Planning (Scotland) Bill - Financial Memorandum

Response to the Finance and Constitution Committee

Introduction

1. COSLA welcomes the opportunity to provide evidence on the Planning (Scotland) Bill. Our comments in relation to the Financial Memorandum are linked to our wider comments on the Bill and we have set out our substantive evidence, including financial aspects, in the COSLA submission to the Local Government and Communities Committee. In response to the separate call for evidence by the Finance and Constitution Committee, we wanted to highlight our comments on the financial implications of the Bill for local authorities.

2. As the Financial Memorandum indicates, COSLA had the opportunity to provide views on the financial assumptions of costs attributable to the Bill but it should be noted that this contribution was limited. This previous dialogue should not be read as endorsement of the financial assumptions made in the Financial Memorandum and there are points which we would wish to highlight to the Committee for their scrutiny and consideration.

Potential Savings

3. The financial memorandum assumes that part 1 of the Bill, including changes to the national planning framework, strategic development plans and local development plans will deliver savings for local government. It is important to note however that changes as a consequence of the Bill do not mean that the planning system, or indeed local government as whole, will see significant savings. We believe this for the following reasons:

   - one of the key presumptions underpinning planning reform is the development planning process should be made more efficient to release resources for the delivery of the local development plan. If this is to happen, resources will need to be re-invested in spatial planning, community planning and service delivery. In other words, money and staff time will have to be re-allocated to achieve the aims of the legislation. This will therefore not result in actual savings, instead displacing costs. The outputs of the staff may change in line with the legislation but the need for staff to undertake work will not.

   - The FM makes the assumption that there will be a saving to planning authorities from the removal of supplementary guidance in relation to Local Development Planning (LDP). However, the removal of supplementary guidance will not remove the work associated with implementing the LDPs and in fact it is likely that local authorities will produce additional informal guidance which considers their local context. It is unlikely that Councils will see significant savings arise from this change because the work will continue, and potentially increase through the production of proactive, upfront guidance locally.

   - the Bill will require local authorities to carry out new responsibilities which will have to be planned and resourced:

     o Currently not all local authorities carry out regional spatial planning through strategic development plans. As a result, the potential savings from the removal of SDPs will not apply to thirteen local authorities that are not
currently part of a strategic development plan area. Moreover, the Bill will require all local authorities to collaborate to inform the new national planning framework so regional spatial planning will continue for authorities covered by a SDP, and will have been introduced for all other councils.

- Requirements for undertaking more work upfront as well as more extensive early and continuing engagement with communities are likely to require additional resource to implement.

- The introduction of new proposals such as local place plans and the assessment of planning authorities’ performance. The financial memorandum suggests discretionary spend for local place plans, but does not attach any figures to this assumption, most likely because the proposals are not detailed enough to be able to cost accurately. As we have set out in our policy submission, councils may find that they have little choice but to support local place plans, if they are to have regard to the final plan. This could result in significant costs. Equally, the assumption that the cost of section 26 of the Bill on performance will be zero to local authorities, but will lead to increased cost to Scottish Government do not ring true.

10 Year Cycle

4. There are various assumptions made about moving to a 10 year cycle which we do not believe will deliver the assumed savings. This is true at initiation of the legislation, through the cycle, and in relation to review.

5. The FM describes the 10-year planning cycle as beginning in 2020 with costs attributable from then. However this does not take into account the planning and training required to implement the provisions of the legislation, including updating processes and systems in readiness. The assumption of costs from 2020 also does not take account the introduction of Local Place Plans which is likely to generate an expectation that planning authorities will be in a position to support communities in the early stages of the changes. The advice and guidance which will be required to be developed will result in cost incurred by the Council and could involve staff costs, document preparation, printing and publishing costs.

6. Although there may be savings relating to examination, research and publishing in moving from two, 5-year cycles to one, 10 year cycle, COSLA does not agree with the assumption that staff savings would be made as a result of the change in cycle length. Staff resources are generally utilised flexibly across the whole planning cycle and function. With the new requirements on planning authorities – including proposals to include more extensive community engagement, the preparation of and implementation of ‘delivery programmes’, and the consideration and implementation of Simplified Development Zones – resources will have to be redirected and so it is not accurate to describe this as savings.

7. It is also of note that the FM does not make provision for resources relating to review of the LDP within the 10 year period. Some element of review within that period is likely, especially in relation to housing land supply, and so this would also contribute to savings assumed not being realised.

8. This is separate to the issue of the introduction of a statutory reporting requirement on performance. The costs of this can only be fully assessed when more detail is known.
**Conclusion**

9. A key concern for local government is in the description of ‘savings’ as a result of this legislation. It is important to note that the actual savings realised as a consequence of this legislation will be limited and instead planning authorities will be required to redeploy resources, increasing allocation towards achieving the wider aspirations of the changing planning system.

10. Given the scale of the changes and changes still to come with the intention to review planning fees, we would recommend post-enactment scrutiny of the assumptions which have been made. The estimates made will have to be validated by the experience of implementation but their accuracy will only be known once the Bill is enacted.

11. We look forward to continuing engagement with the Scottish Government around the Bill.