</b>	<i>Staffing implications are dealt with in the accompanying business case, and the resulting staff consultation should the option presented be agreed at the co-located meeting.</i>	Head of HR or deputy



<b>Risk management and health &amp; safety</b>	<i>A risk register is available for the proposed project. Key risk are highlighted in the accompanying business case.</i>	Head of Audit Partnership, Deputy Head of Audit Partnership or Audit Manager
<b>Environment and sustainability</b>	<i>The service supports the Planning Functions at each authority, which are regulated functions that ensure necessary environmental considerations are taking into account when assessing planning applications for each of the boroughs. An efficient and effective Planning Support service will assist the Planning functions to meet these requirements.</i>	Sustainability Manager
<b>Community safety</b>	<i>There are no implications under the crime and disorder act.</i>	Community Safety Manager
<b>Health and wellbeing</b>	<i>The business case will have implications for staff in the affected service. This has been dealt with in the staffing implications section of the business case, and will be covered in the staff consultation, should the decision be made to proceed with the option proposed.</i>	Healthy Lifestyles Co-ordinator
<b>Equalities</b>	<i>It is not expected that this business case will improve or negatively affect protected equalities characteristics for residents, applicants or agents. Protected equalities characteristics for staff will be addressed through the staff consultation and project plan should the decision be taken to proceed with the presented option.</i>	West Kent Equalities Officer

## 17 REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Planning Support Disaggregation Business Case.

## 18 BACKGROUND PAPERS

- Planning Support Disaggregation Risk Register.
- Planning Support Disaggregation Communications Plan.

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# BUSINESS CASE

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<b>Project ID</b>	• BDU0054
<b>Project Title</b>	Planning Support Disaggregation Project
<b>Project Executive</b>	Paul Taylor, MKSD
<b>Project Manager</b>	Michael Josh

This business case has been produced using the most likely scenario based on current information at the time of writing. It has been created at a particular point in time and some or all of the details may be subject to change or amendment following further discussion between the authorities, or through the staff consultation process.

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## PROPOSAL

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The proposal is to:

1. Disaggregate the three-way shared Mid Kent Planning Support (MKPS) service, currently located at a single site in Maidstone.
2. Re-constitute the service into:
  - a. A single Tunbridge Wells Borough Council (TWBC) Planning Technical service, located on site in Tunbridge Wells, with a separate new installation of the IDOX Uniform solution hosted centrally at Maidstone Borough Council (MBC); and
  - b. A two-way shared Planning Support service between MBC and Swale Borough Council (SBC), remaining on the existing installation of the IDOX Uniform solution, and remaining located at the single site in Maidstone.
  - c. A three-way shared Local Land Charges service, remaining on the existing installation of the IDOX Uniform solution, and remaining located at a single site at Maidstone.

The target 'go live' date for disaggregation to start transition is end June 2016.

It is noted as part of this business case that Maidstone Borough Council are both the contract holders for the IDOX contract, and the employer of the majority of staff affected by the business case proposals.

It is also recognised that any changes that are proposed to the Mid Kent Planning Support Service need approval from all three authorities before those changes can be implemented.

## CURRENT SERVICE OPERATIONS

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### CURRENT FUNCTIONS

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MKPS is a support service that is shared between MBC, SBC and TWBC. The service was launched in June 2014 from a centralised location in Maidstone, and currently performs a variety of planning administration functions on behalf of the Development Management (DM) teams at each council, which have not been shared.

These functions are set out in the collaboration agreement for the service shown in table I below.

**Table I – MKPS Functions Listed in the Collaboration Agreement**

<b>Planning Support</b>	Registration, Validation, Amendments and re-consultations, Conditions Registration, Decision notices, History and Research Requests, Pre-application Registration and Administration, First Point of Contact Calls, Committee Support, Scanning.
<b>Enforcement</b>	Registration, Enforcement administration, First Point of Contact Calls, Scanning
<b>Appeals</b>	Appeals Administration, First Point of Contact Calls, Scanning
<b>Land Charges</b>	Official searches, CON29 requests, Personal searches, All calls, Scanning
<b>Miscellaneous</b>	Website maintenance, Planning, Enforcement, Appeals and Land, Charges IT system administration, Performance reporting, Business improvement, Finance and budget advice, Invoice processing, Responding to Government consultations, FOIs/Complaints – advice and review and completing those assigned to Mid Kent Planning Support

### CURRENT SERVICE LEVELS AND PERFORMANCE

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Due to issues that occurred during implementation of the service, and to assist with returning the service back to normal performance levels, it was agreed that the DM teams in each authority would take back certain elements of work on a temporary or permanent basis, to allow a period of “recovery” to take place. As such, the current service performs a smaller set of functions as shown in table II.

**Table II – MKPS Current Functions**

	<b>Tasks Carried out by MKPS</b>	<b>Tasks Carried out by DM Teams</b>
<b>Planning Support</b>	Registration, Validation, Amendments and re-consultations, Conditions Registration, Decision notices, History and Research Requests, First Point of Contact Calls, Committee Support, Scanning	Validation – quality checks and remaining tasks completed by DM teams  Pre-application registration and administration performed by DM teams (permanently taken out of service)
<b>Enforcement</b>	Registration, Enforcement administration, First Point of Contact Calls, Scanning	
<b>Appeals</b>	Appeals Administration (simplified tasks), First Point of Contact Calls, Scanning	Appeals administration – quality checking and remaining (majority) tasks completed by DM teams
<b>Land Charges</b>	Official searches, CON29 requests, Personal searches, FOI requests, All calls, Scanning	
<b>Miscellaneous</b>	Website maintenance, Planning, Enforcement, Appeals and Land, Charges IT system administration, Performance reporting, Business improvement (in conjunction with HoS), Finance and budget advice, Invoice processing, Responding to Government consultations, FOIs/Complaints – advice and review and completing those assigned to Mid Kent Planning Support	Business Improvement led by Heads of Planning  Some FOIs/complaints dealt with individually by authorities (in particular TWBC)

The service is expected to perform against a number of measures agreed in a Service Level Agreement (SLA), and these have been agreed at the Shared Service Board.

Performance monitoring takes place on a weekly basis and is reported to the Shared Service Board. The service has been steadily working through a backlog of applications that were created as a result of setting up the partnership service, but this was cleared for the first time in July 2015. Going forwards from this, a snapshot across a limited selection of indicators that are currently informally monitored is shown below in table III.

Table III – Informal Performance Indicators MKPS

Indicator	Month	MBC	SBC	TWBC	Target
% of decision notices issued in 1 working days or less	July	95.4	90.4	95	90%
	Aug	98.4	95.7	98.9	
	Sept	95.9	94.3	97.9	
% of enforcement cases logged within 1 day	July	86	92	93.5	90%
	Aug	63.5	73.53	90	
	Sept	91.2	90	100	
% of MKPS Appeal Questionnaires within target (rolling 3 months)	July	100	100	100	90%
	Aug	100	100	100	
	Sept	100	100	100	
Average number of working days to validate (majors, minors and others)	July	4	4	4	5
	Aug	3	4	3	
	Sept	3	4	4	
% of majors, minors and others validated in time	July	79.7	77.6	77	80%
	Aug	90.5	82.8	97.4	
	Sept	91.5	88.0	86.9	
Average number of working days to validate all other application types	July	2	2	3	5
	Aug	2	2	2	
	Sept	2	2	1	
% of all other application types validated in time	July	86.4	88.9	86.5	80%
	Aug	94.5	91.5	93.6	
	Sept	94.8	94.4	98.5	

For completeness, the informal performance measure for local Land Charges is included below, but it remains out of scope for this project on the basis that the function has continued to perform well throughout the period of set up and go live, and has been meeting the expectations of all three authorities. It was also recognised during the development of this business case that the Local Land Charges function is likely to be discontinued from 2023 as the Land Registry takes on responsibility for providing this function.

% searches in 10 working days or less	July	99.6	99.6	99.6	90%
	Aug	100	100	100	
% searches in 5* working days or less	Sept	99	99	99	

\* Measure changed from September 2015 onwards.

## CURRENT STAFFING ARRANGEMENTS

There are currently 30.18 FTE permanent posts within MKPS, of which 3.81 are vacancies. In total there are 8.81 FTE temporary staff that have been employed to help the service improve performance and address the backlog issues.

The temporary members of staff are on contracts, some of which that are due to end by 31/03/2016. It is the intention to extend these contracts until the anticipated delivery date of the disaggregated services thus allowing these contracts to expire naturally where possible, although it may be the case that following the TUPE process and transfer of permanent staff, those in contracted roles may be able to apply for any remaining posts left over in the two structures.

The staff currently employed in MKPS will be consulted with, but TUPE will only apply to permanent staff or those staff whose contracts would run post April 2016. The implications for staff are dealt with in a later section of the document. Table IV shows the current staffing levels for MKPS.

**Table IV – MKPS Current Staffing Levels**

Permanent posts	Temporary Posts	Total Posts	Permanent Staff	Temporary Staff	Vacancies
30.18	8.81	<b>38.99</b>	26.36	8.81	3.81

Alongside these staff, the service also relies on additional roles in each authority to assist with liaison and on-site administration tasks for the DM teams, and staff in the Maidstone Call Centre to take customer service calls and queries for MKPS. The staff in the contact centre are currently on fixed term contracts due to expire by 31/03/2016 and so would not be affected by the disaggregation. The staff in the DM teams are permanent however, and would be affected, and so included in the staff consultation for the service. These staff are paid for through separate budgets however, and are not included in the financial appraisal section below.

**Table V – Additional Support Staff for Planning**

Planning Technical Officers / Customer Service Officers	
MBC DM Team	2
SBC DM Team	2
TWBC DM Team	2
MBC Contact Centre	2.4
<b>Total</b>	<b>8.4 FTE</b>

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## CURRENT LEGAL AND POLICY CONTEXT

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### COLLABORATION AGREEMENT

Whilst the current collaboration agreement for the service is unsigned, all authorities have agreed to abide by its terms in order to progress the disaggregation process. The collaboration agreement sets out the terms by which the authorities can withdraw from the partnership, and on this basis, advice has been sought from Bevan Brittan regarding the implications of this for the authorities. Consideration of this advice is included in the legal implications section below.

The collaboration agreement includes clauses on how the service is structured, the delegations and responsibilities of the MKPS service manager, the delegations and responsibilities of the Shared Service Board (see below), how finance shall be treated within the partnership including the percentage contributions to be made by each authority, who the relevant employees of the service are and how they should be treated, and other such clauses that support the effective running of the partnership.

### SHARED SERVICE BOARD

The Shared Service Board is 'the Board' referred to in the collaboration agreement, which has specific responsibility to oversee the day to day operations of the shared service. The terms of reference for the Shared Service Board are as follows:

- a. Agree the Service Plan for each Financial Year.
- b. Advise on the management of and agree variations to the budgets for the shared service including approving items of savings and growth to go forward to each partner authority to

form part of their annual budgeting process and consideration in setting their budgets for the service.

- c. Advise the relevant Head of Paid Service (or nominee) on the appraisals of the Joint Head of Service.
- d. Receive reports on and consider the finance and performance of the shared service.
- e. Provide strategic direction as required.
- f. Provide reports to the MKIP Board when requested, when the Shared Service Board wish to raise a general MKIP issue or when the service underperforms (i.e. fails to meet the majority of targets over 3 quarters) or the Shared Service Board wish to make significant changes to the agreed service plan.

## MKIP OBJECTIVES

Alongside the service plan and agreed performance levels for the shared service, MKPS sits within the context of the wider Mid Kent Improvement Partnership (MKIP), which has specific objectives that all shared services and initiatives should meet:

- 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.

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## TWBC NEW SERVICE PROPOSALS

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### NEW FUNCTIONS AND STAFFING ARRANGEMENTS

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TWBC are proposing to return all planning administration work listed in the collaboration agreement, with the exception of Local Land Charges, back to TWBC. It is also proposed that the contact centre arrangements which are part of a separate agreement with Maidstone are also returned to TWBC.

The new TWBC Planning Support team, which will be called the *Planning Technical* team, will sit under the Head of Facilities and Business Support. Notwithstanding this, they will be an integral part of the Planning Service – working closely on a day to day basis with the TWBC DM team. Provision has been made within the town hall to accommodate the new team next to the Planning Officers.

The posts within the team will be multi-disciplinary and expected to cover all parts of the planning administration process. This will ensure 'ownership' of an application from the point of submission, to the point of decision at the end of the process. TWBC recognises that this is a departure from the way the current MKPS service is run, which has three teams that cover different functions. There is currently very little cross-over of work between these teams, and so TWBC has accepted that in order to implement the proposed new way of working, any staff that transfer back to the Council will need to undergo full training and up-skilling in the areas of work they do not currently perform in MKPS. This is covered further in Staffing Implications below.

The proposed structure for the Planning Technical Service will comprise:

- 9 permanent FTE
  - 1 FTE Team Leader
  - 2 FTE Senior Technical Officers
  - 6 FTE Technical Officers

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## ANTICIPATED SERVICE LEVELS AND PERFORMANCE

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Table VI below shows the expected performance levels for the new TWBC service, compared against the current performance targets for MKPS.

**Table VI – Performance Indicators MKPS and TWBC**

	Indicator	MKPS Target	TWBC Target
1.	% of decision notices issued in 1 working days or less	90%	100% <sup>1</sup>
2.	% of enforcement cases logged within 1 day	90%	Removed <sup>2</sup>
3.	% of appeals registered in 1 working day	90%	95%
4.	Average number of working days to validate (majors, minors and others)	5	Merged with new indicator (a)
5.	% of majors, minors and others validated in time	80%	Replaced with new indicator (a)
6.	Average number of working days to validate all other application types	5	Merged with new indicator (b)
7.	% of all other application types validated in time	80%	Replaced with new indicator (b)

- <sup>1</sup>When received before 3pm.
- <sup>2</sup>TWBC Enforcement Officers will be responsible for logging enforcement cases going forwards.

Additionally to the above indicators, the new TWBC Planning Technical team are proposing the targets in table VII below, some of which replace or merge the above targets with enhanced measures.

**Table VII – TWBC new indicators**

	New TWBC Indicators	Target
a.	% of majors, minors and other applications validated within 5 working days	95%
b.	% of prior notifications, SUBS, and tree applications validated within 2 working days	100%
c.	% of scanning and indexing completed for all documentation/	100%



	applications within 1 working day	
d.	% of scanning and indexing of all planning comments within 1 working day	100%
e.	% of consultations to be carried out within 1 working day of request or validation of application	100%
f.	% of amended plans to be scanned, indexed and linked within 1 working day of receipt or request	100%
g.	% of history requests to be dealt with in 3 working days	100%

The new TWBC service will also aim to achieve through the delivery of the project:

1. An improved quality of validated applications received by the DM team.
2. Recruitment and training delivered to the new Planning Technical team.
3. A separate and secure instance of the IDOX solution installed.

## MBC-SBC NEW SERVICE PROPOSALS

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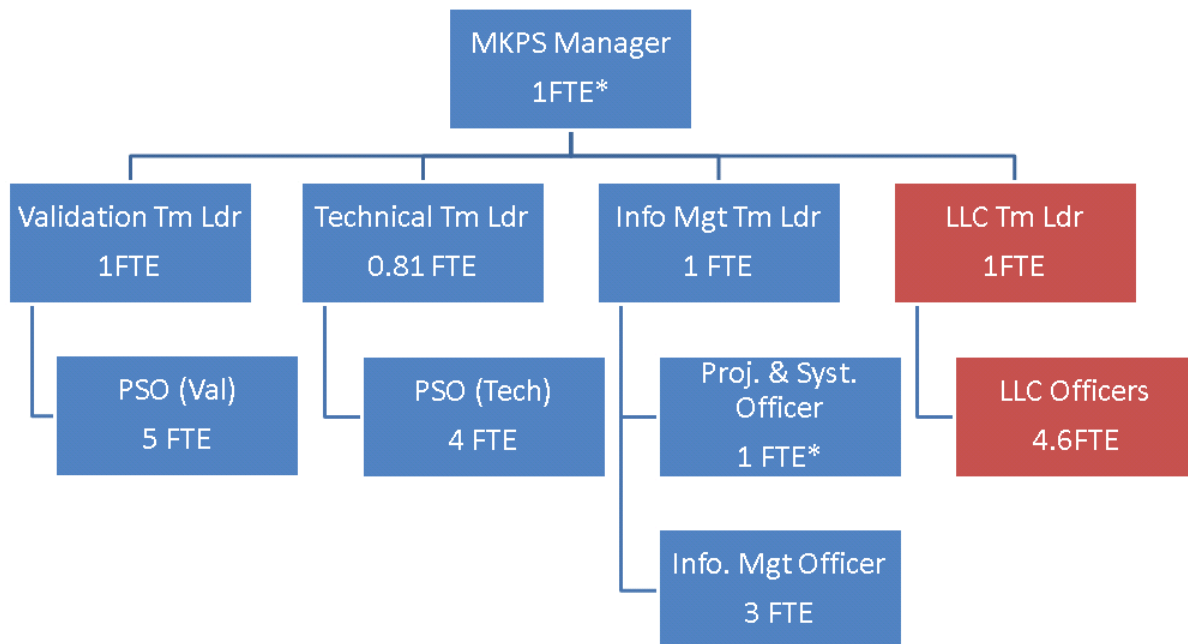
### NEW FUNCTIONS AND STAFFING ARRANGEMENTS

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The MKPS two-way structure is designed to take advantage of the delivery of IDox software products already scheduled to be delivered prior to disaggregation, and to learn the lessons of service delivery and feedback from officers over the last 14 months. The structure has been considered with the Heads of Planning for each authority and builds in client feedback.

The structure does not include temporary staff and is designed to be an optimum structure based on delivery of outstanding ICT requirements (i.e. ideal scenario). It does not assume that paperless working will have been delivered (as the original MKPS structure did) but does assume that the service will work towards paperless. To be successful this will require the commitment of Heads of Planning, MKPS and planning staff to deliver the changes.

The fundamental changes to how the service will work going forwards are outlined below, but essentially will involve better management of the electronic applications from the planning portal (over 80% of applications in July) via the use of 1App software, which is due to be installed by IDox before disaggregation. This software will allow the seamless reorganising, printing and uploading of information by the newly designated Information Management Team, which will then be processed and passed on in both electronic (e) and hardcopy (h/c) to the Validation Team.



\*Denotes part of salary recharged to land charges

### Validation Team

The Validation Team will take complete responsibility for the validation of applications, including managing both the e-files and h/c files. This is anticipated to vastly reduce the number of interactions the team makes with the Information Management Team and therefore improve the speed of the process. Ownership of the process from start to finish within one team will also ensure that quality remains high. The current checking process applied to significant major applications, where planning officers can add the most value to the validation process, will be expanded to all major applications.

### Technical Team

The functions of the Technical Team will remain broadly the same, but with a stronger focus on the administration of appeals. This will be achieved by allocating 'lead' officers to the process, who will ensure that appeals are recorded and presented (in terms of files and information) in a timely manner that is understandable to planning officers. To help facilitate this focus 'SUBS' (conditions applications) and Non-Material Amendments (NMAs) will move to the Validation Team who have the skillset to deal with them, which will create the extra capacity needed in the Technical Team.

### Information Management Team

The Information Management Team will retain a team leader. This role is considered important to managing the requirements of the Data Protection Act, Environmental Information Regulations, and other necessary legislation, as well as helping to manage the volume of feedback the service now receives from customers using the public access website. The team leader will be the nominated Information Liaison Officer (ILO) for the team and the Project and Systems Officer will be the second ILO to ensure resilience. Issues that cannot be dealt with at this level will then be escalated to the MKPS Manager for action.

Re-designation of the team highlights the importance of the information that is handled by the service, which also includes consultations, and open and transparent planning decisions. As such the team leader will also be in charge of website updates and public and internal communications.

Maintaining a third team leader within the structure will provide additional capacity across the service and allow both the Technical Team Leader and Information Management Team Leader to carry out routine application processing in addition to providing supervision and specialist knowledge. This extra capacity will result in a 0.5 FTE reduction in operational staff work being taken out of each team to sit with the team leaders, and therefore minimising the costs of retaining an additional team leader (approx. £3k).

The IM Team also includes a Project and Systems Officer which is anticipated to manage ongoing change and system projects (such as paperless working, data quality initiatives and Land Charges transferral) and will be part-funded through Land Charges revenue. In addition to providing critical project management capacity, in particular for ICT change projects, they will act as a single point of contact for ICT and IDox helpdesk calls, be able to amend and edit the IDox Uniform system (to provide a more responsive service to MKPS and planning teams) and support the integrated Land Charges system. By combining systems and projects, skills can be shared across both MKPS and Land Charges and peaks and troughs in workload evened out. This role will also act as deputy when the Information Management Team Leader is absent. The cover for this post on projects will be provided by the MKPS Manager, and systems work will be covered by training other members of the team as 'super users'.

### **Contact Centre – First Point of Contact Calls**

Consideration is being given to how first point of contact calls will be handled within the new two-way shared service. The Customer Service Team at MBC has requested a review of where call handling takes place, which is separate and prior to the Disaggregation Project. It is considered that this review should take place as part of the setting up of a two-way shared service to minimise disruption for staff and the number of changes within the new service.

The three-way shared service currently pays for the equivalent of 2.4 FTE within the Contact Centre to handle planning calls. Fewer transactions as a result of TWBC withdrawing from the shared service would reduce resource requirements to an estimated 1.4 FTE. However, further work needs to be done to establish the percentage of calls handled entirely in the contact centre without being put through to MKPS staff for enquiries or resolution. This will help to establish the actual increase in volume of calls that can be expected should the calls be received directly by MKPS.

This review is currently underway and will impact on the costings of the shared service. There is a strong preference from the Customer Services Team for calls to be handled by MKPS, so this is a likely outcome. Based on volumes a decision would then need to be made as to whether the calls can be absorbed into the new structure, or the appropriate funding transferred with the calls to enable resourcing.

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## **ANTICIPATED SERVICE LEVELS AND PERFORMANCE**

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MBC and SBC will use existing performance measures that will be reviewed by the Heads of Planning at Maidstone and Swale with the MKPS Manager upon 'go live' of the new service. Service Level Agreements will also be monitored, and as service performance continues to improve, will be adjusted operationally if required.

## FINANCIAL APPRAISAL

### MID KENT PLANNING SUPPORT

#### ORIGINAL MKPS BUSINESS CASE AND ACTUAL COSTS

The original business case for the project, which was agreed at a joint Cabinet meeting in June 2013, was set out over a period of four years from 2013/14 – 2016/17. The estimated total costs for implementation of the project, and the revenue costs of the shared service going forwards are set out in table VIII below. This does not include a contingency, or project finance tolerance of 10 percent above estimates, which was also agreed in principle.

**Table VIII – Original Business Case Costs**

Project Costs £	MKIP Project Support £	Forecast Revenue Costs £	Total £
195,700 (inc. capital costs)	20,000	785,394	1,001,094

Due to various issues that occurred during implementation, and necessary amendments that were made to the staffing structure before the 'go live' date, the actual implementation costs and service revenue costs in year one (a part year of 11 months as staff transferred from 1 May) were as shown in table IX below.

**Table IX – Actual Project and Service Costs for year 1**

Actual Project Costs £	MKIP Project Support £	Revenue Costs 2014/15 £	Total £
156,910 (inc. capital costs) 14,250 (ldox) 71,760 (consultant)	20,000	862,853	1,125,773

#### MKPS REVENUE BUDGET AND ONGOING COSTS TO 2016/17

The current budget for the Mid Kent Planning Support Shared Service is shown in table X and table X (a) (which excludes the Local Land Charges element) below. The tables exclude the liaison posts in the DM teams and the contact centre posts.

**Table X – 2015/16 MKPS Budget and Forecast**

MKPS	2015/16 Budget £		2015/16 Forecast Qtr. 1 £
	FTE		
Staff Costs	38.99	932,346	878,539
Controllable		74,838	74,838
<b>Total</b>	<b>38.99*</b>	<b>1,007,184</b>	<b>953,377</b>
	%		
MBC	27.00	269,447	257,412
SBC	34.80	347,383	331,775
TWBC	38.20	381,344	364,190

\* Includes 8.81 temporary staff posts.

Table X (a) – 2015/16 MKPS Budget and Forecast (excl. Land Charges)

MKPS (excl. Land Charges)	2015/16 Budget £		2015/16 Forecast Qtr. 1 £
	FTE		
Staff Costs	31.56	823,516	734,633
Controllable		74,838	74,838
<b>Total</b>	<b>31.56*</b>	<b>898,354</b>	<b>809,471</b>
	%		
MBC	27.00	242,556	215,196
SBC	34.80	312,627	277,363
TWBC	38.20	343,171	304,463

\* Includes 6.05 temporary staff posts.

The table XI below shows the ongoing project costs (for mileage payments and salary protection etc.) should the MKPS service continue to operate in its current form. These costs would only continue up to 2016/17. Following disaggregation, some of these costs may cease to occur, but new costs may be created. TWBC will continue to contribute to its proportion of the costs below that may continue following disaggregation, and have agreed to bear 100 percent of any similar new costs that are created as a direct result of the disaggregation process.

Table XI – Remaining MKPS Project Costs

	2015/16 £	2016/17* £
Business case budget	20,000	15,000
Current forecast	25,800	24,700

\*These costs would not continue past 2016/17.

## TUNBRIDGE WELLS BOROUGH COUNCIL

### FORECAST DISAGGREGATION COSTS AND FUTURE REVENUE BUDGET

TWBC have agreed to reimburse MBC and SBC all direct costs associated with the consequence of TWBC leaving the three-way shared service, and to pay for any dis-economies of scale that might occur by only having two partners left in the remaining partnership, up until the date of the break clause in the collaboration agreement, or the point at which those costs cease to be incurred, whichever is the sooner. These costs are set out at table XII below.

Additionally, TWBC have agreed to consider payment of significant indirect costs which have occurred as a result of the project, which would be over and above that which would have occurred as part of the efforts to improve performance in the service. These costs will be identified and discussed as appropriate during the implementation of the project.

The process of disaggregation by TWBC may create dis-economies of scale, whereby the costs of providing the service between two parties rather than three are increased. In this instance, TWBC had agreed to consider paying the balancing difference in order that MBC and SBC are not adversely affected by TWBC's departure. An assessment from the MKPS Manager has shown so far that there are no significant dis-economies of scale arising from this disaggregation process however, but this will be kept under review during the project implementation.

Table XII – Predicted Disaggregation Project Costs

Direct Costs to TWBC (100%)	2016/17 £
Project Management	18,000
Legal advice	5,000
Software implementation costs	52,000
Server licence	5,000
Redundancy (TBC following due process)	70,000
<b>Total</b>	<b>150,000</b>

Alongside the above estimated costs, the TWBC Cabinet meeting on 6 August agreed to the following financial delegation to the Director of Finance and Corporate Resources:

*“That delegated authority be given to the Finance Director to conclude negotiations with Maidstone and Swale Borough Councils to enable Tunbridge Wells Borough Council to exit the shared service collaboration agreement, and to reimburse any direct financial consequences of this Council leaving the agreement.”*

Based on the structure chart proposals for the new TWBC Planning Support Service, the anticipated revenue budget is set out in table XIII.

Table XIII – TWBC Planning Technical Team Proposed Budget

TWBC Planning Technical Team	Forecast 2016/17 £	
	FTE	
Staff Cost	9	252,190
Controllable		10,500
Less posts from DM	2	56,240
<b>Total</b>		<b>206,450</b>

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## ANTICIPATED SAVINGS FROM DISAGGREGATION

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A comparison between tables X (a) and XIII shows that TWBC will make a revenue saving compared to the current 2015/16 MKPS budget of £94,001 in 2016/17.

This is only compared with the current 2015/16 MKPS budget, and does not take into account any future savings MKPS may be able to achieve through the streamlining and rationalisation of the service, which are anticipated (although not currently costed) now that the backlog issues have been cleared and the service is achieving a consistent level of performance against agreed indicators.

IMPLEMENTATION COSTS

It has been agreed that all reasonable implementation costs for the new two-way service, which are as a direct result of early withdrawal, are to be met by Tunbridge Wells Borough Council.

ANTICIPATED COST SPLIT & SAVINGS FOR THE NEW SERVICE

The basis for splitting the costs of the new service has been revisited with Tunbridge Wells Borough Council intending to withdraw from the shared service. The original method for splitting the costs was based on the historical costs of providing planning administration at each authority.

As a result of this approach the funding for the service is not currently linked to volumes of work dealt with. The original Cabinet report in June 2013 to form the shared service gave approval to moving towards a volume based costing model over time.

Table IX – MBC/SBC Original Cost Split Against Actual Volumes

	Original Split %	Volume %
SBC	59%	38%
MBC	42%	62%

The above table highlights the current disparity that exists between the level of funding for the service from each authority compared with the level of service received. Whilst this is based on an initial volume/complexity model both authorities are keen to move towards a volume based cost apportionment. Discussions will take place between Swale Borough Council and Maidstone Borough Council to correct this disparity and bring SBC in line with the volume of applications dealt with on their behalf. Once that position is reached, any further savings will be split in accordance with the current volume split adjusted over a three year rolling period.

This model for balancing the budgets and delivering initial savings is dependent on volumes of work remaining static. Volumes will be monitored on a rolling three year period and one of the aims of the shared service will be to meet increased volumes from existing costs (effectively delivering a non-cashable efficiency saving in such cases). A target will be put in place to measure the proportion of planning spend that is on the shared service for each authority. By doing this the shared service efficiencies can be measured by reducing the proportion of spend on support even if spend in planning were to increase to deal with increased volumes.

Table XI - Cost Summary Tables\*

	2015/16 MKPS Budget (SBC & MBC only)	New two-way structure (2016/17)
SBC	£292,971	
MBC	£227,231	
	£520,202	£458,316

\*Notes:

- Contact Centre review is not complete and could impact on total cost and profile of savings to be delivered.
- Assumption that volumes of work remain constant over balancing period.

## PROJECT MILESTONES AND KEY RISKS

### PROJECT MILESTONES

MILESTONE *	DATE
Co-Located Meeting Decision Point	05/11/15
Staff Consultation – earliest Start	08/02/16
Staff new contracts issued – earliest completion	11/04/16
Separated System Available for Testing	12/05/16
Acceptance Testing Completed	24/06/16
Service Transition Starts	27/06/16

\* To be confirmed upon detailed implementation planning (end Nov).

### KEY DELIVERY RISKS

Title	Risk*	Owner	Mitigating Action
IDOX inability to meet deadlines	Timescales may slip if IDOX do not have the required resources to complete the work by required delivery date.	Project Exec	Senior Supplier for ICT and Project Manager to hold meeting with IDOX to discuss timescales and gain agreement to planned project dates.
Decisions made outside the project governance framework	The project could be affected if decisions made outside of the project governance framework are not captured and co-ordinated	Project Exec	An increased level of engagement with the corporate bodies of each authority made be needed by the Project Manager and Project Sponsor.  Key decisions log to be implemented by Project Manager
Multiple disaggregation by partners at different stages	Choosing to disaggregate at different speeds will add complexity to the project, and may affect the successful delivery of certain tasks within an agreed timeframe	Project Exec	Project Sponsor and Project Manager to build as much consensus as possible regarding simultaneous timescales, and to plan the project around mutually agreed dates.

\*Risks listed above have the Highest Severity Rating in the Project Risk Register.



# PROJECT DELIVERY APPROACH

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## PROJECT METHODOLOGY

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This project will be managed through a PRINCE2 (Projects in Controlled Environments) type method, tailored for local government use in a partnership environment. Project Plans, Risk and Issue Logs will be maintained by a dedicated Project Manager.

## PROJECT ASSURANCE

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Early discussions have taken place with Mid Kent Audit, who will perform external project assurance on a stage by stage basis for the project. The results of this assurance work.

The first piece of assurance work, which will be reported independently to the Project Sponsor and the Chief Executives of the three authorities, will look at the information that has been provided to the Disaggregation Project Board over the last few months. This will provide assurance that the Board has been given the correct information in order to come to a decision on the PID and Business Case.

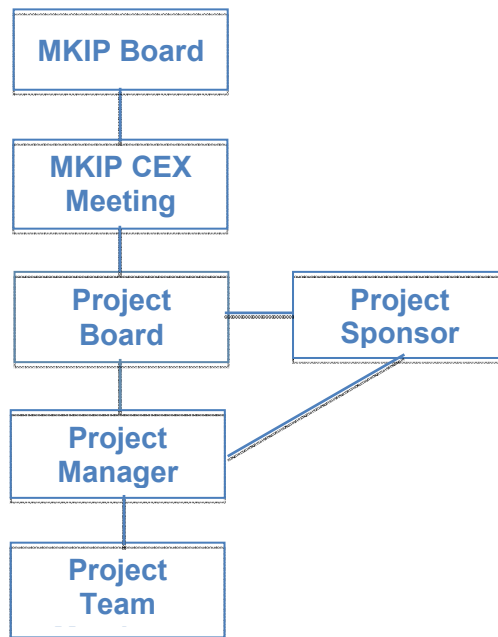
## PROJECT ORGANISATION

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The Project Board will be supported by a Project Manager who will be responsible for reporting to the board on progress and risks. Individual Project Team Members at each authority will be responsible for reporting to the project manager on a day to day basis regarding progress.

The Project Board, through the Project Sponsor will be responsible for reporting to the MKIP CEx Meeting, and the individual Project Executives will be responsible for reporting progress corporately within their own organisations.

The Chief Executives will be responsible for reporting to the MKIP Board, but may require the Project Sponsor, and/or Project Manager to attend the meeting.



## PROJECT ROLES & RESPONSIBILITIES

<b>Project Sponsor</b>	<b>Paul Taylor</b> <b>Responsible for:</b> Chairs and organises (with Project Manager) Project Board meetings. Day to day project delivery. Day to day ownership of risks. Day to day ownership of project initiation checklist. Monitoring (with Project Manager) project tolerances. Creation (with Project Manager) of exception reports. Creation (with Project Manager) of exception reports to Project Board or MKIP CEx Meeting.
<b>Project Executives</b>	<b>David Edwards, James Freeman, Lee Colyer</b> <b>Responsible for:</b> Overall project delivery. Ownership of PID and ensuring it aligns with corporate strategies. Securing funding for their organisation when required. Holding Senior Suppliers to account for project and product quality. Holding Senior Users to account for ensuring the benefits can be realised. Overall ownership of risks. Escalation of exception reports to MKIP CEx Meeting. Overall ownership of project closure.
<b>Project Manager</b>	<b>Michael Josh</b> <b>Responsible for:</b> Production and monitoring of Project Governance documents. Monitoring of project work streams. Preparing project update reports for Project Board. Preparing escalation reports (with Sponsor, Senior User and Senior Supplier) for Project Board. Producing and monitoring risk register, action log and issues log. Preparing (with Project Sponsor and Senior Users) project closure document and benefits review plans. Directing and monitoring work of Project Teams as required (in collaboration with Senior Users and Senior Suppliers).

## IMPLICATIONS

### STAFFING AND HR IMPLICATIONS

It is important to note that all figures used in this document are for business case purposes only. Actual staffing structures and budgets for each authority may change following the staff consultation period, or as a result of continued discussion and refinement between the three authorities before the staff consultation is launched.

It is also noted here that MBC are currently the employers of the staff, and so have additional responsibilities in this area that may result in additional implications to be considered for that authority only.

The staffing arrangements that are currently proposed for the TWBC stand-alone service and the two-way MBC/SBC service are as follows (staffing figures may change depending on the needs of the business case before the staff consultation is launched, or following the staffing consultation to reflect comments received):

	<b>TWBC Standalone</b>	<b>MBC/SBC Two-way</b>
Team Leader	1 FTE	
Senior Technical Officer	2 FTE	
Technical Officer	6 FTE	
MKPS Manager		1 FTE
Team Leader*		3.81 FTE
Planning Support Officer		9 FTE
Projects and Systems Officer*		1 FTE
Local Land Charges Officer		4.6 FTE
Information Mgt. Officer		3 FTE
<b>SUB-TOTAL</b>	<b>9 FTE</b>	<b>22.41 FTE</b>
<b>TOTAL</b>	<b>31.41 FTE</b>	

\* Various specialisms

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## TUPE PROCESS

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TWBC's withdrawal from MKPS will have a significant impact on all of the staff currently working within the service. Whilst the collaboration agreement deals with the correct process for withdrawal of an authority from a shared service, additional advice has been sought from ASB Law regarding the clauses in the collaboration agreement, and how the TUPE regulations apply to the project proposals.

The advice has indicated that TUPE principles should be applied to this situation, and therefore any staff transferring into a new service will transfer on identical terms and conditions, with any continuous employment and membership of the LGPS being recognised.

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## STAFF CONSULTATION

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Following the decision to disaggregate, a staff consultation will be launched that will last for a period of 30 days. During this time, staff will be provided with detailed information regarding the available roles and structure of the TWBC new service, and the proposed two-way MBC/SBC service, including detailed job descriptions, gradings and pay information. Staff will be asked to express an interest in the available roles for both services, and an explanation will be given of the process for allocating staff to roles (which has been mutually agreed by the HR leads from each authority), should any roles be oversubscribed. During the consultation period, 1:1 meetings will be held with all affected staff to discuss their individual circumstances in more detail.

Trade Unions representatives' at all three authorities will also be sent the proposals for consideration, and will be asked for comments.

Following the consultation period, the three authorities will consider the consultation comments, and MBC will prepare a response on behalf of all three. It is at this point that any proposed changes will be jointly agreed or otherwise by the three authorities.

### *DM LIAISON STAFF*

The liaison staff currently working in Development Management (DM) will be included in the staff consultation for Planning Support Disaggregation as their roles are materially affected by the changes. However, these roles are funded separately by the DM teams in each authority, and perform a mix of some Planning Support work, and some DM work. The authorities will need to decide separately whether they wish to retain these posts following disaggregation, and how the current DM and Planning Support work that is performed will be handled in the future.

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### TRAINING AND UPSKILLING OF STAFF

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TWBC has committed to ensuring that any members of staff that are transferred into the new team as part of the TUPE process will be given appropriate training and “upskilling” to allow them to competently perform all parts of the Planning Technical role, as defined by TWBC. This is because TWBC is proposing to operate a multi-disciplinary team that will perform all identified functions for this service, rather than splitting the service into disciplines as is the current practice at MKPS.

Training plans for all staff will be created and delivered by the Head of Facilities and Business Support, and will be executed as part of the implementation plan for the new service. Successful delivery of these training plans will be monitored through the project objectives, and will continue to be monitored post implementation through a Benefits Management Plan.

The proposed MBC-SBC two-way service will continue to operate as three distinct specialities within the service, but will more effectively use the skills of staff within each team to deliver a high quality and efficient service.

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### TECHNOLOGICAL IMPLICATIONS

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It is important to note here that Maidstone Borough Council are the contract holders for the current Idox contract. As such there may be additional implications that relate solely to Maidstone Borough Council, which will need to be considered by that authority only.

Detailed discussions with MKIP ICT and the software providers, IDOX, have confirmed that the Uniform software solution and associated modules, which is used to process planning applications, can be technologically disaggregated.

Several options were presented to the Disaggregation Project Board, along with associated implications for each option, however it was the option to continue with the existing contract with IDOX, and install a separate instance of Uniform for TWBC, which was chosen as the most cost effective, secure and manageable solution going forwards.

Moving forwards, this would mean that all software licensing costs would continue to remain as part of the current IDOX contract, and each authority would be committed to meeting its financial obligations under this contract. All authorities can then continue to benefit from the saving that was achieved through the joint procurement of the contract.

Within the contract and as part of the technological solution, MKIP ICT will then set up a separate instance of the Uniform software. This will take a “snapshot” of the information on the

planning administration modules, and load it into a separate area for secure use by TWBC officers. The separate instance will allow TWBC to make changes to its software without affecting MBC/SBC, and vice versa. Additional set up costs to secure this separate solution would be incurred by TWBC, and this has been initially estimated at around £52,000.

Whilst the separate solution is on balance the best option for the three authorities, there are still long term implications that must be recognised as a part of this option.

1. The unilaterally agreed MKIP ICT strategy aims to consolidate and share software solutions across the partnership authorities. A decision to create a separate instance of the Uniform application and associated modules will lead to Mid Kent ICT having responsibility for supporting multiple systems across the MKIP partners. A consequence of this deviation from accepted strategy will be a reduction in capacity of the Mid Kent ICT team to support partners in general and a negative impact on predicted shared service savings.
2. There will be consequential changes needed to Gazetteer management, GIS systems and Land Charges, which transfer information between their systems and the planning IDOX Uniform system. The ongoing management and updating of these systems into what will be two separate ICT systems will need to be considered by the relevant departments.
3. This solution will be highly dependant on the software provider, IDOX, and their ability to deliver the required changes in time for the project to progress.
4. Significant work will be required from MKIP ICT to deliver the separate solution, which may have an impact on routine work plans for the year.
5. A new agreement will need to be established between TWBC and the remaining partners regarding protocols and priorities for future upgrades of the separate systems, as these will no longer be completed concurrently.
6. Implementation of the new secured instance of IDOX Uniform cannot take place until the remaining work to complete the original installation of the service for MKPS has been completed. This will impact on timescales for disaggregation, and is a direct dependency for the disaggregation project.

## LEGAL IMPLICATIONS

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### LEGAL ADVICE ON THE CURRENT COLLABORATION AGREEMENT

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Legal advice was sought from Bevan Brittan on clauses in the collaboration agreement. In summary the advice stated the following:

1. The (Planning Support) Shared Service is a contractual and not an administrative arrangement under Section 101 Local Government Act 1972.
2. The draft Collaboration Agreement is the contractual document which the parties agree will govern the Shared Service, and will be relied on in relation to TWBC's withdrawal from the Shared Service. This has been drafted in consensual way and relies on the three councils reaching agreement in relation to any variation or termination of the Collaboration Agreement, and the operation of the Shared Service.
3. The (Shared Service) Board established by the Collaboration Agreement is the decision making forum for the Shared Service, unless any decision affects the agreed budget; in which case each of the council's Cabinets (or relevant decision making body) would independently need to make such a decision.

4. The Collaboration Agreement contains provisions to deal with the TUPE of the staff and also brief exit provisions.
5. Where the councils do not reach agreement there is a dispute procedure contained in the Collaboration Agreement.
6. The Idox contract has only been entered into by MBC; the licence is stated to be done non-transferable and the only scope is for non-material variations.

The main point from the collaboration agreement is that it is based on the authorities reaching consensus, and gives the authorities a very wide remit to vary any terms and conditions, provided that they are agreed on a consensual basis.

Where consensus cannot be reached, the authorities will ultimately need to rely on the arbitration clause (clause 19) of the document, whereby any authority can refer the matter to an independent arbitrator, who should be jointly agreed to arbitrate the dispute. If the authorities cannot agree on an independent arbitrator, the appointment shall be determined by the President or Vice President of the Chartered Institute of Arbitrators.

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## NEW MBC-SBC COLLABORATION AGREEMENT

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Following the withdrawal of TWBC from the partnership, MBC and SBC will need to negotiate a new collaboration agreement for the revised two-way service. This is anticipated to be a fairly simple process however, as all MKIP collaboration agreements follow the same template with identical legal clauses for the majority of the sections in the agreement, however the two authorities will need to agree a new Service Level Agreement that will be used to monitor the two-way service going forwards.

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## NEW LAND CHARGES SHARED SERVICE COLLABORATION AGREEMENT

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It has been confirmed that the three authorities wish to continue sharing arrangements for the Local Land Charges service. Performance levels for this part of MKPS have remained fairly consistent and on target, and it is anticipated that the service will be discontinued by 2023 as the Land Registry takes on the responsibility for providing this function from local government.

As such, a new collaboration agreement that deals exclusively with a three-way shared partnership for the Local Land Charges service will need to be created between MBC, SBC and TWBC.

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## DATA SHARING AND SECURITY AGREEMENT

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Whilst it is intended that the separate instance of the IDOX Uniform system that will be created for TWBC is a secure and independent system, there may still be some limited scope for information to be inadvertently seen by officers from MBC and SBC, and vice versa.

In this instance, it is felt prudent that the authorities create and agree a data sharing and security agreement to ensure that any data held by each authority is treated appropriately and securely, and that data held by other authorities, which may be inadvertently seen, is not intentionally accessed, amended, deleted or otherwise altered in any way without the express consent of the authority that owns the data.

The agreement will also cover how temporary/contracted Development Management staff, or consultants, will be treated and expectations of conduct when accessing the system.

## OTHER IMPLICATIONS

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### FUTURE COST OF REPROCUREMENT OF SOFTWARE

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There is a risk to revenue budgets that should be noted by each authority for future years, as it is unlikely that another software contract can be procured at such advantageous rates as the current contract achieves, if each authority has to re-procure the system separately