

Appendix 2

(Draft) Response to Transfer of Planning Finance Proposal Paper v0.4 Belfast City Council

15 September 2014

Foreword

Belfast City Council welcomes the opportunity to comment on the paper, issued by DOE on 27th August 2014, outlining the proposed finance to support planning functions upon their transfer to local councils.

Planning is regarded as an integral element of the Council's future role in place-shaping and it is essential that it is adequately resourced to fulfil that function within the new planning system. The continued delivery of the new function in an effective manner for Belfast is critical; as managing and supporting development for the city as the economic driver has a broader benefit for the rest of the country. Belfast has to maintain its role, regionally and internationally, by providing administrative/governance processes that support the continued development of the region and attract investment. It is particularly important that the Council has sufficient resources and support in place to meet expectations for development management performance alongside the required investment in our development planning function.

Belfast City Council has therefore reviewed the proposal paper and has a number of observations and queries it wishes to submit. Finally, we wish to take this opportunity to request that there is further engagement with the Council in order to discuss the details of the proposals and to agree a settlement that is mutually acceptable.

Introduction

PARA 1.7

- DOE final income and expenditure figures are based on forecast/anticipated figures that are unknown until the end of October. The Council requests assurance from Deloitte that the method of forecasting used is accurate.
- The Council would also seek assurance that there is provision for inflation and/or increased costs moving forward; as opposed to a fixed contribution.

Overall costs and Income

PARA 2.1

- There is additional cost associated with additional applications passing to councils as a result of the subordinate legislation out for consultation. The report however only highlights additional income. The additional costs associated with the new system which cannot be calculated by the workforce model or similar projections from existing activity could be mentioned as a general concern especially for transition.

PARA 2.4

- The allocation of income is based on the average percentage of planning receipts received by each cluster over a 3 year period, we would require assurance from Deloitte using DoE (Planning Portal) data as to how these figures were reached – i.e. a breakdown of the planning receipts over the last 3 years NI wide with an assessment as to the retained Department caseload.

PARA 2.5

- Councils will be expected to process applications that have been received in 2014/15 but not processed by DOE prior to 31 March 15. We would require assurance that the deferred income transferred relates to the correct applications and that a timeline for drawdown of that income is established.
- The council would also wish to reach an agreement on the portion of fees for partially processed applications as part of transition.

PARA 2.6 – 2.9

- Staffing and salaries make up 80% of planning cost. These have been allocated using a workforce planning model based on the number of applications remaining the same as in 13/14 and the previous development management model.
- We would require assurance by comparison to the current staffing as to the capacity, and flexibility of the proposed model to cope with projected additional applications and the considerable resource requirements of development planning.
- In particular how this compares with the appropriate staffing levels a maintained development plan resource (including external consultancy) such as those put in place during BMAP.
- The Council also seeks reassurance that the financial resources for salary costs will take account of pay progression and any remaining incremental costs for the transferring employees.
- Perhaps the point should be made again at 2,8 about Council involvement in any changes significantly affecting the structures or staff likely to transfer to take account of the skills required for the new organisations
- It is also noted that estimates for staffing costs have been based on effectively the middle point of the scale - whereas Council to take account of the potential impact on budgets and rates would base its estimates on the top Spinal Column Point.
- Assurance is also required that statutory consultees will be required to meet the resource requirements of supporting the new arrangements/relationships for both the Development Management and Development plan functions.

Administration & Programme Costs

PARA 2.12

- The Council is concerned that there is no allocation made for legal costs in the Allocation of Programme Costs between DOE and Local Government. Legal advice and support is a requirement across the three transferring work areas. In addition Belfast is likely to have a greater proportion of complex and significant applications and provision should be made for some allocation, particularly in the transition phase for the financial year 15/16, as it is likely that the new Planning system and Act will be 'tested' through a number of administrative and legal challenges. As such the Council would request that this is reflected in the final proposals.
- We would also seek assurance that the 2015/16 pay rise and cost of VER has been included.
- Insufficient information has been provided by the Department regarding any existing SLAs or contracts that the Council will be required to put in place post April 2015 to continue service delivery. As such the Council is unable to ascertain whether the proposed figures adequately reflect these costs. The

Council would request that information, including the value, term and supplier, of all contracts or SLAs is urgently provided to the Council.

- The Council also seeks clarification that sufficient resource has been made available for (development management) advertising costs in Belfast. Figures (unverified) provided to the Council indicate costs of in the region of £8,000 per week. It is not clear from the paper whether this has been accounted for.

Development Plans

PARA 2.13-2.16

- The paper suggested that a further £10k per council is available for development plan consultancy and £16.3k per council for publishing and printing.
- The Council would be of the view that this figure falls significantly short of the resources that will be required for the development and maintenance of the proposed Development Plans under the new Act and based on the past experience.
- Significantly greater resources are required to support this process in Belfast to address the specialist support required to ensure housing, employment, retail and transport strategies are robust and aligned to regional aspirations. The Council would like clarification, for example, of how this figure has been calculated and the comparison to the resources devoted to the production of BMAP and the technical supplements that support the final strategy. The notion of annual peaks suggested in the paper does not take account of the additional processes introduced within the new act including the requirements for regular reviews of plans.
- The Council would also highlight that the proposal paper also makes no provision for resources being transferred to councils (unless notionally within Administration) to cover the cost associated with the actual Inquiry or the associated processes that could include Judicial Review.

Habitat Regulation Assessments

PARA 2.17 HRA

- The DOE is currently finalising options regarding this. The Council would like clarification as to whether there is any budget relating to this included within the proposed allocation. In the absence of the budget provision there should be clarity as to the support to be provided in this regard and the associated processes.

Corporate Overheads

PARA 2.19

- Greater clarity is required in relation to how each of the components within this section has been calculated and what costs these 'cover'. For example, are there ICT elements within the Information Management or Training Budgets and does this account for the lack of defined ICT budget transferring to Councils?
- The Council also notes that there is no clear provision to support enforcement. In the greater Belfast area between 300 and 500 enforcement actions are undertaken annually and as such the Council contend that there should be resources identified for the primarily legal specialist support that is required for case officers in respect of appeals, notices or other legal processes.
- The paper proposes £88k total funding to all 11 councils for legal costs. The Council requests clarification as to how this figure was calculated based on the existing levels of support from the DSO / specialist external sources and the level

of support that an individual budget of approximately £8,000 per Council is anticipated as providing. This figure may only reflect miscellaneous legal advice by external providers as it is understood the DSO does not record the proportion of their time spent on planning. However from an initial assessment the Council is of the view that this is a gross under estimate of the potential legal support costs required to support the full range of functions.

PARA 2.23

- A more comprehensive breakdown is required of how the proposed £2k is reached to ensure it will adequately meet the actual costs.
- Upon initial assessment, however, the Council believes that the £2k proposed is insufficient to cover the overheads associated. In particular we would contend that this fails to take account of the increased costs associated with rent/accommodation in Belfast by comparison to elsewhere.
- The Council would also like confirmation that any agreed figure will be allocated to each transferring staff member, as opposed to each FTE. The Newry-Mourne-Down pilot for example as highlighted to confusion that can be caused by failing to take account of the number of staff versus the number of posts; and the Council would argue that notional costs are per head as opposed to per FTE.
- Finally, it is suggested that there is also a lack of clarity as to the treatment of the £400 relating to HR Connect.

Overall Proposed resource Allocations

PARA 2.25

- The Council would seek assurance as to where the £400 per person is reflected in the proposed allocation.

Shared Services

PARA 3.1-3.6

- It is suggested that the proposed annual maintenance costs of the Planning Portal will be allocated between DOE and councils on a per head basis. This proposal requires clarification in terms of the terminology – it is not clear if the suggestion is a split between the 12 planning authorities on an equal basis or some other interpretation of “per head”. On a general point it is not clear what the projected costs for the Portal actually are or where the ongoing /transitional costs have been included in the tables.

Transitional Costs

PARA 4.1-4.11

- The paper contains insufficient detail on ICT costs - particularly with regard to the Portal SLA, Account NI, Property certificates. For example, it is unclear whether the £2k includes training costs or IT Assist.
- The Council notes that the likely licensing costs associated with HR Connect does not appear to be accounted for within the £400 and that there are likely to be variances between the NICS licensing costs and those of the Council.
- The Council would request further information on annual infrastructure costs e.g. Citrix Access gateway
- It is also noted that there is no budget reflected to fund any required changes to the system (approx. £60,000 per change) and no budget for system replacement and the system **must** be replaced by March 2019.

- The Council also highlights that there will be a revenue resource requirement to cover the annual support and maintenance of the Network NI connection in Bedford House (£12,000), resilient connection to the Planning Portal (est. £8,000) and Installation (£12,000) + annual support and maintenance, Mitel VoIP system which will be rolled out to Bedford House. There may also be a requirement for additional licensing. These figures do not appear to be reflected in the budget proposal.
- As DOE will be aware BCC are currently seeking to maintain a presence in Bedford House in the interim until suitable alternative accommodation is found. Belfast City Council would therefore request that relocation monies made available to other areas in 14/15 could be similarly made available to Belfast at the appropriate time.
- The Council notes that 2 PCs are required for a transitional period, and this cost is met by councils. However, if related to the transition period this should be clearly treated as a transition cost. In addition the hardware is proposed to be provided for transition but there is no specified duration.
- For clarity the council would request further detail of what ICT equipment will transfer to the Council and any outstanding ICT equipment requirements including printing and scanning; and whether these costs will be met by DOE.
- The Council would seek assurance that councils will be remunerated for the cost of providing work stations for transferring staff.
- The Council notes that DOE assume that any increase in cost would be immaterial. Although this may not be the case for 39.5 staff, when the transfer of functions is viewed as a whole, a material increase will arise that will have to be met by councils. In addition to this there is also employer's liability and officers indemnity that will increase in line with the increase to the council's salary costs.
- Staff from DOE will be bringing key T&Cs, HR policies and payroll requirements which are not established in the Council's existing processes and systems. The council and our systems will therefore have to actively respond to the needs of transferring-in staff by adding to or developing their existing resources in order to cope and to meet their obligations under TUPE. This will clearly have significant resource implications both at the point of transfer and going forward, in managing these key differences.
- As such, we would like an assurance that an amount and terms would be agreed with each council for transitional costs that could be accessed upon the costs being incurred post April 2015.

Annex B

- Though the proposed staffing numbers (39.5) for Belfast reflect a considerable reduction from original estimates the Council is content that there is sufficient capacity to meet the demands of development management.
- However, the Council has significant concerns that there is insufficient resource being made available to support the new development planning function; both in terms of staffing support and the ability to avail of external/third party support. It would also contend that the current allocation fails to acknowledge the potential complexity of development planning in Belfast. The Council would therefore wish to review the proposed resource allocation in this light.
- There is a proposal to retain 75 staff in the centre along with an associated budget. There is an absence of any detail as to the roles or functions of this significant resource or any clear business case for this level of staffing either in the document or appendices. As this has a significant impact on the residual staffing of the individual Councils further explanation is required around this issue and the associated resource allocations.

Concluding Comments

The council would once again like to thank the Department for the opportunity to comment upon the proposal paper and acknowledges that this is a preliminary draft that requires further work.

Certainly, greater detail is required on how the proposed figures were reached in order that due diligence can be carried out. Also, the council wishes to stress the importance of adequately resourcing both customer-facing and corporate services - such as HR, ICT, legal services, financial services and business support - during a period of significant change.

Belfast City Council would therefore like to have an opportunity to meet with the Department to discuss these comments in greater detail in order that the particular circumstances and needs of the city are reflected in the proposal.

Further Information

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