



Investing in planning delivery

This briefing summarises research conducted for the RTPI by Arup, the global engineering, design and planning company, which examines the resourcing of local planning authorities in the North West of England, whether a lack of resources is impacting on growth and development, and what can be done to respond to these pressures.

Who should read this?

Anyone with an involvement in planning for economic growth and development, and the resourcing and status of local authority planning, in particular local authority chief executives, policy teams and planners, central and local government policymakers, developers, and planning consultants.

Key messages for policy and practice

- This research suggests that there have been significant reductions in local planning authority budgets and staffing since 2010, with a third fewer planning staff overall, including a decrease on average of 37 per cent in planning policy staff and 27 per cent in development management staff.
- These reductions are impacting on delivery and development. Overall, the reductions in local planning authorities' budgets have resulted in increasing difficulties in both the public and private sectors, with the latter frustrated by the decline in local authority planning services in some places. Although the time taken to determine applications is often still good, there are increasingly delays and uncertainty in receiving pre-application advice, S106 agreements and discharge of conditions, resulting in delays bringing forward development.
- Further, the lack of proactive plan-making due to limited capacity is likely to result in fewer projects coming forward, particularly public-private partnerships, often with a regeneration agenda.
- Local planning authorities have responded to these pressures in varying ways. They can be broadly characterised as either 'striving', 'surviving' or 'struggling'. In the majority of cases, local planning services are surviving on the goodwill and professional integrity of the officers, but this may not be sustainable.
- The danger now is that further reductions in budgets could exacerbate a cycle of decline in more authorities, so further impacting on delivery and development.
- At the same time, it is crucial to recognise that planning services are an increasingly significant source of income for authorities, through application fees and the New Homes Bonus. However, this positive contribution is often not reflected in the funding provided to planning services.
- A range of measures are required to enable 'striving' authorities to maintain and even improve high standards of delivery, support 'surviving' authorities who have the potential to perform better, and focus resources on 'struggling' authorities to address and reverse the causes of decline.
- Most obviously, this will require greater reinvestment in public sector planning. This could either be done directly, through local authorities prioritising reinvestment from sources of planning income, or indirectly, through drawing on support from organisations such as the Planning Advisory Service and the RTPI.
- This would help to ensure that planning services are put on a more stable footing, local development is promoted, and the UK Government's priorities for planning in England, focusing on the delivery of housing and development and increasing the coverage of local plans, are realised.



Main findings

Resource changes

Public sector planning staff shortages have been an ongoing issue over the last 10 years. Since 2010 there have been significant reductions in planning staff, with this research identifying an average reduction of 37 per cent in planning policy staff and 27 per cent in development management staff between 2010 and 2015.

In the last year in particular there has been a move towards use of mandatory redundancy packages, combined with an increase in the recruitment of temporary staff. The overall reduction in recruitment means that public sector planning officers are having to extend their roles to fill the gaps caused by staff cuts.

Evidence from interviews and focus groups shows that this has affected customer service and the quality of decision-making, as planning officers are increasingly tied-up with process related matters. The loss of 20-30 per cent of managerial staff has also impacted member engagement and proactive decision-making.

Budget and income changes

This survey also suggests that between 2009/10 and 2013/14 the average net expenditure for development management decreased by 27 per cent and decreased for planning policy by 18 per cent. Public sector planning services have been left to manage increasingly constrained and challenging budgets which often do not reflect the true cost of service delivery.

Despite budget reductions, planning services continue to generate significant levels of income. In terms of the New Homes Bonus alone, North West sub-regions received an average of £16 million in 2014/15, with the highest amount received by Greater Manchester authorities. Evidence from the focus groups and interviews conducted for this research shows that this income is not ring-fenced for reinvestment in planning services and is absorbed into overall council budgets. Planning services are therefore a significant income source for local authorities, but are not receiving the benefits themselves.

Performance

Local planning authorities in the North West have consistently achieved government targets for the determination of applications within 8 and 13 weeks. However, this does not take account of time taken at pre-application and post-determination stages, which can in some cases be considerably longer.

In discussions with developers, concerns were raised around variations in the quality of pre-application advice and in the time taken to agree Section 106 agreements. Policy performance and a lack of proactive planning were also highlighted, with vacuums created by out-of-date policies and delays to the submission and adoption of local plans.

Another consideration is the impact of the quality of decision-making and associated delays on the delivery of development. The interviews conducted for this research suggest that delays in local plan preparation and planning applications increase costs and financial risk for the private sector, which in turn impact on delivery. Most starkly, one private sector developer stated that: "In the North West not many areas have an up-to-date local plan in place or a five year housing supply. There is effectively a hiatus in housing delivery and a land supply crisis. Industry is being prevented from acting and there could be much more development coming forward."

The research also explored perceptions around local planning authority performance issues, including 'planning by appeal' and complaints. Formally, the data is relatively positive, for example the average number of appeals has remained around two per cent, and only nine per cent of lodged appeals were upheld following formal investigation. However, this may be because officers are working longer hours to compensate for a loss of staff, with an increasing reliance on "good will and professional integrity" (to quote one respondent) to keep planning services going. This may not be sustainable.



This research suggests that in terms of resourcing and performance there are broadly three types of local planning authority. These can be broadly characterised as either 'striving', 'surviving' or 'struggling':

- *Striving authorities* typically have an up-to-date local plan and five year housing land supply, process applications within required timescales and have productive and timely pre-application discussions. The authority is proactive in engaging with others in bringing forward development, including in neighbourhood planning. It has strong planning leadership with regular positive engagement with members and the chief executive, good staff morale and an innovative culture. There is a strategic approach to corporate management and resource sharing.
- *Surviving authorities* typically process applications just within required timescales but may be slow in delivering other development management services. A core strategy may be in place but policymaking can be limited or slow. Planning is a lower priority for members and the chief executive. Staff morale can be poor, with services dependent on the goodwill of officers, considerable out-of-hours working, and non-specialist staff forced to deal with specialist matters (for example, conservation, urban design).
- *Struggling authorities* are seen as providing a poorer service by the development community, with a high proportion of appeals. There is no up-to-date local plan, and a lack of proactive plan-making and engagement with the development community. Planning managers have limited experience, and there is a weak relationship between senior officers and members. Resources are increasingly focused on appeals and challenged examinations rather than service improvement, potentially resulting in a spiral of decline. There is very low staff morale, with too few staff to maintain service delivery, often resulting in high staff turnover, sickness rates and difficulty recruiting.

Practice changes

This research also explored a range of solutions and practice changes that could be introduced by local planning authorities. These include: collaboration and resource sharing either with neighbouring authorities or private sector consultants; the use of alternative service delivery models; and Planning Performance Agreements (PPAs) to address concerns over timescales and quality. The changes introduced so far by local planning authorities to address performance and quality issues have mainly related to procedural matters including recognising the value of IT systems, the use of standardised processes and the importance of continuity through the application process.

Recommendations

The overall aim of these recommendations is to establish a positive cycle of reinvestment in public sector planning, in order to drive housing delivery and development, and better place-making more broadly.

Resourcing and budgets

- Prioritising reinvestment in planning services using income from the New Homes Bonus

Council leaders should recognise the value of planning to local economies, and so the importance of reinvesting more of the income generated by planning back into planning services. In addition to the New Homes Bonus, this could include regularly reviewing pre-application and Section 106 agreement charges to ensure that costs are covered. Any increases in charges need to be linked to the robust identification of the full end-to-end costs involved in processing, determining and discharging applications, and improvements in services to meet applicants' needs.

Government and organisations such as the RTPI should emphasise the link between revenue sources such as the New Homes Bonus and the work of local planning services. Government should also emphasise how local authorities could further the purposes of the New Homes Bonus by reinvesting this additional revenue back into planning, regeneration, economic development and related services.



This would lead to a cycle of positive planning and income generation, enabling resources to support the adoption of local plans, leading to greater development certainty and more efficient development management services, in turn securing further planning income for reinvestment in services.

Performance

- Using good practice guidance to support local planning authorities

More local authorities should take advantage of the information and support available from organisations such as the Planning Advisory Service (PAS), in order to improve performance and delivery and to address any gaps in specialist advice or resourcing. PAS in particular can provide full service reviews (including benchmarking their performance), support delivery against PPAs and advise on local plan delivery. In addition, ATLAS can support local authorities dealing with complex large scale housing-led projects.

- Adopting a pragmatic and flexible approach to procurement

Local authorities should approach the procurement of additional resource and specialist input into planning services in a pragmatic, proportionate and flexible way, in order to adapt more quickly to changing demands on services. Government and other organisations such as the RTPI and PAS could do more to advise local authorities in this regard.

- Identifying potential resource sharing arrangements

To ensure flexibility and manage peaks in workload there is the potential for resource sharing within local planning authorities, across neighbouring authorities, with statutory consultees, specialist staff and via the use of private sector staff. This can be achieved through the identification of areas of potential collaboration, particularly to address the loss of specialist staff in areas such as conservation and design.

- Identifying more opportunities for Planning Performance Agreements

Planning Performance Agreements (PPAs) can be adapted to suit the scale of schemes and offer greater flexibility to both local planning authorities and developers, as they set expectations out of the standard 8 and 13 week determination periods. Whilst it is important to adequately resource PPAs, there is the potential to establish a PPA 'light', incorporating a scaled-back standardised PPA which could be used to determine less complex, medium-scale applications.

About the research

This briefing is based on research conducted for the RTPI by Arup, commissioned by the RTPI North West region. The research included a literature review and data analysis, a survey sent to all North West local planning authorities, telephone and face to face interviews, and focus group sessions with public and private sector participants. Over 40 organisations participated in the research.

The full report is available on the RTPI website at: www.rtpi.org.uk/investingindelivery

About the RTPI

The Royal Town Planning Institute holds a unique position in relation to planning as a professional membership body, a charity and a learned institute. We have a responsibility to promote the research needs of spatial planning in the UK, Ireland and internationally.

You are also welcome to email us at: research@rtpi.org.uk

About Arup

Arup is the creative force at the heart of many of the world's most prominent projects in the built environment and across industry. From 90 offices in 38 countries our 11,000 planners, designers, engineers and consultants deliver innovative projects across the world with creativity and passion.

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