

Report for Resolution

Report to Executive
12 November 2008
Report of Head of Planning and Regeneration
Subject Planning Improvement Plan – Phase 2

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Purpose

This report details the second Phase of the Planning Improvement Plan that:

- Responds to the Audit Commission's Report published on 4 August 2008
- Considers the implications of Norwich City Council's Corporate Plan priorities (which includes a priority to "implement the planning improvement plan, including improving customer service")

The development and delivery of this second Phase builds on the first phase undertaken in 2007 (reported to Executive on 3 October 2007 Item 7)

Recommendations

- (1) To endorse the aims and workstreams listed in paras 8 and 9 of this report for the second phase of the Planning Improvement Plan;
- (2) To agree the principle that the Housing and Planning Delivery Grant award for 2008/09 and underspend from 2007/08 is directed, as encouraged by Government, to support the delivery of planning services and particularly the implementation of PIP2 at the discretion of the Director of Regeneration and Development through the Performance Management Improvement Board; and
- (3) That the Performance Management Improvement Board receive quarterly updates to review progress and take further decisions as required

Financial Consequences

It is proposed that the financial consequences of the report be met through the use of existing planning budgets and Housing and Planning Delivery Grant for 2008/09.

The full year effect of the second phase of the Planning Improvement Plan will be incorporated into the 2009/10 Service & Financial Planning Process. This of course will be subject to the normal budgetary approval process.

Risk Assessment

The need to improve the Planning Service has been recognised by the Council previously and this has been underlined by the recent Audit Commission Inspection of Planning Services. Failure to improve the Council's Planning Service poses short term financial and reputation risks to the Council, particularly through the cost implications of fighting planning appeals against failure to determine applications within the required time. There are also longer term risks to the City should the planning service be unable to plan adequately to deliver the growth agenda.

Strategic Priority and Outcome/Service Priorities

The report helps to directly achieve the corporate objective to "implement the Planning Improvement Plan, including improving customer service" as well as indirectly several other corporate objectives:

- Complete the joint core strategy and start its implementation
- Bring to completion the Northern City Centre action plan
- Protect economic development sites from being used for other land use purposes
- Deliver the Growth Points programme
- Increase the provision of play facilities and services in the City, in particular by the use of section 106 monies
- Produce a programme to improve the accessibility of our services
- Implement corporate customer care standards for all services, including contracts
- Develop a member development programme, including the members charter
- Publish an outline framework for the new council, and supporting discussion documents

Executive Member: Councillor Morrey - Sustainable City Development

Ward: All

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Background Documents

Executive Report – 3 October 2007 – Planning Improvement Plan –Item 7
Audit Commission Report on Planning Services – August 2008

Report

Background

1. The purpose of the Planning Improvement Plan (PiP) is to develop and deliver a second phase of improvements for the planning service that:
 - Builds on the first phase of the Planning Improvement Plan implemented by the Council from October 2007 to date;
 - Responds to the Audit Commission's Inspection of the City Council's Planning Service published on 4 August 2008; and
 - Reflects the implications of Norwich City Council's Corporate Plan priorities (which includes a priority to "implement the planning improvement plan, including improving customer service").
2. It builds on phase 1 of the Planning Improvement Plan (PIP1) which was agreed by Executive Committee in Oct 2007 which contained six outputs:

Output 1 – To have a full complement of staff by the 31st January 2008.

Output 2 – Develop and implement a Development Team approach to major applications.

Output 3 – Adopt a project management approach to all applications.

Output 4 – An improved pre-application service in place from December 2007.

Output 5 – From April 2008 the Council will adopt a more robust approach at the validation stage.

Output 6 – A senior negotiator will be in place from December 2007 to take a strategic view (during the pre-application stage) in relation to the growth point status and corporate objectives e.g. in relation to health, education and highways
3. Stage 1 of the PiP has substantially been implemented (albeit some matters have taken longer than anticipated) and this is beginning to have an impact on performance figures. Service performance as measured by the key performance indicators are gradually improving. In relation to the 4 categories measured regarding speed of determination of planning applications, performance over the first half of 2008/09 has improved compared to performance over 2007/08. However, performance generally remains below target levels and there is clearly a need to improve further. This is particularly the case in relation to the major applications.
4. The need to drive forward improvement to the Planning Service was recognised in the Audit Commission inspection of planning services that was conducted in May this year and published in August. The inspection found a number of positive aspects to the service particularly: it is enabling development which creates positive outcomes for local people, planning policy development is progressing well, a good range of design and other advice is available, and the service is having a positive impact on the design quality and historic fabric of the city.

5. However, the inspection also found there were a number of weaknesses with the service, particularly: satisfaction is low, service standards are not in place, planning enforcement function is reactive and under-resourced, and the speed with which applications are determined remains below Government expectations. The summary of the service inspection and recommendations is attached as Appendix 1 to this report.

Stage 2 of the Planning Improvement Plan

6. To respond to the Audit Commission report a draft version of stage 2 of the Planning Improvement Plan has been prepared and was considered by the Performance Management Improvement Board on 25th September.
7. The report considered by the Board was an early draft of the emerging plan. It looked at each of the 14 individual sub-recommendations in the Audit Commission report and actions to follow through on stage 1 of the improvement plan. The progress that had been made in relation to each recommendation and action since the inspection was identified and from this a long list of 29 separate tasks was identified.
8. A number of tasks overlapped with one another and they were refined into 5 particularly workstreams with the intention that duplication could be minimised and work could be phased in a manner to reflect resources available and prioritised to deliver quick wins. The five work streams identified were as follows:
 - Improving Learning and Customer Focus – Tasks under this workstream would include exercises to learn from best practice being employed in other local authorities, the review of current information sources (especially web based) to improve self service, and reinforce ways of obtaining and responding to customer feedback.
 - Improving Service Standards and Efficiency – Tasks to include developing and embedding service standards, reviewing delegation arrangements, and benchmarking the value for money of service provision.
 - Service Re-engineering and Restructuring – Tasks to include the physical and managerial restructuring of the development management service to ensure better co-ordination of professional and technical staff and greater ownership of performance indicators, reviewing and improving the enforcement and legal capacity available to the service, and undertaking a business process re-engineering exercise of development management processes.
 - Building Officer and Councillor Capacity – Tasks to include improved workforce planning to better align service plan priorities and individual appraisals, development of improved training plan for members of the Planning Applications Committee and officers serving the Committee, and purchasing of improved audio/visual aids for use at Committee meetings.

- Following through on PIP1 – Tasks to include embedding the development team approach within the development management service, publication of developers pack and introduction of revised approach to validation from 1st December. It is hoped to be able to introduce a system of charging for pre-application advice on major developments by April 2009 although this will need to be subject to separate member approval and will be dependent on being able to improve service levels to guarantee service standards for fee producing services.
9. The aim of stage 2 of the planning improvement plan is to increase the rate of improvement being seen in the planning service with the expectation that from April 2009 the planning service will be able to demonstrate across the service that it meets the Audit Commission expectation of being “a service that consistently delivers above minimum requirements for users, is cost-effective and makes contributions to wider outcomes for the community”.
 10. The plan should also have a significant impact on key planning performance indicators. This should enable targets set in the corporate plan for 2009/10 to be met. It should, however, be noted that irrespective of the rate of improvement in the planning service over the rest of the current financial year it is unfortunately inevitable that performance targets for 2008/09 will once again be missed.

Resources

11. The costs of delivering stage 2 of the Planning Improvement Plan are still under investigation and will not be known for some time. However, work can be programmed to ensure that it fits to the budget available from the Housing and Planning Delivery Grant (HPDG).
12. The provisional allocation of HPDG to Norwich City Council for 2008/09 is £513,573. The grant is not ring-fenced but government strongly encourages local authorities to invest the money in their planning services and authorities must split their grant for 2008/09 67% for revenue and 33% for capital.
13. The total grant has been subject to consultation and is expected to be confirmed shortly. Norwich City Council has confirmed that its allocation has been calculated correctly and the award should be received in October. Notwithstanding this the total may be adjusted to reflect discrepancies in awards to other Councils, and adjustment is likely to be downward.
14. The HPDG is significantly higher than previous awards of Planning Delivery Grant that the Council has received, this is primarily due to the emphasis of the HPDG of rewarding Councils that deliver growth rather than those whose performance indicators are good. Norwich City Council has consistently delivered high numbers of new homes (expressed as a proportion of housing stock). Had more progress been made on delivering forward planning documents the award would have been substantially more (if the authority had adopted a core strategy then it would have received at least £500,000 more).

15. It is expected that HPDG will be awarded using the same mechanism for 2009/10. The provisional and conservative estimate of the likely award level of the award is £400,000 and it is suggested that this estimate be built into planning service budgets for 2009/10. In further years the grant is likely to be re-directed to support the delivery of affordable housing.
16. It is recommended that the HPDG award for 2008/09 is directed, as encouraged by government, to support the delivery of planning services and particularly the implementation of PIP2 at the discretion of the Director of Regeneration and Development through the Performance Management Improvement Board. It is critical that provision continues to be made for sustaining and supporting those work areas in which the service is performing well e.g. protecting and enhancing the city's heritage, investing in regeneration initiatives and developing future planning policy and not solely directed to the development management service.

Summary

- 1 The planning service offers a 'fair' one-star service with 'uncertain' prospects for improvement.
- 2 The service is delivering many of its key objectives such as very high levels of affordable housing, protection and enhancement of the city's heritage, investing in regeneration initiatives and developing future planning policy in conjunction with neighbouring authorities. The service is having a positive impact on the quality of Norwich as a city.
- 3 The service is contributing well to many wider environmental and other objectives. It is improving energy efficiency, helping through provision of sustainable development measures to reduce the number of vehicles crossing the inner ring road by 24,000 between 1998 and 2007 and seeking to improve the deprived areas of the city. The service is improving accessibility to services and facilities for all residents, for example as at Cinema City.
- 4 The Council is taking a lead in reducing its own carbon footprint. For example, the Council's green travel plan has resulted in the proportion of Council employees walking or cycling to work has increased from 33 per cent in 2006/07 to 46 per cent in 2007/08. Energy efficiency of the Council's council house stock is above the national average. Norwich also has the second highest proportion of residents travelling to work by walking or cycling in England in 2007: 32 per cent in comparison with 40 per cent in Cambridge.
- 5 However, the service has been less successful in other areas. For example, it has had less impact on increasing the availability of employment land for small businesses, a key economic objective for the city. It is also not yet effective at dealing with people who breach planning regulations and monitoring compliance with planning permissions. Councillor training and workforce planning are not fully effective. The speed in which planning applications are determined is improving but is below government expected standards for major applications.
- 6 The service does not maximise its learning from customers and response to customer needs is mainly reactive. For example, customer standards are not in place across the service. The planning applications committee is during the working day and the public and service users have not been consulted on the timing. Training on human rights, diversity and equality is limited and the service does not actively monitor compliance. There is a lack of systematic service analysis to ensure that the needs of hard to reach groups are being met and learning from customer complaints and comments has been reactive not systematic and proactive.

6 Planning Inspection | Summary

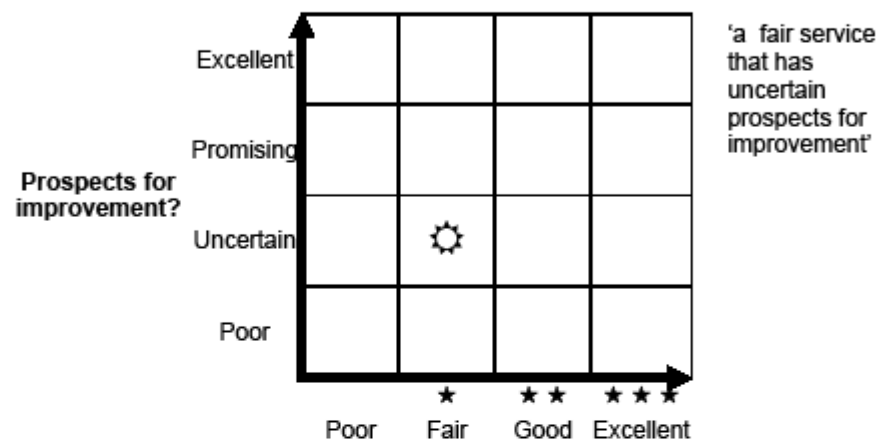
- 7 The planning service has a mixed track record in delivering improvements. Local Development Framework (LDF) milestones are being broadly met; the service has been successful in achieving a growth point bid for the greater Norwich area with partners and is having a positive impact on the environment and local heritage. However, the Council has been a Planning Standards authority for the last three years and customer satisfaction with the Planning Service fell from 73 per cent in 2003/04 (below average against other district councils) to 52 per cent in 2006/07 (at the level of the worst districts).
- 8 Earlier attempts to improve development control have not been fully effective. The Council was unable to deliver its first Planning Improvement Plan (PIP) 2004/07 because of a historical lack of corporate commitment to improving development control. In addition, recruitment difficulties led to a persistently high number of vacancies in the development management team and problems associated with the introduction of an electronic document management system for development management. The performance management framework has not driven consistent improvement and Scrutiny has been ineffective. The council has not previously recognised the importance of development control in delivering wider objectives.
- 9 The Council has been unable to deliver improvements to increase its effectiveness. Electronic systems do not meet the business needs of the service. Staff regard existing systems as a barrier to improvement, in particular the cost of system improvements and the time it takes to achieve them. The planning service cannot demonstrate steady improvement in value for money. In 2004/05 net expenditure was £1.26m and this rose to £1.79m in 2007/08 (a 42 per cent increase), even though there were a considerable number of vacant posts during that period. The service has not made effective use of Planning Delivery Grant (PDG).
- 10 Capabilities are not consistent across the planning service. Customers report inconsistent advice on the same subject provided by different officers, particularly in relation to development control matters. Inconsistent advice has also been provided to councillors at planning applications committee. Councillor capabilities are also inconsistent and training is not well developed.
- 11 However, the service is self aware of its weaknesses and what it needs to focus on to improve and corporate commitment at both senior officer and politically has now made service improvement a priority. Planning is central to the Council's growth objectives and corporate support for the service has increased. Priority objectives in the second Planning Improvement Plan have been achieved and most staff vacancies filled. Senior management capacity has been increased with an eye to the development of a performance management culture.
- 12 The planning service has a clear vision for what it wants to achieve and this sits well with corporate objectives. Work is underway to make service plans better fit for purpose. Targets have been made more meaningful and will inform the developing team plans and personal appraisals. Appraisals are happening and staff value the opportunity for dialogue and the setting of personal targets. Staff understand the contribution they can make to corporate objectives. Morale is good and there is an expressed commitment to service improvement.

Norwich City Council

Scoring the service

- 13 We have assessed Norwich City Council as providing a 'fair', one-star service that has uncertain prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Table 1 Scoring chart¹:



A good service?

Source: Audit Commission

- 14 The service is a fair, one-star service because:
- the service is enabling development that meets most local, regional and national priorities creating positive outcomes for local people;
 - planning policy development is progressing well using effective partnership with other councils;
 - a good range of design and other advice is available to the public to shape future development;
 - the service is having a positive impact on the design quality and historic fabric of the city;

¹ The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

8 Planning Inspection | Scoring the service

- the service is making a positive contribution to wider corporate aims such as making Norwich safe and secure;
- the Council is helping to meet wider environmental objectives; and
- the service has been successful in attracting external funding to deliver service objectives.

However:

- service users are not receiving a consistent service from development control;
- satisfaction with the planning service is low;
- service standards are not in place across the whole service to help the public know what standard of service to expect;
- the service is not maximising learning from others across the whole service and response to customer needs is mainly reactive;
- the service has had limited impact on increasing the availability of employment land for small businesses, a key economic objective for the city;
- the planning enforcement function is reactive and under-resourced;
- the speed in which planning applications are determined is improving but for major applications remains below Government expectations; and
- the service cannot demonstrate value for money.

15 The service has uncertain prospects for improvement because:

- there is a mixed track record in delivering improvement and development control track record of improvement is weak;
- earlier attempts to improve development control have not been effective due to a historical lack of corporate commitment to improve development control and understand its role and high levels of staff vacancies;
- financial and service planning has been weak with limited understanding of the costs of the service and comparative benchmarking;
- officer and councillor capacity is not consistently strong and there is some role confusion; and
- IT systems are cumbersome and mechanisms for improving them are slow.

However:

- staffing problems have been overcome by improving salaries and developing staff capabilities in house. Senior management capacity has been strengthened through restructuring and recruitment;
- priority actions of the Performance Improvement Plan have been achieved and the service is self aware about the next priorities;
- corporate support for the planning service has increased and the Performance Management Improvement Board (PMIB) has adopted planning as a focus for improvement;
- the service is self aware of the priorities for improvement and has already begun to address weaknesses in financial and service planning. There is a corporate commitment to address deficiencies IT systems; and
- appraisal is happening and is valued. Staff morale is good.

Recommendations

- 16 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the council. In addition we identify the approximate costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context the inspection team recommends that the council should do the following.

Recommendation

R1 Improve the customer focus of the service through:

- *developing a more systematic approach to learning from comments and complaints;*
- *service analysis to ensure the needs of hard to reach groups, the public, service users and key stakeholders are being met through service delivery; and*
- *developing and promoting service standards that reflect the needs of users across all service elements and monitoring them to ensure they are met.*

The expected **benefits** of this recommendation are:

- equitable service delivery to all members of the community and better customer focus;
- service information and delivery arrangements that meet the needs of the public and key stakeholders more effectively;
- improved demonstrable learning both within the service and across service elements; and
- better promotion of priorities and service standards to the public allowing more effective engagement with the service.

The implementation of this recommendation will have **high** impact with low costs. Service standards and complaints monitoring systems should be developed by February 2009 for on-going implementation.

² Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 percent and high cost is over 5 per cent.

Recommendation

R2 Improve service efficiency and effectiveness by:

- *undertaking a systematic business process re-engineering review of the planning service, prioritising the needs of development control and enforcement to ensure that work processes are efficient, future information technology requirements are assessed and the service improvement plan is reviewed and resourced to implement findings;*
- *addressing current weaknesses in the enforcement service;*
- *improving the legal capacity to the service;*
- *considering whether to increase the level of delegation where appropriate to speed up the planning application decision-making process;*
- *developing, implementing and monitoring service indicators to measure and improve service efficiency and value for money; and*
- *introducing effective workforce planning to address the future needs of the service.*

The expected **benefits** of this recommendation are:

- improved management of value for money;
- more efficient and effective service delivery to the public; and
- better preparedness to meet the demands of 'growth point' status.

The implementation of this recommendation will have **high** impact with **medium** costs. This should be implemented by December 2008.

Recommendation

R3 Improve the effectiveness and capacity of councillors and planning related committees by:

- *regularly reviewing the delegation agreement and its implementation;*
- *ensuring that the chairs are given suitable training and support to fulfil their role;*
- *the standardisation of reports and committee training for planning officers to ensure staff fulfil their role as professional advisors to councillors effectively;*
- *on-going regular and compulsory training for all councillors involved in planning related decision-making; and*
- *updating the basic planning knowledge of all other councillors.*

12 Planning Inspection | Recommendations

The expected *benefits* of this recommendation are:

- ensuring councillor skills and knowledge are kept up to date to enable fair, consistent and transparent decision-making;
- supporting other councillors understanding of the planning system to help them deal effectively with planning enquiries from their constituents and to operate their scrutiny role effectively; optimising the skills of officers and councillors in improving performance and value for money; and
- ensuring appropriate conduct and probity to reduce potential risks to the Council.

The implementation of this recommendation will have **high** impact with low costs. This should be implemented by December 2008.