

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Planning Committee: 4 October 2011

Subject: Modernising the Planning System report by Audit Scotland

1. Purpose

- 1.1** To inform the Committee of the findings of the above report by Audit Scotland, and to explain how their recommendations will be taken forward.

2. Background

- 2.1** 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. The Scottish Government commissioned Audit Scotland to undertake a performance audit of these reforms in order to assess whether these had succeeded in making the planning system more economic, efficient and effective. The audit evaluates the overall progress made by the public sector in modernising the planning system and assesses the impact that modernisation is having on councils' performance in managing planning applications. The private sector also has a role to play in modernising the planning system, but this was not assessed as part of the audit.
- 2.2** The audit analysed performance statistics and councils' financial returns, and conducted interviews with the Scottish Government, key agencies, national park authorities, strategic development planning authorities and representative bodies including COSLA, the Federation of Small Businesses, Heads of Planning Scotland, Homes for Scotland, the Royal Town Planning Institute and the Scottish Property Foundation. Interviews and reviews of key documents were carried out in five planning authorities – Eilean Siar, Dundee City, Falkirk, Renfrewshire and Scottish Borders. Users' views were obtained by way of targeted surveys and focus groups involving people who made planning applications with the five sample councils, and with developers and businesses nationally. A public attitudes survey was also undertaken to capture the views of the general public.
- 2.3** The report 'Modernising the Planning System' was published in September 2011. The report and associated documents are available on the website www.audit-scotland.gov.uk.

3. Main Issues

- 3.1** The Audit Scotland report set out a variety of statistics and survey findings relating to the whole of the Scottish planning system, and highlighted key findings. These key findings, and officers' comments on the West Dunbartonshire situation, are set out below.

Joint Working

- 3.2** Audit Scotland reports that the key agencies (SEPA, Historic Scotland, Transport Scotland, Scottish Water, SNH, and Architecture and Design Scotland) 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. Planning authorities and key agencies have mixed experiences of working with each other. Planning authorities without specialist staff of their own have expressed concerns about the reduction in the level of specialised support provided by the key agencies.

This finding coincides with the Council's experience. Since modernisation the key agencies have been more willing to engage at an early stage regarding key development proposals and their advice is more proportionate and consistent, and this has been demonstrated by recent experience regarding a number of major and significant development proposals. Key agencies have also been more willing to seek the views of planning authorities and to improve more joint working. However, the key agencies' reduced involvement in the detailed technical assessment of planning applications is a concern which requires to be addressed.

Progress of Development Plans

- 3.3** Progress in developing strategic and local development plans is reported to have been slower than expected. As of May 2011 all planning authorities intend to publish local development plans by 2014. However, almost two thirds of planning authorities have already had to delay the dates for submitting their plans to the Scottish Ministers and there is a risk of further delays within strategic development plan areas. Delays to the completion of strategic and local development plans undermine the plan-led approach to the planning system, and better progress must be achieved.

West Dunbartonshire Council is part of the Glasgow and Clyde Valley Strategic Development Planning Authority, with the proposed plan due to be submitted to the Scottish Ministers in October 2011. The main issues report of the Council's own Local Development Plan is expected to be published in March 2012 with the submission of the proposed plan to Scottish Ministers in October 2013. These timescales remain unaltered.

Completion of Modernisation Reforms

- 3.4** Audit Scotland considers that the full potential of modernisation will not be achieved until all of the intended reforms have been rolled out. Modernisation

envisaged a high proportion of applications being dealt with under delegated powers and most appeals being dealt with as local reviews, but in practice the extent of delegation varies considerably between planning authorities. The local review process is relatively untested and no comment is made on its success, but it is acknowledged that local reviews have imposed additional burdens on local authority resources.

West Dunbartonshire Council's scheme of delegation was agreed in June 2009. In general it makes effective use of delegated decision making powers and allows elected members to focus on more complex or sensitive applications. However, Scottish Government regulations introduced as part of the modernisation process require all applications for development in which the Council has an interest to be determined by the Committee. This is not considered to be an efficient use of resources and has resulted in delays to the processing of Council applications. The local review system remains relatively new, but it is considered that certain regulatory changes could help to make the process less bureaucratic and may improve efficiency and outcomes. The Scottish Government is aware of these concerns, which have been raised by other authorities.

- 3.5** The Scottish Government also intended to extend the scope of permitted development rights to reduce the number of planning applications, particularly in respect of householder development, but these changes are not now expected to take effect until 2012, approximately 3 years later than planned.

Scottish Government consultations on changes to permitted development rights have been the subject of previous reports to the Committee. The intention is to reduce the number of planning applications so that planning authorities may concentrate their resources on more significant proposals, although this does have the potential to reduce the quality of the smaller developments over which there would no longer be planning control. The new householder permitted development rights are likely to lead to a reduction in the number of householder applications received by the Council, but it is understood that the Scottish Government envisages the impact as being less than was originally intended. It is also possible that the new regulations will increase the number of applications for certificates of lawfulness, and the number of enquiries received regarding the need for planning permission (for which the Council does not receive a fee).

ePlanning

- 3.6** Audit Scotland notes that a national electronic planning system has been implemented successfully, and that use of ePlanning has surpassed targets. There is some variation between planning authorities, and there are some concerns about the functionality of the system, but views are generally positive and it is believed to have resulted in efficiency savings. It is estimated that ePlanning has saved £2.2 million nationally between 2009/10 and 2010/11.

West Dunbartonshire Council has embraced ePlanning and was one of the first authorities to implement it fully, allowing the submission of planning

applications online, reduced postage and copying costs and improved workflow procedures. Nonetheless, the proportion of planning applications submitted electronically in 2010/11 (21%) was slightly lower than the national average (27%). Officers will continue to raise awareness of this facility amongst agents and applicants in order to encourage its use. The savings achieved as a result of ePlanning have not been formally quantified, however it is considered that it has helped to make possible the reduction in staffing levels which was implemented under the recent HEEDS restructuring. Public reaction to the online planning register has been overwhelmingly positive.

Community Engagement

- 3.7** The report concludes that more effort is needed to ensure that communities' views are heard. The level of engagement between authorities and community councils varies, as some areas do not have active community councils and in other areas there is concern that they are not representative of local opinion or lack the capacity to contribute fully to the planning system. However, community participation is essential for an effective planning process, and planning authorities must consider how best to support and engage with them and with the wider community.

Whilst some community councils are more active than others, the Council seeks to actively engage with all community councils in the preparation of the local development plan and in development management. Officers have attended community council meetings in order to encourage participation in particular projects such as the identification of main issues for the local development plan. An officer attends the Community Council Management meeting on an annual basis to address the needs and concerns of the community councils regarding the planning process, and if requested officers will attend community council meetings where significant planning issues are to be discussed.

Quantity of Planning Applications

- 3.8** Audit Scotland reports that the number of planning applications has fallen significantly in the last six years, and that the rate of decline and the nature of applications varies between planning authorities. The number of planning applications in Scotland declined by 29% between 2004/05 and 2009/10, but this decline has been particularly steep in West Dunbartonshire where a 42% reduction occurred over the same period. This was the third highest reduction in Scotland, with only Argyll and Bute and Midlothian experiencing a larger drop. As a result of this disproportionate drop, West Dunbartonshire had the second lowest number of planning applications in Scotland in 2009/10, having been sixth lowest in 2004/05. The makeup of applications within West Dunbartonshire is broadly similar to the national average, although the proportion of both major development and householder development is slightly above the average.

Development Management Performance

- 3.9** The report concludes that despite modernisation and falling numbers of applications, few councils are performing well against timescales set for processing planning applications. Over the six year period performance in

deciding local applications within 2 months has remained fairly constant for Scotland as a whole. In 2004/05 63% of local applications across Scotland were determined within 2 months, improving only marginally to 65% in 2009/10, whilst the proportion of major applications determined within 4 months declined from 52% to 38% over the same period. The report does not elaborate on the reasons for this decline in performance, but notes that it is not yet possible to assess the full impact of modernisation on performance. Audit Scotland acknowledges that time is only one indicator of performance and concludes that a more comprehensive performance measurement framework is needed.

Unfortunately the data supplied with the report only provides detailed figures for each planning authority for the period from 2006/07 to 2008/09, making it difficult to make meaningful comparisons of individual authorities' performance. Over these three financial years West Dunbartonshire determined an average of 81.2% planning applications within 2 months and 48.4% of major applications within 4 months. The performance in respect of local applications was second only to Clackmannanshire Council, and that in respect of major developments was also above the Scottish average. The Council continues to rank amongst the highest performing planning authorities in Scotland..

Staffing Levels

- 3.10** Audit Scotland notes that the number of planning staff across Scotland declined by 7% between July 2008 and July 2010, with most of the posts eliminated having been professional planners. The ongoing pay freeze for local government employees has also reduced staffing costs in real terms.

Within West Dunbartonshire, the HEED departmental restructuring undertaken in 2010-11 resulted in the deletion of 1 management (25%) and 2 planning officer (23.5%) posts. Support staff positions within the Planning and Building Standards Service were reduced by 2 posts (20%). Some of these posts were vacated due to early retirements, and the other displaced staff members have since been redeployed to posts elsewhere within the Council.

Cost of Planning Services

- 3.11** The report indicates that across Scotland, the cost of providing the planning service increased by 17% in real terms between 2004/05 and 2009/10, despite the recent reduction in the number of applications. The 2009/10 spending was broken down as follows:

Development planning	48.2%
Processing planning applications	39.3%
Other development management activities	12.4%

Within West Dunbartonshire the planning budget has been reduced in real terms over the period in question due to staff and operational savings and reducing payments to other bodies. .

Planning Fee Income

- 3.12** Due to the reduced number of applications, fee income has also declined significantly. Over the six year period fee income has declined by 28%, and the gap between income and expenditure is widening. Despite a real terms increase in fee levels, the maximum fees for major applications in Scotland remain very much significantly less than the equivalent fees elsewhere in the United Kingdom.

Planning fee income within West Dunbartonshire has declined significantly in line with the national trend, but there has been a gradual recovery from the low point of 2008/09:

2004/05	£287,339
2005/06	£285,060
2006/07	£301,651
2007/08	£447,304
2008/09	£168,498
2009/10	£175,839
2010/11	£202,406

This represented an unadjusted 38.8% drop to 2009/10, but the real terms figure will be significantly higher. This is consistent with the above average decline in the number of planning applications this Council has received.

- 3.13** Audit Scotland estimates that 42% of the cost of the development management service in West Dunbartonshire is covered by fee income, which is below the Scottish average of 50%. However, there appears to be a general correlation between the number of applications received and the proportion of development management costs which fee income covers. The larger authorities appear to be able to cover a higher proportion of their costs from fee income, perhaps because of economies of scale. There is however very wide variation between authorities, with the proportion of development management costs covered ranging from 26% (Clackmannanshire) to 119% (Perth and Kinross).

Key Recommendations

- 3.14** The report contains a number of recommendations for the Scottish Government, planning authorities and key agencies aimed at improving the economy, efficiency and effectiveness of the planning system. Key recommendations for councils are as follows:-
- Review schemes of delegation to ensure the decision making process is as efficient as possible.
 - Work with the Scottish Government to monitor use of ePlanning and quantify efficiency savings;
 - Ensure processes are in place to enable and support better and more creative engagement with community councils and the wider community;
 - Ensure the use of project planning approach for managing major applications and agree key milestone stages and dates with applicants and key stakeholders;

- Continue to work together and with the Scottish Government to develop a new comprehensive performance management framework that clearly links planning authorities with national outcomes;
- 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.

3.15 The key recommendations for the Scottish Government are as follows:-

- Evaluate the modernisation progress and ePlanning to assess whether they are achieving their aims and objectives
- Evaluate whether the planning system is contributing to sustainable economic growth;
- Set out a clear timetable for the introduction of new regulations and guidance for permitted development rights;
- Consider replacing the 4 month timescale and work with planning authorities to agree a new way of assessing performance for these applications as part of a new performance measurement framework for development management;
- Consider including a measure of performance of the planning system in Scotland's national performance framework;
- Clarify what activities planning fees cover, taking account of new activities that are introduced by modernisation and created additional costs for councils.

3.16 The recommendations made by Audit Scotland require to be progressed. The Planning and Building Standards Service has an Operational Plan, which is presently being progressed for 2011-12. The key recommendations of the report would normally be progressed through the operational plan. However as there are 6 months before it is reviewed and it is considered necessary to progress the recommendations of the report, it is proposed that a separate action plan is formulated to progress the recommendations of Audit Scotland. This action plan will also be used to inform the operational plan for 2012-13. The action plan and its progress will be presented to a future Planning Committee.

4. People Implications

4.1 There are no personnel issues

5. Financial Implications

5.1 There are no financial issues.

6. Risk Analysis

6.1 There are no known risk issues

7. Equalities, Health and Human Rights Impact Assessment (EIA)

7.1 There are no known equalities issues.

8. Strategic Assessment

8.1 Modernising the planning system is consistent with the Council's strategic priorities, especially regenerating and growing the local economy and ensuring that we are a Fit for Purpose Council.

9. Conclusions and Recommendations

9.1 Modernisation of the planning system has significantly changed the way it works at national, regional and local levels. These changes took place during an economic downturn which reduced opportunities for new development and the number of applications for planning permission. The report recognises that the Scottish Government, key agencies, and planning authorities 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. A number of key recommendations are made for the Scottish Government and for councils to progress and a future Planning Committee will be advised of progress regarding implementing the recommendations.

9.2 It is recommended that the Committee note the content of the above report and that the recommendations for councils contained in Section 3.14 will be progressed through an action plan which will be reported to a future Planning Committee meeting.

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Appendices: None

Background Papers: Modernising the planning system. Report by Audit Scotland September 2011.

Wards Affected: All