ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	31 January 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Report on Audit Scotland's recent assessment of reform and modernisation of the planning system.
REPORT NUMBER:	EPI/12/044

1.   PURPOSE OF REPORT

1.1   To summarise the findings of Audit Scotland's recent assessment of reform and modernisation of the Scottish planning system and inform members of the Council's progress with planning modernisation in the light of the audit.

2.   RECOMMENDATION

2.1   It is recommended that
   - Committee notes the findings and key recommendations of the Audit Scotland report and the endorses the actions taken by the Council in pursuit of modernising the planning service and implementing the recommendations of the audit.
   - The Convenor writes to the Scottish Ministers outlining the concerns that a fee increase is required to help cover the costs of delivering a modernised planning service.

3.   FINANCIAL IMPLICATIONS

3.1   There are no specific implications for revenue and capital budgets, priority based budgeting, or state aid arising directly from consideration of this report.

4.   OTHER IMPLICATIONS

4.1   There are no other implications stemming from this report.

5.   BACKGROUND/MAIN ISSUES

5.1   The Planning etc. (Scotland) Act 2006 initiated a modernisation programme to change the way the whole planning system works, and how all stakeholders engage in the planning system. In September 2011, Audit

Scotland carried out an assessment of progress on planning modernisation by the public sector bodies responsible for the planning system in Scotland in order to assess whether these had succeeded in making the planning system more economic, efficient and effective. The full text of the document can be viewed at:

www.audit-scotland.gov.uk/docs/central/2011/nr_110915_modernising_planning.pdf

5.2   The Audit Report gives three key messages about progress, performance and resources and recommends six key areas for planning authorities to consider. Progress and performance in Aberdeen City has been steadily improving but there are changes that require to be considered and taken forward to implement the findings of the audit.

5.3   The audit concentrated on the main public bodies that are involved in the planning system namely:
Scottish Government
Six key government agencies (SNH, SEPA, Transport Scotland, Historic Scotland and Architecture and Design Scotland)
Four strategic development planning authorities (including Aberdeen City and Aberdeenshire Strategic Development Plan Authority)
34 planning authorities (including Aberdeen City Council)

5.4   Key Messages from the Audit

5.4.1   Overall, the first key message from the audit is that the public bodies

"*have made progress in modernising the planning system and are working better together. However more progress is needed to realise the full potential of modernisation.*"

Audit Scotland reports that the key agencies and planning authorities are working together better but that further progress is needed. The key agencies have reviewed their processes, and now seek to provide more of their input at an earlier stage in the planning process and to have less involvement in the detailed assessment of planning applications.

Although the Scottish Government was praised for providing leadership of the modernisation programme, it was criticised for not establishing a framework for evaluating progress on the key aims, for not completing the implementation of key parts of the legislative programme and for not addressing additional costs incurred by planning authorities in implementing the 2006 Act. Since the audit report was published, the Scottish Government has published its timescale for introducing the changes to permitted development rights (including those for householders, now scheduled for February 2012), has announced that it will publish another consultation paper on planning applications fees next year (see below) and continues to work with planning authorities on piloting a new performance assessment framework (see below).

5.4.2 The second key message relates to the assessment of planning authorities' performance in making decisions on planning applications in the six years to March 2010. It concluded that,

"despite modernisation and falling numbers of applications, few councils are performing well against timescales set for processing planning applications. However, time is only one indicator of performance and a more comprehensive performance measurement is needed."

The audit used only performance data which was already in the public domain. The latest data was a year old by the time of the audit (see below) and it measured performance in the year 2009-10 during which planning authorities had the added burden of implementing the main procedural changes associated with the new hierarchy of applications, pre-application requirements, neighbour notification duties and the local review body process. Additionally most planning authorities including Aberdeen City Council implemented their e-planning systems during that year. The audit showed that 77% of users surveyed (householders, agents, businesses and developers) were very or fairly satisfied with the application process. However, their expectations were not met in terms of the timescale for decision-making, of being kept informed and in dealing with enquiries.

5.4.3 The third key message is in relation to financing the planning system. The audit concluded that,

"the funding model for processing planning applications is becoming unsustainable as the gap between income from fees and expenditure increases, putting greater pressure on already constrained council budgets."

The Scottish Government sets planning application fees and expects them to cover the total cost of processing planning applications (although fees do not apply to all types of applications, for example Listed Building Consent applications have no fee). Research by ARUP Associates was published by the Scottish Executive in 2005 and 2009 as part of the Modernising Planning exercise which accompanied the legislative changes introduced by the new Planning Act. The research concluded that
- in practice local authorities have only rarely achieved high or total levels of cost recovery through fees (the average being circa 83 percent),
- that, although fee increases alone are unlikely to cover costs, there is a good case for fee increases to help offset the additional burdens imposed by the modernised planning system (possibly focussed on raising the maximum fee level because cost recovery is considerably lower on larger applications) and that
- fee increases should be matched by a strong performance framework to ensure that these additional resources reach the frontline of development management services

The proposed action to review fees had been long awaited in terms of resourcing the new planning application process given the considerable disparity between cost recovery in Scotland and elsewhere, particularly the

costs of managing major development proposals. Since then, no action has been taken by the Scottish Government and a further consultation paper is expected next year.

5.5 **Performance in Aberdeen**

5.5.1 With very limited resources in comparison to other local authorities, (in terms of number of staff dedicated to e-planning) Aberdeen City Council has successfully implemented an e-planning system which has:
- given internet access to view and comment on planning applications (from April 2009)
- implemented e-consultation with the 6 key agencies and with over 15 other agencies (from April 2011)
- given applicants and agents the ability to submit applications online (from April 2009) with 20 percent of applications now received in this way and increasing gradually
- appointed a full time e-planning project manager (October 2011) to develop an enhance the Council's e-planning service. For instance to develop the Council's online planning pages, enable public access to application information on a web based geographical information system and implement an interactive online local development plan and electronic fee payment.

5.5.2 This year Aberdeen City has also started to use processing agreements to project manage major planning applications in line with best practice advocated by the Scottish Government and has received very positive feedback from applicants on their usefulness and effectiveness in the development management process.

5.5.3 Since 2009, the Scottish Government has required that a Service Improvement Plan (SIP) be prepared by each planning authority. The SIP for Aberdeen City Council is currently being reviewed and the intention is that this will, in future, incorporate a wider range of planning performance indicators/measures against which the Council's performance can be gauged. The Scottish Government and Heads of Planning Scotland (including Aberdeen City as a lead authority) are working on devising a new set of indicators/measures for assessing the performance of all Scottish planning authorities, including refined and simplified average speed of decision making figures as well as new measures related to quality of decision making, place making and community engagement.

5.5.4 However, the only consistent and comparable measure of performance in managing planning applications currently available is that of decision-making against specified time periods. The recently published performance statistics (see Table 1) show an improved performance in the national average from spring 2010 to spring 2011. Aberdeen benchmarks its performance against the other three main city planning authorities and the

Scottish average. Table 1 shows that Aberdeen is above the national average performance in terms of speed of decision making in terms of the total applications decided, as well as on householder applications and applications for business and industrial uses. However the figures show the City lagging behind in terms of applications for housing developments and listed building consents. This issue has been recognised and actively tackled by, amongst other things –
- removing the duty to notify Historic Scotland of certain types of listed building consent for Category B listed buildings and
- the introduction of processing agreements
The next set of figures is expected to show a substantial improvement in these categories.

5.6   Recommendations for planning authorities

5.6.1   The audit report makes a series of recommendations for each group of public sector bodies involved in the planning system. The actions for this Council relate to the six key recommendations for planning authorities. The current position and actions are summarised below.

5.6.2   **Recommendation 1**: Councils should review their schemes of delegation to ensure the decision-making process is as efficient as possible.

This Council operates two schemes of delegation in relation to planning decision-making. The first of these is the statutory scheme of delegation under the Planning etc (Scotland) Act 2006. This relates to planning applications for local developments. The second scheme of delegation is under the Local Government (Scotland) Act 1973 and relates to all other types of application (eg. major applications, listed building consents etc). The schemes are working well in delegating the vast majority of applications to officers and enabling the Development Management Sub-Committee to focus on the most significant and controversial proposals. There is, however, scope for merging the two schemes and amending them to introduce further efficiencies and it is intended that a report on amending the schemes of delegation is brought back to the Development Management Sub-Committee in the first half of 2012.

5.6.3   **Recommendation 2**: Councils should work with the Scottish Government to monitor use of e-planning and quantify efficiency savings.

The Council has recently appointed an e-planning project manager who will be an active participant in the Scottish Government's e-planning group and will be responsible for monitoring and improving the Council's e-planning service (for both development management and development planning) and quantifying efficiency savings as far as possible.

5.6.4   **Recommendation 3**: Councils should ensure processes are in place to enable and support better and more creative engagement with community councils and the wider community.

Development Management and Enforcement Charters are now in place clearly explaining the planning service and laying down the standards of customer service that the public are entitled to expect from the Council's Development Management Team.

The introduction of Development Plan Schemes allows Councils to specify the timetable for engaging with key agencies and the public when preparing development plans. This provides advance notice of when key stages and consultations will take place and ensures communities are better prepared to participate in plan making. Within Aberdeen we have always strived to make participation as effective as possible and held meetings outwith the statutory process.

The Council is actively engaged in a dialogue with the wider community through the Aberdeen City and Shire Economic Forum (ACSEF) Planning Modernisation Group and with the development industry through the Trinity Group which seeks to promote and remove barriers to sustainable economic growth in the City.

An independently chaired mediation meeting between the planning service and Community Council's was held in September. In line with the actions jointly agreed at that time the Council is actively engaged with the Community Council planning chairs to:
- draft a protocol for Community Council engagement in the planning process setting out a shared understanding of roles and responsibilities
- establish regular meetings to discuss issues
- arrange workshops to discuss processes and procedures using a case study application
- hold a training session on planning gain

5.6.5 **Recommendation 4**: Councils should ensure they use a project planning approach for managing major applications and agree key milestone stages and dates with applicants and key stakeholders.

In line with Scottish Government guidance the Council actively encourages the use of processing agreements for all major applications. The process gives greater transparency and manages expectations of the decision-making timescales. Three have been signed so far this year and two of the three major applications covered by these agreements have met the challenging timescales set down in the agreements. In future officers will be offering applicants the opportunity to enter into a processing agreement for all major applications. Templates and procedures are being put in place to facilitate this. Recent feedback from the development industry has been very positive about the improvement that processing agreements have made to transparency, speed and certainty of decision making in pursuit of high quality, sustainable economic development in the City.

5.6.6 **Recommendation 5**: Councils should work together, and with the Scottish Government, to develop a new comprehensive performance measurement framework that clearly links planning activities with national outcomes.

A joint project is currently underway by the Scottish Government and Heads of Planning Scotland to define the component parts of an alternative performance assessment framework. Aberdeen is participating in a pilot exercise with four other planning authorities. The aim is to define a set of mandatory performance criteria which every planning authority will use so that comparative performance analysis will be possible. There will be discretionary criteria which can be selected for use locally to suit the characteristics of each service. It is hoped that this will be ready for use in relation to the Service Improvement Plan for 2012-13.

5.6.7 **Recommendation 6**: Councils should collect, monitor and report data on the cost of development planning and development management to help inform the setting of planning fees and to help make decisions on how resources can be used effectively.

Previous research, carried out for the Scottish Government, identified flaws and inconsistencies in the way that all councils measure the costs of planning application activity. It should include direct staff costs incurred on managing planning applications and indirect costs for the service (such as ICT costs, administrative supplies and committee costs). The application fees have not been restructured by the Scottish Government to address additional costs borne by the Council since 2009 (eg additional costs incurred on pre-application procedures, neighbour notification responsibilities and local review body activities). A further consultation paper on fee levels is expected from the Scottish Government in early 2012. To inform this process officers in Development Management are actively recording the time taken to deal with a range of different types of application in order to gain a better understanding of the overall cost of the development management service and provide information to inform decision making on fee levels by the Scottish Government. Work is underway stemming from the Service Review to measure activity across the planning service more accurately than in the past. If there a corporate time recording system were to be introduced as has been indicated in the past it would considerably help this task.

5.6.8 **Supplementary recommendations** are included in the audit report relating to development plan monitoring, working with key agencies, benchmarking practices, and the use of trend data to forecast resource requirements for managing planning applications.

5.6.9 At its meeting of 15 December the City and Shire Strategic Development Planning Authority considered the Modernisation Audit and resolved to send a letter to Audit Scotland emphasising the importance of an up-to-date development plan and undertaking to address the audit's specific recommendations by:
- putting in place more formal staff support arrangements with the two partner councils to ensure appropriate staffing for the SDPA and
- highlighting that the four SDP Managers will work together with key agencies to develop a shared understanding of roles, responsibilities and

expectations and to ensure processes are in place to enable and support better and more creative engagement with community councils and the wider community.

5.7 Financial Implications

5.7.1 The Audit Scotland report does not impose any new financial implications but it does identify that there is a widening gap between income and expenditure for managing planning applications and that this is placing greater pressure on already constrained council budgets. The lack of action by the Scottish Government on restructuring planning application fees to take account of the new hierarchy of applications and additional duties carried out by planning authorities is placing increased strain on the Council's budget.

5.8 Conclusions

5.8.1 The Audit Scotland report is a timely assessment of progress on planning modernisation by the public bodies. The Council's own progress is good but improvements have been identified and are being taken forward as detailed above.

5.8.2 Audit Scotland's conclusions about the lack of improvement in performance by planning authorities were misinformed by relying on old data. Performance data published since the audit report shows performance improving across the country and Aberdeen City Council is performing satisfactorily in most areas and informal feedback has generally been very positive. The audit report's recommendation to use a more comprehensive measurement of performance is welcomed.

5.8.3 The audit report confirmed that the planning application fee structure and levels require urgent attention by the Scottish Government to ensure that a sustainable funding model for development management services is in place. Work is required to gather more accurate cost information at local level.

5.9 Recommendations

5.9.1 It is recommended that:
- Committee notes the findings and key recommendations of the Audit Scotland report and the endorses the actions taken by the Council in pursuit of modernising the planning service and implementing the recommendations of the audit.
- The Convenor writes to the Scottish Ministers outlining the concerns that a fee increase is required to help cover the costs of delivering a modernised planning service.

6.0 IMPACT

6.1 By improving service delivery modernisation of the planning service in the City supports the vision of the Community Plan, Corporate Plan, Service

Plan and Vibrant Dynamic and Forward Looking. This vision is of the City becoming an even better place to live and work, where people can expect high-quality services that meet their needs. For Planning and Sustainable Development this means making a visible difference to the quality of the city's urban and natural environment by promoting high quality development and providing an effective infrastructure to make us a world class strategic location.

6.2   To do this we must think strategically, facilitate development, engage positively with communities and the business sector and be open and transparent in our decision making. We also have a key role in delivering the vision for the City and Shire as expressed through regional plans and strategies. Planning and Sustainable Development is tasked with seeing that Aberdeen stays at the forefront of planning for the future.

6.3   This report relates particularly to the Single Outcome Agreement objective that seeks to ensure that our public services are high quality, continually improving, efficient and responsive to local people's needs.

6.4   An Equality and Human Rights Assessment has not been necessary in relation to this report.

7.0   BACKGROUND PAPERS

The full text of Audit Scotland's report on Modernising the Planning System Audit can be viewed at:
www.audit-scotland.gov.uk/docs/central/2011/nr_110915_modernising_planning.pdf

8.0   REPORT AUTHOR DETAILS

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TABLE 1

Number of planning applications decided within target time periods - comparative performance data

	Aberdeen		City benchmarking partners		Scottish average	
	Apr – Jun 2011	Apr – Jun 2010	Apr – Jun 2011	Apr – Jun 2010	Apr – Jun 2011	Apr – Jun 2010
All applications decided in under two months (excludes majors)	79.2%	71.2%	63.3% to 82.4%	67.9% to 78.0%	69.7%	67.1%
Householder applications decided in under two months	90.9%	87.2%	84.6% to 94.2%	87.2% to 96.3%	85.1%	82.9%
Business and industry local applications decided in under two months	71.9%	23.5%	50.0% to 80.0%	23.5% to 81.8%	58.4%	53.4%
Housing local applications decided in under two months	11.1%	20.8%	11.1% to 71.9%	20.8% to 58.3%	45.4%	42.1%
Listed Building and Conservation Area consents decided in under two months	35.7%	20.6%	35.7% to 70.9%	18.1% to 57.5%	50.1%	39.2%

Source: Scottish Government, Directorate for the Built Environment
http://www.scotland.gov.uk/Topics/Statistics/Browse/Planning/planapps2012Q1http://sh45
inta/Topics/Statistics/Browse/Planning/Publications