



SPECIAL HOUSING AND REGENERATION SCRUTINY COMMITTEE – 9TH DECEMBER 2020

SUBJECT: PLANNING SERVICES STAFFING AND BUDGET REPORT

REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To outline proposals for staff budget growth and realignment of fee income targets within the Planning Services Section of the Regeneration and Planning Service and to seek Scrutiny Committee endorsement for their implementation.

2. SUMMARY

- 2.1 The Regeneration and Planning Service has undergone a significant change process in recent years in response to significant budgetary pressures. The Planning Service itself has been restructured and shouldered significant budget cuts and is currently in the process of a consequential review of working practices, service levels and decision making processes as it responds to the challenges and opportunities provided by COVID-19 and Brexit.
- 2.2 In addition the Service faces several legacy budget issues relating to current fee income targets set for its fee earning functions. More specifically the fee earning service areas namely, Development Management, Building Control and Land Charges have historic unachievable fee income targets within each of their budgets which were set over a decade ago. In this respect income budgets were increased significantly (particularly in the years 2005/2006 to 2008/2009 as shown in Appendix 1) in response to Councils requirements to achieve budget savings as part of the MTFP. They were then subsequently partly reduced in 2009/2010 in response to a significant down turn in the economic climate and fee income levels, but it transpires not to realistic achievable levels.
- 2.3 Within the Development Management Team and following the implementation of the final elements of the restructure in October, planning officers individual planning application and enforcement caseloads will be well above sustainable levels. In addition, there are serious resilience issues for the Service given the age profile of the remaining staff in the Team and significant challenges relating to the long term sustainability of service delivery particularly when measured against the Welsh Government Planning Performance Framework (1) (2).
- 2.4 In response to the acknowledged pressures that planning services across Authorities in Wales currently face, Welsh Government have introduced a 20% increase in

planning application fees pending the outcome of an ongoing review of planning application fee levels. In this respect Welsh Government have made clear that this fee increase should be reinvested exclusively into improving the delivery of the development management service at the local level.

- 2.5 Given the legacy budget issues faced by the service this fee increase will however be absorbed entirely by the projected deficit in fee income, which is an issue that clearly illustrates the impact that unachievable legacy fee income targets have had on these service areas.
- 2.6 The Building Control Team also faces serious succession issues given the age profile of existing officers within the team. Whilst an apprentice post (Grade 3) was introduced as part of a recent restructure this scheme comes to an end in January 2021 but a further step in the staff structure is needed to allow the necessary qualifications and experience to be developed to meet the essential requirements required for the post of a Building Control Officer.
- 2.7 To address capacity and resilience issues the report, therefore, makes a request for an increase in the staff budget for Development Management roughly equivalent to 20% fee income to allow the creation of 2 new permanent full time entry level planning officer posts (Grade 8) together with an increase in staff budget to allow the creation of one permanent full time Principal Enforcement Officer post (Grade 10) and 2 permanent full time Enforcement Officer posts (Grade 8). With regard Building Control the report requests an increase in staff budget to allow the creation of a full time permanent Trainee Building Control Officer (through Grade 5-7), whilst maintaining the 2 existing Grade 8 Building Control Officer posts, together with recommendations for a reduction in the current unachievable fee income targets for both Building Control and Land Charges.
- 2.8 In addition, endorsement is also sought for staff budget growth for the creation of a CIL Officer (Grade 9) and for the permanent appointment of a Strategic Planning post (Grade 9) following 3 unsuccessful attempts to fill the post on a fixed term basis.

3. RECOMMENDATIONS

3.1 That Scrutiny Committee:

- a) Endorses the creation of 2 No. full time permanent entry level Planning Officer posts (Grade 8, £84.4k per annum with on costs) partly funded from the unallocated £31.4k staff budget following restructure and partly from staff budget growth from 2021/22. If recruited during 2020/2021 the part year funding required for the posts could be financed from increased fee income from the 20% increase in fees and/or unallocated staff budget;
- b) Endorses the creation of 1 No. full time permanent Principal Enforcement Officer (Grade 10, £52.3k) and 2 No. full time permanent Enforcement Officers (Grade 8, £84.4k). If recruited during 2020/2021 the part year funding required for the posts could be financed from increased fee income from the 20% increase in fees and/or unallocated staff budget;
- c) Endorses the creation of a Trainee Building Control Officer post (Grade 5-7, £29.2k-37.5k) part funded by the existing staff budget for the apprentice post of £12.2 and part funded from staff budget growth from 2021/22;
- d) Endorses a reduction in the Building Control fee income target of £100k from 2021/22;
- e) Endorses a reduction in the Land Charges fee income target of £20k from 2021/22;

- f) Endorses the creation of a permanent full time CIL officer post funded by staff budget growth of £46.7k per annum in 2021/22. If recruited during 2020/2021 the part year funding required for the posts could be financed from CIL administration fee income generated in 2020/2021 and/or unallocated staff budget;
 - g) Endorses staff budget growth of £46.7k per annum in 2021/2022 to cover the costs of a Strategic Planning Officer (Grade 9). This post was originally planned to be a 2 year fixed term post funded from approved use of Communities Directorate ring fenced reserve agreed by Council in October 2019. If budget growth is provided in 2021/2022 the ring fenced reserve funding would no longer be required and could be reutilised for other initiatives. Alternatively budget growth for this permanent post could be delayed until 2023/2024 and the ring fence reserve utilised for the first 2 years.
- 3.2 That these proposals are included as part of the budget proposals for 2021/22 to be considered by full Council and the resultant recruitment progresses once the 2021/22 budget has been agreed.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To endorse proposals for staff budget growth in the Development Management, Building Control and Strategic Planning budget and the reduction in the fee income targets for Building Control and Land Charges and that these proposals are included as part of the budget proposals for 2021/22 to be considered by full Council.

5. THE REPORT

Background

- 5.1 The Regeneration and Planning Service has shouldered significant budgetary pressures and accommodated a significant core budget cut of some 72% over the last 5-6 years.
- 5.2 In October 2018 a restructure was approved which, for Planning Services, included the rationalisation of management roles under a single Planning Services Manager, the deletion of 6 existing posts including one Development Management Team Leader and the creation of 3 new posts including an Apprentice Building Control Officer to deal with identified succession planning issues.

Development Management and Enforcement

- 5.3 The final elements of the most recent restructure of Planning Services was implemented in October 2020 and as a result, following the retirement of a further member of staff, the Development Management Team now comprises of a single Team Leader and 5 case officers, comprising, 3 Principal Planning Officers (Grade 10) and 2 Planning Officers (Grade 9). The number of Enforcement Officers has already been reduced from 6 officers to 2 with this service currently being delivered by one, recently appointed, Principal Enforcement Officer (Grade 10) and one Enforcement Officer (Grade 7). In addition, there remains £31.4k of staff budget which has not as yet been allocated following restructure.
- 5.4 From a succession and resilience perspective, the service area currently has an aging profile with an average age of 45 years and only 2 members of staff below 35 years. This poses a significant risk to the resilience of what is now a very small team, with a

large proportion of experienced professional staff at or nearing retirement age and very few development opportunities in the structure below.

- 5.5 With regard planning application workload on average the Authority determines in excess of 1000 planning and related applications per annum. On this basis, and following the restructure, future individual caseloads will on average comprise of some 200 cases per case officer which will be well above sustainable levels, and significantly more than traditionally recommended caseloads of 135 per annum.
- 5.6 Clearly, the current level of staff resource in development management is unsustainable. Further, responding positively to the impact of COVID-19 together with Brexit to facilitate the delivery of a sustainable recovery will present the Local Planning Authority with a significant and unprecedented challenge.
- 5.7 To increase capacity, address current resilience issues and maximise the opportunities offered from existing income streams the report below proposes the creation of 2 additional entry level Planning Officer posts (Grade 8) in the Development Management Team. These posts will be provided with a broad job description incorporating responsibilities for the determination of planning applications and planning enforcement, maximising the development opportunities for the post holders and the flexibility to respond to changing work pressures within the service.
- 5.8 The current level of enforcement complaints of over 300 per annum coupled with an existing caseload of in excess of 250 enforcement cases also presents a significant challenge for the Authority's 2 remaining enforcement officers.
- 5.9 Historically between 80 and 100 enforcement cases are resolved per annum, per officer, depending on the complexity of the caseload. In this respect, of the existing outstanding caseload there remains a range of complex cases requiring positive action to remove unauthorised breaches including those requiring the service or monitoring of the requirements of an enforcement notice and/or prosecution.
- 5.10 To reduce individual caseloads to manageable levels and address the complexity of some of the caseload it is recommended that 1 No. full time permanent Principal Enforcement Officer post (Grade 10) be created together with 2 No. full time permanent Enforcement Officers (Grade 8).
- 5.11 In parallel with the implementation of separate proposals to modernise service levels and decision making, and coupled with the flexibility built into the responsibilities of the proposed Planning Officer (x2) and CIL Officer posts this level of resource should allow for significant inroads to be made into the existing outstanding caseload over a 2 year period, whilst effectively managing new complaints received during this period.
- 5.12 In the longer term it is anticipated that this additional resource would also facilitate the provision of a more proactive enforcement service including the monitoring of development commencements and the discharge of conditions.
- 5.13 Taken together with separate proposals to modernise service levels and decision making these resources should facilitate the long term sustainability of service delivery particularly when measured against the Welsh Government Planning Performance Framework (1) (2) with the objective of consistently maintaining top quartile performance in Wales.

Building Control

- 5.14 The Building Control Team currently comprises of a Team Leader (Grade 11), 1 No. Principal Building Control Officer (Grade 9), 2 No. Building Control Officers (through Grade 7-8) and 1 No. Apprentice Building Control Officer (Grade 3).
- 5.15 This apprentice post was introduced in 2019 following restructure of the Section in response to acknowledged succession and resilience issues given the age profile of the team. This apprentice scheme, however, currently comes to an end in January 2021 but a further step in the staff structure is needed to allow the necessary qualifications and experience to be developed to meet the essential requirements required for the post of a Building Control Officer.
- 5.16 On this basis it is recommended that a new permanent full time Trainee Building Control Officer post be created (through Grade 5-7) part funded by the existing budget of £12.3k which currently fund 50% of the apprentice post, with progress through to each grade dependent upon completion of Levels 4 and 5 of the LABC Diploma in Public Service Building Control Surveying (or equivalent) funded by existing training budget.
- 5.17 As part of this proposal the structure of the remaining Team would remain in its current form with the Trainee post serving to address ongoing concerns regarding the succession of existing Building Control Officers following their retirement in due course.

Fee Income

- 5.18 Each of the three fee earning functions of Planning Services, namely development management, building control and land charges are set demanding annual fee income targets, the achievement of which is inextricably linked to the development industry and property market. In this respect the table attached as Appendix 1 illustrates the consistent underachievement and/or volatile and unpredictable nature of fee income since 2011/12.
- 5.19 It is clear that the development management fee income is volatile, with the fee income target being under achieved consistently since 2011/12 with the exception of 2015/16, 2017/18 and 2018/19 when a number of large allocated housing sites were progressed through the planning process as a consequence of the preparation of the now withdrawn Replacement LDP. Since then fee income has returned to historic levels. The current forecast for 2020/21 is for a fee income shortfall of circa £110k.
- 5.20 A comprehensive review of the fee structure for planning applications is currently ongoing by Welsh Government in an attempt to provide adequate resources to fund the statutory development management process. This is a complex piece of work and in recognition of the current pressures and significant resource and resilience issues Local Planning Authorities currently face, a 20% planning application fee increase across the board was introduced on 24th August 2020. The expectation is that this fee increase will be reinvested exclusively into improving the delivery of the development management service at the local level.
- 5.21 Based upon income in 2019/20 the 20% increase would equate to approximately £87k and would be sufficient to fund 2 Grade 8 entry level posts. Whilst this is welcomed, it should be recognised that the current underachievement of fee income by the Service is in excess of 20% and, as a consequence, this increase will be absorbed by the existing fee income target and will not release further resources to invest into service delivery.

- 5.22 To facilitate the creation of 2 permanent full time planning officer posts in development management, therefore, it is proposed that the fee income target be retained at current levels in anticipation that the 20% increase in fee income will go some way to meeting existing fee income targets, but that the staffing budget be increased by circa £84k per annum from 2021/22 to accommodate these new entry level posts. In addition, to facilitate the appointment of these posts in this financial year, it is recommended that any associated staff budget shortfall be offset by additional fee income generated by the 20% increase in fee income.
- 5.23 Building Control fee income has been consistently below target and has underachieved by circa £100k per annum over the past 3 years.
- 5.24 The fee earning elements of this service operate in a highly competitive market with private sector approved inspectors, and fee levels are set strictly in accordance with CIPFA guidance on a cost recovery basis. Any surplus fee income should be reinvested in the service where justified or used to adjust the cost of using the service.
- 5.25 The effect of an unachievable income target in the budget is, therefore, two-fold. Firstly, it prevents any fee income from being reinvested and secondly for fees to be adjusted to improve the competitiveness of the service and maintain or develop its customer base.
- 5.26 On this basis it is requested that fee income targets for the Building Control Service be reduced by £100K from the 2021/22 financial year.
- 5.27 Land charges fee income has consistently underachieved during the period since 2011/12 being circa £20k (approx. 20%) per annum below target on average over the last 3 years. This service also competes for elements of its income with personal search agents and an unachievable fee income target within its budget can serve to undermine the competitiveness and development of the service.
- 5.28 It is proposed therefore that the fee income target for this service be reduced by £20k in the 2021/22 financial year.

Community Infrastructure Levy (CIL)

- 5.29 CIL is a statutory levy on qualifying development, collected by the charging authority, i.e. Caerphilly County Borough Council. It is the vehicle for funding infrastructure to support development in accordance with the Adopted Caerphilly County Borough Local Development Plan up to 2021 (LDP).
- 5.30 At the end of March 2020, available CIL funds totalled £2,007,820.66. In addition to this, CIL can be utilised to lever in funds that would not otherwise be available, i.e. to match or draw down other funding.
- 5.31 Since CIL was introduced in 2014, the cost of administering CIL has increased each year in line with the increasing workload involved in its administration.
- 5.32 The day to day operation of CIL includes: determining whether development is CIL liable/chargeable, the calculation of CIL amount, the administration of the CIL including issuing of notices and enforcement of the CIL Regulations for recovery action and appeals, the recording and reporting of financial details and arranging the relevant payments to Community Councils.

- 5.33 Administration requires an in-depth knowledge of the CIL Regulations and processes and procedures and is currently undertaken by several officers within the Planning Technical Support, Development Management and Strategic Planning teams.
- 5.34 The CIL Regulations make provision for a proportion of CIL receipts to be retained to cover administrative costs. At the end of March 2020, this amounted to £125,299.80. This CIL admin fee is, however, an annual amount set at 5% of CIL income levy and therefore varies from year to year (19/20 £57.5k, 18/19 £37.8k and 17/18 £16.4k). This fee is not, however, accumulated and currently represents an income value in that financial year.
- 5.35 Due to the level and complexity of the work involved in CIL, administering CIL would be best undertaken by a single officer with a specific remit for the deliverability of CIL. The post could be funded or part funded from the CIL administrative fee that the Council can claim from the overall CIL receipts, however as noted in para 5.24 above the CIL administration fee income cannot be guaranteed each year as it depends on the level of overall CIL income generated each year. Therefore the CIL Officer post would need to be funded from base budget growth in 2021/2022. There is scope for the role of any CIL Officer to be expanded to include S106 matters and some enforcement issues if so required.
- 5.36 Consequently, it is proposed that a new permanent, full-time post with the specific responsibility for all CIL related duties be created. The post would be located within the Development Management Team. It is considered that the post be of sufficient grade to undertake the requirements of administering and enforcing CIL including prosecution and, therefore it is intended that the post would be a Planning Officer level grade post (grade 9). As such it is requested that a new Grade 9 post be created at a cost, including on costs, of £46.7k per year (including on costs) and that the cost is met from staff budget growth.

Strategic Planning

- 5.37 On 23rd October 2019 Council resolved to commence the preparation of a full revision of the Adopted Local Development Plan and approved the necessary budgetary measures to provide the finance necessary to meet the costs of delivering the Strategic Development Plan and the second Replacement LDP.
- 5.38 In addition, Council agreed to the creation of a two-year fixed term Grade 9 post, at the cost of £42K per year (including on-costs and pay inflation at top of the Grade this would now equate to £46.7k) to complete the delivery of the Council's Regeneration Strategy Framework via the development and publication of area masterplans.
- 5.39 Since this time the post has been advertised on 3 separate occasions without any applications being received from any applicants that met the essential criteria. As a consequence, authorisation was provided to advertise this post on a full time basis and the recruitment process is currently ongoing. Initially this post will be appointed on a fixed term basis and if Council approve budgetary growth as per para 3.1(e) above this post would then be made permanent.
- 5.40 Growth in the Strategic Planning staff budget is therefore requested to cover the costs of this post from 2021/22 with the cost in the first two years being offset by the existing approved allocation of funding from the Communities reserves as agreed by Council in October 2019.

6. Conclusion

- 6.1 The proposals in this report seek to resolve legacy budget issues relating to current fee income targets set for the fee earning functions of Planning Services and staff budget growth to resolve capacity and resilience issues in the Development Management and Building Control Teams and to facilitate the effective management of CIL funding and to complete the delivery of the Council's Regeneration Strategy Framework.
- 6.2 Given the significant challenges the service faces this is considered to be the most effective way of providing the necessary resources to respond to the COVID-19 crisis and facilitate the delivery of a sustainable recovery in environmental, social, cultural and economic terms.

7. ASSUMPTIONS

- 7.1 None.

8. LINKS TO RELEVANT COUNCIL POLICIES

- 8.1 The recommendations contained within this report are designed to create a more sustainable Planning Service that will actively support the delivery of each of the Corporate Well-being Objectives in the Corporate Plan 2018-2023:

Objective 1 - Improve education opportunities for all.

Objective 2 - Enabling employment.

Objective 3 - Address the availability, condition and sustainability of homes throughout the County Borough and provide advice, assistance or support to help improve people's wellbeing.

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment.

Objective 5 - Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015.

Objective 6 - Support citizens to remain independent and improve their well-being.

9. WELL-BEING OF FUTURE GENERATIONS

- 9.1 The proposals in this report will assist the Authority in its duties as a public body under the Well-being of Future Generation (Wales) Act 2015 to contribute of the well-being goals for Wales:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh Language
- A globally responsible Wales

9.2 The recommendations of this report are also consistent with the five ways of working as defined within the sustainable development principle in the Act. The five ways of working of the sustainable development principle, listed in the Act are:

- Long Term – the proposals will enable the Authority to develop a more sustainable service in response to significant budgetary and resource pressures and deliver its statutory obligations.
- Prevention – taking a more commercial approach and strategic focus will allow services to be targeted more effectively and prevent current resource issues from frustrating the delivery of development and key strategic projects.
- Integration – further development of a single point of contact for access to services, online resources, formalisation of advice and frontloading will facilitate more integrated working.
- Collaboration – the proposals will facilitate greater collaboration through the planning process with other organisations and bodies in the delivery of strategic projects.
- Involvement – the proposal will facilitate engagement and access to resources through a great range of digital platforms.

10. EQUALITIES IMPLICATIONS

10.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

11. FINANCIAL IMPLICATIONS

11.1 The proposals will result in a reduction of fee income targets by £120k (£100k Building Control fees and £20k Land charge search fees) to more realistic achievable levels and also staff budget growth from 2021/22 of £53k for 2 x Grade 8 Planning Officer posts, £52.3k for a Grade 10 Principal Enforcement Officer, £84.4k for 2 x Grade 8 Enforcement Officer posts, £25.3k for a Trainee Building Control Officer, £46.7k for a Strategic Planning Officer post (Communities ring fenced reserve funding already approved for 2 years) and £46.7k for a Grade 9 CIL Officer post. The annual CIL administration fee income referred to in this report generated from 5% of annual CIL income, would be retained within the service to support other CIL administration activities and if necessary offset any ongoing shortfall in fee income targets in Development Control, Building Control or Land Charges.

Posts	Annual Cost (inc. on cost - top of grade)	Funding Available	Budget Growth
Planning Officer (Grade 8) x 2	£84.4k	£31.4k	£53k
Principal Enforcement Officer (Grade 10)	£52.3k	0	£52.3k
Enforcement Officer (Grade 8) x 2	£84.4k	0	£84.4k
Trainee Building Control Officer (Grade 5-7)	£37.5k	£12.2k	£25.3k
CIL Officer (Grade 9)	£46.7k	0	£46.7k
Strategic Planning Officer (Grade 9)	£46.7k	£84k (2 years from Directorate Reserve)	£46.7k
Budget Growth			
Building Control	£100k	0	£100k
Land Charges	£20k	0	£20k
Total	£472k	£43.6k (plus £84k for 2 years from Directorate Reserve)	£428.4k

12. PERSONNEL IMPLICATIONS

12.1 There are no specific personnel implications directly resulting from this report.

13. CONSULTATIONS

13.1 The draft report was distributed as detailed below. All comments received have been reflected in the report.

14. STATUTORY POWER

14.1 The Local Government Acts 1998 and 2003.

Author: Ryan Thomas, Planning Services Manager

Consultees: Cllr Sean Morgan, Cabinet Member for Finance, Performance and Planning
Christina Harrhy, Chief Executive
Mark S Williams, Interim Corporate Director – Communities
Steve Harris, Head of Financial Services & S151 Officer
Rob Tranter, Head of Legal Services & Monitoring Officer
Lynne Donovan, Head of People Services
Rhian Kyte, Head of Regeneration & Planning
Mike Eedy, Finance Manager
Cllr Andrew Whitcombe, Chair of Housing and Regeneration Scrutiny Committee
Cllr Christine Forehead, Vice Chair of Housing and Regeneration Scrutiny Committee

Background Papers:

(1) Planning Performance Framework -

<https://gov.wales/sites/default/files/publications/2018-12/planning-performance-framework-indicators-and-targets-in-detail.pdf>

(2) Planning Performance Framework Table - Planning performance framework table (April 2018 to March 2019) | GOV.WALES

Appendices:

Appendix 1 Fee Income History