

Case study

Out of the box: innovative approaches to maintain and enhance planning services



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Summary

This case study showcases some of the initiatives local planning authorities (LPAs) are taking to maintain, retain and enhance their planning service. This is within the context of LPAs losing almost 50 per cent of their funding on average between 2009/10 and 2012/13 (see [Gaming the Cuts: Anyborough in 2018](#) published by NLGN in 2013), and with further reductions expected.

The case study includes a set of tips for councils that might be considering pursuing one of the models showcased here. These are:

- Identify what you are trying to achieve: each of the models set out here have their own strengths and weaknesses, and having a clear sense of where you want to get to will influence which ones may be right for your circumstances
- Play to your strengths: what are the skills that your team is highly regarded for? This will have a bearing on the models that will work best for you
- Assess officer attitudes: some of the models described here involve fundamental changes to the working environment of existing staff, and that will be challenging for many people
- Secure elected member support: all the case studies reported high levels of support from councillors – but it is important to involve them from the start because some models might be unacceptable in certain political circumstances
- Risk assess the preferred solution: you might think you've got a good idea, but will it work in practice? You will need to develop ways of finding out
- Ensure probity: your model will be above board, but is that clear to the outside world? Think about how to make your initiative transparent to residents, customers and users and other interested stakeholders

These are based on the experiences of five LPAs:

- **Essex County Council:** non-statutory planning and land management and assessment functions transferred to Place Services, a publicly-owned environmental consultancy that established a trading account and is currently evaluating its final delivery model (for example, local authority trading company or another vehicle with company status)
- **London Borough of Southwark:** established an internal consultancy service between planning and other departments and divisions such as regeneration and housing
- **Peterborough City Council:** hires out staff to other authorities that are short-staffed across policy, development management and technical support
- **Birmingham City Council:** establishing a graduate hub to nurture and retain early career professionals
- **Newcastle City Council:** moving from a long-term shared service arrangement for archaeological and historic building conservation advice between five local authorities to bespoke service level agreements (SLAs).

Case studies

Place Services, Essex County Council: towards a commercial trading company

What's happened?

Essex County Council calls itself a commissioning-led authority and has seven outcome-based commissioning strategies; one of these is 'People in Essex experience a high quality and sustainable environment.'

The transition to the county commissioning and procuring services included a restructure that transferred Natural Environment, Historic Environment and Built Environment services, and elements of the planning team, into an organisation called Place Services, which now operates as a publicly-owned environmental consultancy. The services it provides include planning (assistance with policy, development management and neighbourhood planning), urban design and landscape architecture, heritage and conservation, ecology, arboriculture, and public art strategy and implementation.

The ultimate objective is to establish Place Services as a commercial trading company so that it can trade with private sector companies as well as with existing public sector customers such as other local authorities, Natural England and Historic England.

Why?

In 2010 Essex County Council estimated that it was going to have to make savings of £250 million in the six years to 2016. In response to this, the then Environment, Sustainability and Highways Department conducted a review of its services and appraised the options available for how it could continue to deliver these services, ranging from making no changes through to a complete outsourcing.

The preferred option at that time was to establish a local authority trading company because it provided an opportunity to retain staff and protect the national reputation of some of its expert services, such as conservation, by creating new income streams from both the public and private sectors. If successful, Place Services will deliver a surplus to the local authority that can help to offset the impacts of cuts in other service areas.

Is it working?

Place Services had its first year trading with its own account, under the auspices of Essex County Council but with a requirement to not run at a loss, in 2014/15. It operated under a full cost recovery model and paid the county council for all the facilities and services it utilises such as rent for premises and hire of back office staff, as well as employing around 30 staff. This was an important milestone in the transition towards becoming a trading company.

Benefits

Emma Woods, Head of Place Services, says that the main benefit of the approach adopted by Essex is that the county has been able to retain its team of specialists and continue a focus on maintaining and enhancing the county's environment:

'Whatever solution we chose [to continue to fund the service] had to acknowledge that we needed to look after the environment in Essex. There was a feeling that if we simply outsourced this to a national company we would lose some of the passion and expertise we have for the environment.'

For staff that have remained with Place Services, the consultancy can now offer rather more certainty than other local authority planning services. This is because they are in a position to actively recruit work rather than being restricted only to work generated within the county. For example, Place Services clients now include councils as far afield as Lincolnshire and the West Midlands.

This wider work is providing employees with an opportunity to increase their work experience and knowledge. The need to continue to generate income is also helping to make the case to invest in staff training, something that conventional local authority planning services may be finding more of a challenge with reduced budgets.

Risks and how to overcome them

The most obvious risk is that Place Services will not win enough work, run at a loss and have an insufficient surplus from previous financial years to cover it. To help minimise this risk the county council has taken a phased approach. For example, it has started by trading with an account prior to setting up a company. Emma Woods says that this transitional period:

'has really focused our minds on how do we work in a commercially viable way and deliver services... the customer experience has actually improved because of the changes.'

Another important risk mitigation is that Place Services secured 65 per cent of the work it needed before the first financial year began, including the contract for the county council to provide a range of services including planning, heritage and conservation, arboriculture and ecology expertise.

There is no guarantee that Place Services will win work from the county council. Losing that contract would potentially jeopardise one of the initial objectives, which is to retain local expertise. Emma Woods reflects that:

'There is an emphasis on using Place Services when it is in the best interests of Essex County Council – commissioners are very aware that this is public money that needs to be spent in the best way, and they are not going to over pay for anything. Place Services is able to offer competitive charge-out rates for a highly experienced team.'

Peterborough City Council: adopting a collaborative approach

What's happened?

Peterborough's planning department is undertaking policy planning and hiring out development management and technical staff, when it has availability, to other authorities that have a gap in capacity or expertise. This enables Peterborough to generate income, retain its own staff and provide new challenges and experience for the staff involved. The authorities using Peterborough's services and staff benefit from having access to a team with a proven track record of plan making at a cost that is less than agency or consultancy rates.

In determining how to formalise the business relationship between Peterborough and its client authorities, the council considered numerous trading models. It chose a collaborative approach using service level agreements because it involved a minimum of bureaucracy to administer, which made it easier and cheaper to run.

Why?

Richard Kay, Head of Sustainable Growth Strategy at Peterborough City Council, says that the authority:

'successfully went through the production, examination and adoption of its own local plan. That success has undoubtedly been attractive to councils that have approached us for support in the production of their own plans.'

The work of the policy team helped the LPA to win the 2015 RTPI award for local authority planning team of the year.

However, at the end of its local plan process the council's policy team faced a reduced workload. The economic downturn also meant that the LPA was receiving fewer planning applications. Managers were reluctant to lose staff who had a track record of high quality work, especially given the council's growth ambitions and the need to be ready for the eventual upturn.

Through local networks planners learned of other authorities that needed support in the production of their local plans because they had capacity and skills gaps. They took the initiative to suggest that Peterborough could assist because of its spare capacity.

Is it working?

Peterborough's policy team has been working in a number of different LPAs locally, and as far away as Central Lincolnshire.

Over time Peterborough has extended the range of services it provides to include technical support, development management, viability appraisals and managing Section 106 obligations, strategic housing and building control. It has also helped some councils to better utilise and exploit their back office software to improve case officer performance management and work flow systems and reporting.

Fenland District Council is one of the authorities that hired Peterborough staff. It used some of Peterborough's policy planners to help prepare the local plan, which has now been adopted. They also provide ongoing assistance with neighbourhood planning.

Based on the success of these arrangements both councils are now examining the feasibility of establishing a shared service with a single head of planning and one technical and administrative team servicing both local authority areas.



Overall, Peterborough has had more demand than it can fulfil, and is looking at options for the next phase of commercialising the service.

Benefits

The primary benefit for Peterborough is that it has been able to retain existing staff. As Nick Harding puts it:

'We constantly see how difficult it is for local authorities to get decent staff and this is a way of hanging onto that resource and delivering against the income targets.'

The Peterborough staff who are working in other authorities report benefiting from working in other authorities and geographic settings. One officer says:

'It was great to be able to get experience in a rural district authority as the caseload was quite different in character compared to working in an urban unitary and also the working relationships with key consultees and members had a different dimension.'

The authorities using Peterborough benefit from being able to have discussions in advance about who will work for them, and can establish a relationship that is different to the typical agency experience where 'you don't know who you are going to get'. Peterborough's charges are also cheaper than agency fees as the council is only looking to cover costs. For example, Graham Nourse, Head of Planning at Fenland District Council, confirms that using Peterborough's policy planners has been 'at less cost than using agency staff or consultants.'

Risks and how to overcome them

Staff initially reacted warily to being asked if they would like to work in another authority as they perceived this as reflecting poorly on their existing performance or that it might put them at greater risk if there were to be budget reductions. However, Nick Harding says that the opposite is true:

'For Peterborough there is an issue of reputation: why would I place someone in another council who is not very good? I hire out the right calibre of people because I want to show other authorities that we can do this and do it really well at a good price.'

Over time staff have come to realise that selling their services actually helps to secure their positions, which has led to more acceptance of the initiative.

There are potential risks around staff not being accepted by the teams in which they are placed or not being the right 'fit'. They may not even like their new place of work. However, Nick Harding says that 'so far these risks have not really materialised.'

A key challenge is to ensure that the reduced number of staff that remain in Peterborough are not overstretched. There have been periods where this has happened within the development management team. The solution has been to pay overtime and to find other ways of maintaining the goodwill of staff during these busy periods.

London Borough of Southwark: developing an internal consultancy

What's happened?

The London Borough of Southwark has a target to build 1500 affordable homes by 2018, and there is a range of community facilities and infrastructure in the pipeline to support the rapid population increase. The planning division is commissioned by other departments and divisions in the council, predominantly regeneration and housing, to provide planning consultancy services. Previously these departments sought planning advice from private consultants.

Why?

Up until three years ago any department commissioning a design or development project procured their planning advice from external consultants. Typically these consultants would need to meet with Southwark planners to be briefed on the borough's planning policies and requirements. The consultants were charging their client departments for this time, while the planners were offering their advice for free.

At the same time, these client departments were unhappy with some aspects of the external consultancy service they were receiving. Senior planners suggested that the planning service could establish an internal consultancy that other departments could use for planning advice instead of external consultants.

Is it working?

Southwark's planning consultancy service is used regularly by the council's Regeneration Division for a range of projects including new and refurbished schools and mixed used schemes. It is commissioned by Housing and Community Services for all housing schemes. Less frequently the consultancy service has also been used by other departments such as Environment and Leisure for public realm and community facility projects.



For the last two years the consultancy service has paid for half the week of two existing full-time planners, who split their time between their development management role and the consultancy work. From autumn 2015 the number of staff adopting this dual role will increase to as many as five due to the increased amount of work that has been identified in client department work programmes to 2018.

There are five different categories of fee that reflect the different size of projects; all are calculated to cover the departmental costs of assigning an officer half-time to a project for its duration. If a proposal is aborted before it is submitted for planning approval clients are charged 70 per cent of the fee. The formal route for agreeing these arrangements is a service level agreement (SLA) between the planning department and each of the client departments.

Benefits

The most obvious benefit has been a significant improvement in joint working. Rob Bristow, Group Manager for Major Applications (Development Management), says that without this improved collaboration the council's ambitious development programme – including building 1500 affordable homes – 'would not be as advanced as it is.'

This joint working has also helped to raise the profile of the role of planning within the council and to demonstrate the value it can bring to achieving corporate objectives.

According to client departments, one benefit of this improved joint working is that they can access the council's range of built environment disciplines in addition to development management, such as transport, and design and conservation, via a single contact.

The client departments also cite a number of other benefits. For example, staff from the Housing and Community Services Department report that they value the following:

- knowledge and experience of Southwark's planning context, policy and practices and their interpretation
- advice on the direction of travel of planning policy and early warning of any changes
- speedy access to advice and guidance, including a weekly surgery offered by consultants during the development of a scheme
- the flexible approach shown by Southwark's consultants
- additional training offered by the consultants to the housing team delivering new homes.

The development management team now has a much better idea of what projects are in the pipeline, and the proposed timetable, which is helping it to take more control of its own staffing levels and future planning.

The consultancy service is helping the department to become more financially self-sufficient. Housing and Community Services also expects to make a financial saving by using Southwark's consultants compared with making an external appointment. Further, the money being spent by the authority stays 'in Southwark' and helps to maintain council services.

Staff who are working as consultants are very positive about their dual role and report developing further their project management and negotiation skills, which is also benefiting the wider department.

Risks and how to overcome them

Managing the workload of the dual-role planners has been challenging, and has sometimes required a reallocation of part of their development management workload. Because planning is now involved extensively in project proposals and applications, the department is getting a more realistic picture of the likely timelines for these schemes and can better manage future workloads accordingly.

Another potential risk is that staff find the dynamic of working in a different role with their colleagues to be off-putting, as described by Rob Bristow:

'You sit down with colleagues who you work with on a daily basis but now they are a consultant and on the other side of the table. That has taken a bit of adjustment.'

His advice to development managers is to 'deal with them as you would with any other consultant.' All staff are well aware of the requirement that an individual should not be both advocate and assessor on an application, and there is a protocol in place to ensure that these roles are kept separate.

From the client perspective, staff from Housing and Community Services say that it is important for them to know that they are being given sound and timely consultancy advice, which means ensuring that the service is well resourced. Regular review meetings to assess the service are providing a good avenue to provide feedback and suggest improvements when necessary.

Birmingham City Council: establishing a graduate hub

What's happened?

Birmingham City Council has established a graduate hub for planning and regeneration. In 2015, the Birmingham Graduate Hub advertised 10 two-year paid positions, with potential to double this to a total of 20 in 2016.

The city council has identified a range of funding for the graduate hub to 2017/2018. Over half the posts are paid for from planning fees and planning performance agreements. There are also funding contributions from the City Council's Housing Revenue Account, the Longbridge Infrastructure Tariff, Greater Birmingham and Solihull Local Enterprise Partnership (LEP) and the DCLG Site Delivery Fund. Currently Birmingham is experiencing an increase in planning applications, and there is the potential for part of the increase in fees to be used to fund more posts.

Why?

Birmingham has a growing population and an expanding growth agenda with accompanying investment plans. The Planning and Regeneration department was reorganised to create multidisciplinary teams to help deliver this agenda. Further capacity is required, and the graduate hub is one way to help address this by offering talented individuals the chance to build a career at the council.

Like many other councils, Birmingham is facing the challenge of rebalancing its workforce age profile. Figures from the [Local Government Earnings Survey \(2010/11\)](#) indicate that only 13 per cent of local government employees in England and Wales are aged less than 30. This compares with 36 per cent aged 50 or more. The leader of the council wants all departments to address this imbalance; the graduate hub will contribute to this overall council objective.

Craig Rowbottom, Principal Development Planning Officer at Birmingham City Council, says that:

'The last thing we want is to have a lot of staff looking to retire at the same time and not having enough skilled professionals ready to step into those opportunities and take forward the city's growth agenda.'

Is it working?

Birmingham advertised the positions in summer 2015 and received 130 applications. The council completed recruitment in September. The jobs were targeted at graduates from a range of built environment backgrounds including geography, regeneration and planning. Successful applicants will work in different parts of the department to gain the varied experience they need to support the delivery of the growth agenda and be eligible to become a member of the appropriate professional body (such as the Royal Town Planning Institute - RTPI).

Benefits

The council sees the hub as an effective way of increasing capacity at the same time as investing in the future by recruiting graduates early in their career and setting out a two-year path that may lead to longer term employment in the authority.

The graduate hub is also offering existing staff new opportunities. To ensure that there is clear communication between all staff, Birmingham has established an internal board to manage the graduate hub, which includes a range of officers from the planning department. These officers will also have the opportunity to mentor the graduates.

Setting up the hub has provided an opportunity for the local authority to collaborate with a range of education (universities) and planning sector partners. These include private sector planning practices who run their own graduate programmes. There is considerable interest from locally based practices to support the hub, and partnering with these companies may form part of a subsequent phase that includes opportunities for hub graduates to gain experience working in both the public and private sectors.



Elected members have welcomed the launch of the hub as a positive message to communicate about what the council is doing to provide skills training and job opportunities.

The RTPI has a representative observer on the Graduate Hub Steering Group, and is providing sessions for graduates on different aspects of becoming professional planners. Andrew Close, Head of Careers, Education and Professional Development, says that:

'The RTPI promotes and supports this innovative scheme, and is looking at ways to support the council to learn lessons... and the conditions for roll out in other circumstances.'

Risks and how to overcome them

The use of planning fees to fund the graduate hub, as well as other functions in the department, depends on Birmingham receiving sufficient planning applications. In using a range of funding sources, and with increasing confidence in the economy, the council has been able to reassure existing staff that the graduate hub does not put pressure on existing budgets particularly at a time of cuts.

A risk to the programme is that graduates may not stay for the full two years given the lack of job security beyond then. However, the council hopes that the opportunities available over this period, combined with vacancies that will arise from staff turnover, will provide sufficient incentive to complete the full programme.

Newcastle City Council: moving from a shared service to service level agreements (SLAs)

What's happened?

Since 1986 the Tyne and Wear Specialist Conservation Team has provided archaeological and historic building conservation advice to Newcastle City Council, Gateshead Council, North Tyneside Council, South Tyneside Council and Sunderland City Council. Until the current financial year the team had been funded as a shared service between the five authorities, with Newcastle contributing 50 per cent (and getting half of the team's time in return), and the other four authorities splitting the remaining half equally between them. Since 2014/15 the team has moved to an arrangement where Newcastle City Council now provides Tyne and Wear's archaeological and historic building conservation advice and makes a service level agreement (SLA) with each of the other four authorities. These are based on an analysis of the time spent by the team on each element of its work for each partner authority.



Why?

Historically the five authorities had a number of coordinated services across Tyne and Wear. Apart from the largest of these – such as the fire service – council leaders have decided to abolish these arrangements as part of efforts to save money. The SLA model is the specialist team's response to this change.

Is it working?

Three of the other authorities have signed an SLA with Newcastle City Council that maintains their previous financial contribution and expected receipt of service. The other authority has asked for a reduced service that no longer includes historic building conservation advice. This is reflected in a lower financial contribution. Ian Ayriss, Manager of the Urban Design and Conservation Team at Newcastle City Council, acknowledges that part of the rationale behind the move to SLAs was to give the authorities the opportunity to make savings or have more flexible arrangements. However, the implications for Newcastle

as the host authority for these specialist skills is that it will need to make up any shortfall that may arise from authorities choosing not to maintain their previous financial contribution.

Benefits

While the transition to an SLA-based model changes the business arrangement between the councils, there has been little change to the service provision and this continuing stability has been welcomed by all councils.

The transition to SLAs brings more potential for flexibility in the services that the Newcastle-based team offers, and to be able to tailor a more bespoke offer to the other councils.

Risks and how to overcome them

The flipside to the flexibility noted above is that local authorities are free to choose only some or none of the services that the team offers, an opportunity that one authority has already taken. The team is currently exploring the options it has to find new ways of generating income, or reducing the service it provides. The site-based nature of these specialist services makes them less suitable than some other planning and environment functions for seeking contracts that are geographically distant. However, there may be opportunities to make their services available to other public bodies such as university research departments.

SLAs agreed annually can make future planning difficult, and take a considerable amount of time each year to negotiate. Ian Ayriss encourages other authorities that are thinking about moving towards this arrangement to advocate for longer agreements, ideally at least three years, to create some certainty with forward planning.

Tips

Identify what you are trying to achieve

The starting point for the innovation set out here varied between authorities. Birmingham wanted to invest in the staff of the future, Southwark needed to find a way of achieving better joint working internally, and Essex, Peterborough and the Tyne and Wear authorities were looking for ways to retain quality staff and avoid job losses in the face of budget cuts. Different challenges, but all the case studies adopted a common approach of acknowledging they had a problem, and exploring options for solving it.

Play to your strengths

Knowing the different expertise of the individuals within a team can help to determine the way forward. For example, Essex County Council was one of the first councils in England to set up conservation team, and has retained a high level of expertise in this area. As part of assessing the future direction of the planning service, it was able to put a commercial value on making this expertise available to other organisations. Similarly, Peterborough's timely local plan preparation earned policy planners there a reputation for delivery and made them attractive to other LPAs that needed help. The Tyne and Wear councils have sought a solution that builds on longstanding professional relationships and expertise within one part of the country.

For Southwark, client departments had identified that what some of their external consultancy advice lacked was sufficient focus on the local place and knowledge of the council's own plans and policies. The council planners were ideally positioned to fill this gap because of their extensive experience of working in Southwark.



Assess officer attitudes

A key asset for the case study authorities is that they had managers that were willing to explore new ways of working that responded to the challenge they were facing. Understandably, some staff may resist the solutions proposed. This may also be a reflection of different organisational cultures, which will also influence what solutions are the most feasible.

Emma Woods explains that the consultation on future options for Place Services was a difficult time, but there were enough staff who saw the trading company model as something they 'wanted to do rather than had to do'. She suggests that if the number of reluctant staff outweigh the ones who are upbeat about the change, then 'you possibly aren't the right local authority to be doing it.'

A number of the case studies highlighted the importance of having an understanding financial director who is willing to explore new models and can see the potential value to the council of investing in new ways of working and staff development.

Secure elected member support

Not surprisingly, the case study authorities had elected members who were very supportive of the innovation being proposed. Given the potential controversy of some of the changes described here, this support has been critical, and the case study interviewees acknowledge that elected members in other councils could equally take different views.

For example, the success of the consultancy service in Southwark has been made easier by the decision of local elected members to manage and deliver its own regeneration and development projects, rather than contracting them out. Other administrations will take the opposite view.

The commissioning model adopted by Essex County Council will be politically unpalatable for some other local authorities, and this will influence the solutions that can be realistically proposed.

Risk assess the preferred solution

With people's jobs on the line, the stakes for some of the innovation set out above were high, most notably for Place Services at Essex. Emma Woods advises that:

'There is some quite brutal work to do in terms of looking at what you actually do and what you are likely to get funded to do in the future. That is a critical question that all local authorities must be able to answer before going down our route: who would you actually be selling your services to? We were in a fortunate position to already have a customer base that we could talk to about our plans because we are two tier.'

Planners at Southwark were also in the fortunate position of being able to meet with potential clients and assess the likely amount of work that would be forthcoming.

Some models will be easy for certain LPAs to dismiss. For example, Southwark's internal consultancy requires a critical mass of work that is only likely to be generated by large urban authorities. The Tyne and Wear Specialist Conservation Team conducts some of its work on-site, and sees this as a reason against bidding

for work from authorities beyond its existing service area, given their location in the north east is not central to other parts of the country.

Ensure probity

One potential criticism that some of the case study authorities have been concerned about is that new ways of working will be criticised for not being sufficiently above board. Clearly all the case studies have ensured that the adopted models are legal and demonstrate probity, so this is more a question of perception that needs to be tackled.

For example, Southwark's consultancy service involves staff that are also development management planners for the borough. Managers are well aware of the requirement that an individual should not be both advocate and assessor on an application. While planners at Southwark are confident that there is no risk of this happening, they acknowledge that any perception that this could happen needs to be tackled and the process explained clearly and transparently to elected members and constituents. The department has published a protocol setting out the principles that the council is following.

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This case study was written by Andrew Ross, Final Draft Consultancy,
www.fdconsult.co.uk

Planning Advisory Service
Local Government House
Smith Square
London SW1P 3HZ

Telephone: 020 7664 3000
Twitter: @pas_team
Email pas@local.gov.uk
www.pas.gov.uk

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