



# Progressing Performance: Investing in Scotland's Planning Service

## Executive Summary

October 2015

### RECOMMENDATIONS

#### **Provide a robust framework for decision making on investment.**

- There must be adequate investment in the planning system to ensure better outcomes. This depends on continuing to develop clear and dynamic performance criteria and rewarding improvement in processes and outcomes.
- Planning performance should be analysed holistically – integrating all planning ‘impacts’ – to assess how resources can be used and what they can achieve.
- All stakeholders in the planning process have a role to play in improving performance.
- Innovative income generating strategies (including changes to the planning fee structure) should be considered to cover costs.

#### **Continue to improve performance:**

- Improving planning performance, providing certainty for stakeholders and ensuring better outcomes for all parties should remain a priority.
- More work should be done to refine frameworks to measure quality ‘developments on the ground’ by improving and standardising ‘impact’ performance indicators.
- Work should continue to monitor and scrutinise existing key performance indicators, to develop and share best practice between authorities.

#### **De-clutter existing processes and procedures:**

- There may be a need for planning authorities to think about how their services are delivered to adapt to a changing resource context.
- Continuing a culture change in planning depends on developing more efficient processes, embracing technologies to improve transparency, data accessibility, and decision making.
- Responsive project management tools should be developed to ensure that development plan preparation is closely monitored and that approval and implementation remains on track.

## WHAT WE KNOW:

- ↓ Average local processing times have **dropped by a week** since 2013.
- ↓ Planning will make up **only 0.63% of local authority budgets** in 2015/2016—a drop from 0.7% in 2013/2014.
- ↑ **Processing agreements have increased by 92%** from 2013/2014.
- ↑ The number of original decisions upheld in appeal has increased to **59% from 2013/2014**.
- The average age of local plans is 3.15 years old.
- ↔ 49% of staff in planning departments is in development management.
- ↓ There has been close to a 20% reduction in planning department staff since 2010.
- ↓ **Gross expenditure in planning is to drop by £40 million** by 2015/2016 from 2010/2011, and **net revenue expenditure is to drop by £30 million** in the same period.
- **25% of authorities reached 1/3 cost recovery**, but 1/3 are **under 50% cost recovery**. Average cost recovery is 63%.
- Across all LPAs, average staff costs per authority were between £500k and £800k from 2011 and 2015.
- Planning authorities **completed 67% of their service improvements** in 2014/2015.

## EXECUTIVE SUMMARY

The planning service in Scotland has been improving, across a range of performance indicators. However, performance remains a difficult area to measure—the value and positive outcomes of planning are neither currently well-measured nor go hand-in-hand with internal performance measures. Continued support to planning authorities is essential to maintain the efficiency, economy and impact of the service.

In considering key performance indicators identified by the Scottish Government and Heads of Planning Scotland, and other outcomes and resourcing information the report highlights improvements in planning performance. Considering expected budgetary constraints, development pressure and debates about the future of planning resource allocation, the report calls for clear action to safe-guard resources while continuing to find innovative ways to raise revenue and improve services.

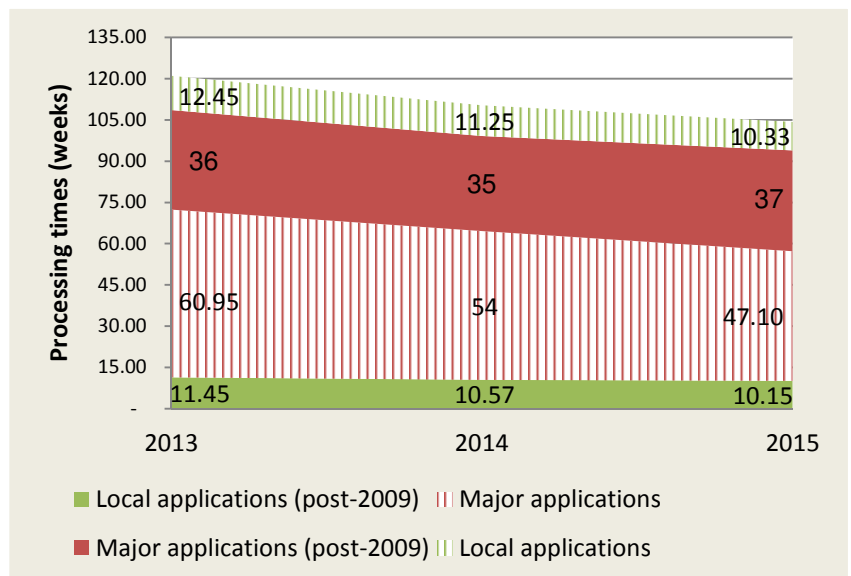


Figure 1 Annual average processing times

## PROGRESS HAS BEEN MADE IN IMPROVING PLANNING PERFORMANCE

Current performance data indicates improvements in many areas of the service among mixed results—due to slippages in average major application processing times—and amid fairly steady application volume from 2013 to 2015. There have been many positive developments. Specifically:

- **Local application processing times have continued to decrease** from 2013. Approval rates remain high at 93.5%;
- **Progress has been made in concluding legacy cases** (up 233% in Q4 2015, with a reduction in outstanding cases);
- The use of **processing agreements has increased by 92%** from 2013/2014 to 2014/2015, along with the number of those decided within their agreed timescales;
- The total proportion of **decisions upheld in appeal before Local Review Bodies and Scottish Ministers has increased** from 57% in 2013/2014 to 59% in 2014/2015, indicating improvement in the robustness of local planning authority decision-making; and
- The total number of cases decided by Local Review Bodies and Scottish Ministers **dropped by 7%** between 2012/2013 and 2014/2015.

Development planning must be considered alongside development management performance. Development planning data indicates that the majority of development plans remain on track. 83% of development plans are under 5 years old, averaging 3.15 years old, compared to 2004 when 70% were over 5 years old and one in five were over 15 years old. All Strategic Development Plans, which cover three quarters of Scotland's population, have met their timescales. The average age of an SDP is 1.9 years old.

Encouragingly, work is continuing to standardise current performance methodologies whilst developing a more robust performance framework. Service improvement markers, for example, show that an average of 8 out of 12 proposed improvements are completed by authorities whilst the number incomplete or abandoned has fallen since 2012. Of those completed and ongoing, RTPi has found that:

- 19% were general or operational;
- 15% regarded **customer service** and **stakeholder engagement**;
- 15% dealt with development management, guidance, planning conditions, etc.;
- 14% were devoted to **benchmarking and best practice**;
- 13% had to do with **communications and technology**;
- 9% dealt with Local Development Plans, action programmes, development briefs, etc.;
- 9% focussed on the natural or historical environment; and
- 6% were devoted to **masterplanning and design**.

Planning authorities are therefore committed to improving services and continuing the 'culture change' in planning. Traditional indicators provide a consistent and comparable basis for analysis and are crucial for understanding the responsiveness of the service, but should be broadened to consider wide-ranging effects of spatial planning to help improve processes and outcomes in the future.

## FUNDING CONSTRAINTS WILL CONTINUE TO POSE CHALLENGES

Planning authorities have been tasked with streamlining processes and maintaining a high service standard amid budgetary constraints. This scrutiny is likely to continue without 'ring-fenced' funding and with resumed cuts. There are several factors that indicate reduced investment in the planning service:

- The Scottish Government's Block Grant is to decrease by over 19% between 2011 and 2019, affecting investment in the planning service;
- **Planning constitutes a small proportion of local authority budgets** and is set decrease further into 2015/2016 (a drop .7% of local authority budgets in 2013/2014 to .63% in 2015/2016, a difference of £3 million); and

- Between 2009/2010 to 2015/2016, **gross expenditure in planning will have dropped by nearly £40 million.**

The limited scope for authorities to raise income has more profound effects on the ability to meet Scottish Government policy of full cost recovery. Indeed, many planning authorities have not met full-cost recovery.

- Income from planning fees accounts for **63% of core processing costs** in 2013/2014;
- Nearly a third of reporting authorities fall beneath 50% full-cost recovery;
- **A third of authorities reached 66% cost recovery** in 2013/2014 (compared to 80% in 2005/2006); and
- The average 'cost' to the taxpayer per authority is £1.9 million.

Restrictive budgets and scrutiny over future resources may affect how planning authorities maintain adequate staff and improve the service, particularly with increased development pressure. Staff levels across planning departments have decreased by approximately 20% since 2009, and median departments have decreased from 27 in 2012/2013 to 25.5 in 2014/2015. It is estimated that staff costs account for a large portion of planning expenditure.

Improved processes and outcomes demand realistic financial resourcing. Income generated strategies should be considered to ensure full-cost recovery, either through increased planning application fees or charging for pre-application discussions following Scottish Government policy that the burden of processing applications should not only be borne by planning authorities.

### **A COMMITMENT TO CONTINUOUS IMPROVEMENT DEMANDS A COMMITMENT TO PROPER RESOURCING**

Planning promotes sustainable economic growth, sustainable development and social justice. Planners enable the right developments to take place at the right time and in the right place, and this depends on the proper resourcing of the planning system. Planning performance is dependent on every party in the planning process. Given the key role that public sector planning plays in enabling and managing development, the Scottish Government should ensure proper resourcing to enable effective joint working between stakeholders whilst achieving greater transparency, efficiency, accessibility and positive and a responsive user-centred service called for by the Christie Commission (2011). Any future Scottish Government and local authorities must continue to invest in the planning service, to streamline procedures and replace the planning penalty clause for planning authorities with a system of incentivisation. Despite overall improvement, adapting to increased development pressure and decreased central funding will require more innovative solutions to maintain a responsive, transparent and effective service.