

Title of meeting: Cabinet

Date of meeting: 8 February 2022

Subject: Update on Planning Development Management and increase in capacity

Report by: Ian Maguire - Assistant Director Planning and Economic Growth

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1 To provide an update on the performance of the Planning Development Management service including responding to a statistical request arising from a motion at the Full Council meeting of 7th December 2021; and
- 1.2 To approve a new approach to the creation of capacity for the determination of planning applications in the Development Management team.

2. Recommendations

- 2.1 Cabinet is asked to note the report and refer any necessary information to Full Council for noting.
- 2.2 Cabinet is asked to approve the creation of a 'bank' of external planning staff utilising flexible contracting to support the capacity of the Development Management team
- 2.3 Cabinet is approve the use of Corporate Contingency to fund a bank of external planning staff to the 31st March 2023. This is anticipated to be around £45,000.

3. Background

- 3.1 Historic delays in the determination of planning applications, exacerbated by service reductions in the early covid period has resulted in a backlog of applications awaiting determination by the Planning Service.
- 3.2 A number of different approaches have been taken to reduce this backlog. Principal among them has been the carrying out of a full process review using the Council's System Thinking interventionist. This process review has identified a number of areas where efficiencies can be created and process wastage



removed. The completion of this review was itself delayed by Covid restrictions, but has now been completed with a number of efficiencies introduced that should cumulatively improve the through-put and timeliness of application determination. Further details of the Systems Review outcomes are detailed in section 4.2 below.

- 3.3 While steps are being taken to improve the process whereby applications are being determined the Council has also sought to increase manpower capacity. This has been done in two ways; the outsourcing of a number of cases to a private sector company experienced at managing planning applications, and the recruitment of additional temporary contract staff to increase the number of professional planners assessing and processing applications.
- 3.4 The outsourcing of applications, to a company called Terraquest, has not resulted in the outcomes sought within the contract. The contractor's performance, despite being a large and well established consultancy, has been consistently below the expectations of the contract in respect of quality, productivity and customer service and payments have been consequently withheld. A number of cases remain with this contractor and agreements are being reached for the imminent resolution of this contract.
- 3.5 The more traditional recruitment of temporary staff to increase capacity has been more successful with professionally competent Town Planners brought on board to increase the number of applications that can be assessed and processed. However, there is a long established shortage of professional Town Planners across the Country, leading to a 'sellers' market' for high quality temporary staff. This has led to churn from those staff brought on board as higher hourly rates or more attractive contracts are secured elsewhere. Recent recruitment to maintain the level of temporary resource has shown repeated failure with too few candidates available to meet demand in the region and potential temporary staff declining offers from Portsmouth, or leaving shortly after appointment, to take up temporary posts that are more geographically convenient, better paid, or both.
- 3.6 In addition to these challenges to capacity the service has seen the turnover of some permanent staff. While reasons for leaving PCC will vary for each member of staff a key component has been identified as the high workload, with case officers managing an active caseload, due to the lack of staff resource, that hinders their ability to deliver high quality customer service and professional assessment.

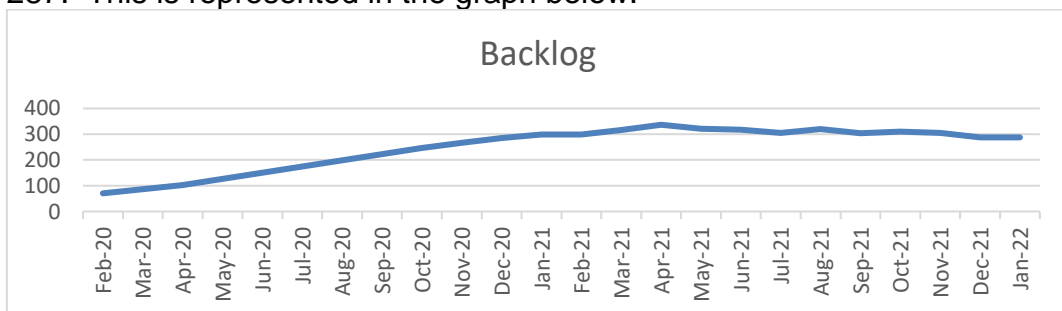
4. Reasons for recommendations

Development Management Performance Data

- 4.1.1 Quantitative data showing the number of cases received and resolved each month is monitored by the Portfolio Holder for Planning Policy and City Development through regular presentations and shared with the opposition spokespeople through that forum.

4.1.2 A Local Planning Authority will always have a number of applications 'on hand' as they are progressed through the regulated process of assessing and determining planning applications. This process usually involves prescribed public consultation for a set period and many applications require a period of negotiation and intervention to ensure they will result in development that will comply with national and local policy and result in well-designed sustainable development that can be granted planning permission. The period provided through national legislation for the determination of applications is 8 weeks (56 days) for most applications, rising to 13 or 16 weeks for larger and more complex applications. However, it is open to Applicants and LPAs to agree a longer period of determination, a process usually referred to as an 'extension of time' if they consider it appropriate. Extensions of time are frequently an essential tool for both Applicants and LPAs to allow necessary amendment or supplementation, and associated re-consultation, in preference of refusing an application that has the potential to be made acceptable. However, if an LPA has a number of cases 'on-hand' that exceeds that which it can reasonable expect to be able to determine within either the statutory time limit or a reasonable time limit agreed with Applicants then this can be considered a 'backlog'. This circumstance leads to applications that may be uncontentious and approvable being unnecessarily delayed due to a lack of resource to process them to resolution. This outcome in Portsmouth has been exacerbated by additional delays imposed on certain types of development in recent years due to external factors such as the 'nitrates' problem. To describe a 'backlog' within an LPA therefore it is considered appropriate to identify whether the total number of applications on-hand at any given period notably exceeds that which the LPA has traditionally had under consideration utilising a similar process and resource.

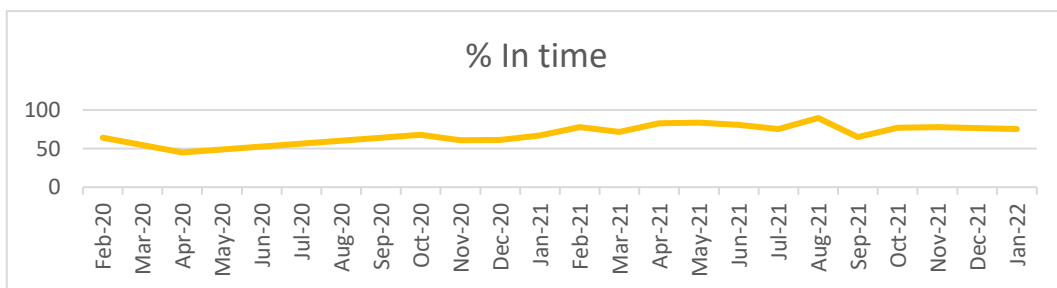
4.1.3 To enable quantitative assessment of the 'backlog' at PCC therefore example months were used in the 2018 and 2019 years to identify a "normal" workload of applications to have on hand. This was assessed to be 384 applications at any one time. Reviewing the proceeding 2 years (February 2020 - January 2022) it can be seen that the number of applications steadily increased to a peak of 720 in April 2021, resulting in a 'backlog' of 336 in that month. The backlog has been reduced in the period since that peak to now (w/e 7th January 2021) being 287. This is represented in the graph below.



4.1.4 Retaining an excessing number of applications on hand has significant customer service implications, primarily from the general resultant delay in determination

but also to individual applications that are awaiting determination behind applications that require a disproportionate amount of resource or are being managed by a case officer or team with a workload that prevents quick and efficient assessment and resolution. Consequently as well as monitoring the total number of application on-hand within the service the timeliness of application determination of those applications that have been resolved is regularly reported to the Portfolio Holder. This is done both as a percentage of applications that are determined 'in time', either within the statutory time limit or other time limit agreed with the Applicant, and through monitoring the median number of days taken to assess applications to ensure extension of time agreements are not unnecessarily elongating determination periods. It must be noted however that while this provides the best illustration of overall performance it cannot show the outliers that are taking longer to determine, or are still awaiting resolution, each of which is a development proposal of financial and/or personal significance to the individual applicants.

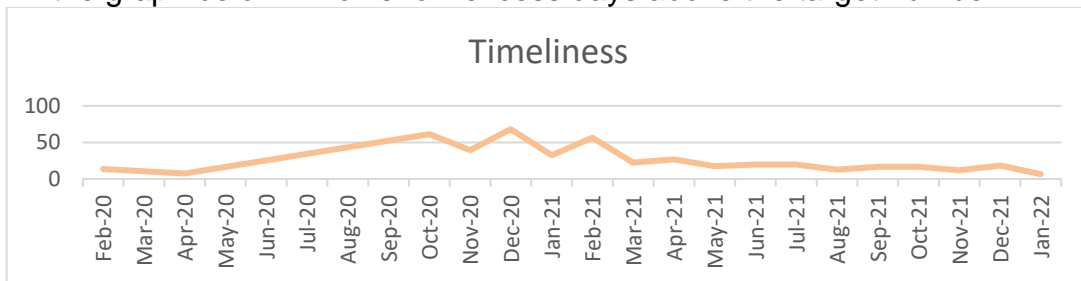
4.1.5 The monitoring of applications against the statutory or agreed time limit shows that in the sample months in 2018 and 2019 PCC performed at a rate of around 67% of applications being determined on time. During these same sample periods national statistics show that across the country 90% of householder and Major applications were determined in time¹. This discrepancy highlights the fact that Portsmouth planning services has long held a focus and priority on intervening to add value to applications rather than determining them as submitted, a process that otherwise would lead to a higher level of refusal or a degradation of quality of development outcomes. This historical performance is of course not ideal with the best services creating the environment for high quality development and decision making and the determination of applications in time. In the monitoring period (February 2020 - January 2022), it can be seen that this normal performance dipped to only 45% in April 2020, due to significant restrictions associated with Covid, but has increased since that time peaking with well over 80% of applications determined in time in the first half of 2021, and performance now relative static with around 75% of applications determined in time. This performance is described in the graph below:



4.1.6 The assessment of the median days to determine an application is a more general 'litmus test' to ensure the use of extension of time agreements has not

¹ MHCLG Planning applications in England October to December 2018 and Planning Applications in England April to June 2019

unnecessarily elongated the determination of applications. An appropriate maximum position for the median number of days to determine an application was selected as 67.5 days, again reviewing the sample months from 2018 and 2019 and also reflecting the statutory determination periods of 8-16 weeks and recognising that extension of time agreements are often reasonable and necessary to allow applications to be amended and supplemented. An increase above this 'reasonable' median determination has therefore been monitored. This monitoring identifies that actual determination periods extended excessively from the last quarter of 2020 through to the first quarter of 2021. However, since that time the median number of days to determine applications has reduced to below 90 days. While this is still two weeks longer than the 'reasonable' period aimed for it demonstrates a good recovery following the significant delays of Covid and adaptation to new ways of working. The monitoring is demonstrated in the graph below which show excess days above the target number:



4.1.7 While performance has significantly improved since the peaks of concern in early 2021 there remain a significant number of applications undetermined in the backlog. Many of these have been with the Council for an unacceptable period of time and as they are resolved this will be reflected in the monitoring statistics. As noted above these delays cause reasonable concern for Applicants and such delays also result in significant unnecessary burdens to Council resources as they generate understandable complaints which require resources to investigate and resolve. The recovery in performance for those applications that are being determined has however not yet resulted in a significant reduction in the backlog of applications, as shown in the graph above at 4.1.3. Further intervention is therefore necessary to supplement the ongoing work of officers, please see section 4.2 and 4.3 below.

4.1.8 Through a motion at the 7th December 2021 Full Council specific statistical information was also requested for average "duration of all planning applications, in addition to the longest and shortest across the city as well as within each ward". The shortest duration for applications is of course zero days as new applications are received every day of the year. The longest durations include a number of applications that have been open over 1,000 days. These anomalies are either data relics (the 'oldest' case within the Council's system is over 6,000 days old and is of course not an active piece of work), or remain open with the extraordinary agreement of the relevant applicants. Consequently in order to produce meaningful data that enables a comparison between wards an assessment of the average, shortest and longest determination period in each ward over the 4 weeks to the week commencing 7th January 2022, being

the last full week prior to the drafting of this report has been undertaken. This data is provided in the table below:

Ward	Median average days to determine	Fastest resolution (minimum days to determine)	Slowest resolution (maximum days to determine)
Baffins	174	106	304
Central Southsea	44	29	304
Charles Dickens	186.5	52	694
Copnor	205	35	1257
Cosham	67	29	274
Drayton & Farlington	71	53	100
Eastney & Craneswater	74	10	114
Fratton	33.5	12	55
Hilsea	60	42	337
Milton	43	14	56
Nelson	147	130	229
Paulsgrove	48	48	48
St Jude	55	38	671
St Thomas	57	53	308

Business Process Improvements

- 4.2.1 A key further intervention that has been undertaken has been a full 'Systems Thinking Review' of processes with the Development Management team. This review was undertaken with the assistance of the interventionists employed in the Council's Systems thinking team and followed a number of process enhancements already introduced prior to and during the Covid period by the Development Management team itself. The Systems Thinking Review was unfortunately delayed in 2020/2021 as the 'Check' process to study the existing systems and process could not be delivered remotely during the periods where staff could not safely work within the Civic Offices. In accordance with national guidance and local risk assessment staff were however able to return to the Civic Office to enable the review team to observe and question them about the existing processes during 2021 and this led to a series of suggested interventions identified through the 'redesign' process that were then trailed on a small cohort of cases at the end of 2021. This trail work was considered successful and new processes are now being rolled-in across the Development Management service with staff training currently being carried out with the intention that these new procedures will imminently be the new 'business as usual'. The results of the Systems Review 'Check' and the steps being taken were presented to all Members of the Council on 30th November 2020.
- 4.2.2 A key matter identified at the 'Check' is the significant amount of failure demand currently being carried by the service. 'Failure demand' is the term used to describe the activities that take resources to complete but add no value to the final outcome, and arises from the failure to do something correctly. The significant delays in current outputs has, as noted, resulted in customers both

chasing the Council for updates and complaints about the delays; both common examples of failure demand and common outcomes from services with prolonged demand/capacity issues. This has resulted in a 'failure demand feedback loop', wherein time and resource is taken responding to these understandable customer concerns that otherwise would be put towards meeting the value demand within the service, such as determining the applications. As more and more resource is diverted to deal with complaints about delays more and more delays are caused due to that reduction in resource. This self-reinforcing loop is a significant concern for current customer service and efficiency, but will be remedied through the reduction in the scale of the backlog and the improvements in the efficiencies of the Council's processes introduced through the current review.

- 4.2.3 One important element of the amended processes is the removal, as far as possible, of fragmentation within the process flow. Work on individual planning applications stops and starts as periods of external consultation are undertaken or amendments are sought, however reducing unnecessary fragmentation will reduce the need for officers and managers to reacquaint themselves with case files and enables a single piece flow for the assessment of applications when they are ready for determination. This has been identified as a way to reduce determination periods significantly.
- 4.2.4 Another key process improvement is the introduction of more streamlined template formats of less contentious applications, including the integration of photographic evidence into the report. Steps have been taken to ensure all material considerations for the assessment of applications are still captured within the report and more complex and contentious applications, including those that will require determination by the Planning Committee will continue to be described in longer format reports. This approach allows senior officer support to focus on supporting the quality of decision making and the professional outputs of planning officers rather than administrative report-checking. This process change has again been identified as a significant reduction in the time needed to determine an application, but also better reflects the confidence held in the planning officers of the Council and their professional opinions.
- 4.2.5 It can also be noted that it has been identified that the various software solutions currently in use by the service are considered to be a major cause of waste work within the process flow. The current primary database, document and workflow management tool and planning register has been in operation by PCC for many years and demonstrates a lack of investment during that period. In addition to this core software it is common for three to five other network or online applications to be required to validate an application or assess the key material considerations. This has led to steps to avoid some systems wherever possible. While some of these sensible solutions will form part of the new processes where they do not create any data risks a more comprehensive review of the software and digital solutions for planning services is needed. This has already

begun, timed to seek resolution in 2023 when the procurement of new systems will be undertaken when current licences expire.

- 4.2.6 The new processes have been reviewed through the trial of a small cohort of applications (49) as part of the redesigned process. This demonstrated a reduction in the median determination period to just 23 days. This performance was of course achieved in the relatively 'hot house' environment of the testing team so is unlikely to be sustainable across the whole service, but serves to indicate the scope of improvement the new processes are introducing. This more efficient approach was also measured with customer feedback from the effected Applicants, with positive comments received from all respondents and failure demand associated with the applications reduced to a single occurrence.
- 4.2.7 As noted above, these new redesigned processes are now being rolled-in across the service with the steam lined and more efficient process and systems being operated by all staff once training has been completed. This is part of a continuous process of improvement with staff invited to continue to assist to identify ways greater efficiency can be introduced based both on customer feedback and best practice as it is identified. Further process improvement will be introduced as new IT systems are procured and brought online, and as the Council's adopted procedures, such as the Statement of Community Involvement and Constitution are reviewed. These are likely to be the subject of further reports as progress continues.

Staffing Capacity

- 4.3.1 While it is anticipated that the new, more efficient processes will enable faster determination of applications they will take time to bed in and work to reduce the current backlog. It is therefore recommended that enhanced staffing capacity is retained to deal with current customer demand. To ensure adequate staff capacity is available to meet demand with the service the use of temporary full-time staff will continue to cover vacancies in the staffing establishment and to enhance capacity, however an alternative way of increasing capacity is considered necessary as the traditional solutions, discussed above, are not proving to be effective. This alternative solution is the creation of a 'bank' of flexible contracting professional planning staff working remotely to respond to the demand of smaller scale applications. The creation of 'banks' of casual staff is used across a number of sectors to provide flexible workforce to respond to peaks and troughs of demand. It is not frequently used in Local Planning Authorities due to the locally specific knowledge and access needed to deliver such services but is, for example, often used by Building Control Authorities to provide demand responsive resource.
- 4.3.2 The proposed 'Bank Staff' for Portsmouth Planning Services would be created by the recruitment of appropriately qualified and experienced planners to join a bank to whom smaller scale applications could be allocated to. This would be on a flexible basis with no commitment from either PCC or the Planner to a regular or defined number of cases. It is anticipated that cases would be

allocated on a fixed fee basis, with agreed rates for different application types. The specific fee paid to the planner would have to be explored with the market, but the intention would be set it at a level below the application fee to reflect the fact that the internal administration of the cases would be handled by the PCC validation team. It is noted however that the national set planning fees are not set at cost-recovery basis and as such the determination of almost any application notwithstanding the fee received from the applicant is done at a net cost to the Local Authority. However, it is hoped that a fee rate to the Bank Planner could be set proportionate to the application fee to reduce the overall cost to the Council.

- 4.3.3 As the internal administration of the cases would be handled by the PCC validation team the bank staff would not need log in details to any PCC system, reducing GPDR risks, though specific protocols would have to be put in place to manage information governance, and allowing PCC to retain oversight of customer service and customer contact for the application.
- 4.3.4 The structure for delivering work to and from this bank of staff is also capable of being offered as overtime work to appropriately qualified PCC staff, which is considered likely to provide a retention benefit to existing staff while also enhancing capacity. The externally recruited bank of staff would need to be carefully recruited and vetted to ensure a high degree of professionalism and expertise as they would be expected to work autonomously with minimal management oversight. Risk of conflict of interest is also high, with recruitment outside of the immediate Portsmouth area therefore recommended and any Planner identified asked to make appropriate declarations regarding conflicts so that PCC can consider them.
- 4.3.5 Additional tasks for the Validation team would be introduced, both in data input and document handling and in customer contact and engagement. Consideration will also need to be given as to whether any other aspects of the application assessment should be delegated to the Validation Team, such as the assessment of relevant planning history. Additional training may be necessary and careful monitoring of workload undertaken. The capacity of the management tier of the Development Management Team will also need to be carefully monitored as this increase in productivity intended through this process will require a greater number of decisions to be approved by the management team each day.
- 4.3.6 The type and nature of applications that would be allocated in this way will need to be carefully considered. Householder, 'Other' and smaller scale minor applications are the only type that would be appropriate, as there will be limited, if any, opportunity for renegotiation of plans once submitted and complex responses from statutory consultees would be more difficult to manage. This will leave the larger and more complex applications to be assessed by the permanent PCC staff. This is considered beneficial in respect of customer service to applicants, but as importantly to the delivery of high quality outputs for planning decisions with the opportunity maximised to enhance design quality

and other value-added interventions. The retention of more complex applications with PCC permanent staff will also support staff development and retention.

- 4.3.7 While the necessary administrative processes will need to be refined in parallel with the recruitment of appropriate Bank Planners it must be noted that this approach would be an additional unfunded cost for the Council. While the fixed fees would be intended to be set at a proportionate rate to the application fees received this fee income is already anticipated and accounted for in the Council's budget setting. The actual cost to the Council of this new process would of course be dependent on the number of cases processed in this way, either from the existing back log of cases, or applied to new applications as they are made. The current backlog of cases is around 250, and has been maintained at that level for most of this year with the determination output of the team roughly keeping pace with the number of applications received. Around a quarter to a third of applications determined by the Council are smaller scale developments or householder applications potentially appropriate for this process. That would result in 200-300 applications potentially available to be processed in this way. While fees are yet to be set, a potential fixed fee of £150 per application would result in a resultant cost to the Council of £30,000-£45,000.

Conclusion

- 4.4.1 Through the review and amendment of internal processes to remove duplication and wastage it is considered that the Council will be in a position to retain a sustainable workforce to meet demand and ensure all applications have a decision within the expected timeframe. As new processes are bedded in the process of continuous improvement will continue and the structure of permanent and temporary staff will be kept under review. It is however considered necessary to retain and enhance the temporary staffing capacity to manage the existing backlog now, to ensure current customers within that backlog receive quality decisions as quickly as possible while the new ways of working are introduced.

5. Integrated impact assessment

n/a

6. Legal implications

The recommendation within this report is for the Local Planning Authority to engage workers on a casual basis. This basis of engaging workers is already established in other departments of PCC. Casual workers have fewer employment rights than employees and therefore, workers employed on a casual basis must enter into a clear and unequivocal contract to set out the nature of the engagement. The use of casual workers must be reviewed regularly as if the casual worker is later determined to be an employee, they will qualify for the protection and rights afforded to such a status.

- 7.1 The report requests the use of Corporate Contingency to fund Planning Consultants on a flexible contract basis to help expedite planning applications. If these consultants are not required nothing will be drawn from Corporate Contingency. If the resource required is in excess of the £45,000 in this report a further approval will be required, and a report will be brought back to Cabinet.
- 7.2 The use of corporate contingency is requested as this is a key risk area for the Council's finances. The use of reserves has been considered but currently the obligations against them mean they are fully committed.

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Signed by:

Appendices: None

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
None	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: