



**Policy Finance &
Development**

3 February 2015

Matter for Decision

Title: **SERVICE REVIEW PROGRAMME FOR 2014/15**

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OFFICER**

1. Introduction

This report updates members' on the earlier report to this committee of 29 April 2014 which outlined the services reviews that were due to be carried out. With the continuing public sector funding cuts it is necessary to continually review services in order to maintain the delivery of the Council's Corporate Priorities, particularly that of frontline services. This report sets out the progress on the reviews of the Customer Services Transformation Programme and the Planning and Building Control services.

2. Recommendations

That members':

2.1 Note the progress made with the Customer Services Transformation Programme

2.2 Note the outcome of the reviews of the Planning Policy and Planning Control services

2.3 Note the outcome of the review of the Building Control Services and approve that the Director of Services follows up the recommendations of the review to look at alternative methods of delivering Building Control services. A report to be brought back to this committee within the next six months

3. Information

3.1 The transformation of the organisational structure over the past 2-3 years has resulted in salary savings of over a million pounds. These savings have significantly contributed to the balancing of the year on year budgets which has enabled front line services to continue to be provided. The public spending cuts are due to continue with approximately one million pounds of further savings predicted as necessary to balance the budget in 2016/17. It is therefore necessary to plan ahead to ensure that services are structured in the most cost effective and flexible way. Set out below is a summary of the current position with service reviews.

3.2 Customer Services Transformation Programme – In July 2014 members' endorsed the proposed programme including the relocation of the Customer Services Centre to Wigston Town Centre together with a transformation of how the service is delivered to meet the vision of the Council delivering a consistent and high level of customer service across the organisation. At present, the project is on target for the new centre to open in July 2015 and within the capital budget approved of £157,000 by this committee on 23 September 2014. The additional one-off revenue costs of £45,000 have been included within the draft General Fund estimates for 2015/16. The on-goings

savings are predicted to be approximately £100,000 year on year after the first two years of setting up. In relation to the specific strands of the project:-

- (i) **The premises** – the draft lease for 40 Bell Street, Wigston is progressing alongside the design and building works with an agent appointed for the procurement and supervision of the works.
- (ii) **Staff and service migration** - an exercise of determining which back office processes can be migrated to the front line services at the centre is underway across all service areas. An informal consultation period with affected staff and their line managers has commenced with invites to attend briefing sessions with Human Resources and one-to-one sessions. The proposed final structure will be presented to Senior Management Team for approval.
- (iii) **Electronic communication** -A procurement exercise is underway using a Government framework (G-Cloud) to obtain an appropriate Customer Relationship Management (CRM) system. A CRM will assist the efficient management of customer interactions with instant access and automatic updating of information.

The Council in partnership with Hinckley and Bosworth BC, Blaby DC and Melton BC have been successful in their bid for the Transformation Challenge Award 2015/16 funding to provide the authorities with a common digital platform. This will partially offset the costs of the introduction of a CRM system.

- (iv) **Branding and Communications** – proposals for the branding of the new Customer Services Centre and a new Customer Service Charter will be considered at the next Customer Services Task Group meeting .

- 3.3 **Planning Policy, Planning Control and Building Control** – the review of each of these services have been carried out by an external consultant and are now completed. The overall purpose of the reviews was to ensure that the services are cost effective and transparent and give confidence to members' and the public in the planning process. In relation to Planning and Building Control, both of these services are mainly application led services, it is therefore important to ensure that the processes are robust and technology is fully embraced.

The reviews assessed the work currently carried out by the teams; their work programme going forward; their priorities, resources and skill set. This was to assess that the best use of resources is made; the service is adequately resourced and well positioned to carry the requirements of the Council forward. The assessment included interviews with all of the individual staff within each team and consultation with members' and customers.

- (i) **Planning Policy and Regeneration** – There are two elements to the service, Planning Policy and Regeneration. The scope of the Planning Policy is primarily to produce and keep up to date the Local Plan and associated supporting documents and to provide policy advice to the Planning Control team. The Regeneration element of the team is delivered through a shared service arrangement with Hinckley and Bosworth Borough Council. Its scope is primarily to promote inward investment into the

Borough and the delivery of development projects and provide Town Centre Management advice and assistance.

The review concluded that there is a good track record of delivery by the team in relation to the Local Plan and the delivery of some major projects by the Regeneration team such as the recent Public Realm works in the town centres of Oadby and Wigston. The shared service arrangement works well and a further three year agreement is currently being negotiated.

It was identified that in terms of internal relationships there needs to be increased joint working and communication between the Planning Policy, Planning Control and Community services.

In terms of capacity, the nature of the work programme is that there will be “peaks and troughs” with a potential lack of resilience in the team at “pinch points” in relation to the Local Plan. To address this, budgetary provision has been made to address where essential external expertise is required during the programme for producing the Local Plan. In addition the Duty to Co-operate agenda will create additional work and pose new challenges. There are no proposed changes to staffing levels at present.

- (ii) **Planning Control** - the scope of the service is primarily to process planning applications/ planning related applications; deal with planning and enforcement appeals; provide pre-application advice and general advice and guidance on development and related matters.

In view of this service being application led, the assessment involved an initial gathering of baseline information on volumes of applications/pre-application enquiries and staffing levels. The nature of the Borough is that there are limited major applications (In 2013/14 of the 510 overall applications, there was only 13 major applications). In terms of assessing the target productivity and staff numbers required for the number of applications that the service handles, various assumptions were made as being in place, such as streamlined processes and decision making with simple documented procedures. The review's findings included that there is some improvement to be made on the clarity and documentation of processes with a recommendation for a Service Improvement Plan to be drawn up and implemented. It was also recommended that there is to be a review of the roles of the team to ensure that there is an appropriate skill mix and there is full utilisation of the experience of professional officers. On this basis, the review did not conclude that there was a lack of capacity within the team. The outsourcing of the service to the private sector was not considered as a viable option due to the small numbers of staff and applications.

The same issue of the need for increased joint working and communication between Planning Control and Planning Policy was identified through this review.

The relatively small number of responses to the consultation on issues such as communication and consistency of advice did not give an overall consensus one way or the other of the quality of the service.

Since the review, through natural progression, there has been a reduction in the number of staff within the service area and the staffing numbers are

virtually as recommended through the review. The reviewing of working practices and skill mix has already commenced with the team as a whole having an input into the future streamlining of the service.

- (iii) **Building Control** – the scope of the service is primarily to process applications for Building Regulations approval, providing guidance and enforcing Buildings Standards. The workload is split into two areas; Building Regulation fee earning work and statutory non fee earning services. The Local Authority can set its own level of fees and these should be set at a level that recovers cost whilst ensuring acceptable service levels. The introduction of Approved Inspectors and Private Sector alternative service providers has created a challenging market for Building Control services resulting in Local Authorities experiencing a significant reduction in market share and subsequently fee income.

The review included an assessment of volumes of applications, staff numbers, market share and financial position. The service cost in 2013/14 was £282,000 with fee income of only £75,000. (26.5% of the team's activity) This may reflect the fees set are too low, excessive overheads, excessive time spent on non fee earning work, insufficient volume for level of resources. In terms of standard fees (application and inspection fees) these were considered to be charged realistically, but non standard individually determined fees are set too low to recover service costs. However, as referred to earlier, the problem is the competitive market that Local Authorities are facing from Approved Inspectors and in this Borough, the majority of applications being householder applications.

The conclusions and recommendations of the review is that there is not the critical mass to continue to provide the service in its existing form to cover the high overheads involved in providing an in-house service. The recommendations suggested that options should be considered in more detail which include

- Outsource or form a joint venture with a private sector consultancy
- Continue the service as at present, secure a commercial consultant to implement and maintain the improvement plan
- Reduce the size of the service to the minimum required by the Council but establish a “top-up” capacity, resilience and commercial support partnership with a private sector organisation
- Establish a service that delivers minimum statutory services
- Collaborate with other Local Authorities

All teams have received the feedback from the reviews.

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Background papers: Report to Policy Finance & Development committee of 29 April 2014

Implications	
Financial (JD)	Financial implications contained within the report and any further update will be submitted to members in due course.
Risk (AC)	CR1 – decreasing financial resources; CR8 – Organisational /Transformation Change
Equalities (AC)	Equality impact assessments will be carried out as necessary
Legal (AC)	No significant implications