

SHARED SERVICE COMMISSIONING OF PLANNING SERVICES
FULL BUSINESS CASE DEVELOPMENT PROJECT
OUTCOME REPORT
COMMITTEE - VARIOUS
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1: REPORT PURPOSE

To report on the outcomes of the initial phase of a full business case development project and to present recommendations for discussion and decision.

2: BACKGROUND

2.1: In April 2016, Member approval was given to a project to develop a full business case for a shared approach to the commissioning of elements of the planning services by the London Boroughs of Sutton, Merton and Kingston.

2.2: The outline business case presented to Members identified the following as the expected benefits for the shared approach; to

- achieve financial benefits through savings and growth in income
- deliver more sustainable and resilient planning services through the pooling of resources
- maintain and improve the quality of services in scope
- deliver efficient services that are competitive

2.3: This outcome report summarises the findings of the project's initial "due diligence" phase which was undertaken to:

- conduct analysis of service data to (a) benchmark performance between partners (b) identify opportunities for service optimisation and (c) suggest most appropriate vehicle for implementing opportunities for service optimisation
- identify, with service leads, issues and concerns associated with implementing a shared approach to planning services across the three Boroughs
- assess whether the expected benefits for a shared approach could otherwise be achieved (a) through individual service reorganisation (b) through a combination of individual service reorganisation combined with collaboration on appropriate elements of service

2.4: The Project Board considered and endorsed interim and final drafts of this outcome report at their meetings of 8 September and 17 October 2016.

3: OUTCOMES

3.1: Service data analysis

Independent analysis of service data has been undertaken by i-Three Analytics, a consultancy with sector specific experience and expertise in supporting development of public sector shared service business cases. All findings have been validated by service leads and were discussed at the Project Board meeting of September 2016.

In overview, although the planning mix profiles of the Boroughs are broadly similar, analysis has highlighted variations in; average staffing costs; levels of application income; volumes of avoidable contact and additional work (caused principally by agent performance and consultee response times); validation rates; and management of workflow.

Two key points are clear from the analysis. Firstly, there appear to be substantial opportunities for Boroughs to make headway towards realising expected benefits (see section 3.3.1). Secondly, there is no evidence to justify moving towards any specific configuration (i.e. stand alone, collaboration or shared service). Boroughs therefore have scope to achieve efficiencies and improve service independently and without recourse to formal sharing. However, because certain key barriers to service improvement appear to be external to the services (e.g. agents and consultees) and therefore more challenging to individual Boroughs to overcome, collaboration on certain aspects of planning service delivery may also be advantageous (see section 3.3.2).

3.2: Issues and concerns

Borough service leads have identified the following issues and concerns associated with implementing a shared approach to planning services (unless specified these are common to the three Boroughs).

Service leads feel that the effort of formally sharing at this point could be detrimental to service improvement and staff morale especially where analysis of service performance is suggesting that other options to improve service and deliver efficiencies are available independently and without recourse to sharing. Boroughs feel that deferring the development of a formal shared approach at this point would reduce the immediate risks to business as usual while making such changes. By informally sharing, making internal individual changes to our structures, having consistent processes across all three authorities, joint development plans for staff, development of joint written and electronic materials as well as jointly tackling tough issues like the management of agents will allow a more measured, evolutionary approach to

improvement, and convergence prior to moving to a possible formal share in the future.

The differential savings targets required by Merton at this time, relative to Kingston and Sutton imply development of a 2 tier service in terms of productivity, capacity and quality and it is likely that this would be unacceptable to Members in all Boroughs. It is not clear how the relative "purchasing power" of the individual partners in the allocation of costs for a shared service could be reconciled without compromising quality of delivery.

The introduction and embedding of a new Planning IT system (IDOX) by Kingston and Sutton could be compromised by the coincidental transition to a shared service arrangements.

A degree of uncertainty remains about the proposal of Kingston and Sutton to establish a shared service vehicle (SSV). Transition to interim arrangements, pending the possible future introduction of the SSV, could have detrimental implications for staff morale and for the capacity of the Boroughs to attract, recruit and retain staff. The position of Merton outside of the SSV also requires clarification.

In Kingston, a corporate decision about the future of Business Support (BS) remains pending, and it is presently unclear whether a centralised BS service will be retained or if this approach will be pulled apart and BS devolve into the relevant services. The outcome of decision making will have implications for deployment of any BS staff within a shared planning service. The decision timeline has not yet been agreed.

Variation in the proposed scope of the shared service, particularly with respect to Major Applications, has significant potential to work against improving staff recruitment, retention and development as it may reduce or remove altogether the opportunity to work on large planning projects.

3.3: Alternative opportunities

The following sections summarise opportunities for in-house change and cross borough collaboration that have been identified through data analysis and from the in-house reorganisation exercise.

Although not ruling out a move to formal shared approach at some future point, a consensus view across the Boroughs has emerged that combining in-house change with informal cross Borough collaboration may be a more preferable way forward, in

the short and medium term and leave us in a far better position for a formal share at a later date:

- (a) having a more immediate potential to yield the required efficiencies and expected benefits
- (b) presenting significantly less business and political risk than a formal share
- (c) avoiding the transitional costs of implementing formal sharing arrangements

3.3.1: Opportunities for in-house change

Options currently under consideration by the individual Boroughs include;

- Reorganisation of service management
- Commercialisation and/or outsourcing of Building Control
- Cessation or rescaling of Building Control
- Integration of dedicated business support within planning
- Changes to business process design and workflow management
- “Plain English” revisions to web-based planning information to reduce levels of avoidable contact and work

The introduction of a new planning IT system (IDOX) in Kingston and Sutton is anticipated to yield performance improvements in the range of 5--10% and may open up opportunities for staffing efficiencies.

3.3.2: Opportunities for cross-Borough collaboration

In response to the data analysis findings, Boroughs are now exploring the establishment of a strategic “Smart Sharing” planning partnership. The three boroughs have committed to continue to work together to develop this innovative approach which has the common purpose of achieving a convergence on performance and quality. Development options for the partnership include;

- Informal sharing of staff through seasonal cover arrangements
- Fixed term professional development and project specific secondment
- Creation of a flexible pool of expert staff (e.g. planning policy, trees, enforcement) geared to changes in demand across the 3 Boroughs
- Joint approaches to staff development, recruitment and procurement
- Introducing an approved status for agents (three boroughs collectively), to improve the quality of agent applications with the objective of reducing levels of “avoidable work” by improving the operation of the planning “supply chain”.

4: CONCLUSION AND RECOMMENDATIONS

4.1: The initial “due diligence” phase of this project has highlighted a range of issues that challenge the viability of establishing a shared planning service at this point.

In summary, these are:

- differing drivers for a new shared service (particularly around financial targets)
- divergence on the scope of the proposed shared service
- other business change processes and pending decisions which are coincidental to the proposed timeline for the implementation of shared service
- no compelling evidence pointing towards any specific service configuration (i.e. stand alone, collaboration or shared service)
- identification of substantial opportunities to achieve expected benefits without recourse to full sharing
- a sense amongst service leads that the effort of sharing would be a distraction to more rapid progress and might be detrimental to service improvement and staff morale

4.2: Members are invited to approve that the 3 Boroughs:

- suspend development of formal shared service commissioning arrangements for planning services
- implement individual service changes to achieve efficiencies and expected benefits
- continue to work in partnership to develop a “Smart Sharing” programme for elements of planning service delivery where sharing has a clear business advantage
- review the necessity and viability of a shared approach for planning service within 18 months of commencing “Smart Sharing” programme
- undertake work to develop a detailed options appraisal for Building Control

4.3: The following benefits are anticipated to result from these recommendations:

- avoidance of many of the business and political risks of establishing a shared service
- efficiencies and service improvements realised over a shorter timescale than that typically associated with formally shared service
- improved staff morale and reduced turnover deriving from staff engagement in service improvements and enhanced professional development opportunities
- measured and evolutionary development of Smart Sharing working practices across the three Boroughs with the option reserved to move to formal sharing arrangements in future
- continued positive collaboration and sharing of best practise between the three Boroughs

Appendix 2: activity plan for implementation of recommendations

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