

ITEM

ITEM

Environment Policy Development Group – 1 JULY 2009

DEVELOPMENT CONTROL – SERVICE REVIEW

Report of Head of Planning Services

Statutory Powers: Planning Act 1990

Financial Implications: None arising from this report

Purpose

Members have requested service report updates, to further an understanding of what services do, what are the principle outcomes of their activities, and how they wish to develop. Such an understanding assists Members in the annual budget setting. This report concerns the Development Control service. As the service is responsible for the implementation of the Council's planning policies it's activities link to all the Council priorities CP1,2,3,4,5 and 6.

RECOMMENDATION

That the Environment Policy Development Group RESOLVES to comment on the report, and identifies any observation that it wishes to be considered by the Executive during the 2010/11 budget setting process

Profile of the Development Control service

1. The key functions of the development control service are to:-
 - Process applications for planning permission, listed building consent, advertisement consent, conservation area consent, prior approvals, and certificates of lawful use.
 - Advise on the need for appropriate approvals, and assist applicants to submit acceptable applications.
 - Provide advice to all customers of the planning service on the planning and enforcement processes.
 - Implement the Council's planning policies by making recommendations that are in accordance with them.
 - Investigate breaches of planning control and take appropriate remedial action.
 - Defend the Council's decisions in planning and enforcement appeals.
 - Protect the historic built environment through the decisions on conservation related applications and in the production of conservation area appraisals.
 - Assists in the production of planning policies for the district.
 - Provide planning input to legal searches.

Current Staffing

2. To undertake these responsibilities, there are 26.8 fte posts. The structure is attached as **appendix 1**. It shows that we have 12 planning officers (one and a half posts vacant), two conservation officers, two enforcement officers, two and a half planning support officers, one fte technical assistant (searches), one planning agreements manager and assistant and 5.8 fte admin support officers, (one and a half posts vacant).
3. Over the last 3 years we have dealt with an average of 2426 applications p.a, 286 breaches of planning control p.a, 56 planning and other appeals p.a. About 11% of applications are refused, and about 4.5% are retrospective.
4. Distinguishing features of SHDC's service, which are not common to all other DC services, are that:-
 - It operates 3 planning surgeries in the principal market towns;
 - It has a duty planner available every morning to address customer queries;
 - It has a Development Control and Conservation User group, which meets twice a year to improve dialogue with users of the service and to promote service improvements;
 - It plays a leading role in the South West Best Practice Group which comprises the DC managers to foster learning and good practice;
 - It has a Design and Conservation Panel to improve the standard of analysis and delivery of good design;
 - It is engaging with the Princes Foundation in the site specific proposals for the main settlements;
 - It's conservation officers have an active case load rather than just being consultees;
 - It is working in partnership with Plymouth CC , Devon CC and Red Tree to deliver an exemplar new community;
 - It works with members to review previous decisions in an annual tour of the district;
 - It has public speaking at its DC committee meetings.
 - It has a pre-application advice service, which is free for householders, but where there are set rates for other types of development.

Current Budget

5. A breakdown of the cost of the service is set out in **appendices 2a and 2b**. Overall, it has a budgeted expenditure for 2009/10 of £1,321,300, (as also set out in the JC (enforcement) and JD (applications and advice) codes, on pages 83 and 84 of the Council's Budget Book 2009 – 2010). £1,000,300 (75.7%) of this is attributable to "Employees and HQ costs", of

which £641,100 (48.5%) relates to salaries and employer's contributions. Other significant areas of expenditure are: -Recharges from support services-£366,900 (27.8%), IT support and maintenance 54,700(4.1%), Advertising-£31,500 (2.4%), mileage, public transport and fixed payments-£32,200 (2.4%), printing and stationery £13,400 (1.1%) and postage £8,500 (0.6%). As corporate HQ costs lie outside the control of the service, the estimated controllable costs amount to about £656,000, or just under half of the total expenditure. The salaries and employees contributions are about 97.7% of this controllable budget. These expenditures are shown in pie chart form in figure 1. A 4% target saving, which may be sought from the service for the next budget would be £26,240.

6. The service has a budgeted planning fee income for this year of £572,500 plus s.106 income-£30,000, and copying charges-£17,500. Deducting this total income of £620,000 from expenditure, results in a net cost of £748,800. The service has no control over the level of planning fee income, as the rates are set nationally and it can not influence how many applications are made. There is recognition that planning fees do not cover the cost of DC services, and so are expected to rise over time. The level of fee income over the last few years is set out in **appendix 3**. **Appendix 3(b)** outlines the income received on a monthly basis from charging for pre-application advice.
7. The above information and other key facts about the service are summarised in **appendix 4**.

The Issues Affecting the Service

8. Development Control is a statutory regulatory service. The decisions made have long lasting effects on the quality of life of local communities and the wider district. These decisions are taken within the public view, so it is a "shop window" for the operation of the Council. There are frequently arguments being made strongly, both in support, and in opposition to developments, so schemes are often very contentious. Financial benefits that accrue from the promotion and prevention of development are significant, so there is much at stake in participation in the planning process. Consequently, decisions matter, because they affect people directly. They are high profile, achieving much comment within communities and often receive media interest. They also generate considerable numbers of complaint from people who feel the wrong decision was taken. The planning officers and Members feel frequently that they are between the "rock and the hard place" when assessing the merits of development proposals.

9. These issues are not just local and there are regular attempts to review the planning system (Most recently the Taylor and Killian Pretty reports). The competing interests are played out in these reviews. On the one hand there is pressure for quicker decisions and more certainty, and on the other, there is pressure for more community involvement and more consideration of local interests. Local communities complain about inadequate enforcement, but various reviews (notably, the Carnworth review) have concluded that planning breaches should not be classed as offences and negotiating the removal of harmful impact is to be preferred to punitive action. Consequently, some of the criticisms experienced locally about our DC service stem from these unresolved frustrations about the national planning system.

10. Feed back from the Local Government Ombudsman in a recent training session for officers is that the number of complaints about SHDC is remarkably low for the size of the district. In his assessment of cases nationally, planning complaints account for the majority of his work. The top five areas of concern across the country are:-

- Failure to undertake notification of development proposals;
- Inadequate consideration given to issues raised by objectors;
- Delays in dealing with planning issues;
- Failure to take action to prevent unacceptable development;
- Provision of misleading advice.

Secondary concerns relate to:-

- The demonstration of bias;
- Inconsistency;
- Pre-determination or pre-disposition;
- The nature of Member voting;
- Overall unreasonableness.

11. The policy basis for planning decisions is subject to constant change. Many Local Planning Authorities are struggling to prepare an adequate and up to date suite of policies as part of the latest LDF type of policy documents. Government advice and direction heavily *proscribe* the style and content of these policies. New legislation and advice, which emerges is seldom clear or precise and requires continuous reinterpretation and consequent revision of processes. Recent examples have included the confusion over fees for discharging planning conditions, the amendments to what may be done as “permitted development”, and when contaminated land surveys are needed.

12. Notwithstanding, this lack of clarity, applicants and the community can be very well informed and will make legal challenges where it is believed the Planning Authority has got it wrong. Whilst, applicants have the opportunity of an appeal to the Planning Inspectorate, objectors will use the Courts or Local Government Ombudsman. Within this context, the Development Control service has to ensure it can demonstrate sound judgement and due process.

Service performance and Bench Marking

13. Government performance indicators have tended to centre on how quickly planning decisions are taken. Separate targets are set for “major”, “minor”, and “other” applications. These targets and our performance are set out in **appendix 5**. This performance has been used to determine the size of the Planning and Development Grant (PDG), which was introduced to provide an incentive for LPAs to speed up its processes. This grant was also intended to address concerns that the planning system was under resourced. The quality of DC services is also measured by the satisfaction survey of planning applicants, which is carried out every 3 years, and the level of e-based service offered. Our service scores highly against these two measures.
14. The PDG has been replaced by the Housing and Planning Delivery Grant (HPDG), and the size of the award is increasingly influenced by the progress on policy making and the delivery of new housing. This emphasis has been re-enforced in the current recession, where Government is using HPDG to reward Councils that are able to keep the development industry working.
15. The impact of the recession has been a downturn nationally in the number of planning applications. This is reflected in **appendices 6a and 6b**, which records the number of applications registered in SHDC each month. The seasonal variation is evident, along with the downward trend since the peak of 2006/7. On average we receive just over 200 applications a month. Prior to Christmas, we had noticed about 11% fewer applications, but for the first quarter of this year we are down about 22% for the eight year average for this period. The information for the second quarter will be reported at the meeting.
16. Planning services are compared nationally by a cost per head of population of the overall planning and development services expenditure. These overall costs for SHDC amount to £3.9M, with DC expenditure amounting to only 33.9%. The total includes Building Control, Community Development, Economic Development, Environmental Initiatives, Pannier Markets and Planning Policy. This cost per head figure usually results in SHDC planning services being above average, so there has been a

perception that DC is an expensive service. However, when cost per application comparisons have been made using only the actual costs of DC and the number of applications registered then SHDC costs have been below average. In a benchmarking study of overall planning expenditure in 2007/8, the median net cost per planning application was £507.52, whereas our cost was £489.74. By comparison, the median cost of planning per 1000 population was £6.96, but SHDC costs were £12.39. There are no comparable benchmark cost per application figures available using only DC costs, as opposed to costs for all planning classified activities.

17. The reasons for this difference between the results for the cost per 1000 population and the cost per application are believed to be that:-
 - Using resident population as a denominator ignores that fact that about 11% of housing stock are second homes, and these owners are very likely to submit applications, so inflating the effective population.
 - More applications are submitted per head than in similarly sized districts. This is not just explained by the first point, but because there is relative affluence amongst a significant proportion of residents and property values are high making developments profitable.
 - The DC officers have consistently maintained a high case load by being prepared to work beyond their contracted hours. This has contributed to a lower cost of the DC service.
18. The service's computer system (Northgate's planner 20/20) is no longer being supported by the provider. It needs to be replaced by a new system this year. A decision has been made to replace it with an upgrade to Northgate's M3 system. This will provide new functionality for the service and allow linkage to the Council's document management system (Anite). Funding has been secured through previous PDG awards.
19. The number of issues, which have become material planning considerations continues to grow, and the depth to which each has to be addressed increases. The DC service has to demonstrate that its judgements are sound and well considered. A comparison between planning files of 10 years ago and today shows how more comprehensive is the recording of the rationale for planning decisions.
20. In order to address concerns about costs of the service and to secure efficiencies, a review was undertaken two years ago with the assistance of Alexander Consulting. Whilst the target Gershon savings were not achieved in full, significant alterations were made. These included :-
 - Change to a 2 team system;
 - Introduction of a web based interactive facility to answer permitted development queries.

- Introduction of electronic notification of some consultees;
- Alteration of the corporate complaints system to a 2 rather than 3 stage process;
- Publication of letters of representation to the web to reduce the “Members, bundle” at committee;
- Introduction of remote working
- Improvement in the delegated decision reports to provide an improved rationale for decisions and provide a document that can be used to explain why a particular decision was reached.
- Direct notification of Town/Parish Councils of committee reports when there are cases in their areas.
- Rationalisation of the decision preparation process and other work to deliver a gross saving of £47K

Review of Service Pressures and Savings Achieved To Date

21. The **Gershon targets** have been £38,500 in 06/07, and £21,500 in 07/08 giving a total of £60,000. In 08/09 a bid for £32,500 was built into the targets. Of the £60,000 savings target, £20,000 has been generated.
22. No contingency is built into the expenditure to allow for the costs of preparing for large planning appeals, or to pay for any costs awarded against the Council. Nearly £60,000 of unbudgeted costs have arisen as a result of the need to employ consultants in relation to the Goveton wind farm planning appeal, to seek counsel’s opinion on certain matters and to obtain advice on viability reports. This latter expenditure is increasing as we seek to test the impact of the recession on development economics. Additional unbudgeted costs arose from the decision to refuse permission for the redevelopment of the St. John’s Ambulance station in Dartmouth. The size of this cost award is currently being discussed with the appellant’s agent.
23. Whilst the DC service provides good value, and delivers good quality developments, there are a number of areas where there is need for improvement. The recent review addressed efficiencies, but was not sufficiently cognisant of customer expectations of the service. Further service improvements need to provide for;-
 - Greater opportunities for engagement by Town and Parish Councils. They want to have a greater influence in decisions, to have better feedback on application and enforcement progress.
 - Improved response rates to general correspondence.
 - Better monitoring and management of complaints.
 - More consistency in the advice and decisions.
 - Improved confidence that DC processes are as lean and efficient as possible

- An overall improvement in the satisfaction levels of all the various customers.

The following are the significant risks and opportunities identified:

24. It is a challenging task to match the capacity of the service against the demands placed upon it. There is a need to have clarity about what a good DC service should achieve and what this costs to provide. Where case loads vary with the state of the economy, this creates a complicated dynamic. Failure to achieve the right balance could result both in demand failure, as unrealistic expectations are set and in stressed and demotivated staff. It will be an aim of the forthcoming Vanguard review to resolve this issue.
25. The move to a shared management of SHDC and West Devon creates an opportunity to assess the two DC services comprehensively. There are common concerns about excessive complaints, and whilst there are differences in the nature of these concerns, there will be opportunities to align processes, review service standards and share an improvement programme.
26. Members' actions are critical to the image of the service. Increased "engagement" with Town/Parish Councils will involve a shared agenda for officers and Members. There needs to be an understanding that members have an important function in communication of DC activities, and responsibility for it is a shared Member and officer issue. If this is not recognised then the opportunities for increased customer satisfaction will not be realised.

Proposals for Further Savings and Service Improvements

27. In response to the recession, proposals have been made for a potential restructuring, which would deliver £29,544 worth of cashable savings. This equates to 4.5% of the controllable budget. This would be achieved by:-
 - Amalgamating the currently vacant full time planning assistant post and part time senior planner post to create one full time senior planner post (£11,790 saving)
 - Agree to an existing planning assistant to work part time (£10,628 saving);
 - Deleting the part time post within the issuing team, and amalgamating the planning support officer and technical assistant roles (£7,126 net saving).

28. The Vanguard review will be progressed once the scope and purposes are being clarified. The role this review could have in assessing the business case for a shared service with West Devon also needs to be clarified. In any case, options for aligning service standards and procedures with West Devon will be investigated. The impact on the budget is uncertain at the moment. Increased interaction with customers will take more officer time. We will not know whether the introduction of lean systems will create sufficient capacity until this work is completed. It is anticipated that speed of decision performance will suffer whilst staff are involved with this review. This could reduce the size of any future HPDG award.

29. The project to switch to the new M3 computer system will be progressed this year. Funding for this has been secured.

Risk Assessment

The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
To identify areas of potential savings	Impact on ability to deliver high quality service	Effective management of the budget enables value for money
To reduce operating costs	Public expectation for front line service delivery	Consider alternative methods of service delivery

Conclusions

30. The DC service is a good performing one, which delivers quality developments in order to implement the Council's planning policies. It achieves this, whilst offering good value for money, when the cost per application is taken into account. There is evidence of some customer concerns in a number of areas which are common to most planning authorities, but it is seeking to improve customer satisfaction through the Vanguard review and continuing commitment to improvements from officers.

Stephen Munday
Head of Planning

Environment Policy Development Group
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