

RTPI South East and North West

Investing in Delivery: The state of resourcing of planning departments in the South East and North West of England

Final Report

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Executive Summary

Introduction

The Royal Town Planning Institute (RTPI) in partnership with the Chartered Institute of Public Finance and Accountancy (CIPFA) commissioned Arup to investigate the level of investment in public sector planning services across the South East and North West regions of England and how this relates to performance and delivery.

Housing remains a priority for Government with many initiatives introduced over the last decade aimed at boosting delivery. Planning is a fundamental enabler of housing delivery, although the profession continues to face criticism suggesting it delays the development process. Despite these challenges, there is a significant role for local planning authorities (LPAs) to play in supporting the realisation of Government objectives.

In February 2017 the (then) Department for Communities and Local Government (DCLG) published the Housing White Paper “Fixing our broken housing market”, setting out a number of proposed regulatory changes and funding instruments to boost housing delivery. Central government committed itself to “*take steps to secure the financial sustainability of planning departments; ensure that the planning system has the skilled professionals it needs to assess and make the tough decisions we expected; and provide targeted support to address areas of specialist weakness*”. On the 17th of January 2018, Parliament approved the regulation to allow councils to increase planning fees by 20%, providing that they commit the additional income to their planning services.

The purpose of this research is to investigate planning service resourcing, staffing pressures and delivery structures in Local Planning Authorities (LPAs) in the South East and North West of England between 2011/12 and 2016/17. The report covers the following themes: *Planning Resource; Investment and Income; Performance; Influence; and Culture and Behaviour*.

The research for this report involved an extensive literature review and analysis of secondary data supplied by CIPFA. The research themes were explored through a survey that was issued to every

local planning authority (LPA) in the South East and North West; case study interviews with LPAs; and focus group sessions in the South East and North West with junior and senior level public and private sector planners.

Who Should Read This Report?

This report is aimed a range of people involved in running the planning system across the public sector. In particular, it is intended to inform Government and the Local Government Association, chief executives, senior managers and elected members responsible for planning services in local planning authorities. It is also intended to be of interest to planners including RTPI members in the South East and North West; and RTPI partners.

The purpose of this report is to *inform* on key issues; *provide guidance* on best practice and solutions to overcome challenges identified; and *recommend* future changes to delivery of planning services.

Key Messages

The key messages and recommendations are set out according to the research themes in this report.

Planning Resources

The main issue arising from the planning resource research relates to continuation of cuts to planning department budgets and staff numbers. On average, each LPA lost almost 15% of their planning staff between 2006 and 2016¹. Not all planning services have felt the impact of resource losses equally, with the South East region exhibiting a 5.5% reduction in resources between 2006 and 2016, compared to a 30% reduction in the North West region². This is further compounded by difficulties with recruitment and retention, which 71% of local planning authorities reported experiencing in a recent Local Government Association (LGA) workforce survey³.

The findings from the research highlight the following:

- challenges around recruiting the right people with over half of survey respondents stating their

¹ Planning Futures (2017) *Delivering the Planning Service We Need: building planning department capacity*

² Planning Futures (2017) *Delivering the Planning Service We Need: building planning department capacity*

³ Local Government Association (2017) *Local Government Workforce Survey 2015/16*

planning service is not able to effectively recruit and retain staff to deliver service objectives;

- resource constraints and limitations in the availability of wider services from transport, economic development and environment teams, alongside reduction in specialist planning skills such as conservation, urban design and regeneration;
- a resource-driven ‘retreat’ to reactive rather than proactive planning with resources diverted from ‘place shaping’ activities and pre-application services; and
- challenges experienced due to a ‘budgetary rollercoaster’ with income streams subject to development cycles. This results in budget limitations restricting the development of a pipeline of talent to improve long-term resource capacity.

Investment and Income

Planning service investment has largely been determined by government austerity measures introduced in 2010. The scope for LPAs to generate income to cover service costs is further limited by the national planning fee regime. The Institute for Fiscal Studies forecast that the 2016/17 overall local authority revenue budget would be 25.6% lower than in 2009/10. Over the last seven years central government grant funding has declined by approximately 70% and council tax receipts have dropped by around 8%⁴. These constraints are further compounded by the gap in planning fee income to cover service costs. The Planning Advisory Service (PAS) reported that an estimated 41% (£156.2 million) of the cost of processing a planning application is not covered by planning fees⁵.

LPAs face the challenge of securing investment (additional income) to cover costs or face planning service cuts to reduce those costs. Sources of investment include central government grants (although these have been severely reduced); Section 106 agreements; Planning Performance Agreements and the New Homes Bonus. Investment can also be secured through the recent 20% increase in planning fees, which is ring-fenced for planning services.

However, the research highlights this is likely to be directed towards re-investment to cover previous cuts and resource losses.

Despite planning service resource constraints, income levels in to the planning service have increased with CIPFA showing a 60% increase in development management income in the South East between 2011/12 and 2016/17 and a 65% increase in the North West over the same period. This increase in income levels needs to be offset against the planning application cost-gap highlighted in this research alongside the issue of planning income being used to cross-subsidise other council services rather than being re-invested in planning delivery.

The findings from the research highlight the following:

- A change in LPA mind set regarding ‘cost recovery’ to support planning application and policy functions through the increase of fee-related development management work.
- The recent 20% planning application fee increase will support some investment, but does not resolve staff resourcing challenges.
- The fee increase will support recovery from de-investment; however, this does not represent a return to pre-2011 investment levels.
- The potential further 20% fee increase associated with housing delivery will be very challenging for many LPAs to achieve. The rate of delivery required to trigger the 20% increase is subject to influence from wider factors such as sub-regional housing markets, development interest and investment.
- LPAs continue to need to subsidise planning applications as the centrally-set planning application fees in many cases either do not cover costs incurred (notably householders and discharge of conditions) or do not having any planning fee (such as some types of prior approval submissions, and for ‘free go’ resubmissions). Some LPAs have introduced a ‘two tier system’ for planning applications to differentiate fee and service offer.

⁴ Smith et al. (2016) *A time for revolution? British local government finance in the 2010s*. London: Institute for Fiscal Studies

⁵ Planning Advisory Service (2015) *Resourcing in Planning Services: A Benchmark round-up*. Available at:

<https://www.local.gov.uk/sites/default/files/documents/resourcing-planning-servi-e76.pdf> (Accessed on 26 April 2018)

- Local plan budgets have been reduced by around 25% over the last three years. LPAs require political recognition of the need to dedicate funding to deliver local plans which can help deliver the corporate ‘growth agenda’.
- LPAs are sourcing new or enhanced income streams through mechanisms such as Planning Performance Agreements and the New Homes Bonus to support the cost of planning service delivery.
- Priorities for future investment are the creation of new permanent officer positions and investment in skills and capital improvements (such as ICT systems).

Performance

Despite continued financial and resource pressures, there has been no noticeable change on the rate of applications determined and approved by English LPAs since 2011/12. On average 87% of major applications are determined within the thirteen-week determination period⁶. Whilst the speed of decision making in development management is one factor to consider, the quality of service and resulting development is also a key factor in measuring performance. Currently, official methods do not recognise or measure quality.

Looking at local plan adoption, 43% of LPAs have yet to publish a draft local plan ready for submission to government. Additionally, the average timescale for examining and scrutinising a local plan is 16.8 months⁷. Extended timescales can be attributed to the changing planning landscape with several revisions taking place to national policy guidance over the last 10 – 15 years. In addition, budget and staff reductions have left smaller teams needing to prepare the same outputs, such as evidence documents to support the local plan strategy. Where local plans are dealing with politically sensitive matters, there can be a reluctance by members to take these forward within an adopted local plan. Such delays in local plan adoption create an environment of uncertainty for developers seeking to submit applications and deliver development.

The findings from the research highlight the following:

- LPAs believe that they are currently having to focus on delivering targets rather than quality

outcomes due to the dominance of quantitative outcome measures and the challenges associated with defining ‘good’ planning performance and issues of quality/value added;

- In the context of resource constraints, LPAs are tending to focus available resources on delivery of statutory activities rather than proactive (non-statutory) planning services.

Influence of Planning

This theme focuses on the position and influence of planning as a function within the local authority corporate structure and how planning department leadership relates to the delivery of services. The Barker Review of Land Use Planning (2006) emphasised the importance of a chief planner role having statutory status to put confidence back into planning departments and place planning at the centre of a local authority.

There is limited literature and data analysis on the influence of planning; therefore, the findings are mainly derived from survey and focus groups. The findings from the research highlight the following:

- The perceived value for councils of placing a head of planning within the corporate structure in order to promote the benefits of planning and to place the service higher on the corporate agenda;
- A necessity to Re-join ‘statutory planning’ (development management and local plan work) with broader planning work areas such as economic development, regeneration, major projects and masterplanning to align with the delivery of end-user orientated services such as delivering housing and employment, supporting communities or economic growth. The importance of utilising existing relationships between the head of planning and the chief executive to influence the perception and standing of planning within an authority;
- The importance of encouraging the chief executive, senior management team and portfolio holders to value planning, in order to support the realisation of positive and innovative change programmes. Notably the planning function is

⁶ DCLG (2017) Planning Applications in England: April to June 2017

⁷ Lichfields (2017) *Planned and deliver; Local Plan-making under the NPPF a five-year progress report*. Available at:

http://lichfields.uk/media/3000/c115281-local-plans-review-insight_mar-2017_screen.pdf (Accessed on 11 April 2018)

often pivotal to delivery of almost all areas of focus within an authority's corporate strategy;

- Improving relationships between the head of planning and department staff to boost morale, connectivity and provide a strong service offer;
- Raising the profile of planning to the senior management team to develop understanding on how planning can deliver council targets such as the growth agenda; and
- Placing planning as a hub to encompass regulatory functions, place-making, housing delivery, regeneration and economic development.

Culture and Behaviour

Some of the main factors influencing people to work in the public sector are a sense of public service;; opportunities for career progression; and work life balance⁸. Working as a public sector planner allows professionals to learn the 'ins and outs' of planning regulations and work on a wide variety of planning aspects including the political process.

Despite the benefits of working for LPAs identified in this report, resource-constrained planning departments are expected to 'do more with less' which is stretching the morale of existing staff. The New Local Government Network (NLGN) and LGA report (2016) found local authority staff can feel frustrated, undervalued and demotivated resulting in low morale and reduced productivity. The LGA workforce survey (2015/16) found around 8.8 days per full time equivalent staff is lost each year per local authority employee. .

Focus group attendees identified the importance of the partnership between officers and members in delivering a good service and positive working environment.

The findings from the research highlight the following:

- Recruitment and retention remain challenging. LPAs could do more to articulate the 'total value' and benefits of working in the public sector.
- over half of respondents to the survey reported that planning staff morale remains positive in spite of workplace pressures;

- Develop morale through team building and the creation of diverse teams, underpinned by strong and positive leadership;
- planning services can work collaboratively with other council services, other LPAs and private sector planners to develop skills and knowledge and to boost the motivation of staff;
- empowerment of planning staff promotes personal satisfaction ,development, and ultimately effective decision making;
- Need to strengthen connections between planners and members to improve quality of service delivery; and,
- public sector planners value investment in training, development of softer skills and professional accreditation.

⁸ New Local Government Network (NLGN) and Local Government Association (LGA) (2016) Outside the Box: the council workforce of tomorrow

Key Recommendations

The research proposes a range of recommendations to be taken forward by LPA managers and decision makers, the RTPI and central government. The overview of recommendations is set out below:

Local Authorities	
R1	Apply a flexible approach to pay scales which are responsive to inflation, attractive to graduate and senior planners and competitive with the private sector.
R2	Promote the merits of the public sector with benefits such as work-life balance and training offer to encourage staff recruitment and retention.
R3	Embrace and nurture the next generation of planners by recruiting apprentices and up-skilling internal planning staff. Review the graduate offer with initiatives such as ‘grow your own’, offer of re-location packages and use of market supplements.
R4	Explore the case for retaining application fee income within planning services, rather than returning the surplus to the council’s general fund.
R5	Consider the use of on-demand service agreements or capacity contracts to make use of specialist resources and fill planning resource gaps.
R6	Adopt an agile approach to resource management and consider the deployment of existing staff across planning teams to manage fluctuating service demand.
R7	Use internal secondments and placements to build skills and plug service gaps.
R9	Address cost recovery through service investment from income sources such as PPAs.
R10	Re-position pre-application services by adopting higher fees in exchange for the delivery high quality and consistent pre-application advice.
R11	Make the case for reinvestment by effectively using monitoring statistics and tangible indicators to demonstrate how planning delivers and reinvestment is ‘value for money’.
R12	Explore efficiency savings through investment in digital planning tools such as artificial intelligence.
R14	Charge for time to enable addition of value to the delivery of development rather than just regulating development proposals.
R15	Understand how to best manage workflow and adopt a system that works for your authority.
R16	Combine place making functions under one directorate through collaborative working and sharing of funding to deliver an end-user oriented service.
R17	Consider the benefits of collaboration across a ‘place based directorate’ to develop skills and share resources.
R19	Communicate and celebrate the success of local authority planning at senior management level and within the planning service. Demonstrate the

	wider benefits of planning by showing how planning outcomes can deliver corporate objectives.
R20	Inspire, gain and retain trust and respect from the top.
R21	Promote the creation of strong teams with staff input into a shared department vision.
R22	Consider collaboration across regional networks through resource sharing and information networks.
R23	Build a professional-political partnership (PPP) to strengthen the relationship between planners and members and increase the efficacy of decision-making.
R24	Rethink committee reports by clearly communicating the benefits and disbenefits that an application or policy would have in a quantifiable ‘dashboard’ at the beginning of the report.
R25	Invest in staff and promote professionalism.
Government	
R25	Promote the value of chartered membership
R4	Explore the case for local authorities retaining application fee income within planning services, rather than returning the surplus to the councils’ general funds.
R8	Central government should commission research on how LPAs have used and could maximise the additional 20% uplift in planning fees.
R9	Consider further planning application fee reform in order to provide LPAs with flexibility to set fees for householder and prior approval applications.
R13	Consider setting a new performance-monitoring framework which includes quality measures, taking inspiration from the Planning Performance Framework.
R18	Introduce the head of planning role as a statutory position, with delegated decision making to improve progress with Local Plan making and determination of applications.

1 Introduction

This Report

The Royal Town Planning Institute (RTPI) in partnership with the Chartered Institute of Public Finance and Accountancy (CIPFA) commissioned Arup to investigate the level of investment in public sector planning services across the South East and North West regions of England and how this relates to performance and delivery.

This study builds upon the 2015 RTPI research on ‘Investing in Delivery: How we can respond to the pressures on local authority planning’ in the North West region, herein referred to as the 2015 ‘Investing in Delivery’ report. This 2018 study takes forward the issues raised in the previous research, looking at experiences of local planning authorities (LPAs) in the South East and North West regarding the relationship between investment in planning services and the ability to deliver proactive planning and maintain a quality service. As with the previous study, it takes account of resources, staffing pressures and service structures to inform its findings. In addition, it also explores new topics on the influence of planning in the wider local government structure, and planning culture and behaviour.

Context

Housing remains a priority for Government with many initiatives introduced over the last decade to boost delivery. Planning is a fundamental enabler of housing delivery, although the profession continues to face the critique that it delays the development process. Despite these challenges, there is a significant role for local planning authorities (LPAs) to play in supporting the realisation of Government objectives.

In February 2017, the Department for Communities and Local Government (DCLG) published the Housing White Paper “Fixing our broken housing market”, setting out a number of proposed regulatory changes and funding instruments to boost housing delivery. Central government committed itself to “*take steps to secure the financial sustainability of planning departments; ensure that the planning system has the*

skilled professionals it needs to assess and make the tough decisions we expected; and provide targeted support to address areas of specialist weakness”⁹. On the 17th of January 2018 Parliament approved Regulations allowing councils to increase planning fees by 20%, providing that they commit the additional income to their planning services. Parliament also consulted on the potential to increase planning fees by an additional 20% for councils who demonstrate delivery of housing, which at the time of writing is under consideration.

The Housing White Paper states that developers have cited a lack of capability and capacity in planning services as block to getting on site and building houses. As such, the allocation of increased fees will enable LPAs to respond to current pressures and deliver an improved planning service.

The 2015 ‘Investing in Delivery’ report, highlighted significant planning resourcing and staffing issues that have emerged across the North West since 2010. It reported that overall there was a third fewer planning staff in LPAs, including a decrease on average of 37 per cent in planning policy staff and 27 per cent in development management staff. Whilst performance of planning services regarding determination rates and timescales was found to be consistent, there were increasing delays in other planning services such as Local Plan and policy development, proactive planning and wider development management services (for example pre-application advice, S106 agreements and discharge of conditions).

The scope of the 2015 ‘Investing in Delivery’ report did not extend to analysing whether this pattern was reflected in other regions of England. As such, this 2018 study provides an updated position in the North West, as well as providing an insight into the picture in the South East region. The South East is the most populated region in England with 74 LPAs serving a population of over 8.5 million people. The North West is the third most populated region in England (after Greater London), with 42 LPAs serving a population of over 7 million people. Both areas face significant growth pressures and a need to deliver new housing¹⁰. They were chosen as an indicative sample of England as a whole. Both areas comprise a mix of two tier and unitary authority structures.

⁹ Department for Communities and Local Government (2017) *Housing White Paper - Fixing our broken housing market*, p.37

¹⁰ The Statistics Portal (2016) *Populations of England in 2016 by region*. Available at:

<https://www.statista.com/statistics/294681/population-england-united-kingdom-uk-regional/> (Accessed on 25 April 2018)

Research Purpose and Questions

The purpose of this research, ‘**Investing in Delivery in the South East and North West**’ is to investigate planning service resourcing, staffing pressures and delivery structures in LPAs in the South East and North West of England in the six years between 2011/12 and 2016/17. Given these considerations, the research aims to establish the current ability of local planning services to deliver positive and innovative planning policy and development management practice.

The themes and questions identified in response to the research purpose are:

Planning Resource: This theme explores changes to local authority planning resources and capacity over six years and what impact this has had on their ability to deliver services. This is an important topic to investigate due to intrinsic links between staff resourcing and the ability to deliver services. It provides a good indication of the magnitude and direction of future change within a planning department. The research questions are:

- 1) How did public sector planning skills and resources change in the six years to 2016/17?
- 2) How are local planning authorities boosting recruitment and retention of staff?

Planning Service Investment and Income: This theme studies how investment and income in LPAs has changed over the past six years, and what future changes are anticipated. This is particularly relevant given the recent planning application fee increases, which may have a significant impact on planning department budgets. The research questions are:

- 3) How did the levels of planning service investment and income change in the six years between 2011/12 and 2016/17?
- 4) How will LPAs use the 20% planning fee increase and how can this enhance planning services?
- 5) Are levels of income sufficient to support planning services and if not, what new incomes streams are being utilised by LPAs to fill the gap?

Performance: This theme looks at the relationship between planning budget, staff resource and service performance. Within this theme, the research investigates how innovative practice can enhance performance and pro-active planning. This is an important theme within this research as there is a need to highlight the value that good and innovative practice

has on boosting performance and delivery. The research questions are:

- 6) What defines good planning performance?
- 7) What are the implications of resource and budget changes on the ability of LPAs to deliver core services and wider planning functions?
- 8) What good and innovative practices can LPAs deploy in order to boost performance?

Influence of Planning: This theme investigates the position and influence of planning within the wider local authority corporate structure. This is an important topic as the position of planning has an impact on resourcing and budgeting decisions, which in turn affects planning department functions. As such, this provides a good indication of potential future change within local authority planning services. The research questions are:

- 9) Where is planning positioned within the local authority corporate structure and what are the consequences for its contribution to local government?
- 10) How does leadership within the planning department impact on the delivery of services?

Planning Culture and Behaviours: Acknowledging that success of the planning system relies on the behaviour of all who engage with it, this theme looks at cultural and behavioural practices within LPAs to understand the level of impact on service delivery. This theme is important as it has a close relationship with service quality and wider planning performance. The research questions are:

- 11) How does perceived planning culture and behaviour impact on delivery of housing and development?
- 12) Are cultural or behavioural changes required within LPAs to enable planners to carry out their roles more effectively?

Methodology

This research incorporates both primary and secondary techniques building upon the methods utilised in the 2015 ‘Investing in Delivery’ report. The method involved desktop analysis of qualitative and quantitative data, including an online survey to all South East and North West LPAs and regional focus groups with public and private sector planners.

The initial phase included a literature review in order to contextualise the project. The review used a variety of sources, including local and national government publications, private sector reports, media articles and academic reports.

The research also involved analysis of baseline data provided by the CIPFA on LPA costs and income. This data provided an insight into LPA income and expenditure over the course of 2011/12 to 2016/17. The results from the analysis provide current national and regional context to inform the primary research collected within this report.

The next research stage involved primary data collection by surveying LPAs within the South East and North West regions. An online survey was also conducted and the results were analysed to inform responses to the twelve research questions. The survey built on the questions asked in the 2015 'Investing in Delivery' report to enable a comparison with the previous study.

A survey was emailed to the head of planning in every local authority within the South East and North West region. This was followed up by emails and telephone calls in order to encourage a statistically meaningful response rate. 29 of the 116 local planning authorities (25%) responded to the survey. This included:

- Two South East counties;
- 19 South East local authorities, including 1 National Park authority; and,
- Eight North West local authorities.

This represented 20% of the total North West authorities and 25% of South East authorities. Considering the variety of local authority characteristics in both the South East and North West, it was not considered that this sample group was large enough to provide a robust and representative basis for quantitative analysis.

The low response rate was attributed to several constraints, including LPA availability to complete the survey, when faced with more pressing priorities and changes to head of planning contacts.

When combined with the focus group findings, the qualitative information gathered through the survey has proven to provide invaluable insight into planning practice. It was therefore decided to omit the detailed quantitative survey findings but to include the qualitative survey findings.

In addition to the survey, four focus groups took place with public and private sector stakeholders, including senior planners and managerial staff, and junior planners (with less than 10 years' experience). The focus groups took place in both the South East and North West of England to gain representation from each of the research focus regions.

Finally, a number of case studies were compiled to provide examples of innovative practice from around the country, in line with the five research themes. Case studies were identified in survey returns and in industry publications such as *The Planner* and *Planning* as well as online information sources such as *Local Government Association* or the *Planning Advisory Service* depending on their relevance to one of the five research themes. The information in the case studies was compiled from online research and telephone interviews with an identified lead, which in many cases was the head of planning in the relevant LPA.

The telephone interview was semi-structured along the following lines of inquiry:

- What was implemented?
- What work was undertaken and why?
- How long did it take to implement?
- Who led on the work and who approved the work?
- Was the work supported at senior leadership/Chief Executive level?
- What was the cost/resource required?
- What were the key outcomes of this work and how long did they take to arise?
- What were the key implementation challenges?
- How could this be improved over time?

Report Structure

The report is structured in line with the five research themes; **Planning Resource, Budget and Income Changes, Performance, Influence of Planning and Planning Culture and Behaviour**. It sets out findings and recommendations for each of the key themes.

The report concludes with a summary chapter, which provides research recommendations, split between central government, local authority and RTPI roles.

2 Planning Resources

Summary

Key Findings

- **Recruiting the right people:** Over half of survey respondents stated their planning service is not able to effectively recruit and retain staff to deliver service objectives. Participants identified the need for planning services to be able to offer a competitive rewards package, as well as the opportunity to use internal secondments and to tap into apprenticeships to grow their departments.
- **Retaining wider skills:** survey and focus group participants highlighted resource constraints in complementary services that feed into planning contribute to delays in the planning process. These services include highways, ecology, economic development and regeneration. Some specialisms such as heritage and economic development are non-existent in some authorities, reducing the ability of planning services to provide effective advice to applicants. Complementary services struggle to offer salaries that compete with the private sector and therefore have similar recruitment issues to planning services.
- **Resource-driven retreat to reactive planning:** survey and focus group participants' highlighted that resources are diverted from 'place-shaping' activities such as masterplanning, supplementary planning guidance and pre-application services to ensure that core statutory development management and Local Plan teams have sufficient resource. As a result, planning services are less proactive in enabling development, lacking the resources to do more than regulate development.
- **Riding the budgetary rollercoaster:** survey and focus group findings illustrate that income streams such as Planning Performance Agreements and application fees are subject to the peaks and troughs of the development cycle. The inability to budget for the long-term prevents LPAs from developing a pipeline of talent to improve long-term capacity. LPAs struggle to justify recruitment, up-skilling and capital investment across the peaks and troughs. This results in skilled planners being lost during recessions and a struggle to replace them when responding to economic recovery.

Recommendations

1. **Seek flexible and competitive pay scales.**
2. **Promote the benefits and advantages of working in the public sector to graduates and school leavers.**
3. **Embrace and nurture the next generation of planners through 'grow your own' initiatives and apprenticeships.**
4. **'Balance the books' through retention of planning income for planning services.**
5. **Invest in specialists with on-demand service agreements or resource sharing.**
6. **Consider the deployment of existing staff across planning teams to manage fluctuating service demand.**
7. **Use placements to build skills and plug service gaps.**

Introduction

This section considers how public sector planning skills and resources in the South East and North West changed between 2011/12 and 2016/17. It also considers the innovative ways that LPAs are boosting staff retention and recruitment. It first reflects on how the existing literature and analysis of LPA budget data

provided by the Chartered Institute of Public Finance and Accountancy (CIPFA) aligns with the experiences of junior and senior practitioners, by exploring the findings of the surveys and focus groups. Second, it sets out recommendations for LPAs and central government on the challenges around resourcing planning by maximising latent opportunities and reviewing service delivery.

Context

Literature Review

Despite countless recommendations and initiatives targeting planning service shortages, staff resources in LPAs have continued to decline¹¹.

The range of planning services offered by LPAs and the number of applications they process has outstripped the growth in the number of town planners in the UK.

The 2017 Planning Futures report ‘Delivering The Planning Service We Need’ found there is a shortage of planners in the profession generally and competition with the private sector further reduces the supply for the public sector. The report found the average LPA lost almost 15% of their planning staff between 2006 and 2016¹². Figure 1 shows the change in department size in each English region as reported in the Planning Futures 2017 study.

The Planning Futures report supports the findings in RTPI’s 2015 ‘Investing in Delivery’ report, which found there had been a significant reduction in planning staff in the North West of England since 2010, with 27% fewer development management staff and 37% fewer planning policy staff. This has left a significant resource gap, with more than one in ten local authorities stating that they were in danger of

failing to meet legal requirements in the delivery of core services¹³.

The recent draft revised text of the National Planning Policy Framework acknowledges that LPAs may benefit from a different planning policy approach to ‘business-as-usual’. The draft indicates that there may be potential for LPAs to produce joint strategic plans with neighbouring authorities or split their plans into a Part 1 strategic local plan and Part 2 allocations document¹⁴.

Figure 1 shows there are variations in LPA resourcing losses around the country. In the South East region, planning resources were cut by 5.5% between 2006 and 2016, with the least significant cuts to planning resources outside of London. In comparison the North West region has seen the least significant planning resource losses outside of London (-30%) over the same period.

Differences in resourcing across the country are influenced by factors such as type of LPA (e.g. metropolitan district, unitary or county). The National Audit Office found that metropolitan district and unitary authorities experienced around 5% higher funding cuts compared to county councils. There is a greater prevalence of county councils in the South East. There has also been a reliance on local authority reserves to balance books, with regional variation in the level of reserves to draw upon.

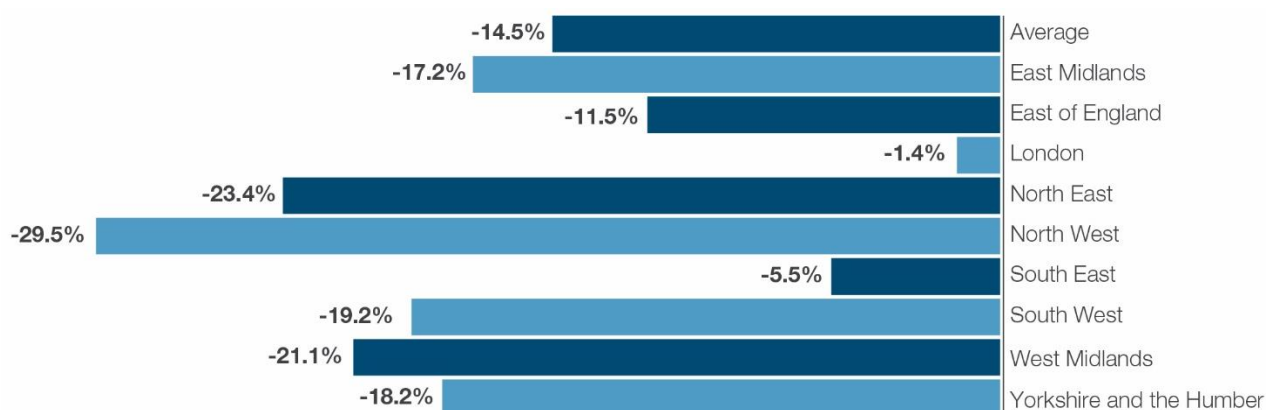


Figure 1 Change in planning department resourcing by region (2006-2016) (Planning Futures, 2017)

¹¹ Planning Futures (2017) *Delivering the Planning Service We Need: building planning department capacity*

¹² Planning Futures (2017) *Delivering the Planning Service We Need: building planning department capacity*

¹³ Local Government Information Unit and the Municipal Journal (2017) *Report: 2017 State of Local Government Finance Survey*

¹⁴ Ministry of Housing, Communities and Local Government (2018) *National Planning Policy Framework – Draft text for consultation*. Available on:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685289/Draft_revised_National_Planning_Policy_Framework.pdf (Accessed on 25 April 2018)

In addition to staff reductions, local authorities have experienced continued skills shortages in several planning service areas. This lack of capacity to perform planning tasks is acute in terms of staff with planning policy, strategic planning and managerial experience. In addition, there are reported skills shortages across planning specialisms such as conservation, urban design and regeneration, with councils experiencing difficulties retaining jobs in these fields¹⁵.

One of the main drivers behind these on-going staffing shortages is the persistent challenge of recruiting and retaining skilled staff in public sector planning roles. The 2017 Local Government Association (LGA) Workforce Survey found 71% of councils are experiencing recruitment and retention difficulties, with an average turnover rate of 13.2% of staff per year¹⁶. Councils reported recruitment freezes with associated impact roles for entry-level apprenticeships and graduate candidates.

In terms of current routes into planning education, the RTPI Education Policy Review (2012) considered that the requirement of two years' work experience and an accredited degree was still the appropriate path to licentiate membership of the RTPI¹⁷. Graduates can pursue public sector careers through the two year Local Government Association National Graduate Development Programme (NGDP)

In order to address staff retention, many local authorities have pursued 'Grow Your Own' initiatives, which provide existing staff with additional skills development. The Planning Advisory Service (PAS) promoted this approach in their Development Management Tool-Kit. The Toolkit recognised the importance of developing existing staff through investment in training, and giving all staff members the opportunity to engage in interesting and varied work¹⁸.

Baseline Data Analysis

In order to understand a wider context of planning resources, the analysis of CIPFA data covers wider 'planning and development services', including complementary council services that feed into the planning process or assist with the delivery of development. These include housing, economic development and regeneration. This analysis highlighted that 'planning and development services' were subject to significant cuts in the North West between 2011/12 and 2016/17, but remained comparatively stable in the South East. To illustrate this trend, the average North West LPA spent almost £13 million in 2011/12, compared to an average of just over £5 million in the South East. This subsequently reduced by 46%, to an average of just over £7 million per North West LPA by 2016/17. The South East LPA average remained stable at around £5 million over the same period.

CIPFA analysis shows the following trends:

- Greater cuts were made to planning policy expenditure than to development management expenditure in both regions between 2011/12 and 2016/17;
- Average spend by LPAs on planning policy services declined by 10% in the South East between 2011/12 and 2016/17 compared to 30% in the North West.
- On average, LPAs in the South East spent 13% *more on development management services* on development management services in 2016/17 than in 2011/12, while LPAs in the North West spent 12% *less*; and
- LPAs in the South East continue to spend more on development management staff; the average LPA in the South East spent over 40% more on development management staff than the average LPA in the North West in 2016/17.

¹⁵ Local Government Association (2017) Work Local: our vision for an integrated and devolved employment and skills service

¹⁶ Local Government Association (2017) Local Government Workforce Survey 2015/16

¹⁷ Royal Town Planning Institute (2012) *Policy Statement on Initial Planning Education – Revised 2012* Available at:

http://www.rtpi.org.uk/media/8479/microsoft_word_policy_statement_on_initial_planning_education_2012.pdf (Accessed on 30 April 2018)

¹⁸ Planning Advisory Service (2015) *The PAS development management challenge kit*. Available at: <http://www.improvementservice.org.uk/documents/planning/pas-dev-mgmt-challenge-kit.pdf> (Accessed on 30 April 2018)

Planning Resources Key Findings

Recruiting the Right People

The baseline analysis and literature review indicates that staff recruitment is potentially a persistent challenge for planning services. Survey findings validate this concern. Over half of survey respondents ‘strongly disagreed’ or ‘disagreed’ with the statement: *“The planning service is able to effectively recruit and retain staff to meet service objectives and deliver planning activities”*.

Analysis of CIPFA data found South East LPAs spent more on development management departments and staff in 2016/17 than in 2011/12. Less than half of South East survey respondents agreed that their planning service is able to effectively recruit and retain staff to meet service objectives and deliver planning activities.

In the North West, authorities spent less on development management and planning policy in 2016/17 than in 2011/12. All of the North West survey respondents disagreed with the statement: *“The planning service is able to effectively recruit and retain staff”*.

The dash for graduates

Survey findings highlighted that LPAs are struggling to recruit graduate planners. This corroborates the 2017 Planning Futures report, which highlighted that LPAs are outcompeted by the private sector for the limited supply of qualified planners. Focus group participants explained that planning services therefore struggle to attract suitably qualified entry-level planners and miss the opportunity to develop a pipeline of talent to fill senior planner roles in the future.

“Recruitment is difficult...graduates [are] snapped up by the private sector and LPAs cannot compete.”

Survey respondent from a South East LPA

Senior planner focus group participants noted that the lack of well-qualified entry-level staff meant that they were increasingly recruiting graduates without a planning-related degree such as geography or economics, or employing administrative staff in tasks such as validation. Whilst this approach can plug recruitment gaps, senior planner focus group

participants emphasised that this requires management time to support training and development of junior staff.

Both the junior planner focus groups and LPA survey responses highlighted the following as key barriers to graduate recruitment:

- **Competitive salaries:** the private sector offers higher starting salaries and supports RTPI professional membership.
- **Perception of public sector planning work:** some focus groups participants highlighted a perception that LPA work is less innovative or varied than its private sector counterparts.
- **Opportunities for planners in urban areas:** the junior planner focus group emphasised that the city centre location of many private sector consultancies was a draw for young planners. However, in rural areas, the LPA offer can be a more attractive option as they tend to be a key employer for planners and there are less private sector opportunities.

The planning ‘merry-go-round’

There is a shortage of entry-level planners resulting in a planning ‘merry-go-round’ as highlighted by the junior planners’ focus groups. The same pool of permanent and temporary (contractor) staff move from authority to authority, attracted by inter-authority competition for staff.

“All the nearby authorities are experiencing problems in recruiting experienced officers, so have resource issues, even where funding is available.”

Survey respondent from a South East LPA

Focus groups mentioned the increasing use of inducements to attract new staff such as “golden hellos” or recruiting less experienced staff at higher pay grades.

However, the “planning merry go-round” implies that in the absence of new entrants to the regional talent pool, at both the junior and senior level, local authorities will continue to face recruitment challenges.

Apprenticeships as opportunity

In the context of the Government’s push for apprenticeships, a considerable proportion of the senior planner focus group participants had explored the option of hiring apprentices. Participants recognised the opportunity for apprentices to fill the graduate gap, but expressed the following concerns:

- **The need for a structured, supervised programme:** apprentices need extensive support from senior staff and require a structured training programme. As this is the first experience of apprenticeships for many LPAs, one concern from senior planners in the focus groups was that service managers and the wider team might not have the resource to support apprentices effectively.
- **Confusion around professional requirements and standards:** service managers would like more guidance on apprenticeships at both the 16+ and 18+ degree apprenticeship level. There is a need for clarity over whether successful candidates would be entitled to achieve chartered town planner status.

Static pay scales and market responsiveness

The survey and focus group findings highlight that in addition to resource constraints, the inflexibility of local authority pay scales prevents managers from offering competitive salaries to attract new staff or retain existing staff who are eligible for a promotion.

Focus group participants cited that whilst it is normal for private sector consultancies to be able to promote their staff in line with their professional and skills progression, public sector planners normally have to apply for new jobs or leave the public sector for a promotion.

All focus groups highlighted the issue of the ‘senior planner ceiling’, where planners with sufficient experience and expertise for senior planner roles are unable to obtain senior planner status, as there are no available positions within their current LPA, and therefore have to move to other LPAs where places are available in order to progress. However, service managers are unable to increase their pay to reflect their seniority, as the corporate pay scale limits earnings with a certain band. This indicates that there is a spatial mismatch between the availability of well-qualified senior planners and the availability of posts at this level. As a result, more experienced planners enter the “planning merry-go-round” in pursuit of

senior jobs in other authorities or leave the public sector in favour of the private sector.

Compared to the private sector offer, public sector planning posts are perceived as a less attractive option. The competition for skilled planners leaves the public sector struggling to recruit.

“I have repeatedly advertised more senior posts...and gained no or very little interest from suitable applicants.”

Survey respondent from a South East LPA

In order to circumvent corporate pay scales, fill senior planner roles, or provide a more competitive offer, senior planner focus group participants listed the following common practices:

- **Less experienced staff employed at higher pay grades:** in order to be able to offer salaries comparable with private sector, local authorities increasingly hire staff at levels above their experience or expertise.

“We are able to recruit, but often the appointed officers tend to have little experience commensurate with the grade they are filling.”

Survey respondent from a South East LPA

- **Use of ‘golden hellos’:** one-off lump sums of around £3,000-£5,000 used to attract applicants and circumnavigate pay scale limits.
- **Use of retention bonuses:** one-off lump sums offered to applicant conditional upon them staying in the position for a certain period. Junior planner focus group participants cautioned that these can be withdrawn during employment.

The use of temporary staff, placements, internal secondments, and resource balancing to plug resourcing gaps

Both survey and focus group participants stated that their planning services relied on temporary staff employed through external agencies or internal secondments to fill positions such as maternity cover or positions that have not attracted enough applicants.

The use of internal secondments can benefit existing staff, by providing an opportunity to experience and develop skills in another planning role.

Similarly, temporary agency staff can provide much-needed resource to ensure that planning applications are determined within statutory timescales.

Focus group participants stated that temporary staff are generally effective in supporting development management capacity to deliver routine or small-scale applications. However, participants cautioned that the use of temporary staff might not be effective in filling roles or skills gaps within major application teams or more senior planning policy roles. Participants explained that the effective delivery of major applications and planning policy services requires a deeper understanding of the existing evidence base and policy framework and projects tend to extend over longer periods of time.

The junior planner focus groups raised the issue that pay scales and departmental policies are barriers to the pragmatic redeployment of policy staff to support Development Management during peaks in demand for resource.

Similarly, participants from a development management background highlighted that it is difficult to apply to support local plans/planning policy teams during peak policy production associated with evidence base gathering, owing to pay scale-related issues and inter-departmental politics.

Scaling back of proactive planning

Retreat to reactive planning

The survey and focus group participants explained that in the context of constrained budgets, planning services pragmatically focus on delivering statutory tasks; i.e. the timely processing of applications.

Survey and focus group participants explained that their planning services were resourced to deliver development management and get local plans adopted, but not to provide existing staff with time to engage in ‘place shaping’; which is the primary motivation for planners joining the profession.

“Current levels of resource do not allow for a truly pro-active development-enabling planning service, as is required to help address the national housing crisis.”

Survey respondent from a South East LPA

Development Management

Some survey respondents suggested that Development Management officers lack sufficient time to prepare pre-application advice, or assess applications. As a result, development management services can be reduced to a “yes/no” function rather than a service that provides a planning judgement and adds value by working with applicants to deliver good development.

Case Study: Prioritising major projects over day-to-day planning applications

In response to the ‘retreat into re-active planning’, a senior planner focus group participant explained that their LPA has subdivided its development management service into two teams: the “strategic-scale developments” team; and the Development Management team. The “strategic-scale developments” team focuses on the delivery of site allocations with a collective capacity for over 10,000 homes; therefore, it has successfully bid for Homes England and central government housing delivery funding streams. The ability of the “strategic-scale development” team to leverage central government funding streams for strategic housing development means that resourcing is sufficient to enable a proactive approach. The Development Management team is unable to tap into new income streams, but continues to process day-to-day minor applications.

Local Plans and planning policy

The survey and focus group findings show even where there are sufficient resources to prepare Local Plans, LPAs often tend to lack the resource to engage in market-shaping policy activities such as supplementary planning guidance or masterplanning.

“Site masterplanning work...through Development Brief [were] prepared post-adoption rather than in parallel with site allocation process...Area Action Plan abandoned due to resource constraints.”

Survey respondent from a North West LPA

These findings reinforce the idea of a resource-induced retreat to reactive, regulatory planning, in the absence of sufficient resourcing to engage in proactive planning activities beyond statutory development management and policy requirements.

“My current budget deficit will mean that I will not be able to fund the regeneration and masterplanning work required to take forward the Local Plan town centre allocations...I have not been able to fund CPO [Compulsory Purchase Order] work on town centre regeneration.”

Survey respondent from a South East LPA

The pragmatic retreat to regulatory planning bears risks for longer-term staff retention and recruitment. Both survey and focus group participants emphasised that planners enter the profession because of their desire to shape places and add value to development, rather than simply saying yes or no to development proposals. The junior planners’ focus groups expressed frustration at the outsourcing of innovative ‘place-making’ planning activities to the private sector, owing to the lack of technical capacity or time to devote to this type of work in the public sector (as shown in Figure 2).

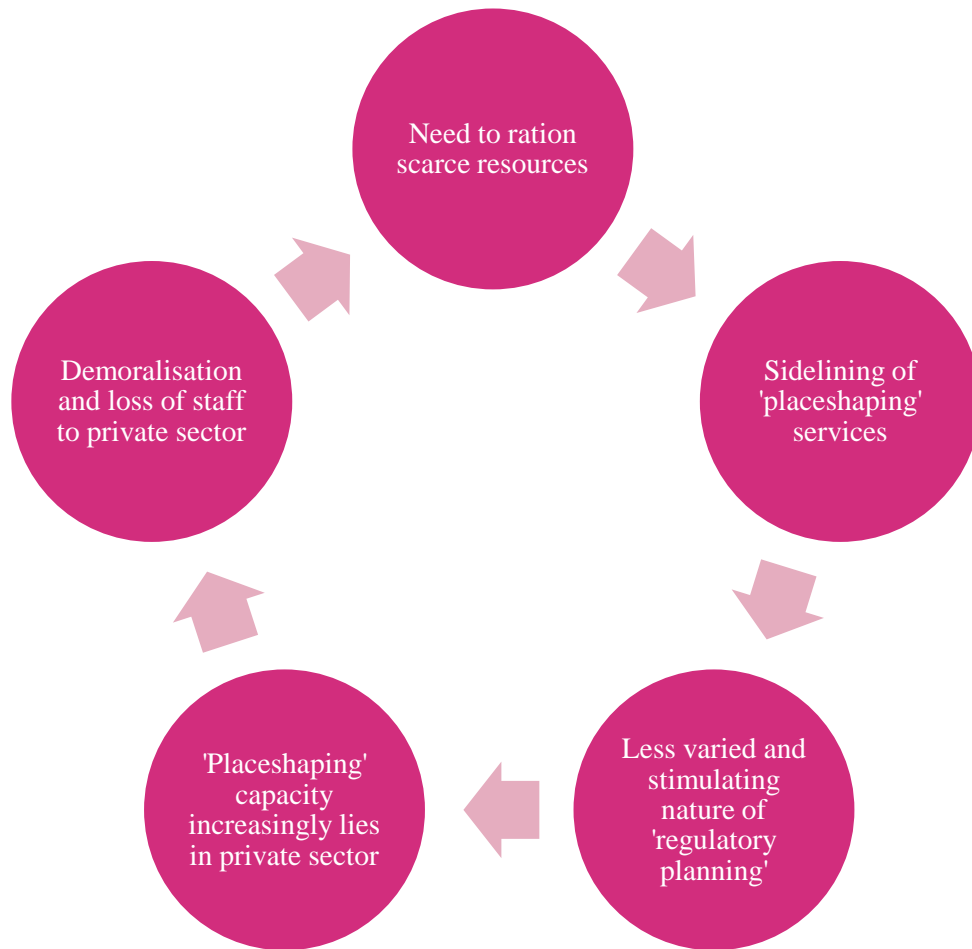


Figure 2: Reinforcing the cycle of pressure towards regulatory planning

Talent retention

The need for talent development and for specialists

Both the survey and focus group participants highlighted the need for the up-skilling of existing staff and recruitment of specialists. A minority of survey respondents indicated their planning department has the capacity in place to maintain delivery of planning services in future.

LPA's stated their staff required specialist training, particularly concerning development viability and economics and project management. Rather than hiring project managers, both the survey and focus group participants emphasised that they were looking for planners with good project management skills, rather than project managers with non-planning backgrounds.

In the context of investing their additional 20% planning fee income, priorities identified by survey respondents included the recruitment of urban designers, development viability and economics specialists and major projects officers.

These survey and focus group findings reinforce the persistent skills shortages in specialist planning policy highlighted in the 2017 LGA Work Local report.

Retaining wider skills

Survey and focus group participants considered that resource-constrained highways, landscape and ecology services within unitary and county councils delayed the determination of planning applications when they did not provide consultation responses on time.

Equally, the lack of available resource in these service areas hinders planners' ability to seek specialist advice on planning application or policy issues.

Riding the budgetary rollercoaster

Beyond the overall trends in planning department budgets, the focus groups highlighted the fluctuating nature of fee income, which correlates closely with the development cycle. Planning service managers highlighted the cyclical shedding and recruitment of staff, which exacerbates existing staff retention and recruitment difficulties.

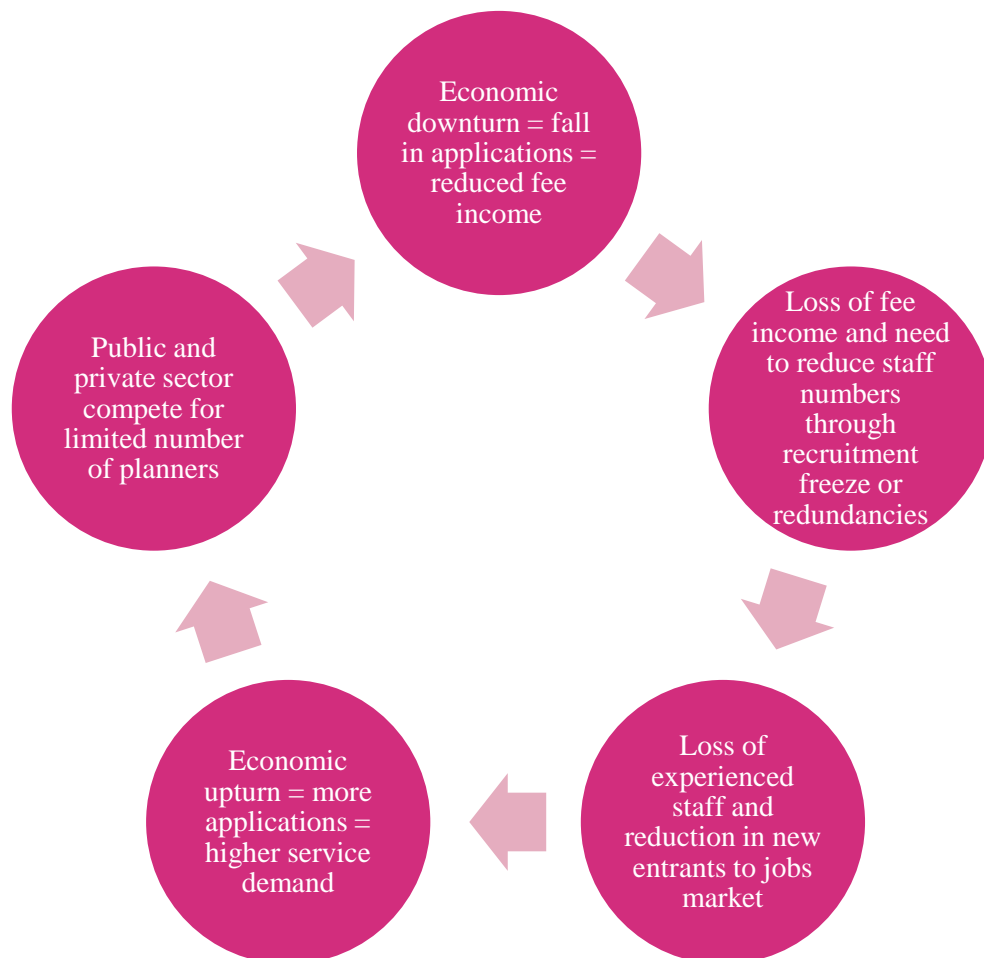


Figure 3: The impact of recruitment and redundancy cycles on pool of planners

In the climate of local government austerity, service managers explained that it is challenging to make the business case for continuing to recruit and invest in the planning service if demand (i.e. application numbers) drops, as they periodically do during development down-cycles. As illustrated by Figure 3 above, LPAs have previously had to freeze recruitment and make redundancies in order to realign planning department staffing costs with fee income. This has resulted in a consequent loss of knowledge and experience.

Figure 4 below illustrates an ideal-type development cycle and Local Plan cycle, with implications for service demand. During the development upcycle, LPAs recruit from the same pool of planners in order to meet rapidly rising service demand. This results in a large lag time between increased demand and recruitment of suitably qualified officers, thereby reducing service quality.

Case Study: The Budgetary Rollercoaster in Practice

A development management service lead in attendance at a senior planner focus group explained the LPA had previously struggled to handle the volume and scale of planning applications associated with strategic residential sites, as well as a wave of speculative applications induced by the lack of a five-year housing land supply.

However, since a number of the strategic residential sites have received consent and the LPA’s five year housing land supply has been re-established, the number of applications received by the authority has dropped considerably. This has resulted in a circa. £400,000 drop in fee income. The service lead will have to consider how to reconcile the decline in development management income with the number of posts in their team.

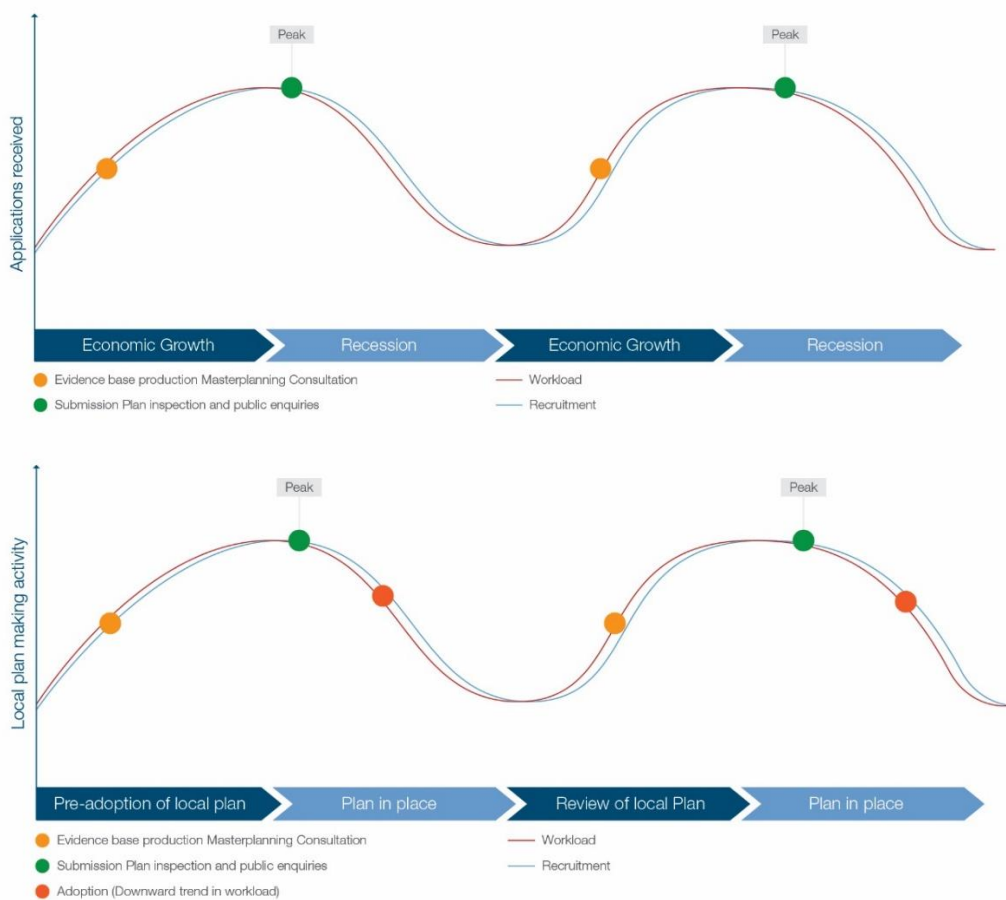


Figure 4: Development Management and Planning Policy workload and resource cycles

Planning Resources Key Recommendations

Recommendation 1: Seek flexible and competitive pay scales

Where local authorities are re-assessing corporate pay scales, planning services can ensure that pay scales are flexible enough to respond wage inflation, particularly at the graduate planner and senior planner levels. In order to circumvent static pay scales, planning services can advertise ‘market supplements’ above pay grade, such as 10% market supplement.

Where local authority wide pay or promotion freezes remain in place, LPAs should allocate additional planning fee income or use Planning Performance Agreements to fund officer positions to compete with the private sector offer.

Recommendation 2: Promote the career development opportunities and training merits to graduates and school leavers

LPAs can better promote the benefits and advantages of working in the public sector. Focus group participants highlighted that, in spite of resource constraints, the following benefits persuade them to remain in the public sector:

- **Skills development opportunities:** LPA investment in planners’ education and through grow your own initiatives.
- **Family-friendly and flexible:** ability to work from home and accommodating of flexible working – i.e. job sharing, home working.
- **Better work-life balance:** shorter contractual working week and ability to ‘bank’ overtime through flexitime.

To target graduates, LPAs can support the take up of RTPI Bursaries and facilitate part-time post graduate programmes to students, which may not be on offer in the private sector. Retention clauses should be used to recover training costs, but not be so long that they deter potential candidates (i.e. no longer than 2-3 years).

Recommendation 3: Embrace and nurture the next generation of planners through ‘grow your own’ initiatives and apprenticeships

Service managers can explore the potential to recruit apprentices at Technician (Level 3 Diploma) and Planner (degree level apprenticeships). As highlighted in the focus groups there are a number of avenues to “grow your own” talent.

Up-skilling your own

Rather than relying on agency planners to resource workloads, planning services can develop the skills of administrative staff, so that they can support the planning team beyond ‘non-planner’ duties.

Work experience and ‘sandwich’ placements

Local authorities have a strong record of offering work experience; this can provide an opportunity to raise interest in public sector planning and build relationships with future planning graduates.

Local authorities can also explore hiring ‘sandwich-year’ placements on planning courses that offer their undergraduate students to work for a year in industry. This can provide cost-effective resource and attract talent.

Apprenticeships

Local authorities can liaise with the RTPI Trailblazer Group members to understand how to set up and run apprenticeships (more details at <http://www.rtpi.org.uk/apprenticeships>). They can also access Government advice directly. To achieve an economy of scale, local authorities can consider establishing apprenticeship scheme consortia with other local authorities.

Case Study: Hertsmere Borough Council Apprenticeship Scheme

Initiated by the Head of Planning, Hertsmere BC (HBC) has taken on two apprentices for 4-6 years, who will undertake an RTPI-accredited Town Planning Technical Support Apprenticeship at Oaklands College whilst working 30 hours a week. The apprentices rotate between different planning services, gaining exposure to different tasks.

The Apprenticeship Levy compensates HBC for course fees and part funds resourcing requirements to train the apprentices.

Whilst HBC did not have any particular resourcing issues, it has historically sponsored planners to complete a masters' course whilst working, employing around 15 staff over the past 15 years through this route.

Where graduate recruitment for entry-level posts is problematic, planning services can establish graduate schemes in order to attract graduates with a preference for a structured programme that involves rotations across different service areas, such as planning policy, development management, enforcement, regeneration and economic development.

Where LPAs sit underneath a county structure, the County and LPAs could explore a countywide graduate planner scheme, which may assist with attracting and retaining graduates outside of more popular large towns and cities.

A county-level organisation structure may be more cost-effective than each LPA organising and running a graduate planner scheme and offer graduates the opportunity to move between LPAs for a variety of work and locations.

If resources are available, LPAs can create Information or Technical Officer roles aimed at non-planning graduates, which offer the opportunity for planning masters funding or day release. This can widen the pool of graduate talent.

Case Study: RTPI Trailblazer Apprenticeship Scheme¹⁹

The RTPI sets out two possible apprenticeship pathways on its website (see <http://www.rtpi.org.uk/apprenticeships>):

- **Town Planning Technical Support – Level 3 Diploma:** apprenticeship for Planning Technicians
- **Chartered Town Planner Degree:** the RTPI is currently working with a group of employers known as a Trailblazer to develop a Chartered Town Planner degree apprenticeship. The group comprises public and private sector employers, with a wider group of advisors from universities and training providers.

¹⁹ Royal Town Planning Institute (2017) *Apprenticeships in Town Planning*. Available at: <http://www.rtpi.org.uk/apprenticeships> (Accessed on 25 April 2018).

Case Study: Birmingham Graduate Hub, Birmingham City Council

Prior to establishing its Graduate Hub programme in 2015, Birmingham City Council (BCC) experienced recruitment freezes, redundancy cycles and lacked a pipeline of younger, graduate-level talent. It recognised the profession required a ‘rounded planner’: a planner with experience in development management; planning policy; and enforcement, to better enable development in Birmingham.

The former Director of Planning (now Corporate Director of Economy) developed the Graduate Hub concept with the support of senior staff. Initial funding for the scheme comprised a mix of Enterprise Zone, Planning Performance Agreement, site delivery and corporate funds. The Hub comprises a rolling graduate scheme, where recent graduates are recruited through a competitive interview process and hired on a two-year fixed-term basis. The graduate planners rotate on a project-by-project basis in order to gain experience across the service.

In contrast to graduate schemes that have fixed placement timings, BCC rotates its graduate planners depending on business needs. This ensures that development management and planning policy resourcing is balanced according to need, rather than fixing graduate planners to specific timescales.

The scheme has proven itself a successful way of attracting and retaining talented graduate planners, resulting in several graduates applying for more senior jobs within the Council. The Hub has provided a basis for strengthening links with local universities, ensuring a continuous supply of new graduates. The scheme is now part funded out of the Council’s General Fund.

Recommendation 4: ‘Balance the books’ through retention of planning income for planning services

Local authorities and central government can explore the case for retaining application fee income within planning services, rather than returning the surplus to the council’s general fund. LPA budget holders have the ability to redirect general funds back into planning services. Surplus retention of such funds during the development upcycle would enable local authorities to invest money into proactive planning approaches such as the production of Supplementary Planning Guidance or other planning policy work often side lined by Local Plan making. This would support the corporate agendas for delivery of development, help to justify staff retention and investment when fee income drops, and develop well-rounded planners.

The ability to smooth funding across development cycles would enable planning services to have the technical capacity and number of staff to meet sudden increases in planning applications during the upcycle. This could address sporadic skills gaps and loss of location-specific knowledge.

Recommendation 5: Invest in specialists with on-demand service agreements or resource sharing

To address the need for specialist input into the planning process, LPAs can seek to spend some of the income from the 20% fee increase on specialists such as landscape architects, urban designers, heritage officers and development economists or viability officers. Some LPAs identified the need for specialists as a priority. However, there has been a shortage in the availability of specialist staff. Seeking support from the private sector is one potential solution to fill the gap prior to public sector recruitment.

Case Study: Technical Support Consultancy Framework, London Legacy Development Corporation

The London Legacy Development Corporation (LLDC) is the successor to the Olympic Delivery Authority and acts as the local planning authority for the Queen Elizabeth Olympic Park and its surroundings. The LLDC has an on-demand service agreement with a London-based private sector consultancy in order to access specialist technical services, which could not be delivered cost-effectively in-house. The consultancy provides environmental and town planning expertise to review and advise on all development proposals, from EIA screening and scoping through to discharge of planning conditions.

If there is insufficient service demand or resource for a full-time in-house officer, LPAs could share specialist posts with neighbours or source expertise through on-demand service agreements with consultancies (see LLDC case study above), which can provide support on a project-by-project basis.

Recommendation 6: Consider the deployment of existing staff across planning teams to manage fluctuating service demand

In the current climate of resource constraints and recruitment difficulties, some LPAs will not be able to recruit more planners to support business-as-usual. Firstly, LPA service managers could consider the use of administrators or planning technicians to relieve professional planners from validation tasks. This could be combined with a review of validation procedures to ensure they are proportionate and meet with minimum requirements.

It should be noted that the slight alteration of process, such as standard validation requirements, can yield significant efficiency savings and result in better use of officer time. For example, Wolverhampton City Council stopped requiring planning officers to comply with an extensive standard list of validation requirements, which required time and effort to request and collate disproportionate amounts of documentation for both the applicant and officer. A shift towards allowing officers to decide the amount of evidence required to determine an application reduced unnecessary, process-driven work and enabled officers

to spend more time adding value as planning professionals²⁰.

Service managers can also adopt a more flexible approach to resourcing, recognising the value of diversity across teams and professional skillsets. There is the potential of existing staff in other roles to support the initial stages of the planning process, routine planning applications and prior approval notifications. This will also provide resiliency across the team, as more staff are up skilled to support peaks in planning resource demand.

Secondly, as the case study below explains, LPAs could re-consider the way that they recruit agency staff.

Case Study: Use of Capacity Contracts to Respond to Service Demand

One survey respondent’s LPA previously underperformed in terms of meeting the 8-week (minor) and 13 week (major) planning application determination timescales set by the Ministry of Housing, Communities and Local Government. A shortage of development management staff was a key reason for this underperformance.

The LPA is trialling the use of a “capacity contract” with planning consultants and temping agencies in order to boost the resourcing of its development management team. The capacity contract ensures that the planning department has sufficient staff time to deliver robust decisions on applications and meet the target timescales, by providing a mechanism to draw on temporary resource quickly. The authority now outperforms the regional average.

Lastly, the “Budgetary Rollercoaster” associated with development and plan-making cycles presents a challenge to effective LPA workforce planning.

In order to retain quality staff during a downturn in planning application fees, LPAs could consider re-deploying development management officers to support planning policy with local plan making and other policy tasks. Similarly, planning policy officers could support development management when local plan making activity decreases.

²⁰ Planning Advisory Service (2016) *Wolverhampton City Council – A revolution in planning*. Available at: <https://www.local.gov.uk/pas/pas->

[case-studies/wolverhampton-city-council-revolution-planning](https://www.local.gov.uk/pas/pas-) (Accessed 8 June 2018).

Recommendation 7: Use placements to build skills and plug service gaps

The pragmatic use of short-term secondments for the purposes of maternity cover or temporary resource gaps can have the additional benefit of providing staff with an opportunity to build a rounded set of planning skills and boost morale.

For example, offering secondments or entry-level positions in planning enforcement can provide planners with a ‘frontline’ opportunity to ‘learn the ropes’ and develop highly transferable negotiation skills and knowledge of planning conditions, land use conflicts and planning law for use in development management roles.

There is an opportunity to use secondments and placements as ‘on the ground’ training opportunities, which offer a variety of work and skills development to LPA planners.

3 Planning Service Investment and Income

Summary

Findings

- **Fee increase will support some investment, but does not resolve staff resourcing challenges:** survey and focus group participants agreed that the 20% increase in planning fees would fund some essential investment and additional recruitment. However, some focus group participants expressed fears that plans to use increased income to boost reward packages may fuel the regional "planning merry-go-round" and increase pay inflation.
- **Recovering from de-investment:** survey and focus group participants emphasised that any on-going investment in planning services focuses on rebuilding specialist expertise or creating officer posts lost in previous rounds of funding cuts. This reiterates that the planning fee increase alone will assist re-investment, but by no means represents a return to pre-2011 investment levels.
- **The cost recovery dilemma:** whilst the 20% fee increase is welcomed, survey respondents explained that LPAs continue to subsidise prior notifications, listed building consents and complex householder applications, as current planning application fee regulations restrict LPAs from charging proportionate fees for these applications. Focus group participants suggested further reform of planning fees to reflect the true cost of processing applications.
- **Justifying local plan costs:** the majority of survey respondents estimated that their planning policy budget had been reduced by up to 25% between 2014/15 and 2017/18. There is a notable difference between the resourcing of local plans in authorities that see planning as a key mechanism of delivering the wider "growth agenda" and those who do not; local plans are well-resourced where there is political recognition of their importance as an implementation mechanism for their wider corporate agenda.
- **Creating new income streams:** development management income of South East and North West LPAs has increased by around 60% among between 2011/12 and 2016/17, according to CIPFA data. Focus group participants explained that LPAs are tapping into additional sources of income such as Planning Performance Agreements and New Homes Bonus.
- **Investment priorities:** responses to the survey indicate that many LPAs intend to use additional fee income to create more permanent officer positions, invest in staff skills and make capital improvements, namely to IT systems.

Recommendations

8. **Future research in the use of the 20% uplift in fees is needed.**
9. **Rethink cost recovery.**
10. **Innovate to create new income streams.**
11. **Make the case for reinvestment.**
12. **Invest in digital solutions.**

Introduction

This chapter seeks to address how public sector planning investment and income has changed between 2011/12 and 2016/17, how LPAs will use the 20% increase in planning fees, how can this enhance planning services and to understand whether income is sufficient to support planning services. If not, what new income streams are being utilised by LPAs to fill the gap. This chapter provides an overview of trends in local government funding, which frames the availability of resources for planning service investment over the period 2011/12 and 2016/17. Analysis of CIPFA data illustrates the trends in development management income, including planning fees and other sources such as Planning Performance Agreements (PPAs) and New Homes Bonus. The second part of this chapter provides an insight into the reality of investment and income trends amongst South East and North West LPAs. Finally, the chapter provides recommendations for improving planning application cost recovery, expanding the use of PPAs, and sets out innovative approaches to service delivery that can generate new income streams.

Context

Literature Review

This section sets out how the availability of resources for planning service investment has been determined largely by the overarching period of central and local government austerity measures introduced in 2010. It also explores how the national planning fee regime limits the scope for LPAs to generate income to cover service costs. Prior to the fiscal tightening under the coalition Government in 2010, Council's budgets peaked in 2009-10 with a revenue expenditure of £59 billion, which comprised central government grants (59%) and council tax revenues / drawdown of reserve and retained business rates (41%). The Institute for Fiscal Studies (IFS) forecasts that 2016/17 local authority revenue budgets will be 25.6% smaller than in 2009/10, totalling just under £44 billion (Figure 5). Over the last seven years, central government grant funding has declined by approximately 70% and council tax income has dropped by approximately 8%.

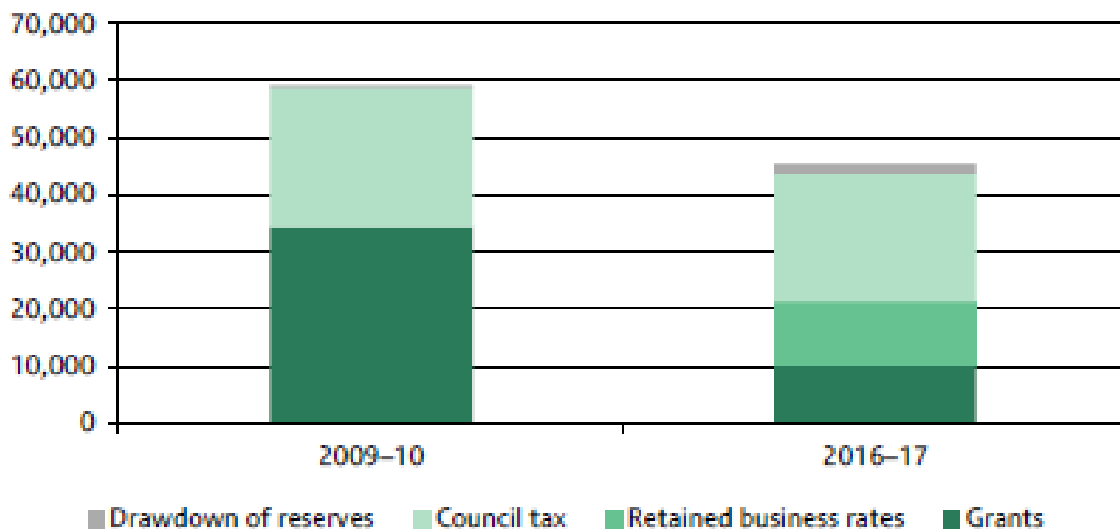


Figure 5: Council core revenues (excluding education grants) and use of reserves in England in 2009-10 and 2016-17 (£ million, 2016-17 prices) (IFS, 2016)

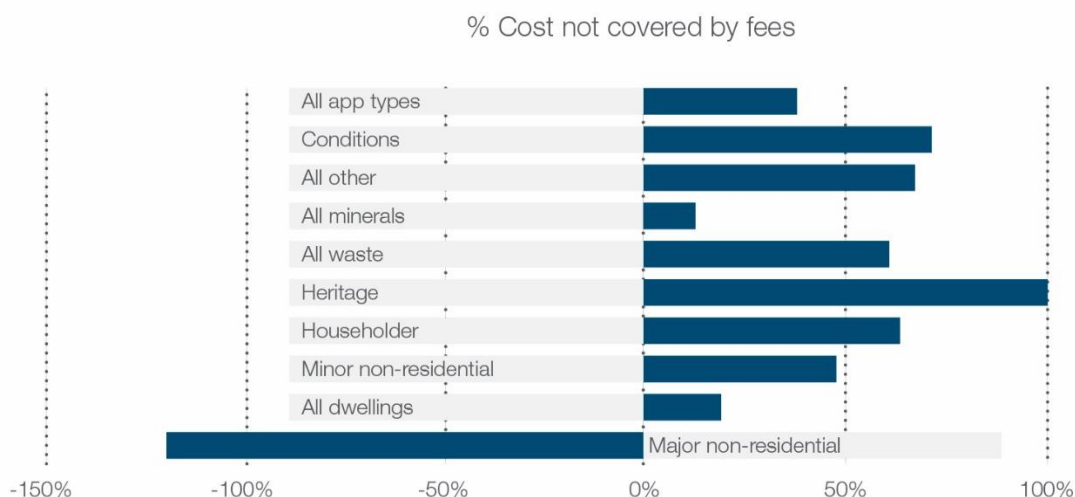


Figure 6: The cost of processing planning applications in terms of fee recovery in the UK (PAS, 2015)

The IFS suggests this fiscal tightening leaves local authorities with few alternatives than to seek alternative revenue sources such as drawing down on their reserves. It predicted councils would withdraw £1.7 billion from their reserves in 2016-17²¹. The IFS highlights that the continued use of reserves to finance local authority budgets is financially unsustainable. As such, the report suggests local authorities will need to replace government grants with a system of self-funding and bear their own individual costs. Within this context, planning fee income has generally become a key revenue stream for LPAs. The LGA reported that LPAs struggle to cover the costs of processing planning applications, leaving a shortfall of £1 billion picked up by taxpayers over the 5-year period from 2017-22²². On average, this taxpayer subsidy has grown by £200 million annually. By 2020, it is expected that this funding gap will total £5.8 billion. Since planning fees were last increased in 2012, local authority budgets have subsidised up to a third of all planning applications, which reduces the amount of resource available for other services²³.

The *PAS Resourcing in Planning Services: A Benchmark round-up study*, also highlighted this trend in declining cost recovery and reported that an estimated 41% (£156.2 million) of the cost of processing a planning application not covered by

planning fees²⁴. Figure 6 shows the estimated percentage loss in fee per type of planning application every year.

Figure 6 indicates that application fees are insufficient to cover the costs of the majority of planning applications; over 50% of the costs for processing householder, heritage, waste, conditions and ‘all other’ applications are not covered by their application fees. Householder applications comprise the largest funding shortfall, which require £51.9m of LPA cross-subsidy per year. This highlights where there are particular funding gaps within the planning service and where fee generation is particularly important.

In February 2017, the MHCLG published the long-awaited Housing White Paper “Fixing our broken housing market”, which sets out proposed regulatory changes and funding instruments to boost housing delivery. The White paper says that the Government is committed to “take steps to secure the financial sustainability of planning services; ensure that the planning system has the skilled professionals it needs to assess and make the tough decisions we expected; and provide targeted support to address areas of specialist weakness²⁵”.

On the 17th of January 2018 Parliament introduced Regulations to allow LPAs to increase planning fees

²¹ Smith et al. (2016) *A time for revolution? British local government finance in the 2010s*. London: Institute for Fiscal Studies

²² Edgar, L. (2017) *LGA says councils are hampered by planning fee increase delay*. Available at: <https://www.theplanner.co.uk/news/lga-says-councils-are-hampered-by-planning-fee-increase-delay> (Accessed on 26 April 2018)

²³ Planning Advisory Service (2015) *Resourcing in Planning Services: A Benchmark round-up*, p.9. Available at:

<https://www.local.gov.uk/sites/default/files/documents/resourcing-planning-servi-e76.pdf> (Accessed on 26 April 2018)

²⁴ Planning Advisory Service (2015) *Resourcing in Planning Services: A Benchmark round-up*. Available at: <https://www.local.gov.uk/sites/default/files/documents/resourcing-planning-servi-e76.pdf> (Accessed on 26 April 2018)

²⁵ Department for Communities and Local Government (2017) *Housing White Paper - Fixing our broken housing market*, p.37

by 20% if they commit to investing this additional income in their planning department²⁶. In addition, the approved Regulation allows a new fee of £402 per 0.1 hectare for permission in principle,²⁷ charging for applications that are within an Article 4 Direction area²⁸ and for Mayoral/Urban Development Corporation to charge for pre-application services. Central government has also consulted on the proposed additional 20% increase for LPAs that demonstrate delivery of homes²⁹. This additional measure, which would enable a total 40% increase in planning fees for some LPAs, requires a separate Regulation that is under consideration by central government.

The fee increase is ring-fenced for reinvestment within LPAs. However, the Housing White Paper does not stipulate how the money should be invested, leaving this to the discretion of the LPA to allocate the additional funds as it sees fit. An initial scoping indicated that the majority of LPAs would use the additional fee income to employ development management staff, with the fee increase allowing for an additional 2.7 planning staff per local planning authority³⁰.

A survey carried out by Planning Resource (2018)³¹ found that authorities are also planning to invest in process improvements, which will include hiring new staff and developing existing staff. However, the survey warned of a significant time lag between the allocation of additional funding and the successful recruitment of additional staff. It also highlighted the risk that LPAs will all attempt to recruit from the same pool of planning professionals, which might result in demand outstripping supply.

There is concern that whilst the additional fee income will help, it alone will not compensate for the significant cuts to planning services made over the last twenty years³². In addition, by rewarding LPAs that already perform well in terms of housing delivery, underperforming authorities may not be eligible to

increase their planning fees to the proposed 40%, thereby depriving them of additional resource.

Given the current climate of self-reliance, the PAS Planning Authority Resourcing Guidance³³ suggests that LPAs need to develop a better understanding of public funding mechanisms. In addition, PAS highlights that authorities should explore other income streams such as pre-application charging, planning performance agreements (PPAs), as well as ensuring that capital and revenue funding agreed in Section 106 agreements is paid by effectively monitoring Section 106 agreements. The previous Arup/RTPI North West study also highlighted the New Homes Bonus, service level agreements and trading account recharges as possible additional income streams.

The 2015 'Investing in Delivery' report highlighted the New Homes Bonus as a key source of fee generation for LPAs. However, MHCLG reformed the method for calculating the New Homes Bonus in 2017, which is based on five-year payments in 2017/18 and then four-year payments from 2018/19, rather than the previous six-year payment timescales. In addition, the MHCLG introduced a minimum eligibility requirement for local authorities to meet a baseline of 0.4% housing growth to qualify for the New Homes Bonus. It is yet unclear the extent these changes have had, in relation to planning services.

Baseline Data Analysis

There is no apparent correlation between the upward trend in development management income in the South East and North West and average application numbers received (Figure 7). The CIPFA data analysis highlighted:

- The average South East LPA development management service increased its income by almost 60% over the same period.

²⁶ Edgar, L. (2018) *Date set for 20% planning fee increase*. Available at: <https://www.theplanner.co.uk/news/date-set-for-20-planning-fee-increase> (Accessed on 3 March 2018)

²⁷ Permission in principle was introduced by The Housing and Planning Bill 2015, which indicates permission in principle is granted on land allocated for development in a qualifying document e.g. Brown field Register, Development Plan or Neighbourhood Plan.

²⁸ An Article 4 Direction is a direction which can be passed by a Local Planning Authority to restrict permitted development rights in a certain area

²⁹ Department for Communities and Local Government (2017) *Fixing our broken housing market*

³⁰ Wiseman, B (2017) *Will increasing planning fees improve planning outcomes?* Available at: https://www.placenorthwest.co.uk/resources/will-increasing-planning-fees-improve-planning-outcomes/#utm_source=Place+North+West&utm_campaign=RESOURCES_CES_Creative_property_2017-11-17&utm_medium=email, (Accessed 23 November 2017)

³¹ Planning Resource (2018) January 2018 edition, How and when councils expect to spend their extra fee income, pg.10

³² Planning Resource (2018) January 2018 edition, How and when councils expect to spend their extra fee income, pg.10

³³ Local Government Association (2018) Available at: <https://www.local.gov.uk/resourcing> (Accessed 17 November 2017)

- North West LPAs increased their development management income slightly more than the South East authority average.
- The average North West LPA development management service increased its income by over 65% between 2011/12 and 2016/17.
- Almost two-thirds of North West LPAs achieved an increase above the North West regional average over this period.

Whilst it appears that, on average, both South East and North West LPAs have increased their development management income substantially (Figure 8), this should be understood in the context of significant and prolonged cuts to central government grants for local authority services, including planning, as highlighted in the literature review.

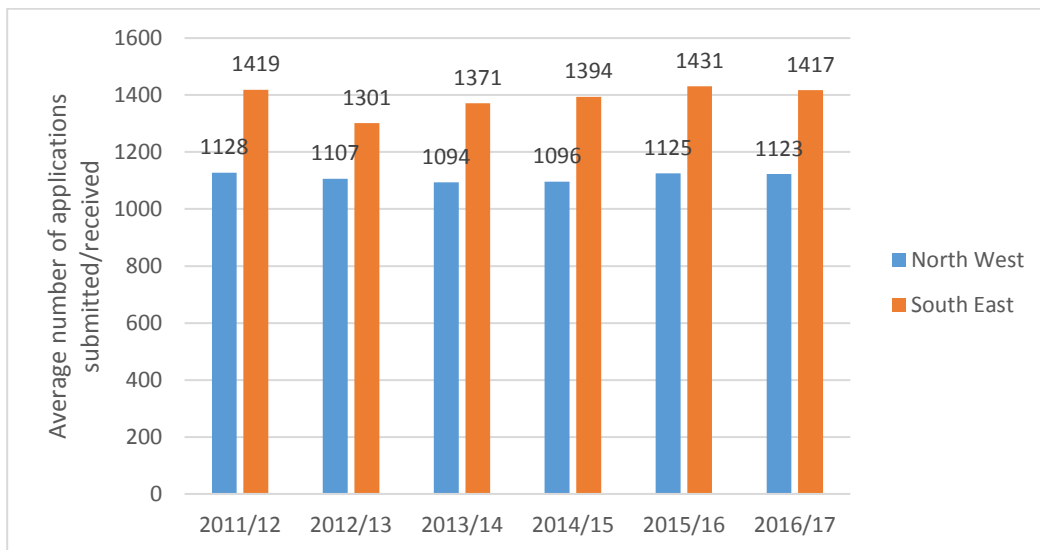


Figure 7: Average number of applications received by South East and North West LPAs (Source: CIPFA)

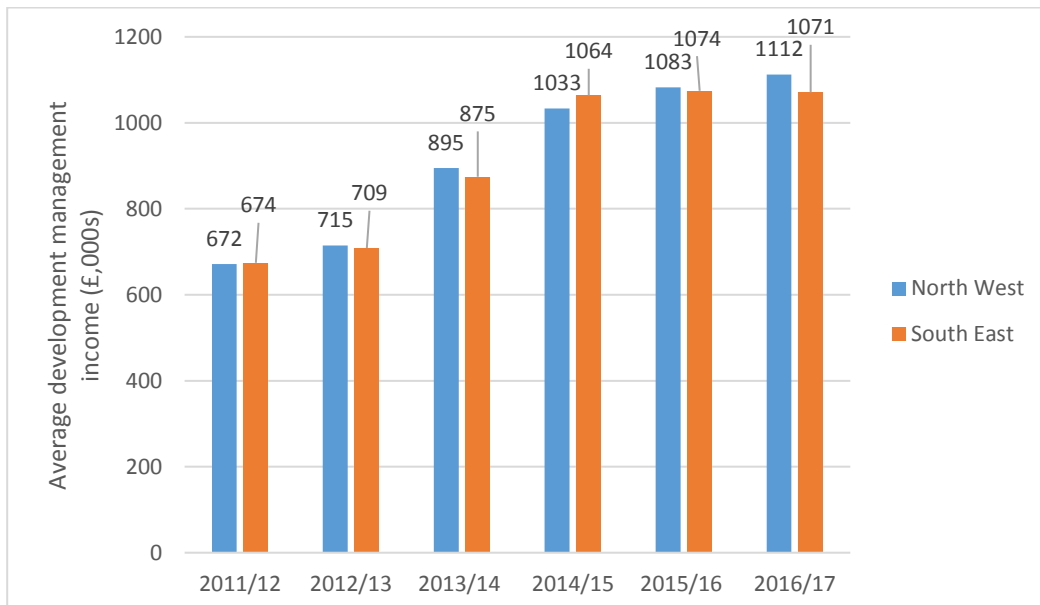


Figure 8: Average income generated through Development Management services in South East and North West LPAs (Source: CIPFA)

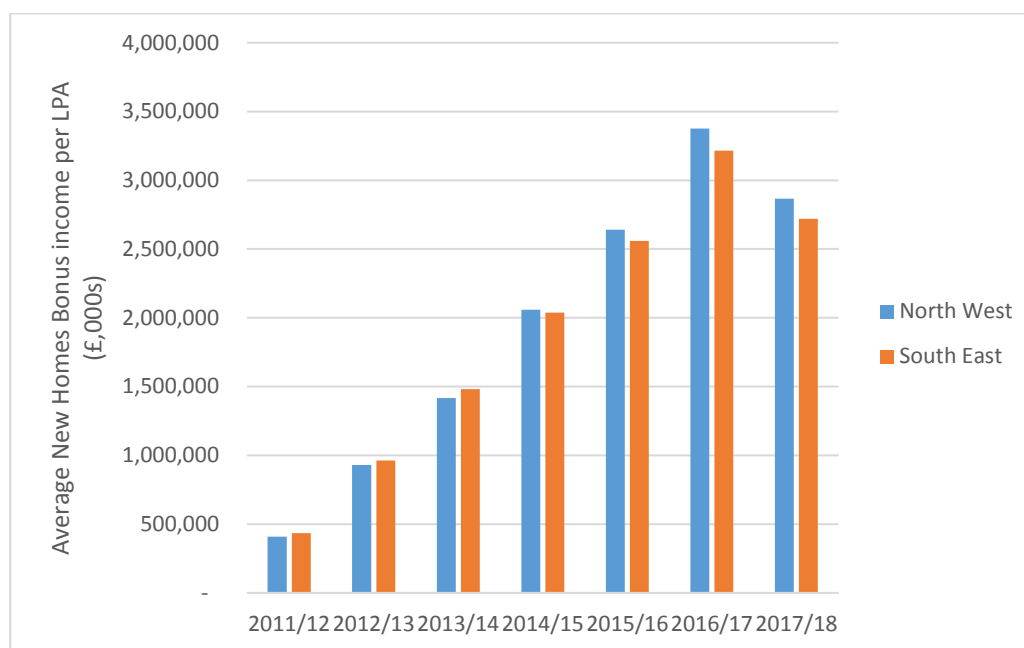


Figure 9: Average amount of New Homes Bonus received by South East and North West LPAs (Source: CIPFA)

It should be noted that the CIPFA data used in this analysis (Figure 8) incorporates planning application fee income, land charges and other income sources (e.g. Planning Performance Agreements and pre-application fees) therefore, it is not possible to attribute this increase in development management income to a particular source. Considering that the average planning application trends have been relatively flat in both the South East and North West over this period, the increase in income cannot be attributed solely to increased planning fee income. Additional development management income could therefore come from other sources, such as the introduction or increase of existing pre-application consultation fees or increased use of Planning Performance Agreements to fund officer resourcing on a project-by-project basis.

The New Homes Bonus has proven to be a lucrative funding stream for authorities across the South East and North West, since its introduction in 2011/12 (Figure 9). As highlighted in the 2015 'Investing in Delivery' report, the amount that LPAs have received through New Homes Bonus is generally higher than that on offer under the preceding Planning Delivery Grant funding regime.

The average South East and North West authority received over 700% more New Homes Bonus income in 2016/17, compared to 2011/12 levels.

However, as highlighted by Figure 9, changes to the New Homes Bonus calculation for the 2017/18 round of funding has evidently resulted in a reduction in average bonus received by South East and North West LPAs. Government only rewards dwelling completions additional above its 0.4% baseline for housing growth. As a result, the average New Homes Bonus received South East and North West authorities in 2017/18 is 18% lower than that received in 2016/17. Both high-growth LPAs such as Manchester and low-growth LPAs such as Barrow-in-Furness received substantially lower New Homes Bonus payments in 2017/18.

Planning Service Investment and Income Key Findings

Fee increase will support some investment, but does not resolve staff resourcing challenges

Amongst the authorities in the South East and North West of England involved in this research, there was a consensus view that the 20% increase in planning fees will fund some essential service investment. Some participants in the survey and focus groups stated that the additional planning fee income would support a minimal or a satisfactory level of investment required in their planning services.

However, the focus groups clarified that whilst the additional fee income would support some investment needed, the 20% increase alone would not cover the amount required in planning services, or enable their departments to be cost-neutral.

Fears of fuelling a planning “merry-go-round”

Among other investment priorities, survey and focus group findings show that most planning services intend to spend some of the additional fee income on increasing staff reward packages, such as the use of ‘golden hellos’ or recruitment and retention bonuses.

However, the South East focus groups explained that this could result in zero-sum competition for a limited number of planners, further exacerbating inter-authority competition for talent. These fears of exacerbating pay inflation and subsequently diminishing the ability of LPAs to recruit more staff reflect the findings of the Planning Resource (2018) study.³⁴

South East focus group participants also considered that pay inflation may have positive jobs market effects. By increasing the average planning salaries on offer, participants suggested that this could draw more planners into the profession and compete with private sector wages.

Recovering from de-investment

As discussed under the theme of ‘Planning Resources’, local authority wide freezes on recruitment and rationing of capital investment have reduced the ability

of planning services to deliver good quality services and act as enablers of good development.

The survey findings highlighted that where additional revenue or capital funding has been secured, planning services are trying to rebuild specialist expertise or create officer posts lost in previous rounds of funding cuts. This indicates that current investment will assist in the recovery of planning services. However, it does not represent a return to pre-2011/12 levels, due to the scale of funding cuts compared to the contribution levels from planning fee increases.

CIPFA data confirms this position, which shows that 2016/17 expenditure was still a third lower than in 2011/12 among North West LPAs.

The cost recovery dilemma

The implicit subsidy of householder applications

The survey and focus group participants in both the South East and North West emphatically confirmed that the cost of processing and determining householder applications, listed building consents and prior approval notices, which are not covered by the existing planning application fee regime.

By way of example, survey respondents at county and unitary authorities cited that the recovery of Section 73 application costs (to remove or vary conditions) was particularly problematic; citing that the existing fee of £195 covers just half of the expense of required newspaper advertising.

Equally, focus group participants were hesitant to support the introduction of a “fast track” approach to planning application fees, as the introduction of another tier may produce a two-tier system would benefit those who are willing or able to pay more.

Additionally, the increased scope of permitted development rights, particularly with office-to-residential conversions, has resulted in an increase in the number of prior approval notifications to be processed, but without commensurate fee income.

³⁴ Planning Resource (2018) January 2018 edition, How and when councils expect to spend their extra fee income, pg.10

Local Plan costs in context

The majority of survey respondents estimated their planning policy budget had been reduced by up to 25% between 2014/15 and 2017/18. This signals that the downward budgetary trend evident in the CIPFA data is an accurate reflection of planning policy budgets in both the South East and North West.

Local Plan as an investment in the area's future

Survey and focus group findings indicate that the primary justification for investment in planning policy was that the local plan provides a key mechanism to deliver an authority's "growth agenda", as encouraged by central government. One survey respondent stated that their local authority funded additional evidence base using their capital reserves. Their authority's political leadership and councillors viewed the local plan as an investment that would guide development that delivers a better quality of life. They also felt the Local Plan could contribute to additional council revenue streams by enabling development on public land and boosting the business rate and council tax base.

Some planning survey respondents reported having successfully leveraged sufficient resource for both plan making and policy. A reason given for this was that their authority's corporate strategy considered the local plan or LPA to be key to the delivery of strategic objectives such as economic growth and housing delivery.

Local Plan as an unrecoverable cost

The survey and focus groups highlighted that local plan making is a very capital and labour-intensive exercise. Some survey respondents questioned the cost-effectiveness and the practical value of some evidence base documents.

Numerous survey and focus group responses explained that the expense of local plan production and attaining sufficient resourcing to properly plan was a continuous issue, which could make local authority politicians less supportive.

Creating New Income Streams

Maximising other income streams: Planning Performance Agreements

Development management income increased substantially between 2011/12 and 2016/17³⁵; by under 60% on average in the South East and over 65% on average in the North West. This is in spite of relatively stable planning application numbers and the gap in recovering conventional application costs.

The survey and focus group responses indicate that LPAs are maximising income sources aside from conventional planning fees.

Planners generally see PPAs as a pragmatic tool to provide the resources that planning services need to deal with complex, large-scale applications. However, the focus groups revealed a concern that PPAs may infringe upon the quality and impartiality of decision-making. Focus group participants explained that PPA-derived funding could add undue pressure to the decision-making environment, whereby officers worry that the denial of planning permission endangers additional funding provided by the applicant.

Additionally, focus group participants raised concern at the prospect of extending the use of PPAs to provide sufficient resourcing for development management departments. Participants highlighted that as PPA income is not necessarily ring-fenced, there is the risk that the PPA income is not spent on delivering quality service for the applicant, but rather cross-subsidises the service as a whole.

³⁵ In considering planning income, CIPFA data does not provide a breakdown of development management income in terms of planning fees, Planning Performance Agreements (PPA) and land charges.

Case Study: Milton Keynes Council Planning Hub and Digital Planning Service

Prior to the launch of its Planning Hub in 2017, Milton Keynes Council (MKC) was required to reduce its annual planning budget by £250,000 per annum by 2020. MKC therefore recognised the need to act more commercially in order to generate income to support a high-quality service.

The Planning Hub signposts applicants to pay for services such as PPAs and allows them to choose their case officer, based on the individual officer’s specific skill set. In addition to empowering officers to build good relationships with applicants, it has also contributed to a 69% increase in development management income since its launch in 2017.

MKC also received a central government grant of £115,000 to develop Artificial Intelligence (AI) technology in the planning system. MKC will look at the potential use of AI to respond to queries in real time and explore how AI could make validate applications and make initial assessments of applications for permitted development.

New Homes Bonus income delays

The CIPFA analysis revealed that the New Homes Bonus provides a significant income stream for planning services. The average South East and North West authority increased their New Homes Bonus income from around £400,000 per annum in 2011/12 to almost £3.3 million in 2016/18. Whilst more stringent funding criteria³⁶ reduced 2017/18 New Homes Bonus income by approximately 20% on 2016/17 levels, it remains a lucrative funding stream.

However, focus group participants explained that the time lag between ‘performing’ in terms of housing completions and payment of New Homes Bonus is problematic for financial planning, as LPAs must wait to reap the rewards of delivering homes. This delays the ability of the local authority to invest income in the planning department and maintain momentum in terms of delivering homes.

Investment priorities

Investing in existing and new staff

Both the survey and focus group responses indicate that LPAs intend to use additional fee income to expand the number of permanent planning officer positions, invest in capital improvements such as ICT infrastructure and for use of consultants to support major projects.

Investment in staff training and university courses/day release for those studying also featured prominently in survey responses.

Focus group participants particularly sought to restore the positions or buy in specialist resource for specialist officers, with previous cuts to landscape, heritage and development viability expertise.

Focus group participants emphasised that in order to move from solely fulfilling statutory planning policy and development management tasks, services need to be able to invest in these skill sets to be effective implementation actors, in order to be able to deliver the housing and growth agenda.

Investing in restructuring and redirection

The survey and focus group findings highlighted the need for time and money to successfully restructure planning services and change working practices.

A common concern was the inability to focus on more than “firefighting”, with little time or capacity to develop innovative planning services. Restructuring of teams and decision-making processes were considered more effective when planning managers can restructure their own departments, rather than restructuring from above.

³⁶ Referencing the introduction of a 0.4% growth baseline before being eligible for ‘additional’ homes, see House of Commons Library (2017)

The New Homes Bonus Scheme (England) Briefing Paper No. 05724, 24 July 2017.

Case Study: Planners restructuring planning services

In response to the survey, a service manager explained that their department had previously experienced funding cuts and a centrally led restructure, which deprived the department of resources to deliver an acceptable development management service. However, the failure of this previous restructure led to the service manager being granted the opportunity to successfully implement a new restructure of their planning policy and development management services, with the assistance of £200,000 to support new managerial posts in both services. This resulted in a better performing service compared to when funding cuts and management restructuring was undertaken in a centralised way by the local authority leadership.

Investment in Digital

Edging towards a more digital planning service

Whilst focus group participants recognised the potential of labour-saving innovations such as artificial intelligence, they saw investment in basic IT infrastructure as a higher priority. Investment in improved planning application management systems was seen as a key step to delivering efficiency savings in the spirit of “*doing more with less*” and “*getting the basics right*”. Authorities such as Milton Keynes are exploring opportunities for investment in digital planning services. Investment priorities included upgrades to day-to-day planning application systems such as Idox and investing in hardware such as iPads/tablets to improve data collection on site visits.

Case Study: Milton Keynes Planning Hub

Milton Keynes Council (MKC) has received a central government grant of £115,000 to develop the application of using Artificial Intelligence (AI) technology in the planning system. For example, MKC will look at the potential uses of AI to respond to enquiries in real time (chatbots) and to explore how AI could provide an initial assessment of applications for permitted development and the validation of applications.

Planning Service Investment and Income Key Recommendations

Recommendation 8: Future research on the use of the 20% uplift in fees

Central Government should commission research on how LPAs have used and could maximise the additional 20% uplift in planning fees. This research should evaluate whether the additional resource has been sufficient to close the resource gap in terms of providing a high-quality, proactive planning service and provide best practice examples of how to maximise this additional resource.

Such research should consider how Government will consult LPAs to ascertain when future, additional increases in planning fees will be required, in order to avoid a situation where LPAs face a gap between their resourcing and service demands.

Recommendation 9: Rethink cost recovery

Central Government should consider further planning fee reform in order to provide LPAs with the flexibility to set fees for householder and prior approval applications. The under recovery of costs associated with planning applications is a persistent problem; fee-related development management is estimated to take up 27% of LPA time but represents 25% of cost recovered³⁷.

If cost-intensive applications such as Listed Building consents continue to be exempt from application fees, central government should fund the gap between application income and the costs of providing this public service. Alternatively, central Government could reform legislation that prevents LPAs from increasing fees for Listed Building consents.

LPAs can use Planning Performance Agreements (PPAs) more extensively to ensure that applicants cover the costs of determining their applications. As illustrated by the case study below, PPAs can provide a framework for project-based budgeting.

Case Study: London Borough of Islington (LBI) – Project-based budgeting³⁸

In order to resource planning services sufficiently to major projects, LBI uses project-based budgeting for major projects. Arsenal Football Club (AFC) signed a legal agreement to agree the project management timetable for its application to redevelop the former Arsenal stadium.

The use of a legal agreement ensured that AFC provided a proportionate amount of funding for the LBI development management team.

The transparent nature of the legal agreement safeguarded community interests by stipulating that the additional service funding provided by AFC be separated from the officer posts dealing directly with the proposals. The arrangement enabled LBI to forward plan its budget.

The use of legal agreements to accompany PPAs, as demonstrated by the LB Islington case study above, can allay concerns about spending PPA income on cross subsidising the development management service as a whole, rather than providing a quality service for the applicant. Equally, the introduction of a ‘two-tier’ system into a public service may raise equity concerns with the dilemma for LPAs regarding revenue generation versus providing an equitable planning service for all applicants and communities.

Time tracking

LPAs can use time measurement software to monitor the staff resource required by different types of application. This evidence base could be used to estimate the proportion of costs recovered by fees and to demonstrate where fees need to be increased or where central government subsidy should be required.

Recommendation 10: Innovate to create new income streams

In response to the challenging funding environment for planning services, the Milton Keynes Planning Hub case study provides an example of how innovation in

³⁷ Department for Communities and Local Government (2007) *Planning Costs and Fees*

³⁸ Local Government Association (2018), *Decisions – Approaches to resourcing development management*. Available at:

<https://www.local.gov.uk/decisions-approaches-resourcing-development-management> (Accessed on 25 April 2018)

planning service delivery can generate new income streams as well as improving service quality and bolstering planners as professionals.

The research highlighted the potential for pre-application services to be re-purposed along the lines of providing ‘pre-application consultancy’, with appropriate fees that provide officers the time and resource to use planning judgement and deliver robust pre-application advice that delivers value for applicants as well as the local planning authority.

LPAs can also explore “fast tracking” applications in order to increase cost recovery to support good services. The focus groups revealed the introduction of “fast-tracking” could be controversial, as it fundamentally introduces a two-tier planning application system.

An unintended consequence of grant and budget reductions to planning services is the introduction of “two-tier” planning system. Local planning authorities are faced with the dilemma of raising revenue through service differentiation with the expanded use of Planning Performance Agreements and fast-tracking system leading to the potential for an unequitable offer to all applicants.

Case Study: London Borough of Barnet, Fast Track Charging Pilot³⁹

The London Borough of Barnet (LBB) altered its Charging Schedule in order to differentiate planning fees for different service levels for minor and major applications, certificate of lawfulness applications and prior notifications. The service quality expectations are set out clearly in a schedule, for example, a householder site visit within 5 working days of registration through to registration of application within 1 working day and provision of an officer’s recommendation within 5 weeks of validation.

Notably, for major applications, the Fast Track Charging Schedule sets out that a ‘tailored service’ is available on request.

Similarly, LBB provides different service levels for pre-application advice.

For more information, see:

<https://barnet.gov.uk/dam/jcr:70ce5865-c397-47fe-ae5e-4f0cd9d8e1fc/Fast>

Recommendation 11: Make the case for reinvestment

Our research has shown that the diversion of planning service income to cross-subsidise other council services is a perennial issue in some LPAs.

Planning departments can promote the value of planning within their authority by monitoring cross-subsidies. There is the opportunity to make the case for re-investing this income within planning services to support further growth and income generation.

“[The LPA] has spent considerable time demonstrating how planning can deliver the corporate goals of growth, and members understand that the planning service is key in delivering these...they also see that additional homes and business space generates additional corporate income and therefore is key to [the] financial stability [of the local authority].”

Survey respondent from a South East LPA

This approach will need to take account of development cycles, however, it will enable planning services to maximise the potential income into their service. The effective use of monitoring statistics and tangible indicators can help to persuade council leadership to recognise how reinvestment delivers ‘value for money’. For example:

- Number of new homes approved and/or delivered
- Amount of employment and retail floorspace approved as well as the number of jobs supported by these approvals.
- Estimated additional council tax and business rates revenue generated by approved proposals.
- Amount of public benefits secured by Section 106 agreements, such as number of new play areas, parks, new classrooms, financial contributions to public services.

³⁹ London Borough of Barnet (2016) *Fast Track Service Guidance Notes and Charging Schedule – April 2016 version 3*. Available at:

<https://barnet.gov.uk/dam/jcr:70ce5865-c397-47fe-ae5e-4f0cd9d8e1fc/Fast> (Accessed 25 April 2018)

The RTPI Value of Planning Tool produced in Wales can support the case for investment⁴⁰. It uses an Excel template to insert the development quantum of policy allocations and granted permissions, which calculates an estimate of the wider economic value generated by planning. The tool provides an ‘at a glance’ value dashboard that authorities can use to derive a quantitative estimate value of their service and to contextualise it. It is hoped this will form part of local debates around expanded investment in planning.

Recommendation 12: Invest in digital solutions

New technologies could provide LPAs with the tools to deliver better customer service, planning outcomes and efficiency savings. However, it is also crucial to invest in basic IT, which is particularly important for the efficient functioning of Development Management. Planning services should work with their in-house customer and IT services, as well as external partners such as local universities, businesses and government agencies to investigate and develop software that supports high quality planning services. For example:

- **‘Chatbots’:** automated live chat software used to explain routine application requirements and processes to applicants in real time, whilst saving officers’ time by reducing the need for face-to-face meetings, phone calls or email exchanges.
- **Time-monitoring software:** software can enable service managers to accurately track in real-time where staff resource is spent and build a quantitative evidence base showing how much it costs to process and determine different types of planning application.
- **Use of artificial intelligence (AI) to tackle the routine:** software which could validate applications and take a ‘first pass’ at determining simple householder and prior approval applications, thereby freeing up officers to add value to tasks requiring their professional judgement.

It is important for senior management teams to consult extensively with planning services in order to understand the implications of purchasing new

software, merging services and outsourcing IT systems, to minimise disruption of day-to-day activities. Planning services should carefully consider the implications of developing shared services, particularly where LPAs have different planning application systems that need merging.

Case Study: Aylesbury Vale District Council – Connected Knowledge Technology Strategy⁴¹

Aylesbury Vale DC (AVDC) is working with Salesforce’s DigitalGenius team to use artificial intelligence to increase the efficacy of its customer service, whilst reducing operational costs.

DigitalGenius has analysed previous customer-council conversations in order to understand how queries related to council tax and refuse collection are routed. DigitalGenius automatically routes customer queries to an agent, by analysing key words or phrases

This has cut AVDC Resident Service team’s waiting times from 8 minutes before DigitalGenius implementation to 3-5 minutes.

For more information, see: <https://www.digitalgenius.com/casestudy/aylesbury-vale-district-council-uses-artificial-intelligence-to-lower-response-times-and-costs>

Case Study: London Borough of Enfield – ‘Amelia’ the chatbot⁴²

In order to enhance customer service, LB Enfield (LBE) is working with IPSoft to introduce ‘Amelia’ as a chatbot to assist with service queries, including those related to planning application FAQs.

As a ‘chatbot’, service users will be able to call Amelia to ask questions, which will be able to complete repetitive administrative processes for the service user, without involving staff resource.

In contrast to moving services ‘online’, which can excluded those who are unable to use or access digital technology, Amelia will be ‘people-literate’ and able to assist in real-time.⁴³

For more information, see: https://www.ipsoft.com/wp-content/uploads/2017/11/Case-Study-Enfield-Council_PDF.pdf

⁴⁰ <http://www.rtpi.org.uk/media/2896429/Value-of-Planning-Handout.pdf> (Accessed 4 July 2018)

⁴¹ DigitalGenius (2018) *Aylesbury Vale District Council Uses Artificial Intelligence to Lower Response Times and Costs*. Available at: <https://www.digitalgenius.com/casestudy/aylesbury-vale-district-council-uses-artificial-intelligence-to-lower-response-times-and-costs/> (Accessed 25 April 2018)

⁴² IPSoft (2017) *Case Study – Enfield Council Public Service Virtual Agent*. Available at: https://www.ipsoft.com/wp-content/uploads/2017/11/Case-Study-Enfield-Council_PDF.pdf (Accessed 25 April 2018).

⁴³ Everett, C. (2017) *Could AI chatbots be the new face of local gov? Enfield Council thinks so*. Available at:

4 Performance

Summary

Findings

- **Delivering on speed rather than outcome centred targets:** survey and focus group participants explained that planning services tend to manage their workflows with a focus on their duty to report against quantitative performance statistics required by MHCLG, at the expense of being able to deliver good quality planning outcomes for applicants and communities. However, while participants considered good planning in much broader terms, it is difficult to quantify and qualify good planning performance to demonstrate value to local authorities and central government.
- **Planning beyond regulation:** in the context of resource constraints, survey and focus group findings indicate that planning services focus available resources on the delivery of statutory activities. This means losing specialists, reducing officer time for pre-application discussions and cutting back on collaborative site planning briefs to guide growth and establish certainty for development. Participants cited a lack of staff resource as a key barrier to delivering proactive planning services to enable development.

Recommendations

13. **Balance the need for speed and the need for quality.**
14. **Charge for time to provide space for adding value and delivering, as well as regulating development proposals.**
15. **Adapt workflows to changing workloads.**
16. **Add value alongside other development services.**

Introduction

This section seeks to investigate planning performance. In doing so, it will address the following questions:

- What constitutes good planning performance?
- What are the implications of resource and budget changes on a local planning authority's ability to deliver core services and wider planning functions?
- What good and innovative practices can LPAs deploy in order to boost performance?

This chapter will firstly reflect on the existing policy literature around the issue of measuring planning performance and provide an overview of the performance of South East and North West LPAs in

terms of the official performance statistics collected by the Ministry for Communities, Housing and Local Government (MHCLG). The chapter subsequently reflects the survey and focus group findings on the dilemma of performing to “look good on paper” in terms of the statutory definition of performance versus the qualitative measure of performance, in terms of how planning adds value by shaping development proposals and delivering better outcomes for applicants and communities.

Context

Literature Review

Despite continued financial and resource pressures, there has been no noticeable change in the number of

<https://government.diginomica.com/2017/02/24/ai-chat-bots-new-face-local-gov-enfield-council-thinks/> (Accessed 25 April 2018)

applications determined and approved by English LPAs since 2008 (Figure 10). The speed of determination is up slightly from previous years, with an average of 88% of all decisions and 87% of major applications being determined within the anticipated determination period⁴⁴. Steady performance on planning application determination highlighted in the 2015 ‘Investing in Delivery’ report, found that LPAs consistently achieved approximately 70% of decisions on time in the North West region⁴⁵

Whilst the speed of decision making in Development Management is one factor to consider, the quality of service and outputs is also a key factor in measuring performance. Planning is a complex and multi-faceted activity and it is therefore difficult to measure the ‘quality’ of planning⁴⁶. There have been systematic attempts to develop measurement frameworks, such as the centrally described Best Value Performance Indicators (BVPIs) or Comprehensive Performance Assessment (CPA)⁴⁷. In addition to government led approaches, the RTPI launched the Spatial Planning Outcome Framework in 2008, which attempted to

identify a coherent and integrated set of indicators to measure spatial planning outcomes in England⁴⁸. However, no one single method has been widely adopted by LPAs and it is still difficult to quantify performance outcomes in terms of ‘quality’ in a comparative form.

The 2015 *Investing in Delivery* report identified delays in the production and adoption of local plans and policy documents, indicating both a potential speed and quality performance issue for LPAs.⁴⁹ A survey of plan-making progress under the National Planning Policy Framework (NPPF) found that less than four out of ten LPAs have seen a strategic-level local plan through the examination stage through to adoption. Additionally, 43% of LPAs have not yet published a draft local plan ready for submission to government (Figure 11)⁵⁰. The report discovered that there is a 16.8-month average timescale for examining and scrutinising a local plan, with a third of all plans having to go into an early plan review.

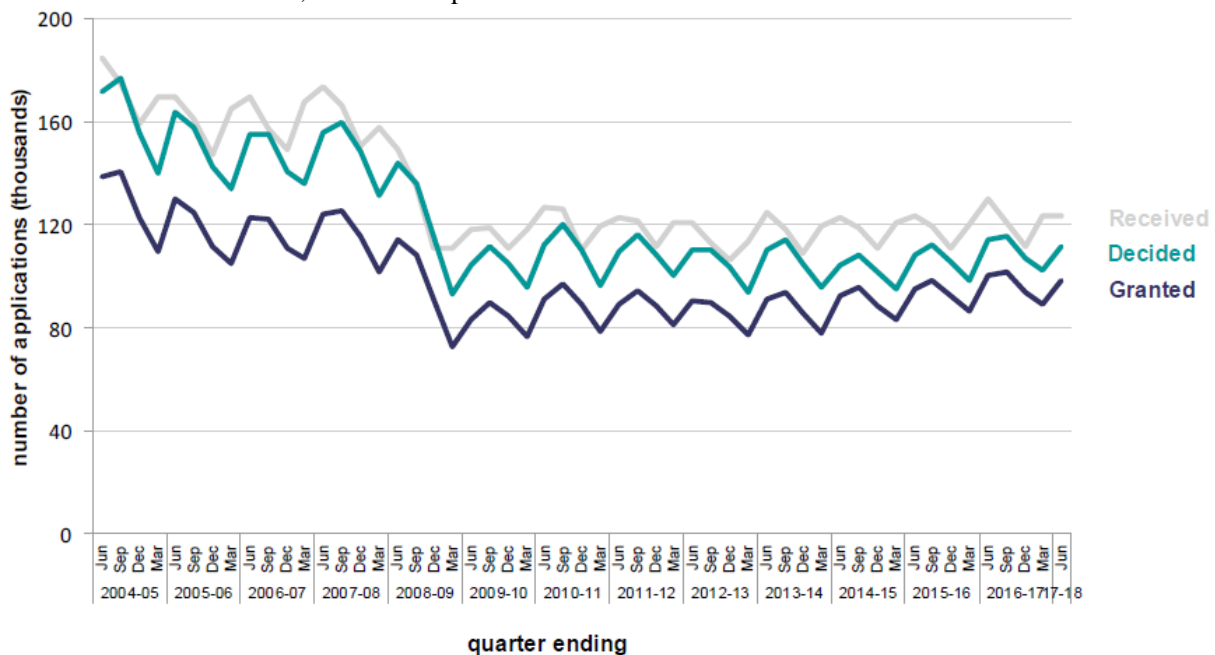


Figure 10: All planning applications received, decided and granted in England (DCLG, 2017)

⁴⁴ DCLG (2017) Planning Applications in England: April to June 2017

⁴⁵ Royal Town Planning Institute and Arup (2015) *Investing in Delivery: How can we respond to the pressures on local authority planning*. Available at: <http://www.rtpi.org.uk/media/1496890/RTPI%20Arup%20Research%20Report%20Investing%20in%20Delivery%2010%20October%202015.pdf> (Accessed on 25 April 2018)

⁴⁶ Hall, P. & Tewdwr-Jones, M. (2011) *Urban and Regional Planning*, Fifth Edition, Taylor & Francis, Abingdon

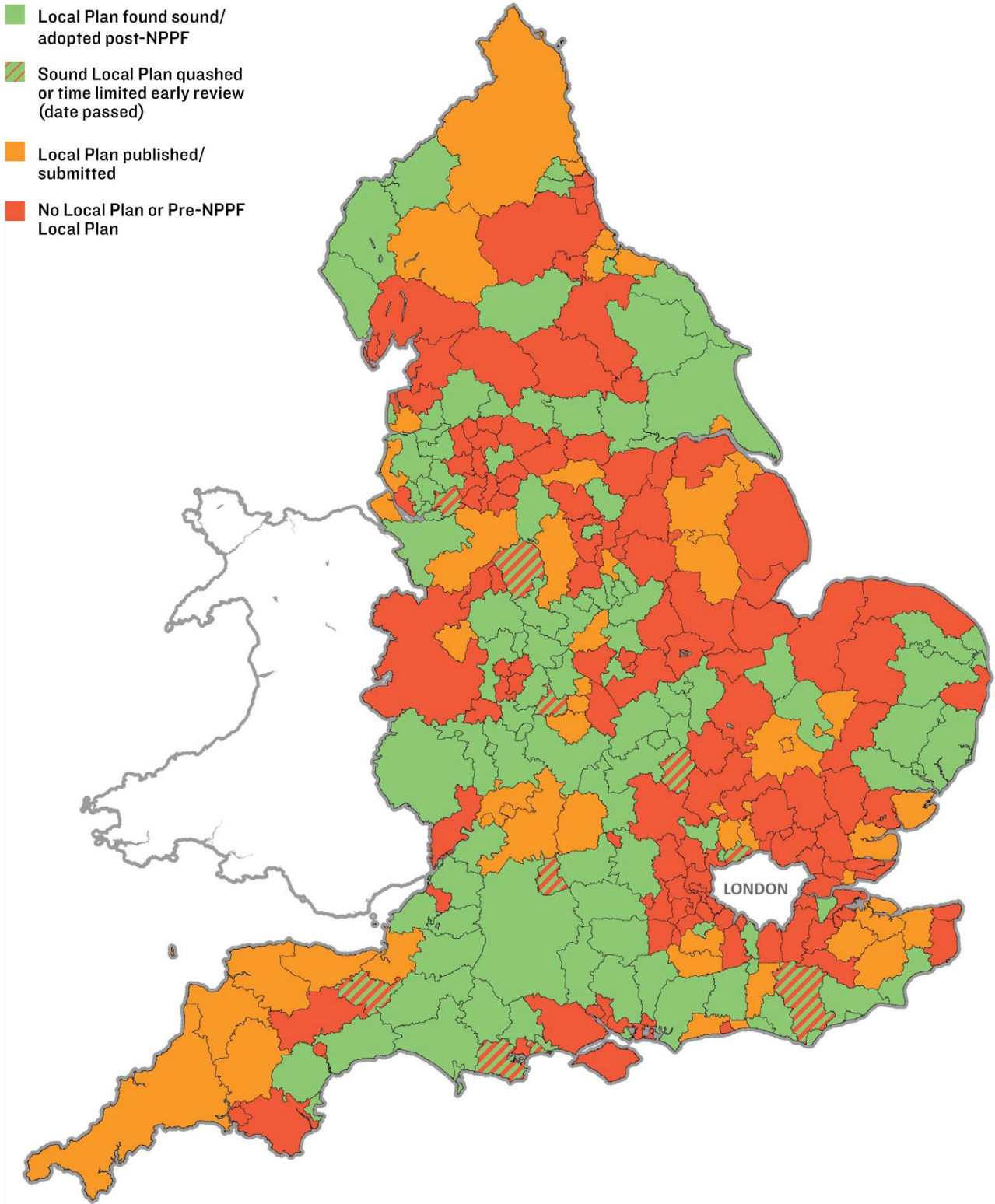
⁴⁷ Carmona M. & Sieh L. (2005) ‘Performance Measurement Innovation in English Planning Authorities’, *Planning Theory and Practice*, vol. 6, No. 3, 303-333.

⁴⁸ Royal Town Planning Institute (2008) *Measuring the Outcomes of Spatial Planning in England*. Available at: http://www.rtpi.org.uk/media/11201/measuring_the_outcomes_of_spatial_planning_in_england_2008.pdf, (Accessed on 11 April 2018)

⁴⁹ Planning Futures (2017) *Delivering the Planning Service We Need: building planning department capacity*

⁵⁰ Lichfields (2017) *Planned and deliver; Local Plan-making under the NPPF a five- year progress report*. Available at: http://lichfields.uk/media/3000/c115281-local-plans-review-insight_mar-2017_screen.pdf (Accessed on 11 April 2018)

Figure 2: Local plan status post-NPPF by LPA (District) as at March 2017²



Source: CLG/Lichfields

Figure 11: Local plan status post-NPPF by local planning authority as of March 2017 (Lichfields, 2017)

A report produced by University College London (UCL)⁵¹ on local authority provision of housing outlined that housing developers have consistently struggled with issues caused by delays in local plan adoption. Issues such as a changing five-year land supply increases the difficulty and uncertainty of planning for and approving applications for new housing. Additionally, many of the consents that are granted are not being implemented or are being built out very slowly, which in return has an impact on the ability for the local planning authority to support wider economic growth.

A number of external factors beyond the local authority’s control play an important role in local plan adoption, some of which can lead to significant delays. For example, the policy framework in which local plans are subject to regular change, which can be highly disruptive; new policy requirements can render parts of local plans or their evidence base redundant, thereby necessitating updates or scrapping of advanced local plans. The recent consultation on the draft revised National Planning Policy Framework marks the fourth major change in national planning policy in 15 years. This constant *moving the goalposts* is not conducive to the timely production and adoption of

Local Plans, particularly as changed forecasts such as Objectively Assessed Needs can change dramatically⁵².

One example is the recent power granted to MPs to intervene in the local plan-making process. Since coming into force this has, in some cases, lead to significant delays⁵³. The 2015 ‘Investing in Delivery’ report, reported that the focus had fallen away from pro-active planning and bringing forwards development.

Baseline Data Analysis

In order to provide a baseline understanding of LPA performance, the research analysed CIPFA data against the statutory timescales set out by the MHCLG. It also analysed the volume of applications dealt with by LPAs, which provides a high-level measure of LPA workload.

Figure 12 illustrates a notable 10% decline in the average number of applications submitted to/received by South East LPAs between 2011/12 and 2012/13. However, this number had almost fully recovered by 2015/16.

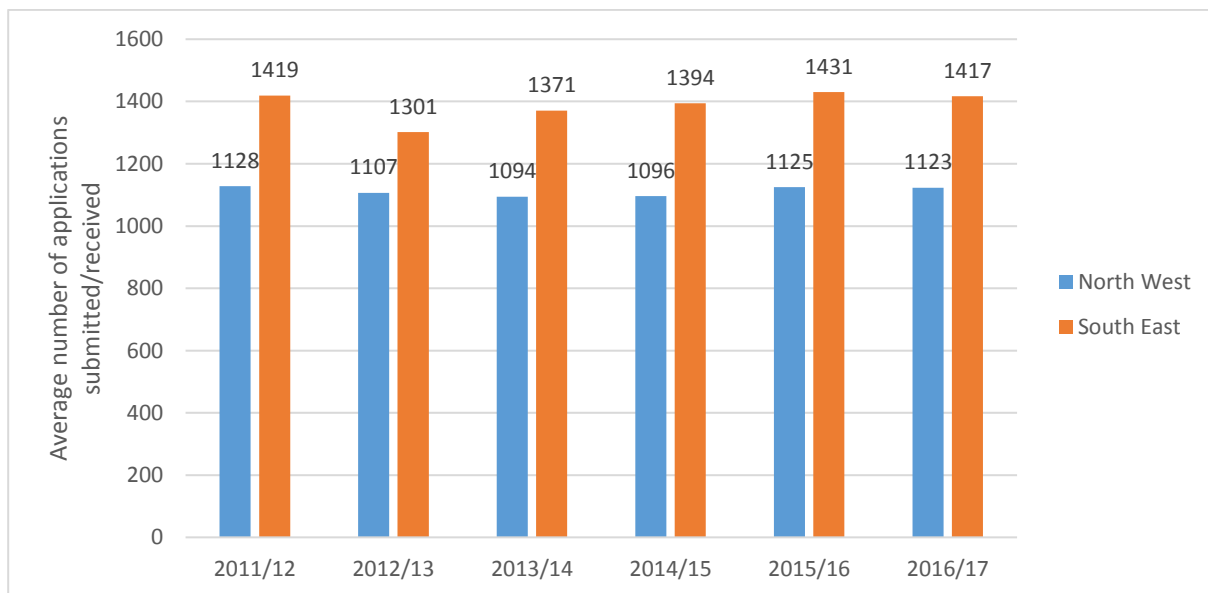


Figure 12: Average total number of applications received by South East and North West LPAs (Source: MHCLG)

⁵¹ Morphet, J. and Clifford, B. (2017) *Local authority direct provision of housing final report*, National Planning Forum and Royal Town Planning Institute, London

⁵² Local Plans Expert Group (2016) *Report to the Communities Secretary and to the Minister of Housing and Planning – March 2016*, p.1

⁵³ House of Commons Library (2017) *Local Plan Intervention: a question of MP influence*. Available at: <https://commonslibrary.parliament.uk/social-policy/housing/local-plan-intervention-a-question-of-mp-influence/> (Accessed on 12 April 2018)

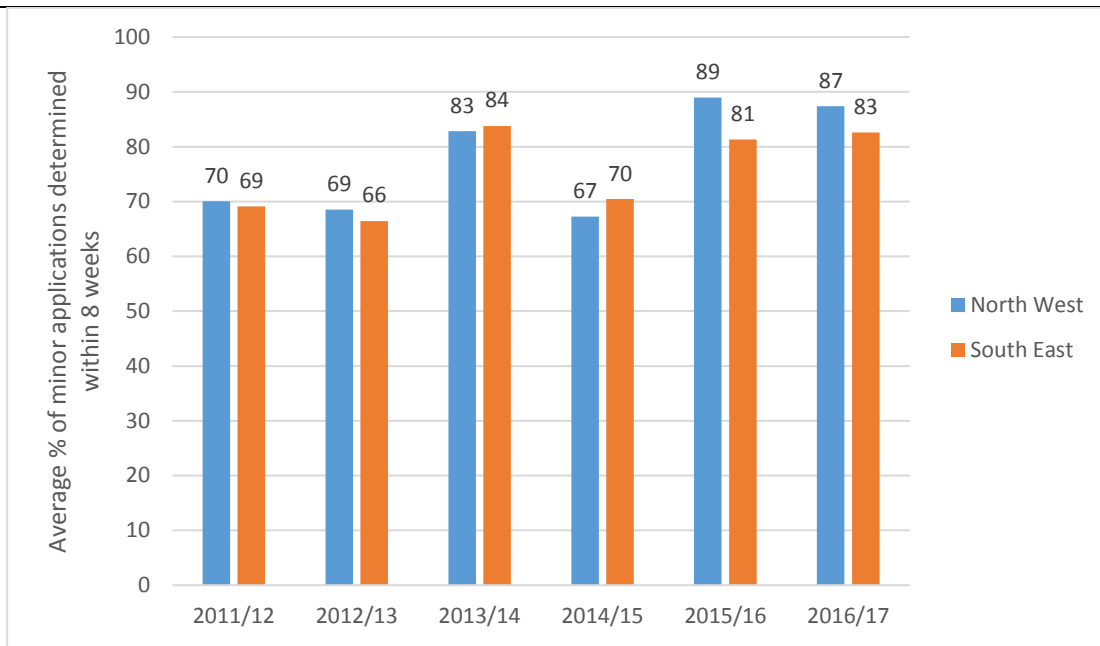


Figure 13: Average percentage of minor applications decided within statutory 8 week or otherwise agreed timescale (Source: MHCLG)

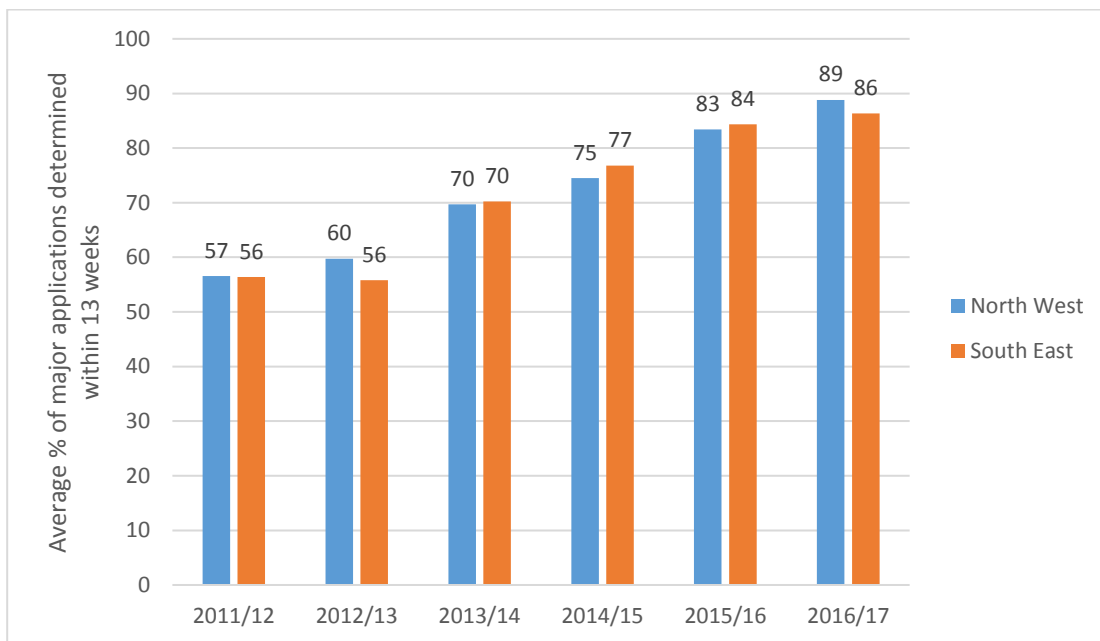


Figure 14: Average percentage of major applications decided within statutory 13 week or otherwise agreed timescale (Source: MHCLG)

Whilst there was negligible change in terms of regional average for the total number of applications received between 2011/12 and 2016/17, there is significant variation from the regional trend at individual authority level; ranging from a 50% increase to a 30% decrease on 2011/12 application numbers.

The reasons for this may be attributed to the complex interaction of structural and cyclical demand factors at local, sub-regional and national scales; historic developer – local authority relationships; and sub-regional property markets. Figure 13 shows that with the exception of a dip in performance in 2014/15, the average proportion of minor applications determined

within target timescale has risen in both South East (14%) and North West (17%) LPAs.

Figure 14 illustrates a strong upward trend in the percentage of major applications decided by South East and North West LPAs within the statutory 13-week target. The determination timescale performance of major applications increased from around 57% in both the South East and North West to almost 90%, representing an increase of around 30% between 2011/12 and 2016/17.

Performance Key Findings

Delivering on narrow targets rather than outcomes

As the performance of planning services are judged heavily on performance against statutory MHCLG targets; mainly speed of decision and percentage of decision overturned at appeal (and more recently, number of homes built), departments sometimes find themselves prioritising these targets at the expense of delivering good planning outcomes for applicants and communities to “look good on paper”

Survey and focus group participants emphasised the disconnect between the existing measurement of planning performance versus the complex and less quantifiable value of good planning, which cannot effectively be translated into standardised central government targets. It is widely perceived that there is a gap between “paper performance” and real performance in delivering good planning.

In line with the MHCLG statistics, which show the gradual improvement of minor applications determined within target timescale of 8 weeks or otherwise agreed, and the significant uplift in major applications determined within target timescale of 13 weeks, the survey and focus group findings agreed that LPAs have improved their performance as measured by meeting statutory targets.

However, junior planners in particular feel that they are unable to make the best decisions owing to a managerial focus on meeting target timescales; rather than negotiating with applicants and shaping applications into acceptable proposals, a target-based measure of performance incentivises on-time determination. This can result in applications being rejected which could otherwise have been negotiated and made acceptable, simply “saying no” to unacceptable development proposals.

The quality question

Notably, every single survey respondent explained that the MHCLG statutory planning performance indicators were used as Key Performance Indicators (KPIs) by their local authority to measure the performance of the planning service within the organisation. The general omission of reference to more qualitative metrics such as place qualities or community approval suggests that the performance of planning services are measured predominantly, if not completely on the basis of

performance against MHCLG statutory planning performance indicators.

“Good planning is associated with delivery on the ground, the developers being challenged to improve their schemes, rather than 8/13 week dates.”

Survey respondent from a South East LPA

The focus group participants further explained that whilst they acknowledged the need to make timely decisions, as planners they measured their own performance in terms of:

- the extent to which they shaped an applicant’s proposal, either through pre-application discussions or on-going dialogue through the application process;
- the design quality and functionality of their built-out applications, especially in terms of where they added value to the development;
- applicant satisfaction with the planning process and decision made; and
- local perception of the quality of recent development and/or community engagement.

The desire to deliver quality, proactive development management services lies in tension with the need to make robust planning decisions within a resource-constrained environment. Planning managers stated in the focus groups that they aspired to quality decision-making, but fundamentally were under pressure to deliver on statutory targets in order to fulfil their KPIs at a corporate level within their authority.

Planning beyond regulation

In the context of resource constraints, planning services have pragmatically reduced their focus to delivering statutory development management and Local Plan making activities; losing specialists, reducing officer time for pre-application discussions and cutting back on collaborative site planning briefs to guide growth and establish certainty for development.

“Whilst challenging, resources allow us to progress a Local Plan and achieve good performance on dealing with planning applications (we now have no conservation officer, or heritage budget, so action in this area is limited...”

Survey respondent from a North West LPA

The survey and focus group participants explained that the subsequent narrowing of staff resource and professional skills results in generalist officers having to deal with specialist matters.. This can result in “*officers acting as a post-box*”; with planners as passive regulatory actors who compile the assessments of others (i.e. Natural England, Highways England etc.) and merely pass on information rather than taking a proactive, solutions-based approach to the planning process.

The plan-making challenge

As identified earlier, planning policy teams tend to be resourced to undertake the statutory tasks required for Local Plan adoption, but have little resource or time for supplementary policymaking.

“Plan-making has taken priority over everything else.”

Survey respondent from a South East LPA

Owing to the need for tacit knowledge of LPA specific policy, politics, communities and development actors, planning policy performance suffers particularly where there are recruitment issues and poor rates of staff retention. High rates of churn within Local Plan making teams in particular result in local knowledge and technical understanding being lost. Several LPAs cited that the continuous loss of staff and their deep knowledge of the local area resulted in significant delays, particularly in terms of local plan progress. This translates into prolonged timescales for Local Plan adoption, with the average time taken for an authority to get its most recent local plan adopted averaging around six years for both South East and North West LPAs.

There is a lack of staff and financial resource for non-statutory plan-making activities. The survey and focus group participants described how some tasks tend to be side-lined in order to deliver labour-intensive Local Plans. These side-lined tasks include agile measures to establish certainty, coordinate investment and bring

together development actors in order to bring development sites forward, such as Supplementary Planning Guidance or informal community engagement processes.

Performance - Key Recommendations

Recommendation 13: Balance the need for speed and need for quality

Planners enter the profession to shape places, not to say no to development. The focus group participants recognised the need for quantitative targets such as major and minor application determination timescales. However, in the context of overly constrained resources and the ‘stick’ of central government intervention, service managers are incentivised to focus staff on determining applications rather than the more time-intensive business of liaising and negotiating with the applicant to create the best possible outcomes for people and place. Examples of monitoring qualitative and quantitative measures can be found through the Welsh Government LPA performance framework and Welsh Government research on developing a strategic monitoring framework for the planning system⁵⁴.

Central Government should consider setting a new performance-monitoring framework, which includes quantitative measures (such as those already collected by MHCLG through PS/1 and PS/2 returns) as well as a qualitative assessment framework such as that co-created by the Scottish Heads of Planning and Scottish Government.

In the absence of central government changes to performance measures, LPAs could use Planning Performance Framework reports as a guide to developing a more holistic means of measuring the performance of their planning department. More importantly, LPAs could use such a report to communicate the ‘value-added’ of planning services to the wider authority and for making the business case for service investment.

Recommendation 14: Charge for time to provide space for adding value and delivering, not just regulating development proposals

Insufficient resourcing of planning services is a key reason why there can be too narrow a focus on hitting

speed based targets rather than delivering quality outcomes for applicants and places.

LPAs could extend the use of Planning Performance Agreements (PPAs) as a project and resource management tool to establish a common understanding of timescales and responsibilities with the applicant, as well as leveraging in additional financial resource to support a quality level of service. PPAs enable a proactive approach to engaging with applicants and adding value to their applications in the development management process, in contrast with a conventional regulatory approach.

The Planning Advisory Service produced Good Practice Guidance on how local authorities can use Planning Performance Agreements (PPAs) as a project management tool for small-scale as well as strategic-scale planning applications.

The Guidance sets out a sliding scale of PPAs. This ranges from:

- the “Simple PPA” which sets out a project plan of dealing with limited foreseen planning issues;
- a “Medium PPA” where pre-application services are used extensively to work through matters of concern prior to submitting an application; and,
- a “Complex PPA”, which sets out how planning policy, infrastructure planning, site assembly and development proposals are managed⁵⁵.

In order to resource on-going advice beyond the formal pre-application stage, LPAs can also seek to establish Design Review Panels to provide expert advice throughout the development process; particularly when developing strategic scale sites. LPAs can secure legal agreements with developers of strategic sites to fund the costs of the operation of an independent Design Review Panel.

⁵⁴

<http://gov.wales/topics/planning/planningresearch/publishedresearch/strategicmonitoringframework/?lang=en>

<http://gov.wales/docs/desh/research/111104monitoringreporten.pdf>

⁵⁵ Planning Advisory Service (2018), *Good Practice Advice – Planning Performance Agreements*. Available at: <https://www.local.gov.uk/sites/default/files/documents/good-practice-advice-and--fcb.pdf> (Accessed on 25 April 2018)

Case Study: Scottish Government Planning Performance Frameworks - Measuring Performance Holistically

Audit Scotland published its “Modernising the Planning System” report in 2011, which stated, “*despite falling numbers of applications and modernisation, few Councils are performing well against timescales set for processing applications. However, time is only one indicator of performance and a more comprehensive performance measurement framework is needed.*”

Developed by Heads of Planning Scotland with the Scottish Government, Councils are now required to produce a Planning Performance Framework (PPF) annually.

PPF reports include a mix of qualitative and quantitative indicators in order to provide a balanced assessment of planning system performance. Heads of Planning Scotland developed the PPF in conjunction with the Scottish Government⁵⁶.

Notably, a PPF requires a Qualitative Narrative and Case Studies which set out how planning added value over the course of the year ; how development plan policies contributed to high quality development coming forward; urban design panels; and, local improvements such as environmental improvements or town centre regeneration initiatives.

For more information, see:

<https://hopscotland.files.wordpress.com/2018/04/ppf-guidance-version-7-final-060418.pdf> (Accessed on 25 April 2018)

Case Study 3 - Peebles Hydro housing development - 14/00136/FUL

This was a full planning application seeking permission for 13 houses and 17 flats on an unallocated site on Innerleithen Road in Peebles. The 1.16ha site is an especially prominent one occupying a location on the primary route into the town from the west and particularly so as it lies on landscaped grounds to the front of the Category B Listed Peebles Hydro Hotel. The immediate character of the site was defined not only by the landscaped setting, but also by the large detached and semi-detached stone villas along the road frontage.



The application followed a significant period of productive pre-application discussion with the applicants' agent, which also involved separate engagement with the local community.

The scheme comprised three distinct elements. To the front, eight detached houses were proposed, while to the rear, two different character areas were indicated – one showing five more modest houses, and the other containing two larger blocks comprising a total of 17 flats, this number having been reduced from an originally proposed 21.

The application drew a relatively small number of still quite significant objections, including from the Community Council, over issues ranging from principle – including the loss of open space and the scale of the development – to detail, including the relationship of the development with the Hydro Hotel and some of the existing houses around the site.

Although this was a significant windfall development, the fact that the site was largely concealed and had served little public purpose as open space, meant that its development was not unacceptable in principle. The site was already separated from the more formal grounds of the Hydro, although care still needed to be taken to ensure that the relationship, including in longer range views, remained acceptable.

The submitted scheme followed many of the elements that were encouraged at pre-application stage, among them the use and position of house types that were reflective of the grander houses already in existence along the road frontage. Some repositioning was required to align them with these houses and the increased use of natural materials, but this aspect otherwise remained largely unchanged from pre-application stage.

Through discussion, a central avenue into the site was created, serving the dual purpose of providing a grand access into the site, while retaining views into the site and to the Hydro Hotel beyond. In addition, and recognising concerns over the flatted part of the development in particular, the scale and height of the blocks were reduced which, with some repositioning, allowed for a more appropriate relationship and less dominant scale for these parts of the proposal.

The evolution of the development was the result of a very positive working relationship between developer and Council officers, which included engagement with recommendations by roads and landscape professionals. The result is a high quality development fitting of a sensitive location which has received positive feedback for both developer and Council, including in the pages of the national press.



Figure 55 – Extract from the Qualitative Narrative and Case Studies section of the 2016/17 Scottish Borders Council Annual Report

⁵⁶ Heads of Planning Scotland (2018) *Planning Performance Framework Annual Report Guideline Notes Version 7 – Final Version Issued 6/4/18*. Available at:

<https://hopscotland.files.wordpress.com/2018/04/ppf-guidance-version-7-final-060418.pdf> (Accessed on 25 April 2018)

Recommendation 15: Adapt workflows to changing workloads

It is evident that LPAs will not necessarily receive the resources they need to continue with “business-as-usual”. Whilst there is no ‘one-size-fits-all’ approach to how planners allocate or manage cases, LPAs should seek to optimise their systems in order to ensure that their planning professionals spend the right time on the right tasks.

Figure 16 sets out a spectrum of ‘ideal-type’ management systems; ranging from the ‘one-planner does everything’ to the ‘complete subsidiarity’ approach of delegating workloads.

Planning service management styles are unlikely to fit within one category, but service managers should carefully consider the benefits and drawbacks of each approach.

Planning managers can also consider using a ‘check, plan, do’ systems approach to improve service delivery. The Vanguard approach⁵⁷ focuses on service users and outcomes rather than processes. The approach seeks to reduce inefficiency by using a framework to establish the purpose of the system and how the workflow can be improved to meet it. These changes are then introduced incrementally.

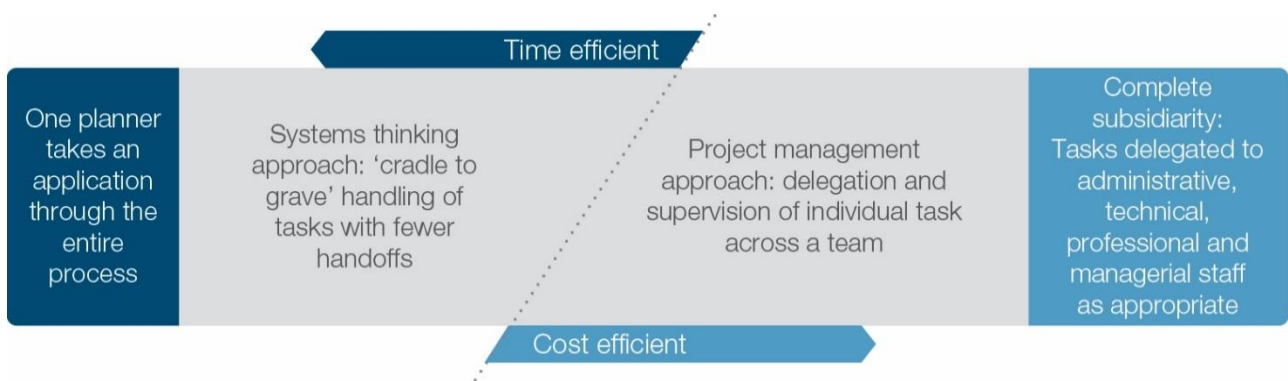


Figure 16: Management system ideal-types – a spectrum

⁵⁷ Vanguard Consulting (2018) Check, plan, do. Available at: <https://vanguard-method.net/library/systems-principles/check-plan-do/> (Accessed on 25 April 2018)

The West Lindsey District Council and Wolverhampton City Council case studies provide examples of how systems thinking applies to review and improve planning service delivery.

Case Study: West Lindsey District Council – Delegating Validation Tasks Efficiently⁵⁸

In West Lindsey District Council (WLDC) 70% of applications were rejected, as they did not meet validation requirements. WLDC noted that it was spending excessive amounts of resource at the validation stage, rather than on adding value.

The stringent validation requirements meant requests for additional information and multiple planning technicians worked on multiple applications, resulting in duplication of workload and delays.

Service managers started to allocate one planning technician to validation per day, working on a first-in, first-out rule and validating to completion.

This approach increased the percentage of “valid” applications from 30% to 52%, without investing additional resource in validation.

Case Study: Wolverhampton City Council – Rethinking Planning

Wolverhampton City Council undertook a ‘root-and-branch’ review of its development management processes and systems, needing to maintain a good level of service whilst accommodating funding cuts. The review took a systems thinking approach.

The Head of Planning encouraged use of professional judgement rather than mandatory checks for better decision-making and development outcomes. The “positive process” focusses on what good development does or does not look like, compared to meeting targets, resulting in improved performance. The new regime reduced end-to-end processing times from 134 days to 45 days, while operating costs have remained stable.

The Head of Planning notes the success of this approach required a governance and cultural change to shift from process-focussed, target-driven management. The applicants need to provide and consider the development on its merits.

Recommendation 16: Add value alongside other development services

As discussed in the Planning Resources section, other complementary services such as Building Control, Ecology and Landscape face resource constraints and can contribute to delays in delivering development. LPAs should seek to work with other services to see how they can maximise the value that they can add to the development process. St. Helens Council restructured its Pre-Application Service (see case study above) as part of its cross-disciplinary ‘Development Team Approach, working with other council services to make the most of their limited resources and improve service outcomes; see the case study below for more detail.

⁵⁸ Vanguard Scotland (2010) *West Lindsay District Council Planning Case Study*. Available at:

http://www.systemsthinkingmethod.com/downloads/WLDC-planning_case_study.pdf (Accessed on 25 April 2018)

Case Study: St. Helens Council – Development Team Approach

In order to assist with the delivery of sites, St. Helens Council established a Development Team Approach team (DTA) to take development partners through the planning and building regulations process to save time and money for applicants and secure quality development. The DTA provides a ‘one stop shop’ of comprehensive advice by the same professionals that will be reviewing their application.

The DTA team sits within the Regeneration and Housing Directorate, coordinated by the pre-application consultant in Planning with support from Building Control.

By coordinating timely and regular contact with the applicant, the DTA minimises the risk of providing conflicting advice and delays.

The DTA promises applicants that all relevant officers will attend meetings with them prior to application submission, ‘fast track’ validation within two working days of receipt, consultees contact within three working days and responses from consultees within 10-15 working days.

Value is provided as applicants (pre-applicants) get a ‘one stop shop’ of comprehensive advice early on in the process from the same people that will subsequently be reviewing their application.

5 Influence of Planning

Summary

Key Findings

- **Putting a Chief Planner at ‘the top table’ and head of planning on the corporate structure:** the research suggests that a head of planning role exists in the majority of councils, however there is an absence of senior planners at top management tiers. Whilst the survey should not be understood as representative, it is interesting to note that almost all respondents reported there being a Head of Planning role in their council. In many cases, the head of planning was also a head of directorate, meaning they have additional responsibilities beyond the planning service.
- **Planning at the core of decision making:** the research suggested that the relationship between the head of planning and the chief executive has significant implications on the perception of planning within the wider council.
- **Raising the profile of planning:** a number of participants suggested that where the head of planning celebrates the role of planning in delivering corporate council targets such as a ‘growth agenda’ it is more likely that planning will be a better-supported and well-funded department.
- **Planning as a hub:** the research highlighted that there is a need to position planning as more than a regulatory function, as in reality it encompasses a number of important topics such as place-making, housing delivery, regeneration and economic development. Wigan Metropolitan Borough Council emerged as a key case study for the success of integrating the planning department with the housing team to improve the delivery of homes.
- **Putting a face to a name:** a key theme that emerged from the focus groups was the need to have a good relationship between the head of planning and planning department staff. Several participants mused that if the head of planning does not have a strong personal relationship with staff it can weaken the service offered by a LPA. A local authority in the North West emerged as an example demonstrating how a supportive head of planning role can have a positive influence on the culture and behaviour of the planning department, resulting in an improved service.
- **Corporate leadership:** the research suggested that where corporate leadership values the planning department, is it more likely to implement positive and innovative change programmes. Bracknell Forest Council emerged as a case study to demonstrate how a positive relationship between corporate leadership and the head of planning has enabled implementation of a transformational change scheme.

Recommendations

17. **Make the Chief Planning Officer a statutory position: Ensure delegation for leadership and decision making by the Chief Planning Officer. .**
18. **Inspire, gain and retain trust and respect from the top. Demonstrate the wider benefits of planning at director level by showing how planning service outcomes can deliver corporate objectives.**
19. **Communicate planning success: Make use of management team meetings or intra-council communication to create a route to feedback positive planning outcomes.**
20. **Bring planning functions into a collective team: Recognise the wide reach of planning across housing delivery, regeneration and economic development, and look to combine place-making functions under one directorate.**

Introduction

This chapter seeks to investigate the position and influence of planning within the wider local authority corporate structure. In doing so, it will attempt to answer the following questions:

- Where is planning positioned within the wider corporate structure?
- What are the consequences of this regarding its contribution to wider decision making?
- How does leadership within the planning department and wider council impact on the delivery of services?

The position and influence of planning within the wider local authority structure was highlighted as an important theme in this research due to the impact it can have on high level resourcing and budgeting decisions for planning departments. It is intended this will provide an insight into the future direction of planning services within the context of the wider local authority.

This section will firstly reflect on the existing literature on this topic, which is limited, making the influence of planning within the wider corporate structure an important new area in which to investigate in this report. The chapter will then reflect on the position and perception of planning within LPAs, drawing upon real life officer experiences gathered from the surveys and focus groups. From this, several recommendations are made to suggest how to boost the status and role of planning within local authorities.

Context

Literature Review

The literature review found limited published research or dedicated discussion around position and influence of planning within the wider corporate structure, and how the structure of local council departments influences this. As such, this report explores this new area of research and aims to understand its impact on the delivery of services.

‘the Government should raise the status of the Chief Planner within local authorities, potentially on a statutory basis, to reinforce the status of the profession for all parties, including members’
(Recommendation 21 in the 2006 Barker Review of Land Use Planning, pg. 167)

The role of leadership in planning departments has been subject to previous research and discussion. The Barker Review of Land Use Planning⁵⁹ (2006) provided a commentary on the importance of the chief planner role regarding raising the profile of planning within the wider corporate structure. This provides recommendations to LPAs for the need to raise the status and professionalism of the chief planner in order to put confidence back into planning departments and place planning at the heart of the local authority structure.

Baseline Data Analysis

The baseline data analysis sourced from CIPFA does not capture data that is relevant to the influence of planning. There are no data sources that track the position of planning departments or the presence of a head of planning within a local authority. Therefore, the report bases the results from this chapter on the findings from the primary data captured from the survey and focus groups.

⁵⁹ Barker, K. (2006) *Barker Review of Land Use Planning: Final Report- Recommendations*, HM Treasury, London

Influence of Planning Key Findings

Putting a Head of Planning on the Corporate Structure

The North West focus group highlighted that having a head of planning role on the corporate structure is important for the functioning of the planning department. This is reflective of findings from the literature review, in which the Barker Review recommended that there should be a statutory chief planner role on the corporate structure. Whilst there is existing awareness and understanding on this topic, the extent to which the head of planning role has been protected or established within the local planning authority structure is unclear.

The majority of survey respondents confirmed that a head of planning leads their planning department. This indicates that there is a strong requirement in local authorities to ensure there is a head of planning role on the corporate structure. There was no significant discrepancy between the responses in the South East and North West, which indicates that the head of planning role is important throughout both regions.

However, circulation of the surveys to heads of planning in both regions highlighted that ‘interim’ heads held a number of the positions. In addition, there were updates to numerous contacts as the head of planning had changed within the 3-month survey period. This suggests that whilst in most cases there is a head of planning role, turnover of staff members in this position is high and in a number of cases staff members of a lower grade are acting up into the position.

In addition, the senior South East focus group emphasised that the head of planning is also often a head of a directorate who has responsibility for more than just the planning department. For example, one participant stated that:

‘...the Head of Built Environment Services is also responsible for theatres and leisure...’

South East senior planner focus group participant

This suggests that heads of service have to take on more responsibility by combining roles. The survey results reinforce this finding, discovering that just under half of respondents stated that their head of

planning is positioned at the second tier of management in the authority corporate structure, which means there are no managers between the head of planning and chief executives (i.e. the head of planning is a corporate director). This supports the results of the focus group, suggesting that the head of planning in many cases will be responsible for much more than just running the planning department.

As the results above suggest, the role of the head of planning exists in the majority of local authority structures. However, the meaning behind the role has been compromised due to a high turnover rate and the role being taken by heads of directorate who have responsibilities above that of running the planning department. The South East focus group suggests that this has led to a decrease in the number of directorate heads and chief executives who are able to understand and empathise with the planning service they are providing.

There is a difference between having a head of planning role on the corporate structure and having a team leader who champions the department. A head of planning must have both the licence to make decisions and an ability to understand the benefits of planning in order to fully represent and champion the department. As such, this theme will be unpacked in the following research findings.

Planning at the Core of Decision Making

It is important to understand the relationship between the head of planning and council leaders, such as the chief executive, to provide an indication of how close the head of planning is to corporate decision making. This is important, as the level of decision-making powers that the head of planning has will influence on their ability to shape and transform the department.

The survey found the majority of respondents highlighted heads of planning are at a distance of one manager or less from the core decision-making arena of the chief executive’s Senior Management Team (SMT).

The majority of survey respondents stated that their heads of planning are at a distance of one manager or less from the core decision-making arena of the chief executive’s Senior Management Team (SMT)

Notably, no respondents placed their head of planning below assistant director level. This shows that in the majority of cases the head of planning will likely have a close relationship with the SMT, which suggests that the head of planning will be in a position of influence in corporate decision making. It also potentially illustrates a ‘blurring’ of roles and associations between who is running the ‘planning service’ as opposed to who is the most senior leader or director in a ‘wing’ of an organisation, as opposed to who is the most senior qualified planner within an organisation.

This is supported by survey responses in which the majority of South East and North West authorities stated that they ‘agree’ or ‘strongly agree’ that planning is viewed internally as a core service that engages in strategic decision-making and delivers corporate and financial planning objectives as part of the wider Council.

Over half of South East and North West survey respondents stated that they agree or strongly agree that planning is viewed internally as a core service

Whilst the majority of respondents were positive, a minority of respondents ‘neither agreed nor disagreed’ or ‘strongly disagreed’ with the statement. This suggests that there is a mixed opinion and there are instances where planning departments perceive themselves to be excluded from the core decision-making and objective-setting arena.

RTPI research carried out concurrently has considered the status of Chief Planning Officers in local authority corporate structures. Figure 117 shows the percentage of planners in senior management positions within LPAs in England, taking account of management tiers below the Chief Executive (Tier 1). There is a shortage of planners in top positions at Tier 2. The graph highlights the absence of planners in top positions in local authorities. This has resulted in a self-reinforcing lack of influence resulting in the deprioritisation and demotion of planners within organisational structures. There is more evidence of this in the North West rather than the South East, but this remains a national challenge. The research illustrated within Figure 17 was based on a comprehensive review of LPAs, whilst the findings of this research is based on a sample of survey respondents.

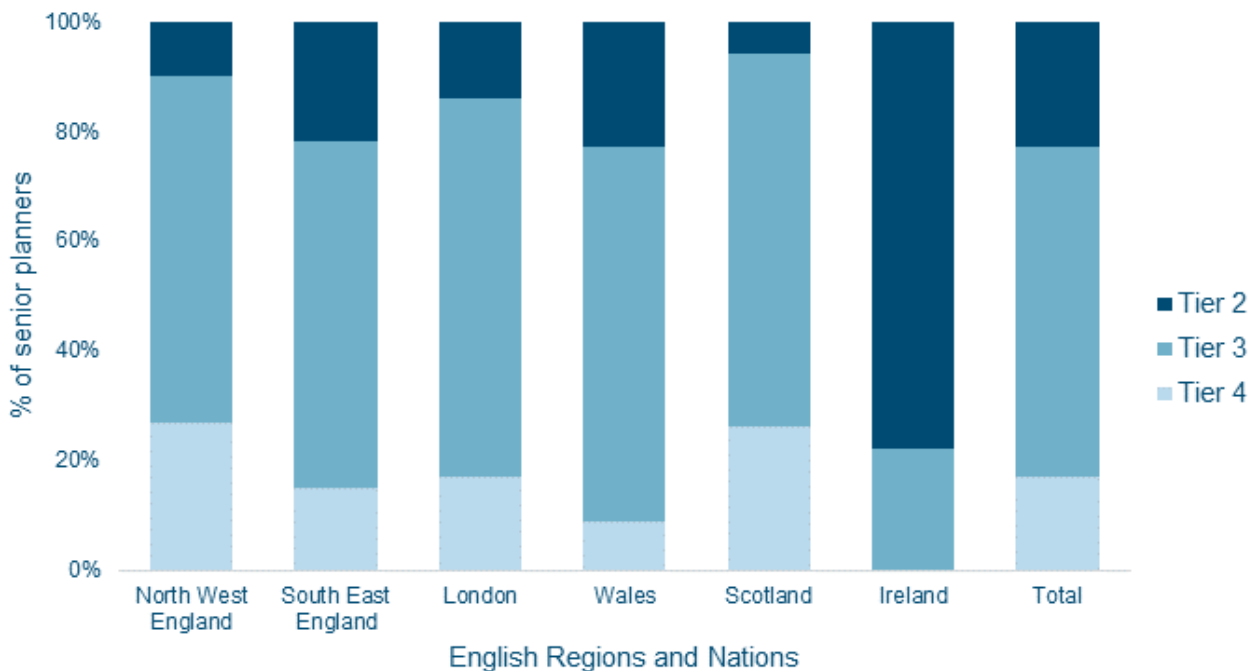


Figure 17: Percentage of the most senior planners within the different tiers of local government, across the English Regions and UK Nations (RTPI 2018)

Raising the Profile of Planning

In order to be able to champion the profession, heads of planning must play an active role in understanding the benefits of planning and being able to promote these to the wider local authority, including corporate leaders.

The survey findings highlight a strong link between the role of the head of planning in promoting the department and the perception of planning within the local authority. One survey respondent stated that:

“... [the] service manager predecessor was withdrawn from local government politics and did not participate in promoting the service, therefore perception of the importance of the service was [previously] low”

South East Survey respondent

In contrast, survey responses highlighted that where the head of planning promotes positive planning work to council leadership, which is above and beyond its regulatory function; this raises the profile of planning within the wider council.

An example of this is where planning has a key role in delivering corporate ‘growth agenda’, and the head of planning is able to promote this.

“a number of authorities cited that they had spent considerable time and effort demonstrating to the council leadership how their department could deliver the corporate ‘growth agenda’ and generate new income streams through the delivery of additional homes and employment floorspace”

South East survey respondent

It suggests this in turn increases political support for the department and grants the head of planning leverage to access local government resources, such as funding and staff resources.

“...planning departments are more likely to leverage funding when they can demonstrate that an investment in planning is an investment in the long-term. Promotion of growth and prosperity, with the prospect of increased income payback to the council...”

North West survey respondent

Planning as a Hub

In order to deliver and sell planning as a key mechanism for the delivery of corporate ‘growth agendas’, it is important to look at where wider planning functions sit within the corporate structure.

The South East focus group explained that wider planning functions that deliver growth such as housing, transport, regeneration and economic development tend to be split into different teams and different directorates.

Participants described how teams such as regeneration and economic development were structurally and culturally separate from planning activities. This resulted in silo working rather than applying a cross-departmental approach. Focus group participants acknowledged that even where collaboration has previously been attempted, participation often falls away, leaving planners only talking to other planners.

In addition, some authorities separated planning into different teams, where their development management and planning policy teams are organisationally separate from one another.

The organisational separation of planning service areas suggests this physical separation fuels the perception that planning is an administrative or regulatory activity that does not deliver place making, corporate agendas, or support growth. In addition, this separation means that there will be a number of different leaders running these teams and they will all be working from different budgets, creating further barriers to cross-collaboration.

However, some councils have started to break down these ‘process’ driven categories and have restructured departments in order to deliver outputs. These end user orientated structures can be set up to deliver specific outcomes such as housing and economic growth, regeneration, economic development and supporting communities.

Case Study: Integrating Planning and Housing services

Wigan Council undertook a restructuring of their departments, which resulted in the integration of their planning department with their housing team to increase collaboration and efficiency.

Despite granting planning permission, net new dwellings in the area were stalling. Some unqualified staff were left to deal with planning applications due to resourcing imbalances.

In order to combat this, Wigan Council conducted a residual study to identify blocked land. The housing and planning teams were merged into one team, while delegating teams to specialise in sub-areas. One such team works with landowners to unlock sites with granted permission. Partial retraining of the large support team and recruitment and change management programme is enabling the coverage of more professional planning services, while the increase in planning fees allowed Wigan to modernise their digital service delivery.

The merger resulted in greater coordination, as the housing team now understand the strategic context in which they are working and planning staff are developing a better awareness of development economics. Improved resourcing has enabled staff to plan more proactively, as they are able to direct more time towards landowners to release blocked land.

In addition, the North West focus group discussed the importance of the head of planning having delegated decision-making powers, so they have the authority to positively shape the running of the planning department. It was suggested that this enables the head of planning to fully support staff and build a positive relationship within the planning department.

Case Study: Supportive Head of Planning

A North West authority emerged from the focus groups as a best practice case study to demonstrate how having a strong head of planning can affect the functioning of the planning department. It was stated that the profile of planning is very high within the council as the head of planning has a strong relationship with the chief executive and elected members. This enables the head of planning to place planning at the heart of the council’s activities and ensure that decision-making is taken with staff members in mind.

This in turn has had a positive influence of staff members as the empowerment felt by the head of planning is perceived to have trickled down to empower the planning officers, who feel their actions and decisions are supported by their head of planning. It was suggested that this has supported a higher morale within the planning department, enabling a more efficient and positive service to be delivered to customers.

Putting a Face to a Name

Following on from the discussion around the role of the head of planning as a champion, a number of focus group participants stated that in order to perform this successfully, there must be a strong relationship between the head of planning and planning department staff.

One participant highlighted the importance that having a strong personal relationship with the head of planning can have on the moral of the planning department. It was stated that if a head of planning engages with staff (such as knowing staff member’s names or stopping to talk to staff) it could make a significant impact on the functioning of the planning department.

Corporate Leadership

As discussed in the previous section, a head of planning that has a close relationship with the corporate centre will have a stronger influence in bringing about positive change. In turn, where the corporate centre appreciates the value of the planning service, it is more likely to support this change. This can either come in the form of supporting initiative brought forwards by the head of planning, or by enacting positive change from the top.

Case Study: Working with the Corporate Centre

Bracknell Forest Council is undertaking transformation schemes across many of its council services, including the planning department. Within the planning department transformational change has focused on streamlining customer processes, capturing the right levels of fee income for discretionary services, retaining high levels of performance and supporting growth and development.

The transformational change programme is being implemented within the planning department to make significant cost savings, with a target of saving £200,000 per year required.

The planning transformation has been overseen by a project board which includes staff from outside planning to challenge and review the proposed changes. The programme has been managed by a dedicated project manager who has been hired and funded from the council's corporate centre to steer the process. The project manager has arranged and overseen the engagement programme. A system of process mapping has been used to identify recommended actions. The project manager will be co-ordinating the implementation of the agreed changes, which is the next stage of the review.

The case study represents an example of good communication and co-operation between the corporate centre and the planning department leading to significant benefits. The planning department is expected to achieve approximately £320,000 worth of savings, which exceeds its annual savings target. The process has strengthened relationships within the council through undertaking the collaborative approach within the department, and working with other council departments and with elected members.

Influence of Planning Key Recommendations

Recommendation 17: Bring planning functions into a collective team

In order to emphasise the positive outcomes of planning it must be understood that planning does much more than the statutory function it is commonly known for. The wider reach of planning into activities such as housing delivery, regeneration, economic development and place making could be better realised if the local authority structure combined these functions under one directorate; allowing cross collaborative working and sharing of funding streams. By bringing these streams together they could align with the delivery of end-user orientated services such as delivering housing and employment, supporting communities or economic growth.

This could be realised by demonstrating how key outputs such as SPDs and masterplans could be more successfully delivered by a combined planning function that could act as a delivery vehicle to growth.

Case Study: Birmingham City Council, Delivering Growth Aspirations

Through the Birmingham Big City Plan (2010), Birmingham City Council planning department have been delivering the councils city centre growth aspirations. This has been possible due to the co-operation and co-ordination of a number of planning functions which all sit under the the head of planning. Development management, planning policy, strategic planning, urban design, regeneration, economic development, transportation, housing and project delivery all sit within one directorate within one building, which facilitates the sharing of knowledge and resources. The benefits of this were demonstrated through the production of the Big City Plan SPD, which highlighted the positive outcomes of combining wider planning functions into one service.

Recommendation 18: Make the head of planning a statutory position

In recent years, the role of the head of planning appears to have been stretched, with many heads of service having additional responsibilities outside of planning. It is important for government to acknowledge that the head of planning plays a key role in the effective delivery of planning services, including

wider planning functions such as regeneration and economic development. As such, the Government should consider creating a statutory role for the head of planning who will oversee the delivery of growth and housing agendas.

Recommendation 19: Communicate planning success

Heads of planning need to be able to understand and demonstrate the value of planning in order to champion the department to the wider council and corporate leadership. Creating a route to feedback positive planning outcomes, such as through Senior Management Team meetings or intra-council communication channels could be utilised. By growing a recognition for the value of planning in the wider council, the head of planning can ensure they have appropriate autonomy to make high-level decisions that bring forward positive change.

Recommendation 20: Inspire, gain and retain trust and respect from the top

As well as gaining respect from the corporate centre, planning leaders must also consider their role in supporting and interacting with department staff to boost staff morale. It is recognised that heads of planning are extremely time stretched. As such, time efficient methods could be utilised such as setting aside an hour a month to walk around the planning department to speak to staff.

Case Study: Supportive Head of Planning

One way in which the head of planning in the North West case study authority fostered a good relationship with staff was by attending the annual team away day.

Whilst blocking a day out of their diary can be extremely difficult, the effort to attend a session such as this can demonstrate to staff that the head of planning is keen support staff and grow strong intra-department relationships. To those staff, it was clear that nothing was more important than being there for their team. The head of planning listened to discussions on the day, and took away a set of actions, including those to boost the standing of planning with authority leaders. This paved the way for others to also take on actions and ownership of service improvement.

6 Planning Culture and Behaviour

Summary

Key Findings

- **Sustaining morale:** Results from the survey found that planning staff morale has remained positive in spite of workplace pressures. Over half of respondents considered that development management and planning policy have an 'above average' or 'good' morale and in enforcement this was slightly lower. The majority of respondents did not consider that departmental sickness/absence was above expected levels.
- **Team Building:** Focus group participants thought their departments lacked team ethos, with the impression that the private sector equivalents benefitted more in this respect and a therefore key contributor to effectiveness.. In addition, the focus groups discussed that they consider diversity to be an important factor in creating a successful team.
- **Cross-collaboration:** In addition to feeling isolated within the planning team, focus group participants stated that planning services can often work as insular bodies. Working with other local authority departments, other LPAs across the country and private sector planners could be a way break down the walls that currently exist within the profession.
- **Empowered Planners:** The focus groups highlighted that a lack of confidence and empowerment was stopping public sector planning from making effective decisions and bringing forwards positive change. Wolverhampton City Council were highlighted as an important case study for a culture change in development management practices bring forward positive outcomes for staff and customers.
- **Planners and elected members:** A number of participants highlighted that there was often a disconnect between planners and elected members which was resulting in a number of issues in regard to low morale and reduced quality of service delivery.
- **Training is key:** Whilst it was confirmed that training opportunities are considered a main benefit of working in the public sector, there was a fear that this is being eroded due to resource pressures. In addition, it was stated that when time is allocated for training, there is often a lack of opportunities to develop soft skills which are fundamental to the job role.
- **MRTPI Quality Standard:** There was recognition that the MRTPI qualification is a mark of quality that planners can be proud of. However, budget cuts are challenging some councils' abilities to pay for staff MRTPI subscriptions.

Recommendations

21. **Maintain team spirit by creating a shared departmental vision with buy in from staff members.**
22. **Work at a regional level .**
23. **Collaborate at what?.**
24. **Build a relationships between professionals andpoliticians**
25. **Rethink committee reports.**
26. **Invest in staff and promote professionalism.**

Introduction

This section aims to address how planning culture and behaviour affects the delivery of housing and development, and whether cultural or behavioural changes are required in the workplace to enable planners to be more effective. Planning culture and behaviour was identified as an important theme in this research as it can have a significant influence on the morale of staff, which in turn can affect the quality and speed of service provided.

This section will firstly reflect on the culture and behaviour practices in LPAs and lessons learnt for improving working culture and behaviour practices. Next, this section will bring together the findings from the focus groups and surveys, exploring the emerging culture and behaviour issues experienced by planners. Finally, this chapter will set out recommendations for local planning authorities, central government and the profession on how they can address these issues and ensure planners feel supported and able to carry out their roles effectively.

Context

Literature Review

The recent ‘*Outside the Box: the council workforce of tomorrow*’⁶⁰ report presented research on the positive aspects of working in a local authority, as perceived by local government employees (Figure 18) The report highlighted the main factor influencing people to work in the public sector is the sense of public service associated with the role (40% of respondents). Public sector ethos was a common motivator across different regions and council types, showing it is a universal theme throughout local authorities in England. Other key benefits included opportunities to for career progression and the ability to balance working life with other life priorities due to the flexibility provided.

‘...the main factor influencing people to work in the public sector is the sense of public service gained through the role, which was expressed by 40% of respondents’

New Local Government Network & Local Government Association, 2016

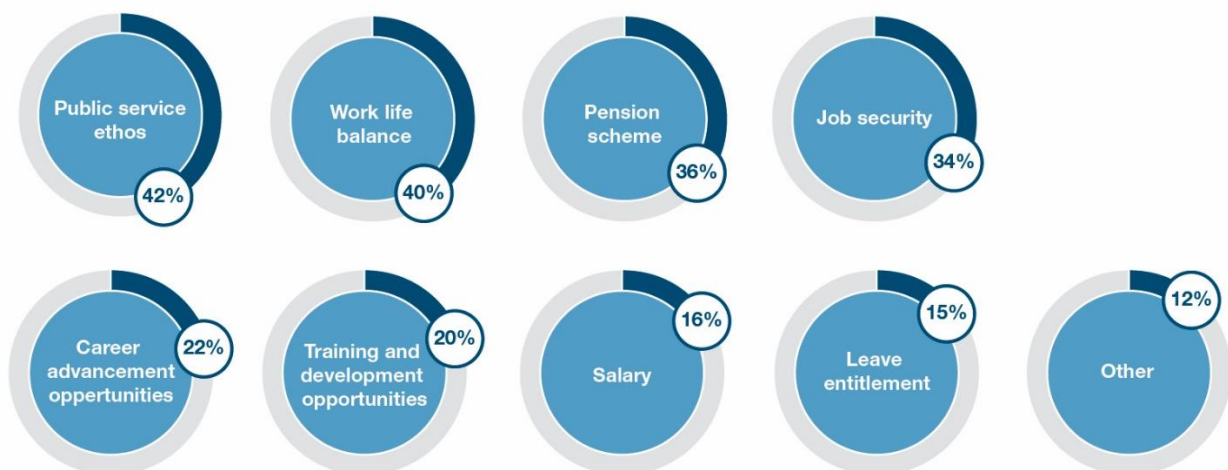


Figure 68: Motivations to work in local government (NLGN & LGA, 2017)

⁶⁰ New Local Government Network (NLGN) and Local Government Association (LGA) (2016) *Outside the Box: the council workforce of tomorrow*

In spite of the numerous benefits stated above, resource-constrained local authorities expect their workforce to deliver more with less, which is stretching the morale of existing staff. The 2017 RTPI Member Survey established a notable variation in employee satisfaction with current working conditions between local government members and the rest of the membership. Local authority planners stated that they are more likely to be dissatisfied with working conditions than their counterparts⁶¹.

One of the acute measures of stress and low morale is the level of sickness experienced by staff. The LGA Workforce Survey (2015/16)⁶² reported that approximately 8.8 days per full time equivalent staff is lost each year per employee in local authorities. The most common reasons for time off were sickness absence due to stress, depression, anxiety, mental health or fatigue. However, this analysis was not specific to planning authorities as this data is not publicly available and therefore it is unknown if this trend is also found in LPAs.

In order to ensure the benefits of working at a local planning authority can be fully realised, the 'Outside the Box' report outlines a number of steps to improve council working culture, to ensure staff feel valued and motivated. One key change identified in the report is the need to create a flatter, self-managing working culture. A culture shift towards more self-management techniques allows staff to take initiative and make decisions creating a more positive local authority working culture.

The 'Outside the Box' report also highlighted the importance of creating managers of the future who are transparent and engage with their staff members to ensure they feel valued.

8.8 days per full time equivalent staff is lost each year per employee in the public sector (LGA, 2017)

In addition to supportive leadership within the local authority, external stakeholder support is required to effect change. The 2017 Planning Futures⁶³ report on planning department capacity found

that the support of elected members can be critical to delivering a successful planning service. In addition, LPAs work with a number of external statutory consultees who will each have their own set of targets and objectives. In the face of changing political and stakeholder objectives, it is important that LPAs have effective methods for working with these partners to create a positive joint working culture to deliver. Best practice can be drawn from Natural England, who have put in place a programme of Joint Working Action Plans with important consultees such as the Environment Agency⁶⁴. This sets out how the organisations will collaborate with each other through adopting joint work processes.

Positive examples of cultural change practice can also be drawn from the NHS⁶⁵. The Department for Health (2015) report on culture change in the NHS stated that following on from national concern over poor care service provision, an effort to improve the embedded cultural practices within the NHS has taken place. The steps put in place included focusing on applying a proactive approach, ensuring robust accountability for decision-making and ensuring staff are fully trained and motivated.

Baseline Data Analysis

This research theme has not been covered by the baseline data analysis, as it cannot be captured by the analysis of publicly available quantitative data. As such, the results from this chapter focus on the findings of the survey and focus groups.

⁶¹ The Planner (2017) Insight: The RTPI membership survey 2017, <https://www.theplanner.co.uk/features/insight-the-rtpi-member-survey-2017>, accessed 26th April 2018

⁶² Local Government Association (2017) Local Government Workforce Survey 2015/16

⁶³ Planning Futures (2017) Delivering the Planning Service We Need: building planning department capacity

⁶⁴ Natural England (2014) Supporting Sustainable growth, Improvement Plan for Planning and Licensing, online information leaflet.

⁶⁵ Department of Health (2015) Culture Change in the NHS: Applying the lessons of the Francis Inquiries

Planning Culture and Behaviour Key Findings

Sustaining Morale

The survey asked participants to describe current overall morale within development management, planning policy and enforcement teams. Results showed that on average morale was considered to be highest in planning policy and development management, with over half of respondents describing current overall morale as being 'above average' or 'good'. A slightly lower proportion of respondents described overall morale within enforcement as above average or good.

For the minority of respondents there is greater variation in the reported morale of planning policy teams than development management or enforcement teams. There was no significant divergence in responses from the South East and North West authorities.

These results suggest that the majority of survey respondents are satisfied that morale in planning services is above average. This suggests that planning services are managing to maintain a good morale despite the issues faced in the wider local authority. Morale is an important factor to consider, with focus group participants stating that junior planners are more likely to be attracted to authorities that have a positive reputation for treating staff well and maintaining a good inter-department morale.

The majority of survey respondents considered that in spite of resource challenges, departmental sickness or absence is not above expected levels.

The junior planners focus group stated that staff members are being stretched to the point of sickness, with high workloads being the cause of significant stress. As such, this indicates that there is a mixed picture among LPAs, with stress and sickness affecting some authorities more than others. **Team Building**

One key theme that emerged from both the South East and North West focus groups was the importance of team building.

The focus groups discussed the importance of team building in building morale within planning services. Participants suggested there is a perception that the public sector has less of a team environment than the private sector, with the private sector being considered to have a greater emphasis on team cohesiveness and

co-operation. It was noted that silo working and lone working in LPAs is common and this can have a negative impact on morale within the department. Lone working can leave an officer feeling unsupported which places a higher burden on individual decision making without the support of a team to back them up.

In addition, a lack of team working was considered to have a detrimental impact on resource allocation, as heavy workloads are not shared out amongst teams, putting additional pressure on each individual to manage their own workload.

The senior planner focus group discussed the need for diverse teams, as they consider that diversity is a key factor in creating successful teamwork. They highlighted that the paucity of diversity and professional skills remains a big issue in planning. It was expressed that this issue could be exacerbated by the fixed recruitment procedures of local authorities, which sometimes makes it difficult to get the right candidate for the job.

Cross-collaboration

In addition to collaborating within the team, the focus groups emphasised the importance of team working with organisations outside of the LPA.

Internal Peer Review of Planning Services

The South East senior planner focus group highlighted that peer review can bring a new perspective to existing processes, result in 'easy wins' in terms of efficiencies. In addition, it provides the opportunity to bring forward necessary change, without the worry of internal bias within the department.

Case Study: Bracknell Forest Council, Peer Review Process

Bracknell Forest Council’s transformation scheme (which was previously explored in the Influence of Planning chapter) was only possible through the cross collaboration of a number of internal and external actors.

The first phase of change involved a review of existing services, during which the project manager engaged with a number of bodies. This included a Gateway Review with elected members, which provided an opportunity for officers to collaborate with elected members to select the most appropriate recommendations. The process also involved a Peer Review programme, in which members of the education department reviewed recommendations to ensure consistency within the council. In addition, all tiers of planning staff participated in workshops, including junior planners, which ensured that staff felt fully engaged in the transformation programme.

Regional working

Another opportunity highlighted for greater cross-collaboration is between regional LPAs. A focus group participant highlighted that private sector consultancies often have offices across the country and routinely share resources such as staff, offices, workloads, knowledge and procedures effectively to manage work pressures. Sharing resources between LPAs, for example at the regional scale, could create a number of benefits including reducing duplication of work and providing staff more freedom. Existing regional links such as the Greater Manchester Combined Authority level and the Liverpool City Region were suggested as potential areas that could pilot a resource-sharing scheme.

Case Study: Kent Authorities, Planning Protocol



Figure 79: Extract from the Kent and Medway Planning Protocol pamphlet⁶⁶

Kent County Council, Kent Housing Group and Kent Planning Officers Group, in partnership with Medway Council and the 13 Kent district councils (Figure 19) developed the Planning Protocol jointly. The Planning Protocol is a document that aims to deliver sustainable growth to meet Kent’s employment and housing needs. Kent County Council and Medway Council estimate that almost 200,000 new homes will need to be built over the next 20 years to house the county’s rising population, putting pressure on the county to ensure a coordinated approach.

The Protocol aims to achieve this by encouraging collaborative working between all those involved in delivering growth in Kent. This is primarily in relation to providing a consistent approach to development management processes, including the use of pre-apps and Planning Performance Agreements. The Planning Protocol includes participation from developers to ensure that planning applications that are being submitted are also consistent and of a high standard.

One of the key challenges in setting up the Planning Protocol was co-ordinating the commitment of numerous stakeholders and getting political buy in from elected members. One method that was utilised was to co-ordinate joint learning sessions to feedback information around the Planning Protocol.

⁶⁶ Medway Council (2018) A Planning Protocol, marketing pamphlet

Another key point that emerged from the focus groups was the perception that there is an ‘us vs. them’ culture between the public and private sector. It was highlighted that there can be a closed-door culture between public and private sector, where information and resource sharing is frowned upon from both sides. However, it was highlighted that a greater appreciation and understanding of each side of planning could help the build the profile of the profession as a whole.

Empowered Planners

Focus group participants stated that public sector planners are engaged in political decision making, which differentiates their roles from their private sector counterparts. The influence and responsibility to make decisions and make a difference was noted as an attractive aspect of working in the public sector.

However, North West senior planners focus group participants highlighted that even though local authority planners have decision-making powers, they often do not feel empowered or able to use them fully to positively shape places and developments.

As discussed in the performance chapter, officers’ ability to proactively shape proposals is determined by the amount of time that they can spend on a task. In addition to time, another reason given was autonomy and support from managers. It was stated that planners may lack the willingness to take risks due to fear of repercussions in terms of appeals and judicial reviews, which can have negative resource implications for a council. The outcome of this is that officers will make safe decisions and regurgitate previous information.

The Officer-Member Partnership: its importance and the need for balance

The importance of the on-going relationship between planning officers and elected members is a subject that permeates all themes in this report. A number of participants highlighted that there was often a disconnect between planners and elected members which was resulting in a number of issues with regard to low morale and reduced quality of service delivery.

The consensus of the North West focus groups was summed up by one attendee, who stated that ‘...*Councils are at the mercy of committees*’. There was a perception given that there is a lack of understanding from councillors for how planners have come to make their decision, with adversarial committees over turning officer recommendations. It

was suggested in the focus groups that the length and detail of committee reports can be very onerous, adding to already heavy workloads. As such, it was suggested that this can result in planners feeling demoralised as they are undertaking abortive work.

Case Study: Wolverhampton City Council, Empowering Planners to Make Decisions

As previously discussed in the performance chapter, when undertaking their review of development management process, Wolverhampton City Council identified that their planning officers were lacking confidence and autonomy in their decision-making.

This included issues such as;

- officers asking for information from validation checklists even if the information was not required for determination,
- undertaking mandatory lengthy checks and undertaking multiple reviews of officer reports

In order to combat this the council underwent a culture change in order to place greater trust in the officers’ judgements. This included reducing the need for mandatory checks and removing the rigidity of validation checklists.

Now, decisions can be more quickly and staff morale has increased, resulting in lower turnover rates.

Short termism

One issue raised in the South East focus group was that the time scales for planning policy, often do not line up with annual election cycles, which results in an unstable decision-making environment. For example, participants perceived that long-term strategic issues such as Green Belt may be avoided by councillors, due to their drive to be re-elected. As such, it was suggested that there is a need to reframe planning policy and development management decisions so that they are immediately relatable and can be considered in terms of the consequences of present day decisions.

Impact on retention

Focus group participants highlighted a link between authorities with a bad officer member relationships and low morale, leading to poor retention of planning officers. It was highlighted that in the past planning officers have left positions due to poor relationships with councillors, which can attach a stigma to the perception of these local authorities. This becomes a vicious cycle as it can deter future applicants, thereby reducing LPAs ability to recruit.

Training is Key

As stated in the literature review one of the main benefits of working at a LPA is the potential for training opportunities (NGLN, 2016). Councils are often able to give the support and flexibility to staff to enable them to undertake training that would not necessarily be offered in the private sector.

However, the focus groups highlighted that high caseloads and a lack of resources are eroding the training allowance that was once seen as a key council benefit. One focus group participant stated that resource constraints have resulted in managers being unable to spend time training and mentoring junior planners, resulting in them being thrown in at the deep end picking up work they are not yet qualified to do.

The senior focus group highlighted that when time is allocated for training, there is often a lack of opportunities to develop soft skills. Skills such as leadership, project management, influencing and negotiation were stated as areas that planners would benefit from in regard to training opportunities. It was highlighted that whilst the RTPI runs training events on topics such as housing delivery and development viability, this training often do not focus on important soft skills such as planner-specific project management skills.

Case Study: Cornwall Council, Talent Development

Cornwall Council have recently undertaken a programme of talent development within the department, which aims to improve in-house planning knowledge and expertise.

This was in response to the Planning Improvement Peer Challenge, which the Planning Advisory Service (PAS) conducted on Cornwall Council in 2015. The review highlighted the need for Cornwall Council to build a stronger sense of team, grow a sense of shared direction and enhance relationships with councillors. As such, Cornwall Council undertook a number of service improvements in response to the challenge, including the 'Talent Development' Programme.

The 'Talent Development' programme consists of four key strands;

- "Grow Your Own": focuses on developing existing staff and providing them opportunities within the department. This includes providing training, lunch & learns, offering degree options, pairing up with institutional bodies, providing chartership support, and appointing a senior level training manager,
- Cornwall Councillors: includes an annual training programme on a range of planning topics, including doubling up with officer training to develop a closer working relationship,
- Town and Parish Council: includes three annual planning conferences which are held with councillor on 'hot issues' within planning,
- Planning Agents & Developers: the council run regular agents and developer's forums throughout the year and have launched 'A Day in the Life of a Planning Application' (Figure 24) which is an interaction online planning tool which can be used by applicants to access key planning information in a user- friendly manner.

MRTPI Quality Standard

Focus group participants recognised the MRTPI accreditation as a mark of quality, which should be used as a selection criterion in recruitment. However, junior public sector planners commented that the lack of senior planner opportunities (which tend to require MRTPI accreditation) and lack of resource to support them during the Charteredmembership process was demotivating and resulted in many of them not pursuing professional recognition.

The senior South East focus group reinforced these findings, commenting that whilst they recognised MRTPI as a mark of quality, they were reluctant to ask for it as an essential job requirement when recruiting, as their council is unable to pay for subscription. Despite this example, two-thirds of authorities who attended the South East senior planner focus group had their subscription fees paid by the local authority. This suggests that there is a mixed picture regarding whether LPAs have the funding available to pay for MRTPI subscriptions for staff.

Planning Culture and Behaviour Key Recommendations

Recommendation 21: Maintain team spirit

Like all professions, there are instances of planners working in silos and therefore missing opportunities to building team networks. The research findings suggest that that this is particularly evident in LPAs, which may arise from the management of caseloads often being on an officer-by-officer basis. It is recognised that it is difficult to quantify the impacts of creating a team spirit; however the positive impacts in terms of increased morale and teamwork can have a significant impact on performance.

One way to build a team spirit is to ensure that the LPA is working towards overarching vision, which is grounded in reality. This will encourage staff to work together to deliver the shared vision. This can be realised by ensuring that staff members have had an input into creating and shaping the shared departmental vision which will result in buy-in of staff members.

It is also important to recognise the value of diversity across planning teams and across professional skillsets. This can raise morale as it recognises the role of individuals in providing skills and specialisms, which complement the overall offer of the team.

Case Study: ‘Away Day’ team building

During the focus group discussions, a local authority in the North West highlighted that their team hold an annual away day, where the team reflect on good practice from the year and what they can take forwards as their main vision for the next year.

The away day provides teams a chance to network and reconnect with each other, as well as the chance to learn lessons from the previous years’ work. It was highlighted that whilst an away day may result in the loss of one working day, the outcomes in terms of increased morale, team- building, co-operation and lesson learning has significant beneficial impacts. This enables the department to make a business case for the need for the away day.

Recommendation 22: Work at a regional level

Building connections at a regional scale to allow the sharing of resources could provide several benefits as highlighted in the focus groups. Examples for how to share resources could include the following:

- Having dedicated hot desk areas in offices which can be utilised by staff from anywhere in the region,
- Setting up of shared information networks to allow for the transfer for information,
- Utilising shared processes, such as the Planning Protocol, to ensure consistency between the region,
- Allow for the flexibility to share staff or set up short term secondments to address short term work pressures.

Recommendation 23: Build a professional-political relationships

, Service managers can implement processes to build and strengthen the professional-political relationships in LPAs to foster better understanding between elected officials and officers. Focus groups highlighted that morale and retention issues become a significant issue if a negative relationship exists between planners and politicians. However, if a partnership approach can help to create an atmosphere where successful collaboration will act as a support to both planning officers and councillors. This can also help to ensure that communities feel integrated into the process, which boosts the interface between planning and people. Methods such as joint training sessions and identified member liaison officers as identified below should be considered by LPAs to build a positive PPP.

Case Study: Dedicated member liaison officer

One local planning authority stated that they had created a role for a dedicated ‘inquiries officer’ who deals exclusively with councillors and parish councils. Their role is to build constructive relationships with councillors and parish councillors.

In councils where relationships between officers and elected members have broken down, this maybe a solution to promote the rebuild of trust and new relationships, through the guidance of an impartial mediator.

Recommendation 24: Rethink committee reports

To combat short-term committee decision-making it is important that officers can set out recommendations so that they are immediately relatable. This could be achieved by outlining facts and figures at the beginning of a committee report about what benefits to growth the application or policy will have. This can take the form of bullet points outlining the following quantifiable outputs:

- Amount of employment floorspace to be provided;
- amount of green space to be provided;
- amount of retail floorspace to be provided;
- number of homes to be delivered;
- number of jobs supported by proposed floorspace; and,
- amount of Section 106/CIL monies secured.

Case Study: Committee report outputs

One South East LPA identified in the focus group outlines how at the beginning of every committee the committee chair will overview the number of homes and the area of retail, commercial, green space and employment land that has been approved by the committee so far that year. This is done in order to provide quantifiable short-term outputs for the councillors to consider in decision-making and take away to report to communities.

planners is a crucial requirement for any professional tasked with working in the public interest and for local communities, because Chartered Town Planners are governed by a formal Code of Conduct for competence and ethics. Planners will have confidence to make decisions knowing they are backed up by public trust and respect for their professional status and integrity, creating a balanced partnership between officers, leaders and members. Additional resources (such as the 20% planning fee increase) are needed to invest in planning competencies and talent development.

Recommendation 25: Invest in staff and promote professionalism

As acknowledged in the focus groups, whilst MRTPI Chartered Town Planner is seen as a mark of quality, a number of councils are struggling to allocate financing to pay for staff subscriptions. As such, it is important that managers and the head of planning make the case for professional status in job roles by outlining how this helps set the planning function apart from other local authority services. It should be explained that professional recognition of

7 Region-specific findings for the South East and North West

A contrasting funding landscape at the regional level

- Overall spend on planning and development services is stable in the South East, but down in the North West:** CIPFA data analysis revealed an average a 30% reduction in North West LPA spend between 2011/12 and 2016/17. To illustrate this trend, the average North West LPA spent almost £13 million in 2011/12, compared to an average of just over £5 million in the South East. This subsequently reduced to an average of just over £7 million per North West LPA by 2016/17. The South East LPA average remained stable at around £5 million over the same period. The survey and focus group findings did not establish a particular driver of this trend, but this may be explained by the particular severity of overall local government cuts in the North West compared to the South East.
- Development management spend is up in the South East, but down in the North West:** CIPFA data analysis of local authority development management budgets showed an upward trend in development management spend among South East LPAs, but continued reductions in the North West between 2011/12 and 2016/17. CIPFA data shows that the majority of South East LPAs spent more on development management departments in 2016/17 than in 2011/12, with a 13% increase in overall development management spend. In contrast, North West authorities spent 12% less in 2016/17 than in 2011/12. South East LPAs continue to spend more on development management staff; the average South East LPA spends over 40% more on than the average North West LPA in 2016/17, up from 20% more in 2011/12.

Region-specific factors affecting recruitment

- Poor transport connectivity across the North West:** focus groups unpacked the role of transport connectivity in affecting the recruitment pool of North West LPAs. The desire to work in the major cities such as Manchester and Liverpool, with their quality-of-life offering for young planners, is a key factor that reduces the potential graduate pool for North West LPAs outside of these metropolitan areas. Focus group participants noted that the city-centre location of many private sector consultancies was more attractive than working in a LPA in a less connected area, owing to lifestyle preferences for urban living. This could equally apply to South East LPAs, however was not a theme that emerged in the focus groups.
- Particularly limited recruitment pool in the South East:** as discussed in the focus groups, the lack of new entrants to the regional pool of planners at all levels results in inter-authority and private sector competition for qualified planners. South East LPA plans to improve their reward package offer may further fuel the “planning merry-go-round” that exacerbates retention issues and resource-consuming recruitment. Focus group participants noted that in the longer-term, regional pay inflation may help to grow the recruitment pool and ease recruitment and retention issues in future. The South East senior planner focus groups also indicated that the acute recruitment situation has resulted in LPAs turning to the use of non-planners to plug junior staffing gaps; South East LPAs in particular appear to be resorting to up-skilling administrative staff or using non-planner agency staff to assist with development management tasks. The trend towards increased use of non-planner staff was not established in the North West LPA survey or focus group findings.

Regional specific workload increase

- **Increase in planning application workloads:** It should be noted that based on our analysis of CIPFA data, 9 out of 10 of authorities with the strongest percentage increase in applications between 2011/12 and 2016/17 are located in the South East. The extent to which LPAs can influence this is unclear, and it is likely that this is attributable to sub-regional property market dynamics and macroeconomic conditions rather than the region-specific planning context.

8 Key Recommendations and Conclusions

This section summarises the main recommendations from ‘**Investing in Delivery in the South East and North West**’. The purpose of this section is to set out how LPAs, the profession and central government can progress and implement the recommendations in this report.

Local Planning Authorities

Planning Resources

Apply a flexible approach to pay scales. Where local authorities are re-assessing pay scales LPAs can ensure they are flexible enough to respond to wage inflation, particularly at graduate planner and senior planner levels. In order to circumvent static pay scales, planning services can advertise ‘market supplements’ above pay grade. Where pay or promotion freezes remain in place, LPAs can allocate additional planning fee income or PPAs to offer salaries, which are competitive with the private sector.

Promote the merits of the public sector to attract graduates and encourage recruitment and retention. Benefits include LPAs being family friendly and flexible with a better work-life balance. The training offer, availability of RTPI Bursaries and apprenticeships, and accommodation of part-time post graduate students is also an attractive offer to graduates. It is important that any retention clauses should not be too long to deter potential candidates.

Embrace and nurture the next generation of planners by recruiting apprentices and up-skilling internal staff, rather than relying on agency planners to resource workloads. LPAs can consider establishing apprenticeship scheme consortia with other LPAs to achieve economies of scale. Offering work experience and ‘sandwich’ placements can build relationships with future planning graduates and develop a graduate pipeline for future recruitment. Sandwich placements can also be offered to undergraduates seeking a year in industry.

Adopt an agile approach to resource management with the ability to balance resources across the planning service to direct staff where needed based on the peaks in demand resulting from development cycles or Local Plan preparation stages. The successful implementation of this approach can be supported through the use of time tracking software to monitor workloads and future resource needs.

Consider the benefits of collaboration across a ‘place based directorate’ to develop skills and share resources

across planning, housing, regeneration and economic development. This could be achieved on a secondment basis and would promote staff development across the wider directorate. This approach can also be used to attract graduates, with the offer of a structured programme that involves rotations across different service areas. It is important this offer is backed up by ICT, HR, legal and procurement support to ensure sufficient use of resources in managing the basic arrangements.

Consider the use of on-demand service agreements or capacity contracts to plug resource gaps in the planning team, and make use of specialist resources.

Make the case for retaining application fee income within planning services rather than returning the surplus to the council’s general fund. Smoothing funding across development cycles enables planning services to have the technical capacity and number of staff to meet workload increases and ensures skills and knowledge retention.

Review the graduate offer and promote the benefits of the public sector. Offers can include ‘grow your own’ with the development of internal staff to train as graduates under retention clauses; the offer of re-location packages for graduates seeking new positions elsewhere in the country; and the use of market supplements to offer competitive salaries.

Investment and Income

Address cost recovery by gaining approval for use of surplus income from sources such as Planning Performance Agreements and New Homes Bonuses to support investment in planning services and staff retention to support the realisation of a proactive planning service that can deliver the corporate growth agenda for housing and the economy.

Take account of the extent planning services are currently subsidised due to a gap in income from planning fees. Adopt a commercially driven approach to local fee setting. This can be achieved through a ‘fast track’ process, or differentiating service levels offered through Planning Performance Agreements. It is noted that grant and budget cuts are forcing local planning authorities towards the introduction of a “two-tier” planning system with the dilemma of revenue generation versus an equitable offer to all applicants.

Explore the case for future efficiency and savings through investment in digital planning tools. Work

with IT services and external partners to investigate time monitoring software for workload and resource planning; and chatbots and AI to tackle routine and support high quality planning services. Consider the use of government grant funding to implement digital technology. It is also important to maintain IT improvements in existing platforms to support continued service performance.

Performance

Charge for time to provide space for adding value and delivering, not just regulating development proposals. This can be achieved by providing the time and space for planners to apply planning judgement and sound advice which is valued by the development community.

Mechanisms such as Design Review Panels can be used to provide expert advice through the development process, with LPAs securing legal agreements for strategic sites to cover the cost of operating an independent Design Review Panel.

Consider the use of consultancy or administrative staff for day to day planning administration tasks to free up time for planners to take on complex planning matters. IT solutions (chatbots and AI) can also support the future delivery of these admin intensive planning processes.

Consider the use of Section 106 agreements to fund graduate planners and their on-going skills development (this approach is already used for the construction industry).

Ensure sufficient resources are in place to allocate dedicated planners for PPAs to provide a quality service offer. This can be achieved through capacity contracts with consultants or staff from the wider directorate back filling day to day service needs.

Consider using Planning Performance Framework reports as a guide to developing a more holistic means of measuring the planning department performance. This can be used to report the 'value added' services and make the business case for service investment.

Influence

Combine place-making functions under one directorate, recognising that planning does much more than its statutory remit. The wide reach of planning across housing delivery, regeneration, economic development and place making can be better realised through collaborative working and sharing of funding through delivery of an end-user oriented service.

Seek to promote and celebrate the successes of local authority planning both at senior management level and within the planning service. Utilise Senior Management Team meetings or intra-council communication channels to create a route to feedback positive planning outcomes.

Demonstrate the wider benefits of planning at the director level by showing how planning service outcomes can deliver corporate objectives.

As head of planning, consider how planning can be promoted to the senior management team and seek delegated decision making to structure planning teams to increase resource efficiencies, collaboration across teams and re-investment in the service.

Culture and Behaviour

Promote the creation of strong teams by staff having an input into creating and shaping a shared department vision with the buy-in of staff members. This should recognise the value of diversity of people and professional skillsets.

Consider collaboration across regional networks and across public-private sectors through resource sharing, mentoring, short-term secondments and shared information networks.

Build a relationship between officers and elected members) to build and strengthen the relationship between planners and members. Adopting a partnership approach can create an atmosphere of successful collaboration by providing joint training sessions and identifying member liaison officers within the planning team.

Invest in planning competencies, talent development, CPD and chartership to realise the value of planning and promote the professionalism. Professional membership of the RTPI gives planners and the local community they work for the confidence that decisions and advice is backed up by professional status and ethics. Planning resources (including the 20% fee increase) could be used for such investment.

Government

The asks of government are to:

Promote local planning authorities and champion the benefits of working in public sector planning. This could be achieved in a similar way to the approach taken to promote teaching. Government can also promote the benefits of good planning to support growth, high quality design and place making.

Introduce the head of planning role as a statutory position, with delegated decision making to improve progress with Local Plan making and determination of applications in line with the recommendations in the Barker Report.

Implement a digital planning service, which can be consistently applied across local planning authorities. This can be achieved through making grants available and the introduction of pilot programmes.

Central government should commission research on how LPAs have used and could maximise the additional 20% uplift in planning fees. This research should evaluate whether the additional resource has

been sufficient to close the resource gap in terms of providing a high-quality, proactive planning service and provide best practice examples of how to maximise this additional resource.

Advocate the use of PPAs and Section 106 agreements to recruit and develop the skills of junior planners in the public sector.

Consider further planning fee reform in order to provide LPAs with the flexibility to set fees for householder and prior approval applications. The under recovery of costs associated with planning applications is a persistent problem with significant short falls being subsidised by LPAs.

Consider setting a new performance-monitoring framework, which includes quantitative measures (such as those already collected by MHCLG through PS/1 and PS/1 returns) as well as a qualitative assessment framework such as that co-created by the Scottish Heads of Planning and Scottish Government. Past indicators such as the Planning Quality Indicator developed for DCLG in 2010 could be re-introduced.

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- Bracknell Forest Council
- Ebbsfleet Development Corporation
- Eden District Council
- Gosport Borough Council
- Greater Manchester Combined Authority
- Havant Borough Council
- Horsham District Council
- Kent County Council
- Lancaster City Council
- Milton Keynes Council
- New Forest District Council
- Royal Borough of Windsor and Maidenhead
- Sevenoaks District Council
- Shepway District Council
- South Bucks and Chiltern District Council
- Stockport Metropolitan Borough Council

- South Ribble District Council
- St Helens Council
- Surrey Heath Borough Council
- Swale District Council
- Tameside Metropolitan Borough Council
- Tonbridge and Malling Borough Council
- Tunbridge Wells Borough Council
- Warrington Borough Council
- Waverley Borough Council
- West Sussex County Council
- Wigan Council
- Wokingham Borough Council
- South Lakeland District Council

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