

NSIP Innovation & Capacity Fund

Round 1 Outcomes Report: December 2023



Purpose of this Report

This Report sets out what has been achieved through Round 1 of the NSIP Innovation & Capacity Fund, how it has helped local authorities to engage in NSIPs, and what lessons have been learnt.

Lessons learned at-a-glance

Round 1 of the Innovation and Capacity Fund has shown that there are common issues and challenges across a range of different local authority contexts.

The Fund has enabled Councils to improve systems, processes, and practices so they can engage more efficiently and effectively in NSIP schemes.

One of the stand-out findings is the significant cost-benefit associated with the appointment of Project Managers and Coordinators, especially where there a Council is dealing with multiple NSIPs or where multiple local authorities are working together.

Whilst there are undoubtedly significant resource and cost implications for local authorities, these pressures can be lessened to a certain extent through proactive and early engagement with applicants; understanding each other's needs and timescales; building resilience, capacity, and flexibility locally to manage peaks and troughs; and negotiating Planning Performance Agreements to fund effective engagement.

Where project promoters see the value of undertaking and funding proactive and early engagement with Councils, there is significant potential to speed up the DCO process by i) addressing key issues at an early stage and ii) understanding and predicting resource requirements, and iii) streamline governance and iv) ensure good communications throughout.

Beyond the success of the project managers and coordinators, many of the improvement products and good practices that have emerged through the Projects would benefit from further consideration and development before being shared or rolled out more widely. Round 2 of the Fund might provide an opportunity to reflect more fully on how the benefits can be mainstreamed.

The Innovation and Capacity Fund

NSIP reform and the Innovation and Capacity Fund

The Government set out its ambition in the National Infrastructure Strategy 2020 to make the NSIP consenting process better, faster, and greener. In August 2022, the Government issued a policy statement ‘Improving performance of the NSIP planning process and supporting local authorities’ and established an Innovation and Capacity Fund to better address the challenges councils face in engaging with NSIPs.

The role of local authorities in NSIPs

Local authorities have an important role in the NSIP regime as i) a statutory consultee; ii) a determining authority or statutory consultee for ancillary development related to NSIPs; and iii) determining applications to discharge requirements post-consent. In some instances, local authorities also take on responsibility for the infrastructure assets afterwards.

Local authorities provide an important local perspective, in addition to the views expressed directly to the developer by residents, groups and businesses. Their engagement is essential to secure from the developer, on behalf of affected communities, appropriate changes to the proposals, concessions and/or community gains.

In practice, a host local authority should normally be engaged in all stages of the DCO process.

Round 1 Projects

In March 2022, DLUHC invited local authorities to apply for funding up to £100k to:

- Support them in dealing with NSIP applications to address the issues and challenges they face as key users of the system; and,
- explore ways in which their role in the NSIP process could be improved or done differently to drive better, greener, and faster delivery of NSIP projects

In September 2022, a total of 8 projects were awarded funding across 27 local authority areas: Cumbria, Somerset, Essex, Suffolk, Norfolk, Leicestershire, North Yorkshire, Cambridgeshire, and West Sussex. However, due to local circumstances, the project in North Yorkshire did not proceed and the funding was recovered.

The projects operated in a range of different local authority contexts from small districts to large counties. Some projects were led by a single authority working on their own whilst other projects were delivered by multiple local authorities working together.

Key issues and challenges for LPAs

Across all 8 projects, the funding provided a means to explore a broad range of issues and challenges that local authorities face as key participants in the NSIP regime and thereby maximise opportunities for learning about what support local authorities need to engage in NSIPs more efficiently and effectively. The main issues and challenges identified through the project bids were:

- insufficient skills and capacity to support NSIP projects
- lack of consistent and robust systems, processes, and procedures
- engaging with local communities and elected members
- working more collaboratively with developers and project promoters
- leadership and governance within local authorities
- leadership and governance across multiple authorities working together

Outputs

Although each project was different, and some were more successful than others, it is evident that alongside the skills and capacity issue there was a strong commitment to developing smarter ways of working, in particular:

- Improving standardisation, coordination, and collaboration within and between multiple local authorities and multiple NSIPs
- Improving governance, systems and processes, project management and reporting
- Sharing of experience and building capacity among local authorities

Some of the projects developed and tested a range of tangible tools and products. Other projects, which focused more on processes related to coordination and governance, provided equally valuable insights and experience, albeit less tangible. Annex 1 provides more detail on the outputs from each Project.

Outcomes

It is evident that the projects have provided a range of direct benefits and lessons learned for the local authorities involved. In turn, these will likely benefit the operation of the NSIP regime as a whole and support the current reforms.

Many of the improvement products and good practices that have emerged through the Projects would benefit from further consideration and development before being shared or rolled out more widely. Round 2 of the Fund provides an opportunity to reflect more fully on how the benefits can be mainstreamed.

Lessons learned and benefits realised:

1. The I&C Fund represents good value for money, taking account of the number of live NSIP projects covered by the 8 projects. On average, the benefits and progress made in relation to the live NSIP projects at councils were delivered at an average cost of £19k/each.
2. Feedback from projects shows that even modest amounts of additional funding can enhance the quality of engagement between local authorities, applicants, and communities, and help to unlock additional funding from applicants. For example, the appointment of an NSIPs Project Manager by Essex has made a significant difference to the effective operation of the NSIP team and the quality of engagement in DCOs by enabling officers to focus on the technical work and, crucially, ensuring that funding from PPAs is secured.
3. Where there are multiple authorities involved, for example in relation to the Gatwick DCO, the appointment of a Co-ordinator role can add significant value and help streamline local authority inputs. The appointment of a coordinator early in the process ensured appropriate governance, communication, and reporting. It also enabled a joined-up approach to commissioning specialist inputs and ensured that legal and technical expertise was in place in advance of DCO submission.
4. Identification and improved understanding of the specific capacity and capability requirements for local authorities and the associated risks to project delivery and outcomes. For example, almost every council needed to plan for staff resources with an appropriate level of understanding and experience of the NSIP regime, and the need to manage peaks and troughs over an extended project period.
5. Improved understanding of how to use Planning Performance Agreements (PPAs) to adequately resource effective and meaningful engagement in NSIPs. Experience shows that some local authorities have found it difficult to secure adequate cost recovery. The appointment of dedicated project managers or coordinators can help to develop good practice across authorities and ensure good financial administration. Where there are multiple authorities, a joint approach to negotiating with project promoters is more likely to be successful. For example, Norfolk have developed standard PPA templates to create consistency across projects and save significant time. The Project demonstrated how PPAs can support early and proactive engagement and therefore more timely and

informed consultation responses. They are also particularly beneficial where there is a lack of existing specialist advice on certain topics e.g., ecology.

6. Recognition of the importance of sound project management and good governance. For example, the effective management of risk throughout the development of a Scheme and clear channels of communication between the local authority, applicant, and key stakeholders.

7. Development of good practice in relation to agreeing a Statement of Common Ground. For example, where there are multiple authorities, early and proactive collaboration can help to agree a single, shared SOCG which enables the applicant to advise PINS on the outstanding issues to resolve.

8. Early and proactive engagement between local authorities and applicants can help ensure that NSIP scheme objectives are aligned as far as possible with local authority policy objectives e.g., planning, transport, and environmental matters. A shared visioning exercise in the early stages of the Scheme can enhance the benefits of NSIPs and complement local policy delivery.

9. There is a potential for development of IT to deliver improvements to local authority engagement in NSIPs, for example, through supporting effective project management, making more efficient use of existing staff resources, enabling effective governance and reporting, and providing clear channels of communication within and between local authorities, developers and wider stakeholders. However, any investment in bespoke IT systems need to be properly costed and resourced as an ongoing liability.

10. There are some early findings in relation to the scope for fast-tracking the DCO process. Although the evidence is based on only one project, it has identified some valuable lessons and issues to address in any future pilots. Further testing is needed to validate findings and identify ways to mitigate risks and resolve key issues e.g., lack of community consultation.

Next steps

As noted above, although there is potential for wider learning and sharing of knowledge and experience, many of the improvement products and good practices that have emerged through the Projects would benefit from further consideration and development before being rolled out more widely. Round 2 of the Fund provides an opportunity to reflect more fully on how the benefits can be mainstreamed. Based on the outputs and outcomes from Round 1 to date, this is likely to involve a mix of showcasing products that work and making them more widely available as helpful tools, and developing case studies for projects where the outcomes are less tangible but equally valuable in terms of learning and sharing insights and experience.

Annex 1 - The Projects

Cambridgeshire County Council

A single authority dealing with multiple NSIPs, the Council needs to improve capacity and capability within existing resources.

The project

A new **Consents System** - an inexpensive, easy-to-use, cross-authority system for officers, senior managers, and elected members using existing software (Microsoft Excel and Teams)

Aim

To develop smarter ways of working:

- standardise a cross-authority approach to NSIP applications
- improve project management and reporting
- provide a resource library

Key findings

- Project Managers can more easily manage projects through access to new tools and templates
- Senior managers and members can more easily engage with NSIPs in their area
- The library of previous projects is a helpful resource for project managers.

Outcomes

- Improved onboarding process for new staff
- Increased confidence amongst officers to undertake NSIP work
- Knowledge and experience captured and shared
- More effective risk management and reporting issues and progress
- Recognition of need for capacity to deliver post-consent phase

Next steps

- Secure funding/resources to complete development of the consents system, provide training for new staff and consider how it could be rolled out to other authorities

Crawley Borough Council

Addressing the challenges of collaboration, coordination, and engagement between 4 County and 6 District authorities and the DCO promoter of a highly complex project.

The project

Gatwick Airport Northern Runway DCO

Aim

Improve coordination and collaboration across multiple local authorities:

- Commissioning technical and legal advice
- Delivering cost savings and added value
- Establishing a virtual network of other LAs dealing with airport expansion

Key findings

- The coordination of 10 local authorities is challenging and requires additional resource to support existing local authority officers and lead on commissioning specialist inputs e.g., environmental impacts, legal advice.
- Appropriate governance at senior officer level, supported by an officer technical group, is needed to maintain oversight of joint working, take decisions on spend, and provide a link to Chief Executives and Leaders
- The DCO coordinator has played a key role in sharing information and supporting the local authorities
- The level of financial resource secured through a Planning Performance Agreement was insufficient to cover the local authorities' costs of engaging in the DCO process
- The wider virtual network has not progressed as expected due to work pressures closer to home, however, a limited amount of 'comparison' work with another airport has shown that there is significant potential for transferrable learning

Outcomes

- The appointment of a coordinator early in the process ensured appropriate governance, communication, and reporting, and a major focus on commissioning technical and legal expertise.
- A coordinated approach to commissioning ensured that legal and technical expertise was in place in advance of DCO submission
- A joint, multi-authority approach to PPA funding is more likely to be successful

Next steps

- Share the approach to commissioning as a template for other multi-authority DCOs
- Ensure learning is shared between other multi-authority DCOs and local authorities handling similar DCOs

Essex County Council

As a single authority dealing with multiple NSIPs, the County Council was faced with significant resourcing pressures and the need for a more efficient and standardised approach.

The project

A new **digital project management tool**, a **project manager**, a new **Resource Hub**

Aim

To develop smarter ways of working:

- Improve engagement with NSIP promoters
- Improve process and procedure to address resourcing challenge of engaging effectively with 13 NSIPs

Key findings

- Recognised benefits of creating bespoke software which could be shared across all local authorities
- Project Manager has enabled development of NSIP policy and guidance for internal and external use, and improved capacity and capability in the NSIP team
- A public facing resource hub on the Council's website has improved communication and engagement with members, developers, partners, and communities

Outcomes

- Operational efficiencies through more standardised processes and procedures, project management and building capability across the Council
- Greater awareness internally and externally of the Council's approach to NSIPs and the expectations regarding wider community benefits
- Better and faster engagement during pre-application and examination, and better outcomes for local communities e.g., £5.72m community benefits from a solar farm.

Next steps

- Work with Norfolk County Council to develop a new NSIP public portal to link the resource hub and digital project management tool
- Build capacity in local communities to realise benefits from NSIPs

Hinckley and Bosworth Council

Three local authorities working together to consider the strengths and weaknesses of the DCO consultation process.

The project

Hinckley National Rail Freight Interchange DCO

Aim

To set up a Capacity and Programme Board as a foundation for joint working, shared goals and collective responses.

Key findings:

- The local authorities did not have sufficient time to respond to the consultation and consider the depth and extent of information consulted upon was inadequate e.g., the detailed baseline and justification against impacts
- They highlight concerns regarding adequate consideration of consultation responses by the applicant and lack of an audit trail in the application process.
- They conclude that the applicant did not meet the requirements for consultation set out in statutory guidance and non-statutory advice and, therefore, that the consultation process was not effective.

Outcomes:

- Understanding of the high expectations amongst local authorities regarding effective consultation needed to enable a robust and defensible assessment of the proposed DCO
- Recommendation that a Planning Performance Agreement is needed to manage risk, identify measures of success, and enable an effective and transparent consultation process.

Next steps:

Identify what steps can be taken to re-enforce requirements for statutory consultation and promote non-statutory guidance.

Norfolk County Council

A single local authority dealing with multiple NSIPs identified a need to improve ways of working with multiple developers, and drive efficiencies and innovation within the DCO process.

The project(s)

Workflow Management System

Aim

Smarter ways of working through improved engagement and collaboration with promoters:

- Provide a live, interactive flow of information between the authority and promoters via a dashboard
- Development of PPAs
- Digital innovations

Key findings

- Difficult to find time to commit to the project when dealing with a high volume of NSIPs
- Maintaining the Sharepoint site requires resource
- External access limitations meant that project scope was changed
- Difficulties obtaining prompt responses from promoters

Outcomes

- Simplicity of the new Sharepoint site made it easy for users to adopt new system
- The system facilitated effective engagement with stakeholders, good project management, and coordinated of inputs from the local authority
- Standard PPA templates enabled a more consistent approach across project and saved significant time.

Next steps

- Explore feasibility for shared access for other local authorities
- Secure funding for maintaining and developing the site
- Create PPA templates

Somerset Council

Multiple local authorities working together identified the need for enhanced project governance, collaborative working groups, and closer joint-working by local authorities, the applicant, and PINS to reduce the number of detailed matters presented at Examination.

The project

A358 upgrade pre-Examination DCO

Aim

To develop smarter ways of working and improved communications:

- Apply lessons learned from previous NSIPs to manage multiple NSIPs
- Improve governance, resources, and joint working
- Ensure adequate skills and capacity, especially at critical project milestones
- Secure efficiencies through system and process improvements, greater collaboration and sharing resources

Key findings

- Where possible the range of skills required should be developed and secured in-house, supplemented by external support as necessary
- The lack of dedicated staff resources with substantial DCO experience is a risk for local authorities and NSIP projects
- There is a need to have experts in place at the very start of the scheme development and this requires funding through a PPA or equivalent.
- PPAs or equivalent are required to enable pro-active and early engagement, agree shared objectives, manage risk, and secure access to specialists
- Significant resource should be allocated to building and maintaining good working relationships with partners
- Where there are multiple local authorities, the appointment of a coordinating role can enable efficiencies and add value to the process
- Shared objectives are important

Outcomes

- The additional funding helped to fill the gaps in skills and expertise and enabled individuals and organisations to build capacity
- It also helped to speed-up and streamline the process of agreeing a single Statement of Common Ground, which enabled the applicant to advise PINS on the outstanding issues and matters agreed, avoid duplication in reviewing documents and thus saving time and resources.
- The technical Working Groups and Strategic Review Group helped drive the Project, improved governance and reporting, enabled strong relationships to be built, and identified key resource gaps

- Clear communication channels e.g., Community Forums, ensured appropriate engagement of members, MPs, landowners, the applicant, and the community

Next steps

- Consider amending PINS Advice Note 2 to reflect the need for early visioning and shared objective-setting between local authorities and the applicant.
- Explore how to make better use of a risk register to inform the process of preparing and agreeing a Statement of Common Ground
- Explore options for mainstreaming use of PPAs to support scheme development and effective engagement with local authorities e.g., a standardised offer from NH

Suffolk County Council

Local authorities, developers and consultants in the East of England highlighted an urgent need to improve knowledge and share good practice amongst officers managing NSIP engagement.

The project

A new East of England **Centre of Excellence** led by Suffolk County Council and delivered through a programme of training webinars, an in-person conference and the development of an online resource for NSIPs.

Aim

To share experience and build capacity among local authorities:

- Develop resilience in capacity and capability to deal with peaks and gaps in demand
- Identify demand for specialist input to address key topic areas
- Identify and disseminate good practice
- Closer alignment of approaches by local authorities

Key findings

- The project is filling a big gap in knowledge, learning, and sharing identified by local authorities, developers, consultants, and legal professionals
- NSIP Reference Guide for Local Authorities provide clear guidance and good practice examples
- Engaged over 400 practitioners from more than 16 different organisations
- 165 local authority officers accessing a new Centre of Excellence website
- Ability to collectively seek expert advice on key topic areas

Outcomes

- A reported increase in confidence and knowledge by local authority officers
- A wider pool of local authority officers who understand NSIPs and can augment staff resource where needed
- Improved capability amongst inexperienced planning officers to support NSIPs
- Closer alignment of local authority approaches to NSIPs across the Region

Next steps

- Continue to increase capability in the sector through training, awareness raising and sharing good practice
- Consider scope for more in-person events to improve networking opportunities

Westmorland and Furness Council (formerly Cumbria and Eden)

Two local authorities working together with National Highways to understanding issues and opportunities for the local authority of fast-tracking the DCO process

The project

A66 Northern Trans-Pennine Route

Aim

Develop and test a fast-track process for a DCO:

- Working with National Highways
- Improve capacity to understand and engage in the process
- Maintain effective stakeholder and public engagement

Key findings:

- The detailed design of the scheme will be progressed following the Examination via the Environmental Management Plan (EMP), akin to outline planning permission
- The principal and process of developing the EMP means that there will be no requirements imposed on the DCO
- Regulatory bodies are to be consulted on the EMP but other interested and affected parties will have limited opportunity for meaningful engagement
- Limited local authority staff resources were used attending meetings where there was limited information and detail for discussion
- Perception created of speed being prioritised over quality of the process, and ineffective engagement with interested parties and the public.

Outcomes:

- This project has highlighted the challenges associated with fast-tracking NSIPs and identified valuable lessons and issues to address in any future process

Next steps:

- Assess how the post-Examination EMP process plays out and identify lessons learned regarding engagement in NSIPs
- Produce advice on the role of local authorities in a fast-track DCO process, including the role of the EMP as a substitute for requirements