

Executive Report

Report of Strategic Director - Place

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Development Management Establishment Review

Executive Summary

The Council has seen an unprecedented number of planning applications submitted during the last two years. This, combined with the effects of the pandemic and the loss of several key staff members, left the organisation in a position where a significant backlog of applications had built up affecting performance and customer service.

To address this, it has been necessary to implement a number of short-term measures to bolster performance and output across the Development Management service. This report seeks to ratify a supplementary budget to support these actions and secure longer-term support ensuring performance returns to pre-pandemic levels in line with national guidance. To achieve this there is a requirement to increase the number of establishment roles within the Development Management and Customer Case and Parking services, where key validation tasks are carried out when planning applications are first received.

The measures already implemented are having a positive effect with output in September 2022 increasing considerably and application numbers across planning officer caseloads slowly falling. The additional establishment positions are essential for this to continue and address difficulties at Senior Planning Officer level where vacancies have been difficult to fill, and complex applications are in danger of becoming stuck in the system, which could affect housing delivery.

Recommendation to Executive

That the Executive approves a supplementary budget for this financial year 2022-23 or the Development Management service of £465,400 and £15,800 for the Customer

Case and Parking Service to provide additional resources and support to address the back log of planning applications and ensure a robust service is delivered. That the Executive also approves additional funding for the next financial year 2023-24 for the Development Management service of £387,700 and £100,420 for the Customer Case and Parking Service to provide additional resources and support.

Reason(s) for Recommendation:

To ensure the return to a robust and customer focused Development Management function and to ensure that we can meet Key Performance Indicators and reduce the threat of Designation.

Is the report (or part of it) exempt from publication? Yes (part)

(a) The content of Appendices 1 and 2 is to be treated as exempt from the Access to Information publication rules because as it contains proposed salary information about members of staff that could be identified and some of these staff are unlikely to be senior roles where we would publish salary information and is therefore exempt by virtue of paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as follows:

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

(b) The content is restricted to all councillors.

1. Purpose of Report

1.1 The purpose of this report is to review the position within the Development Management function in terms of workloads and performance and identify solutions to address the significant back log in planning applications and seek approval for the supplementary budget required. Given the challenges faced the report provides scope for flexibility, therefore the measures set are kept general, and officers will adapt as circumstances change.

2. Strategic Priorities

2.1 This proposal supports delivery of the following key aspects of the Councils strategic priorities as follows:

- Revive Guildford town centre to unlock its full potential.
- Provide and facilitate housing that people can afford.
- Create employment opportunities through regeneration.
- Support high quality development of strategic sites.

- Support our business community and attract new inward investment.

Formal approval of the recommendations within this report will enable the significant backlog of Planning Applications to be determined and new Applications for development to be processed within statutory timeframes. Development of housing and business sites will support delivery of these important strategic objectives.

3. Background

- 3.1 Prior to the start of the COVID 19 pandemic in March 2020 the Development Management function maintained a period of steady performance. Targets were met with a positive appeal record and a successful pre-application advice service was in place.
- 3.2 The past 24 months have seen extremely high application numbers, not just in Guildford, but nationally. In 2021 GBC received over 2,700 applications, 500 higher than level in recent years. It remains unclear what the medium to long term pattern is likely to be. Early signs are that whilst levels have dropped they have settled at a higher norm than pre-pandemic, indicating a trend for a higher annual number of submissions. Further monitoring of this is required to enable us to design a permanent fit for purpose structure to meet future need.
- 3.3 Future Guildford restructure removed a number of posts from the establishment including the business support function.
- 3.4 Loss of staff/high staff turnover during the pandemic and challenges recruitment in a buoyant market since has affected both the Development Management and Customer Case teams.
- 3.5 We have seen high volumes of complaints/enquiries due to failure demand caused by the backlog.
- 3.6 The result of these factors is that a significant backlog of applications has built up and whilst output has increased this has not achieved a large-scale reduction in the backlog. During the last 12 months the focus has been on output and as a result performance in terms of decisions made 'in time' have significantly reduced.
- 3.7 There is therefore a significant risk on a number of fronts to the Development Management function:
 - **Poor customer service** – with high work levels it has become difficult to manage communication levels and customer

expectations resulting in an increase in complaints to heads of service/directors and Councillors.

- **Reputation** – continuing validation and determination rates are impacting on previous good reputation in terms of GBC performance.
- **Designation** - Poor performance can result in the government placing the service in 'special measures' also known as designation. Where councils are continually failing to meet national performance targets the government can impose special measures, effectively taking control of the service. Our performance over the relevant two-year period is below the threshold at which the process may be triggered, and in response the Council needs to show the measures have been put in place to improve performance.
- **Financial** – as backlogs grow the risks of potential refunds on applications submitted also increase. Application fees vary widely, and this could result in a significant financial effect for the Council
- **Increase in appeals**, applicants can appeal against non-determination if a decision is not made 'within time'. The result being that determination can be taken out of local hands. Although the number of non-determination appeals have increased these have mainly been in respect of cases the Council would likely have refused and therefore overall impact has not been significant. There have been some cases of appeals being submitted and a fresh application submitted to seek to force a decision, known as twin-tracking. However, so far this has been limited.

3.8 It is clear the short-term fixes employed over the last 12 months could not adequately resolve the situation. To assist, officers have engaged the Planning Advisory Service (PAS) to provide peer support. PAS offer free support to Authorities struggling to deliver the service levels required. A copy of this report is attached as an appendix. This review has made some draft recommendations which are incorporated into the action plan attached to this report. Some initial measures have been put in place in critical areas to ensure early improvements can be made, these include:

- **Appointment of interim team leader** (applications) on a six-month contract. This will provide specific support to the Head of Place and allow greater focus on this area.
- **Appointment of interim Major Applications team leader** to assist John Busher who has been performing this role for the past 18 months whilst continuing to carry a high workload of major applications.
- **increase in use of extensions of time** on planning applications – key recommendation of PAS review. With the high number of out of time cases this is the best way of improving performance whilst

increasing output. An increased number of officers have been authorised to agree these (previous team leader sign off was required).

- During the last 12 months officers have used the services of a company to assist with determination of minor level applications on a Planning Performance Agreement (PPA) basis. The company has been reliable and competent in dealing with the work and were engaged on a high-volume work basis. This takes the form of two distinct workstreams:
 - **Minor level applications** – fee structure of £950 per application to deal with initially **33** minor level applications. Output level of average 2.5 applications per week over 10 weeks – **total £31,350**
 - **Householder level applications** – fee structure of £260 per application. To deal with **243** applications over a four-month period. Determination rates to be approximately 50 applications per month – **total £63,300**
 - Appointment of administration support to manage and deal with day-to-day enquiries and handle back-office matters. The caseworker unit does not have the capacity to undertake these roles therefore we engaged two, four-month appointments to undertake these roles. These are set at the bottom of Band two, **£25,560** salary costs.
 - The impact of this arrangement is starting to be felt, operationally this is now running smoothly, and we are tracking output. We have therefore outsourced another batch of applications and will keep this arrangement under review.

Increase to establishment – specialist roles

- 3.9 Given the higher workload faced across the team and the need to release senior staff to deal with larger scale applications coming forward from allocated sites within the local plan, it is proposed to increase establishment across the team.
- 3.10 This report therefore seeks agreement for the following:
- **One additional senior planning officer** (grade 6)
 - **Three additional assistant planning officers** (grade 4)
 - **Additional principal planning officer positions** (grade 7)

The intention is to recruit to these positions immediately. The senior planning officer would bolster capacity to deal with minor and small-scale major applications freeing up principal planning officer time to focus on strategic requirements. The assistant planning officer positions are specifically identified at dealing with the lowest level applications on a high-volume basis and target graduates seeking initial planning-based

- experience. These appointments would be 12-month contracts to assess longer term suitability. These additional roles would reduce the need to rely on short term agency support which comes at a high cost.
- 3.11 At principal level the appointment of a 2-year fixed term principal to support the major's team whilst the strategic site work would continue. It has been identified that PPA income would adequately cover this, reducing financial impact on the Council and this would be factored into new agreements which are drafted.
 - 3.12 There is a lack of resilience in the number of officers available for signing off applications. With the increase in establishment and resulting increase in work output this has a knock-on effect in how many applications need to be signed off. With only two team leaders and the Executive Head of Planning Development able to regularly sign off applications this is clearly insufficient for the numbers of applications being processed. It is suggested that a 12-month principal within the applications team would offer support to the team leader and take on the mentoring of additional planning assistants to provide additional resilience.
 - 3.13 We have engaged a specialist recruitment company, Hays, to assist with the recruitment process. They have offered a framework rate and fee structure to advertise and short list applications for the senior and principal roles which are likely to be difficult to attract to, given the demand in the market. Other roles will be advertised through traditional means.

Scanning officers and increase in case worker resources

- 3.14 Consideration must be given to support functions needed to support Development Management. There is a considerable degree of administration work involved in the application process, this is undertaken in the caseworker unit.
- 3.15 Over 90% of Planning Applications, and a similar proportion of Building Control applications, are submitted to the Council electronically. This has led to an increased need for tasks such as downloading applications from the Planning Portal (third party national planning application service), uploading these documents to GBC's planning software, redacting, and indexing files. A small proportion of Planning applications are still submitted as hard copies and these require manually scanning to electronic copies for caseworkers, specialists, and the public to have access to. This process is time-consuming, involving breaking down stapled documents, scanning on a photocopier / scanner along with all other documentation.

- 3.16 The Customer Case team currently has two temporary officer's fulfilling these roles, they have been in place for 10 years but are not in the permanent establishment. Neither the temporary nor permanent roles are currently budgeted for. Costs were covered by the planning budget for the previous 10 years up until around October last year where costs were transferred to the Customer Case team and covered by underspend.
- 3.17 It is recommended to recruit two full time members of staff to carry out the scanning officer tasks within the casework team. Appointing two scanning officer roles will provide sustainability during periods of holiday, sickness and fluctuations of applications received. It will also reduce the need to continually retrain different agency staff as has been the case over the last 10 years.
- 3.18 The costs to recruit two scanning officers in-house would be £30,675 per position per annum- £61,350 including on costs.
- 3.19 Alongside these scanning officer positions it is recommended to increase the caseworker resources dedicated to the Development Management function. Since the implementation of the structure there has been a significant lag on the validation of applications. The support the caseworker function provides is essential to the efficient operation of the Development Management service. If applications are not validated in good time this leads to disruption to customer service and places pressure on specialists who receive applications several weeks already into the application process. The Post is band 3, bottom of this band represents £33,380 per annum including on costs.

Short term

- 3.20 There remain a number of vacancies and whilst these are recruited to and additional roles advertised there will be a need for short term cover. It is proposed, in the short term, to use temporary appointments, through agencies for this purpose. As establishment resources come online it is envisaged these arrangements will end. This need is most acutely felt at the senior officer level where recent staffing losses have introduced a high number of complex applications which we are unable to re-allocate. Whilst the recruitment of replacement senior officers is underway support is needed to keep cases moving.
- 3.21 Additionally we will continue using, closely managed overtime arrangements to target additional out of time cases. This was successful previously and further use of this offers proven good/targeted value for money.

Development Management Leadership and Business Support

- 3.22 The Inter Authority Agreement with Waverley Borough Council has created a new joint management team. Development Management now sits in the Place directorate and a new Executive Head of Planning Development is a joint role across the two councils. This role is currently vacant and whilst we recruit a permanent member of staff an interim has been appointed to the role. The costs of this are already covered within existing budgets.
- 3.23 GBC has lacked a Business Manager in the DM service since the role was removed through Future Guildford. This role is to be reinstated on an interim basis through post sharing with Waverley BC utilising an existing Waverley staff member who has taken the team through an improvement journey. This person will report to the Director of Place and work with the Interim Executive Head of Service to review processes, reporting, communication and structure with a view to developing the business case for further collaboration and a fit for purpose DM service going forward. The cost of this to 31 March 2023 is £20,840 including on costs.

4. Consultations

- 4.1 Finance team (Emma Parry)
Figures for a supplementary budget for 2022/23 provided and attached as an appendix and costs etc confirmed for the report. This will be funded from the Business Rates Equalisation Reserve, this report also includes a request for funding for 2023-24, from the same reserve. Please note that the three roles required in the caseworker team are requests for permanent members of staff. All other are fixed term contracts for either one or two years.

5. Key Risks

- 5.1 Key risks are continuing to service current workloads without additional resource. There is already a considerable backlog in place, although this is now reducing due to the measures already implemented that this report is seeking to ratify. This has raised the threat of designation as set out earlier in the report and below. This brings a significant cost risk to the Council for potential refunds to application fees if applications are not determined. So far whilst there have been some small-scale refunds this has not been to a significant level in relation to total backlog cases. If not addressed this will not continue. The resulting costs could be substantial and would be an increasing cost as more applications go out of time.
- 5.2 Non-determination appeals. If decisions are not made within statutory time limits an applicant can appeal against non-determination. This

increases both cost risk and reputational risk as decision making powers are taken away from the Council. To date there has been limited impact with most applicants willing to wait for a local decision. Most non-determination appeals have been limited to situations where officers have advised refusal is likely, therefore unnecessary cost is limited as an appeal would have been likely to take place anyway. However, there have been some instances of appeals being lodged alongside a fresh application, a tactic known as 'twin-tracking' used to put pressure on the Council to make a timely decision on the second application. This practice will increase if delays are not reduced.

- 5.3 There is a substantial risk of potential 'designation' by Government if delays in decision making results in significantly poor performance. The result of this can see decision making powers being taken away from the Council. This would represent a severe effect on the Council's reputation. Recently officers have made good progress in seeing the immediate threat of this recede through the use of extensions of time. However, this can only be a short-term measure. Long term workloads must be reduced to ensure an efficient service can be maintained long term.
- 5.4 Impact on staffing is a further risk. Across the service there have already been staff losses and the personal effect of a difficult period during COVID and the implementation of the Future Guildford model has played a part. We have done well to ensure we have recruited to vacancies; however, a negative reputational effect will hinder this long term and could well see further impacts on staff retention at Guildford.
- 5.5 Without a strong Development Management function the Council will be unable to continue its proactive work with developers in delivering key sites across the borough and securing infrastructure alongside these sites. We have used PPAs to good effect and our interaction at this larger development level is to be seen as a strong positive of the service in recent time. We have been able to use these positions to steer developments positively and secure infrastructure alongside it. Without an effective service we will not be able to resource this work and developers will recede from engagement. This will result in a significant loss of PPA income and poorer quality development with a likely knock-on effect to a reduction in infrastructure contributions alongside it.

6. Financial Implications

- 6.1 The increase in staffing resources has resulted in a cost increase to current budget provision. This report is seeking to ratify and agree additional spending on the Development Management function and Customer Case team to ensure the Council can meet its statutory functions in respect of dealing and determining planning applications and

appeals. The interim appointment of team leader positions is envisaged to cost a total of around £ £169,650 in 2022-23. However, this is off set by the existing vacancies in the major's team leader role which equates to around £193,830 (including on costs) which also includes a saving for the vacant Head of Place post.

6.2 The project to outsource a high volume of applications originally for a four-month period included the following costs:

- £31,350 for minor applications
- £63,180 for householder applications
- £25,560 for administration support

We have extended this for a further two months to the end of 2022 which has seen a further 80 backlog applications at householder level being passed over. Given the set-up work already in place this represent good value for money.

6.3 Additional Senior Planning Officer (Grade 6 Specialist) £53,000 pa (including on costs) and 3 x Assistant Planning Officer positions (Grade 4) – approximately £38,400 pa per post (including on costs). These are fixed term posts for one year only.

6.4 Additional Principal Planning Officer (Grade 7 Specialist) £61,730 pa (including on costs), fixed for one year and additional Principal Planning Officer (Grade 7 Specialist) £61,730 pa (including on costs) fixed for two years, costs to be recovered from PPA income.

Caseworker unit

6.5 Two scanning officer roles appointed at the bottom of Grade 2, including on costs would total £61,350 pa.

6.6 An additional caseworker at Grade 3 appointments made at the bottom of Grade 3 (£25,242) including on costs approximately £33,380 pa.

Business Support Manager

6.7 50% cost of Business Support Manager to 31 March 2023 £20,840.

6.8 A table is included as an appendix setting out the supplementary budget requirements for 2022-23 and costs for the next financial year. This assumes that the caseworker posts will be permanent but all other posts are fixed term contracts. One principal planner post is fixed for two years so there will be a cost in 2024-25 of approximately £52,000. However, costs will be recovered from PPA income.,.

7. Legal Implications

7.1 None

8. Human Resource Implications

8.1 The proposal to introduce additional team members will have some staffing impact in terms of reporting lines. However, there would be no changes to terms and conditions and therefore no significant HR implications are envisaged.

9. Equality and Diversity Implications

9.1 There are no equality and diversity implications as a result of this report.

10. Climate Change/Sustainability Implications

10.1 No such implications apply.

11. Summary of Options

11.1 This report is seeking a supplementary budget for 2022–2023 of £481,200 to cover measures already put in place and likely measures required for the remainder of the financial year to enable the Development Management function to address the backlog of applications and move away from the threat of designation, and back to meeting statutory requirements for determining planning applications.

11.2 It is officers view that not doing so would prolong the existing backlog and negative impact on performance well beyond the end of 2023.

11.3 This report is also seeking a supplementary budget for 2023-24 for £488,100 to enable the Development Management Team function to meet statutory requirements for determining planning applications. This figure includes assumption for agency staff of £85,000 and casuals of £34,000.

12. Conclusion

12.1 The measures set out in this report were considered essential to address the significant negative factors that have impacted the service over the last two years and to positively improve performance and efficiency.

12.3 The scale of applications to be determined are significant and even with the additional resources taken up under this report it will take some time

for the service to return to business as usual. We do not anticipate this being before the end of Quarter 1 2023. Furthermore, alongside these arrangements there must be attention and priority given to the wider inputs into the planning process' It is proposed that delegation arrangements need reviewing to allow a more efficient process. The funding sought covers the short-term measures which have been used during the last six months including temporary appointments, outsourcing and overtime. Further, it provides scope to appoint the appropriate establishment roles moving forward retaining the short-term staff until this is carried out, whilst transitioning away from this reliance.

13. Background Papers

None

14. Appendices

Appendix 1 – Planning Advisory Service Report - Exempt
Appendix 2 – Finance spreadsheet - Exempt