Information/Discussion Paper

Environment Overview and Scrutiny

11 May 2011

Built Environment Commissioning Review

This note contains information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1.   Why has this come to scrutiny?

1.1   The Built Environment Commissioning Review is one of 3 strategic projects using commissioning principles. The review encompasses development management, strategic land use, urban design, building control & conservation.

1.2   This matter has come to scrutiny because the review team is keen for Members to be engaged in the review as it progresses. Engagement will be partly achieved by bringing key reports to this scrutiny committee for comment prior to Cabinet consideration. In addition a Cabinet Member Working Group has been established, and this group will be helping to steer officers in the delivery of proposed outcomes as the project progresses.

1.3   The review is using commissioning principles to govern its approach. These principles are embedded in the commissioning cycle (below) hopefully already familiar to Members from recent reports and presentations.
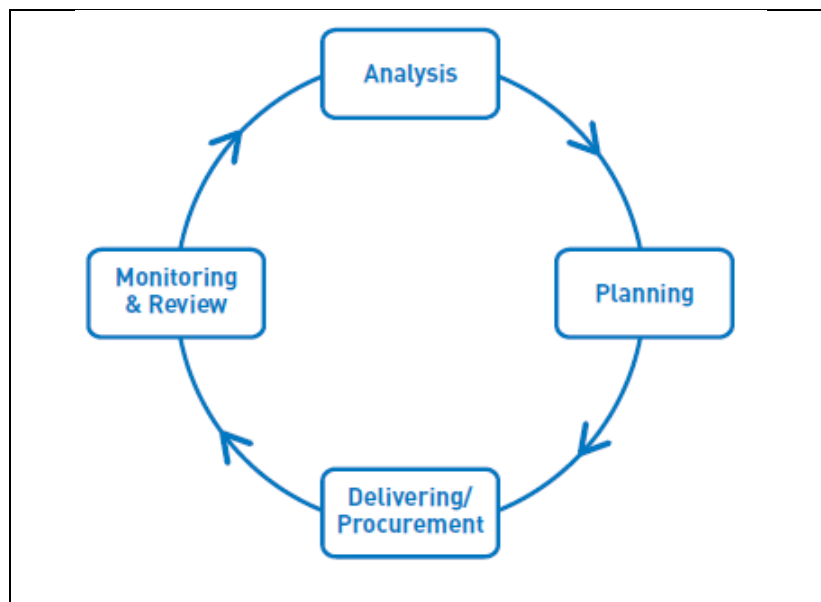
It is important to stress that the Built Environment Review is in the first phase of the commissioning cycle – **the analysis phase**. The review team considers the analysis phase as having 3 elements; (1) what we currently do; (2) what we want to do and (3) how best to do it. The review is currently evaluating "what we currently do" and

moving onto "what we want to do" through the analysis of needs and outcomes.

1.4   The purpose of this discussion note is to provide Members with an overview of the work undertaken so far.

1.5   The project team will be reporting on progress to the 26 July Cabinet meeting and will be bringing the draft Cabinet report to this committee for comment prior to Cabinet. It is anticipated at this time that the report will be asking Cabinet to confirm a direction of travel based on the work and findings to date and to seek agreement to more widely consult, both internally and externally, on the preliminary findings and in particular the outcomes for Built Environment in the future. The intention would be to take a final report to cabinet in September.

2.   Progress to date

A number of areas of work have been undertaken by the review team during this part of the analysis phase and the more significant of these are listed below and commented upon in the following sections of this discussion note.

- Developing Cheltenham's Commissioning Process and Approach
- Background Research – Alternative Delivery Arrangements & Benchmarking
- Needs Analysis and Prioritised Outcomes
- Future Proofing
- Systems Thinking

2.1   Developing Cheltenham's Commissioning Process and Approach

2.1.1   In 2010, a number of organisations in Gloucestershire, led by the voluntary and community sector, collaborated to produce the 'Good Commissioning Guide' which the review is using as its principle guide. This document is available in the Members' Room.

2.1.2   The Built Environment and Leisure & Culture commissioning reviews are also providing an opportunity to "develop for real" the Council's processes and approach to commissioning which will suit our own needs and requirements. The "lessons learned" are being fed back into the Commissioning Programme Board for the benefit of future projects and reviews.

2.2   Background Research - Alternative Delivery Arrangements & Benchmarking

2.2.1   The project team felt it was important, in the early stages, to build its knowledge and understanding of other potential models of service provision which could deliver the outcomes for Built Environment. The team also felt it was important to understand and learn the lessons where there had been failures as well as successes.

2.2.2   The primary purpose of the benchmarking exercise was to gather information which can then be used to compare performance and costs with peers to support improved service improvement plans. Cheltenham Borough Council submitted data on its income and costs to Cipfa; this was based upon one month's activity and then multiplied up for the year. 97 other councils supplied data on a similar basis. The benchmarking process involved choosing between 8 and 18 councils from a list of the 97 councils. This data took into account information that had been supplied on costs, application numbers, fees, and total population. Cheltenham Borough Council selected 11 similar authorities to compare itself with.

2.2.3   By way of example the benchmarking data highlighted a number of gaps which the project team will need to challenge.

<u>Cost of the planning service</u> – the benchmarking exercise does not differentiate between the different types of applications received and this information would be useful in determining the potential for future income generation.

<u>Speed of decision making</u> – processing of applications (NI 157) is consistently above the benchmarking average, but it is not clear what benefit is derived from this. Further analysis of this will be useful.

<u>Planning appeals</u> – the number of planning appeals is less than 2% of the total number of applications, but it is not clear whether this is high or low compared with other authorities. Cheltenham also has the highest costs and spends the most hours on appeals compared with other authorities. Greater detail about the reasons for this will be useful in future reports.

The benchmarking exercise gives no indication of the percentage of appeals won/lost or the level of costs awarded against the council. This information might be useful in determining how to manage future risk.

2.2.4   The research work provided evidence that alternative models of service delivery do exist to deliver the outcomes for Built Environment. One of the main drivers identified for the adoption of alternative delivery arrangements is the apparent financial benefit. Whilst acknowledging that financial incentives exist the project team are keen to ensure that its approach to the assessment of other delivery models is well considered and robust and is not wholly focused on financial savings.

2.3   Needs Analysis and proposed outcomes

2.3.1   A needs analysis is a way of estimating the nature and extent of the needs of our communities so that services can be planned accordingly. This will help commissioners and providers focus effort and resources where they are needed most.

2.3.2   We recognise that the very nature of a needs analysis is going to throw up a range of requirements that are going to be both aspirational and beyond the scope of the Council to resolve. But the needs analysis is a start; and we can use versions of it with our partners to negotiate better outcomes for local people.

2.3.3   The needs analysis and proposed outcomes have now been initially tested with members of the Cabinet Member Working Group. The project team also recognises the need to consult on the needs analysis and proposed outcomes with internal and external stakeholders, eg, Cheltenham Strategic Partnership (CSP), Chamber of Commerce, Civic Society and other key groups in order that we arrive at a set of agreed *prioritised* outcomes. The proposals for further consultation will be highlighted in the Cabinet report.

2.4   Future Proofing

2.4.1   Two events have been run by the project team and attended by various members of the Built Environment management team. The purpose of the events was to start to test -"future proof" - the Council's current ability to deliver, on a sustainable basis, preliminary outcomes for the Built Environment activities which are in scope. The future proofing events had 3 objectives; (a) to agree the drivers for the services (based on the needs analysis) over the next 5-10 years; (b) agree on the key desirable characteristics of service provision; (c) use the conclusions to inform further work.

2.5   Systems Thinking

2.5.1   The project team are keen to understand not only whether the in-house providers can deliver the prioritised outcomes but also what "waste" currently exists in the systems and processes. This is an important factor to consider early on as any efficiency gain identified and achieved is a direct saving to the Council.

2.5.2   Members will be aware that the council's approach to identifying and removing waste from its systems and processes is known as 'systems thinking'. Using this approach, an initial scoping exercise takes place in order to understand which areas can most benefit from further review. An 'intervention team', which includes representatives from the teams which actually 'do' the work, then completes a 'check' of the scoped areas. The 'check' exercise is based on observation of the service to understand its purpose, in customer terms, and the demand from customers. The focus is then placed on identifying 'preventable' demand and quantifying its impact on service performance. In later stages of systems thinking, the team redesigns the systems and processes so, as far as is possible, waste is removed.

2.5.3   An initial scoping exercise has been undertaken and the findings have been shared with the project team. It is clear that substantial savings can be realised particularly in the processing of planning applications and therefore further more detailed next phase analysis has been called for to clarify the extent of these tangible financial savings.

3.   Engagement with Members

3.1   As mentioned earlier the project team are keen to engage with Members. In these initial stages this will be achieved in 2 ways. Firstly, through the establishment of a Cabinet Member Working Group, chaired by the Cabinet Member for Built Environment and which will work closely with the project team. Secondly, through reporting to this overview and scrutiny committee. Further thoughts on how members can further engage in the process will form part of the Cabinet report in July.

4.   Next Steps

4.1   The Cabinet Member Working Group held its first meeting on 13 April where additional issues were raised. The project team are considering these particular points and further dialogue with the Working Group is planned. An initial report on the possible / potential outcomes of this commissioning exercise will be presented to Cabinet in July. This overview and scrutiny committee will therefore have an opportunity to provide comment upon the Cabinet report prior to its consideration.

Background Papers	Good Commissioning Guide in Gloucestershire
Contact Officer	Grahame Lewis, Executive Director, 01242 264312, grahame.lewis@cheltenham.gov.uk
Accountability	Councillor John Rawson
Scrutiny Function	Environment