

Cheltenham Borough Council
Cabinet – Tuesday 15th October 2013
Built Environment: Review of Commissioned Service

Accountable member	Councillor Andrew McKinlay, Cabinet Member Built Environment
Accountable officer	Grahame Lewis, Executive Director
Ward(s) affected	None
Key Decision	No
Executive summary	<p>A commissioning review of the built environment service was undertaken in 2011 and concluded that the continuation of the in-house arrangement for this service was the most appropriate option.</p> <p>A service level agreement (SLA) was subsequently developed to provide a basis for monitoring the performance of the service and enable members to see that the recommendations from the review were progressed and delivered.</p> <p>The purpose of this report is to:</p> <ul style="list-style-type: none"> (i) update Cabinet on the first year of operation SLA (ii) review progress on a series of Cabinet recommendations approved on 18 October 2011 (iii) outline how the service will be managed under the Cheltenham Futures change programme
Recommendations	<ol style="list-style-type: none"> 1. Cabinet notes the progress made; 2. A stakeholder session is held to get feedback on how the service is performing; 3. Outstanding recommendations from the cabinet report in 2011 be progressed; 4. Undertake further work with partner councils to explore how built environment services can be delivered more cost effectively through collaborative working; 5. That O&S review progress against the recommendations in six months' time.

Financial implications	Any future proposals for collaborative working will need to be considerably costed to ensure cost efficiency. Contact officer: Nina Philippidis, nina.philippidis@cheltenham.gov.uk, 01242 264121
Legal implications	None direct arising from the recommendations. Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01242 272012
HR implications (including learning and organisational development)	Any future proposals for collaborative working will require consultation with employees and for the normal HR processes to be implemented. Contact officer: Sarah Flury, sarah.flury@cheltenham.gov.uk, 01242 775215
Key risks	As set out in appendix 1
Corporate and community plan Implications	The built environment service is the lead on a specific outcome in the corporate plan, i.e. 'Cheltenham is able to balance new development with enhancing and protecting the natural and built environment'. The SLA also identifies outcomes for the service.
Environmental and climate change implications	As indicated above, the built environment service has a lead role in enhancing and protecting the natural and built environment and is therefore required to take account of environmental and climate change implications in the work that it does.
Property/Asset Implications	Contact officer: david.roberts@cheltenham.gov.uk

1. Background

- 1.1 A commissioning review of the built environment service was undertaken in 2011. This review encompassed strategic land use, development management, building control, urban design, heritage and conservation. This review concluded that the continuation of the in-house arrangement for this service was the most appropriate option.
- 1.2 A service level agreement and specification was subsequently developed to provide a basis for monitoring the performance of the service and to enable members to see that the recommendations from the review were progressed and delivered. The service level agreement was implemented from April 2012.
- 1.3 Given that this is an in house service it was decided that there was to be a light touch towards client management. During the course of the year officers from the commissioning division met with the executive director and the director of built environment to talk through progress against the service level agreement. However it provided an opportunity to test out how, under a commissioning framework, the council can assure itself that services provided in house are delivering the outcomes which members have identified.

2. Review of first year of operation

- 2.1** A report by the Director Built Environment, 'Built Environment Annual Report 2012-13', is attached at appendix 2. This report sets out the performance and activities of the service over the twelve month period and highlights some potential issues for the future.
- 2.2** Members will note that it includes some services which whilst within Built Environment, were not subject to the original review. A service restructure following the implementation of the service level agreement increased the complexity of monitoring the performance of the original in-scope services and added to the challenges faced by the division, so it was agreed that all built environment services would be included to provide a more balanced picture of divisional performance.
- 2.3** As might be expected, the first year was challenging for all concerned.
- 2.4** Adopting the role of an internal 'service provider' and becoming a business unit with specific outcomes to achieve or contribute to, required a culture shift in the built environment service which has been difficult to achieve. Nevertheless, the service has realised some successes:
- planning income exceeding target;
 - increasing confidence in planning decision-making, particularly in relation to some notable major applications – this included bringing the North Place & Portland Street development plans to a successful conclusion;
 - the number of flood mitigation schemes progressed and the funding drawn in to support these;
 - activity with local communities; and
 - participating in the television programme 'The Planners', which promoted the work of planning services and Cheltenham on a national programme attracting up to 3 million viewers a week.
- 2.5** The annual report identified a number of key challenges for 2013/14, although the commissioners would draw a distinction between what is business-as-usual for the service and what could have a detrimental impact on service delivery. In terms of the latter, the current resource allocation for heritage and conservation is leading to delays in the planning decision-making process and the commissioners have discussed the possibility of up-skilling planning officers to deal with the less contentious issues as a potential solution.
- 2.6** This was an issue which arose during the original commissioning review and has been partially addressed through a prioritisation of heritage cases, allowing specialist staff to concentrate on the most significant applications. More recently, additional resource has been brought in to help handle the requirement for heritage input to applications, with funding identified from the increase in planning fees.
- 2.7** Members may remember that during consultation with stakeholders, there was a clear recognition about the importance of the conservation service to the economic and cultural wellbeing of the town. It was evident that resources were limited and should focus on the priority activities. The review recognised that planning officers could be up-skilled to take on a limited conservation role, or consideration could be given to exploring sharing resources with other council to develop a range of skills. Whilst it is disappointing that the former option has not yet been progressed, there has been a significant increase in complex major applications and this, together with an upturn in planning applications has placed additional workload pressures on planning officers.

- 2.8** Discussions with other districts within the county failed to identify any spare officer capacity to assist with heritage applications.
- 2.9** The service has its own divisional risk register, but service/commissioner discussions have highlighted a particular set of risks that will need to be monitored and addressed as appropriate. These include:
- The level of resource needed to deliver the JCS and ensure it remains compliant with legislation – this is an on-going resource requirement resulting from the transfer of strategic planning responsibilities from county to district level;
 - The group court claim that has been issued against a large number of local authorities including Cheltenham in respect of the charges for local land charges searches. The negotiations regarding the claim are on going. If the claimants succeed with their claim and the Authority maybe liable for the payment of its element of the claim if payment is not covered by other funding;
 - The introduction of new legislation requiring local authorities to refund fees (subject to exceptions in relation to the prior issue of appeals or High Court challenges or agreed determination extensions) on planning applications and reserved matters applications not determined within 26 weeks of receipt. This has implications for Section 106 negotiations, which will also need to be completed within this timescale. There is some concern that other services, may also need to respond more quickly in relation to consultations and processing Section 106 agreements (One Legal) to help mitigate this risk.
- 2.10** Not all of these risks are within the remit of the commissioner to resolve with the service, but the commissioner will provide support where possible. Cabinet may need to accept that some risks cannot be mitigated by the service.
- 2.11** The implementation of the SLA also introduced a different way of working for the commissioner, who assumed responsibility for monitoring the performance of an internal service provider and supporting the service to make changes.
- 2.12** The performance indicators at appendix 3 demonstrate that the service itself has, to a great extent, performed efficiently. The SLA set out minimum requirements in the annual report, i.e. that it should contain statements about how the service has contributed to the specific economic, social and environmental outcomes identified for the service. However, measuring what has actually been achieved against the more qualitative (and often longer term) outcomes remains problematic and neither the provider nor the commissioner has been able to identify a robust and cost effective approach to monitoring some of these (e.g. quality of development). Although the commissioners believe positive work has been undertaken, picking out the evidence is difficult. This would be equally challenging were the Council to opt for an alternative service delivery model.
- 2.13** A gap also remains in terms of measuring progress in reducing the impact of development on climate change, ensuring it adds value to the built environment and ensuring developments are adaptable over the long term. It is hoped that the development of the Joint Core Strategy (JCS) and Cheltenham Plan will provide an opportunity to address this gap.
- 2.14** In addition to monitoring performance, the commissioning team has also been supporting the service on other aspects of business improvement, working with the building control service in particular to implement 'systems thinking'. Work is also ongoing to support the planning team to embed systems thinking more effectively.

3. Review of cabinet recommendations

- 3.1** Appendix 4 provides a commentary on progress against the cabinet recommendations approved in October 2011, to which both the service and the commissioner needed to respond. Progress has been made on the majority of recommendations and some of the work has reached a conclusion. Where progress has been slow, this has generally been the result of capacity issues. However, it is disappointing that some aspects such as wider stakeholder meetings have not been progressed, as the initial feedback during the review from stakeholders was that these had been beneficial.
- 3.2** On the plus side, the planning department has continued to engage with local agents, architects and surveyors through the local 'agents forum'. Staff have also attended events organised by a local solicitors practice, aimed at identifying how best Gloucestershire can benefit from sustainable development implemented under the new National Planning Policy Framework (NPPF)

4. Future management of the built environment service

- 4.1** Council received a report on 22nd July 2013 which set out the future function, culture and structure of the paid service within Cheltenham Borough Council. The future management of the built environment service in particular was set out in 'Workstream 1 – Direct Council Provision Unified Management'. This proposed that services currently in the built environment service be placed under the direct management of a Director of Environmental and Regulatory Services (currently Director of Built Environment).
- 4.2** As a result, as noted in appendix 4, the cabinet recommendation to test the (planning) services against private sector alternatives will not be progressed. However, all other services currently within the built environment service will be subject to further reviews, to ascertain whether they can be delivered more efficiently using alternative delivery models. This work is already underway with the private sector housing service. Since the original review was undertaken in 2011, the council now has far stronger links with its GO partners i.e. Cotswold DC, Forest of Dean DC and West Oxfordshire DC, which provides opportunities to explore how services can be delivered in a way to exploit economies of scale, resilience and capacity without compromising service delivery.

5. Performance management – monitoring and review

- 5.1** 2013/14 will be another period of transition for the built environment service (and others within the Council). To facilitate the realignment of the internal delivery structure, this process of transition has been overseen by an Executive Director (Grahame Lewis).
- 5.2** Performance management in this interim period will continue through quarterly meetings involving the commissioners, executive director and director built environment. The commissioners will also continue to support the service to make business improvements. In order to ensure that the Cabinet's recommendations have been delivered the Cabinet Member Built Environment will be included in these performance meetings.
- 5.3** A robust performance management mechanism will be put in place by April 2014 to ensure that directly delivered services are subject to the same rigorous performance monitoring and review as those commissioned services delivered by organisations external to the council.

6. Conclusions

- 6.1** Overall, the built environment service has maintained a high level of efficiency during its first year of operation as a service provider, as evidenced by performance against the agreed suite of performance indicators. There are still some issues that need progressing around culture, continuing to put the customer at the heart of the service and focusing on and measuring qualitative outcomes.
- 6.2** It will be important to ensure that this is reinforced through the implementation of the Council's change programme and in light of the financial challenges which the Council faces, the Cabinet will need to decide how best to monitor internal service performance within the new structure.
- 6.3** In light of the increasingly challenging delivery agenda, Cabinet may wish to consider whether the approach and resources deployed in servicing the current performance regime on both the commissioner and provider side remain fit for purpose.

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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. 'Built Environment Annual Report 2012-13'3. 2012/13 performance indicators4. Review of progress on cabinet recommendations from 18/10/2011
Background information	<ol style="list-style-type: none">1.

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	The council has an ambitious change agenda and undertaking another restructure within the team could divert resources away from the delivery of key projects	Grahame Lewis	September 2013	3	3	9	R	Resource requirements are picked up through the operational programme board, and capacity issues are reviewed through this process and resources realigned where necessary.	31.3.15	Mike Redman	
	If there is too much focus on service efficiency and saving money there is a danger that social, economic and environmental outcomes may not be delivered	Grahame Lewis	September 2013	3	2	6	R	The service outcomes are set to deliver social, economic and environmental outcomes and are underpinned by a set of principles relating to efficiency. It will be for the director of built environment to ensure that the right	31.3.15	Mike Redman	

								balance is struck between these outcomes and underlying principles			

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use “If xx happens then xx will be the consequence” (cause and effect). For example “If the council’s business continuity planning does not deliver

effective responses to the predicted flu pandemic then council services will be significantly impacted.”

Risk owner

Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

Either: Reduce / Accept / Transfer to 3rd party / Close

Action

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

Transferred to risk register

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on