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**Communities and
Local Government**

Evaluation of
Planning Delivery
Grant 2005/06

planning

Evaluation of Planning Delivery Grant 2005/06

September 2006

Addison & Associates with Arup

Department for Communities and Local Government: London

On 5th May 2006 the responsibilities of the Office of the Deputy Prime Minister (ODPM) transferred to the Department for Communities and Local Government (DCLG).

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An executive *Summary* and a *Supplementary Report: the Private Sector Perspective on Development Control in the context of Planning Delivery Grant 2005/06* are being published simultaneously on the Department's website, www.communities.gov.uk/planningdeliverygrants

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CHAPTER 1

Introduction

- 1.1 Planning Delivery Grant is an incentive-based grant regime to support and improve the speed and quality of the planning service and to increase the available resources for the planning function within local authorities. Grant awards are based on performance criteria related to achieved and improving performance. This is the second annual report¹ evaluating the effectiveness of this approach as part of a three year study commissioned in September 2004.
- 1.2 Planning Delivery Grant (PDG) is part of the wider work being undertaken by the Government to improve the performance of the planning service in terms of both the submission and handling of planning applications and the wider plan-making role. This evaluation seeks to identify how well PDG is performing its role independently and in combination with other performance initiatives. The latter is achieved through the work being out in parallel aimed at supporting authorities that are missing certain performance targets, known as Best Value Standards Authorities².

Project Aims

- 1.3 Specifically, the study aims to assess the use of PDG in meeting a series of broad policy goals to improve the performance of the planning service; and to recommend any improvements to the processes of PDG allocation that would allow these goals to be better met in terms of efficiency and effectiveness. More specifically, the terms of reference for this study are to identify:
 - How the grant is being spent;
 - The planning function responses to the grant, including the behavioural change it brought about as well as incentivising and/ or any unintended effects;
 - The council corporate-level response to PDG; and
 - The outcomes that are expected to derive from the PDG allocation.

The Core Research Questions

- 1.4 The main objective for the evaluation this year, has been to assess the extent to which PDG is contributing to long term improvements in the quality of the planning service as a whole. The evaluation has also addressed a number of key issues that arose during the previous year's research, including budget effects, unintended consequences and exit strategies. These issues are set out below:

¹ The first report was published in September 2005. An initial report, 'Evaluation of PDG 2003/04', was published in September 2004. Both reports are available on the DCLG website.

² The results of this work are presented in 'Overview of Best Value Standards Authorities 2004/05' and 'Overview of Best Value Standards Authorities 2005/06', available from the DCLG website.

- 1.5 **Is PDG really reaching the 'front line' of planning?** Although the 2004/05 survey results suggested for the most part PDG was retained in planning and was additional to planning, it was difficult to really see what the effects of some awards were. This refers particularly to the largest awards, where in practical terms it was difficult to identify what should be a very real and discernible resourcing impact. This issue has been considered in the 2005/06 research.
- 1.6 **The relationship between performance and resources.** The earlier evaluation exercises have suggested that poor resources are still a prime determinant of poor performance. One of the key questions for the 2005/06 research has been: are poorly performing authorities with less growth/ fewer applications getting less money from PDG and falling even further behind?
- 1.7 **Identifying the counterfactual budget position.** The value of PDG depends on it being an addition to the sum of resources available to planning; its relationship to mainstream budgets is therefore crucial. If a PDG award is accompanied by a reduction in the local authority's mainstream budget, the authority may not be deriving the intended additional value from it. In practice, it is becoming increasingly difficult to judge what would have happened to budgets in the absence of PDG. As time passes it is increasingly difficult to infer what sensible assumptions would have underlain a particular budget; it has become a speculative exercise. The approach for this evaluation has been to ask authorities whether they have experienced a cut in their nominal base budgets as a consequence of PDG, and to invite them to assess the budget increases that may have been lost as a result of PDG. The aim is to establish whether claims for additionality are being, or are likely to be, overstated.
- 1.8 **Budget leverage and exit strategies.** There was no evidence in the 2004/05 research that PDG has levered in any additional budget; for example, investment to secure more PDG. This is perhaps unsurprising because, if an authority is already consistently achieving high PDG awards (as is the case with almost half of authorities) then the requirement or incentive for additional mainstream corporate funding does not seem obvious. But at another level this leaves rather open the question of whether PDG monies could feasibly be fully or partially 'replaced' by mainstream budgets if the PDG regime were to cease. Authorities are increasingly considering retaining PDG for future years to cover the eventuality that they might not be fully compensated. However, it is also perceived that few authorities are taking a long term view of resourcing the planning service at current levels of performance, with the clear implication that resources would decline if PDG were to cease. One important question in this year's evaluation was, therefore: if local planning authorities are not prepared for the cessation of PDG in terms of maintaining capacity, what will happen to their performance in the future?
- 1.9 **The impact of planning fee increases and relationships with PDG awards.** In April 2005, fees for planning applications were raised in aggregate to a level where fee income was expected to increase by between 30% and 40% across the system as a whole. In theory this should be providing new resources for authorities. Another important question for the study has been to consider how these increases have been distributed, particularly in relation to variables such as their scale, the size of applications and the size of PDG awards.

- 1.10 **Unintended consequences.** Within any target-driven approach there is scope for targets to be met by means other than those intended. Recent work by the Confederation of British Industry (CBI)³ has anecdotally recorded some of these unintended consequences. This has included concerns that targets and PDG have led to less business-friendly practices, such as problems registering applications, increased withdrawals and refusals, and downgraded priority for applications that miss targets. This year's research has investigated those issues from both the public and private sector perspective. Some authorities too expressed concerns about unintended consequences in the research. This centred on the extent to which the disproportionately higher levels of grant obtained by authorities in the top Development Control performance quartile had perverse effects because of a strong incentive effect.
- 1.11 **Effect of PDG on housing delivery and on enterprise areas.** The research undertaken in 2004/05 did not find particular statistical effects arising from PDG awarded under these criteria. Thus a closer examination was undertaken in 2005/06 to assess how additional resources are being used to expand capacity to meet the challenges of housing delivery and enterprise areas respectively.
- 1.12 **Effect of PDG on Local Development Frameworks.** This year's research looks in more detail at how important PDG has been for the Local Development Framework (LDF) process and what the implications are for the new planning system of the decline in PDG and its eventual cessation.
- 1.13 **Effect of PDG on e-planning and customer care.** The impact of PDG on the implementation of the new ICT-based front and back office systems has been explored. This has been considered in the context of improving the quality of the planning service and customer care. Again, an issue addressed was what will happen to these initiatives and improvements when PDG ends.

Structure of this report

- 1.14 The remainder of this report is structured as follows:
- Chapter 2 sets out the methodology for the study;
 - Chapter 3 summarises PDG awards and spend, planning service budgets and fee income;
 - Chapter 4 examines issues surrounding planning service capacity;
 - Chapter 5 reviews development control performance;
 - Chapter 6 covers PDG and delivery outcomes including Local Development Frameworks (LDFs) and housing;
 - Chapter 7 examines the quality of the planning service
 - Chapter 8 sets out the conclusions.

³ CBI (2005) Planning Brief December 2005 – *Planning Reform: Delivering for Business?*

CHAPTER 2

Methodology

The Research Method

- 2.1 The research method primarily concentrated on obtaining data from local planning authorities (LPAs) through surveys sent to all English authorities, and longitudinal case-studies. Two new elements were introduced for the 2005/06 evaluation: a chief executives survey and a pilot survey with private businesses.
- 2.2 Data on local authorities from both the survey work and statistical data collection have been entered into the Microsoft Access database common to both the Best Value Standards work and the PDG evaluation. The database contains the survey data from last year as well as selected historical and current DCLG, PINS and Audit Commission planning statistics.

LPA AND COUNTY COUNCIL SURVEYS

- 2.3 As in 2004/05 the main purpose of the surveys was to examine how LPAs and counties had spent PDG allocations, the impact of this spending and future spending plan, as well as to collect base data on the quality of service within planning departments. Similar questionnaires to those distributed in 2004/05 were used, amended to take account of new issues and to reflect experience from the 2004/05 evaluation.
- 2.4 The questionnaires were sent by email to every English planning authority (i.e. 363 local planning authorities including national parks, and 30 county councils) in September 2005. Completed survey forms were received from 211 local authorities, which represent a response rate of 58%. Although this rate is lower than in 2004/05 (67%), it is nevertheless judged to be an excellent response rate for a survey and allows statistically significant conclusions to be drawn. The county council survey had a very high response rate (87%) with 26 returns received, a slightly higher return rate than in 2004/05.

CHIEF EXECUTIVE SURVEY

- 2.5 A chief executive questionnaire was circulated concurrently with the LPA and county surveys. The survey purpose was to improve understanding of how the corporate centre views the planning service; how corporate level behaviour may impact on the quality of the planning service offered within an authority; and how the corporate centre views PDG. It was particularly focused on what consideration had been given to resourcing the planning service post-PDG.

- 2.6 From a total of 393 questionnaires circulated, 144 responses were received, (37%). Although this response rate is lower than for the other surveys, it is still considered a respectable one for a survey of this nature, and it enables conclusions to be drawn with reasonable confidence.

LONGITUDINAL CASE-STUDIES

- 2.7 The majority of authorities recruited in 2004/05 continued to participate in 2005/06 – only two authorities dropped out due to staff capacity constraints. The 35 case-study authorities (Table 2.1) provide a broad mix of experience both across the English regions as well as including metropolitan, urban, suburban and rural authorities.

Amber Valley	Harrogate	North Cornwall	Salford
Aylesbury Vale	Harrow	North Hertfordshire	Test Valley
Barnet	Herefordshire	North Lincolnshire	Three Rivers
Birmingham	Knowsley	North Norfolk	Warrington
Carlisle	Leeds	North Wiltshire	West Devon
Chiltern	Lewes	Northampton	Westminster
East Riding of Yorkshire	Lichfield	Oldham	Worcester
Erewash	Lincoln	Runnymede	Wycombe
Gedling	Newcastle City	Rushmoor	

- 2.8 Two seminars were conducted, in October 2005 and February 2006, which were well attended by the case-study authorities. They considered the following topics:

- PDG allocation criteria
- Planning service budget additionality
- Planning reform, delivering for business?
- The relationship between performance and housing supply
- The implications of e-planning on performance.

- 2.9 The seminars were supplemented by interviews with the case-study authorities, which discussed topics such as PDG spending plans, staffing, budgets, fees and resourcing post-PDG, as well as covering wider topics in more depth, such as:

- How PDG has been used to respond to new challenges such as the delivery of new housing or creation of LDFs;
- Their wider experience of making performance improvements; and
- The extent to which PDG has been sufficient to bring about desired changes.

- 2.10 In addition to the primary research, a variety of secondary data were collected from the case-study authorities for review. Case-study vignettes can be found in Appendix 1, which set out the key messages for each authority, and in particular highlight the differences between authorities. They are not intended to be comprehensive summaries of all information supplied by the authorities or all key messages, many of which have been integrated into the main report.

PRIVATE BUSINESS SURVEY AND SEMINAR

- 2.11 Private businesses were surveyed for the first time in March 2006, using a web based questionnaire. The survey was undertaken as a pilot for more extensive research with the private sector planned for 2006/07. The focus was on understanding how businesses interact with, and perceive, local authority planning services.
- 2.12 The survey was circulated to more than 1,000 members of the CBI, and /or the Home Builders Federation (HBF) and/ or the British Property Federation (BPF). Since only ninety five responses were received the results must be interpreted with caution, but they provide an indication of private sector views. Although the response rate (9%) is significantly lower than those of the other surveys, that is not untypical for a business survey. One interpretation of the lower response rate may be that the concerns raised about unforeseen negative consequences are not significant or widespread issues for businesses; another is that in reality businesses have only limited interaction with the planning service. Further work will be done next year to improve the response rate.
- 2.13 With a postal questionnaire there is always a risk that respondents will be self-selected to include those with the strongest views on the subject; that is, the dissatisfied might be more likely to participate, to register protest. The data provided enable some investigation of how the respondent group compares with the business population:
- 62 businesses had submitted an application in the previous three years and on average had submitted 11 applications;
 - There was a good regional distribution of responses. The largest representations were from the most urbanised regions of the South East and North West;
 - Responses were received from businesses involved in a wide range of activities, but mostly manufacturing and mixed use property development; and
 - Businesses that replied to the survey had varied annual UK turnovers. Nineteen businesses had a turnover of more than £1 billion, 23 were in the £10-250 million range, and the remainder had lower turnovers.
- 2.14 The survey was followed by a seminar which reviewed those areas of the planning service identified in the survey as the highest priority for improvement. The seminar held in May 2006 was attended by a small number of businesses representing house builders, commercial developers, the hotel/pub industry and major mixed development developers. A discussion was held around the areas of improvement, the key issues and possible solutions.

CHAPTER 3

PDG Awards and Planning Service Resources

Introduction

3.1 This Chapter describes the PDG settlements awarded to date to local planning authorities and county councils and reviews how authorities have spent PDG monies. It also explores trends in local authority budgets and planning fee income. This analysis is intended to address a number of the core research questions, including:

- How is PDG being spent?
- Is PDG really reaching the ‘front line’ of planning?
- What are the total resources available to planning?
- Is PDG leveraging in additional monies?
- What has been the impact of the planning fee increases and what is the relationship with fees and PDG awards?

PDG awards to date

3.2 PDG is awarded to local planning authorities in England on the basis of their planning performance, to provide an incentive for authorities to meet or exceed key performance targets for planning⁴. The grant is not ring-fenced, so authorities have discretion as to how they spend it. However, further awards in future PDG allocation rounds will be received only if an authority continues to improve or deliver good performance.

3.3 The allocation criteria for PDG awards have evolved during the lifetime of the grant to reflect improvements made by authorities, changing policy priorities and recommendations from earlier PDG evaluations. In 2005/06 PDG⁵ was allocated to local authorities to reward performance on development control, local development plan preparation, housing delivery in the wider South East and Growth Areas and Enterprise Areas. It was also allocated to address housing need in low-demand areas and to recognise quality of service and e-planning.

4 DCLG (2005) The Planning Delivery Grant Determination 2005

5 The ‘Evaluation of PDG 2004/05’ contains detail of the criteria for PDG allocations in 2003/04 and 2004/05.

- 3.4 An element of the grant was ‘top-sliced’ to fund national initiatives, such as the Planning Advisory Service (PAS), training for LPAs on LDFs and bursaries for planning students. Funds went too to regional planning bodies to assist with production of Regional Spatial Strategies (RSSs), and to the Planning Inspectorate for its contribution to local development plan preparation. Counties also received allocations for handling county matter applications.
- 3.5 As in 2004/05 two conditions were imposed on PDG payments. The first gave Ministers power to withhold or ‘claw back’ grant where concerns were raised about the accuracy of statistical information or other information that provided a basis for PDG allocations. The second condition allowed the abatement of development control awards if an authority had a poor appeals performance: that is a number of negatively determined planning applications overturned at appeal which was significantly higher than the national average.
- 3.6 Two new allocation rules were introduced in 2005/06. The first was that one quarter of the total amount of grant paid to any authority had to be used, or carried forward, to finance capital expenditure. The second was a maximum limit (£700,000) for the combined allocations for development control, e-planning and enterprise areas per authority. Money resulting from this cap was recycled amongst other authorities. The latter rule reflected the research team’s concern that PDG may not be reaching the ‘front line’ of planning, particularly in relation to the largest awards.
- 3.7 The 2006/07 PDG allocations were announced in March 2006. The emphasis for the 2006/07 allocations remains on driving performance towards the national targets for development control and LDFs, with an increased focus on meeting development control targets rather than the scale of improvement in performance.
- 3.8 Table 3.1 summarises PDG allocations to LPAs to date, including average grants and those authorities receiving little or no grant and those with particularly large awards. It can be seen that average grants rewarded have been increasing – as have the maximum grants awarded – with 26 authorities receiving over £700,000 in 2005/06. Table 3.2 summarises PDG allocations to counties to date.

Table 3.1: PDG Allocations – local planning authorities

	2003/04		2004/05		2005/06		2006/07	
Total grant allocated to all authorities, (£)*	46,850,000	100%	116,772,400	100%	152,519,200	100%	117,129,000	100%
Development control	40,835,300	87%	69,570,840	60%	98,015,300	64%	70,509,800	60%
Plan making	n/a	–	31,380,000	27%	19,690,700	13%	19,014,050	16%
E-planning	n/a	–	n/a	–	7,581,400	5%	7,073,000	6%
Housing need	6,019,900	13%	9,846,000	8%	n/a	–	18,500,000	16%
Housing – growth areas	n/a	–	n/a	–	24,901,800	16%	n/a	–
Housing – low demand	n/a	–	n/a	–	4,000,000	3%	n/a	–
Enterprise areas	n/a	–	6,160,000	5%	6,160,000	4%	2,200,000	2%
Abatements – appeals/ PS12	n/a	–	-246,708	n/a	-1,430,200	n/a	n/a	
Abatement – adjustment	n/a	–	n/a	–	749,100	n/a	697,358	n/a
Post-allocation adjustment	n/a	–	n/a	–	343,800	n/a	167,900	n/a
Grant per authority (£)								
Minimum	75,000		5,200		54,545		52,517	
Maximum	474,700		891,900		1,320,572		889,565	
Mean	129,400		322,600		421,324		323,600	
Median **	104,200		304,400		398,524		321,000	
No. of authorities receiving								
No PDG	0		4		0		0	
Awards under £35,000	0		5		0		0	
Large awards (i.e. £700,000 or more)	0		16		45		7	

Note: * Amounts may not sum due to rounding. ** For those authorities which received a PDG allocation

Table 3.2: PDG Allocations – Counties

	2004/05		2005/06		2006/07	
Total grant allocated to all authorities, (£) *	3,264,600	100%	3,213,400	100%	3,093,400	100%
Plan making	3,120,500	96%	1,854,500	58%	1,785,900	58%
E-planning	n/a		397,900	12%	627,000	20%
Development control	n/a		1,020,000	31%	680,600	22%
Grant per authority (£)						
Minimum	19,800		85,100		57,398	
Maximum	198,000		136,000		118,637	
Mean	95,500		97,400		90,983	
Median **	99,000		85,100		90,860	
No. of authorities receiving						
No PDG	2		0		0	
Large awards (i.e. £120,000 or more)	4		3		0	

Note: *Amounts may not sum due to rounding. In 2004/05 figures do not sum to 100% due to grant recycling and claw-back arrangements.

LPA PDG Spend

3.9 Overall results were very similar to those in the 2004/05 survey, with the pattern of spend in 2005/06 broadly the same. For the 58% of authorities that responded to the survey, the main areas of PDG investment in 2005/06 were staff recruitment/retention, IT, and consultants (Table 3.3). This is likely to continue to be the case next year. The 2005/06 survey indicated increased investment of PDG to assist production of LDFs and to improve the quality of the planning service.

Table 3.3: Proportion of PDG by Area of Spend– LPAs		
Area of spend	% of respondent authorities	Total PDG, Spend, £ (000s)
Recruitment of temporary or agency staff	82	15,106
Purchase new planning related IT systems, including e-planning	86	13,481
Recruitment of new permanent staff	63	12,999
Commission external consultants/specialists	77	9,484
Other	59	7,621
Retained for use in subsequent years	28	4,072
Non-IT capital projects	29	2,929
Used to improve the salaries of existing staff	33	2,429
Training/development for planning officers	53	1,031
Training/development for members	33	362
Training/development for technical staff	25	163
Training/development for admin support	22	78

Source: Aggregated survey returns

3.10 Staff recruitment and retention was a significant area of spend in 2005/06 (Tables 3.4 and 3.5). As in 2004/05, more temporary than permanent staff recruitment projects were undertaken. However, in 2005/06 the proportion of permanent to temporary staff projects was higher. As might be expected the main areas of recruitment were development control case officers and policy officers.

Table 3.4: LPA PDG Spend (£000s) on Staff Recruitment		
	Permanent Staff	Temporary Staff
Staff with multiple responsibilities ¹	6,234	8,451
DC & Policy	1,465	409
DC	616	479
Policy	173	226
Specialists (e.g. conservation, design, high hedges)	164	171
IT/ GIS	63	192
Enforcement	23	120
Admin	13	651
Staff (unspecified)	4,249	4,299
Total	13,000	14,998

Source: Aggregated survey returns

¹ Including DC, policy, enforcement, specialists, etc, but not administration

Table 3.5: LPA PDG Spend (£000s) on Staff Retention

Unspecified	333
Market/salary supplement/overtime	668
Recruitment and retention packages (including performance incentives)	619
Restructuring of department/re-grading of staff	441
Bonus scheme/ one off payment/honoraria scheme	94
Other	275

Source: Aggregated survey returns

- 3.11 More PDG was spent on both IT and non-IT capital projects than in 2004/05. This might be expected given the introduction of the 25% capital requirement in 2005/06. Respondents identified one fifth of projects undertaken in 2005/06 as capital spend. IT was by far the largest area of capital spend, but specific planning and regeneration projects and LDF work were also significant areas of investment (Tables 3.6 and 3.7).

Table 3.6: LPA PDG Spend (£000s) on IT

IT (unspecified)	2,116
Purchase software and hardware	3,054
Digitisation/ scanning/implementation of EDM systems	1,966
Pendleton/ public access related work/e-planning	3,236
GIS	140
Equipment to facilitate home-working	2
Various IT initiatives	2,966

Note: Electronic Document Management (EDM)

Source: Aggregated survey returns

Table 3.7: LPA PDG Spend (£000s) on Non-IT Capital Items

Non-IT capital (not specified)	261
Specific planning & regeneration projects	1,292
Local Development Framework/policy	427
Equipment – not specified/various	129
Equipment – committee presentation/audio-visual	115
Equipment – computers/printing/ scanning	106
Equipment – telephones	15
Office accommodation changes/refurbishment	351
Reception area improvements	39
Furniture	32
Other	162

Source: Aggregated survey returns

- 3.12 Significantly more respondent authorities had spent PDG on commissioning consultants in 2005/06 than in 2004/05. A significant proportion of this spend was to commission work on LDF documents and specialist studies to support the LDF or help build the evidence base (Table 3.8).

Consultants (not specified)	713
Various work areas (i.e. Management, DC, Policy)	2,336
Management – process/review	325
Management – IT	232
Legal	288
DC – caseload	254
DC – appeals	75
Policy – LDF (including Development Briefs)	1,661
Specialist studies – various	2,651
Specialist studies – urban design	174
Specialist studies – heritage conservation	270
Specialist studies– trees	67
Specialist studies– SA/EIA	172
Specialist studies– ecology	9
Other	258

Source: Aggregated survey returns

- 3.13 The majority of local planning authority respondents (80%) reported that if they received PDG allocations for their status as a housing growth area or enterprise area or for e-planning, they had spent money on projects related to these criteria.
- 3.14 The levels of decision making for PDG spending plans in 2005/06 were similar to those in 2004/05; with the planning service head proposing the majority of spending plans, a wide range of individuals consulted and the majority of decisions taken by members.
- 3.15 The overall level of retention of PDG within the planning service was high (94%) – although slightly less than in 2004/05, by 3%. On average £352,000 PDG was spent within the planning service.
- 3.16 The majority of respondent authorities (82%) stated PDG-funded projects would involve carry-over of expenditure – a slightly higher proportion than in 2004/05 (74%). As in 2004/05, carry-over was dealt with explicitly or through wider budget procedures. Staff recruitment was most likely to involve carry-over to the next or subsequent years (Table 3.9). Only two respondent authorities reported that they were not allowed to carry expenditure over.

PDG retained/carry forward (for unspecified use)	2,231
Ongoing staff costs	476
Ongoing IT projects	125
Contingency/ reserve funds	250
LDF/LP costs	231
Various	719

Source: Aggregated survey returns

- 3.17 Staff recruitment and IT projects involved the greatest average PDG spend. Two thirds of projects used other sources of funding besides PDG. The main other sources of funds tended to be from within the local authority, either from the planning service budget or the wider council budget. Projects tended to be short term, the majority starting within three months of PDG allocation and completed within a year.
- 3.18 The constraints identified by local authorities to effective use of PDG were similar to those raised in 2004/05, the main one being the short-term nature of PDG (20% of respondents). One new constraint raised was the requirement to spend 25% of PDG on capital projects (12% of respondents).
- 3.19 The key areas of spend for future PDG allocations identified were IT, staff recruitment/ retention and LDFs. The main impacts of this likely investment were thought to be in assisting the production of development plans and improving quality of service.

County Council PDG spend

- 3.20 As in 2004/05, the survey respondents (87% of all county councils) reported that the planning service head proposed the majority of spending plans (62%) and a wide range of individuals were consulted. Members were less involved in the decision-making process for PDG spending plans in 2005/06 compared to 2004/05, while departmental directors were more involved. In 2005/06 the majority of decisions were taken by the planning service head (81%), although departmental directors were often involved in the final decision (35%).
- 3.21 All of the respondents were using some or all of their PDG awards for planning purposes, which is a higher level of retention than in 2004/05 (91%). On average £91,000 PDG was spent within the planning service and £3,500 was spent on non-planning services.
- 3.22 Over half of the respondent authorities (56%) stated PDG-funded projects would involve carry-over of expenditure – a lower proportion than in 2004/05 (84%). As in 2004/05, carry-over was dealt with explicitly or through wider budget procedures. IT/ e-planning projects and external consultants were most likely to require carry-over. No authority reported that it was not allowed to carry expenditure over.
- 3.23 The pattern of spend in 2005/06 was broader than in 2004/05. The main areas of spend were IT and consultants (Table 3.10).
- 3.24 Staff recruitment and commissioning external consultants involved the greatest average PDG spend. Forty-four percent of projects used other sources of funding as well as PDG. The main other sources of funds tended to be from within the local authority, either from the planning service budget or the wider council budget. Projects tended to be short-term, the majority starting within three months of PDG allocation and completed within a year.

Table 3.10: Proportion of PDG by Area of Spend Based on Survey Returns – County Councils

Area of spend	% of respondent authorities	Total PDG Spend, £ (000s)
Commission external consultants/ specialists	20	648
Purchase new planning related IT systems, including e-planning	22	567
Recruitment of temporary or agency staff	9	349
Recruitment of new permanent staff	8	325
Other	7	124
Training/development for planning officers	9	61
Retained for use in subsequent years	6	61
Used to improve the salaries of existing staff	6	45
Training/development for technical staff	5	22
Training/development for members	2	11
Training/development for admin support	5	1

Source: Aggregated survey returns

- 3.25 The constraints identified by county councils to effective use of PDG were similar to those raised in 2004/05, the main one being the short term nature of PDG (39% of respondents). Other identified constraints included lack of predictability with regard to criteria (28%) and the limited nature of awards for counties (22%). Just over one fifth of respondents (22%) thought there were no constraints to effective use.
- 3.26 The key areas of spend for future PDG allocations by county councils identified were IT (36%), plans/strategies (14%), staff (10%) and training (10%). The main benefits of this likely investment were thought to be in the delivery of IT and e-planning objectives, in closing gaps in staff resources and in improvements in service and efficiency.

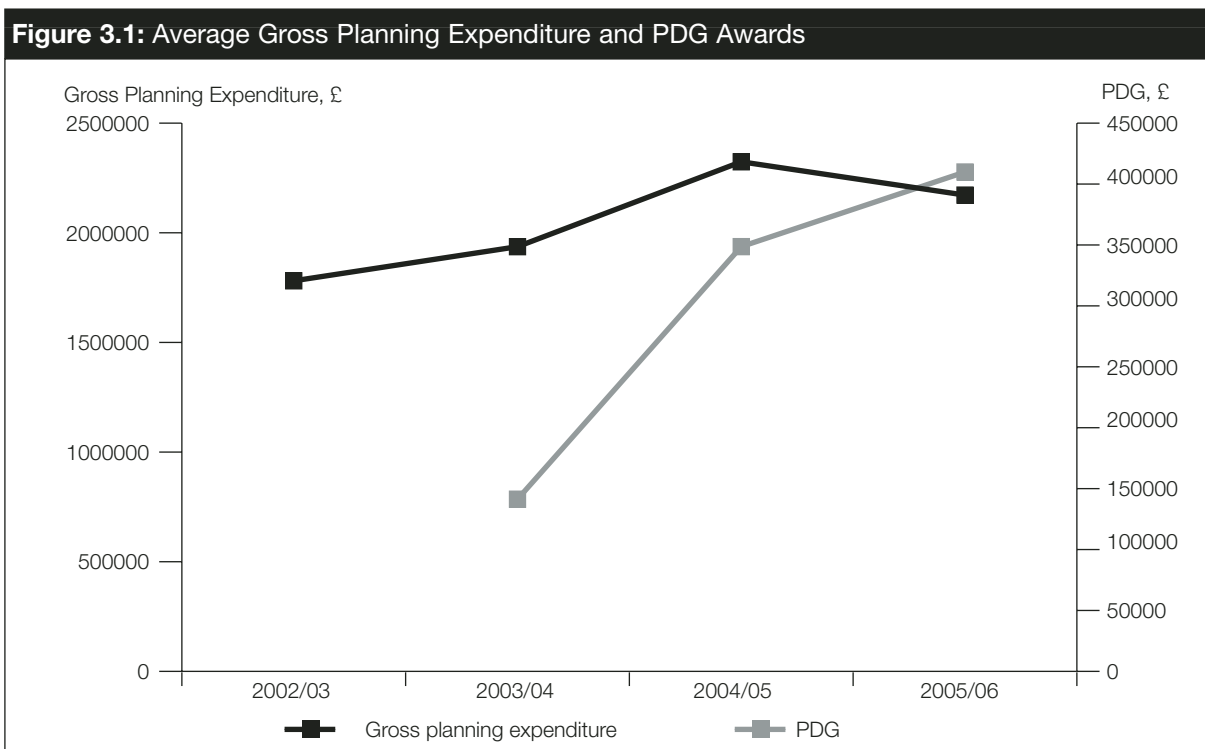
Securing PDG

- 3.27 Understanding of PDG award criteria has improved within local planning authorities and county councils, with the proportions of affirmative respondents rising from 57% in 2004/05 to 71% in 2005/06 for local planning authorities and from 54% to 83% for county councils.
- 3.28 Authorities are pro-actively pursuing PDG awards. The main steps taken by respondent local authorities to increase their chances of receiving a PDG allocation next year are investment in LDFs, IT and staff retention/recruitment. The majority of respondent authorities (66%) have not increased planning budget resources in order to secure more PDG in the future. However, this means a significant proportion of authorities (32%) used that approach.
- 3.29 Local planning authorities' pursuit of PDG awards appears to be supported by the corporate centre: 88% of respondents in the chief executive survey stated that actions are being taken corporately to assist the planning service to secure PDG. These actions include:
- Investment in IT/e-planning;
 - Corporate monitoring of performance and support for performance management;

- Additional resources allocated to recruit/ retain staff;
- Restructuring of the planning service to improve performance;
- Prioritising planning decisions through ensuring quicker response times to internal consultation on applications and ensuring that all services in the LPA support the planning process; and
- Ring-fencing PDG for the planning service.

Planning Service budgets

3.30 Overall data collected in the survey revealed that average gross planning expenditure on planning services in districts increased in the period 2002/03 to 2004/05 but declined in 2005/06, (Figure 3.1). In contrast in the county council survey, the majority of respondent authorities (84%) claimed that the planning service budget has increased. Just under a fifth of respondents (16%) stated there had been no change in the budget. None of the county respondents reported that the service budget had decreased.



Note: Statistics based on those respondent authorities that had supplied data for all three years.

Source: Aggregated survey returns

3.31 Discussions were held with the case-study authorities as to how their budgets had changed in real terms over the past three years. The LPAs reported that their base budgets would have stood still without PDG, or declined in real terms. Thus it would appear that authorities have not generally been encouraged to invest additional funds in the planning service over and above PDG itself, the greater part of which is retained in planning. A significant number of authorities are simply not in a position to invest in their planning services because they have been or are close to the capping limit. However, as reported last year, PDG has often cushioned or protected

the planning service from cuts being made elsewhere in the authority. Indeed, seminar participants saw the financial situation of the council overall as more significant than PDG in terms of the total resources available for the planning service.

- 3.32 The relationship between mainstream budgets and PDG awards was also explored, with the aim of establishing whether authorities with the largest budgets also receive the largest PDG awards. The analysis revealed a positive relationship between expenditure and PDG awards. This may be partially explained as a scale effect, whereby the larger authorities which handle more applications and have a larger budget are able to perform better and thus secure larger PDG awards. There are very few outliers; that is, authorities with very high expenditure and low PDG awards or with very low expenditure and high PDG awards.
- 3.33 The local authority seminar participants also raised questions with regard to the net gain of PDG for the planning service, since, at the same time as awards are being distributed, councils are being asked to make Gershon efficiency savings. The combination of these two elements was seen to be contradictory, the one giving a message to cut costs and the other to invest in the planning service. This could be seen as undermining the value of the grant, in particular in authorities where PDG is used to offset efficiency savings.
- 3.34 As well as the overall financial position of the council, the case-study authorities identified the awards criteria as another key determinant of whether they would be able to retain PDG within the planning service. Generally it was felt that it was easier to retain those elements of PDG which were based on factors the planning service could control; for example, development control performance and e-planning. Elements such as housing and LDF production which were identified as more challenging to influence, and the requirement that 25% of PDG must be capital expenditure, were thought to be more vulnerable to competition within the authority.
- 3.35 Many of the local authority seminar participants suggested that there will be a crisis if PDG ends, particular in relation to future funding of permanent and temporary posts created using PDG, and they expressed a need for a new funding mechanism. Planning fees were not generally thought to be the answer, even if increased again. Seminar participants suggested that recent fee increases had not really made a difference to the majority of authorities and in some cases fee income had actually declined. It was thought that planning fees were unlikely to compensate for the loss of PDG in the future since they are very vulnerable to the vagaries of the market and did not reflect the increasing scale of non-fee-based work such as pre-application discussions or historic building and conservation work.
- 3.36 One key conclusion from the seminar discussions on budgets is that most LPAs do not have a clear idea of the cost of the planning service. There is a need for systematic calculation of the costs of the service, so that every authority can have a clear idea of the resources required to provide an 'ideal' planning service. This calculation should identify how much is needed to operate a well-run planning service in an effective and sustainable way, taking on board the Government's new agendas on LDFs, design and housing, for example.

Fee Income

- 3.37 PDG was originally conceived to provide a stop-gap between the position in 2001 when resources were at a particularly low point and a future time when it might be possible to improve the level of resources. It was part of a wider package to increase planning service resources, which included fee increases.
- 3.38 Fee levels were revised in April 2005 to bring fees closer into line with the policy of 100% cost recovery of the costs of running fee-paying development control activities. The definition of these activities is relatively narrow, and excludes some important ones such pre-application discussions, which can involve significant time and cost. The revisions particularly focused on improving cost recovery for major applications and included an increase in the maximum fee level to £50,000, more than 4 times the pre-increase level. The overall effect was to increase fee income on average by 39%.
- 3.39 It is still too soon to judge the 'real' impact of the increased fees. Data are available for only the first two quarters of 2005/06 which, when compared with the first two quarters of 2004/05, suggest that fee income in aggregate has increased by 28%. However, as an aggregate figure this does not take account of changes in application numbers, the type or the distribution by authority.
- 3.40 The relationship between fee income and PDG awards was also explored with the aim of establishing the extent of difference between authorities that 'do well' in terms of fee income and those that 'do well' in terms of PDG. Such a relationship is of course not necessarily expected, given that PDG is a performance-related regime, whereas fees receivable depend on the type and number of applications. Nevertheless the results are interesting in terms of how fees might replace PDG, and the extent to which success in terms of PDG performance criteria is related to the scale and nature of applications. PDG awards may also be taken to represent a composite index of authority performance more generally, and thus the analysis also indicates the extent to which well-performing authorities are or are not rewarded through fees.
- 3.41 In general, as might be expected, fee income is not related to PDG in any systematic way. However, what is interesting is that there is a small number of authorities that receive high levels of PDG and high levels of fees. Closer investigation suggests that typically these are authorities handling larger than average numbers of major applications, and indeed that there is a scale effect, whereby such authorities are able to perform better.

CHAPTER 4

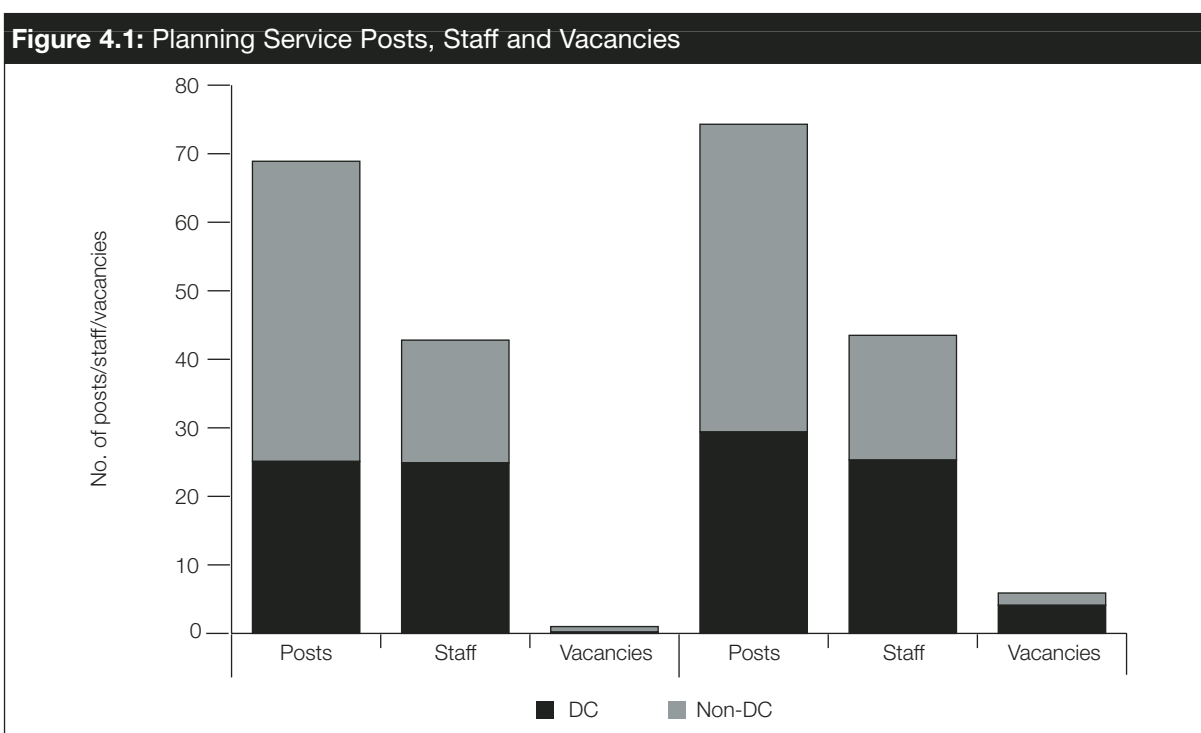
Planning Service Capacity

Introduction

- 4.1 This chapter explores planning service capacity with regards to staffing, workloads and budgets. The adequacy or otherwise of these three resource elements is considered to be the main determinant as to whether a local authority can deliver a high quality planning service. Indeed it is suspected that authorities with poor resource levels are likely to be poor performers, and this is tested in this chapter.

Planning Service Staff Levels

- 4.2 Establishment statistics for those authorities that responded to the survey suggest that in the recent period (March – September 2005), planning services have both created new posts and employed additional staff, (Figure 4.1). Given the national shortage of planners, this has accordingly led to increased vacancy levels. As at September 2005, authorities had on average 29 posts for Development Control (DC) staff, 25 of which were filled and four vacant; and an average of 20 non-DC staff posts, of which 18 were filled and two vacant.



Note: DC staff include management, professional case officers, technical case officers, technician, admin, agency professional case officers and agency technical case officer. Non-DC staff include appeals, enforcement, policy, non-DC management, agency/consultancy and all other staff.

Source: Survey returns

- 4.3 The highest vacancy levels are for professional case officers and policy officers within development control and other activities respectively. Although some staff shortfalls are being partially met by the use of agency/consultancy staff (evidenced by more agency staff than agency posts in this category), the increasing vacancy rate does not appear to have led to significantly greater use of temporary staff. The majority of planning staff are employed on a permanent basis, with 8% temporary DC staff and 3% temporary non-DC staff in 2005 – a very similar split to that in 2004. Returns suggest that the use of temporary staff is highest within the South East and London and in other major cities. This reflects agency staff availability as well as local recruitment policy.
- 4.4 As highlighted in Chapter 3, in both 2004/05 and 2005/06 a significant proportion of PDG has been used for recruitment and retention packages. Thus PDG has made a significant contribution to increasing planning service establishments. The short-term nature of the PDG awards has been an influential factor in the decision to take temporary rather than permanent staff. Where PDG has been used to fund permanent posts, there is often uncertainty as to how the posts will be funded if PDG awards are reduced or cease.
- 4.5 Although PDG has helped to address staff shortages within the planning service, it has also increased competition for staff, especially skilled or experienced staff, with the consequent effect that it has raised staff costs in local labour markets. In an economic climate of local authority capping and Gershon efficiency savings, this has had the effect of ‘pricing out’ some authorities which need to attract new staff; this is so, particularly in areas with higher house prices.
- 4.6 With an overall shortage of planners, particularly experienced planners or those with specialist skills, training and initiatives such as ‘grow your own staff’ schemes have taken on increasing significance. Local authority survey respondents had spent £1.6m PDG on training in 2005/06, (Table 4.1). The majority of respondent authorities have a dedicated training budget (87%), a higher proportion than in 2004/05 (78%), with an allocation of 2/3 days training per FTE member of planning service staff.

PDG Spend, £ (000s)	Members	Planning Officers	Technical Staff	Admin Staff
Training/development (unspecified)	187	262	78	42
Trainee sponsorship/Postgraduate training/qualification training/PATH trainees/NVQ/Introductory planning course	–	242	24	2
RTPi summer school/course/conference	16	148	–	–
Management training	79			
Specialised training courses	–	71	29	12
IT training	–	31	29	23
Design course/training	3	26	–	–
Combined budget for staff and members	63	22	–	–
Internal & external training	54	–	–	–
Probity training	2	–	–	–
Other/various	37	152	4	–

Source: Aggregated survey returns

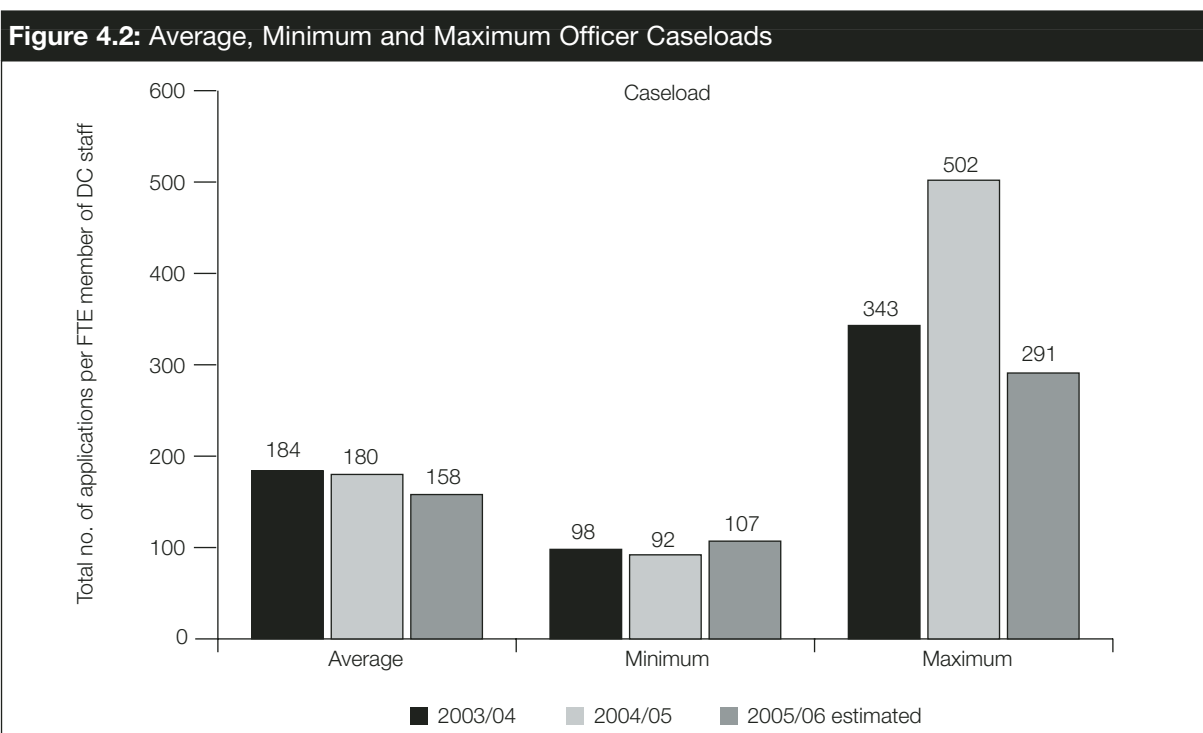
Workloads

4.7 Analysis of total applications per FTE member of development control staff over the period 2003/04 to 2005/06 (estimated) shows a decline in the average caseload and a narrowing of the range of average caseloads in 2005/06 (Figures 4.2 and 4.3). More authorities are at or below the 150 caseload benchmark, although 46% of survey respondents in 2005/06 still exceed this recommended threshold (Table 4.2).

% of authorities	2003/04	2004/05	2005/06
Caseload <=150	30	31	51
Caseload >150	70	69	49

Note: 2005/06 estimated as only three quarters data available when report written. Statistics based on those respondent authorities that had supplied data for all three years.

Source: Survey Returns

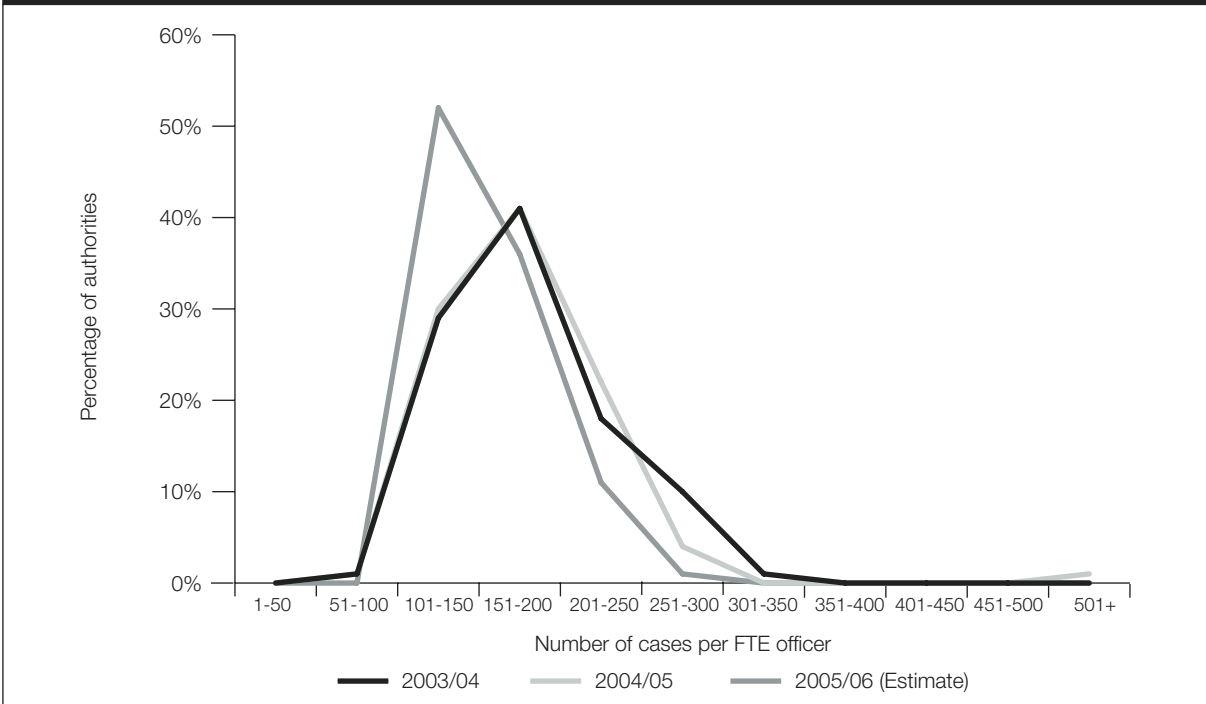


Note: 2005/06 estimated as only three quarters data available when report written. Statistics based on those respondent authorities that had supplied data for all three years.

Source: Survey Returns

4.8 Analysis of the total number of enforcement complaints per FTE member of enforcement staff over the period 2003/04 to 2005/06 (estimated) shows an increase in the average caseload.

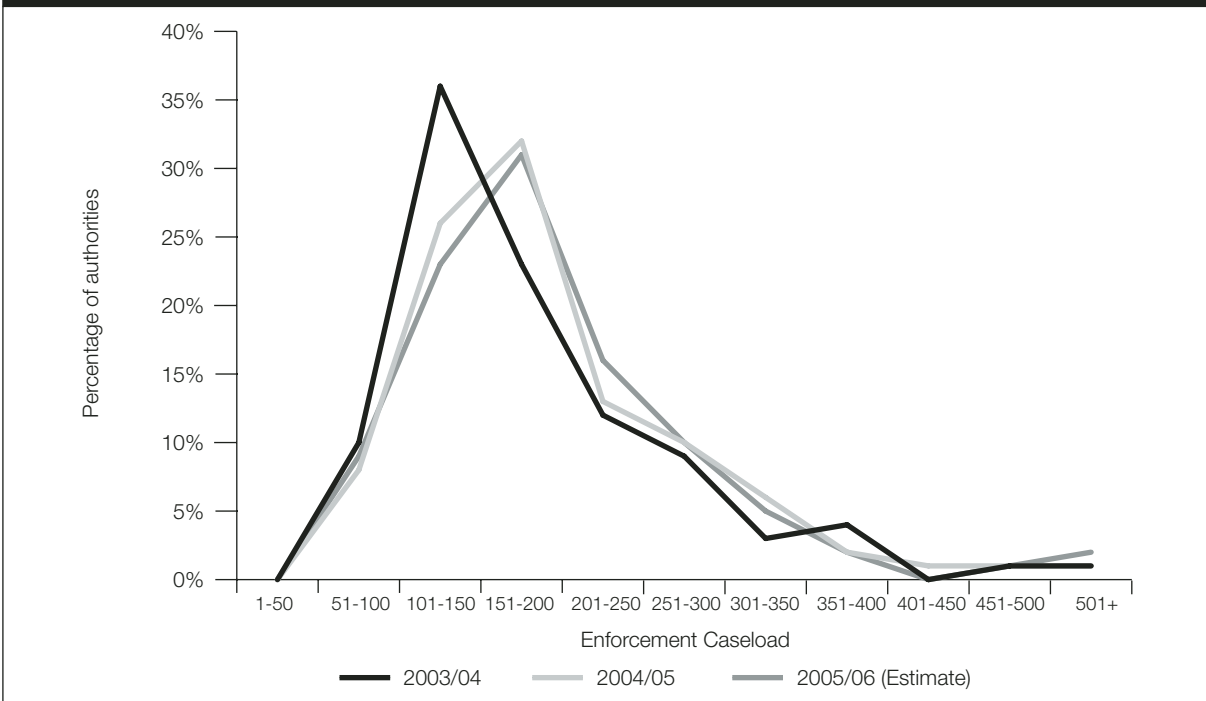
Figure 4.3: Development Control Caseloads



Note: 2005/06 estimated as only three quarters data available when report written. Statistics based on those respondent authorities that had supplied data for all three years.

Source: Survey Returns

Figure 4.4: Enforcement Caseloads



Note: 2005/06 estimated as only three quarters data available when report written. Statistics based on those respondent authorities that had supplied data for all three years.

Source: Survey Returns

Relationship between Performance and Resources

- 4.9 Various characteristics related to planning service resource levels were reviewed for the 'top' 30 and 'bottom' 30 authorities as defined by BVPI 109 performance for each application type (Table 4.2). There are very few significant differences for 'good' and 'bad' performers. The only consistent differences for the 'top' authorities for applications types are higher budgets, higher performance related PDG awards as would be expected, a higher proportion of administrative staff employed in development control and more appeals officers employed. It is difficult to draw any robust conclusions from these data but it may suggest that 'top' authorities have more efficient resource management and streamlined processes through, for example, greater use of administrative staff to handle the non-technical aspects of planning applications.

Table 4.2: Characteristics of 'top' and 'bottom' 30 BVPI 109 performance authorities, 2005/06						
Average for 'top'/'bottom' 30	Major applications		Minor applications		Other applications	
	Top 30	Bottom 30	Top 30	Bottom 30	Top 30	Bottom 30
% of applications processed within required timescale	92%	31%	89%	49%	96%	67%
No. of DC staff	9	9	11	7	8	10
% of which case officers	45%	44%	50%	47%	45%	47%
% of which management	8%	10%	11%	9%	11%	8%
% of which admin	35%	26%	28%	28%	31%	25%
% of which temporary staff	2%	1%	3%	1%	1%	4%
No. of non-DC staff	6	7	11	4	7	5
% of which enforcement officers	14%	25%	20%	16%	20%	16%
% of which appeals officers	4%	2%	3%	1%	3%	1%
Caseload per case officer	141	161	145	132	145	119
Budget, £	682,400	654,870	1,188,684	693,250	845,138	809,876
Performance related PDG awards, £	359,950	229,466	443,973	220,188	418,142	230,347
Total PDG award, £	423,969	276,484	505,317	274,972	482,972	482,327

Source: DCLG statistics and Survey Returns

- 4.10 LPAs continue to face resource shortfalls. This was widely cited by the private sector in the survey and seminar as the prime reason for delay in handling applications, and it affects the number, experience and turnover of planning staff. An increase in resources available to planning authorities was identified by the private sector as the number one priority for service improvement. This is despite PDG and the rise in application fees. There is a perception that PDG and fee increases are not necessarily additional in their effect, and/or are not reaching the 'front line'. Other key priorities for improvement identified by the private sector were consistency of decision-making, availability and quality of pre-application discussions.

CHAPTER 5

Development Control Performance

Introduction

5.1 This chapter is concerned with the relationship between PDG awards and authority development control performance, including any changes in the trend levels of:

- Pre-application discussions
- Validations
- Withdrawals
- Refusal
- Appeals and appeals decisions.

5.2 There is still a perception by both developers and planners that PDG is leading to unintended consequences. Recent concerns from authorities have centred on the extent to which the disproportionately higher levels of grant obtained by authorities in the top Development Control performance quartile, has had unintended consequences because the incentive effect of this approach is so strong. Private sector concerns have centred on the unforeseen negative consequences of targets and PDG⁶, which are suggested to include:

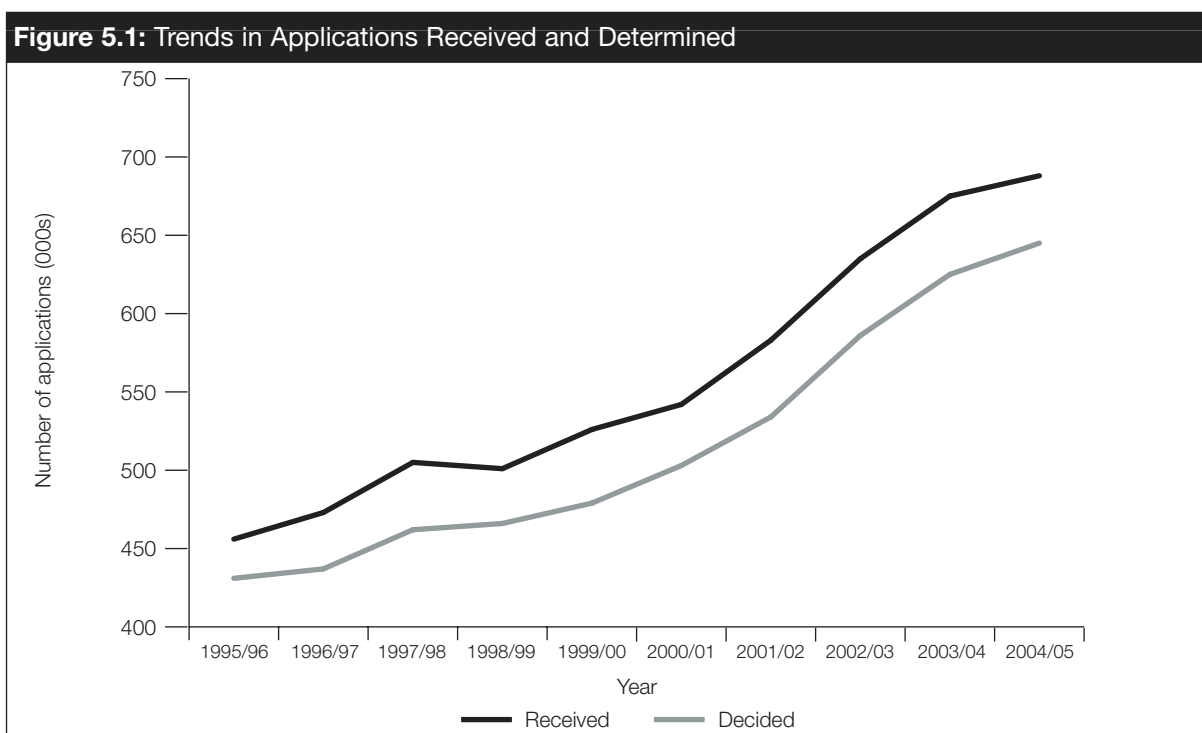
- Front-end loading through pre-application discussions;
- Problems registering applications;
- Increasing numbers of requests to withdraw applications;
- Increasing numbers of refused applications;
- Registering multiple applications;
- Missed target – downgraded priority; and
- Back-end loading.

⁶ CBI (2005) Planning Brief December 2005 – *Planning Reform: Delivering for Business?*

5.3 The 2004/05 PDG research reviewed and reported on the wider impacts of PDG with respect to unintended consequences, in terms of service provision and withdrawal and refusal rates. Based on survey evidence, it did not appear that services, such as pre-application discussions and negotiations, were being withdrawn. No overall statistical relationship between PDG and refusal or withdrawal rates was found. It was concluded that unintended consequences might be issues with an isolated number of authorities rather than with the planning service as a whole across England. This year’s research has further examined the issue of unintended consequences.

Performance

5.4 The number of applications received by LPAs has been increasing, from around 450,000 in 1994/05 to just under 700,000 in 2004/05 (Figure 5.1). LPAs have thus been dealing with increasing workloads, and performance trends should be viewed in this context.

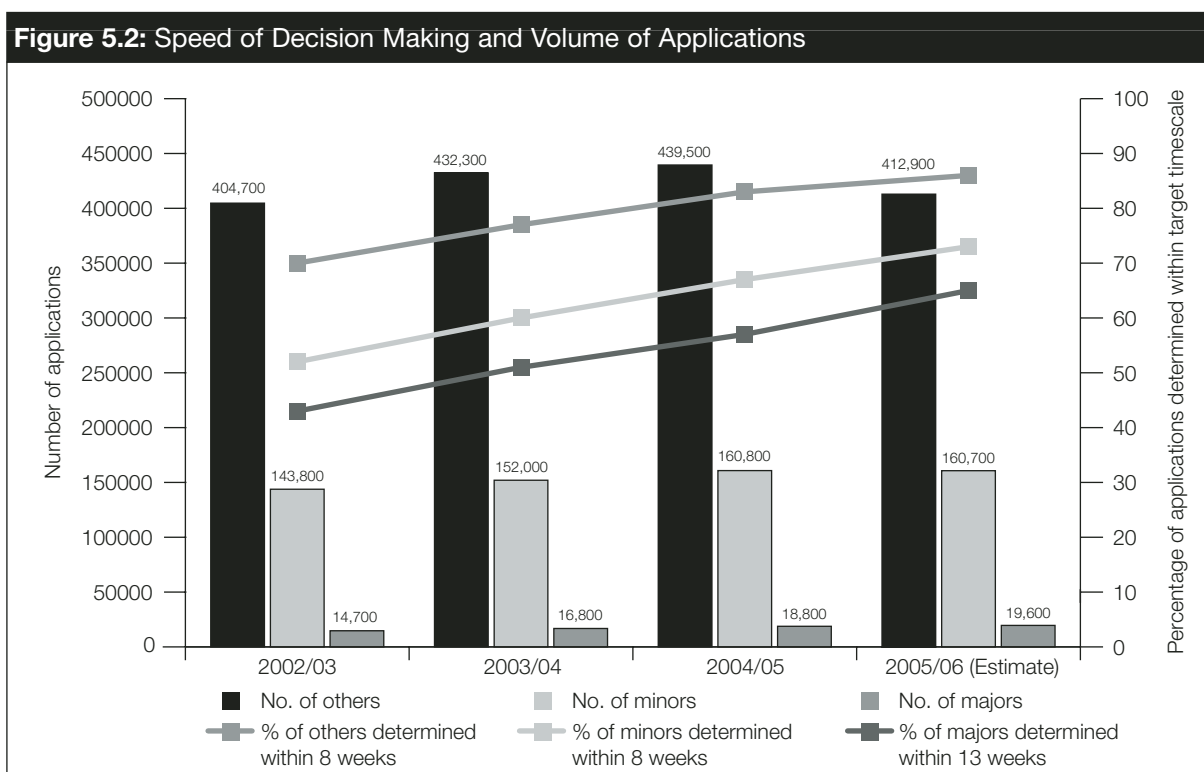


Note: Statistics for all LPAs

Source: DCLG statistics

5.5 Comparison of workloads and numbers of applications processed within target timescales reveals that, despite increasing workloads, authorities are dealing with more applications within the target timescales, (Figures 5.2). Over the period 2002/03 to 2004/05 the percentage of major applications (+14%) determined within 13 weeks increased significantly as did the percentage of minor (+15%) and other (+13%) applications determined within eight weeks. On the basis of three quarters of data for 2005/06, it would appear that this upward trend in determination rates has continued for all types of applications. Analysis was undertaken as to whether the number of applications received by an authority influences its performance in terms of BVPI 109 targets. No statistical correlation was found for all application types.

- 5.6 One of the reported actual and anticipated impacts of 2004/05 and 2005/06 PDG spending respectively in the local authority survey was to increase the number of applications handled within the BVPI 109 target timescales. The statistical evidence suggests that, over the lifetime of PDG, authorities' performance in terms of meeting BVPI 109 targets has improved. As highlighted in the 2004/05 PDG Report, the grant is not the only mechanism implemented by the Government, over the same period, designed to improve planning authority performance. However, the resource and incentive effect of the grant undoubtedly means that PDG will have been a contributory factor in authorities' performance improvements.



Note: Statistics for all LPAs. For 2005/06 the number of applications has been grossed up based on three quarters of data, the percentage of applications determined within target timescale is the average for the three quarters (i.e. Apr 05-Dec 06).

Source: DCLG statistics

- 5.7 Although BVPI 109 performance is improving, inevitably and appropriately, as allowed by the criteria some applications are decided over an extended timescale. Almost two thirds of our business survey respondents had cases where the decision-making timescale has extended beyond 6 months. Main causes of delay identified by businesses are inadequate resources in the authority, the decision-making process in the authority, additional information requirements from the authority and the time taken to conclude section 106 agreements. Overwhelmingly, applicants in our survey were in favour of engaging with the authority to improve application quality.
- 5.8 Various characteristics related to potential unintended consequences were reviewed for the 'top' 30 and 'bottom' 30 authorities as defined by BVPI 109 performance for major, minor and other applications. This analysis revealed no significant differences between the top and bottom performers with the exceptions of backlogs and delegation rates. 'Good' performers had smaller backlogs and higher delegation rates. This suggests that good performance is not due to 'perverse behaviour' on the part of the local authorities but rather better management of staff and resources.

Table 5.1: Characteristics of 'top' and 'bottom' 30 BVPI 109 performance authorities, 2005/06(*)

	Major applications		Minor applications		Other applications	
	Top 30	Bottom 30	Top 30	Bottom 30	Top 30	Bottom 30
% of applications processed within required timescale	92	31	89	49	96	67
PDG award, £	359,950	229,466	443,973	220,188	418,142	230,347
No. of authorities providing/not providing pre-application advice (**)						
Major	18/0	11/2	19/0	10/2	15/0	14/1
Minor	18/0	12/1	19/0	11/1	15/0	14/1
Other	17/1	12/1	19/0	11/1	15/0	14/1
% of applications validated within target period (2004/05) (**)	63	63	55	41	48	48
% of applications considered invalid (2004/05) (**)	17	18	16	20	12	25
% of applications withdrawn	8	8	7	7	7	8
% of applications refused	16	14	15	14	15	14
% of delegated applications	84	83	89	78	90	78
% backlog	23	34	23	30	20	31
No. of authorities subject to clawback	1	3	4	1	5	0
No. of authorities subject to abatement	3	0	1	0	1	0

Notes: (*) For all variables except 'number of authorities providing pre-application advice,' 'number of authorities subject to clawback/abatement', the data given is the average for the 'top' or 'bottom' 30.

(**) Data available only for authorities which returned the PDG questionnaire (for all other variables, data for all local authorities).

Sources: DCLG statistics and aggregated survey returns

Pre-application Discussions

- 5.9 The 2005/06 local authority postal survey results revealed that, as in 2004/05, only a few respondent authorities do not provide pre-application advice. The majority of respondents provide advice on major and minor planning applications within three weeks and within one week on other applications. However, some authorities take more than a month to provide advice. The majority of respondent authorities disagreed (89%) with the statement that PDG has discouraged use of pre-application discussions. These results confirm the previous year's finding that there has been no large scale removal of this service by LPAs in order to meet targets or gain PDG. However, there may be some short term removal of pre-application discussions, e.g. at times when there were high levels of staff sickness.
- 5.10 Businesses are making greater use of pre-application discussions. The majority of respondents (79%) in our business survey reported that most or all of their applications were subject to pre-application discussions, (Table 5.2). However, there were circumstances when LPAs declined to undertake pre-application discussions: approximately one third of businesses (33%) reported that this happened frequently. The remaining respondents to our survey thought this rarely (52%) or never (15%) happened. The majority of respondents (75%) thought there had been no change in the number of authorities declining to undertake pre-application discussions, while 16% said that the level had increased and 10% said that it had decreased.

Table 5.2: Invitation for and Take Up of Pre-Application Discussions

	None	Minority	Half	Majority	All	Total No. of Respondents
Proportion of applications subject of pre-application advice prior to submission	0%	11%	10%	42%	37%	62
Proportion of applications submitted for which pre-application advice has been sought	15%	2%	0%	45%	38%	60
Proportion of authorities that invite pre-application discussions	11%	25%	25%	30%	9%	53

- 5.11 One issue with pre-application discussions is the extent to which these are being used effectively to improve the quality of applications submitted. Within the local authority case-study group, pre-application discussions were widely seen as a major improvement to the quality of the planning process. Offering a pre-application service was felt to contribute to a more co-operative way of working between LPAs and the private sector. If anything, seminar participants felt concerned that they did not have the resources to increase the level of such discussions. The lengthy waiting times for pre-application advice within some authorities may be partially attributed to this identified lack of resources.
- 5.12 A number of the case-study authorities had undertaken positive steps to improve the availability and quality of pre-application discussions. For example, one authority has set up a planning advice team, which has enabled it to streamline and improve the quality of pre-application advice. The advice team, with officers drawn from across the LPA, goes through a selection of applications and provides a written response to applicants. This initiative is reportedly popular with developers as it ensures a co-ordinated response from all specialisms within the authority. Another case-study authority has used PDG to employ dedicated planning liaison officers trained in development control. These staff members have the time to help people make applications without pressure from the need to meet targets.
- 5.13 Local authority seminar participants reported that pre-applications discussions often generate a significant workload, even though many applications are never formally submitted. For example, one case-study authority receives 15,000 requests for advice per year, five times more than the number of applications submitted. Our business survey confirmed that a significant proportion of applications on which advice was sought are not formally submitted (Table 5.2). Some of this is because the number of potential speculative applications is increasing – this was a trend noted by some seminar participants, including private sector partners who suggested that rising land values for many uses, and evolving policy, often made it worth ‘having a go’, especially where regional and national policy, offered some support. This was also cited by the private sector as a factor leading to a higher level of refusals. They noted that only a small proportion of these cases were typically taken to appeal.
- 5.14 Authorities also suggested that better resourcing of development control had also allowed better analysis of applications and actually gave authorities more confidence to refuse applications, knowing that their decision could be defended at appeal. The private sector in our survey also suggested that authorities were increasingly more confident and flexible in accepting innovative schemes and in some cases departures from older local policy, especially where the scheme was of high quality

and where there was strong local support. This contrasted with their experience of inspectors and was a reason for withdrawing and resubmitting rather than going to appeal.

- 5.15 One of the reported concerns of the private sector in the CBI paper⁷ is that authorities are 'front-loading' the application process by encouraging applicants to delay submission and go through lengthy discussions. Sixty-four percent of respondents in our business survey also reported that they have been asked to delay submission of an application in order to undertake further pre-application discussions. Half of the respondent businesses thought this practice had happened more frequently in the past three years, while the other half thought there had been no change.
- 5.16 When the issue of front loading was raised at the local authority seminars, participants agreed that authorities do require more up front – but felt that this is not so much an issue of the mechanics of the planning system, but of the complexity of the issues and the need to satisfy all stakeholders and make a quality decision. Seminar participants saw front loading, in the form of pre-application advice, as key to getting applications right in the first place – particularly for major applications. Achieving a balance between provision of pre-application advice and the handling of live applications was seen as a key ingredient for a quality service and outcomes. Local authorities thought the increased emphasis on pre-application advice and a tougher stance on the need for quality and more considered applications has meant the quality of applications submitted has started to rise.
- 5.17 However, local authorities did not feel that discussions were really likely to be strung out artificially in order to deter applications until the LPA was ready to deal with them. In any case, applicants are free to submit an application at any time – and, indeed, a large number of applications continue to come in without any pre-application discussion. The latter point is supported by the results of our business survey, which revealed that, although pre-application advice is sought on the majority of applications submitted, there are still a proportion of applications where advice is not sought.
- 5.18 Case-study authorities were aware of one (city) authority where a pre-application advice team was set up and it was six months before anyone used the service. Major applications in this authority are often received on which no pre-application advice has been sought. However, seminar participants agreed that this culture (that is, not seeking advice) is not widespread, and in all case-study authorities, developers were increasingly keen to get pre-application advice and to consult with stakeholders.
- 5.19 Businesses' experience of authorities inviting pre-application discussions varied widely, from 11% in our business survey reporting that no authorities invite discussion to 9% reporting that all authorities invite discussions (Table 5.2). The majority of respondents (61%) thought there had been no change in the number of authorities inviting pre-application discussions over the past three years (the lifetime of PDG awards), while 22% thought more authorities were inviting discussions and 18% thought fewer authorities were inviting discussions.

⁷ CBI (2005) Planning Brief December 2005 – *Planning Reform: Delivering for Business*

5.20 Overall our business survey revealed that the private sector largely viewed pre-applications in a positive light, only 4% of respondents (2 businesses) thought that pre-applications made no difference (Table 5.3). The majority of businesses (89%) thought that it was better to discuss planning applications prior to formal submission rather than post-submission. Section 106 requirements cause the highest rate of dissatisfaction at pre-application stage. Agreeing the scope of section 106 agreements pre-application was also seen as one of the most important means of speeding up the system.

Table 5.3: Helpfulness of Pre Application Discussion in Developing Proposals

% of Respondents	Very helpful	Helpful	Slightly helpful	Not all helpful	Makes no difference	Total No. of Respondents
Degree of helpfulness of pre-application discussions in developing proposals	32%	30%	34%	0%	4%	50

5.21 The postal survey of local authorities confirmed that, as in 2004/05, very few respondent authorities charge for pre-application advice. Within the local authority case-study group many authorities reported that they do not charge for advice due to the resource implications of meeting the implied increased expectations for this aspect of the planning service. In particular, the need for senior and experienced staff to deal with often complex queries could not be met. Concerns were raised that the nature of pre-application discussions does not allow for the evolution of planning applications and therefore leaves officers open to criticism.

Validation

5.22 Most authorities (88% of respondent authorities) now operate an internal validation checklist, which seeks to ensure that all the elements of an application have been complied with before it is registered. This may be frustrating for applicants but it is an important quality assurance mechanism to ensure 'fit-for-purpose' applications, since otherwise neither the LPA nor other stakeholders can deal with the application in an appropriate fashion. Most local authority seminar participants did not believe that this was affected by targets or PDG, although some accepted that this could occasionally happen. In particular, some LPAs operated these validation procedures entirely inflexibly, refusing to register applications even where they failed to comply with the validation checklist only in small details.

5.23 One of the reported concerns of the private sector relating to problems registering applications is that DCLG's validation criteria are complex, requiring 29 types of additional information to be supplied before an application is registered. However, it is interesting to note that only two fifths of respondent authorities were changing their validation criteria in the light of the publication of DCLG guidance on validation. Furthermore, of the 60% of authorities not changing their criteria, 75% are already in line with the guidance. Thus in 45% of respondent authorities the new guidelines have not added to the requirements faced by applicants. Indeed, the revision of validation criteria by some authorities may be levelling the playing field for applicants.

- 5.24 In the local authority survey, the majority of respondent authorities reported they had a target period for validation (92%). As in 2004/05, the majority of applications were reportedly validated within 3 days (73%). On average, 76% of applications were validated within identified target periods, a slight increase (+2%) on the previous year, (Table 5.4). On average 24% of applications were invalid, the highest proportion reported being 64%. The latter is a significant drop compared to 2004/05 when 90% were reported by one authority to be invalid.
- 5.25 Case-study authorities expected that the number of non-validations will peak shortly, as the planning system is probably in a transitional period (and especially since for many authorities new guidance on the issues is in production), and authorities are at different stages in the process. The business survey results and seminar also suggest that applicants are also increasingly getting the message that the applications have to be complete on submission. It follows from this that the number of withdrawals and refusals is expected to drop as validation improves.

Table 5.4: Validated and Invalid Applications, Refusals and withdrawals

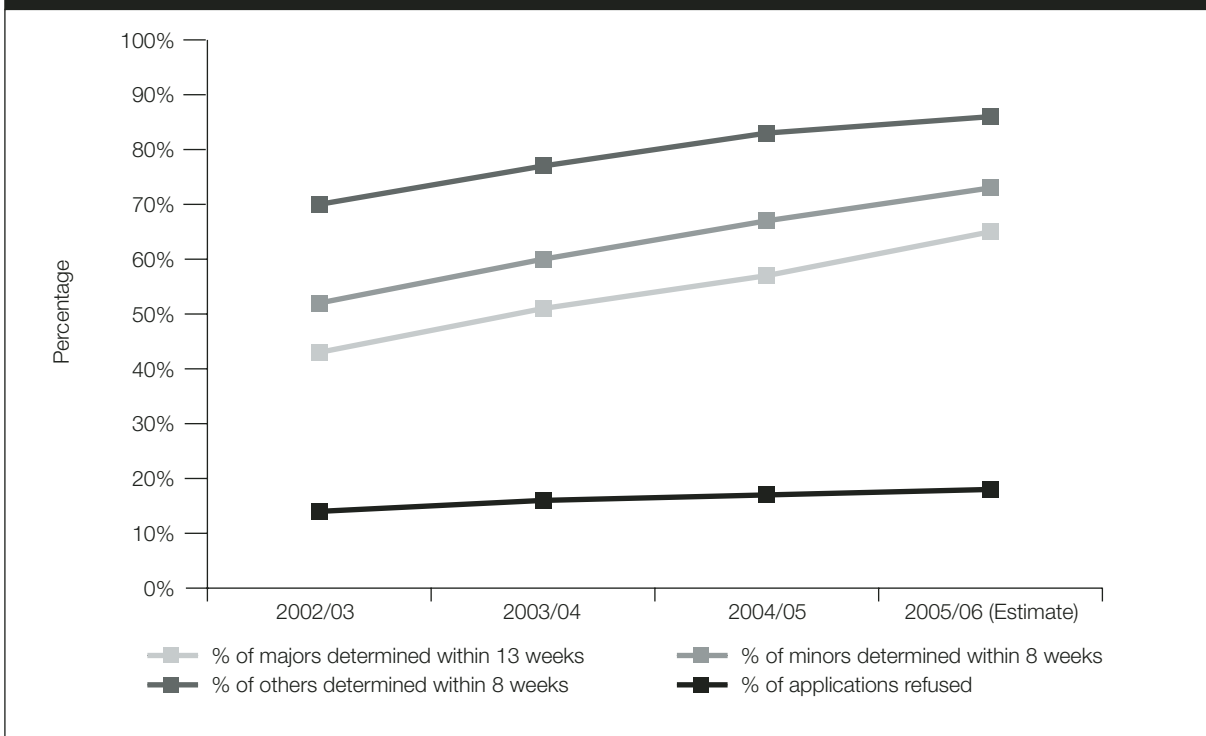
	2003/04	2004/05
% of applications validated within target timescale		
Average	74	76
Lowest	0	7
Highest	100	100
% of applications considered invalid		
Average	23	24
Lowest	0	0
Highest	90	64
% of refusals (average)	16	17
% of withdrawals (average)	6	7

Source: Aggregated survey returns and DCLG Statistics

- 5.26 The majority of respondent local authorities (61%) require forms, red line plan, cheque, detailed plans and elevations, plus any supporting statement and/or supplementary information including Environmental Statement or impact studies, if appropriate, before validating an application. The 2005 CBI paper suggests that businesses are having problems registering applications where authorities refuse to register until they are confident that they will meet deadlines. The local authority survey suggests that this practice does occur in a minority of authorities but is not widespread. For example, 7% authorities that responded to the survey agreed with the statement that PDG has ‘encouraged the authority to refuse to validate major applications where the application cannot be processed in 13 weeks’ and only 6% reported that they require an application to include a proposal that is sufficiently comprehensive to be permissible within the 8 or 13 week target.

Refusals

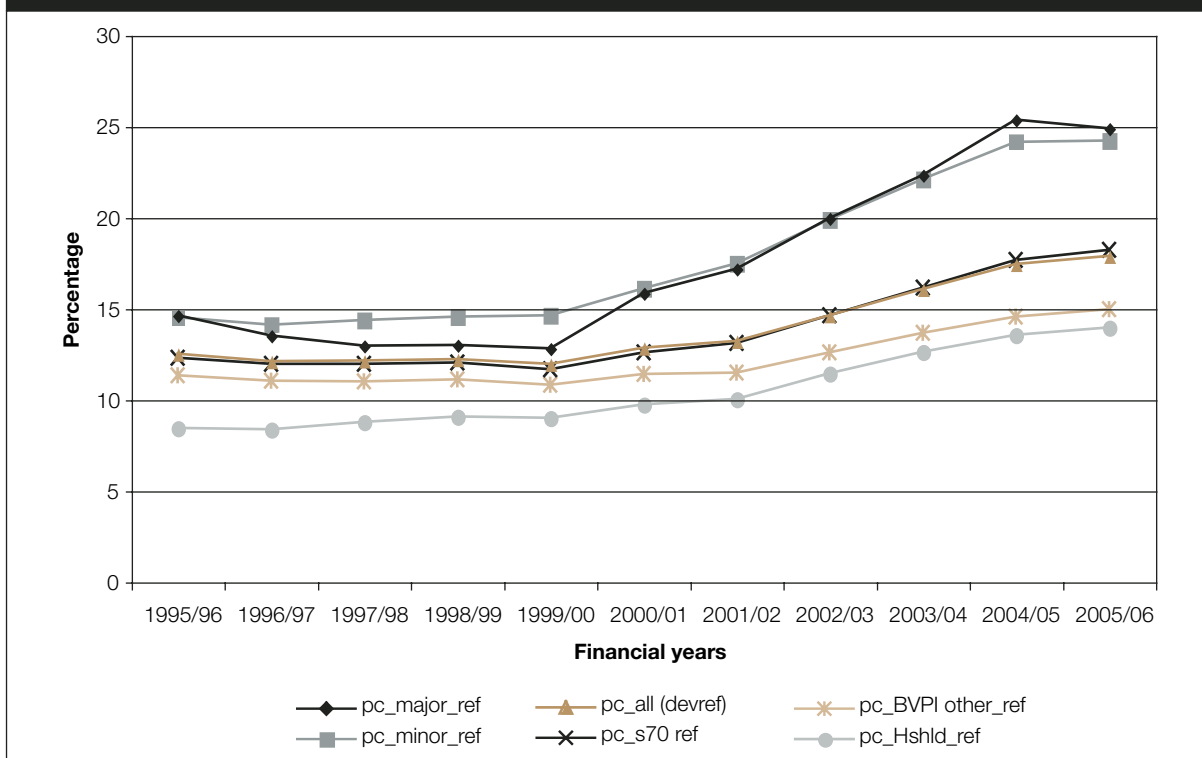
- 5.27 Analysis of the refusal rate for all applications over the lifetime of PDG shows there has been a small increase (+4%) in refusal rates, which is very low when compared to the significant increases in BVPI 109 performance for major (22%), minor (21%) and other (16%) applications, (Figure 5.3).

Figure 5.3: BVPI 109 Performance and Refusals

Source: DCLG statistics

- 5.28 If the refusal rate is examined over a longer time period (1995/06-2005/06), overall there has been an increase of five percentage points over the ten years, although the greater part of this increase has occurred post-2000/01 (Figure 5.4). The increased rise in the rate of refusals pre-dates the introduction of PDG (2002/03). The analysis further reveals that the rates and levels of increase for major and minor applications are higher than for all other application types. The nature of minor and major applications means that this increase would have been disproportionately felt by businesses as opposed to individual applicants.
- 5.29 The 2004/05 research suggested that although increasing refusal rates may have been behind performance change in some authorities, it would not appear to be a widespread practice. Further, that it was a strategy that was unlikely to continue in the longer term, due to the introduction of the 'abatement' arrangements on PDG for authorities with poor performance on appeals. At the heart of this issue is the extent to which any additional refusals have been unjustified.
- 5.30 One of the issues raised in the 2005 CBI paper is that councils are refusing applications, regardless of merit, in order to meet performance targets, if applicants do not withdraw applications when requested by the local planning authority. It is interesting to note that, in the business survey, the majority of respondents (64%) thought there had been no change in the number of applications refused, with just under one third thinking that local authority performance had declined in this respect. This suggests, as with other unintended consequences, that the problem is not widespread but rather constrained to a sub-set of authorities or even, possibly, individual planning officers.

Figure 5.4: Refusal percentages for Major, Minor, s70 decisions, all decisions, 'BVPI Other' and householder decisions

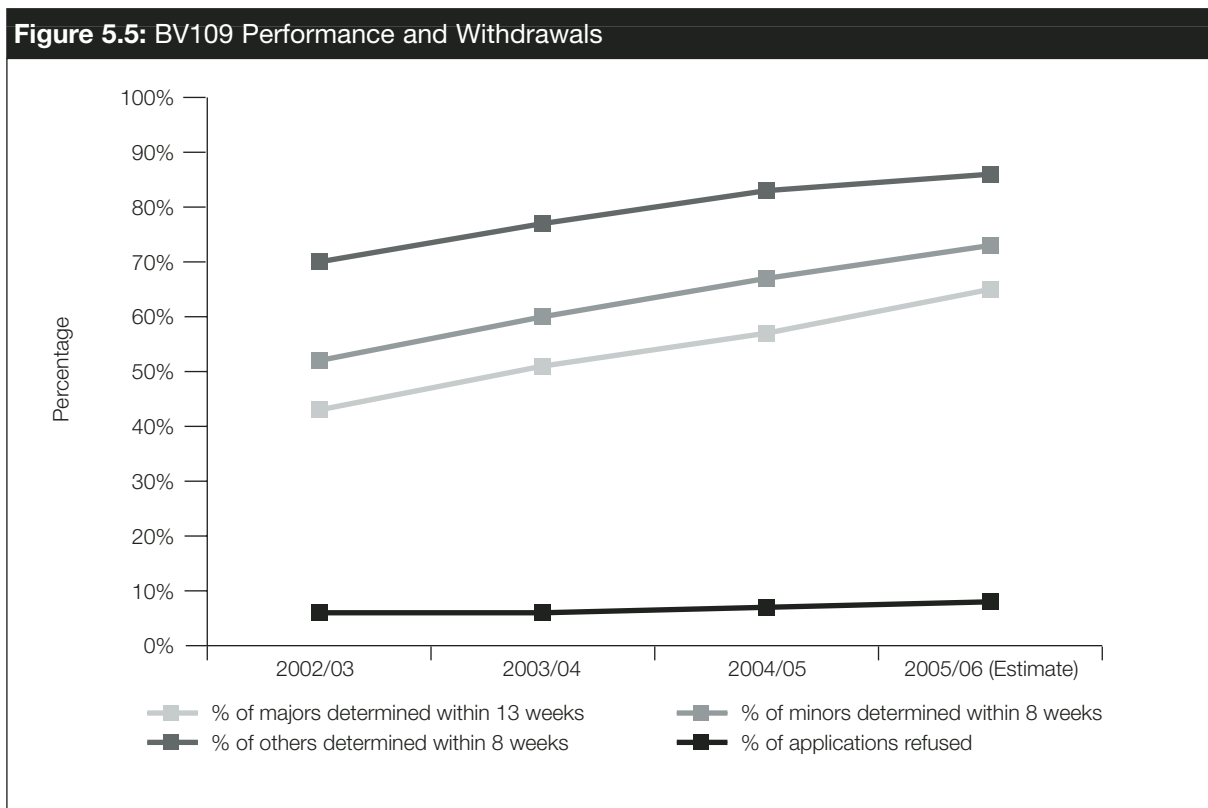


Source: Derived from a number of different published DCLG statistics

- 5.31 One hypothesis is that additional refusals have probably been justified, considering the standard of the applications, the increase in speculative applications and the need to make an expedient decision. If this hypothesis is correct, it would be reasonable to assume that there would have been no substantive change in the number of appeals upheld. Analysis of the percentage of appeals allowed over the period 2002/03 to 2004/05 shows that there is no evidence that appeals allowed have increased. This indicates that LPA performance is not deteriorating and that the additional refusals are justified. The logic of this suggests the appeals abatement criteria for PDG allocations may be of limited relevance.
- 5.32 Seminar participants thought that the increasing refusal rates were due to the fact that authorities are now more likely to reject inadequate applications and to decline to negotiate at length. This was partly due to the publication of validation guidance but also a result of planning services being better resourced, which meant that officers had more time to examine individual applications and reject inadequate ones.
- 5.33 Most local authority seminar participants did not believe that their LPA was using refusals as a last resort for ensuring that targets were being met, although they could see that this might sometimes happen elsewhere and they understood that some applicants felt this was the case. This was particularly likely to be suspected by applicants who had engaged in pre-application discussions and felt that they had been given an encouraging response from officers only to find the application was later refused by elected members on grounds raised in the consultation process. Many applicants did not understand (or would not accept) that consultation was explicitly designed to uncover issues which could not be apparent to officers in pre-application discussions, so they were inclined to conclude that the LPA had acted in bad faith.

Withdrawals

- 5.34 One of the issues raised by the CBI is that many applicants are increasingly being asked to withdraw applications if the target will not be hit, or else face refusal. If that is indeed the case, it would be logical to expect a significant increase in withdrawal rates. Yet the trend in withdrawal rates over the lifetime of PDG is very similar to that of refusals, with no significant increase (Figure 5.5). Withdrawals have increased by 2% compared to the 22%, 21% and 16% increases respectively for the percentage of major, minor and other applications determined within target timescales.



- 5.35 The business survey confirmed that applicants are being asked to withdraw applications – on average 5% of applications over the previous three years. However, it is interesting to note that almost the same proportion – 4% of applications – were withdrawn due to applicant’s changes to their own schemes.
- 5.36 Just over 60% of respondents in the local authority survey reported that the number of applications withdrawn by applicants had increased. It was accepted by some seminar participants that putting pressure on applicants to withdraw inappropriate applications has become ‘the new way of negotiating’, preferable to refusal. The practice is not necessarily seen as a negative mechanism by businesses. For example, 61% of respondents in the business survey thought it reasonable to be asked by an authority to withdraw an application if refusal was likely, and 91% thought it reasonable if the authority suggested the scheme required major modification before it could be approved. At the seminar businesses overwhelmingly suggested their preference was to be offered the opportunity to withdraw and applications and resubmit, rather than receive a refusal.

Other issues

- 5.37 Another issue raised by the CBI in their 2005 paper is that, increasingly, authorities are 'back-end loading' the planning system through the greater use of pre-start conditions, which often means the applicant does not have an implementable consent. Local authority seminar participants accepted that pre-start conditions were increasingly common, but argued that this was usually entirely justified (particularly in the case of section 106 agreements). However, some participants did accept that this may be overdone in some cases. This accords with experiences reported in the private sector seminar, where business also reported that use of pre-start conditions was becoming more widespread and frequent. There is a need for authorities to streamline this process and ensure that conditions applied are entirely appropriate to an application.
- 5.38 Breaking down an application into numerous applications was identified by the CBI as another approach used by authorities to help meet performance targets. However, there was no reference to any such behaviour during the seminars. Likewise the CBI's view, that once an application missed its target deadline it became a downgraded priority, was dismissed by local authority seminar participants. It was universally believed that this was not a significant danger – if any such behaviour occurred, it was likely only to involve a matter of days, not weeks, as development control staff would still wish to get these cases moving through the system. In the local authority survey, the majority of respondents (77%) disagreed with the statement that PDG has meant that the authority now gives low priority to processing 'out of time' applications. However, this still means that one fifth of respondents do downgrade the priority on applications which have missed the target. The statistics on backlog would suggest that overall there are fewer 'out of time' applications, which may be expected given performance improvements.
- 5.39 Half of the respondent authorities and just under three fifths of chief executives disagreed with the statement that PDG had decreased the likelihood of negotiations. On the other hand, three quarters of respondent authorities also disagreed with the statement that PDG has increased the likelihood of negotiations, which suggests that authorities' willingness to participate in negotiations has remained largely static. However, discussion with the private sector suggests what has changed is that the greater adherence to target timescales has reduced the opportunities for negotiation on submitted schemes.
- 5.40 Getting elected members involved well before the determination of a planning application (e.g. at pre-application stage) was seen as potentially dangerous by many local authority seminar participants. While they saw that it might lead to more informed decisions, they were wary of the danger that elected members would be seen as having made prejudicial statements in advance.

CHAPTER 6

PDG Delivery Outcomes

Introduction

- 6.1 This chapter is concerned with the relationship between PDG, PDG allocation criteria and delivery outcomes. In particular, it reviews LPA progress in the four key areas:
- LDFs;
 - Housing completions;
 - Enterprise areas; and
 - E-planning.
- 6.2 In general, based on seminar discussions, many authorities suggest that there is a relationship between expenditure source and PDG allocation criteria and the focus of the expenditure. The purpose of the chapter is to explore this in some depth.

LDFs

- 6.3 In the 2004/05 evaluation PDG was identified as providing a 'life-line' to authorities in terms of their ability to deliver LDFs. Earlier chapters have suggested that this remains the case, with an increasing share of PDG going into this area, a process that seems to be being supported by the use of PDG.
- 6.4 Progress on LDFs has been slower and more resource-intensive than had been predicted by local planning authorities, but most met the initial Local Development Scheme (LDS) and Annual Monitoring Report (AMR) deadlines. PDG has been fundamental in this process, assisting LDF production through, for example, the recruitment of consultants to undertake evidence-base studies or recruitment of temporary staff to work on specific projects for the LDF. At the local authority seminars, some delegates reported they had used PDG for key studies for LDF and would struggle with the LDF in the future if PDG is lost. Delegates agreed that much of the progress on LDFs was due to the availability of resources from PDG. They raised the concern that, post-PDG, plan-making might go back to be an 'optional extra' in some authorities.
- 6.5 Table 6.1 summarises how local authorities have spent PDG on supporting the LDF process in 2005/06. It should be noted that this underestimates the total spend since it only summarises data from authorities that provided detailed responses to the postal survey. It has not always been possible to disaggregate LDF spending: for example, some respondents reported that they had hired both development control

and policy planners. On this basis, a minimum of £6.6m PDG was spent on supporting the LDF process, which represents 9% of the total identified spend by the respondent local authorities. County councils also used PDG to support the LDF process, with a minimum of £424k spent in 2005/06 (or retained for future costs), which represents 19% of the total identified spend by county council respondents.

Table 6.1: Local Authority PDG Spend (£000s) to Support the Production of LDFs	
Recruitment of policy staff – permanent	173
Recruitment of policy staff – temporary	226
Commission of consultants to produce LDF documents	1,661
Commission of consultants to undertake specialist studies to support LDF	3,343
Capital spend – LDF/policy	427
Retained for subsequent years – LDF/LP costs	231
Other – LDF	424
Total (Partial)	6,483

Note: Total only represents partial PDG spend on LDFs (see paragraph 6.5 for more detail).

Source: Aggregated survey returns

Table 6.2: County Council PDG Spend (£000s) to Support the Production of LDFs	
Recruitment of policy staff – temporary	36
Commission of consultants for LDF and Supplementary Planning Documents	280
Commission of consultants to undertake specialist studies	28
Other – LDF	50
Retention for subsequent years – LDF costs	30
Total (Partial)	424

Note: Total only represents partial PDG spend on LDFs (see paragraph 6.5 for more detail).

Source: Aggregated survey returns

6.6 Any reduction in PDG will directly impact on LDF production, as it is an important source of funding for LDFs in many cases. For example, one case-study authority reported that it is only through PDG that it can fund LDF work, as it already has problems funding major applications out of the mainstream budget. Another authority stated that, although it has reserves from an earlier growth bid, if it receives a major application or other unexpected claim on resources, those reserves will easily be depleted. This raises questions as to how the authority will fund its LDF. One case-study authority has no budget for LDF work and is hoping it will be successful in a growth bid.

6.7 The LDF process requires a sustained level of increased resources. At the local authority seminars, delegates reported they were increasingly worried about the deliverability of LDFs, given the significant levels of investment involved. As PDG is often used for this purpose currently, they were concerned about funding future work on LDFs. The demise of PDG is therefore likely to mean that many LPAs face a funding shortfall for further LDF work. There is a need for local authorities to develop ‘exit strategies’ with regard to future funding of LDFs (as well as wider issues such as development control staffing) for the post-PDG period.

- 6.8 PDG in 2006/07 has been allocated to authorities on the 'performance' criteria of whether or not they have produced an AMR. These reports provide an indication of progress against LDS. Much of the progress that has been made has been on the expectation of a stronger performance culture. Many authorities anticipated that PDG would be paid on the basis of progress against their local development scheme, and this expectation has provided the equivalent of a performance target. Many now feel that the failure to put in place such targets will mean that LDFs will be given lower priority and even lower resources in future, despite existing resource shortfalls. In making this comment, however, authorities are aware of the difficulties of producing performance data and that a stronger performance culture may encourage authorities to be less ambitious in terms of their LDSs in the future.

Housing Completions

- 6.9 As is well known, in the face of rising house prices the Government has been concerned to increase housing supply. Planning has a role in the process in terms of making adequate provision of land for housing in development plans and in adopting a realistic and pro-active approach to ensuring that these allocations can be taken up. Permissions for housing are also now generally seen as a mechanism for delivering 'affordable' housing through cross-subsidy from housing sold at 'market' values.
- 6.10 As earlier chapters have suggested, PDG has been designed to have a role in this process; a small proportion of the grant is allocated on the basis of housing delivery. Seminar evidence suggests that this has encouraged a number of authorities to consider whether they can take action to encourage more housing. Examples of pro-active approaches taken by the case-study authorities so that they may act as a housing delivery vehicles rather than a regulatory bodies include:
- Consideration of partnerships with developers in order to deliver housing;
 - Establishing partnerships with RSLs to deliver affordable housing;
 - Creating new types of delivery vehicles;
 - Opting into the pathfinders programme in order to access infrastructure funds to encourage housing development;
 - Establishing a housing commission with external advisors (including Kate Barker) to address housing issues within a borough;
 - Instigating culture changes within the authority to establish more integrated working between departments in order to deliver more housing;
 - Developing integrated planning, housing and regeneration strategies and infrastructure agreements to influence housing supply;
 - Encouraging housing delivery through LDF processes; and
 - Monitoring of completions.

- 6.11 Analysis of total PDG allocations and housing completions revealed no consistent relationship, although authorities with high completion levels were marginally more likely to be receiving more PDG. However, it is suspected that this is a scale effect, as larger authorities tend to receive more PDG on the basis of both scale and performance. Similar analysis for growth areas revealed no general relationship, suggesting that in the most recent period growth areas are not necessarily associated with higher housing completion levels. In practice this is unsurprising since growth areas are largely about anticipated future growth, the reality of which cannot be known.
- 6.12 The local authority seminars explored a range of issues concerned with linking the future of PDG to housing supply. The question that the seminars addressed was: how can the planning system better deliver housing supply, and can PDG be used to help facilitate this? Whilst some delegates felt that it would be difficult for local planning authorities to ensure that development occurred, others pointed to successful partnering arrangements with developers that made a focus on completions rather than housing land designations feasible. Some delegates felt that a focus on completions would require a 'culture change' in local authority attitudes towards housing land. This was broadly felt to be desirable (and in line with the spirit of draft PPS 3) and involve a far more pro-active approach in ensuring land was 'deliverable'. However, since housing completions typically occur a long time after the planning process is triggered by housing land allocations, and would be subject to many uncertainties during the intervening period, the incentive effect of PDG was thought to be weak, at best.
- 6.13 At the local authority seminars there was felt to be a marginal relationship between speed of decision making, the number of planning permissions and housing completions; the relevance of the completions criteria to PDG awards was questioned. It may be desirable that authorities are provided with a better incentive structure to deliver more housing. This might relate to LDF progress, as well as development control, and such issues such as infrastructure investment.

Enterprise Areas

- 6.14 Enterprise Areas are a 'policy toolkit' designed to focus and co-ordinate measures targeted on, or likely to help, businesses in deprived areas. Businesses in an Enterprise Area may benefit from one of several new or existing forms of government assistance, including reductions in planning application fees. PDG aims to compensate for the loss of fee income through the award of a small proportion of PDG on the basis of Enterprise Area status. If fee income and Enterprise Area PDG allocations are analysed, the latter resources are focused on those authorities that tend to have received lower fee income, but there are some exceptions. No evidence was gathered in this research as to how authorities are using PDG to support their work in enterprise areas although LPAs reported that if they received PDG awards for this criterion, they had spent money on related projects.

E-planning

- 6.15 E-planning is about developing opportunities to e-enable the planning system to help deliver more efficient and accessible planning services and information. DCLG is incentivising service delivery improvements through the Planning Delivery Grant.
- 6.16 Over the past two years, there have been significant improvements in the availability of local authority e-planning services, according to the Pendleton survey. At the case seminars, authorities have indicated that the main constraint on meeting Pendleton criteria has been supplier capacity to deliver and install hard-ware and soft-ware. Based on the responses of case-study authorities at seminars, the perception, in line with the improvement in Pendleton scores, is that most of the capital expenditure required to implement e-planning has been made. At the case-study seminars local authorities commented that overall there have been significant service delivery improvements over the past couple of years, but some planning agents and members of the public are still unaware of the services on offer and are not yet taking them up.

CHAPTER 7

Quality of Planning Service

Introduction

- 7.1 This chapter is concerned with the relationship between PDG awards and the quality of the planning service as measured by BVPIs and experienced by users of the system as well as those affected by planning decisions. In practice, quality of this latter kind is quite difficult to measure objectively, beyond existing targets, but it is an important issue in terms of assessing the extent of improvements to the system and the ways in which the additional resources provided through PDG are supporting this.

Quality as measured by BVPIs

- 7.2 Relevant statistical measures of quality can be found in terms of a number of BVPIs. In particular it is possible to analyse the following.
- BVPI 111 on the applicant's satisfaction with the planning service received;
 - BVPI 200a in relation to plan making and whether authorities submitted a LDS by 28 March 2005;
 - BVPI 200b on the extent to which plan-making milestones set out in the LDS have been met;
 - BVPI 200c on whether the planning authority published an AMR by 31 December of each year;
 - BVPI 204 on planning appeals, essentially a measure of the quality of decisions in terms of the number of decisions allowed against the authority's decision to refuse on planning applications; and
 - BVPI 205, the local authority's score, based on self assessment, against a 'quality of planning services' checklist.
- 7.3 BVPI 111 is part of the Best Value User Satisfaction Survey, which is run on a triennial basis. The last survey was held in 2003/04 and, on average, 75% of applicants were satisfied with the service received. Local authority seminar participants reported they are increasingly focussing on quality of service rather than speed of decision-making, and have undertaken various initiatives to improve customer satisfaction (as discussed later in this chapter). Local authority survey respondents stated that they have used PDG to address issues related to customer satisfaction, in preparation for the 2006/07 User Satisfaction Survey.

- 7.4 The 2005/06 BVPI 200 series data assess local authority progress against the new development plan system. All authorities met the deadline for submission of the AMR by December 2006, a PDG criteria.
- 7.5 Progress in terms of BVPI 204 has also been assessed in terms of our survey data and it has been possible to examine the relationship between the percentage of appeals upheld in 2004/05 and PDG awards in 2005/06. The importance of this relationship is in terms of whether improved performance and higher PDG awards have been achieved through 'unjustified' refusals subsequently overturned on appeal. In practice there is no overall relationship, and most authorities fall within a similar 'appeals upheld' range of around 20% – 40%. There are a few outliers at the bottom and top end which in most cases relate to authorities where there have been very few appeals, and where the results of only a few appeals will influence the overall figures.
- 7.6 The results are unsurprising. In practice only a small number of refusals go to appeal and there is an element of rationing that occurs as a result of the time and cost taken to go to appeal. In discussions with the private sector, many suggested that they have been keener to undertake further pre-application discussions and resubmit than to go to appeal because in the past year or two the appeals process has been slow.
- 7.7 It has also been possible to analyse year on year changes in appeal outcomes by authority. In practice this suggests that appeals experience varies significantly year by year, mostly because of the low numbers involved. Overall there has been no increase or decrease in appeals upheld over the last three years, perhaps suggesting that either the use of appeals performance in PDG awards has been of limited influence on planning decisions and/or that authorities do not find it easy to judge appeals success. In discussions, many authorities noted that the combination of ageing local plans and UDPs, and the issue that several new PPSs (especially PPS 3 and PPS 13) commend policy at variance with these older plans, means that it is difficult to predict appeal outcomes with any certainty. This view was also expressed in the private sector survey and at the seminar. Both authorities and the private sector also suggested that going to appeal was also increasingly the only way to test the 'real' policy, although both were reluctant to pursue this route on cost grounds.
- 7.8 In measuring quality it has also been possible based on our survey returns to explore scores relating to BVPI 205, the quality of planning service checklist. It is important to note that BVPI 205 differs from many BVPIs in that it measures local authority processes rather than simply outcomes. It is thus regarded by most authorities as one of the most practical targets they can achieve since it offers clear advice on what they should be doing and where changes in processes are required. Thus in practice, authorities have made steady progress to achieving the target in a short timescale where resources have been available, for example, to undertake pre-application discussions, to draft guidance to applicants and to provide specialist advice. Accordingly, when successive years are compared, scores improve. Although, in discussion, resources are regarded as prime determinant of BVPI 205, analysis of PDG awards and BVPI 205 scores revealed no overall relationship.

Other Measures of Quality

- 7.9 Of course, quality cannot be promoted or measured solely through the use of BVPIs and the study has also been able to take into account further sources of information, including:
- The extent of the authority's enforcement service (which is not covered by the BVPIs);
 - Progress with e-government initiatives, beyond the basic Pendleton approach;
 - Views on the standing of planning services, as expressed by Chief Executives in our survey; and
 - Views expressed by LPAs through the case-study seminars.

Enforcement

- 7.10 Enforcement is one of the areas of planning that is not covered by BVPIs and that as such would be one of the areas that might be being neglected if the popular view that authorities increasingly focus their resources only on meeting targets is adopted. In practice the evidence is that the opposite is the case: as earlier chapters have suggested, authorities have actually put more resources into enforcement, particularly from PDG, and enforcement is a strong local priority.
- 7.11 Analysis of the data does, however, suggest that the need for enforcement is highly variable with no obvious relationship between, say, enforcement complaints from the public and the scale of authority, albeit the relationship is stronger where authorities take a pro-active approach to monitoring. This means that there is also no obvious relationship between enforcement complaints and PDG or between enforcement notices served and PDG.
- 7.12 In practice, often the threat of an enforcement notice is sufficient to ensure remedial action, where there has been a breach of control, so that the number of notices served is relatively low in most cases, particularly in relation to complaints. Moreover, there is no particular relationship with PDG. There are, however, a small number of authorities that undertake enforcement substantially more than others.

Standing of the Planning Service within authorities

- 7.13 The majority of chief executives who responded to the survey reported that PDG had altered the planning authority's perspective of the planning service in relation to quality (76%), status (65%) and resource priority (75%). This has been evidenced by a number of positive changes, including:
- Increased focus on performance improvements, in terms of both speed and quality of service;

- Recognition of improvements to quality of service and customer satisfaction within the planning service;
- Increased profile and status of the planning service;
- Increases in resources allocated to the planning service, including ring-fencing PDG;
- Increases in staff levels through both recruitment and retention; and
- Increased awareness for the need to implement e-planning/IT initiatives.

7.14 By and large, chief executives thought that members have a positive perception of the planning service, with just under half of respondents stating that members held the service in high regard and as a key service within the council. Members were seen as supportive of improvements being carried out within the service; they recognised the demands being placed on the service. Less than 10% of respondents thought members had a negative perception of the service; around half of this dissatisfaction was thought to relate to individual development proposals or NIMBYism.

7.15 Sixty-five percent of respondents in the chief executive survey thought that members' perceptions of the planning service had changed since the introduction of PDG. These changes included:

- Recognition of improved performance within the planning service;
- Greater awareness of the planning service;
- Greater awareness of BVPI performance targets and the performance pressures facing the planning service;
- Greater appreciation of the significance of meeting targets;
- Recognition of the benefits of PDG;
- Greater appreciation of members' role in helping to meet targets; and
- Recognition of requirements for/and benefits of additional resources to help drive performance improvements.

7.16 As in 2004/05, the majority of respondents in the county council survey (72%) thought that PDG had improved the standing of planning within the local authority. This had been achieved in two main ways: by increasing the overall awareness of the service, and by improving the performance of the service.

7.17 However, compared to last year, it seems PDG has been less influential in generating interest in planning within county councils. In particular 68% of authorities disagreed with the statement that PDG had increased the interest in planning from the chief executive (68%). Views diverged significantly in terms of the effect on member interest suggesting that PDG has affected member perceptions strongly in some cases but hardly at all in others.

Positive actions by authorities to improve customer satisfaction

7.18 In 2004/05 and 2005/06 it was expected that PDG would help to bring about improvements to customer care in the planning service. In the local authority seminar discussions delegates identified various steps they have undertaken to improve customer satisfaction levels. In particular:

- **Major development protocols.** Some authorities are beginning to offer an agreed timetable for delivery. This is very popular with developers who increasingly lobby for this approach.
- **Charging for pre-application advice.** Where this has occurred it is suggested that it has improved the quality of provision and led to more certainty. Some developers also suggest that this approach is to be welcomed in terms of 'guaranteeing' the quality of advice.
- **Multi-disciplinary planning advice team(s).** Bringing together all interests including highways, heritage, etc. and ensuring that applicants receive fully coordinated advice.
- **Straightforward approaches.** Requests for additional information are sometimes used to stall applications requiring a difficult or controversial decision. Some authorities were increasingly facing up to this challenge and taking a more straightforward approach.
- **Early involvement of the community.** This was increasingly encouraged through the use of Statements of Community Involvement (SCIs).
- **Charter Mark.** This could provide a focus and would especially help to ensure better communication with applicants through guaranteeing that telephone calls would be returned and letters answered.
- **E-submission.** Especially reducing ambiguity in terms of dates of submission.
- **Uptake of PARSOL standards.** Providing a means especially to track application-handling progress.
- **Farming out some section 106 work.** The introduction of deadlines internally and externally so that Council advisors turn round their advice within agreed short timeframes and the application is refused if deadlines for section 106 submission are not met by the applicant.

CHAPTER 8

Conclusions

PDG Awards and Spending

- 8.1 The 2005/06 PDG allocations are the largest awards yet under this grant regime, with a total of £155 million distributed to local planning authorities and county councils. The surveys undertaken for this research recorded high overall retention of PDG within the planning service, with key areas of investment being IT, staff and commissioning external consultants in local authorities and in county councils.
- 8.2 The 2005/06 spending patterns indicated that PDG is increasingly being invested to assist the production of LDFs and to improve the quality of the service, including customer satisfaction. This perhaps represents a natural progression, as authorities have already made the 'easy' investments in projects, such as e-planning, and are moving from addressing speed of delivery to quality of service.
- 8.3 Authorities are pro-actively pursuing PDG awards and are supported in this pursuit by the corporate centre. Typical actions include investment in e-planning and additional resources for staff. Just under one third of surveyed authorities have increased planning budget resources in order to secure more PDG in the future.

Planning Service Resources and Performance

- 8.4 Analysis of gross planning expenditure showed a small decline in 2005/06 compared to 2004/05. Without PDG, resources for planning would have been significantly lower. Authorities cite the requirement to make Gershon efficiency savings as one of the reasons for budget decline.
- 8.5 The financial context of the overall council was often thought to be more significant than PDG in terms of total resources available for planning and is considered to be a key determinant for retention of PDG within the planning service. Another key determinant is the PDG award criteria themselves. There is a need to ensure these criteria are based on factors LPAs can control to maximise retention within the planning service.
- 8.6 For many authorities the end of PDG will potentially create a resource crisis, particularly in relation to future funding of development control staff and LDF production. The limited data available, since the introduction of a new fee structure in April 2005, suggest the rise in fees is unlikely to compensate for the loss of PDG in the future. It will therefore be essential that local authorities now assess the actual costs of running a planning service which can 'deliver' on development control and

local development framework agendas, and that this assessment is built into the forward financial planning of the authority over the next 3 years.

- 8.7 Planning service establishments have increased over the last few years and this in part may be directly attributable to PDG, which has been heavily invested in staff recruitment and retention. One unintended consequence of this spend has been to increase the competition for a limited pool of planners, especially those with specialist skills or experience, and to make it difficult for authorities to recruit in local labour markets. This has, however, led local authorities to be more pro-active; for example, in establishing 'grow your own planner' initiatives.
- 8.8 Development control caseloads are decreasing, although a significant number of authorities still exceed the 150 benchmark. Thus, there is still an overall lack of resources in the planning service. Indeed the private sector identified tackling lack of resources as one of the key areas to improve the planning service.
- 8.9 Analysis of resources and performance revealed that 'top' performers in terms of BVPI 109 have higher financial resources, smaller backlogs and more efficient resource management or processes.

Unintended Consequences

- 8.10 There is a perception by both planners and developers that PDG is leading to unintended consequences. However, there is a lack of statistical evidence to support this. Analysis of characteristics related to potential unintended consequences and BVPI 109 performance revealed no significant differences between 'top' and 'bottom' performers with the exception of backlogs and delegation rates. 'Good' performers had smaller backlogs and higher delegation rates. This suggests that good performance is not due to 'perverse behaviour' on the part of the local authorities but, rather, better management of staff and resources. The resource and incentive effect of PDG may have helped to drive this change in management culture in planning.
- 8.11 Most of the behaviours outlined in the CBI paper, which the CBI suggests represent 'unforeseen negative consequences', do indeed occur, but the local authority seminar participants were convinced that they were not the norm – though they may have increased in frequency in recent years because of the target regime and PDG.
- 8.12 However, most of these behaviours are not purely negative in their impact. Indeed, many of them have occurred for very positive reasons and have had a net positive impact, in the view of the local authority seminar participants. While from certain perspectives they have a downside which needs addressing, it is vitally important that their positive consequences are also understood and highlighted. Once SCIs kick in, there will indeed be significant effects on the time needed for planning consents – but once again this will not be an 'unforeseen' or 'perverse' effect; it will be part and parcel of the effort to improve the quality of the overall process and outcomes.
- 8.13 It requires a marketing drive by all LPAs to correct the misleading interpretation some stakeholders place upon their current behaviour. The positive side of all the behaviours mentioned by the CBI should be emphasised very clearly, so that the

planning system is understood to be seeking quality and this is accepted as being an important goal.

- 8.14 Moreover, local authority seminar participants pointed to the perverse behaviours of some developers – for example, the tendency to ‘sit on’ provisional consents with section 106 agreements, rather than countersign them (partly in order to avoid triggering stage payments).
- 8.15 Participants at the business seminar reported that overall the planning service is a good system, which can work well and offers a democratic decision process. Although businesses felt that speed of decision was important, they were more concerned about certainty of timescale and outcome, and preferred to wait longer to get the right decision. A number of key issues and recommendations were identified, which included:
- A need to address high levels of staff turnover to ensure consistency of approach and decision making and to ensure an authority has sufficiently skilled and experienced staff;
 - Increased willingness on the part of LPAs to enter pre-application discussions within an appropriate timescale – for example, two to three weeks after requests for attendance by senior officers – and for necessary preparatory work to be undertaken by officers prior to meetings;
 - A need to get early agreement on the ‘scope of work’ for an application, i.e. to identify the appropriate additional studies required;
 - A need to reduce inappropriate local political interference in the planning system and to reduce the number of decisions which go against officer recommendations; and
 - Increased timescales for major applications decisions to ensure sufficient time for consultation and negotiation.

Delivery Outcomes and Quality of Service

- 8.16 Progress on LDFs has been slower and more resource-intensive than had been predicted by LPAs but most authorities met the initial LDS and AMR deadlines. PDG has been fundamental in this process: assisting LDF production, for example, through the recruitment of consultants to undertake evidence-base studies. Delegates at the local authority seminars reported that much of the progress on LDFs was due to the availability of resources from PDG and raised concerns that, post-PDG, plan-making might go back to being an ‘optional extra’ in some authorities. The demise of PDG is likely to mean that many LPAs face a funding shortfall for further LDF work. Developing an exit strategy for the post-PDG period is thus a key priority for local authorities, not only in terms of future funding of LDF work but also other work streams, such as e-planning, and ongoing costs, such as permanent staff (initially recruited using PDG) for development control and specialist advice.

- 8.17 Local authority seminar evidence suggests that the introduction of a PDG housing criteria has encouraged some authorities to consider whether they can take action to encourage the delivery of more housing. Some delegates felt there was only a marginal relationship between actions that the planning service could undertake and housing completions although others felt that if authorities were pro-active it was possible to focus more on completions rather than housing land designations. However, the majority questioned the relevance of a 'completions' PDG award criterion, given the time-lag between completions and the planning process housing land allocations trigger. Thus, a better incentive structure may be required.
- 8.18 PDG has been instrumental in supporting investment in e-planning. Overall there have been significant service delivery improvements over the past couple of years benefiting both the customer and the service.
- 8.19 At the local authority seminars, participants reported that they are increasingly focussing on quality of service rather than speed of decision-making and have undertaken various initiatives to improve customer satisfaction. BVPI data suggest that local authorities are improving in terms of quality of service.
- 8.20 PDG has continued to improve the standing of the planning service within local authorities both with chief executives and members.

Potential Future Role of PDG

- 8.21 An important rationale for PDG, originally, was that it would help the planning system to cope during a period of rapid change, as the new planning system came into force and settled down. This rationale was well-founded, and the PDG monies have indeed played an invaluable role in helping LPAs to survive this disruptive period. Indeed, they have substantially improved their performance. However, the transitional phase now seems likely to last longer than was originally expected, for reasons that include: an increase in planning applications and their complexity, the response by the private sector to the new regime for applications, the need to build up the evidence base for the LDFs, the fact that RSSs are taking longer to put in place; and LDSs being altered more than expected. Consequently, there is a rationale for this element of PDG to continue longer than originally planned.
- 8.22 A further rationale for PDG originally was to compensate for under-funding of the planning system through local authority funding (even given the increases in planning fee income). In the longer term, this rationale might be expected to disappear, once local authorities have come to appreciate more clearly the value of the planning system and have witnessed the improved performance that higher levels of funding can support. However, these changes do not appear to have occurred yet, and it would therefore appear premature to withdraw PDG from LPAs according to the original timetable.

APPENDIX 1

Case-study Vignettes

Amber Valley

PDG has produced a more relaxed approach to claims on the central budget for improvements to the planning service at Amber Valley Borough Council. The promise of PDG funding has stimulated changes to increase the front-loading of the development control process, with emphasis now placed on the pre-application stage, on checklists, and on guidance to applicants. Before PDG, the level of refusals had been at half the national average, which indicates the amount of time that was spent in negotiations to resolve issues. As a result, a culture change has taken place: where once only the right decision was important, the service is now more target-driven. It is, however, felt that PDG has been a good motivator to work hard in anticipation of a good grant, and that having to work quickly has not hurt the service. There remains, however, a strong view that the quality of the final decision remains far more important than the simple measure of speed of determination. The business efficiency of the service and value for money still needs to be measured effectively against the quality of the environment that planning is required to protect and enhance.

Aylesbury Vale

In a minor restructuring of the planning service, Aylesbury Vale District Council created a dedicated enforcement team, which employs part-time contractors funded by PDG. The creation of this dedicated team has started to have a positive impact and the backlog in enforcement cases has begun to fall as a result. Staffing is not a problem in general, but the council is finding it difficult to recruit senior planners as a result of the wide-spread shortage of planners and the high costs of living locally. PDG has been used to employ several technicians on fixed-term contracts. This has meant that they have been able to improve a number of aspects of public services and freed up scarce senior planning officer resources for tasks needing expertise. These posts have been taken into the base budget, and PDG proved invaluable in 'pump priming' the council to enable this move.

Birmingham

Staffing in the Birmingham City Council planning service has been a major beneficiary of PDG funds. PDG is being used to fund the employment of a number of agency staff to complement the permanent council staff in addition to the 18 new posts within the service. The 18 jobs created for 2004/05 are permanent posts and have been funded out of PDG for 2005/06, as they will be for 2006/07 (based on the provisional allocation). This funding has not, however, been added to the base budget for the future, and if PDG does not continue, those posts would have to be funded from an increase in fees if cuts are to be avoided.

Carlisle

In Carlisle, PDG resources have been used to remove constraints to future performance improvements in development control and forward planning, and awareness of this has raised the standing of the planning service within the

authority. Carlisle has become more rigorous when validating applications, with 95% of applications validated within two days. This means an increased likelihood of refusal when insufficient information is included. PDG has, however, not altered the Council's policy to hold pre-application discussions or negotiations. The lack of longer-term certainty surrounding funding and potential uncertainty over use for purposes other than planning within the authority have been identified as specific constraints to the effective use of PDG funding.

Chiltern

At Chiltern District Council, PDG has been crucial to both maintaining performance and implementing e-planning. A significant amount of the grant has been spent on employing and training development control staff. It has stimulated joint working with adjacent authorities, in particular by enabling joint studies to be undertaken. Progress on the LDF has relied heavily upon PDG, which has funded consultants to provide the required evidence base in a number of areas, undertake the strategic environmental assessment/sustainability appraisal, and also employ additional policy staff. However, no action has yet been taken in respect of sustaining performance after PDG ends. A strategy to reduce reliance on PDG is therefore being adopted: the council is no longer using PDG to support the Council's revenue budget and is looking to fund at least some of the additional staff from the revenue budget. Efficiencies are being sought, such as through the introduction of e-planning, to minimise future staffing cuts; however, it is likely that e-planning will create non-cashable efficiency gains as it is clear that it encourages more people to engage in the planning process and some potential efficiencies such as ceasing to provide hard copies of plans to consultees has proved unacceptable. The planning service, with new performance indicators on design advice and conservation area appraisals, and in particular the new plan making system, has become dependant on funding from PDG.

East Riding of Yorkshire

The fundamental impact of PDG for East Riding of Yorkshire Council has been to accelerate progress on e-planning, with additional benefits accrued to training in the form of an in-house urban design postgraduate certificate offered in conjunction with Oxford Brookes University. When predicted increases in the base budget as a result of additional fee income failed to materialise, PDG allowed the planning service to continue the projects it had already begun. PDG has also paid for the implementation of a telephone call management system, and 'call loss' has been reduced from over 50% to under 5% as a result of improving customer service.

Erewash

PDG has been invaluable in improving performance for Erewash Borough Council, which is now exceeding all BVPI 109 performance indicators. One result of PDG has been a focus on the amount of time taken to determine planning applications, but a major worry is that this has come at the expense of customer-friendliness. Planning officers do not have as much time to talk to applicants as they did in the past, so pre-application negotiations are less prevalent on smaller applications than before. Sometimes this means that applications are allowed which are considered 'good enough' but which could have been made better through discussions: it can also lead to refusal where more time for pre-application discussions would have resulted in a better scheme.

Gedling

Gedling Borough Council used part of the 2004/05 PDG to create new planning positions. These have now been incorporated into the planning service's base budget, in effect meaning that PDG was used as 'pump priming' and direct additional council resources to planning. The current PDG round has therefore been freed up to enable investment into IT, and the additional staff have significantly reduced caseloads.

Harrogate

PDG has been the sole resource through which extra staff have been hired in Harrogate. The appointments are permanent, but if PDG allocations drop then the service would be unable to replace anyone who left and a new, lower level of staffing would eventually be reached. PDG has helped create a virtuous cycle of good performance and high staff morale, and caseloads have subsequently dropped. The progression of the LDF is also due to the provision of PDG money: without PDG funding, the LDF process would, at best, have diverted significant resources away from other priorities.

Harrow

PDG has enabled the improvements to the performance of the planning service in the London Borough of Harrow through investment in various projects identified within the improvement strategy. This includes recruitment of agency staff within development control, staff training, use of consultants to implement the improvement plan, investment in a new ICT system and recruitment of LDF consultants and staff. Recent reduction in PDG has put increasing pressure on the planning service's ability to maintain improved development control performance, and delivery of a quality LDS to timescale, as there has been insufficient time and resources to bed in new systems and procedures in order to make efficiency gains.

Herefordshire

PDG has been used to employ three staff, two of which are permanent posts, at Herefordshire Council. It is hoped that the permanent posts will be funded through the base budget in the future. The council is suffering from a staff shortage at present, and is finding recruitment of staff to fill empty posts difficult, with some posts going empty for extended periods of time. A focus on 'growing its own' staff – the 5-person enforcement team is now entirely made up of staff trained and promoted from within – may eventually help.

Knowsley

When the numbers of applications were increasing, PDG provided extra administrative and development control staff for Knowsley MBC, and BVPI 109 performance was maintained. None of these staff contracts have been made permanent and they continue on a fixed term or consultancy basis. However, as application numbers recently began to drop, all the extra staff may not be needed on a permanent basis. PDG has also been spent on consultancy and staffing for forward planning and one of the temporary contracts has been made permanent using PDG funding. In addition, in response to pressure from the new planning regime and in recognition that the grant may not continue in the future, the Council has allocated an extra £50,000 to the policy team in the core budget. A significant amount of PDG has been spent on a new IT system that will deliver a corporate land and property database across several regulatory functions of the council.

Leeds

PDG has been primarily spent on staffing at Leeds City Council. It has gone to new permanent and temporary staff, as well as the running costs associated with providing increased performance and quality to clients, and contributions to forward policy (UDP review and to support the LDF) and IT. This has assisted performance in all parts of the planning service and helped remove staffing constraints, raising the profile of the service and enabling planning targets to be met at a time of increased application numbers. However, PDG has not helped as much as it could have done since Leeds improved performance very quickly and did not therefore attract maximum grant in the last two years. Although PDG has increased pressure to keep up performance up in order to meet PDG targets, it has encouraged a positive change in culture towards meeting those targets. That said Leeds believes that the target for major applications is not appropriate and should be replaced. Leeds is participating in a pilot study on delivery contracts as an alternative.

Lewes

PDG spending has focused on recruiting, retaining and motivating staff; preparation of the LDF; and purchase of new systems to facilitate e-planning. PDG has funded an improved staff financial package, which has assisted recruitment and reduced turnover in the difficult South East labour market and promoted a high level of performance, particularly in development control. However, staffing difficulties may well arise again following the demise of PDG, as the council will no longer be able to fund this package. The LDF work stream is currently resourced significantly through PDG. The ongoing LDF work stream requires a sustained level of resource which is not available within the base budget and increases in income from fees are not large enough to offset the potential loss of PDG. A new computer system, improved GIS, and document imaging are all being funded from PDG. The ongoing challenge for the council therefore lies in the future of PDG, and there is so far no 'exit strategy' once the current programme ends.

Lichfield

Lichfield is examining the future of funding for the planning service, trying to think of imaginative possibilities that link to performance management. One idea is to log pre-application discussions in order to put forthcoming major applications on the 'radar' and deploy staff more efficiently. The council is working to formalise and publicise pre-application discussions, which are seen as the next major step to take in improving performance.

Lincoln

Lincoln intends to use its entire 2006/07 PDG allocation for developing its LDF. Previous years' PDG monies have been used to fund additional development control posts, which will be kept, with post-PDG funding coming from the base budget. The complexity of applications in Lincoln, where the administrative boundary is tightly drawn around the city and development can often involve brownfield land, conservation areas, and listed buildings, continues to affect the planning service. With the support of members, low caseloads are maintained to enable officers to focus on the quality of applications, and potential rises in the refusal and withdrawal rates are a result not of PDG but of the increasingly complex and contentious nature of applications.

London Borough of Barnet

LB Barnet received both housing and e-planning PDG allocations and has invested in specific projects to address these issues. The borough has a pro-active approach to housing delivery and has used PDG to partially fund these activities. A monitoring team was set up with a dedicated officer to monitor housing targets – this team was initially funded through PDG. Consultants have also been hired, with PDG funds, to write development frameworks, area action plans, and development briefs to increase housing delivery. They also set up a major projects team which deals with large residential applications and is able to fast-track these applications, including section 106 agreements.

The biggest threat to achieving the development control targets is staff resources. Posts initially created using PDG are now funded by the core budget. Barnet have policies against employing temporary staff, preferring instead to develop its own staff. As a consequence the authority employs many trainees and graduates, and turnover at 12% is reasonably high, as graduates tend to move on when they reach senior planner grade. The council has improved its retention policy in response through a package of internal promotions, rapid promotion, rewards, wider experience within the planning service and market testing of salaries. Barnet anticipates a funding gap in future years as their budget has been reduced due to Gershon efficiency savings and the increase in fees only partially meets the gap.

Newcastle City

In Newcastle upon Tyne, the council is looking for 25% base budget reductions over a four-year period. This means the base budget for the planning service in 2006/07 will incorporate the loss of three posts. PDG is being used to bridge the gap between the budget and costs. In addition, PDG is necessary to fund the evidence base for the LDF and other research work, as the council no longer has a research budget. The primary unintended consequence of PDG funding is that although funding from the scheme may soon cease, the council has seen it as a long-term additional cash stream which enables base budgets to be cut.

Northampton

In Northampton, PDG has been spent on improving development control and on the LDF process, with further monies going to IT investment. Some of the posts created using PDG funding have now been incorporated into the base budget. The Council is using PDG to employ temporary staff while processes & procedures are reviewed using BPR.

North Cornwall

North Cornwall District Council has spent the majority of its PDG monies on consultants, IT investments, office improvements and set aside the remainder for contingencies. Some PDG funds have been used for office alterations and IT investments which would have been made with or without the grant. North Cornwall has tried to achieve top quartile development control performance by ensuring it has the right systems in place which operate effectively, employing extra staff, investing in ongoing staff training, regular monitoring and reviewing delegation arrangements.

North Hertfordshire

Performance has increased markedly in North Hertfordshire over the last few years, and all BVPI 109 targets are now being met with the effect of easing pressures elsewhere within the service. Acute staffing shortages had been a problem: PDG has been a crucial element of recruitment of new staff as well as in paying for some training. This has contributed to a high retention rate, low levels of temporary staff and thus to the performance improvements.

North Lincolnshire

PDG has enabled North Lincolnshire to raise performance beyond the planning standards thresholds for 2006/07. In addition, it has been used to upgrade e-planning capabilities where money would not have otherwise been available, as well as to improve the evidence base for decision-making. The council believes that improved performance may not be sustainable unless staff resources and procedures are constantly monitored and changes made where necessary. To this end, priority is being given to making temporary posts permanent, with other PDG funds being spent on member training, IT, and LDF preparation consultancy.

North Norfolk

The increased emphasis on speed has made agents and applicants change behaviour in North Norfolk. Applications from 'good' agents have improved in quality, but the poorer agents have struggled to deal with the change. Most agents across the country recognise that the initial quality of applications must be much higher, where beforehand they would have paid little attention to quality and concentrated on negotiating after submission. The issue of pre-application discussions is, however, becoming quite difficult, as it requires additional resources, and the problem lies in giving good and fast enough advice at the pre-application stage. Meanwhile, PDG has had positive effects at member level, as committee members now understand that the way they make their decisions affects future PDG levels.

North Wiltshire

Perhaps unusually, PDG monies have not been spent on temporary staff in North Wiltshire. Much of the grant money was spent directly on development control or policy planning. For example £250,000 supports the base budget each year for development control staff and some £430,000 was made available to progress policy planning. Some £175,000 supported projects elsewhere in the Council but which have an effect on planning, like housing land supply for travellers. The Council 'pump primed' the development of the service prior to the issue of the first grant in the expectation it would be recouped in future years either through PDG or through fee increases. There are plans in place to ensure that the additional funding will be made part of the base budget as part of an exit strategy to cope with the end of the PDG programme.

Northampton

In Northampton, PDG has been spent on improving development control and on the LDF process, with further monies going to IT investment. Some of the posts created using PDG funding have now been incorporated into the base budget, and there is a desire to add further staff to the team. This desire is hampered by a lack of potential employees and resources. The council is using PDG to employ temporary staff but it hopes to make those posts full-time and permanent.

Oldham

Staffing has been a difficulty for the planning service at Oldham, with up to one third of development control posts vacant during 2002/03. In response, PDG has been used to fund the cost of five additional permanent staff members, re-grading posts and paying more to staff intending to depart, with the result that staff are staying longer. Enforcement posts and an additional area team have been created, workloads have become more manageable, and a pro-active service has been implemented. PDG also paid for IT investments in a system which gives officers greater scope for self-management, and applications reach them more quickly as a result of better monitoring.

Runnymede

Runnymede Borough Council has changed its practice in relation to major applications so that major amendments to schemes are not accepted after submission, and this is leading to a higher level of withdrawals. Pre-application discussions are being promoted, but where applicants do not take advantage of the service and submit poor proposals, the council is directing refusal. The bulk of PDG has been spent on staffing, both three permanent posts and several temporary staff with contracts which terminate in December 2006. Although there was some hesitancy towards making PDG-funded posts permanent, a commitment has been made by the planning service to put future PDG monies towards the cost of the jobs, thus allaying member fears.

Rushmoor

Rushmoor Borough Council has improved speed and quality of decision-making by spending PDG on IT software/hardware to provide online planning software to calculate the viable affordable housing element of development and on temporary posts with funding ring-fenced for three years. PDG has been used to employ consultants to provide baseline information for the LDF, which allowed the whole programme to be brought forward as well as assist with consultation. PDG has also raised the profile of the planning service within the council. Capitalisation, however, has proved an issue, as inadequate warning of the capital spending requirement was received: Rushmoor had spent the first year's grant on capital projects and wanted to move on to funding other initiatives.

Salford

Salford's development control has, from February 2005, been provided by Urban Vision, a partnership between Salford City Council, Capita Symonds and Morrison Construction. Along with other City Council staff (building control, engineering and highways, property and development), the planners have been seconded into the new partnership arrangement. The new arrangement has achieved early success and has been recognised as a model for performance improvements by the Audit Commission. Urban Vision not only works for Salford, but has also secured contracts for work with other local authorities. The Plans and Regeneration teams remain with the City Council in a Housing and Planning Directorate, and have also secured success in replacing the UDP and moving onto LDF production, as well as undertaking considerable project work and helping to support a new URC with staff resource. Although there is long-term uncertainty over the levels of funding and what will happen after the PDG programme ends, it considers that PDG has made marked improvements to the standing of the planning service and its delivery ability. Funding has supported staff in both development control and planning and regeneration, and has also been used to drive up performance through improved IT.

Test Valley

Development control in Test Valley Borough Council has been the primary beneficiary of improvements as a result of PDG funds. The focus on pre-application discussions (for which agents are very appreciative) and on support to the committee structure has caused speed and quality to improve, although a decline in staffing levels would negatively affect the ability of the Council to offer pre-application advice. As some 12 additional posts are funded by PDG, there is considerable concern for the sustainability of performance should financial support from the DCLG cease at the end of March 2008.

Three Rivers

In Three Rivers District Council, PDG has allowed the hiring of junior and agency staff to help take on the development control caseload. Without PDG, the agency staff posts would be lost (unless the posts were secured through a growth bid). The contract staff are gaining valuable knowledge at the council, which would like to employ them permanently, but this cannot happen without information about the future of PDG. In other areas, PDG is funding much of the LDF process, and the annual monitoring report officer post is entirely funded by PDG. As the AMR is now a requirement, losing this post would impact greatly on the LDF timeline.

Warrington

In Warrington, validation standards have been made tighter, with all applications now registered within 24 hours. Validation checklists are being introduced which cover policy issues as well as required documents in an effort to reduce the number of invalid applications. While there are fears that some emphasis has been put on short-term targets at the expense of longer-term issues as a result of PDG, it is felt that, as developers now know the Council has a target to meet, it is in a stronger position to refuse applications or recommend withdrawal, and in many cases it is now easier to negotiate planning agreements with developers. Many local authorities scan in documents at the beginning of the development control process as well as at the end, but continue to use paper copies during the determination period. Warrington wishes to avoid this by becoming completely paperless; PDG is being used to pay part of the cost of a document management system.

Westminster

At Westminster City Council, PDG has been a useful incentive to drive change and motivate staff. It has helped them take on staff – for instance, under the PATH scheme for ethnic minority employees – who otherwise might not have been added to the establishment. Officers are keen to ensure that the plan-making element of PDG takes quality and speed into account as well as the local context. One major cost the council faces stems from the fees charged for taking electronic payments (up to 4% of the application fee): while PDG has helped to pay for the initial purchase and start-up costs of e-planning systems, significant ongoing revenue costs remain.

Worcester

In Worcester, monitoring reports highlighting the effectiveness of posts funded by PDG have proven especially useful in alerting members to the need for resources for planning. Another effect of PDG has been to solidify the culture of pre-application advice and negotiation. Charging for pre-application discussion has been resisted as it is felt that this would be counterproductive. A negative has been that applicants who run up against the deadline for determination may receive a refusal

under delegated powers. Other measures taken to improve the development control process include part-funding a post in the legal department to increase cooperation in the delivery of section 106 agreements and the provision of a new customer service centre, with full telephone access to officers being maintained.

Wycombe

Wycombe District Council's planning and sustainability service has recently undergone reorganisation as part of a managed change process. Planning and building control services have been amalgamated into one large service under a single head. The reorganisation has resulted in a reduction in resources which, understandably, is putting pressure on the teams responsible for policy and development control, but at this stage it is not known exactly how the efficiency savings from the reorganisation will impact on overall performance. Current levels are being maintained and whilst the council has been working hard to achieve top-quartile performance, it should be recognised that new structures will need to settle in before any major improvements will be achieved. Initiatives include the introduction of a review of processes in conjunction with e-planning initiatives in an attempt to streamline the development control processes. The Planning Delivery Grant is supporting a concentrated effort on LDF production together with the implementation of a training programme for staff, elected members and partners. This will include training in design, sustainability and development economics. The council have also utilised the funding to support some staff commitments over the next three years.

