Local Government and Communities Committee

Planning (Scotland) Bill

Submission from the Accounts Commission and Auditor General for Scotland

1. The Auditor General and the Accounts Commission welcome the opportunity to provide the Local Government and Communities Committee with their views to support its scrutiny of the Planning (Scotland) Bill. You set a number of specific questions for consideration and while it would not be appropriate for us to respond to all of those questions, we clearly have an interest in the area of planning in terms of council performance, community empowerment, housing supply and the importance of the planning system to the achievement of sustainable economic growth.

Background

2. The Accounts Commission and the Auditor General published our joint report Modernising the Planning System in September 2011, available here and Modernising the Planning System: Impact Report in May 2013, available here. The focus of this work was to examine the progress in reforming and modernising the planning system and assess whether it was more economic, efficient and effective. The 2011 report included a number of findings and recommendations that are relevant to the Committee’s consideration of the Planning (Scotland) Bill. For example, we found that despite falling numbers of applications and modernisation, few councils were performing well against timescales set for processing planning applications and the funding model for processing planning applications was becoming unsustainable. The gap between income and expenditure was widening, leading to greater dependence on already constrained council budgets.

3. In our 2013 impact report, we noted that the gap between income from planning fees and expenditure on assessing planning applications had remained. While there had been some activity to improve understanding of the costs of assessing planning applications, this was the area where the least progress had been made. We also noted the limited progress, at that time, in improving understanding of the costs of assessing planning applications, which is an essential pre-requisite for any more fundamental overhaul of the funding model for the planning system.

4. The planning system provides the framework for deciding how land is used, how communities take shape and how new developments look and work. It has to balance economic, environmental and community priorities in achieving the
Scottish Government’s goal of sustainable economic growth. In improving the planning system we would encourage better partnership working among public sector bodies, developers and communities; improving transparency of the planning process and resulting performance; and enabling quicker decisions to support sustainable economic growth.

General Comments

5. We welcome the overall intent of the Bill to support a more cohesive approach, linking the national planning framework to local community plans, with the emphasis on community empowerment and streamlining development management to improve performance.

6. We note the links between our 2011 report findings and the aims of the Bill to reduce bureaucracy by expanding the maximum planning horizon of local development plans from five to ten years; the intention to link local place plans to community planning priorities and Local Outcome Improvement Plans; and increasing community involvement. The Committee may want to seek further clarification of the relationship between local place plans and local outcome improvement plans in practice, and how to ensure they form a streamlined and coherent local framework.

7. In our joint report *Housing in Scotland 2013*, available here, we described how housing is critical for people and communities. Well-planned, good-quality housing contributes to strong, resilient communities, and promotes economic growth. It can also have a positive impact on the quality of people’s lives. If well planned, it can help prevent additional costs to public sector budgets, such as the health service. National and local government have a long-established role in housing. Government regulates parts of the housing market and helps people meet their housing needs, particularly those with specific needs or on lower incomes.

8. We reported in 2013 that the supply of housing is not meeting current levels of need and that planning at a local level is challenging; councils have an important role but have few direct powers, and influencing change can be difficult. Effective leadership is required at a national and local level to ensure housing is well planned and linked to other policy areas, so we welcome that the identification of the amount of land needed for housing and the release of land are covered by the Places, People and Planning Consultation and Position Statement proposals, if not specifically covered in the primary legislation.

Specifics
Fees for planning applications

9. Part 4, section 21, of the Bill amends section 252 of the 1997 Act, which gives the Scottish Ministers powers to make regulations providing for the payment of fees and charges to planning authorities. The new regulations make provision for a fee or charge to be payable in respect of the performance of functions by a person appointed by virtue of a scheme of delegation. These paragraphs allow the Scottish Ministers to make provision within the regulations permitting a planning authority to decide whether to charge an applicant the full fee, a reduced fee or waive the fee entirely. They also allow the Scottish Ministers to set limits on that discretion.

10. We are pleased to note that the Bill covers the fees and charges approach. Given the pressures that we have reported on councils' finances, we welcome the commitment by the Scottish Government to further consultation on moving towards full cost recovery by planning authorities of decision-making aspects of the process. We welcome the provisions in the Bill towards enabling discretionary charging.

11. The Accounts Commission's report Local government in Scotland: Financial overview 2015/16 (available here), notes that councils are raising an increasing proportion of their income through fees, charges and specific grants. Previously, in the 2013 Accounts Commission report, How councils work: Charging for services: are you getting it right? (available here), we stated that as part of good financial management and planning, councils should understand the contribution that charges make to their overall financial position and any decision on charges should take account of the council's priorities. Councils need to be clear about how their charging policies affect local citizens and that charges should not be set in isolation. They should also be aware of how this compares with other councils.

Training for taking planning decisions

12. Part 4, Section 24, of the Bill provides a power to impose training requirement on members of a planning authority in order for them to perform those functions and that the specification of training requirements and the functions to which the prohibition applies will be set out by the Scottish Ministers. Part 4, Section 25, of the Bill makes provision allowing for the Scottish Ministers, where the provisions of section 24 have not been met and elected members have not undertaken the required training, to direct that the functions of the planning authority are to be carried out by either another planning authority or by the Scottish Ministers.
13. In the Accounts Commission report, *How Councils Work - Roles and working relationships in councils: Are you still getting it right?* November 2016 (available here), we noted that:

- Despite the importance of skills development there is no requirement in the Councillors Code of Conduct for councillors to participate in training. However, all councils provide compulsory training for the quasi-judicial roles in regulatory functions such as planning and licensing.
- Many councils carry out training needs analysis and put in place personal development plans for councillors. But evidence from Best Value audits indicates that councillors' take up of training is at best variable.
- Training and development should be an ongoing process, not just a one-off induction. It is also important that officers provide ongoing support to councillors including good quality advice and information to help them in their various roles. This includes the opportunity to learn from good practice in other councils. The overall focus needs to be on continuing personal development.

14. We strongly support the equipping of elected members to make sound decisions and we would reiterate our point above of the need for that training to be a part of ongoing personal development for elected members. We also welcome clarification regarding the implications of introducing mandatory training in this area on other council service areas, and how the quality of training will be assessed and compliance measured.

Performance of planning authorities

15. Part 4, Section 26, of the Bill requires planning authorities to prepare a report on the performance of their functions on an annual basis and makes provision for the Scottish Ministers to set out in regulations the form and content of the report, how it is to be prepared and how it is to be published. It also makes provision for the Scottish Ministers to appoint a person who will monitor the service of planning authorities and how they carry out their functions, as well as providing advice to authorities on ways in which they may improve their performance.

16. We strongly support the principle of transparent public performance reporting of public services. The Accounts Commission holds councils to account for how they report their performance to the public. In fulfilling this responsibility, we have in recent years encouraged a sector-led approach to improvement. To do this, we have developed a more flexible approach to such performance reporting, reducing the amount of prescribed performance indicators on which councils need to report.
17. In the Accounts Commission's most recent *Statutory Performance Information Direction* published in 2015 (available [here](#)), we emphasise instead that councils need to use their responsibilities in public performance reporting to report comprehensively; reflecting local improvement priorities, and being consistent with the Local Government Benchmarking Framework. This Framework contains some indictors pertaining to the cost and average time per planning application planning, available [here](#). We would welcome further clarification as to how the requirements set out in the Bill will fit with these existing statutory requirements. We would advise that in developing a reporting framework to achieve better consistency, it is important to be mindful of not creating unnecessary additional burden on councils.

18. The Accounts Commission will be reviewing the Statutory Performance Information Direction by the end of this year which will result in a new Direction on public performance reporting for 2019 and beyond.