

Argyll and Bute Council

Internal Audit Report

May 2022

FINAL

Planning Applications

Audit Opinion: Reasonable

	High	Medium	Low	VFM
Number of Findings	1	0	0	0

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1. Executive Summary

Introduction

1. As part of the 2021/22 internal audit plan, approved by the Audit & Scrutiny Committee in March 2021, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Planning Applications.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Planning supports the design and delivery of high quality places which are vital to the social, environmental and economic success of our towns, rural communities and to our health and wellbeing.
5. The primary responsibility for the delivery of the planning service in Scotland lies with the 32 local authorities and the two national park authorities (Cairngorms and Loch Lomond and the Trossachs). Planning authorities are responsible for administering the planning system:
 - **Development management** – is the process of deciding whether to grant or refuse planning permission and other related consents. Applications are determined in accordance with the development plan and decisions must be guided by policies in the development plan.
 - **Enforcement** – making sure development is carried out correctly and taking appropriate action when it is not. Planning authorities, under the provisions of the 1997 Act, have primary responsibility for taking whatever enforcement action may be necessary in the public interest, within their administrative area.
6. Covid-19 had an impact on the planning process, however it was recognised that it was important that the development planning process continues to function during the period and that the current situation has consequences on how planning authorities consult and engage with stakeholders. The Chief Planner and the Minister for Local Government, Housing and Planning provided letters to planning authorities outlining some steps and actions to ensure planning continued to operate. The Coronavirus (Scotland) Act 2020 includes provisions relevant

to the operation of the planning system. Regulations were introduced to enable specified aspects of the planning system to continue to operate.

Scope

7. The scope of the audit was to review the Planning Application process to assess compliance with statutory requirements and Council policy as outlined in the Terms of Reference agreed with the Development Manager on 28 March 2022.

Risks

8. The risks considered throughout the audit were:
 - SRR 12: The Council are unable to deliver core services as a result of the Covid 19 virus with adverse impact to community and the economy
 - Audit Risk 1: Failure to meet statutory requirements
 - Audit Risk 2: Performance monitoring is not carried out and reported

Audit Opinion

9. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
10. Our overall audit opinion for this audit is that we can take a reasonable level of assurance. This means that internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.

Recommendations

11. We have highlighted one high priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:
 - detailed procedures should be prepared
12. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

13. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
CO1	The Council has appropriate procedures/guidance and policies in place that are aligned to legislative requirements.	Audit Risk 1	Limited	Planning service does not have established procedural documentation in place. The Planning service has extensive guidance for the public on its website to facilitate applicants in the planning application process. Training is carried out on an ongoing basis.
CO2	Planning Applications are processed in line with procedures/guidance and policies.	SRR 12 Audit Risk 2	Substantial	Sample testing was carried out against a range of processes/checks expected to be carried out for all applications. Of the 10 planning applications selected for review, all were found to be satisfactory other than meeting the performance date set for completion. Only two were completed within the target date.
CO3	Appropriate arrangements are in place for performance monitoring and reporting.	Audit Risk 2	High	The Council publish a Performance Framework document that sets out the Council's aims of improving performance. Planning Services forward performance data to the Scottish Government twice yearly. Performance measures are published quarterly on pyramid. The Customer Service Standard (CSE) award was retained following reassessment in March 2021. The Planning services use the corporate complaints process for complaints regarding Planning applications.

14. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

The Council has appropriate procedures/guidance and policies in place that are aligned to legislative requirements

15. The planning application process is principally governed by planning legislation encapsulated within legislation, for example the Country and Planning (Development Management procedure) (Scotland) Regulations 2013 and a host of Planning Circulars such as Planning Circular 3/ 2013 : Development Management procedure. All relevant legislation, statutory guidance and circulars are available for Council officers to view on SharePoint.

16. The Planning service does not currently have an established procedural document in place, however staff follow a series of workflow processes which are aligned to legislative requirements and current guidance. Discussions with planning officers noted that work is currently being carried out towards a fully documented process that will encapsulate all required steps and will be aligned to current legislation and guidance. The processes involved will include the following steps:

- a landscape processing map outlining the “higher information” required;
- a detailed process map outlining all required steps;
- a detailed procedure supporting each step in the process map;
- a procedural help note against appropriate procedures with more detailed information where appropriate;
- the procedure, process notes and flowcharts will be interactive allowing users to click a link that enables them to navigate from one document to another.

Action Plan 1

17. Roles and responsibilities are clearly outlined within each planning officer’s job description. These should be incorporated within the procedural document.

Action Plan 1

18. Planning have extensive guidance for the public on the website to facilitate applicants in the planning application process. The planning section of the Council website includes useful customer information including advice on ‘permitted development’, relevant publications including the Local Development Plans, non-statutory guidance, information on the planning process and details of how interested parties can engage with it. The Planning service also provide an e-mail service, a telephone based service to customers, and continue to utilise social media as a means of public engagement. The Council’s response to the Covid-19 pandemic has seen the temporary closure of public offices and the delivery of planning services via home working and digital communication channels for the duration.

19. Planning have a wide range of training modules and all planning staff are required to complete the Council’s online training modules as part of their induction. Training is delivered on an ongoing basis by the Process and Productivity Improvement Officer and where appropriate is tailored to meet the requirements of individual officers especially in view of the change to working from home.

Planning Applications are processed in line with procedures/guidance and policies

20. A total of 876 planning applications were processed during 2021/22 from which a random sample of 10 applications were chosen for review.

21. As noted in paragraph 16 above there are no formal procedures or processes in place for planning applications, however sample testing was carried out against a range of processes/checks expected to be carried out for all applications. These were identified through discussions with planning officers summarised below :

- planning application has been acknowledged by letter;
- the application has been checked as being valid and if invalid reasons have been intimated to the applicant;
- advertisements regarding the applications placed where appropriate;
- neighbours have been notified of planning application if applicable;
- sites visited where appropriate and photographs taken;
- conditions of application have been notified to consultees if applicable;
- plans have been stamped as approved if applicable;
- decision notice has been issued with conditions and plans attached;
- Civica has been updated with decision and all appropriate documentation;
- fees and charged has been checked by planning officer;
- performance targets have been met.

22. Of the 10 planning applications selected for review, all were found to be satisfactory other than meeting the performance date set for completion. Only two were completed within the target date. Discussions with Planning Officers noted the following reasons:

- Covid-19 lockdown resulting in adaptation of working practices;
- restrictions in travel arrangements due to Covid-19 resulting in site visits not being possible;
- reductions in staffing levels due to savings;
- increased turnover of staff within the department.

23. Legacy planning applications (applications which have been valid for more than 12 months) are reviewed regularly as part of caseload management however the resource required to undertake this has been reduced due to the impact of Covid-19 during 2020/21. Ordinarily, caseload reviews are undertaken weekly/biweekly at team level and monthly with participation of a senior manager. Fifty seven applications that are outstanding for more than 12 months remain undetermined as of 31 March 2021.

24. Development Management and Development Policy items are reported to the centralised Planning, Protective Services and Licensing (PPSL) Committee which meets monthly (except for July) and convenes for site visits and discretionary Local Hearings as required. The PPSL Committee met on thirteen occasions during 2020/21.

Appropriate arrangements are in place for performance monitoring and reporting

25. The Council publish a Performance Framework Report, the most recent document being for the year 2020/21. This is the 10th Planning Performance Framework report that sets out the Council's aims of improving performance, meeting customer needs and helping deliver high quality, sustainable development within Argyll and Bute. The report highlights an approval rating of 97.5% for planning applications for 2020/21.

26. The Scottish Government provided feedback on the Performance Framework document to Argyll and Bute Chief Executive thanking her for the report and the hard work that Councils had put in especially as a result of Covid-19.

27. Planning Services forward Performance data to the Scottish Government twice yearly. The performance data includes:
- the number of decisions made for local development;
 - the average decision time for local developments;
 - the outstanding legacy cases.
28. The Scottish Government publish statistics twice yearly on the performance of all Councils. Argyll and Bute are in the upper quartile performance bracket.
29. Performance measures are published quarterly in Pyramid and these reflect the quarterly returns forwarded to the Scottish Government and are changed accordingly if the requirements from the Scottish Government are amended.
30. The Planning Service, working in partnership with Regulatory Services, attained the Customer Service Excellence (CSE) Standard in February 2019. The CSE Standard was retained following reassessment in March 2021. The CSE feedback stated “Planning and Regulatory Services as an organisation is customer focussed and fully committed to achieving CSE accreditation status as part of the whole drive of Argyll and Bute Council for excellence in customer service delivery. Overall quality of the evidence is of a good standard and a lot of effort has been made to ensuring the evidence covers all strands of the business.”
31. The Council has a corporate complaints process. Customer information is provided on the Council website and in Customer Charters. All complaints relating to Planning Applications are subject to performance reporting and ‘Stage 2’ complaints require to be reviewed by senior management with the option to seek further review by the Scottish Public Services Ombudsman (SPSO) where customers are not satisfied with the outcome.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
High	1	<p>Procedure Document</p> <p>There are no established written procedural documents in place, staff follow a series of workflow processes which are aligned to legislative requirements and current guidance.</p>	<p>Failure to have documented procedures may lead to the loss of skill and/or knowledge when staff members leave resulting in inefficient service delivery.</p>	<p>Review and update of existing written procedures to provide a collated procedural document for the handling of planning applications.</p>	<p>Process and Productivity Improvement Officer</p> <p>31 December 2022</p>

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.
VFM	An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the council to achieve better value for money (VFM).

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.