



**BUSINESS CASE FOR THE
PROPOSED
FORMATION OF A NEW PLANNING
SERVICE FOR GREATER CAMBRIDGE**

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Executive summary

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

Planning within CCC and SCDC has been subject of unprecedented growth pressures in recent years. The economic performance of the region centred around Cambridge, and the demand for new space to support economic growth and new housing has illustrated the very close functional relationships between CCC and SCDC – with a number of new developments for the City's growth extending over District Boundaries. Already CCC and SCDC have a singular spatial strategy reflected in the two Local Plans. Collectively, the services manage a significant number of planning applications and related activities from discrete services, using two separate processes and systems. Meanwhile, national, sub national and sub regional initiatives, mean that CCC and SCDC increasingly need to work together (and with others) to deploy scarce specialist resources on a range of planning and related strategy outcomes.

Communities and partners meanwhile are seeking increased engagement with the Council and respective planning services – on initiatives as diverse as Neighbourhood Planning and Strategic Planning and Health. The creation of new communities/neighbourhoods of businesses and residents requires long term, cross boundary and multi-agency working but also provides unprecedented opportunities to attract talent and to grow and nurture skills amongst the existing teams.

Both Councils also run different planning software systems, different processes and practices but duplicate essential functions and workflows associated with the statutory planning process. In recent years, both services have experienced movement of staff from one organisation to another by those seeking progression and career development. Ensuring efficient and consistent approaches to cross boundary growth has also led to duplication of staffing commitments to avoid/manage potential differences of approach between the organisations. With the expected growth of strategic planning, economic development and infrastructure initiatives (including City Deal) raising a need for continued cross boundary planning activities, the creation of a new joint planning service therefore provides a range of opportunities for both Council's.

The planning service for SCDC and CCC deals with over 7000 applications, employs some 142 (FTE) either directly or indirectly and has a combined budget of £8.533 million for 2016/17. A significant contribution to that cost (£3.973m) is made by both regulated (nationally set fees) and locally derived (via charges for services) income. The current combined cost amounts to, £4,399 million. In 2017/18, the services expect to determine proposals for

development with an estimated value in excess of £2bn and to secure development contributions in cash and in kind (notably Affordable Housing) worth over £100m.

This business case sets out the proposition to support the transition to a new Planning Service between CCC and SCDC and includes the alternative options that have also been considered. Staff and Members have contributed to the preparation of this business case.

A project group has been established and this business case pulls the key information together for the decision-making process in support of the recommendations. Work streams have been identified that will need to be completed during the various phases as set out in the business case.

The business case identifies the substantial benefits of moving towards a new planning service, and that some dis-benefits could occur in the short term, which are recognised as risks for which mitigation can be undertaken. The mitigation measures recognise the nature of this front line service and alongside the phased implementation of the programme, proposes to invest in additional management and delivery capacity for the duration of the implementation phase, to add additional capacity to manage these risks during the potentially disruptive transition phase.

Some additional investment is also proposed to provide for project management support to the programme and an external “critical” friend to challenge and support the system/process changes required. The procurement of a new ICT platform will be the subject of a separate bid for resources, with the cost of investigating this already covered. The previous Governments proposed national increase in planning fees by 20% from July 2017 would cover much of this investment cost although following the general election, formal confirmation of the regulatory change is outstanding, and the loss of this income may impact on the project.

Much of the work in developing a new planning service will support improved productivity and process efficiency, as well as providing the opportunity to improve cost recovery through the review and development of additional charged for services to customers.

Following the consideration of a range of options, it is proposed that a fully integrated Planning Service for Greater Cambridge be progressed formed from the SCDC and CCC Planning and associated services. This will provide an exciting opportunity to deliver quality outcomes against the background of the scale of growth delivery required and provide opportunities for staff development and career progression. This also allows the service to work within a single suite of operational systems/protocols and provides the potential for benefits through workflow re-design and common processes understandable to all users and potential future partners. The services currently comprise 159 staff.

1.0 Reasons for undertaking the project

Planning is a vital front line service, shaping physical development to accommodate the social, economic and environmental needs of current and future generations by delivering sustainable development. It has important place shaping functions, as exemplified by its role in creating local plans and supporting communities in developing neighbourhood plans, together with design briefs and related material to guide the detailed implementation of development and improvements to the public realm.

There is also an important task in partnership with bodies such as the Local Economic Partnership, Highways England, the County Council and others to promote the local economy and infrastructure. It has a regulatory role in assessing development proposals against local and national policy and granting or refusing planning permission, and in ensuring that development is carried out in accordance with the terms of planning permissions and legal agreements. It is also charged with protecting and maintaining nationally and internationally recognised heritage assets. Together these roles influence the activities of a very wide range of stakeholders including residents and businesses and they will become increasingly important with Combined Authority status.

There are challenges nevertheless facing UK planning and particularly Cambridgeshire LPA's. Some of these challenges relate to the significant and continued economic growth – with consequent continued demand for new homes and employment space together with the range of additional infrastructure to be planned, coordinated and delivered. Cambridgeshire is of national and international significance – with extraordinary heritage and internationally significant economic sectors – which will play a vital role in the UK's continued economic prospects. Greater Cambridge sits at the confluence of a number of nationally/internationally significant economic corridors - and has strategic relationships with all points of the compass. High growth pressures and an exceptional quality of environment (city and rural) translate into significant housing demand – from new and expanding employers. Not only does this buoyant economy make access to housing for staff challenging, but national competition for planning professionals means that retaining and recruiting sufficient staff, skilled in delivering some of the finest development in the country is a challenge. Once attracted to the area, a vibrant economy and number of private sector practices provide “competition for talent” for the two existing local planning authorities.

The proposed new planning service is important to provide the increased capacity and resilience that will enable both Councils to respond effectively to the challenges associated with the area's growth. The scale of the new planning service will create opportunities for improved and transformed infrastructure to support existing staff to grow and develop. This will allow the services to retain, recruit and support specialist expertise amongst staff (in areas including urban design and conservation), and to develop systems at a scale that will help improve resilience and reduce vulnerabilities. The new service will give existing and future employees a breadth of opportunities that are not available elsewhere in the public or private sector.

The new planning service would allow more efficient use of existing resources to provide the specialist resource, resilience and capacity to meet the demands generated by the area. Providing more user centric services also presents opportunities to reduce net cost by meeting user needs with tailored advice and support services that serve to assist in the early resolution and development of high quality (and approvable) application submissions. Together with the alignment of the procedures of two authorities which already work very closely together, simplifying them and reducing duplication will have positive impacts on productivity and reducing “net cost”. This can be achieved alongside user benefits and greater capacity to secure quality outcomes in strategic and site specific planning.

This cannot be achieved on day one but will require investment and to be a steady planned process. The process of alignment has already begun, but activities and the achievement of benefits will be phased over several years as, for example, ICT is updated and shared.

2.0 Vision

The vision has been developed in consultation with the staff and has also been shared with members of both partner authorities through briefings in early June 2017. This is set out in the box below. Key Performance Measures to aid the assessment of improvements have been identified and are set out in Appendix 4. In addition, staff from both Councils have responded to a questionnaire survey. The response to the Survey highlights the importance of the new service meeting the aspirations for progression and flexible working patterns amongst new staff – and these objectives are carried into the vision and objectives below.

The Director of Planning and Economic Development has held briefings with both staff and members of the planning committees and wider members during the development of this vision and business case.

Greater Cambridge Planning Service Vision

Vision

“To be recognised as one of the UK’s best planning services demonstrated by quality of outcomes, meeting its targets and cost

Objectives

A single, unified "Greater Cambridge" planning capability serving each of the participating Councils.

To build and retain a positive reputation consistent with the aspiration set out in the vision

A shared capacity and capability in a way that seizes opportunities for efficiency and quality by providing services that meet the needs of users and the community at the lowest net cost.

To be flexible - in deployment and delivery

Principles

1. A single, unified "Greater Cambridge" planning capability serving each of the participating Councils.

- Move to a single employer for all staff
- Service delivery with geographically identifiable (and informed) teams.
- A single “brand” and protocols about “how we work”
- A shared set of distinct values across multiple sites/media formats

2. To build/retain a positive reputation consistent with the aspiration set out in the vision

- High quality programme management and business support systems at the delivering high quality outputs to internal and external parties
- A development quality threshold that others aspire towards and we are proud of
- An employer of choice (Royal Town Planning Institute learning partner)
- Best in class employment offer
- A proactive approach to understanding and assessing the needs of our customers and responding constructively to feedback.

3. A shared capacity and capability in a way that seizes opportunities for efficiency and quality by providing services that meet the needs of users and the community at the lowest net cost.

- Services and process designed around meeting clearly understood customer needs
- Adoption of the principles of LEAN thinking to improve efficiency in delivery
- The use of good data to promote critical enquiry and drive measurable and continuous improvement
- Empowered staff with delegated responsibility to do what is required to meet customer requirements and solve issues
- That value adding discretionary services will be provided on the basis of securing cost recovery.
- That the service offer will be available to others beyond Greater Cambridge where capacity exists.

4. To be flexible - in deployment and delivery

- To promote collaboration and enterprise in delivery – a focus on outcomes not just outputs
- Flexible deployment and working provisions for staff
- Support systems and architecture based upon “Council anywhere” principles

3.0 Strategic Business options

The resolution of the Councils in 2015 made clear that outsourcing of the planning service was not within the scope of the project. The project board have therefore excluded this from the following options for delivery of the new service. These options have been assessed against the high level aims and a brief summary of the level of “fit” is provided below;

1. **Do Nothing** - Continue with the current approach with a shared Director. Although beneficial this would not support the service delivery requirements and provide the capacity and resilience for future high quality growth and staff development.
2. **Create a Shared Management Team across both services** - As above, but would create an overall strategic management structure, although beneficial this would not improve significantly the ability to deploy resources flexibly and would limit the opportunity to offer a “best in UK” staff development opportunity – capturing both City and rural planning experiences. Serving two Council infrastructures would add complexity and diminish agility for the service and staff and Managers.
3. **Develop a new Fully Integrated Planning Service** – This option provides the greatest opportunity to deliver quality outcomes in the context of the scale of growth by creating the capacity required to meet planning and development requirements and will maximise opportunities for staff development and career progression. This option also allows the service to work within a single suite of operational systems/protocols and provides the potential for benefits through workflow re-design and common processes understandable to all users – and potential future partners.
4. **Shared Service with other/additional partners** – With a history of other shared services and strong links geographically and functionally between CCC and SCDC the two-way partnership could have been enlarged. Lessons from the 3C service roll out (and other national projects) suggest that additional partners have the potential to increase the risk of adverse impacts during implementation – and create complexity in the delivery process. The principles underpinning the service and proposed roll out of ICT and workflows will be designed to enable future partnerships with the new service, once it has been successfully implemented. The risks to continued delivery of quality and timely planning outcomes during implementation nevertheless mean that this option is not being recommended at this time.

It is therefore recommended that we proceed to set up a new planning service for CCC and SCDC based on **Option 3** and the reasoning set out above.

4.0 Benefits

4.1 Expected benefits

The new planning service should bring clear benefits. These benefits will be measured during the application of the business plan and performance monitoring, and are currently identified as:

1. Opportunity to establish a planning service of **regional/national significance and scale** - capable of retaining, developing and recruiting talent embracing the best of city and rural planning, strategic and local planning.
2. Providing the capacity to respond positively to unprecedented growth pressures and deliver high quality outcomes within the existing cost envelope.
3. Capacity and capability to realise the emerging opportunities from national and sub-national programmes to attract investment within GC including through City Deal, the CA and the LEP.
4. A single service offer for homeowners and businesses across Greater Cambridge
5. More efficient and resilient planning enforcement through pooled capacity and capability.
6. Improved personal and professional development opportunities for staff and an ability to engage and support training (including apprentices) in response to national scarcity of professionals.
7. Build upon the history of close partnership working for the next Local Plan.
8. Opportunities to improve/develop “income” and to reduce net cost whilst maintaining quality.
9. Secure genuine value from investment made in new systems and processes through scale.
10. Creating capacity to enable/implement new/additional services to a wider geography/number of users.
11. Procurement and purchasing efficiencies, including through operating one IT system in the medium term.
12. Greater capacity to engage with the wide range of developers and the community on strategic (long term) site development through more effective deployment of staff (senior and juniors), and support for a common system of programme management.
13. Improved consistency and capacity for data analysis/management and performance reporting.
14. Improved capacity to respond to the various and frequent changes in national planning policy and legislation and delivery of member and staff development.

4.2 Potential dis-benefits

There is always a potential for dis-benefits to arise when changes to services are undertaken. However, these need to be recognised from the outset and measures taken to

mitigate their impact. It is anticipated that the benefits identified above will significantly outweigh the dis-benefits.

- In the short term, there is potential for disruption to each service through overly rapid or poorly planned roll out of phased implementation. Detailed project planning is in place to mitigate this with additional resources.
- Changes in systems and processes, with confusion amongst internal and external customers has the potential to impact upon “headline” application performance and service responsiveness. Appropriate management controls are in place to reduce this risk with monitoring of performance.
- Transformative change can be disruptive to staff. Uncertainty and disruption to process for delivery can precipitate staff to leave the service. A communication plan is in place, with a regular newsletter, and briefings for staff
- “Blending” service cultures to a new single narrative/vision will take time to settle and can lead to uncertainty surrounding purpose and objectives for individuals and partners. During the transition, there is a risk that the focus on key outcomes is lost. Early appointment of the new management team and other measures set out will help address this.
- The “cost of change” and phased delivery proposed represents an upfront investment that is unlikely to secure quick returns within a single financial year. This has been addressed and additional resources put in place.
- Adverse changes to the relationships with those who work with and support the planning service, such as the County Council transport team. Communication will be maintained to counter this.

As set out in this Business Case these dis-benefits are recognised as risks which need to be addressed and mitigation measures have been identified. These measures include the appointment of a dedicated senior “implementation manager,” the deployment of existing staff in the service re-design to improve the quality of process re-design and adoption, a phased and planned approach to implementation with additional HR resources and project management support and continuous engagement with staff and partners.

5.0 Project Delivery

As this is a complex project the project it is being delivered in phased approached. There nevertheless remain some unknown parameters within the project timeline at this time as the ICT solution has not been fully defined. The proposed phasing of the project is set out below.

5.1 Phase 0 Nov 2015 - June 2017

A number of activities have been completed or are already underway to assist in the exploration and delivery of this project. The main activities are:

- Recruitment of Stephen Kelly as Joint Director of Planning and Economic Development (completed).
- A project board is in place consisting of director, senior management, project manager and shared services programme manager, this board meet on a 3 weekly basis (completed).
- PRINCE2 methodology is in use for the project management with detailed working documents in place i.e. communications plan, stakeholder's analysis and risk/issue logs (completed).
- Project Initiation Documents have been approved by the project board for several key work streams associated with the project and others are to be brought forward. (Completed/underway).
- A monthly staff newsletter updates them on progress with a Q&A section to address concerns and questions. Regular staff briefings have been held and are in the project plan going forward (completed/underway.)
- Updates have been provided to senior officers and Executive Members in each authority.
- An experienced project manager with change and planning experience had been recruited to assist with the delivery of the project (completed).

5.2 Phase 1

5.2.1 Implement Senior Management Structure July 2017 – January 2018

The delivery of the senior management structure at the early stages of this project is central to successful implementation. This is a lesson learnt from earlier shared services projects. Once appointed the senior management team will need to take a lead on developing and influencing the structure underneath and provide the leadership required during transition.

The senior management structure has been determined by way of three management workshops and the informal engagement with staff through team meetings etc. In March and April, the two Councils agreed that the outline structure (appendix 1) be used as the basis for further testing and developing the proposed management structure. The appended management structure is now proposed to form the basis of the formal staff consultation phase and will enable recruitment of a management team to assist the Joint Director in the implementation of the project. If approved the proposed senior management structure (see Appendix 1) will be consulted on during the summer of 2017 with an anticipated implementation date for the final management structure of January 2018.

5.2.2 Employing Authority

The preferred strategic business option above seeks to achieve a new, fully integrated planning service. To realise the benefits outlined in 4.1 staff will need to be employed by a single employer as has been the case for existing shared services.

It is proposed that this process – including recruitment to the senior management structure and completion of Transfer of Undertakings (Protection of Employment) Regulations (TUPE) take place between July 2017 and February 2018. The transfer date for the affected staff from CCC to SCDC is proposed as 1st February 2018.

In parallel with approval of the management structure this business case proposes the future employer of staff in the new planning service as SCDC. The process of considering who should be the employer has had regard to the number of staff currently employed (and thereby impacted within each of the partner authorities, (91 at SCDC and 68 at CCC).

The HR resources within the two Councils currently differ. To recognise the scale of impact upon staff and to ensure that the TUPE and related change processes are handled effectively for staff and the Councils, this business case proposes investment in a dedicated senior HR officer to oversee the transition of the service. In addition, the business case proposes by way of a response to recommendations by both Councils to seek to enhance the attractiveness of the new service to planning and related professionals, that the new service includes the creation of a dedicated workforce development officer as part of a deliberate “recruitment” offer.

Based upon the assessment of the above, the key differences between the CCC and SCDC fall around the number of staff impacted by TUPE. On that basis, it is proposed that SCDC becomes the new “Greater Cambridge Planning Service” Employing Authority.

5.2.3 New Appointments July 2017 - onwards

The size and dynamic nature of the service and market competition for skills and talent means that during implementation, some staff may choose to leave the service. All new appointments from date of the agreement of this business case will be recruited to the named employing authority.

5.2.4 ICT Platform May 2017 - December 2018

The two authorities currently operate different ICT systems, serving not only Development Management and related work but also consultation processes in Policy, and supply management information. Neither system embraces fully the capacity for agile, mobile and multi-site working, nor has a dedicated project workstream begun considering the scope and procurement of a suitable system to support the new planning service and enable the alignment of processes and procedures.

It was agreed at the March/April committee cycle at both partner authorities to align around a single ICT provider. Phase 1 of this work is currently underway to analyse our current provision and the business needs going forward. This will involve workshops with

staff, members and customers on their needs. Once requirements are known we will move to procurement in phase 2.

5.2.5 Process alignment June 2017 – June 2018

There are several projects designed to align existing practices between the two authorities and assist staff and users in moving to a single service:

- Pre-application charging and procedures (start/end)
- Planning enforcement
- Delegation processes
- Member protocol
- Section 106 agreements

These projects will be supported by dedicated project teams and the new posts created to enable delivery and will require appropriate consultation with relevant parties. Their timing and implementation will need to take account of other workload and related issues.

5.3 Phase 2

5.3.1 Design and implementation of remaining staff structure Dec 2017 – Dec 2018

Once senior management structure is in place and posts are appointed to, the senior management team will focus on the development of the complete structure and further define the future operating arrangements. This will involve analysis of workloads, demand on the service and processes with a view to adopting best practices and maximising efficiencies. This stage will include a review of the activities which are undertaken outside the current services (having regard also to TUPE), for example trees and landscaping, and an assessment of the impact of the new planning service on wider council's service areas that are not in scope, for example the existing customer contact arrangements. The development of the specialist services capability will also be covered during this phase.

Once this structure is developed a further formal consultation process will be carried out with staff and unions in accordance to the agreed policies at both partner authorities. Implementation will then be delivered on a phased work programme.

5.3.2 Accommodation review – March 2018 – August 2018

The Planning services will continue to maintain a presence at both Cambridge and Cambourne. Nevertheless, one of the aims of the service is to work in a flexible and agile way aligned to both partners' individual office accommodation and future investment and delivery strategies. There will be no immediate changes in the locations of individual teams

until the future structure is known – although collaboration between officers in different offices engaged on specific tasks is expected to increase.

Once the office accommodation is reviewed it is expected that a phased implementation of any accommodation changes, to meet wider corporate programme timelines will be required, learning the lessons from previous shared services projects.

5.3.3 Procurement and implementation of ICT solution – Unknown until Phase 1 completed

Once the outcomes of phase 1 of the ICT project are known a project will commence to deliver the procurement and implementation of the desired solution. The timings for this are provisional at this stage but will become clearer as engagement with suppliers and the procurement process progresses. The project implementation is expected to be delivered through 3C ICT services.

5.3.4 Implementation of the new organisational structure and workflow - June 2018 – Dec 2018

The move to a fully integrated service will be phased (currently forecast to be over a period of 6 months) as the ICT and workflow projects provide the systems, structure and capacity to realise the benefits of the new planning service with manageable impacts/risks. This will reduce the risk of performance levels slipping and will assist in embedding the services in a controlled manner. Earlier in the programme, opportunities will be taken to align practice between the two offices to improve clarity to users of the services and aid the understanding and flexible deployment of staff to projects across the service. Appendix 2 and 3 highlight the current format of the two services.

6.0 Timescale

The project will be managed over a provisional timetable of some 18 months (to December 2018) with a phased implementation of services into the new planning service. The overall timescale for the delivery of the new planning service and work streams is as follows:

Implementation Timetable

| June/July 17 | August/Sept 17 | Oct 17 | Jan 18 | Feb 18 | Apr 18 | Jun 18 | Dec 18 |
|--------------|----------------|--------|--------|--------|--------|--------|--------|
|--------------|----------------|--------|--------|--------|--------|--------|--------|

People

| | | | | | |
|--|---|---------------------------------------|--|---|---|
| Consultation of the proposed new management structure. | Commence recruitment to senior management structure | Implement senior management structure | Staff to TUPE to the employing authority | Consultant on remaining staff structure | Commence recruitment to remaining structure and implement in phases |
|--|---|---------------------------------------|--|---|---|

IT

| | | | |
|---|---------------------|--|--|
| Analyse current systems and further business requirements | Soft market testing | Tender or upgrade for desired solution | Commence procurement or upgrade and implementation |
|---|---------------------|--|--|

Process

Review and align processes across both services

Approval of Business Case

Review accommodation requirement of future service

Consult on accommodation strategy

Implement accommodation strategy

7.0 Costs

7.1 Investment for delivery

The budgets and income and expenditure levels for the last three years are set out below, noting that and there is year on year variation, particularly in relation to the prediction of income, set against significant fixed costs which form between 86% and 91% of combined budget.

| 2014/15 | Total Budget | Staff & Overheads | Actual | Income | Net Cost |
|--------------------|--------------|-------------------|---------|---------|----------|
| SCDC | £4,553m | £3,946m | £4,708m | £2,387m | £2,321m |
| City | £3,469m | £3,295m | £3,313m | £1,685m | £1,628m |
| Combined City/SCDC | £8,022m | £7,241m | £8,021m | £4,072m | £3,949m |
| 2015/16 | Total Budget | Staff & Overheads | Actual | Income | Net cost |
| SCDC | £4,585m | £3,943m | £4,070m | £2,212m | £1,858m |
| City | £3,218m | £3,176m | £3,175m | £1,397m | £1,778m |
| Combined City/SCDC | £7,803m | £7,119m | £7,245m | £3,690m | £3,636m |
| 2016/17 | Total Budget | Staff & Overheads | Actual | Income | Net Cost |
| SCDC | £5,070m | £3,940m | £5,221m | £2,665m | £2,556m |
| City | £3,463m | £3,421 | £3,151m | £1,308m | £1,843m |
| Combined City/SCDC | £8,533m | £7,361m | £8,362m | £3,973m | £4,399m |

In recognising the complexity of the issue of bringing budgets together it is proposed that initially budgets would simply be combined. As the project develops and the new Financial Management System being implemented across the two authorities is concluded, a more sophisticated approach can be developed, with the possible use of time recording and other systems explored to refine understanding on unit/processing and staff costs. The objective is to use such intelligence to secure a reduction in the “net” cost of providing the service by exploring savings through improved procurement, efficiencies through process improvements and opportunities to use any additional capacity for charged, discretionary services that meet currently unmet customer or partner need.

The successful delivery of the integrated planning service will nevertheless (see above) require an upfront investment of dedicated resources as well as significant commitment from existing staff. An experienced project manager is currently in place and a senior implementation manager will be recruited (for the duration of the project implementation phase) to assist with the transition. This is because the scale and throughput of the planning service is significant and existing capacity within the service is already limited.

Reports to the March/April 2017 committee cycle at both partner authorities suggested that because of planned national planning fee increases in July 2017, most of these

implementation costs would be contained within the service in year. If planning fees are not revised this financial year the additional funding committed in March/April will not be sufficient to sustain the implementation timeline envisaged and a bid for further funding will be required of c£100k per partner authority in year one of the project.

Existing early project work streams underway are targeted towards improvements in productivity, staff retention/recruitment and process efficiency as well as a clearer focus on meeting users' needs with a range of high quality charged services that will improve the ability of the service to reduce its net cost to the parent Councils.

The new planning service will also lead on the replacement of the two local plans currently at examination and nearing completion with a single Greater Cambridge Local Plan for both Council areas consistent with the commitment under the City Deal to start preparation of a joint plan in 2019. This cost will be shared between the Council's but is not included in this business case. The cost is nevertheless expected to be less than the costs associated with the production of the two existing Local Plans for the area currently nearing completion.

The scale of the service, the improvements in productivity and new opportunities to improve cost recovery within discretionary services mean that recovery of the initial overall investment, whilst not expected during the implementation phase should begin from year (2019/20) and should be achievable within a 5-year time horizon.

7.2 ICT Costs

A bid for £25k was also approved for the initial analysis phase of the ICT work stream in the March/April committee cycle. As the future requirements become clearer after phase 1 of this work a capital bid will be made to both partners in accordance with their agreed processes.

7.3 Recruitment Costs

To realise the aspiration to attract the best talent to the service, there will be additional costs associated with the recruitment in phase 1 to the proposed senior management structure. If posts remain unfilled following the organisational change processes this is likely to include the cost of specialist recruitment agencies and HR resources to assist in the process.

7.4 Staff Costs

In line with previous agreements for shared service implementations already undertaken by the partner Councils, any staff-related implementation costs occurring because of the new structure such as redundancy and pay protection will be shared as follows:

- Costs associated with staff ring-fenced for the proposed management structure will be borne by the pre TUPE employer;
- Costs in respect of other employees should be borne by the two partner authorities in proportion to their contribution to the service budget.

These principles have been agreed and in use in the earlier shared services between the two partners at the S&R Cabinet in July 2015 (Overview Shared Services Report)

7.5 Additional Project costs

The service budgets include both direct staff costs (for project support officers dedicated to development of project outcomes) and indirect staff support and development costs – such as communications, team building and development. The significant number of stakeholders, partners and extensive communities will also require support and assistance in understanding the new service over the project implementation period. As new senior managers and staff work across office locations (and more flexibly to support customers) a significant capital investment is also expected to be required to migrate the service from fixed desk based hardware to more mobile computing solutions (laptops/tablets), telephony and in office infrastructure to promote efficient use of expensive fixed office space.

8.0 Analysis of current and future services

8.1 Staff

The combined service on its current assumptions (June 2017) has a total of 159 staff equal to 142 FTE equivalent posts, with a total salary cost (including on costs) of £6.12M. This includes staff who are not currently within the planning service (such as the application support team in the CCC, who provide support to the planning and tree application process as well as local land charges, city centre management and environmental health), some of whom) are dedicated to the delivery of the service and will therefore be subject to TUPE provisions as the service seeks to move to a single employer. It should be noted that as the final staffing structure emerges, this figure may change as staff are identified as potentially in or out of scope across both Councils.

| TABLE 1 - OVERVIEW OF CURRENT STAFFING | | | |
|---|--------------|--------------|--------------|
| | SCDC* | CCC** | Total |
| Total number of staff | 91.00 | 68.00 | 159 |
| FTE | 85.93 | 55.59 | 142 |
| Agency + Consultant | 3.00 | 4.00 | 7 |
| Fixed Term | 8.00 | 12.00 | 20 |
| Permanent + Perm not in Planning Service | 80.00 | 52.00 | 132 |

* Includes Executive Support and Local Land Charges

** Includes Application Support, Local Land Charges and S106 Officers, excludes Trees.

Whilst similar in broad terms, each service has organised itself slightly differently. At the meeting of Cabinet/Scrutiny in March/April 2017, both Councils agreed that the scope for the shared service would cover the following:

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

The current structures can be seen in more detail in Appendix 2 and 3.

At this stage of the project, it is not possible to determine whether staffing quotas at each level of the structure will change. Opportunities for process alignment may release capacity in parts of the service. However, the current challenges facing the service, its future scale and the anticipated implications of new user centric service offers and income growth will require additional resources/capacity in other areas. The implications on the net budget for the service cannot currently be forecast accurately – ahead of the final service structure design. It is not however anticipated that the new planning service will increase net cost to either Council.

8.2 Future Areas of Activity

Business Support team

SCDC has a small dedicated “business support” team embedded in the planning service while at CCC, business support is a centralised resource. The proposed structure recognises that the realisation of the opportunities arising from the new, transformed planning service will require additional management capacity. This includes the aspiration to “develop” a compelling staff development and recruitment offer, identify and monitor enhanced user service offers (income derived) to underpin improved efficiency/productivity, reduced net cost and a need to provide assurance to the management and members of the respective partner authorities with timely, accurate and high quality reporting. This includes the effective management and agile deployment of the budget of the service on outcomes.

The business case therefore seeks to grow capacity in this business-critical area with dedicated posts focusing on data monitoring, the realisation of a first-class staff support and development capability, customer insight, community engagement and communications and senior management support. This is expected to release capacity in the professional officers and underpin the delivery of the strategically significant ambition in the vision to be known as one of the best planning services in the Country. The precise format of the business support team will be determined in phase 2, following recruitment of the business support team manager as part of the senior management team.

8.2.1 Development Management (DM)

A high-level audit of activities, focussing mainly on the development management aspects, has indicated that over the last 2 years the City and South Cambridgeshire councils received 2894 and 3968 planning applications, respectively last year although SCDC made more decisions in each category (Major, Minor and Other applications). Data for the last three years is set out in the Tables below. A national average profile of applications is 3% Major, 27% Minor and 70% Other. The profile of applications does not vary much from the national average, although some of the Major applications were very large and complex e.g. for large housing and commercial developments.

| South Cambridge District Council | | | | | | | | |
|----------------------------------|--------------------|------------------------|---------|------------------------|---------|------------------------|---------|-------------|
| Applications by Type | | Financial Year 2014/15 | | Financial Year 2015/16 | | Financial Year 2016/17 | | National Av |
| | | Total | % | Total | % | Total | % | % |
| Major | Received | 104 | 5.92% | 84 | 4.66% | 110 | 5.52% | |
| | Determined | 84 | 4.78% | 71 | 3.94% | 81 | 4.06% | 3.00% |
| | Determined in Time | 44 | 2.50% | 36 | 2.00% | 69 | 3.46% | |
| Minor | Received | 555 | 31.59% | 617 | 34.22% | 688 | 34.52% | |
| | Determined | 512 | 29.14% | 504 | 27.95% | 572 | 28.70% | 27.00% |
| | Determined in Time | 225 | 12.81% | 284 | 15.75% | 437 | 21.93% | |
| Other | Received | 1298 | 73.88% | 1129 | 62.62% | 1552 | 77.87% | |
| | Determined | 1161 | 66.08% | 1228 | 68.11% | 1340 | 67.24% | 70.00% |
| | Determined in Time | 846 | 48.15% | 822 | 45.59% | 1143 | 57.35% | |
| Total Determined | | 1757 | 100.00% | 1803 | 100.00% | 1993 | 100.00% | 100.00% |

| Cambridge City Council | | | | | | | | |
|-------------------------|--------------------|------------------------|---------|------------------------|---------|------------------------|---------|-------------|
| Applications by Type | | Financial Year 2014/15 | | Financial Year 2015/16 | | Financial Year 2016/17 | | National Av |
| | | Total | % | Total | % | Total | % | % |
| Major | Received | 70 | 4.06% | 59 | 4.06% | 57 | 4.49% | |
| | Determined | 70 | 4.06% | 55 | 3.79% | 40 | 3.15% | 3.00% |
| | Determined in Time | 60 | 3.48% | 53 | 3.65% | 39 | 3.07% | |
| Minor | Received | 438 | 25.39% | 416 | 28.65% | 308 | 24.27% | |
| | Determined | 344 | 19.94% | 329 | 22.66% | 261 | 20.57% | 27.00% |
| | Determined in Time | 248 | 14.38% | 245 | 16.87% | 288 | 22.70% | |
| Other | Received | 1212 | 70.26% | 1268 | 87.33% | 786 | 61.94% | |
| | Determined | 1311 | 76.00% | 1068 | 73.55% | 968 | 76.28% | 70.00% |
| | Determined in Time | 854 | 49.51% | 841 | 57.92% | 873 | 68.79% | |
| Total Determined | | 1725 | 100.00% | 1452 | 100.00% | 1269 | 100.00% | 100.00% |

The two DM services are delivered in a similar way – a full range of DM applications are dealt with by the City Development Management team and SCDC equivalent and proposals for new communities/new neighbourhoods are delivered by the New Neighbourhoods CCC and New Communities (SCDC) teams. Given the differing spatial extents the City Council does not operate with separate “geographic areas” for development management or enforcement. In SCDC, there are two geographic area based teams for DM (and a single New Communities team covering the whole of the district dealing with the strategic sites).

Given the significant geography of the new planning service area, senior managers have been exploring options to apply area based working to both mainstream and strategic applications within the new service. This work has examined work per ward, types of applications per ward including Majors, Minors and Householders and mapped out where the large growth sites are planned (or future growth is expected) to establish cross boundary functional relationships where a single team approach would be beneficial. Inevitably some proposals will straddle boundaries in which case one team will be identified to take the lead. The business case sets out three operating areas for DM. A map showing the three is attached in Appendix 5.

Working on the basis that an officer at both planner and senior level would have a case load of 200 per year and a principal officer of 150 it is proposed to then assign staffing numbers/posts to the three areas through consultation with existing staff in phase 2.

There is also significant amount of work outside standard planning applications to be dealt with in both councils, and scope for procedures to be examined and to ensure that processes for applications for which fees cannot be charged are efficient. These include trees, listed building and conservation. Available data also suggests areas where there are opportunities to improve performance and realise tangible improvements in cost (such as in CCC where 45% of applications were initially invalid when received).

A pre-application advice service is offered by both councils which in part is a paid service. In 2016/17 a total of 908 pre-application enquiries were received generating fees of £302,000 (£75,000 CCC/£227,000 SCDC). Both councils also offer a free duty planner service on the telephone and face to face. It is proposed to review the approach to advice across both councils to ensure that it more effectively meets user's needs (responding to data/feedback such as the invalid applications), is more efficient and recovers more of the costs associated with delivery. This will include encouraging self-service through good web information for customers and concentrating officer resources on the most complex and priority cases.

SCDC dealt with 96 appeals in 2016/17 of which 8 (a relatively high number) were public inquiries as opposed to the less resource intensive written representations or hearings. This high number is related to current issues regarding a lack of a 5-year housing land supply. CCC dealt with 45 appeals, none of which were public inquiries.

8.2.2 Enforcement

Planning enforcement is an important discretionary service, rather than a statutory duty, although Members and the community place a high value on actions taken. In 2016/17 SCDC received 500 enforcement complaints. Within CCC 262 enforcement cases were received. There is scope for the alignment and improvement of the enforcement service through adopting smarter working practices and working towards improved cost recovery. A total of 21 enforcement notices were served across the area 8 in the City). One prosecution was pursued in 2016/17 by SCDC and one proceeds of crime prosecutions securing £26,000 of additional income. Ensuring the effective enforcement of planning regulations is a community priority and the new planning service will be exploring how the responsiveness and effectiveness can be optimised in the future given the geographic spread and limited number of specialist officers.

8.2.3 Planning Policy and Strategy

Some 18 posts and a budget of £1.701m within the Councils are dedicated to the development of planning and related policy. The work plan for the services identifies a significant forward pipeline of policy to be developed for the area over the next 3 years.

Reflecting the increasing range of policy work it is proposed to create two teams to more effectively cover these work areas with the carrying forward of a Planning Policy Team and the creation of a new Strategic Planning Team, but recognising there will be flexible project working across the two teams according to work priorities.

The Planning Policy Team will continue to lead on the core Policy work. It is a statutory duty for councils to prepare Local Plans for the Local Planning Authority area. The economic success of the Greater Cambridge area and the scale and pace of change and development means it is a priority for the Councils to have up to date Local Plans. Policy planners in both councils already work closely together. The new Local Plans for both areas are currently at examination, having been prepared in parallel and with an aligned development strategy across both plans and considerable joint evidence supporting them. This is a major workload for both teams.

Both Councils have committed through the City Deal to start to preparation of a single Greater Cambridge Local Plan in 2019. This will require a statutory joint Committee and is expected to build upon previous collaboration. This process, while complex, would clearly be simpler to undertake in a single service structure.

There is also a commitment to a programme of work on several other policy documents or strategies, including a programme of Supplementary Planning Documents to support the new Local Plans. Proposals for introducing a Community Infrastructure Levy (CIL) also need to be reviewed in light of changing national guidance.

Neighbourhood planning, which councils are obliged to support through advice and assistance is more active in SCDC (12 designated areas), rather than CCC (one designated area), due at least in part to the relative simplicity with which a parish council can designate a neighbourhood plan area.

Additional strategic planning capability is required to engage with a number of new strategic initiatives reflecting the location of Greater Cambridge is at the centre of a series of economic/commuter corridors and will be dealt with by the new Strategic Planning Team. A new Mayor has recently been elected for the Greater Cambridge/Greater Peterborough combined authority. As part of the agreement the Mayor of the combined authority will prepare a Non Statutory Spatial Plan. The LEP's is reviewing its Strategic Economic Plan, and the National Infrastructure Commission is undertaking work for the Cambridge-Milton Keynes-Oxford corridor Local Plans under the Duty to Co-operate is also expected over next 5 years.

The councils are also working with City Deal partners on the development of sustainable transport schemes to support economic growth and the development strategy in the Local Plans. They also work with Highways England on the development of major strategic transport projects, including the A14 improvements and the A428 Black Cat to Caxton Gibbet scheme.

Under the statutory Duty to Co-operate it is necessary for both councils to co-operate not only with each other, but also with others, including the County Council and statutory bodies such as the Environment Agency. Typically, these activities require not only high quality technical planning input. Also consistent and senior strategic planning partnership experience and the input to broker agreements is needed which are acceptable to members of both Councils and relevant joint bodies (such as the Cambridgeshire and Peterborough Joint Strategic Planning and Transport member group, and the City Deal Executive Board). These, in turn require officer support. Together these activities consume both technical and more senior planning resource. The demand they create is difficult to gauge in advance, particularly in the light of City Deal and the Combined Authority, but is unlikely to decrease from current levels though the organisational structures may change.

Both councils require a wide range of specialist expertise available to them to underpin sound decision making and policy and to support the achievement of high quality outcomes. Currently between the two LPA's there are Urban Design, Conservation, Landscape, Ecology and Tree expertise in house along with other specialists who currently sit in Policy and DM teams. These functions input across the other planning functions and it is appropriate that such a range of advice is available given the nature and scope of the work being undertaken and anticipated by both services. The development of a new planning service offers the opportunity to rationalise and reduce any duplication of input to projects, to utilise and develop specialisms, to develop and support Development Management officers in dealing with more straightforward applications, to offer a more aligned design panel service, and to generate income more consistently across the service. In the future, given the scale of the service, it will be possible to consider whether this can be developed to provide consultancy services to other councils in the area under trading arrangements.

8.2.4 Local Land Charges

Local land charge search requests are received and answered within Development Management at SCDC and within Application Support at CCC. SCDC receives approximately twice as many search requests per year as CCC (4270 and 2200 respectively in 2016/17), reflecting the location of new development. The majority of data required to respond to search requests is held within the planning services and as such the function is intrinsic to the service and in scope of the new planning service project. There are differences in approach between the councils, with the SCDC process currently less automated than at CCC and thus there is clear potential for a unified approach using common ICT.

8.2.5 Application Support

The development management and related (appeals/enforcement) functions of the two Local Planning Authorities are administered in a different way – with a different IT system. Workflows are accordingly different and will require alignment in association with the procurement of a new single software solution. Other shared services have secured benefits through improved process engineering. The creation of a single process will be dependent upon technology solutions and the ICT project and agile capability.

8.2.6 Wider Councils services

Some resources required fall within the service and are within scope, such as the Urban Design and Conservation team but other services such as tree and landscape advice at CCC which play a key role in supporting the planning process are not currently in scope and fall outside of the current service envelope. Other expertise is provided by services within the Councils, for example customer contact and environmental health and outside, for example the County Council. The impact on these other services is planned to be reviewed in Phase 2 of the project.

Additional consultancy support

Specialist advice is bought in relating to the development of the local plan evidence base, legal representations and specific services such as viability assessments (for S106) and detailed technical appraisals to underpin planning decision making is likely to continue to be required. The service will however seek to explore opportunities for shared procurement for such services to reduce contract management costs and improved price in concert with the respective procurement teams of the Councils.

8.2.7 Service Pressures

The Government has placed emphasis on the planning performance of local planning authorities in terms of decision making on planning applications, and their adoption of up to date local plans. Failure to meet national targets can lead to the planning authority being placed under special measures where others are deputed to make the decisions at a cost to the Council. The lack of an up to date local plan with the lack of a five-year housing land supply creates speculation on unallocated sites, a greater number of applications and appeals, and the possibility of a Council's policies being overridden. In addition, national planning legislation and policy has been the subject of major change in recent years and this is likely to continue. Such pressures mean that these planning services must continue to be strong and resilient and the management of these pressures and appropriate investment to ensure capacity during implementation will be required.

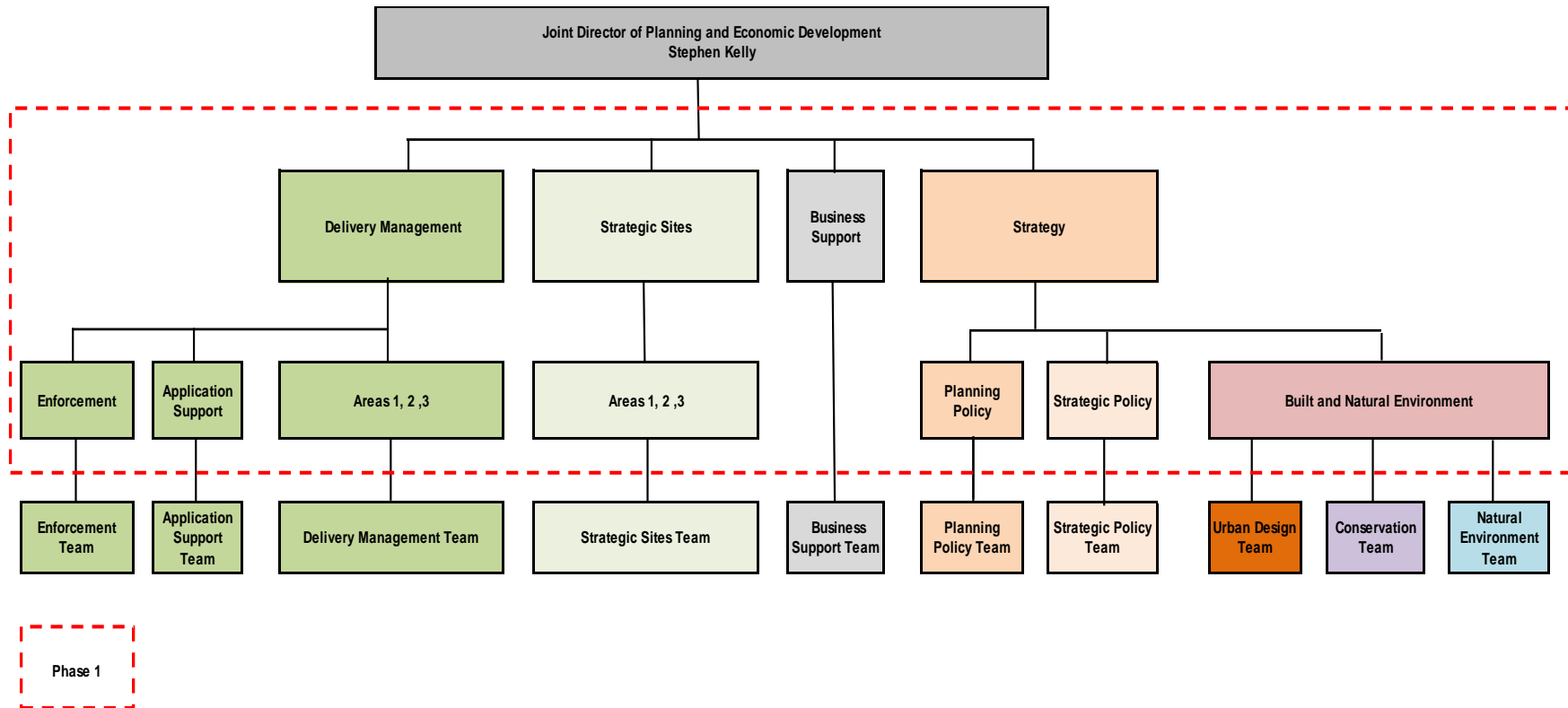
9. Major risks

The major risks that have been identified are captured in the following table. A full Risk Assessment and mitigation plan has been developed within the PRINCE 2 project environment and is managed by the project board. A copy of the risk register can be obtained by contacting the Project Manager.

| Ref. | Risk and Impact Description | Action/Mitigations |
|------|---|---|
| R1 | There is a risk of performance slippage during the transition to the new planning service | Performance will be managed weekly and action plans put in place if necessary. Escalate any performance issues. Key KPI's discussed in team and project manager's meetings. |
| R2 | There is a risk that the timetable for delivery of the project will be exceeded - due to the complexity of the service and as staff lack time to provide input as a result of day to day workloads. | There is a dedicated project team and the project board will monitor progress and report to the management board on progress. |
| R3 | There is a risk of staff retention decreasing during the project resulting in the loss of key people and knowledge and anticipated recruitment challenges in view of a national shortage of planners | A detailed stakeholder communication plan is in place and will be reviewed throughout the lifecycle of the project. The process will not alter many roles; however, there is awareness that change will affect people. |
| R4 | Need to ensure members agreement and buy in to the new planning service. If support is withdrawn the project will be stopped. | Current governance protocol will be adhered to. Member briefings and workshops to be held when required during the project and at key decision states. Sovereignty of each partner's decision processes to be adhered to. |
| R5 | There is a risk due to the Planning & Housing Act 2016; the government is testing the benefits of allowing planning applicants to choose who processes their planning application; Councils or the private sector. Planning applications could be opened to the market, and then Councils could see a significant challenge in the extent of work undertaken in-house with a threat to the scale of fee income. Other Government proposals could similarly place additional pressures on the service. | Will be kept updated on government changes via government website, PAS and POS. Preparing the new planning service to be competitive and brand building in the commercial market will reduce this risk should it arise. This risk will be addressed in the work stream regarding greater resilience around retention and recruitment. |
| R6 | ICT infrastructure not reliable and fit for purpose | Detailed audit and assessment of the existing systems in CCC / SCDC is being carried out. Project board to work with the procurement team to fully spec the requirement needs for the new system. A full and detailed project will commence once options are known. |
| R7 | There is a risk of single key person dependencies, notably with the project manager and shared director roles | All documentation for the project will be version controlled and stored on Britix 24. Skilled staff are to be seconded from the service to assist in delivery. The shared service programme office will continue to be involved throughout the project as well as the management and CEX boards for shared services |
| R8 | Single key person dependencies | Share information with the Project team. All Documents are version controlled and uploaded onto Bitrix24. Set up holiday chart for all key people, use to cross check key decisions and workload priorities. |
| R9 | The Government does not proceed to allow the proposed 20% increase in planning fees as Regulations have not been laid before Parliament because of the election | Monitor and lobby, if required to, and re-assess as necessary. |
| R10 | Opportunities to transform the service are missed | The Project Team, Senior management and Project Board to monitor and identify actions required |

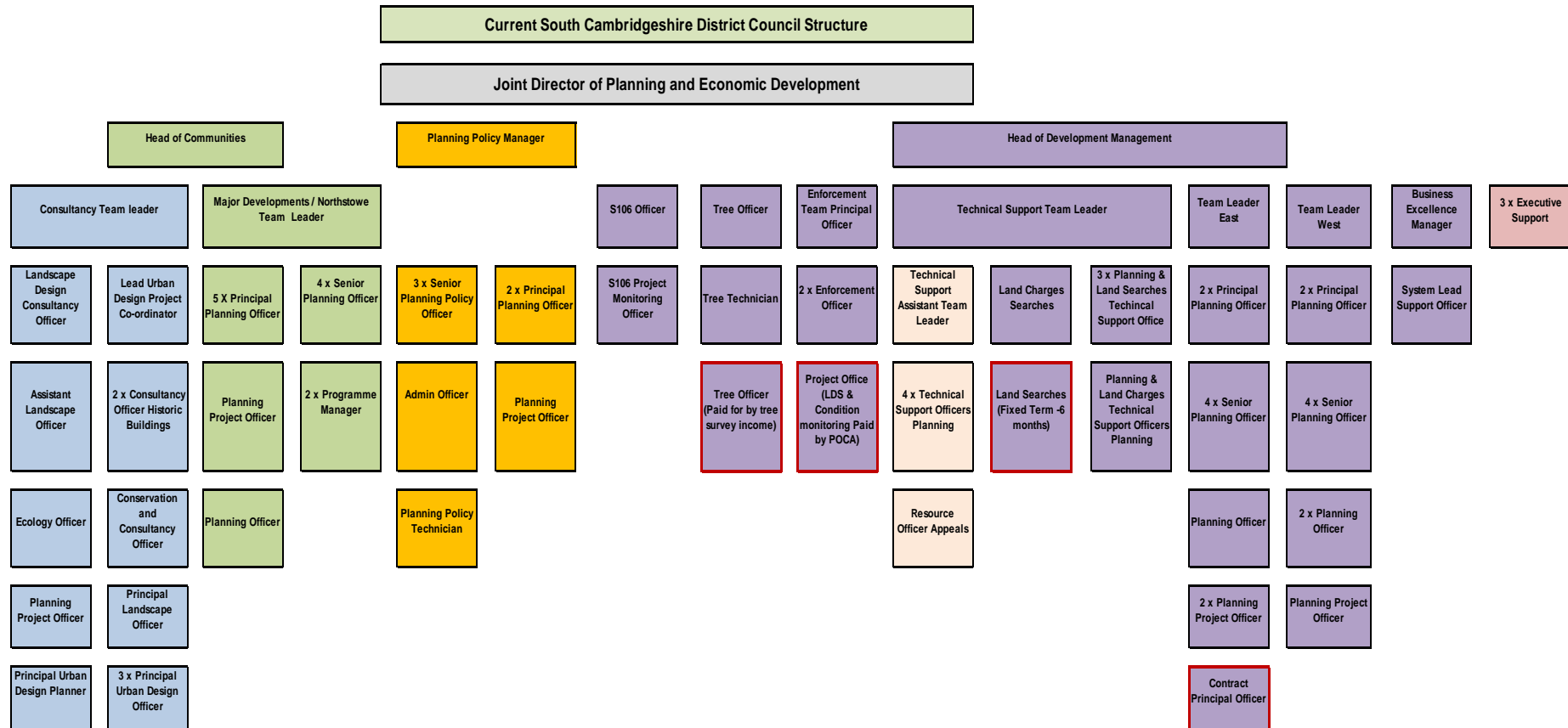
Proposed Future Senior Management Structure

APPENDIX 1



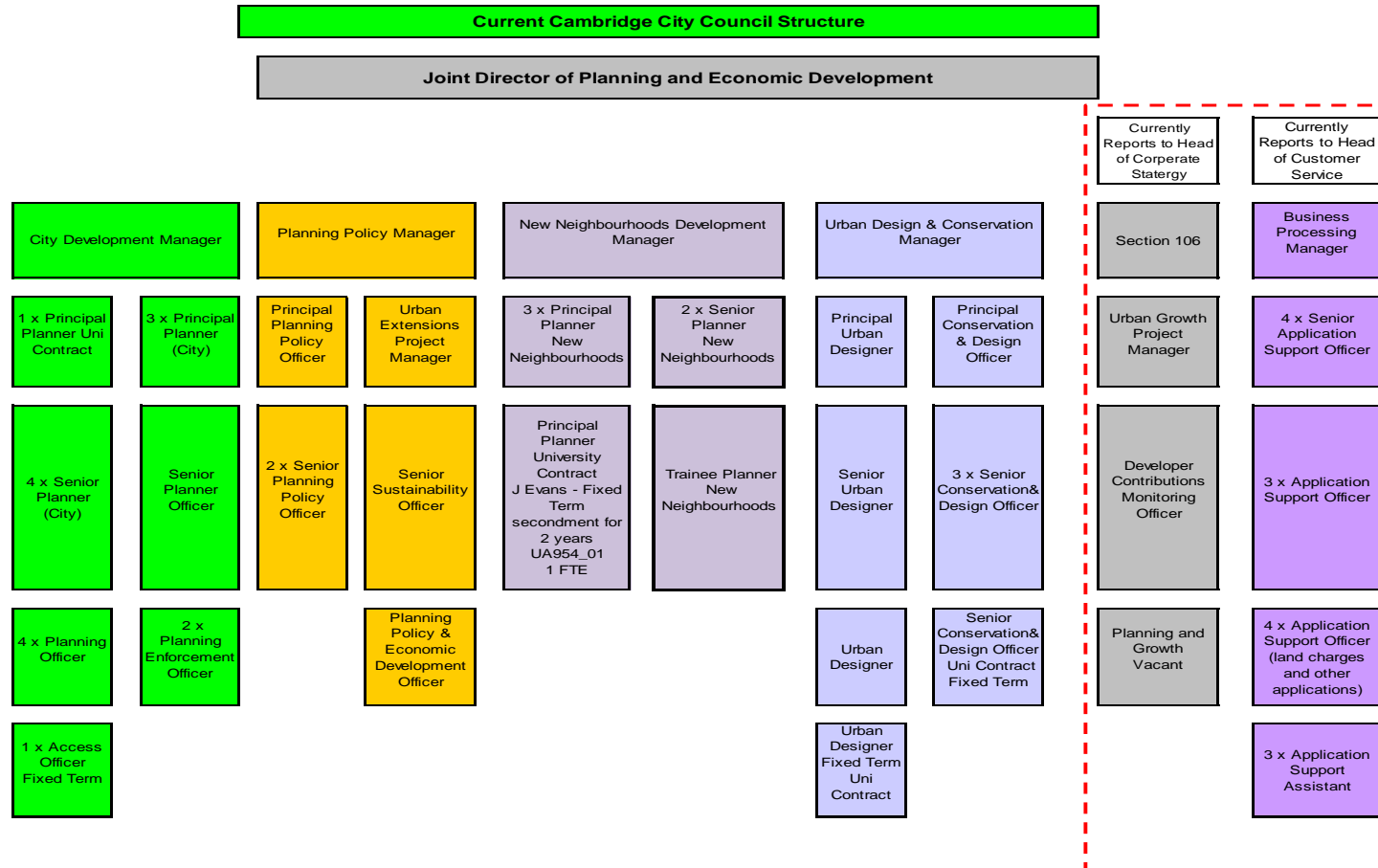
Current SCDC Staffing Structure

APPENDIX 2



Current CCC Staffing Structure

APPENDIX 3



Appendix 4

Key Performance Measures

Quality

Building for Life outcomes/audit?

5 year land supply in place?

S106 deliverables?

Committee application overturns %

Affordable housing outcome (%) achieved

Customer satisfaction rating (pre app, member training, parish training)

Neighbourhood Planning

Investors in People Gold in place across service

% of staff turnover

Adopted up to date Local Plan in place? (Y/N)

% of projects in Supplementary Planning Document programme on target for delivery?

Conservation Area Management Plans (CAA's) in place as % of all Conservation Areas

% Appeals dismissed

Meeting Targets

BVPI measures/designation

Responsiveness of non stat services (application registration times, Pre-app advice performance, Conservation/Listed building advice, consultancy services)

Enforcement service response times/clear up

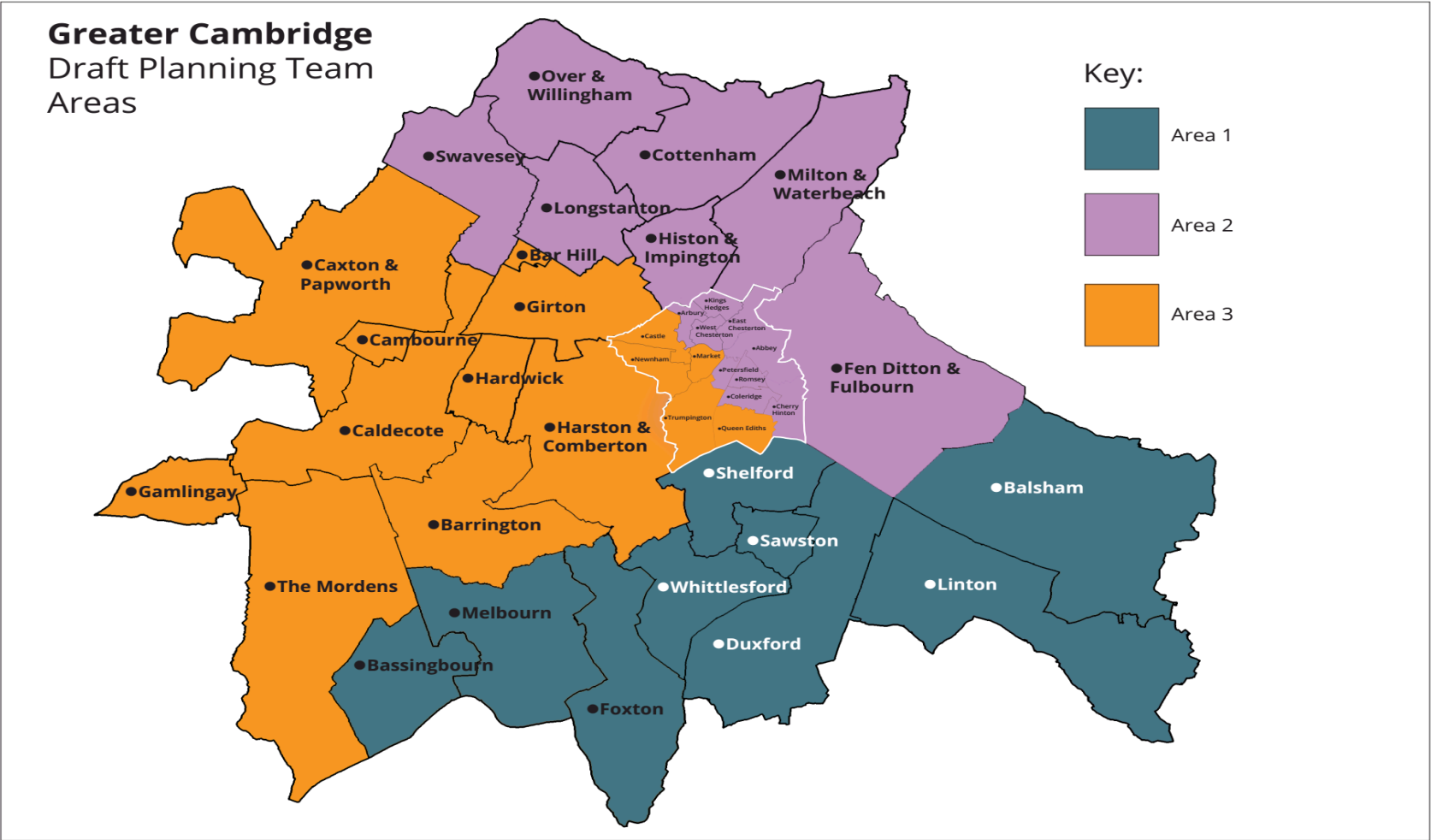
Cost

Percentage cost recovery of Development Management service

Net cost per application (benchmark costs)

Pre-application consultancy costs/income (Value for Money)

Recovery of enforcement costs /Proceeds of Crime Act? and % of delegated decisions and Net cost per new home permitted?



Greater Cambridge City

Draft planning team

Areas

Key:

