

Sustainable communities

National report

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The planning system

Matching expectations and capacity

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Summary

- 1 This report aims to help councils and others involved in the planning system address the issue of capacity in planning departments. It seeks to:
 - assess current expectations of the planning system;
 - evaluate the extent to which the government's expectations have been communicated to stakeholders; and
 - identify how councils can increase capacity.

Key findings

- a) The government's objectives for the planning system are clear and consistent and have been well communicated to stakeholders. However, not all stakeholders agree with the agenda and this poses a risk to delivery, particularly in relation to new housing.
- b) The government's focus on speed, particularly in relation to major planning applications, is having negative effects on the quality of services in some councils.
- c) There is a shortage of experienced planners affecting councils' ability to provide planning services, but the private sector can provide comprehensive services under the direction of the planning authority.

Background

- 2 The government has put planning at the centre of its vision to create sustainable communities. It has introduced wide-ranging reforms, designed to speed up the system and recast planning as a strategic, proactive force. These reforms are taking place at a time when planners are the second most difficult post to recruit to in local government. This places a strain on a system charged with responding to increasing user and government expectations and dealing with nearly 700,000 planning applications each year.

Main findings

- 3 There are five main elements to the government's policy objectives for planning:
 - to support housing growth in the areas identified for such growth;
 - to support regeneration/market renewal in other areas;
 - to ensure that all development is socially, economically and environmentally sustainable;
 - to move from the periphery to the centre of councils' activity; and
 - to deliver change quickly.
- 4 The Commission found that these objectives are clear and largely consistent across the range of planning policies and, in general, are effectively communicated to stakeholders. However, not all stakeholders support the objectives.
- 5 The study found that local people and some councils are not always comfortable with the scale of change associated with significant new housing or major regeneration proposals. The reforms to the planning system are designed to streamline and speed up the process while giving communities greater involvement in the decision-making processes through their councils. To realise these ambitions, councils will have to be very clear with their communities about what issues are for debate and when. They will need effective engagement strategies appropriate to each stage in the process to ensure this happens.
- 6 The Commission has found that the government's emphasis on speed is having negative effects on the quality of services delivered by some planning departments. While we believe that targets on speed are important in improving standards of service, where councils have effective pre-application agreements in place the government should look at changing the basis for measuring council performance. In addition, government action is required to ensure that planning applications which have gone beyond their target date are not neglected.
- 7 Councils are obliged to consult with highways authorities and government agencies on technical and specialist aspects of planning applications. These agencies are known as statutory consultees and they face their own pressures as they start to respond to stricter performance management regimes. Many consultees are devolving greater responsibility to councils. For example, English Heritage expects councils to decide whether proposed changes to some listed buildings are acceptable, without consulting the agency directly.

While appropriate, such a move has resource implications for councils already struggling with limited capacity.

- 8 The government is starting to address the shortage of planners. Unfortunately, many of its initiatives will not result in sufficient numbers of planners entering the system in the short term. Given this, councils need to look to other solutions to close the gap between what is expected of the system and their limited capacity. Use of pre-application processes and sharing resources with other councils can certainly help. However, to make a significant contribution to their capacity councils need to consider contributions from the private sector.
- 9 The market for private sector planning consultancies has grown significantly over the last ten years and councils now regularly use external organisations to assist them with specialist work. What remains less common is using the private sector to deliver mainstream planning services such as processing applications and appeals work.
- 10 However, the Commission found examples of councils successfully using consultants to assist with mainstream work, including an example where the whole development control service was provided by a private sector partner, under the direction of the planning authority. These models can have a significant impact on performance and can free up council staff to work on more contentious or strategic issues. Importantly, in all these instances, responsibility for the decision still rests with the council as the planning authority.

Recommendations

Councils should:

- balance their inclination to provide planning services in-house with consideration of:
 - solutions available through the private sector, given the current shortage of planners and skills; and/or
 - sharing planning resources with other councils, particularly to support the preparation of local development frameworks.
- develop effective approaches to pre-application discussions, which involve councillors, to ensure that the issues relating to proposed planning applications are identified and addressed early in the process; and
- engage effectively with their local communities at each stage of the planning process

having clarity about what issues are open for debate at that stage. Concerns about strategic housing numbers should be properly expressed and debated as part of the development of the regional spatial strategy. Debates outside of this stage need to be managed to ensure that delivery of housing to those in need is not frustrated.

The government should:

- continue to provide strong national leadership and encourage councils to assume the role of community leaders in promoting the need for housing growth and in allaying fears around such growth;
- continue to address supply side issues through measures such as funding university places to ensure that the number of planners entering the system rises in the longer term;
- amend the performance indicator relating to processing major applications so that it measures compliance with planning delivery agreements (where these exist) rather than monitoring performance against the 13-week target; and
- introduce a performance indicator to measure the ratio between the number of current planning applications and the number of applications determined by a council in any one quarter, to prevent the build-up of backlogs.

Developers should:

- engage with councils at the pre-application stage and develop their proposals sufficiently to allow meaningful discussion of the planning issues.

Statutory consultees should:

- produce clear guidance and support to councils in developing their new role of determining more technical planning matters at a local level.

1

Introduction

- 11 The government has put planning at the centre of its vision to create sustainable communities. It has introduced wide-ranging reforms, designed to speed up the system and recast planning as a strategic, proactive force. This is a shift from planning's previously narrow, regulatory function.
- 12 These reforms are taking place at a time when buoyant economic conditions and a strong demand for housing are producing high numbers of planning applications. Increasing user and government expectations, along with a lack of planners, is placing a strain on a system that deals with nearly 700,000 planning applications each year.¹ In response to this pressure, the government has introduced a number of initiatives to support councils and attract more planners into the profession. This includes the establishment of the Planning Advisory Service, promoting the benefits of e-planning, and the introduction of planning delivery grant. Despite this, many councils are struggling to respond fully to the government's policy to create sustainable communities.
- 13 This report aims to help councils and others involved in the planning system address the issue of capacity within planning departments. Specifically it seeks to:
 - assess current expectations of the planning system;
 - evaluate the extent to which the government's expectations have been communicated to stakeholders; and
 - identify how councils can increase capacity through use of the private sector; the use of pre-application processes; and joint service provision.

¹ The number of applications received by councils in the second quarter of 2005 was 171,000. This is 8 per cent lower than the number received in the same quarter in 2004. While this is only one quarter's figures it may indicate the levelling off of the steady increase in planning applications experienced over the last ten years.

- 14 The study was conducted under section 33 of the Audit Commission Act 1998. Section 33 places a duty on the Commission to undertake studies to support recommendations aimed at improving the economy, efficiency and effectiveness of council services. The methodology for the study included desk-based reviews of government policy; focus groups with community groups and industry representatives; paired discussions with seven pairs of councils; interviews with a range of stakeholders; fieldwork at eight sites; a survey of planning consultants; commissioning of international academic papers; and analysis of a range of data, including Audit Commission inspection reports. We were assisted in the study by Professor Matthew Carmona and his team at the Bartlett School of Planning, University College London (UCL)¹ and by an external advisory group. The Commission thanks all those who were involved (**Appendix A**). However, the views expressed in this report are those of the Commission alone.
- 15 The report is intended primarily for local authorities, policymakers, developers and planning consultants, but is relevant for all users of the planning system. The Commission has developed supporting guidance, which includes *The dos and don'ts of buying planning services* and a bulletin aimed at councillors, *Planning services and the private sector: myths explored*. This is available on our website at www.audit-commission.gov.uk/planning.
- 16 The report contains six sections. Following this introduction, Chapter 2 sets out the government's expectations of the planning system. Chapter 3 assesses the clarity and consistency of the government's policy messages on planning and looks at how these are received by stakeholders. Chapter 4 looks at the recruitment difficulties facing planning departments and explores the development of the private sector market. Chapter 5 then examines how council planning departments can enhance their capacity through increased use of the private sector, pre-application processes and joint working with other councils. The final chapter highlights the areas where councils and national bodies will need to make changes.

¹ The team at the Bartlett School of Planning, UCL undertook the seven paired discussions, the review of government policy and coordinated the international case studies on behalf of the Audit Commission.

2

The government's expectations of the planning system

- 17 The purpose of the planning system is to facilitate and promote sustainable patterns of urban and rural development (**Ref. 1**). By its very nature, the system has to mediate between competing sets of interests and negotiate compromises, for example, between the need to protect the environment and the need to provide an adequate supply of housing. In addition, the planning system has a diverse range of users and consequently it is subject to different, and often conflicting, sets of expectations about what it should deliver. In recent years, these expectations have been growing, reflecting the more central role that the system is now expected to play. This chapter sets out the government's expectations of the planning system, based on a review of key policy documents.

A central role

- 18 During the early 1980s, central government made it clear that councils should confine their planning functions to ensuring that incompatible land uses, such as heavy industry and residential, were kept apart. Planners were told to focus on the basics, for example, ensuring that development made sufficient provision for surface water run-off and provided adequate car parking spaces. The market, rather than council staff, was to determine broader issues, such as what constituted acceptable design. Within councils, planning became a relatively marginal activity, concerned with the regulation of development. This approach was exemplified by the 1985 white paper *Lifting the Burden*, (**Ref. 2**) which sought to minimise government interference in the working of the private sector.
- 19 In some parts of the country, however, a more interventionist approach was needed. In more deprived areas, councils were actively seeking to promote indigenous development, attract inward investment and regenerate city and town centres. However, this need to encourage development was often not seen as the responsibility of planning departments; it generally fell to councils' regeneration or economic development units, working separately from, and sometimes at odds with, planning's development control function.

20 During the 1990s the government recognised the need for planning to assume a broader role and to ensure that new development took into account environmental, social and economic as well as physical impacts. For example, the Conservative government introduced using developer contributions to provide affordable housing. Since 1997, the Labour government has continued to broaden the scope of planning and has increasingly emphasised its role as an enabling rather than a regulatory force. This shift has manifested itself in a number of ways. For example, the *Planning and Compulsory Purchase Act 2004* (the 2004 Act) places a duty on councils to prepare local development frameworks that link to their community strategy.^I This means that local development frameworks should provide spatial expression to the community's priorities and goals. In addition, the government's Planning Policy Statement 1^{II} advocates planning that:

'goes beyond traditional land use planning to bring together and integrate policies for the development and use of land with other policies and programmes which influence the nature of places and how they can function.'

- 21 This marks the return of planning to the centre ground of council activity. Government and other commentators have adopted the term **spatial planning** to describe this wider role and to differentiate it from the previous narrow approach of **land use planning**.
- 22 In addition to reaffirming the importance of planning, the government is also clear about what planning should deliver. The key delivery objectives set out in *Sustainable Communities: Building for the Future 2003* (**Ref. 3**) are:
- housing growth and supporting infrastructure in the south of the country; and
 - economic growth in the north of England and the Midlands, supporting regeneration and renewal.

^I The Local Government Act 2000 places a duty on principal local authorities to prepare community strategies for promoting or improving the economic, social and environmental well-being of their areas, and contributing to the achievement of sustainable development in the UK.

^{II} Government's policy on planning is set out in a series of planning policy statements (previously called planning policy guidance). Planning Policy Statement 1 sets out the government's vision for planning and the key policies which should underpin the planning system.

- 23 Both policies are underpinned by the government's determination that all new development must be sustainable. The government's view is that development approved by councils should deliver environmental, economic and social objectives over time – in both the medium and long term.

Reforms to the system

- 24 The government has introduced significant reforms to the planning system to realise the policies outlined above. The changes have resulted in a centralisation of control in some matters, while providing scope for greater local discretion in others.
- 25 The main area of centralisation relates to development plans. Prior to the 2004 Act, England was covered by 34 county council structure plans and 46 unitary development plans.^I Structure plans and part one of unitary development plans set out the strategic planning policies for any given area. The 2004 Act has replaced structure plans and part one of unitary development plans with regional spatial strategies. There are only eight regional spatial strategies, greatly reducing the number of statutory documents. The regional planning bodies, currently the unelected regional assemblies, have the responsibility for preparing regional spatial strategies and the Secretary of State is responsible for approving and issuing them.^{II} This, coupled with the reduction in the number of strategic plans, gives the government greater control over the strategic planning process.
- 26 But this increased level of central control is not confined to strategic plans. Prior to the 2004 Act councils were required to link strategic planning policy with local circumstances, through local or unitary development plans. Under this system, councils had to submit their plans to a local plan (or a unitary development plan) inquiry, presided over by an independent inspector^{III} who considered objections to the plan. The planning inspector then produced a report suggesting recommended changes, to ensure that the plan complied with:

-
- ^I Structure plans do not cover unitary council areas. Prior to 2004, unitary councils produced unitary development plans in two parts - the first dealing with strategic policies, the second with geographically specific policies.
- ^{II} Regional Planning Bodies (RPB) have principal responsibility for the preparation of regional spatial strategies. As of 1 April 2003, the RPB, in all regions outside London, is the regional chamber (known as the regional assembly). Members of the regional assemblies are not directly elected. For London, the RPB is the directly elected London Assembly. RPBs are currently being merged with regional housing boards.
- ^{III} From the Planning Inspectorate.

- the structure plan (where relevant);
- government guidance; and
- planning legislation.

- 27 However, these recommendations were not binding: if a council felt it had sufficient planning reasons, it did not have to alter its plan in accordance with the inspector's views. This gave councils greater freedom to interpret planning policy in the light of local circumstances. The new system introduced by the 2004 Act follows a similar pattern, but the recommendations in the inspector's report are now binding on councils, thus removing this element of local discretion. This marks a shift from local democratic towards central technocratic control.
- 28 Many of the reforms, including the two highlighted above, have been put in place by the government to speed up the production of strategic and local development plans with a view to accelerating the delivery of its housing growth and regeneration agendas. While this has reduced councils' ability to interpret government policy in some areas, in other areas their ability to influence development has increased.
- 29 For instance, the government has recognised the importance of good design in creating sustainable communities. This relates to the design of, and materials used in, individual buildings as well as the overall pattern of development, including building densities, car parking and street layouts. Planning policy statement 1 makes it clear that councils should not accept designs that fail to exploit opportunities to improve the character and quality of an area. This gives councils a strong hand in determining the design character and future growth patterns of its settlements and is far removed from the approach of the 1980s that expected the market to determine appropriate design. In this way, the statement reinforces the growing influence of the planning system. **Box 1** (overleaf) summarises the key changes to the planning system as introduced by the 2004 Act and recent guidance.

Box 1
Changes to the planning system

	Old system	New system
Principles underpinning the system	Land use planning Separation of use Development in the context of sustainability	Spatial planning Mixed use Sustainable development a core principle Greater role for councils in determining design
Primary legislation	Town and Country Planning Act 1990	Planning and Compulsory Purchase Act 2004
Planning policy guidance	Planning policy guidance notes	Planning policy statements
Development planning system		
Regional	Regional planning guidance (not part of the statutory plan)	Regional Spatial Strategy (now part of the statutory plan)
Sub-regional	Countywide structure plan/Unitary development plan part 1	Sub-regional strategy (optional)
Local	Local plan/unitary development plan part 2	Local development framework
External challenge at local level	Local plan inquiries (recommendations not binding)	Local development framework examinations (recommendations binding)

Source: Audit Commission

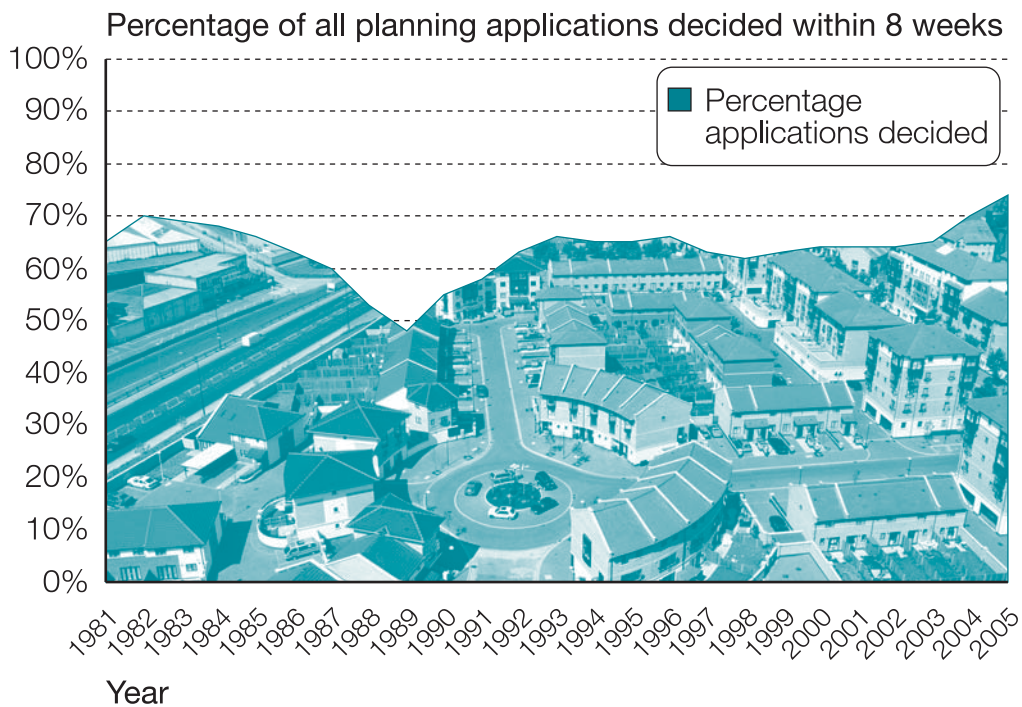
Speed

30 Issues of speed in planning authorities, measured by the time taken to process planning applications or adopt development plans, have been widely discussed. Our 1992 report into the planning system, *Building in Quality* (Ref. 4), highlighted that only a handful of councils were then achieving their target of determining 80 per cent of (all) applications within eight weeks and that performance had deteriorated through the 1980s. Since then, performance has improved (Figure 1).

Figure 1

Percentage of all planning applications decided within eight weeks

Performance has improved since our report in 1992.



Source: Audit Commission based on Department of Environment and Office of the Deputy Prime Minister planning statistics

- 31 Many of the government's recent reforms have re-emphasised the importance of speed in planning. Council planning services are currently subject to six best value performance indicators (**Appendix B**). These requirements are not new: the first targets relating to speed can be traced back to *The Restriction of Ribbon Development Act 1935*. However, what is new is a set of significant incentives, rewarding councils that deal with planning applications quickly.
- 32 The government introduced its planning delivery grant in 2003/04 designed to increase councils' capacity to deliver planning services. During 2004/05 the average council received £320,000, with 24 councils receiving more than £700,000 each. Planning delivery grant therefore represents a significant resource for councils. The government uses a range of factors to determine the amount of grant each council receives, but the largest proportion is based on the time taken by each council to determine planning applications. In 2005/06 the government paid a total of £170 million planning delivery grant to councils, with 58 per cent being allocated on councils' time taken to deal with planning applications. A further 13 per cent was allocated on the basis of councils' progress towards producing up-to-date development plans.

Summary

- 33 The government has set an ambitious agenda for the planning system. It expects it to deliver three outcomes. Planning should:
- support housing growth in the areas identified for such growth;
 - support regeneration in the market renewal and other areas; and
 - ensure that all development is socially, economically and environmentally sustainable.
- 34 In order to achieve these results, the government also expects to see changes in the way the system works. Planning should:
- move from the periphery to the centre of councils' activity, giving spatial expression to councils' objectives and those of the wider community; and
 - deliver change quickly, both in the establishment of planning frameworks and in reaching decisions on individual development proposals.

- 35** This agenda is set out in policy statements and ministerial speeches. However, messages often become distorted as they are communicated down the delivery chain. The next chapter looks at whether the government's messages are consistent and how stakeholders have interpreted changes in planning policy, and asks what stakeholders expect the planning system to deliver.

3

Is the message getting through?

- 36** Our initial review of key government policy, above, suggests that the government's aims for the planning system and the direction of policy are clear. However, this does not mean that users and the organisations implementing the system necessarily understand the government's agenda. This chapter assesses the clarity of the government's messages by examining whether they are consistent across a range of policies and what stakeholders understand to be the key policy directions. The chapter ends by considering the expectations of a range of stakeholders, including the community, statutory consultees, industry and interest groups.
- 37** In order to make these assessments, the study team reviewed the government planning policy listed at Appendix C, spoke to key stakeholders from the public, private and voluntary sectors and carried out paired discussions¹ with a sample of councils (**Appendix A**).

Does government policy communicate consistent messages?

- 38** To establish whether the government's planning policies reinforce or contradict each other, the study team reviewed the current set of planning policy guidance notes and statements. This review established that, overall, the degree of consistency between policy messages is significant (**Box 2** and **Appendix D**).
- 39** Where relationships between policy messages exist, 80 per cent of these are complementary. This indicates that in the majority of cases, the government's key policy messages are consistent, providing a clear policy framework for councils to implement. For example, across all guidance there is a consistent emphasis on the need for sustainable development. This reinforces and complements one of the central themes of *Planning Policy Statement 1: Delivering Sustainable Development* (**Box 3**) (**Ref. 1**). This is

¹ The study team interviewed seven pairs of councils in order to establish their views on current expectations. We interviewed them in pairs to encourage them to compare interpretation and experience. We picked councils that were similar in terms of geography and demography, but were not necessarily located close to each other. For example, one pair comprised Restormel Borough Council in Cornwall and Berwick-upon-Tweed Borough Council in Northumberland.

demonstrated by PPG3 and PPS6 which require councils to encourage retail and housing development within towns and urban areas before considering development on greenfield sites. Not only does this provide a consistent policy framework to encourage sustainable development, but it has also had a demonstrable effect on development patterns over the last ten years.

Box 2

Do the government's planning policies reinforce or contradict each other?

The study team selected 10 of the government's core guidance documents, summarised their key policy messages (39 in total) and assessed whether, between them, they presented a consistent policy message. To do this, we identified those policy messages which were related. Where we judged 2 messages to be related, we considered whether they were: mutually supportive; in potential conflict; or in actual conflict.

The results of this exercise identified a total of 741 potential inter-relationships between policy messages. We judged that:

- of the 741, there were 205 actual inter-relationships;
- of the 205 actual inter-relationships, 163 were mutually supportive; 25 demonstrated potential conflict; and 17 were likely to be in conflict.

Appendix D sets out the inter-relationships in a matrix.

Source: Audit Commission

Box 3

Sustainable development and planning

Planning Policy Statement 1 sets out that planning needs to support the four aims for sustainable development as follows:

- maintenance of high and stable levels of economic growth and employment;
- social progress which recognises the needs of everyone;
- effective protection of the environment; and
- the prudent use of natural resources.

Source: Planning Policy Statement 1 (Ref. 1), para 1.13

- 40 The policy review highlighted two main areas of conflict. The first relates to possible outcomes from the planning process and the second relates to the process itself. Regarding results, the government is promoting messages about economic growth and increasing housing choice. These can conflict with conservation policies. For example, there is a clear potential conflict between the policy to increase the affordability and choice of housing and the greenbelt policy to prevent urban sprawl.
- 41 The conflict between processes relates to the need to improve the evidence base for policymaking, to secure greater community involvement and achieve greater integration between policies. This is potentially at odds with the emphasis placed on speed. For example, *Planning Policy Statement 12: Local Development Frameworks* places considerable emphasis on councils basing policy on sound data, but at the same time encourages them to produce new policies quickly.
- 42 However, by its nature, the planning system and the policy framework within which it operates is subject to such tensions. Often, users' expectations are diametrically opposed. Since planning provides a framework for managed negotiation between such competing priorities and interest groups, it is reasonable to expect a degree of conflict in the policy guidance that councils will need to resolve at the local level. It is inherent in the system. Given this, the level of conflict, or potential conflict, across current government planning policies is not inappropriate.

Have stakeholders and councils received the message? What is their response?

- 43 Having established that there is significant consistency across the government's policy agenda, the study then assessed stakeholders' and councils' acceptance and understanding of these messages, using one-to-one interviews and focus groups. These views are presented under the key elements of the government's agenda: delivering housing growth, supporting regeneration, delivering sustainable development and achieving these objectives quickly.

Delivering housing growth

- 44 Stakeholders agree that the government's message on the need for housing growth is clear. In addition to the four growth areas set out in the *Sustainable Communities Plan (Ref. 3)*, there is also recognition of the government's policy to accommodate housing growth across the south of England.¹
- 45 The government has successfully communicated the importance it places on the system's delivery of housing numbers. However, not all stakeholders agree with the message. In particular, different organisations have different opinions on whether building more homes will deliver improved choice and affordability. The Home Builders Federation's (HBF) view is that the supply of new housing is fundamental to increasing the availability of affordable homes. The Campaign to Protect Rural England (CPRE) takes the opposite view; it believes that housing supply has little impact on affordability, and the main determinants relate to the demand for housing. Therefore, their view is that rising house prices do not support an argument for increased supply.
- 46 Councils also recognise the government's housing growth agenda. But while the policy has been clearly communicated, often it is not aligned with local priorities. The majority of councils that contributed to the study identified the protection and enhancement of their own local environment as their top priority. This conservationist view is at odds with the government's growth agenda. The councils also highlighted the conflicts between government policy in relation to housing growth and the priorities as expressed by local communities.
- 47 Trying to manage these tensions is a challenge for councils who have to act as both representatives of local people and the local planning authority. The planning system is designed to separate:
- the allocation of overall housing numbers to council areas (development of the regional spatial strategy produced by regional assemblies);
 - the location of new housing development within the local authority area (the local development framework, produced by local councils, which must conform with the regional spatial strategy); and
 - the details of individual housing developments (individual applications which are determined by local councils in accordance with their local development frameworks).

¹ Ashford, Stansted-Cambridge, Milton Keynes and the Thames Gateway.

48 Government policy and good practice encourages councils to involve the community at each of these stages. However this can be a challenge for councils also working to meet the government's targets around speed and efficiency of process. Furthermore, it is likely that some local people will maintain an in-principle objection to housing development throughout and this can cause the re-opening of the strategic housing debate at the local development framework and planning application stages. This has the potential to cause considerable delay in the delivery of housing to those in need. Even if councils manage the engagement with communities at each stage of the process there is always a risk that the delivery of housing may be frustrated.

Supporting regeneration

- 49 For many towns and cities especially in the North and the Midlands, regeneration will be the top local priority. Some of the councils that took part in the study recognised the government's neighbourhood and market renewal agenda and identified this as their own main concern.
- 50 However, an unanticipated finding from the study is the prominence of the government's policies on housing growth in the South at the expense of its regeneration and market renewal plans for northern England and the Midlands. The government emphasises regeneration, most notably in its *Sustainable Communities Plan (Ref. 3)*, but this has not been as clearly communicated to the planning sector as the focus on housing growth. In our discussions with stakeholders and councils, regeneration and housing market renewal were rarely raised as an issue, or recognised as a national priority. As a result, an important part of the government's message is getting lost. There are a number of reasons for this lack of focus:
- While we ensured that the councils and stakeholders interviewed for this study represented views from across England, nationally representative bodies were most interested in the issues that had the greatest effect in the South, namely the accommodation of growth.
 - The regeneration agenda may have a lower profile in the overall debate about planning for the future because fewer public and private resources will be invested in market renewal and regeneration compared to the scale of funding supporting housing growth.
 - Finally, the study identified individuals who could represent organisations' views in relation to planning. This is significant, as the previous emphasis on land use planning

and regulation has meant that the formal planning system and the professionals involved in it have had a reduced involvement in existing built areas. Rejuvenating declining areas sits less comfortably with planning's regulatory role, and is therefore often seen as a job for regeneration specialists. Planners tend to see directing new growth as their more natural territory. The perceived split between encouraging renewal through regeneration and accommodating growth through planning is significant as it creates two distinct approaches and skill sets. This is at odds with the government's clear aspiration to bring the two sides together in order to achieve true spatial planning.

Delivering sustainable development

- 51 All stakeholders and councils that contributed to the study recognised the government's priority of sustainable development. Participants agreed that *Planning Policy Statement 1 (Ref. 1)* underpinned the government's objective, being both clear and concise (see **Box 3 at para 39**).
- 52 In addition, stakeholders and councils largely agree that the sustainability objective is appropriate. Most feel that the sustainability agenda is valuable and sets a clear direction for planning. Some stakeholders go further, arguing that this emphasis has 'revolutionised' planning, and has been the key driver in its repositioning. So not only is the message heard, but it is also widely supported.
- 53 However, a number of stakeholders believe that the government's goal of sustainability simply offers a 'utopian view of the world'. This is exemplified by the perceived tension between the proposed growth areas and issues of sustainability. Stakeholders also expressed concern over the barriers to realising this goal, primarily a lack of skills. And they warned against an over-emphasis on councils as the delivery agents and stressed the importance of the role of the private sector in achieving sustainable communities.
- 54 In summary, stakeholders and councils recognise the government's focus on sustainability. While there are different opinions about how realistic this aim is, there is broad agreement on its appropriateness. This is in marked contrast to the government's emphasis on speed of process.

Speed

The government's agenda: a mixed picture?

- 55** All stakeholders and councils agree that the government's top priority relating to the delivery of planning services is speed. Speed of decision making is undoubtedly key to the delivery of a quality planning service. The government has communicated this to councils through performance regimes and financial rewards for good performance. In addition, the time taken by councils to determine planning applications is one of the factors for the Audit Commission's Comprehensive Performance Assessment of councils for 2005/06.
- 56** This focus on speed has had a positive impact on the quality of service provided by many councils. For example, the Planning Advisory Service has identified a number of councils, ranging from London boroughs through to rural districts that have improved performance by re-engineering their processes.¹ This has not only resulted in speedier delivery, but has also improved service to customers and significantly raised staff morale. Through the case studies set out in Chapter 4 we have also identified councils that have reduced the time taken to deal with planning applications while maintaining or even improving the level of service to users.
- 57** However, our discussions with councils, private sector representatives and other stakeholders painted a less rosy picture. We identified a high degree of consensus that by linking planning delivery grant to speed of service, the government has placed too much emphasis on the need for councils to reach planning decisions quickly. This has reduced the level of service provided by some councils.
- 58** One way that councils can reduce the time taken to deal with planning applications is by refusing permission on applications where previously they might have initiated negotiations. Another possibility is to ask the applicant to withdraw an application where the council is unlikely to meet the 8- or 13-week target. Neither is helpful for applicants or the overall efficiency of the system. But the Commission found evidence of growth in both practices, again suggesting that, in some councils, the current focus on speed is reducing the level of service to users.

¹ The Planning Advisory Service has published a number of case studies detailing councils planning improvement stories. Councils include Canterbury City Council, Colchester Borough Council, London Borough of Lambeth, Reading Borough Council and Wychavon District Council.

- 59 This issue has been the subject of recent debate. The Office of the Deputy Prime Minister (ODPM) commissioned a survey of all English district and county councils to assess the impact of planning delivery grant 2004/05. The results from this survey, which achieved a 67 per cent return rate, found that there was no statistically significant relationship between the payment of planning delivery grant and the levels of councils' refusals or withdrawals (**Ref. 5**).
- 60 However, other ODPM figures show that both refusals and withdrawals have been subject to recent increases. Councils' statistical returns to ODPM show that nationally the proportion of refusals increased by 14 per cent between 2003/04 and 2004/05 and planning applications withdrawn increased by 16 per cent (**Ref. 6**). This marks a significant growth in both practices although it is clearly difficult to establish exactly what factors underlie this trend.
- 61 The issue of speed at the expense of service to users was raised repeatedly during the course of this study. We spoke to a wide range of users of the planning system, including housing associations, house builders, solicitors, architects and consultants, many of whom felt that the system was suffering as a result of the emphasis on speed. They supported their concerns with examples of lapses in service including:
- a reluctance to register planning applications;
 - refusing planning permission due to lack of time to negotiate;
 - requests to withdraw planning applications;
 - a lack of focus on those applications that had gone beyond the target dates;
 - failure to allocate a case officer for eight weeks;
 - a lack of focus on pre-application discussions; and
 - increased use of conditions covering areas previously negotiated as part of the formal application process.
- 62 These concerns were mirrored in the discussions we held with councils. Of the 14 that participated in the paired discussions, 6 had concerns that the focus on speed and/or the availability of planning delivery grant had a direct impact on quality of service. For example, one council felt that its public satisfaction scores with planning services had been affected by the focus on targets.

Are the targets appropriate for major applications?

- 63 Our research also repeatedly highlighted that, when it comes to major applications, **certainty** of timescale is more important to planning applicants than speed.

- 64 As explained above, speed of determination represents an important element of a quality process. It is particularly important in relation to small-scale proposals, where speed has a greater role in determining the efficiency and quality of the process, due to the number of parties involved. Typically, these involve the person who wants to build (the applicant); council planners¹ (the planning authority); and neighbours (third parties).
- 65 As the size of the proposals grows so does the list of people involved and the complexity of the planning process. Typically, the parties involved in large-scale proposals are the developer who wants to build (the applicant); council planners; councillors (the planning authority); neighbours (third parties); local and national pressure groups (third parties); council departments, for example, housing, leisure and social services (internal consultees); external agencies, for example, the Environment Agency, Highways Agency and English Heritage (statutory consultees); the council's solicitors; and the developer's solicitors.
- 66 Under existing arrangements, as the number of parties involved increases, the predictability of the process and timescale decreases. As a result, the application of a standard measure of performance across all large applications becomes less appropriate – as that process can differ greatly between applications. Councils in our paired discussions argued that 'targets are only realistic for minor applications'.
- 67 The Confederation of British Industry (CBI), in association with other bodies, has proposed an alternative approach. The suggestion is for all parties to agree key deadlines before the developer submits a major planning application. The council and developer would set these out in a planning delivery agreement. The introduction of delivery agreements would improve certainty and speed. It could also remove the need for councils to comply with the government's 13-week target on major applications. Instead, the council would be assessed based on its performance against the agreed deadlines. Some councils are already effectively implementing such agreements.
- 68 The above approach assumes that the key parties can agree timescales before the developer submits the application. This is not always case. There will therefore always be a role for a standard target relating to time for dealing with major planning applications where the parties cannot reach prior agreement or where the proposal is so clearly contrary to planning policy that it does not warrant extensive pre-application discussions.

¹ This assumes that council staff, rather than councillors, make the decision.

Stakeholder expectations

69 As well as eliciting views on the government's expectations for planning, the study also asked stakeholders for their own expectations and views of the current system. The stakeholders expressed a wide range of views that reflected their particular interests, but three key issues emerged as significant:

- the desire for effective community involvement;
- a move to devolving more responsibility to councils; and
- the level of councils' powers and skills.

Effective community involvement

70 In order to understand what those people who actually experience the results of the planning process expect of the system, we carried out two focus groups with community representatives. One represented views from an inner city area subject to regeneration activity (King's Cross, London), the other represented views of residents in an area subject to significant potential new housing growth (Milton Keynes).¹

71 The two groups were far from uncritical about the current planning system but they did recognise the intention to talk to the community as one of its core principles. Typical comments were:

'Consultation happens! You have a chance at each stage in development planning process.'

and

'Planning provides opportunities for citizens to comment and when public meetings are held they are good.'

72 Overall both groups felt that they would rather have the current system than do without. And they acknowledged that the current trend was towards increased community involvement in the planning system.

¹ The two groups were the Kings Cross Development Forum and the Milton Keynes Development Champions. The meetings involved, respectively, 12 and 5 community representatives.

- 73 However, the groups also said that community involvement could be better and should be more meaningful. The focus groups told us that councils gave insufficient weight to community views and tended to filter comments and cherry pick what they wanted to hear. However, the groups acknowledged that the voice of the community was only one of several that the council had to listen to.
- 74 Concerns were also raised over the transparency of the process. These comments did not result from concerns over probity but more from a desire to better understand how councils reach decisions. One group found that their local circumstances made it difficult to establish transparency in relation to who was responsible for reaching planning decisions. In Milton Keynes there are multiple planning authorities operating^I and this was proving to be a barrier to, and confusing for, effective community engagement. In contrast, the King's Cross group felt it had clarity on who was responsible for reaching planning decisions.

Greater responsibility for councils

- 75 Councils are required to consult with various bodies about some categories of planning application.^{II} These bodies are called statutory consultees and their comments are taken into account when the council reaches its decision on the application.
- 76 In the course of this study we spoke to three statutory consultees: English Heritage, the Environment Agency and the Highways Agency. The government has recently introduced a target of 21 days for the consultees to provide responses to councils on planning applications. The target is a response to councils' criticism that consultees were holding up the planning process. Its introduction has required the consultees to revise their approach in order to meet the new timescales. The statutory consultees that participated in the study are proposing to do this by passing more responsibilities to councils in

^I Milton Keynes Partnership Committee is constituted as a sub-committee of English Partnerships. It comprises English Partnerships, Milton Keynes Council, Local Strategic Partnership representatives from the health, community and business sectors and independent representation. The Committee has been granted development control powers to determine major planning applications within a defined Urban Development Area (UDA). Outside the UDA boundary Milton Keynes Council will continue to control development within the remaining areas of Milton Keynes and non-strategic applications in the UDA. It will remain as the plan-making authority for the whole of Milton Keynes, including the UDA areas.

^{II} This is required under Article 10 of the Town and Country Planning (General Development Procedure) Order 1995.

determining technical or specialist aspects of planning applications. They would like councils to resolve more issues in-house. This approach requires a change in the culture for both the councils and the statutory consultees:

- **Councils** need to take more responsibility for reaching decisions, where previously they would have sought the individual advice of statutory consultees.
- **Statutory consultees** must become less involved in the detail of individual applications and instead adopt an increasingly strategic approach.

- 77 The desire to push decision making down to the local level is a wider trend among all statutory consultees. However, this will not be achieved unless issues around skills and capacity are addressed. The statutory consultees need to agree with councils the new basis for reducing the level of consultations. To do this they will need to develop framework guidance that will provide an adequate basis for councils to reach decisions at a local level. Examples include work undertaken by the Countryside Agency relating landscape character assessments to development plan policy, and English Heritage's Historic Environment Local Management (HELM) initiative, which aims to increase councils' skills and confidence to deal with the historic environment.
- 78 Also, any attempt by the consultees to reduce the number of applications on which they are consulted must be accompanied by adequate support and guidance for the council. Simply transferring the burden of consultation from the agencies to councils, without adequate support or resources, will lead to poorer quality decisions.
- 79 It is therefore unlikely that fewer consultations will lead to significant efficiencies for the statutory consultees in the medium term. The resources currently used to provide consultation responses will need to be diverted into providing support to councils, for both officers and members, enabling them to reach their own decisions. In the longer term, efficiency gains should materialise once framework guidance is established.

Adequate powers, but a lack of skills

- 80 Having mapped key expectations of the system, we now consider whether the agencies involved, primarily the councils, have the adequate powers and skills to deliver sustainable communities and respond to other expectations. None of the stakeholders we interviewed felt that councils needed additional powers to deliver against the government's agenda. But almost all qualified this by adding that councils needed the skills to implement those powers. The study identified evidence of a lack of skills in the following key areas:

- knowledge and use of compulsory purchase powers;
- valuation experience;
- understanding of the regeneration process;
- design skills; and
- conservation skills.

- 81** Stakeholders also identified a lack of spatial planning skills, such as an understanding of how people use space and an ability to think in three dimensions. Stakeholders also highlighted the ability of planners to communicate, negotiate and lead. They recognised that, while planners were good at setting out the requirements linked to development, they often had greater difficulty resolving conflicting issues and finding solutions where some trade-off between objectives was required.
- 82** The majority of stakeholders, including statutory consultees and councils, said they were encountering severe difficulties recruiting planners. Stakeholders also expressed frustration about the turnover of planning staff and how this affected the consistency with which councils handled planning applications. This was particularly true of London boroughs, where shortages of planners had forced the planning departments to employ an increasing proportion of agency staff.
- 83** However, there is evidence that organisations can ease recruitment difficulties by putting together attractive packages and by defining their skills requirements broadly. For example, in 2005 English Partnerships launched its graduate training programme, which sought graduates with degrees in the built environment. Because the organisation offered a formal development programme for applicants, including secondments to private sector partners, and was flexible in terms of the specific skills required, the scheme attracted 600 applications for 12 places.

Summary

- 84** The government's planning policies are largely consistent. Furthermore, most parts of the government's agenda are being effectively communicated to stakeholders. There is clarity over housing growth, sustainability and the need to deliver quickly, although not all stakeholders agree with the merits of these messages. However, the regeneration agenda affecting the north of England and the Midlands receives a lower profile, particularly in the planning profession.
- 85** There are concerns, among both users and councils, that the emphasis on speed is having negative effects on the quality of services delivered by some planning departments. In fact, the majority of stakeholders are more interested in the system delivering certainty of timescale rather than speed. This is particularly true in relation to major planning applications. The system is also expected to deliver effective community involvement and respond to increased devolution to authorities on specialist matters. These, alongside government's expectations, present councils with a significant challenge, which is particularly acute given current shortages of staff and skills. This is the subject of the next chapter.

4

High expectations, limited capacity

86 Planners are in short supply. Evidence consistently points to a lack of planners available to support the government's policy objectives as set out in previous sections. This chapter describes the difficulties faced by councils in recruiting planning staff and explores trends in the use of the private sector by planning departments.

The capacity gap

87 According to the Employers' Organisation's latest survey for 2005, 66 per cent of councils are now experiencing difficulty recruiting planners and 48 per cent are having problems with retention. After social workers, councils now identify planners as the most difficult staff to recruit and retain (**Figure 2**).

88 Oxford Brookes University research carried out in 2003 concluded that:

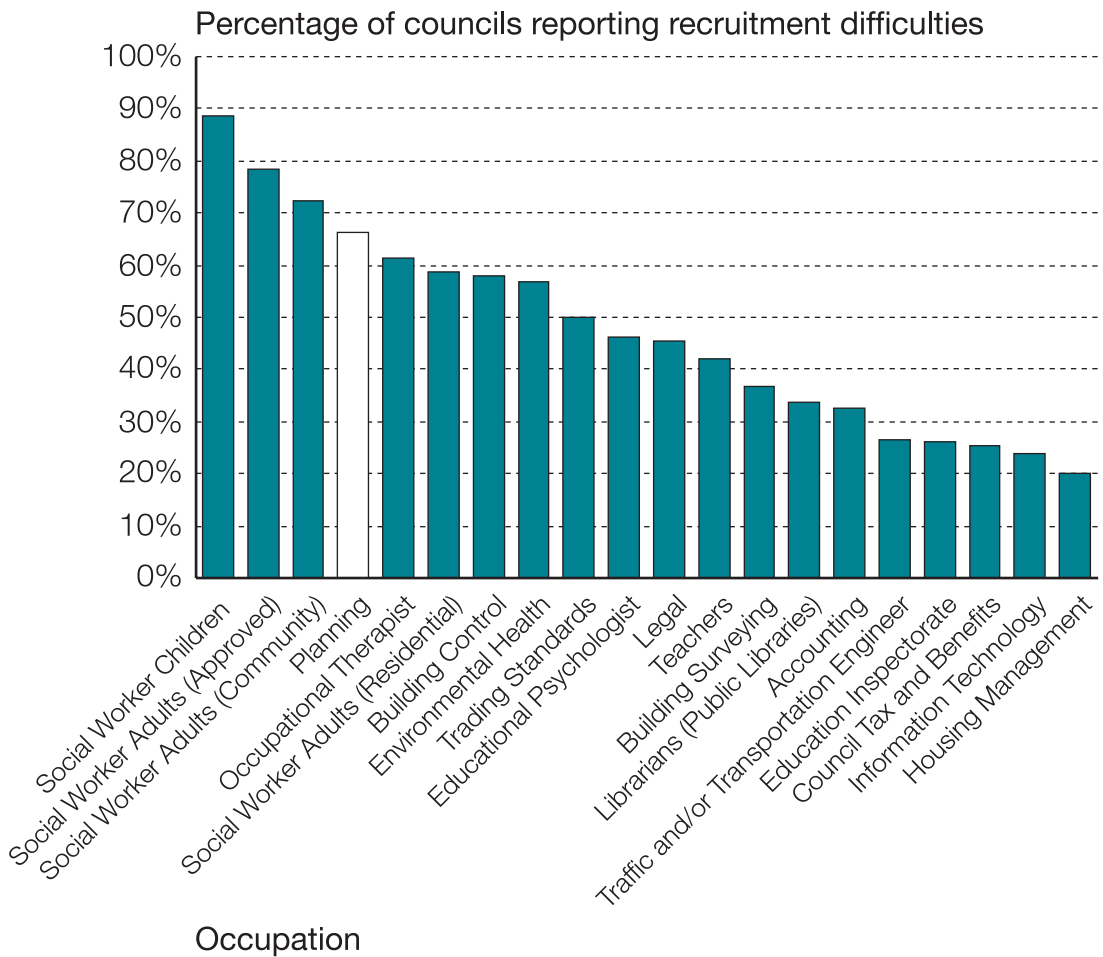
'The planning system in local government has suffered from many years of being portrayed as the problem rather than the solution. There is a need to realise that this stems from changes which have been gradual but effective in reducing the skills base through loss of experienced staff and lack of investment to ensure supply keeps up with demand.' (Ref. 7)

89 Three factors explain the shortage of planners. The first relates to the relationship between the number of planners and the number of planning applications. In 1995/96 councils in England received 456,000 planning applications. Since then, the number of applications received has risen year on year. In 2004/05 councils received 688,000 applications (**Figure 3, overleaf**) although recent figures suggest that the rate of increase is levelling off.

Figure 2

Top 20 recruitment difficulties: professional and managerial occupations

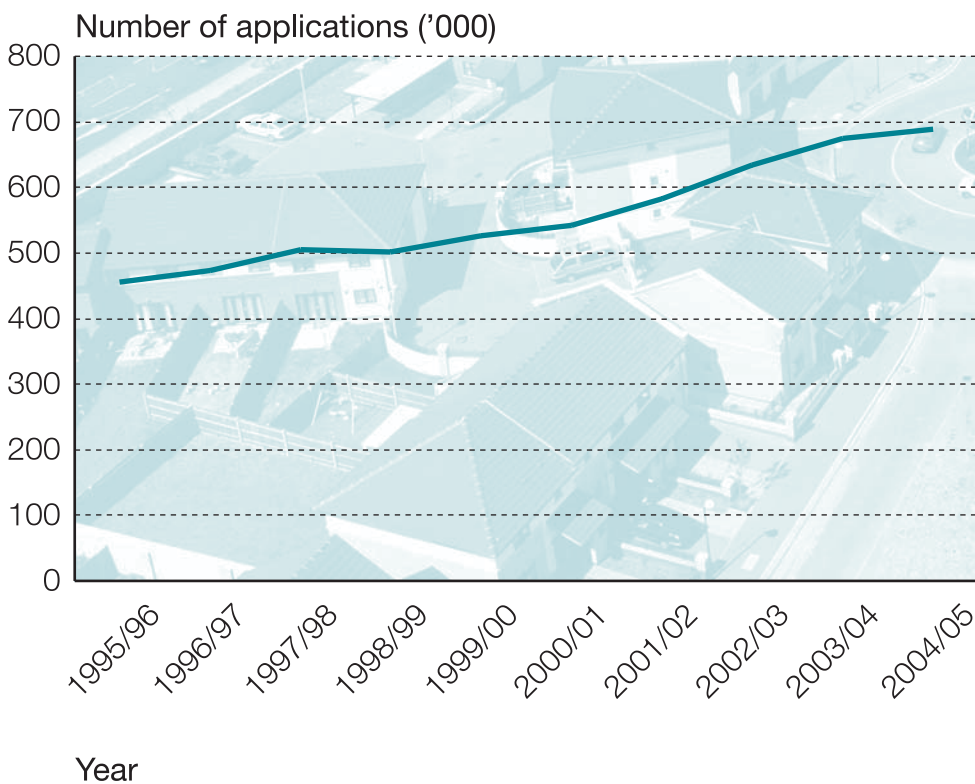
After social workers, councils now identify planners as the most difficult staff to recruit and retain.



Source: The Employers' Organisation, Recruitment and Retention Survey 2005 (England and Wales) for local government

Figure 3**Increase in the number of planning applications received by councils**

In 2004/05 councils received 688,000 applications although recent figures suggest that the rate of increase is levelling off.

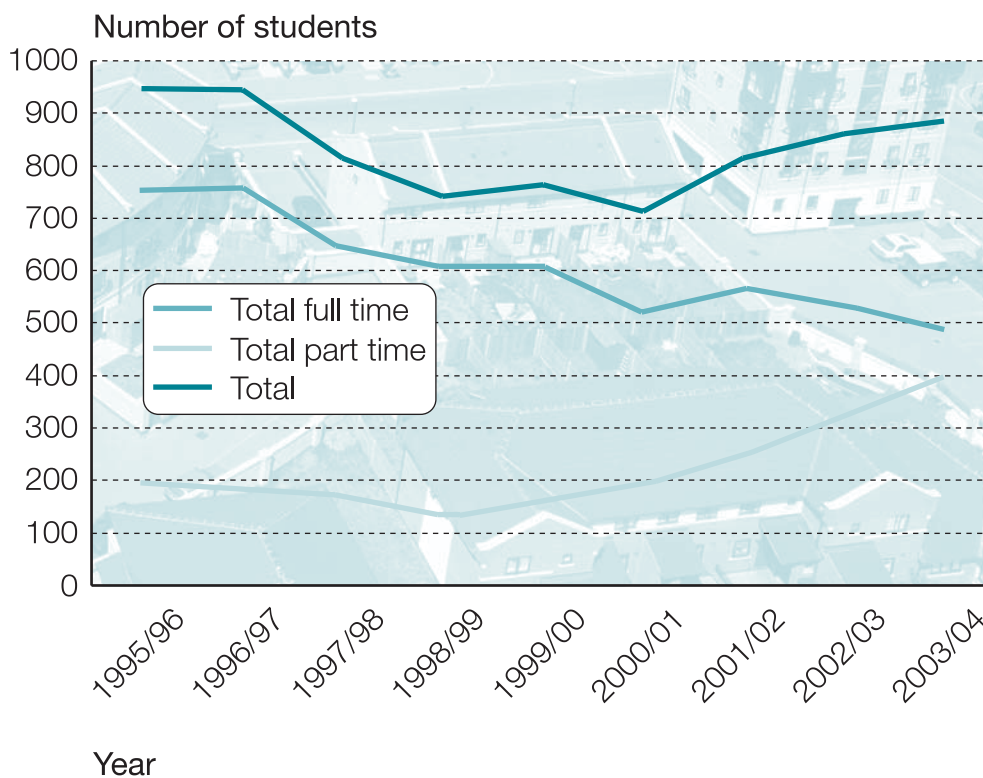


Source: ODPM development control statistics: England 2004/05, ODPM, 2005

- 90 The second reason is that, until 2000/01, the number of students entering planning schools, and therefore the supply of suitably qualified planners, was falling. This trend has now been reversed, in large part due to government action, including its bursary scheme (**Figure 4**). However, it will take time for this increase in undergraduates to work through the system and for new graduates to acquire the experience to deal with complex planning work. In addition, numbers of undergraduates have still not recovered to the levels of ten years ago and around a quarter of planning graduates enter the private sector. (**Ref. 8**) Many others do not seek a planning job at all.

Figure 4**The number of students entering planning schools**

The number of students entering planning schools is recovering due, in large part, to government action.



Source: Returns to the Royal Town Planning Institute

- 91 The third issue relates to skills. At the core of the sustainable communities policy is the requirement for councils and stakeholders to take an holistic view of future development. Planning must now plan for a fully integrated mix of schools, shops, housing and places of work. This is in contrast to the past approach, which sought to reduce conflict through the separation of uses. Sir John Egan, who led the government's review of built environment skills, summed up the results of planning through separation by saying:

'There are too many housing estates simply dumped into spaces with no amenities and no thought for their future governance. Too many ugly retail parks serving no other purpose than shopping by car. Too many hospitals and schools isolated from the communities they serve. Too many business parks, pristine and splendid, but hermetically sealed from the outside world.' (Ref. 9)

- 92 As councils move away from narrow land use planning, planners increasingly have to interact with other professionals in order to plan for the inter-relationships that happen in mixed communities. This poses challenges for established planners who may not have the relevant skills. It is no longer sufficient to ensure that new housing has adequate drains and is physically accessible. Planners need to assess social impact: where will the people shop? Who will look after them when they are ill? Where will the children go to school? These considerations mean that planners need to talk to a broad range of disciplines, estimated by Egan as more than 100, ranging from property investors to neighbourhood wardens. In this process it is softer skills, such as the ability to negotiate and communicate, not technical skills that are at a premium. There is a general lack of people with the appropriate skills to fill this role.
- 93 The government recognises these problems and has put in place a number of initiatives to address them and to make the planning profession more attractive. For instance, it has:
- funded 275 places over two years on planning courses through a bursary scheme;
 - established an initiative to change the culture of planning;^I
 - provided planning delivery grant, that councils are using to fund additional planning posts; and
 - created the Academy for Sustainable Communities.^{II}
- 94 However, these measures will take time to have an impact on the overall numbers of planners and to broaden the skills required to deliver sustainable communities. In the meantime, councils continue to experience difficulties in recruiting planners. The system therefore needs solutions that produce results from the same level of staffing resource. Councils have started to look for different ways to increase capacity, including greater use of non-planning staff and re-engineering their planning processes. In addition, we believe that planning departments need, in the short term at least, to make more use of the private sector.

I ODPMs culture change initiative includes specific actions such as working with universities and local authorities on the content of planning courses, and more general action aimed at raising the profile of planning through ministerial speeches and articles.

II The Academy for Sustainable Communities, opened in April 2005, is funded by ODPM. Its goal is 'to ensure that there are sufficient people with the right skills and knowledge to deliver and maintain sustainable communities across the country'.

Use of the private sector

A changing role

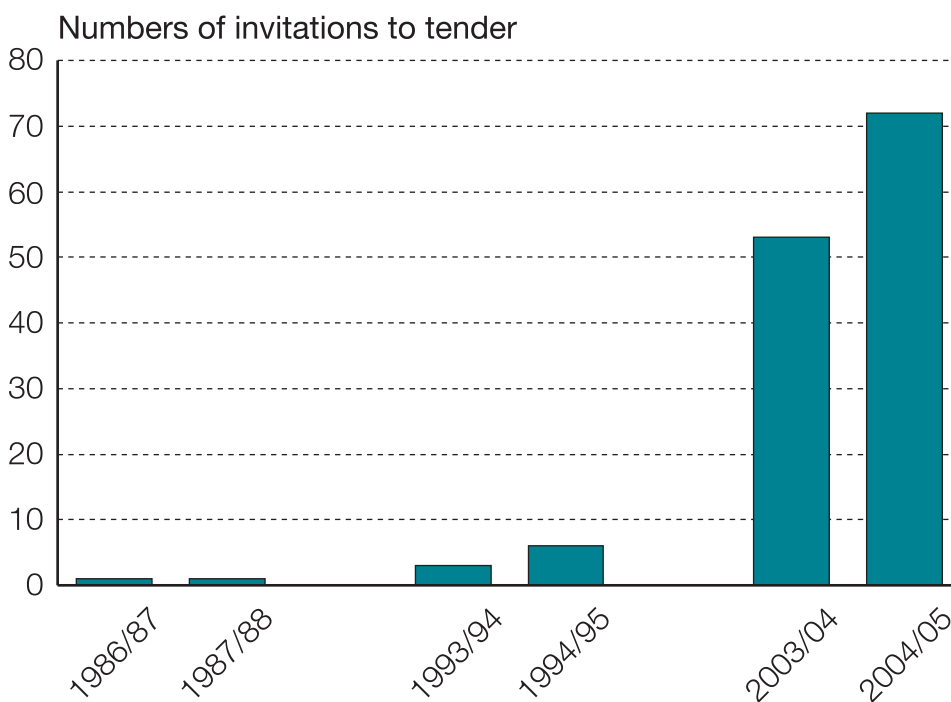
- 95 Use of private sector consultants by councils to undertake planning tasks is well established. But it is a fairly recent phenomenon. In order to assess how councils' use of the private sector has changed we examined the trends in tender adverts. By looking at the number of notices appearing in *Planning*^I magazine inviting private firms to submit expressions of interest to carry out planning work we identified a clear culture shift (Figure 5).^{II} In 1986/87, we found only one invitation to tender. For the period 1993-95 this figure had grown to nine. For the final period the figure had risen to 125. Whereas in the 1980s very few pieces of work were outsourced, this is now commonplace.
- 96 As well as examining the growth in tenders, we also assessed the type of work that councils were putting out to the private sector. Two reasons for using consultants emerged. The first relates to councils looking to the private sector to provide **expertise** the council does not have in-house. Councils have consistently used the private sector for particular areas of work, notably master planning skills or other specialist skills such as retail impact assessments.
- 97 The second reason for using the private sector is to enhance councils' capacity to carry out mainstream planning work. Typically, this type of work involves dealing with planning applications, planning appeals and enforcement matters on behalf of the council. However, this is a fairly recent phenomenon: there was no reference to this type of work in the invitations to tender prior to 2003-05, and only five (4 per cent) of the 2003-05 tenders related to capacity work.

I During the 1980s there was a monthly planning journal *Planner*. This journal became weekly in 1993 and was renamed *Planning Week*. *Planning* subsumed it in 1997. We checked copies of *Planner* and *Planning Week* from the 1980s and 1990s respectively and identified no tender notices.

II We assessed the invitations for two main periods: August 1993 to July 1995 and August 2003 to July 2005. The period August 1986 to July 1987 was added to provide a comparison with the last major property boom prior to the late 1990s.

Figure 5**Trends in tender notices appearing in *Planning* journal**

Whereas in the 1980s very few pieces of work were outsourced, this is now commonplace.



Source: Audit Commission

98 However, this is not the whole picture. The Commission's inspection activity^I suggests that councils have tended to use small planning practices and single practitioners to help deal with planning applications. As a result, the contracts may involve relatively small sums that do not warrant an invitation to tender. Our review of the tender notices may have under-represented councils using the private sector to increase their capacity. In order to overcome this, and to highlight good practice, we undertook a survey of:

- the largest 50 planning firms providing services to the council sector; and

^I Between November 2000 and July 2005 the Audit Commission inspected 178 planning departments.

- 73 single practitioners.^I

- 99** The survey of single-handed practitioners showed that 52 per cent of respondents dealt with planning applications on behalf of councils, while only 31 per cent of the larger firms did this type of work. This indicates that councils tend to increase their capacity to deal with planning applications by using sole practitioners, although this is not always the case.
- 100** We also looked at how councils spent planning delivery grant. Nationally, councils spent only £8.3 million (6 per cent) of 2004/05 planning delivery grant on consultants, out of a total of £120 million paid to councils.^{II} Of this, councils spent 46 per cent on buying in external expertise, 14 per cent on increasing capacity and 9 per cent on improving existing processes (such as electronic systems or process mapping). The final 31 per cent was unspecified spending on consultants. These results show that buying in capacity to support mainstream planning work still represents a relatively small proportion of the market.

Summary

- 101** This analysis has made the distinction between two roles that the private sector can play in supporting planning functions. These are:
- increasing the council's capacity to deal with planning applications; and
 - providing expertise not available in-house at the council.
- 102** We believe it is important for councils to be clear about the type of role they are asking consultants to provide, as this should shape a council's approach to buying consultancy services. The next chapter discusses the benefits and potential pitfalls of using the private sector in planning. The section also discusses the role of pre-application processes and joint provision of services as possible ways of addressing the capacity gap in planning departments.

^I Each year *Planning* magazine surveys major planning firms and ranks them based on their council fee income. We identified the single practitioners using the Royal Town Planning Institutes Single Practitioners Network.

^{II} Data taken from the national survey of councils planning delivery grant spending 2004/05.

5

How are councils addressing the capacity gap?

103 In the absence of adequate numbers of planners, councils are turning to innovative ways to increase their capacity. This section explores the extent to which increased use of the private sector, joint provision with other councils and wider adoption of pre-application processes may help to plug the capacity gap.

Supporting existing delivery models using the private sector

104 The use of the private sector clearly does not add to the pool of qualified planners with appropriate experience. However, the encouragement of a mixed economy approach to planning services by councils has the potential to make more efficient use of the existing planning resource. Councils should consider the contribution of the private sector as an alternative to the direct employment of staff. Here we discuss examples of good practice in using consultants to a) assist with mainstream planning tasks and b) to contribute specialist skills and expertise. The web-based tool which accompanies this report provides practical advice on the dos and don'ts of buying in planning services www.audit-commission.gov.uk.

Buying in capacity for mainstream planning tasks

105 As stated above, spending on consultants to increase capacity to deliver mainstream planning services accounted only for 14 per cent of councils' overall planning delivery grant spending on consultants. However, this is an area that over the last ten years has grown from almost nothing and seems set for continued growth as pressures on planning departments continue. Councils are using private sector resources to increase their capacity to deliver various parts of the development control process including:

- small-scale planning applications;
- use of external solicitors to draw up legal agreements (section 106 agreements) linked to planning applications; and

- written representation appeals against council decisions.¹

106 The use of consultants can, together with other improvements, have a significant impact on council services. This study has identified examples where it has dramatically improved service to users (**Case study 1**). Often this is because there are two key advantages associated with using the private sector, its ability to:

- focus on the task in hand; and
- support council performance at short notice.

107 If a council contracts a private sector consultant to process householder planning applications in eight weeks on its behalf, the consultant's primary focus will be on this deadline. The consultant is not subject to the other distractions to which in-house staff must respond. Similarly, consultants have the capacity to react quickly to requests for help. It is often quicker for councils to commission a consultant than recruit permanent staff. The response can be immediate, particularly where a council has already established the consultant's terms and conditions (for example, if it has used them before or through a call-off contract), the response can be immediate (**Case study 2, overleaf**). One consultant suggested it was happy to act as 'taxi rank', providing services as and when required.

Case study 1

Procuring legal services from external solicitors has helped Southampton City Council improve its performance on section 106 agreements

Until 2001 Southampton City Council used its internal solicitors to produce section 106 legal agreements attached to planning permissions. It was taking an average of 67 weeks to issue a legal agreement after the Council's planning panel agreed to grant permission. This caused serious delays in developing sites in the city, particularly affecting larger sites covered by complex legal agreements.

-
- ¹ When a council refuses to grant planning permission, the applicant has the right of appeal to the Planning Inspectorate, acting on behalf of the Secretary of State. The Planning Inspectorate can deal with an appeal using one of three methods: written representations, an informal hearing or a public inquiry. With written representations, the council and the applicant submit a written statement and an inspector visits the site subject to the appeal. There is no opportunity for either side to argue their case verbally before the inspector. An informal hearing is similar, but the inspector chairs a meeting where the arguments for and against the proposal can be set out. The public inquiry is a formal process where, typically, each side has legal representation and makes their case to the inspector, who will produce a formal report.

In 2003, the Council's legal service department was restructured and a decision was taken to transfer responsibility for the production of section 106 agreements to three external solicitors under a framework agreement. In practice a single firm, Moore & Blatch, has undertaken the majority of the work.

The Council and the solicitors have agreed minimum response times for dealing with section 106 agreements; they hold regular progress meetings; and are instructed by a single point of contact: the planning department's planning agreements officer.

The new system has had a dramatic effect on performance. Between January and August 2005 the Council took an average of only seven weeks to issue section 106 agreements – a tenth of the time previously taken. This rise in performance has taken place in the context of increasing demand: the number of legal agreements has risen from 26 in 2001 to 70 between January and August 2005. The Council has achieved this significant improvement through a number of measures, not least the existence of the dedicated planning agreements officer post. But the use of external solicitors has been key: Southampton has been able to access legal capacity to draw up agreements quickly, making a strong contribution to the improved performance.

Source: Audit Commission

Case study 2

Being able to quickly commission consultants to deal with planning applications has helped Redditch Borough Council to improve its planning service

Redditch Borough Council is a small council. The planning department deals with approximately 600 planning applications each year and has 9 planning staff in development control. As a result of its size, the planning department lacks the capacity to divert staff resources to cover peaks and troughs in workload. The loss of one or two members of staff can have a disproportionate effect on the Council's overall planning performance.

In 2003 the council had two vacancies in its development control team and overall planning performance was suffering. In 2003/04, the Council dealt with only 58 per cent of 'other' planning applications in eight weeks, well below the national target of 80 per cent. As part of the response to the problem, the council engaged a Birmingham based planning firm, Tyler Parkes Partnership. The Council made the appointment on the basis of an exchange of letters and on the understanding that the consultant would deal with applications in sufficient time for the Council to meet the target.

During 2004/05 the Council dealt with 77 per cent of other applications in eight weeks, still below the national target, but a marked improvement on the previous year. Much of the improvement achieved is attributable to the efforts of in-house staff. However, the consultants have played an important supporting role, particularly in relation to the speed with which they were able to respond to the Council's initial request for help.

Source: Audit Commission

- 108** Planning appeals are a particularly suitable area for buying in external assistance as, compared with other planning processes, they are subject to far greater certainty. Written representation appeals, and the majority of other appeals follow clearly prescribed timescales. Councils and consultants can therefore accurately assess the level of work in advance. In addition, the council's refusal notice (relating to the original planning application) provides the consultant with a clear instruction regarding interpretation of policy (**Case study 3**).

Case study 3

Using external consultants to deal with appeals has allowed Birmingham City Council to focus on improving its processing of planning applications

In 2001 Birmingham City Council carried out a best value review of its planning control service. It decided to pilot outsourcing written representation appeals to the private sector to allow in-house staff to focus on processing planning applications, so improving the speed and quality of the service.

In November 2002 the Council successfully piloted the approach and appointed consultants on short-term contracts to deal with written representation appeals. Over the next six months the consultants dealt with 69 appeals, successfully defending the council's decision in 70 per cent of cases. The national average at the time was 65 per cent.

Based on the success of the pilot, the Council appointed three consultants, on a three-year contract, to deal with the majority of the Council's written representation appeals. The consultants have maintained their initial success and the Council now has a significantly improved appeals record. Of the 184 written representation appeals dealt with between January and October 2005, 74 per cent were dismissed by the Planning Inspectorate. In addition, since the Council appointed the consultants, in-house staff have steadily reduced the time taken to deal with planning applications.

Source: Audit Commission

Buying in expertise

- 109** In contrast to mainstream planning tasks, councils have an established track record of buying in consultancy services to provide expertise they do not have in-house. Councils have access to a large specialist consultancy market. There are 442 separate firms offering planning services in England (**Ref. 10**).
- 110** The main advantage of using consultants to provide specialist skills is that it enables the council to secure appropriate resources for one-off projects without having to resort to direct employment of staff (**Case study 4**). Councils often commission consultants to produce such one-off pieces of guidance, for example, on town centre renewal, residential design guidance or landscape assessment. In addition, they may use specialist consultants to support the processing of particular planning applications. For example, it is common practice to seek specialist advice in relation to site valuation linked to negotiating legal agreements.
- 111** Using external specialist help also allows councils to learn from what works elsewhere and can avoid unnecessary duplication.

Case study 4

Using consultants to produce planning policy, High Peak Borough Council

Planning Policy Statement 7: Sustainable Development in Rural Areas encourages councils to develop criteria-based policy based on landscape assessments to protect attractive rural areas. The statement seeks to shift councils away from relying on restrictive local landscape designation. In support of this shift, the Countryside Agency, High Peak Borough Council, Derbyshire County Council and the Peak District National Park Authority are working together to translate the principles of the recently published Derbyshire Landscape Character Assessment into detailed and practical development plan policies. High Peak will then incorporate these policies into its local development framework. High Peak, in common with many other councils, does not have the internal capacity or expertise to carry out the work so the partners in the project have used external consultants.

The project is still ongoing, and the initial results are encouraging. For each of the eight landscape areas being designated, the consultants have produced a brief, double-sided A4 illustrated guide setting out the elements that make the special character, acceptable materials, acceptable design principles for new buildings, and recommended planting. They provide clear guidance to non-landscape specialists in ensuring that new development can be successfully integrated into the countryside. Effective interpretation of the policy does not rely on continuing involvement of the consultant, and council staff have benefited from working alongside experienced consultants. In addition, the consultants can go on to apply their experience gained in the High Peak project to other councils.

Source: Audit Commission

- 112** Experience in other countries also shows a strong tradition of using consultants to provide skills or expertise for planning departments. Using the private sector to support the plan-making process is well established in the Netherlands, where many municipalities are very small and find it difficult to fund permanent staff. As a result, a strong market for consultants has been created to help municipalities prepare local plans (bestemmingsplannen) (**Case study 5, overleaf**). There are clear parallels for smaller councils in England. This is particularly relevant given the requirement for districts to produce local development frameworks based on the regional spatial plan without the intermediate step of the structure plan.

Case study 5

Many municipalities in the Netherlands are very small and it is common practice to use consultants to support plan making

The Dutch planning system is being reformed along similar lines to the English system. These reforms, along with other developments such as the planned new urban extensions, are likely to intensify the pressure on planning departments in the Netherlands. At the same time, there is a general trend towards using the private sector in the delivery of public services.

Authorities are increasingly using consultants to support their planning functions. They are mainly used to support the plan-making process, most commonly to assist in the preparation of local plans (bestemmingsplannen). These are the responsibility of the municipalities. There are 467 municipalities in the Netherlands and they can be very small, some only covering a population of 900. The bestemmingsplannen are legally binding and require frequent updating and many municipalities do not have adequate capacity, knowledge or skills in-house to produce them. Consequently a market in the private sector has developed and, for some consultancies, the preparation of bestemmingsplannen is their 'bread and butter'.

Under the proposed reforms to the system, bestemmingsplannen will become more important. Consequently the practice of employing planning consultants by small authorities is likely to increase.

Source: Based on research carried out by the University of the West of England and coordinated by the Bartlett School of Planning, UCL

- 113** Finally, the changes introduced by the 2004 Act mean that councils in England will find it easier to package up separate, specialist pieces of work for production by external consultants. The new legislation requires councils to produce a portfolio of documents that, taken together, constitute the local development framework. The intention is to allow councils to renew certain elements of the local development framework without having to review the entire plan. Councils can review key documents, such as the core strategy, in-house, while using consultants to undertake other elements, such as area action plans.

Creating new delivery models using the private sector

- 114** During the 1980s councils' planning services were not subject to compulsory competitive tendering due to the semi-judicial nature of the development control planning policy process. Councils have generally taken the view that planning services should be provided in-house, given the political sensitivity of the process and the requirement of planning to meet the needs of a broad range of users.
- 115** Between 2000 and the end of 2002 the Audit Commission carried out 124 inspections of planning services following on from councils' best value service reviews.^I None of the 124 inspected councils' planning reviews concluded that the private sector could provide an alternative, viable delivery vehicle for planning services. This reflected the view that the private sector could not deliver comprehensive planning services on behalf of councils because of the nature of planning work.
- 116** Despite the best value process failing to identify alternative delivery vehicles for planning services, wholesale outsourcing of planning services was not without precedent before the end of 2002 (**Case study 6**).

Case study 6

Provision of planning services by the private sector, Berkshire County Council

In 1993 Berkshire County Council transferred its highways and planning staff to Babtie Group Ltd, a large technical services consultancy.^{II} The transfer involved over 300 staff and included all the county planning functions including preparing structure, waste and minerals plans, plan monitoring and a wide range of specialist advice, for example, archaeology, ecology and acoustics. The transfer also included development control functions for planning applications linked to waste disposal, mineral extraction and county council developments. While small in number, such applications are often significant, affecting large areas of land and having substantial environmental impact.

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- I** After the end of 2002 the Audit Commission changed its inspection methodology, focusing on full services inspections not necessarily triggered by a council review.
- II** Now trading as Jacob Babtie and employing 3,500 staff worldwide.

The consultants provided these planning services to the Council until its abolition in 1998.

Source: Audit Commission

- 117** However, the comprehensive involvement of the private sector in dealing with the large number of planning applications dealt with by district or unitary councils' development control service has gone largely untested, until now.

Joint venture company

- 118** In February 2005 Salford City Council entered into a partnership with Capita Symonds and Morrison to create Urban Vision Limited (**Case study 7**). Urban Vision provides the following services to the Council and its users: engineering; highways; planning; building control; and architectural and landscape design. Importantly, the company processes all planning applications on behalf of the Council and deals with all enforcement issues and appeals. With the exception of the Berkshire example (**Case Study 6**), this is the first time a council has sought to provide a comprehensive development control function through the private sector.

Case study 7

Provision of planning services through joint venture, Salford City Council and Urban Vision

Prior to 2005 Salford City Council had an in-house Development Services Directorate that provided services in three broad areas: engineering and highways; property management; and development, planning and building control. In 2003 the directorate identified a number of threats to its viability including an erosion of the directorate's traditional internal client base and an increasing number of claims against the Council linked to the condition of the Council's roads and pavements. The directorate needed to respond by securing future investment and workload, while at the same time not costing the Council any more money.

The proposed solution was a radical one: a joint venture partnership with the private sector. The Council set out to create a multi-disciplinary company providing high-quality professional services around the built environment, covering planning, highways and general property management.

The Council went through a comprehensive selection process in order to identify appropriate private sector partners. It requested expressions of interest and after an

initial vetting process five consortia of firms were invited to make presentations to the Council. Staff and unions were kept informed and involved in the selection process. The model that was developed involved the secondment of all staff to the new joint venture company, allowing them to retain their existing terms and conditions, including pensions. Importantly, this secondment approach means that staff view the joint venture as an opportunity rather than a threat.

Throughout the final stages of the selection process the Council insisted on open access to prospective partners' staff and relevant systems. This was in order to provide additional information to support the bids and enable the Council to gain an understanding of each company's approach and ethos. Crucially, in return, the Council granted prospective partners the same access to Council staff, offices and systems. At the end of the process the Council identified the consortium Capita Symonds and Morrison as their preferred partners.

Urban Vision started trading on 1 February 2005, a joint venture between Salford City Council, Capita Symonds and Morrison. Each party has a share in the company and shares any profits that result. On the same day, 392 Council staff, including 30 planning development control staff, were seconded from the Council to the new company.

The company's early performance is encouraging. The users of the service reported that they receive a good service from development control staff and noticed no impact on service during the transition. With hindsight one user recognised this achievement as 'remarkable', given the level of upheaval setting up the joint venture had created. In addition, the company has continued to reduce the time taken to deal with all categories of planning applications. The service currently exceeds all national targets for processing times as follows:

Best value performance indicator	2004/05	April 2005 – September 2005	National target
Percentage of major planning applications dealt with in 13 weeks	61%	64%	60%
Percentage of minor planning applications dealt with in eight weeks	77%	80%	65%
Percentage of other planning applications dealt with in eight weeks	83%	91%	80%

In light of its performance, Urban Vision has raised its targets and now aims to achieve performance beyond the national targets.

There has been a similarly positive impact on morale and retention of staff. A key element of the model is to grow the business by looking for work outside Salford, particularly on behalf of other councils. This has the added benefit of helping to manage peaks and troughs in workload. Development control staff are positive about these opportunities. For example, Urban Vision is providing planning services for the Isle of Wight and has contributed to bids for work related to the 2012 London Olympics bid. This scope to develop staff provides Urban Vision with a strong recruitment and retention tool.

Source: Audit Commission

- 119** Urban Vision represents an innovative way to provide council planning services. It is early days for the model but so far is delivering a good service with clear benefits as follows:
- **Staff recruitment and retention:** The flexibility for staff to work beyond Salford allows them to broaden their horizons and has been described by staff as a ‘win-win situation’.
 - **Access to expertise:** Capita Symonds has a broad range of expertise that Urban Vision can draw upon, including acoustics, air quality, ecology, landscape, urban design and water management. While Urban Vision has to pay for these services, it has agreed the framework and reduced rates in advance to underpin fast, effective advice.
 - **Emphasis on performance management:** The joint venture has extended and clarified manager responsibilities. Managers told us that they now had the ‘time and the tools to manage’.
 - **Selling services:** An ability to sell its services to other councils allows better management of workload and retention of key skills. In addition, there are benefits for other councils who may be able to tap into extra capacity or skills, such as experience of brownfield redevelopment, which they do not hold in-house.
 - **Greater integration:** Creation of the joint venture has led to closer links between the planners in Urban Vision and those retained in-house. Because the Council remains the planning authority for all planning applications, a direct employee of the Council, in the planning policy section, has to sign off all delegated decisions. This has created a direct link between policy and development control, which did not exist before.

To what extent is the private sector an appropriate solution?

- 120** The discussion above has presented three different models for engaging the private sector: to assist in undertaking routine planning tasks; to contribute expertise for specialist tasks; and the creation of separate vehicles to undertake whole planning functions under the direction of the planning authority. The benefits of following these approaches have been presented but councils also need to be aware of potential pitfalls.
- 121** Councils have often been reluctant to engage consultants on routine planning tasks because of concerns about the impact on user focus or potential conflicts of interest. The latter **is** a consideration when using the private sector, but potential conflicts of interest and other possible barriers can be overcome with effective project management, good client side skills and using existing quality assurance processes. The council, as planning authority, will always remain responsible for the decision. A consultant would act in the same capacity as the council's staff, making recommendations on each application, which are then determined either in committee or by a delegated officer.
- 122** The issue of buying in consultants for specialist tasks is generally seen as more straightforward and less risky than involving consultants in development control. Nevertheless, there are some key lessons which councils need to take on board. In particular, it is important to ensure that skills are transferred from the consultant to the council at the end of the contract. The toolkit accompanying this report sets out strategies to address the issues arising from engaging consultants to increase capacity or enhance skills.
- 123** The joint venture approach provides a radical solution for councils to significantly build capacity. This model has been particularly successful in Salford because the number of council staff seconded means the venture is attractive to a private sector partner. However, the joint venture approach is applicable to all councils regardless of the size of their planning departments. The number of staff involved will determine which model is appropriate: whether a council considers using an existing provider, such as Urban Vision, or sets up a new joint venture. Again these considerations are set out in the toolkit.
- 124** One way that councils could justify setting up a stand alone joint venture is to look at shared provision of planning functions with their neighbouring councils. This is considered in the next section.

Joint provision of planning services

- 125** Councils are increasingly looking to work in partnership with neighbouring councils or even authorities further afield. For example, our recent report on revenues and benefits concluded that ‘partnership working, either within the public sector or with the private sector, offers councils the greatest potential for efficiency savings if they are prepared to overcome the perceived barriers’ (**Ref. 11**). Given the national shortage of qualified staff, planning is an obvious service for councils either to share resources or to contribute to sub-regional skills banks that they can then draw on to support their services and augment their skills.
- 126** There is some established practice (**Case study 8**) that suggests significant benefits can be derived from such models of working. And, more recently, new government policies such as the introduction of the growth areas have provided the catalyst for increased joint working in areas such as North Northamptonshire (**Case study 9**). The success of both examples of joint working is in part dependent on the existence of political structures that mirror the joint working arrangements on the staff side. This clear political steer is critical in providing direction. Authorities in Germany have also shown that collaboration on planning can be an effective way of both resolving staffing issues and developing integrated strategies.^I

Case study 8

The authorities in west Scotland fund a structure plan unit which provides a valuable source of expertise and a strategic voice for individual councils

Following the 1995/96 reorganisation of local government in Scotland and the abolition of Strathclyde Regional Council, a joint committee was set up to take forward strategic planning matters in the Clyde Valley and Glasgow area.^{II}

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- ^I The eight cities in the German Ruhr area which cover around 3 million people, have signed up to the *Ruhr 2030* project which was set up to develop a vision for the area, agree long-term goals and development principles and improve the areas competitiveness. The catalyst for this cooperation was post-industrial decline and high levels of unemployment.
- ^{II} The joint committee comprises the councils of West Dunbartonshire, East Dunbartonshire, Glasgow City, North Lanarkshire, East Renfrewshire, Renfrewshire and Inverclyde.

The joint committee is supported by a core team of 11 officers and is responsible for the preparation, monitoring and review of the structure plan on behalf of the member councils. The committee is currently developing the new strategy up to 2020.

The joint working arrangements allow sharing of expertise. For example, Glasgow City Council provides a significant input on environmental matters and derelict land. This is of particular benefit to the smaller councils which might not otherwise have access to such specialist advice.

Collectively, the joint committee can identify examples where they have influenced the agendas of key partner agencies, such as Scottish Enterprise and the health and transport sectors. Joint working gives the constituent councils an effective voice.

The Scottish Executive's White Paper, *Modernising the Planning System* (Ref. 12), proposes joint working as the core philosophy for the new generation of strategic plans. The Executive proposes to base strategic planning for Scotland's city regions on the Glasgow and Clyde Valley model, thereby endorsing the joint committee approach.

While English councils no longer prepare structure plans, there are parallels with the requirements for the preparation of regional spatial strategies and sub-regional strategies. English councils can draw lessons from the Scottish experience around pooling expertise and developing strategic responses to relevant issues.

Source: Audit Commission

Case study 9

North Northants Together: five authorities are starting to work effectively together to prepare a joint local development framework

North Northamptonshire is part of the Milton Keynes and South Midlands growth area identified by the government in response to housing shortages in the South. The area has been asked to accommodate 52,000 new houses over the period 2001-2021, with an indicative 28,000 new houses the following decade. A degree of local opposition has developed in response to these plans. The authorities affected (the district councils of Wellingborough, Kettering, East Northamptonshire and Corby, along with Northamptonshire County Council) decided on a collaborative response to the planning issues.

In 2004 the councils set up a joint planning unit to plan strategically for this growth. The model was to create a core team of six officers, overseen by a joint planning committee comprising members from the five authorities. Through the joint approach, the councils' wanted to ensure that the new development was sustainable and maximised the economic benefits of the growth for the local population.

The joint planning unit will produce a joint local development framework for that area¹ including a single core spatial strategy; sustainability appraisal; statement of community involvement; and local development scheme. In addition, joint approaches to issues such as planning agreements will be developed.

While it is early days, the establishment of the joint planning unit has started to yield results:

- the councils can afford a better range of external assistance than would have been possible working separately;
- the councils are developing strategic thinking on some of the common issues, for example, how local towns compete with each other for growth, shopping facilities and population;
- the joint working provides more opportunities to potential staff acting as a 'powerful recruitment tool'; and
- by joining forces, the councils are likely to be able to bring more influence to debates, such as on infrastructure requirements for the area.

In addition to these benefits, it was also expected that this new model would improve the efficiency of delivering planning in the area. However, start-up costs have been high, primarily because the unit has been staffed by planners seconded from the constituent authorities. This loss of staff has been a significant burden on the district councils. Ultimately, however, the arrangement is expected to realise efficiencies through reducing the number of documents councils need to prepare individually.

Despite the advantages of joint working, the councils in North Northamptonshire consider it is unlikely they would have established the joint planning unit without the

¹ Under section 29 of the Planning and Compulsory Purchase Act, one or more local authorities can agree with one or more county councils to establish a joint planning committee. Planning Policy Statement 12: Local Development Frameworks encourages local planning authorities to work together to prepare joint local development documents and where this involves joint working between a district and a county council this must be undertaken by establishing a joint committee.

stimulus of the growth agenda. The other prerequisite for success of this arrangement is the existence of a political structure that mirrors the joint working arrangements on the staff side.

Source: Audit Commission

127 However, in practice very few authorities have joined forces to resolve their staffing difficulties. For example, an analysis of the recruitment pages in Planning magazine shows that few councils have gone down the route of jointly recruiting to posts. An exception is South Hams and Teignbridge district councils, which have recently recruited a jointly funded urban designer. Joint working is still rare, because councils perceive there to be key obstacles. Our report on revenues and benefits identified a range of barriers including risk aversion, lack of trust and incompatibility of IT systems (**Ref. 11**). In relation to planning, members and staff may be resistant to the concept, and the introduction of planning delivery grant may represent a disincentive to collaborative working, certainly on development control matters (as this will reduce councils' direct control over performance, with implications for the associated levels of grant). Despite these concerns, constrained resources mean that joint models are likely to become more widespread over the next few years, both at the individual post level and at the more strategic level. There are several pilot partnership working arrangements exploring potential efficiencies in line with the Gershon agenda.¹

Use of pre-application processes

128 Pre-application processes is the term used to describe how councils engage with applicants before the submission of a planning application to ensure that all parties understand what is expected of them. The government is encouraging councils to speed up the planning process by engaging with applicants early. Many councils already have effective practices in place at the pre-application stage.

129 Our research showed a high degree of stakeholder consensus around the importance of pre-application processes. All bodies interviewed for this study agreed that pre-application advice allows issues to be identified, enabling parties to address these at an early stage in the design process. This can avoid wasting time and money later. **Box 4** (overleaf) lists the good practice identified by our research.

¹ For example, the county, districts and borough councils of East Sussex are looking to collaborate on a range of services; and the Department for Culture, Media and Sport (DCMS) is piloting sub-regional resource pooling as part of its work on the Heritage Protection Review.

- 130 Planning delivery agreements, as discussed in Chapter 3 are a potentially important part of the pre-application processes which many believe are key to quicker and more effective processing of major planning applications.

Box 4

Pre-application processes are a valuable tool to improve the effectiveness of the planning process, but councils:

- should properly record pre-application discussions;
- should not prevent developers from attaching some weight to pre-application discussions: this requires a change in culture;
- need to resource the discussion adequately: the right people need to be there;
- and developers should establish a timeline for dealing with any eventual planning applications (a planning delivery agreement); and
- should reserve the right not to enter into negotiation during the application stage if the application differs materially from the scheme agreed at the pre-application stage.

Source: Audit Commission fieldwork

- 131 Stakeholders representing private sector interests recognise the importance of pre-application advice and we found that they are also willing to pay for it.¹ However, these stakeholders are clear that they are willing to pay for the advice as long as they have access to council officers at the appropriate level to give a considered and balanced response. In addition, developers need to present proposals at the pre-application stage that are sufficiently detailed to allow meaningful discussion of the planning issues to take place.
- 132 There are different models for financing pre-application advice and this issue will become critical as more councils introduce the practice. There may be lessons to be learned from abroad. In Australia, some states have set up accredited panels of consultants to help applicants with the pre-application stage. This process is called pre-lodgement certification and the assistance is paid for by the applicant (**Case study 10**).

¹ Councils were previously unable to charge for pre-application advice. However in accordance with the Local Government Act 2003, councils can now charge, and a small number of councils (for example, Westminster) have introduced such schemes.

Case study 10

Australian state and local government use consultants in a number of ways including a formal role in giving pre-application advice

Outsourcing in Australian local government has grown in recent years, as it has in England. Some authorities have set up panels of accredited planning consultants to help with pre-lodgement certification, which is equivalent to the pre-application process in England. Applicants can draw on this panel for help in developing their application, for instance to support negotiating and mediating with neighbours. The consultant is paid directly by the applicant.

Another version of the pre-lodgement process is the priority paid system. One set of consultants helps with the pre-lodgement certification and the application is then handed over to another consultant (from the same accredited list), who undertakes the assessment, drafts the recommendation and prepares permit conditions. In this model, the delegated officer at the authority merely checks both stages of the work and is also responsible for issuing the planning permit (the equivalent of a planning permission).

Both the pre-lodgement and the priority paid approaches have been operating in a piecemeal fashion in a number of local authorities. But trials of these processes suggest that turnaround times on applications were significantly shortened. Since Australia is experiencing both a development boom and a shortage of planners, some state governments are looking at putting this on a more formal footing.

Source: Based on research carried out by Max Nankervis & Associates and coordinated by the Bartlett School of Planning, UCL

- 133** Private sector stakeholders and others identified that the current lack of councillor involvement at the pre-application stage is a drawback in the system. Local authorities are often understandably anxious about engaging councillors at early stages as they feel this may compromise them once a planning application goes to committee for decision. However, this approach is at odds with the current emphasis on the councillors' roles as advocates for their areas and as community leaders. Both ward councillors and portfolio holders have roles to play in pre-application discussions. Local authorities need to ensure this happens by including councillors but being clear about which role they assume during pre-application discussions. This also needs to be set out in a transparent way for applicants.

- 134** A range of organisations are undertaking work on pre-application processes which is being brought together in by the Planning Officers Society in a good practice guidance note. This will reflect the research undertaken for this study.

Summary

- 135** Use of pre-application processes and sharing resources with other councils can help planning departments to meet the expectations on them. However, councils may need to look to the private sector to make a significant contribution to their capacity.
- 136** The market for private sector planning consultancies has grown significantly over the last ten years and councils now regularly use external organisations to assist them with specialist work. What remains less common is using the private sector to deliver mainstream planning services such as processing applications and appeals work. Nonetheless, the Commission found examples of councils successfully using consultants to assist with routine work. This can have a very significant impact on performance and can free up council staff to work on more important, contentious or strategic issues.
- 137** The radical option is to outsource all development control work. This is the model successfully being adopted by Salford City Council. While still relatively new, this arrangement is resulting in a range of benefits, including improving services for the Council, improved links between policy and development control, greater opportunities for staff development and associated impacts on recruitment and retention, and the development of a resource that other councils can use. This arrangement provides a useful alternative model for other councils and may be helpful in resolving some of the national staff and skills shortages.

6

Conclusions and recommendations

- 138** The planning system plays a crucial role in society, providing a framework for decisions about the future of our built environment. The role of planning has varied over the years in line with changing views on the balance between government and the market. But it is currently seen as a key element of the public sector and fundamental to delivery of a range of policies, not least sustainable development, housing growth and regeneration.
- 139** The government has implemented a number of recent reforms primarily aimed at speeding up the system. At the same time, it has introduced a regeneration agenda in the North and the Midlands and an ambitious housing growth agenda to support the economy in the South East. The government needs to be aware that these plans may result in significant challenges from local communities. These tend to be left to councils to resolve, which has implications for their capacity and may affect councils' planning performance.
- 140** Councils face a challenge in responding to the government's expectations and balancing them with those of other users. This is made more difficult because of the national shortage of planners. However, there is a range of actions open to councils including pre-application processes and collaboration with other councils. A more significant contribution may come from a mixed economy approach to planning which draws in more private sector input.
- 141** The government's focus on speed produces mixed outcomes. While we believe that targets on speed are important in improving standards of service, where councils have effective pre-application agreements in place, the government should look at changing the basis for measuring council performance. There is also an onus on developers to engage effectively at the pre-application stage. In addition, government action is required to ensure that planning applications which have gone beyond their target date are not neglected.
- 142** Statutory consultees face their own pressures as they start to respond to stricter performance management regimes. Many are therefore devolving greater responsibility to councils and see their direct role in responding to individual planning applications as declining over time. Such a move will have resource implications for councils already struggling with limited capacity. Statutory consultees need to look at ways of easing this transition.

Recommendations

Councils should:

- balance their inclination to provide planning services in-house with consideration of:
 - solutions available through the private sector, given the current shortage of planners and skills; and/or
 - sharing planning resources with other councils, particularly to support the preparation of local development frameworks.
- develop effective approaches to pre-application discussions, which involve councillors, to ensure that the issues relating to proposed planning applications are identified and addressed early in the process; and
- engage effectively with their local communities at each stage of the planning process having clarity about what issues are open for debate at that stage. Concerns about strategic housing numbers should be properly expressed and debated as part of the development of the regional spatial strategy. Debates outside of this stage need to be managed to ensure that delivery of housing to those in need is not frustrated.

The government should:

- continue to provide strong national leadership and encourage councils to assume the role of community leaders in promoting the need for housing growth and in allaying fears around such growth;
- continue to address supply side issues through measures such as funding university places to ensure that the number of planners entering the system rises in the longer term;

- amend the performance indicator relating to processing major applications so that it measures compliance with planning delivery agreements (where these exist) rather than monitoring performance against the 13-week target; and
- introduce a performance indicator to measure the ratio between the number of current planning applications and the number of applications determined by a council in any one quarter, to prevent the build-up of backlogs.

Developers should:

- engage with councils at the pre-application stage and develop their proposals sufficiently to allow meaningful discussion of the planning issues.

Statutory consultees should:

- produce clear guidance and support to councils in developing their new role of determining more technical planning matters at a local level.

Appendix A: Organisations involved in the study

Stakeholders interviewed

Bellway Homes

British Property Federation

Campaign to Protect Rural England

Commission for Architecture and the Built Environment

Confederation of British Industry

Countryside Agency

David Lock Associates

DTZ Pinda Consulting

English Heritage

English Partnerships

Environment Agency

Highways Agency

Home Builders Federation

Housing Corporation

People for Places Housing Association

Councils involved in paired discussions

Berwick-upon-Tweed Borough Council

Bolton Metropolitan Borough Council

Gloucestershire County Council

Halton Borough Council

London Borough of Barnet

London Borough of Croydon

London Borough of Islington

Redcar and Cleveland Borough Council
Restormel Borough Council
Royal Borough of Kensington and Chelsea
St Albans District Council
Walsall Metropolitan Borough Council
Warwickshire County Council
Wycombe District Council

Fieldwork sites

Birmingham City Council
High Peak District Council
Salford City Council
Redditch Borough Council
Dudley Metropolitan Borough Council
South Hams District Council
Southampton City Council
North Northamptonshire district councils (North Northamptonshire Together)

Advisory group

Advisory Team for Large Applications
London Borough of Barking and Dagenham
Countryside Properties Limited
High Peak Borough Council
Joseph Rowntree Foundation
Middlesbrough Council
Office of the Deputy Prime Minister
Planning Advisory Service
Planning Inspectorate
Planning Officers Society
Royal Town Planning Institute

The UCL, Bartlett School of Planning Research team

Professor Matthew Carmona

Karen Buchanan

Louie Sieh

Appendix B: Planning best value performance indicators

Reference	Indicator	Description
BV106	New homes built on previously developed land	Percentage of new homes built on previously developed land.
BV109a	Planning Applications – Major Applications	Percentage of major applications determined in 13 weeks.
BV109b	Planning Applications – Minor Applications	Percentage of minor applications determined in eight weeks.
BV109c	Planning Applications – ‘Other’ Applications	Percentage of ‘other’ applications determined in eight weeks.
BV179	Standard searches within ten days	Percentage of standard searches carried out in ten working days.
BV 200	Plan-making: Development Plan	Did the local planning authority submit the Local Development Scheme (LDS) by 28 March 2005 and thereafter maintain a three-year rolling programme?
BV204	Planning Appeals	The number of planning appeal decisions allowed against the authority’s decision to refuse planning applications, as a percentage of the total number of planning appeals against refusals of planning applications.
BV205	Quality of Planning Services Checklist	The local authority’s score against a ‘quality of planning services’ checklist.

Appendix C: Planning and related guidance reviewed

Current planning policies

Planning Policy Statement 1: Delivering Sustainable Development (2005)

Planning Policy Guidance Note 2: Greenbelts (1995)

Planning Policy Guidance Note 3: Housing (2000)

Planning Policy Guidance Note 4: Industrial, Commercial Development and Small Firms (1992)

Planning Policy Guidance Note 5: Simplified Planning Zones (1992)

Planning Policy Statement 6: Planning for Town Centres (2005)

Planning Policy Statement 7: Sustainable Development in Rural Areas (2004)

Planning Policy Statement 8: Telecommunications (2005)

Planning Policy Statement 9: Biodiversity and Geological Conservation (2004)

Planning Policy Guidance Note 10: Planning and Waste Management (1999)

Planning Policy Statement 11: Regional Spatial Strategies (2004)

Planning Policy Statement 12: Local Development Frameworks (2004)

Planning Policy Guidance Note 13: Transport (2001)

Planning Policy Guidance Note 14: Development on Unstable Land (1990)

Planning Policy Guidance Note 15: Planning and the Historic Environment (1994)

Planning Policy Guidance Note 16: Archaeology and Planning (1990)

Planning Policy Guidance Note 17: Planning for Open Space, Sport and Recreation (2002)

Planning Policy Guidance Note 18: Enforcing Planning Control (1991)

Planning Policy Guidance Note 19: Outdoor Advertisement Control (1992)

Planning Policy Guidance Note 20: Coastal Planning (1992)

Planning Policy Guidance Note 21: Tourism (1992)

Planning Policy Statement 22: Renewable Energy (2005)

Planning Policy Statement 23: Planning and Pollution Control (2004)

Planning Policy Guidance Note 24: Planning and Noise (1994)

Planning Policy Guidance Note 25: Development and Flood Risk (2001)

Selected Past Planning Policies (current in 2000)

Planning Policy Guidance Note 1: General Policies and Principles (1997)

Planning Policy Guidance Note 6: Town Centres and Retail Developments (1996)

Planning Policy Guidance Note 7: The Countryside – Environmental Quality and Economic and Social Development (1997)

Non-planning policies

Code of Practice on the dissemination of information (undated)

Planning Delivery Grant 2004/05 (ODPM 2004)

Safer Places: The Planning System and Crime Prevention (Home Office 2004)

Building for the Future: The Sustainable Communities Plan (ODPM 2003)

By Design: Urban Design in the Planning System (CABE/DTLR 2000)

A New deal for Transport: Better for everyone (DfT 2004)

UK Sustainable Development Strategy: Securing the Future Cm6467 (DEFRA 2005)

Appendix D: Mutual support and conflict

In the table, the ticks denote supporting pairs of policies, the circles, potential conflict between policies

Source: Work undertaken by Bartlett School of Planning, University College of London for the

	PPS1	Community Cohesion	Environmental Protection	Prudent Use of Resources	Good Design	Spatial Planning	Integration of approach	Sustainable communities	fast and transparent service	PPG2	Landscape protection	Agricultural protection	Access to countryside	Re-use of brownfield sites	PPG3	Housing choice and affordability	Affordable housing	Sustainable development patterns	PPS6	Focus growth in existing centres	wide range of services	good local environment	PPS7	quality of life
PPS1: Delivering Sustainable Development																								
Community Cohesion		✓																						
Environmental Protection			✓																					
Prudent Use of Resources				✓																				
Good Design					✓																			
Spatial Planning		✓				✓																		
Integration of approach				✓			✓																	
Sustainable communities								✓																
fast and transparent service									✓															
PPG2: Green Belts																								
Landscape protection											✓													
Agricultural protection											✓	✓												
Access to countryside													✓											
Re-use of brownfield sites		✓	✓	✓				✓			✓			✓										
PPG3: Housing																								
Housing choice and affordability			✗								✗	✗		✗		✓								
Affordable housing																✓	✓							
Sustainable development patterns			✓	✓	✓	✓	✓	✓										✓						
PPS6: Planning for Town Centres																								
Focus growth in existing centres			✓	✓	✓	✓	✓	✓			✓	✓		✓				✓		✓				
wide range of services			✓	✓	✓	✓	✓	✓										✓		✓				
good local environment			✓	✓	✓	✓	✓	✓										✓		✓				
PPS7: Sustainable Development in Rural Areas																								
quality of life		✓	✓			✓	✓	✓					✓	✓		○								✓
rural environment			✓			✓	✓	✓								○								✓
Sustainable development patterns			✓	✓	✓	✓	✓	✓										○	✓		✓			✓
rural enterprise		✓	○	✓				✓			✗	○						○						✓
sustainable agriculture			○	✓				✓				✓						○						✓
PPS9: Biodiversity and Geological Conservation																								
biodiversity integral in growth			✗			✓					✓					○	○							
diversity of wildlife and geology			✓								✓	○				○	○							
urban renaissance, rural renewal			✗		✓	✓	✓	✓			✓	○		○		○	○			✓	✓	✓		✓
PPS11: Regional Spatial Strategies																								
better integration with other regional policies		✓				✓	✓	✓										✓						
more weight to regional policy																								
Evidence-based policy-making																								
PPS12: Local Development Frameworks																								
more flexibility						✓																		
more speed									✓															
stakeholder involvement		✓																						
linking with other policies eg Comm Strats		✓			✓	✓	✓	✓																✓
PPG13: Transport																								
promote more sustainable transport		✓	✓	✓	✓	✓	✓	✓																
promote accessibility by public transport		✓	✓	✓	✓	✓	✓	✓				✓												
reduce the need to travel											✓							○		✓	✓	✓		
PPG17: Planning for Open Space, Sport and Recreation																								
adequate resources for sport and recreation		✓			✓						○	○	✓											
promoting health and well-being			✓									✓												
quality audit and standards for facilities					✓								✓											

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