

Executive – 23 April 2009

SYSTEMS THINKING: REVIEW OF THE PLANNING SERVICE

Report of Strategic Director (Community)

Statutory Powers: Town and Country Planning Act 1990 and Planning and Compulsory Purchase Act 2004.

Financial Implications: External facilitation of a Systems Thinking review of the Planning Service by Vanguard Consulting will involve costs of approximately £25,000 to £35,000. The consultant will be funded from the Housing and Planning Delivery Grant monies held in the Planning Reserve. The total cost will be determined by the level of external support required to achieve a robust review.

Purpose

This report seeks approval for expenditure of up to £35,000 to support the planning service to respond to perceived concerns about current levels of customer satisfaction.

Links to Council Priorities

This report links to CP6 (value for money). It also links to the Council's adopted Customer First Policy.

RECOMMENDATIONS

That the Executive RESOLVES that

- (a) to approve expenditure of up to £35,000 in order to directly commission Vanguard Consulting to support the Council in applying Systems Thinking to the delivery of Planning Services;**
- (b) approval be given to make an exception to Standing Orders Relating to Contracts on the grounds that there is only one contractor providing the Systems Thinking approach, which has been used by many other Councils across Devon, and there is no purpose in going through a formal tender process; and**
- (c) the details of expenditure within the agreed cap to be delegated to the Strategic Director (Community), in consultation with the Executive Member responsible for Planning Services.**

Background

1. The Planning Service undertook a business process review of service delivery about two years ago and the team has implemented a number of changes. The changes have resulted in a range of service enhancements, for example changes to the delegation arrangements and improvements to remote and mobile service delivery. Of particular benefit to customers of the service has been the improvement in documentation of how decisions are reached, and the information that is on the Council's web site. The changes will also result in efficiency savings, some of which have already been realised, such as the reduction from three area teams to two. It is anticipated that the net financial savings which will be finally delivered from the work undertaken to date will amount to £20,000. However, whilst the previous review had the improvements for customers in mind, it did not include their views in the analysis of the internal processes, and concentrated on delivering efficiencies. It was also predominantly centred on the development control team, rather than the wider planning activity, which requires input from a wide range of other services across the Council to secure an effective outcome.
2. While the service has generally met its range of national performance indicator targets, and as a consequence has contributed to the Council's receipt of initially Planning Delivery Grant, (now Housing and Planning Delivery Grant,) a key concern for Councillors has been to improve customer satisfaction and address the level of complaints received by the service. Many complaints relate to the planning decision (ie. whether an application should have been either approved or refused), however others are about the perceived lack of involvement by interested parties in the planning process and delays in responding to correspondence or timescales for holding meetings. It is anticipated that this initiative will ensure that the Council's adopted Customer First policy is fully embedded within the service.

Service Improvement: first steps

3. Over two years ago the Council took early steps towards introducing business process re-engineering within the Planning Service by inviting three companies to present their methodology: Alexander, Vanguard and Validus. Alexander was chosen on considerations of price and the nature of their review process (min. E.13/06 refers). While this exercise was helpful in improving procedures, it did not seek to place the customer at the heart of the process. Since then officers have undertaken a scoping exercise with Vanguard to better understand their particular methodology. The scoping exercise helped officers obtain a common understanding of the problem we are trying to solve, an understanding of how a systems approach would apply to the problem and what it would mean both operationally and strategically to the service and to the authority.
4. The Strategic Management Team believe there is merit in taking a Systems Thinking approach across the authority and to use this structured facilitation to further develop internal capacity and capability to continue to roll out the approach to all services, particularly those that will be subject to shared services. Developing internal capacity will also reduce the level of need for ongoing external support provided by the consultant. Such an approach will provide a robust basis to maximise the customer and efficiency outcomes from the proposed changes.

5. The initial focus for this externally facilitated work will be the Planning Service. Vanguard Consulting have successfully carried out similar reviews of Planning Services in many District Councils across Devon, as well as in the Dartmoor National Park Authority. Although the approach uses an external facilitator, the review is carried out by staff within the service and involves those services and customers who interact with it. The review is likely to differ from those undertaken in those nearby Authorities in that it will consider all customers of the service and not just the applicant.

Systems Thinking – The General Approach

6. The approach is based on a combination of Systems Thinking i.e. understanding 'how the work works' and Intervention Theory i.e. 'how to change the work' to improve customer service and as a consequence, performance, efficiency/capacity and staff moral, because there is less criticism of the team's efforts from customers. The approach puts customers at the centre of the service and enables managers and staff to view the activity of the overall system, including the input of other services. The theory is that as an organisation reduces unproductive activity, i.e. failure demand (which occurs through repeat customer requests, repetition of process such as checks or even double checks because of the concern of many organisations about eradicating errors, and complaint handling), the focus is on added value work.

Systems Thinking and the Planning Service

7. The initial stages of the process will centre on reviewing the existing activities and their impact on the customers of the service. The recent focus of the service has been to meet nationally set performance targets, rather than the expectations of customers, an approach particularly driven by the allocation of grant money. To an extent, increasing the speed of decision making has aggravated customer relations. Applicants have not been able to continue negotiating within the normal statutory time limits, but have had to withdraw their applications or have them refused. Neighbours and Town/Parish Councils also want to influence decisions they do not agree with, and complain that systems should allow for increased discussion prior to a controversial decision being taken. Consequently, in line with many planning services across the country, the service receives a relatively high level of complaints from users compared to many other services that are provided by the Council. The service, which is different to many council activities, also experiences customers who potentially require very different outcomes from the process (most obviously illustrated by an applicant and an objector to the principle of a development proposal). Notwithstanding this, the service has consistently been in the top quartile for levels of customer satisfaction amongst applicants.
8. Furthermore decisions by officers and members are based on balancing a wide range of material considerations, rather than 'hard and fast' rules (which is markedly different to a service such as building control). Indeed the national move to change the approach of a planning service from development control to development management, with much greater policy flexibility to grant consent for 'good development', may increase the potential for customer complaints, particularly about consistency, in the absence of a structured review as proposed.

9. The use of Vanguard Consulting to support the review will be helpful in that it will:-
- a) Provide an external 'critical friend' for the staff undertaking the review;
 - b) Bring experience of introducing customer focused changes in adjoining local authorities planning services. This will help create a more consistent process across local authority boundaries and will support emerging opportunities for greater joint activity as part of the shared services agenda;
 - c) Maintain staff focus on what matters to all our customers (for example applicants, interested parties and councillors from different tiers of local government);
 - d) Ensure activity is limited to only the 'valued' work (ie. activity which is of direct benefit to the customer) and reduces failure demand (ie. waste) to improve capacity and staff morale because of the greater focus on 'important' work.

It is concluded that based on the experience of Vanguard Consulting, their whole system approach and the feedback about their success in adjoining local planning authorities, there is merit in direct procurement, rather than following a formal tendering exercise. Vanguard's System Thinking approach is unique to the company and for procurement purposes, members should approve the making of an exception to the provisions of Standing Orders relating to Contracts on the grounds that since there is only one supplier, there is no purpose in going through a tendering exercise.

10. It is likely that the review will be challenging, question long held accepted ways of working, will probably reduce the speed of performance both during the review and subsequent transition period and may initially have an adverse impact on staff morale. However, the experience of employing the approach in other planning services has been positive, once the new way of working has been fully implemented. It should also be noted that the approach is not a quick fix and will take time to complete. It is anticipated that 6 months is likely to be the timescale for full implementation and the outcome of the review may require some further investment in IT systems to maximise the outcomes. Furthermore the review will be more wide ranging than that undertaken in nearby districts because it will have a wider canvass of customers. The exercise will therefore be more complex and result in different measures of performance being devised.
11. Members should also note that running in parallel with this proposal will be the introduction of the upgraded planning IT software known as M3.

Strategic Risk Assessment

12. The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
<ul style="list-style-type: none"> • Continue the corporate programme of service improvement both within the planning service and across the organisation. • Promote greater focus on customer satisfaction rather than speed of performance. • Achieve greater consistency in approach across local authorities using Systems Thinking facilitated by an external consultant that has carried out similar reviews in neighbouring councils. • Achieve staff ownership of new ways of working to build on the process review recently undertaken • Current downturn in economic activity provides an opportunity to create staff capacity to carry out the review 	<ul style="list-style-type: none"> • Probable adverse impact on speed of performance during transition period. • Relatively high cost of facilitated change. • Possible perception from some staff that they have already undertaken a process review and that the Systems Thinking methodology will not be fundamentally different to that which has already been undertaken. • Possible unrealistic expectations may be created that the review could remove all complaints about a service that has to take decisions where there are competing interests 	<ul style="list-style-type: none"> • Potential for improved customer satisfaction. • Potential further improvements in efficiency. • More consistent application of service standards across the planning activity. • More efficient and effective contribution by those services which support the overall planning activity (eg. Landscape and Leisure, Environmental Health, Community Regeneration, Legal and ICT). • Greater confidence that service is doing all it can to meet customer requirements

Conclusion

12. It is concluded that using Vanguard Consulting to support a Systems Thinking review of the planning service will provide a mechanism to address Member concerns about customer feedback and in time help embed the Customer First policy more effectively across the organisation by creating greater internal capacity and capability to apply the approach corporately.

Alan Robinson
Strategic Director (Community)

Executive
 23 April 2009

Background Documents:

Report to and minute E.13/06 of the Executive on 22 June 2006