Report to the Extraordinary Cabinet

Report reference: C/063/2005-06
Date of meeting: 24 October 2005

Epping Forest District Council

Portfolios:
Planning and Economic Development.
Finance and Performance Management.

Subjects:
Restructure of Planning & Economic Development Services.

Officer contact for further information: John de Wilton Preston (01992 564111)
Committee Secretary: A Hendry, (01992 56 4246)

Recommendations/Decisions Required:

1.   That the new structure for Planning & Economic Development Services be agreed.

2.   That, a report be submitted to the Council recommending that the additional costs generated by the new structure be funded:

> **(a)   in the current year in the sum of up to £19,500 from savings in the Planning and Economic Development staffing budgets;**
> **(b)   in future years in the sum of up to £96,000 (offset by £18,000 per annum from the Building Control ring fenced account) as an increase in the salary budget**
> **(c)   for the purposes of recommendation 2 (b) above, the normal process for approval of CSB growth items as part of the draft budget for 2006/2007 and future years be waived and this additional expenditure be confirmed at this meeting and included in the 2006/2007 budget as a committed item.**

3.   That a detailed proposal is requested from TerraQuest to undertake further process mapping exercises in the last quarter of this Financial Year.

Report: (Portfolio Holder for Planning and Economic Development)

1.   Senior Management Review 2003 required a review of Planning Services; in particular the movement of Estates out of the Service area, and the arrival of Economic Development back to the Service area are both important.

2.   However, this is more of an opportunity to consider strengths and weaknesses including those to which Members have drawn attention. This report follows extensive dialogue with Portfolio Holders (including Councillor Metcalfe) Joint Chief Executives, Human Resources, GMB, Unison and staff at all levels within the Service area.

Issues

3.   This report will consider problems that exist with the existing structure; many of which underscore concerns about performance. It will propose and explain key attributes of a new structure as one of the solutions, and it will set out expected outcomes. It will explain the costs envisaged, and how these are to be funded. This report deals firstly with the administrative arrangements. The professional arrangements are dealt with secondly.

4.   The existing structure of the service at March 2005 is described in the family tree at

appendix 1.

5.   It will be seen from that family tree that the administrative staff operate in small disparate cells; there is no clear management or supervisory hierarchy, no clear career structure, nor are there clear abilities to provide cover for one another, whether that is to answer telephones, or cover leave or peaks of work. The staff operates on a variety of full time and part time hours that compounds the disadvantages. (In some instances the part time arrangements reflect operational need, whilst in others they reflect what budgets have allowed, or what we were able to recruit. Whilst for individuals those arrangements have worked well, or it has been better to have part time rather than no full time post being occupied, the total combination lacks clarity at least)

6.   The staff historically sit in separate areas from one another, and have had poor or limited Information and Communication Technology (ICT) systems. Members will probably recall that investments are being made to reorganize accommodation to bring teams together, and that implementation of a major new ICT system is well underway. This report is thus one element of several approaches that are taking place, or are proposed to make changes for the better. A separate report will consider the steps necessary to move Development Control best value performance indicators into the upper quartile.

7.   The structure is also being overtaken by events ranging from the departure of staff who were in Estates who dealt with accounts and invoices, and the retirement of the Office Manager; these each call for positive actions.

The Administration Restructure

8.   Attached at appendix 2 is the proposed new structure, and which deliberately shows the following attributes;
*   Most staff will be in a joint administrative team, with a clear hierarchy under one manager, and this will set supervisory responsibility, allow improved performance management and aid cover arrangements. The joint admin team is intended to sit in one area between the building control professional team and the development control professional team. The joint team will serve building control and development control using the new integrated computer system.
*   Some officers who already work within professional teams will stay in those teams, but the hierarchy of posts will better allow for staff to be swapped and develop skills across areas over time.
*   Within the joint admin team, there will be three teams, in particular a team with a customer focus, a team with special responsibilities, and the largest numbers in an application processing team. Staff will be able to rotate between teams so as to provide cover, or to gain/refresh experience.
*   It will allow future changes to be made more easily; for example, the ability to deal with future growth of work/development, or the recruitment of more staff; the changes to include improved customer/front line arrangements, both now, and, on the assumption that the Council does agree to have a customer contact centre, it would help facilitate that. It would also make it easier to reduce the size of teams if a development corporation were to be imposed upon us.
*   Specific arrangements are proposed for specific posts, so that there is clear responsibility for functions such as accounts, gazetteer, and assisting senior managers, and supervising a reasonable and comparable scale of team.
*   The teams are shown made up of more full time posts, because that reflects what is generally operationally required. Existing part time staff whose posts are deleted will be able to apply for full time positions on a job share basis, or be assimilated in accordance with the Council's agreed policies.
*   Some existing staff have skills from previous appointments or qualifications that are not being used by EFDC or to their advantage; the structure intends to create opportunities to use these existing skills more fully, and to keep developing them in line with Investors in People. The Workforce Development plan that is being created

has also strongly suggested the introduction (more accurately the reintroduction) of a technical officer level; such posts involve skills beyond administrative skills and are to take tasks from professional staff so that the professionals can concentrate more on tasks that their training particularly provides for. These posts also introduce a clearer career path.

Expected outcomes: Administration

9.   The proposals cannot be seen in isolation from other steps being taken, or which will be taken to improve performance, in particular changes to accommodation and changes to ICT. Indeed each of those supports one another.
Particular outcomes expected are;

- Administrative staff and Technical staff are effectively put into "one" team with hierarchical and balanced supervision rather than varied and rather inconsistent arrangements.
- The Service Business Manager will have much greater ability to arrange cover for absence, leave or peaks of work; if performance is not meeting targets this should be seen more easily, and be able to be responded to more easily. Supervision will be introduced into the Building Control team, and this will assist the Building Control professionals and Manager.
- Staff roles will change, but many will have greater opportunities, including clearly defined roles and future prospects. Where individuals can further raise their game they will be encouraged to do so. Many have already shown commitment to change, and a capacity to take on greater roles; their enthusiasm needs to be unleashed.
- The key attribute of the proposals is to get the right new structure for the foreseeable future; this does not equate to saying that this structure will remove all issues at a stroke, and the experience of the squad which has been agreed to remove the backlog of planning applications will be the subject of a further report.

Development Control Staffing and Performance

- Staffing levels are the most important resource in development control, which directly affects performance, and performance is important for customer satisfaction and for meeting Government targets, which over the past 3 years has determined the level of grant received from central government.   A measure of workload/staffing can be seen in the average number of cases each case officer handles each year.

- The Government states that; " If authorities are to achieve the BV109 targets, provide quality outcomes and service, and ensure case officers are not overloaded or stressed, caseloads should be in the order of about 150 per case officer or less. There should be lower caseloads where the proportion of major applications is above the national average of 3% of total applications determined. Account needs to be taken of the numbers of applications not included in the PS1 returns e.g. approval of conditions, tree applications, where this work is undertaken by case officers. Similarly the scale of enforcement and appeal work undertaken by case officers should be assessed. In authorities where delegation is lower or there are complex committee structures this will also affect caseloads."

- The defined application workload is described as follows; The case officer must study and assess the application, undertake the site visit, handle any negotiations, liaise with consultees, consider neighbour and other responses to consultation, consider any revisions resulting from consultation and negotiation, write a report for committee or delegated decision and possibly check any final decision notice before despatch. It does not take into account case officer input into other work e.g. pre-application meetings, appeals, applications not included in the PS1 return, policy work, duty planner duties, corporate initiatives, or training.
(Source: ODPM Research Summary No 4 2005)

- 1996/97 saw the last low point in economic activity and hence planning applications. 1438 were received, handled by 8 application case officers (179 cases per officer) at 63% in 8 weeks. A review implemented in April 1997 reduced the number of case officers to 7.5 Full Time Equivalent (fte), which would have meant 191 cases per officer. However, this coincided with the beginning of a continuous growth in application numbers that has continued until last year.

- By the end of 1998/99, the 7.5 (fte) case officers were handling 233 cases per year with a noticeable slump in performance to 44% in 8 weeks. Two new posts were created (one temporary) but, with workload rises, this still equated to 201 cases per officer by end of 2000/01.

- By the end of 2001/02, one more post had been agreed making 10.5 (fte) in total but still maintaining 190 cases per officer; and by 2004 this had increased once again to 214 cases per officer.

- Efficiency improvements (and by considerable effort) has meant that the performance measure had improved to 74% in 8 weeks by end of 2003/04 but this past year has seen a slight fall to 72% (and a failure to meet any of the stringent Government targets – and hence a fall in grant income) It is not envisaged that any more improvement can be squeezed out of the present system without further increased staffing or other changes.

- In tabular form, the pattern has been thus:

Year	No. of applications	% in 8 weeks	No. of case officers	Average no. of cases per officer
1996/97	1438	63%	8	180
1997/98	1622	53%	7.5	216
1998/99	1745	44%	7.5	233
1999/00	1866	48%	7.5	248
2000/01	1908	52%	9.5	201
2001/02	1998	70%	9.5	210
2002/03	2115	72%	10.5	201
2003/04	2252	74%	10.5	214
2004/05	2086	72%	10.5	199

- In terms of administrative staff, 3.5 officers were handling 1438 applications in 1996/97. This increased to 4.5 staff in September 2000 but applications have continued to increase to 2252 applications last year.   This means application numbers have increased by 57% over the period whereas administrative staff have only increased by 29%.
- The processing of applications is plainly the prime focus for professional staff, albeit that dealing with pre application discussions, post decision approval of matters the subject of a condition, general queries and correspondence also all take time.
- In considering why we have not met performance targets set by the Government it is indicative to look at what can be described as the "backlog" of work. (A more accurate phrase might be that there is an excess of work above the resources available)
- In a recent month the team had over four hundred applications being dealt with in that month; at the end of the month one hundred and fifty were over eight weeks old (this equates to one person years worth of work on applications alone)
- A separate report agreed to use a squad, and Planning Delivery Grant 3 to tackle this; however, the applications over eight weeks old are only part of the work exceeding resources issue. To achieve the highest sensible eight week performance would necessitate the professional officer dealing with the case to be starting to attend to it no later than week two; present work pressures have the tendency that the case

officer, having cleared other cases, only gets to start serious work at week four; if everything is going smoothly then a decision in eight weeks is possible, but the slightest issue of lack of replies from consultation, or whatever, means the case is then most likely not to be determined in eight weeks.

- Clearly, we need to be making changes to get the professional staff into a position where they can see applications early enough to make sure that it is exceptional for cases not to be determined within eight weeks, and to keep resources and work in better balance thereafter.
- Any previous staffing changes have tended to follow the event, or be driven by more of a crisis. "Additional" staff resources have tended to be dominated more by an increase in processing the numbers of applications, rather than being able to get on top of performance targets. We must allocate more resources as workload grows, and to allow performance to be at a level that meets and exceeds targets, and gives appropriate grant.
- The desired outcome of these and other measures is to put the performance on each of the key Planning Best Value Performance Indicators into the top quartile, and to keep them there.
- The intended outcome is not designed to lose any existing staff, albeit that roles will and must change and will be more performance orientated. Rather, career opportunities are being created such that an administrator could become a technical officer, and later a professional officer, so that we "grow our own." This is a better use of resources as opposed to expensive and non productive attempts to recruit from a limited pool of professionals who are probably more attracted to private companies or better paying positions in other Councils, or who simply do not exist.
- In the period above members also changed the scheme of delegation, which has enabled officers to take more decisions within limits agreed by Members.
- Planning Services wants to be a place where staff who come to train will want to stay, where staff who come to the offices from outside compare the whole working arrangements, atmosphere, and career prospects favourably, and do see Local Government as a positive choice, and then reflect that in the excellence of service they can and do give to the customer.

Professional restructure

10.   The need to restructure in the professional area is much simpler.

Development Control.

11.   Further changes to add to the professional team are dependent upon; the introduction of the new ICT system, completion of the administration restructure, and completion of accommodation changes. These will be the subject of a subsequent report, and will pay attention to where workload, income and other efforts to improve performance stand.

Policy Projects and Environment.

12.   The existing arrangement on the establishment is that there is an Assistant Head position (vacant since 1/4/04) and two Principal officer positions; that has been an acceptable and workable arrangement in the past, and would continue in an ideal world. Government is giving more functions to us, and changes already made to the Council's top management structure also mean more for Managers to do; accordingly, there might be a case to leave that arrangement alone. However, the importance of other changes required below, including the need to fund those from within existing resources, leads to the proposal now made, which is to advertise the existing Assistant Head post to a ring fence of the two Principal officers, and to delete the post of the successful Principal officer. Consideration can be given to the job title of the remaining Principal, to reflect that it has a managerial role, but the grade would remain the same.

13.   Other changes in the teams reflect the experience of a number of positions over the past few years, both in terms of workload, and having sensible structures below the Principal

officers.

14.   In the Trees/landscape team the growth in work leads to formalising the one full time and one part time assistant posts (which had been topped up by Planning Delivery Grant funding) and in the Conservation/design team it involves putting the Assistant position onto the establishment. (This post was the successful HERS assistant, which was funded by section 106 contributions to begin with, and latterly by Planning Delivery Grant)

15.   In the Forward Planning team there must be a boost to the scale and nature of the team to reflect changes brought in with the new Local Development Framework, including the monitoring and consultation frequencies that go with that, and reflecting the growth area agenda.

16.   In recent years below the Senior Officer there were a temporary senior position, an officer, and a trainee position. Over the last year, there has been a temporary officer, and other students.

17.   The proposal below the longstanding senior is for a permanent grade 7 post and a permanent grade 6 post. The team will also have the Economic Development Officer, and the Information and Technical Officer posts within it, and a trainee position, and an administration post.

Expected Outcomes; Professional

18.   The proposals, like those concerning administration, cannot be seen in isolation from other steps being taken, or which will be taken to improve performance, in particular changes to accommodation and changes to ICT. Again, each of those supports one another. Particular outcomes expected are;
   * Professional staff are able to concentrate on professional tasks, as technical officers, administrative staff and improved ICT better support them.
   * Posts that have been left unfilled are refilled and/or replaced, and this will help cope with workload.
   * Where workload has justified the uplift or use of temporary positions that these are made permanent; in particular, there are new Best Value indicators concerning Conservation, and an assistant to support the work of the one longstanding officer in that team is important, particularly as more design orientated work is being required generally, not only where special buildings or areas are concerned.
   * The Forward Plans team is brought back up to the numerical strength it has had in the past, and this is added to in recognition of the heavy workload it now has to bear.
   * The hierarchy in the Policy Projects and Environment teams will remain rather unusual, and less structured than in other teams; we may well need to return to this at a future occasion, as explained at paragraph 12 above.

Costs/Funding

19.   A convention in a report of this nature is to show the existing establishment (including posts with budgetary authority, but which have not yet been filled) and the proposed establishment at mid point costs. Some posts remain unchanged, but all new posts have been subject to job evaluation. A detailed spreadsheet gives full details, but because of the level of personal information contained it is not appropriate to put that into the public domain.

The spreadsheet can be summarised as follows;

Total cost now	1,865 010
Total cost proposed	1,961 110
Difference	96 100
Addition to Building control	18 100

ring fenced account	
Net additional requirement	78 000

20.   The total number of posts on the establishment changes from a total of 61.52 Full Time Equivalent (Fte) to a total of 64.72 (Fte). Which is an increase of 3.2 (Fte). 16 existing posts are changed by being deleted from the establishment whilst 17 are created; several of these have significantly greater responsibilities, and hence cost more. A schedule of posts proposed to be deleted or added is at appendix 4.

21.   A second source of funding is from the deletion of a number of existing posts; this gives some £287,000 for reinvestment in new posts. (The new posts have a cost of £383,000)

22.   The existing establishment is funded from two sources; Building Control from a ring fenced account, and other posts from the non-HRA revenue budgets of the Council.

23.   The proposed establishment is to be funded from those same resources i.e. firstly increased expenditure from the building control ring fenced account. That account has a current annual operating surplus of £50,000. Over the last two years, the account has contributed £150,000 to the costs of upgrading the Building Control, Local Land Charges and Planning computer system; whilst the new system has an ongoing revenue cost of £15,000 per annum attributable to this account, those "one off costs" will not need to be repeated. Some of that surplus needs to be used to recruit more professional staff, but it can plainly cover both a change from paying overtime costs of up to £8,000 and an increase in administration costs of some £10,000 now. At present that does not require fees to be changed, and posts will be filled having regard to workload, and whether other posts have been filled in the professional team.

24.   The third intended funding source anticipated increased planning application fee income. These fees were raised by the Government on 1 April, and to a significant extent, particularly for larger applications. We predicted that our income would rise by 21% as a result of these fee increases.

25.   Planning application fee income over the past few years is set out in a table in appendix 3.

Planning Application Fees 1997-2005
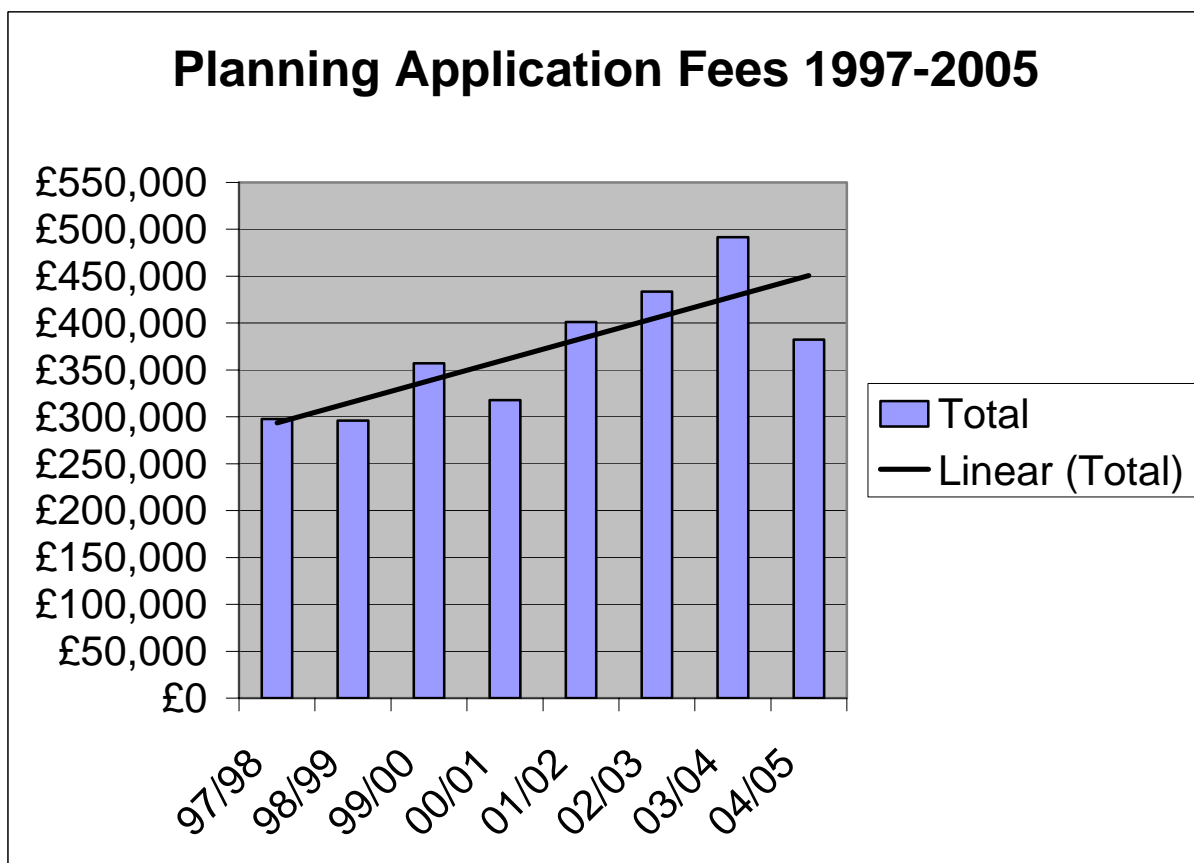
26.   The above table clearly shows that fee income has been on an upward trend until 2004/2005, and that an increase in fee income of 21% on either the 2003/2004 or the 2004/2005 totals would have provided between £80,00 and £100,000.

27.   However, several issues arise. Firstly in the Council's budgets fee income in 2004/2005 had been expected to be £470,000 and has been set as £549,900 for 2005/2006. Thus in 04/05 there was a shortfall approaching £90,000, and the income will have to recover to meet the assumption in the budget for 05/06.

28.   Had the linear trend continued, the additional costs of the new administrative and professional structure could have been met from that fee increase, within the existing non-HRA revenue budgets, without requiring supplementary estimate, or a CSB growth bid.

29.   Unfortunately, the drop in fee income presently does not give that leeway. The drop in income has been investigated, and clearly arises from there being somewhat fewer applications last year with high fees, and somewhat fewer applications generally; this may herald a downturn in the economy (for which there is now some other evidence)

30.   Accordingly a request to Council for up to £78,000 CSB funding for a full year is made to be sure that we meet the costs of the new structure as shown in appendix 2. The new posts will be introduced as soon as possible, but because this will be well after the start of the financial year, and because it will take time to fill the posts, starting at the top of the hierarchy, the first year cost will not be anything like as high. For the purposes of the report it is assumed that all posts are filled on a full time basis; however, any which when considered in more detail can be filled on a lesser basis (perhaps to accommodate retention of particular staff) would not cost as much.

31.   In due course it is expected that the fee income will return to the trend shown in the table above, and this would then provide funding in the future without recourse to a

continuing services budget of the amount now bid for. Indeed, in the first quarter of 2005/06 the estimated income was £132,000, whereas the actual was nearly £138,000. The second quarter figures should be available by the time of the Cabinet meeting.

32. From a Gershon perspective the use of ICT, and the better deployment of staff, and the focus on the most productive use of professional officer time by improving technical and administrative arrangements are notable.

33. Assimilation arrangements will be important. The basic proposition is that staff with no significant changes to their posts will be assimilated into an equivalent post in the new structure and others will be ring fenced where there is no clear match. At this stage it is not anticipated that there will be any redundancies as a result of this process. However, the progress of the assimilation and ringfencing process cannot be fully predicted and it is possible that there will be changes to working patterns, duties and associated arrangements, which may lead to a redundancy situation occurring, although this will be avoided if at all possible. Any such redundancies will be reported to Cabinet for approval. The details of assimilation, ring fencing and redeployment will be agreed with the Trade Unions, and will be in accordance with existing HR policies.

Evaluation

34. The report indicates that there are a good number of issues, and that improvements are being made and proposed, but does not give a mathematical or step by step approach to explain all existing processes, or how they would change. It is neither suggested that the process of change simply ends; rather, it is considered necessary to consider what steps to take subsequently. A number of Planning Services at other Councils have had a process mapping exercise undertaken. It is considered that such an exercise should be undertaken here; over and above what has been done already. There are three broad ways in which that might be done, as follows;

- Get an existing member of staff to do the exercise.
- Reflecting on what they have done already in connection with the ICT project, to get TerraQuest Consultants to undertake further exercises.
- Bring in completely fresh consultants.

35. On balance getting an existing staff member has the disadvantages of taking them out of their existing role, and into areas where they may not be skilled. Bringing in fresh consultants will take time for them to be briefed, and risks the obvious being stated before real insight is brought to the equation. TerraQuest has the advantage of already knowing a lot about us, our systems, people, and procedures; it is considered that they should be asked to quote for this exercise, but to also brief an existing staff member on the process used, so that the process can be used by that staff member when it is subsequently repeated on continuing refinements, or on similar exercises.

Statement in support of recommended action:

36. Doing nothing about the present performance issues described is not an option.

37. The departure of certain staff that have had responsibilities for fundamental business processes, such as accounts or post is a threat and an opportunity.

38. The proposals are one vital aspect of making lasting improvements in Planning Services, not only for customers but also for the staff.

Consultation undertaken: Key Members of the relevant Portfolios, Management Board, GMB, Unison, staff side and all relevant staff.

Councillor Metcalfe as Portfolio Holder for ICT wanted confirmation that the potential impacts of the Contact centre and transformation programme had been considered, and that staff were aware that further change was likely.

Staff side comments are; Staff Side representatives have been consulted and have broadly approved of the proposals. The new structure should offer a fairer reflection of the work now being undertaken within Planning and Economic Development and the Staff Side are satisfied that it will offer a bridge to any future contact centre restructure."

GMB comments are: 'The plans are all fine. My members in your department are happy. Thank you for the consultation'.

Unison comments are;
 1   The deletion of any posts potentially raises issues of redundancy. Clearly, Unison will protest against any probability of forced redundancies.
2   Unison will insist on the 'ring-fencing' of adverts for all new posts within the revised structure, in accordance with Council policy.
3   There is a deal of uncertainty about the Council's intentions, with regard to the setting up of a service wide customer contact centre. Naturally, Unison will closely monitor this situation.
4   One member has already expressed his individual concerns about the restructure and we would hope that you would take these into account.
5   Unison recognises that the Planning Service is well overdue for a restructure, which will require some drastic changes. As such, we would not wish for our comments to appear negative. However, clearly we must seek to protect the best interests of all staff involved.

Individual staff comments are generally supportive, and raise specific points about the details of the assimilation process. Of concern are;
- The loss of the customer support assistant post, unless the work and focus of that post are maintained in the new structure
- The loss of a Principal Officer post, both because of workload and loss of possible career progression
- Whether the structure, in particular the Forward planning team, will be adequate to cope with the complexities of the Local Development framework and other work pressures

Resource implications:

Budget provision: As set out in the report.

Personnel: As set out in the report

Land: Nil

Community Plan/BVPP reference: A number of BVPIs, such as 109 (a), (b) and (c) are relevant.

Relevant statutory powers: Processing times for applications (whether building or planning) and processing of invoices are particularly relevant.

Background papers:

Environmental/Human Rights Act/Crime and Disorder Act Implications:

Key Decision reference: (if required) The total costs and importance of these matters make this a key decision.