Argyll and Bute Council

Internal Audit Report

December 2023

Final

Planning

Audit Opinion: Substantial

	High	Medium	Low	VFM
Number of Findings	0	1	3	0

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Contents

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1. Executive Summary

Introduction

1. As part of the 2023/24 internal audit plan, approved by the Audit & Scrutiny Committee in March 2023, 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. The Planning Service is located in various offices across the main settlements of Argyll and Bute providing relatively easy access to a large proportion of the population. Customers on more remote mainland and island locations are also able to access Council services at Customer Service Points.

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.

6. The Councils Development Management Service is responsible for 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 Councils development plan.

7. In 2022/23 the Council received a total of 2,035 statutory planning and related application submissions, 1,859 were validated in this period and 1,575 were determined.

Scope

8. The scope of the audit is to review the systems and process in place in respect of planning, focusing on efficiency of processes and improvements in communication with customers.

Risks

9. The risks considered throughout the audit were:

- Audit Risk 1: Formal processes aligned to legislative requirements to assess planning applications are not in place

- Audit Risk 2: Planning efficiency targets rates are not achieved
- Audit Risk 3: Sufficient resources are not in place to meet targets
- Audit Risk 4: Customer communication processes are not in places
- Audit Risk 5: Planning do not liaise with other relevant Council bodies or outside agencies
- Audit Risk 6: Performance monitoring is not carried out and reported

Audit Opinion

10. 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.

11. Our overall audit opinion for this audit is that we can take a substantial level of assurance. This means that 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.

Recommendations

12. We have highlighted one medium recommendation and three low recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:

- Staff training schedules to be introduced
- Ongoing action on detailed procedures to be completed
- Customer Charter to be updated
- Service level Customer forums to be considered for re-introduction

13. 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

14. 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 processes in place that are aligned to legislative requirements.	Audit Risk 1	Reasonable	Planning service does not currently 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. Staff training should be re-instated.
C02	Planning Applications are processed in line with procedures/guidance and policies.	Audit Risk 1 Audit Risk 3	Substantial	Sample testing was carried out against a range of processes/checks required to be followed 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 one was completed within the target date.
CO3	Efficiency targets are in place and reported upon	Audit Risk 2 Audit Risk 3	Substantial	Planning currently have one efficiency target in place, namely to process planning applications within 30 days. The target was recently changed from 20 days. Planning benchmark performance against the national average and other rural authorities. Legacy cases are regularly reviewed.
CO4	The Planning Service liaise regularly with customers and relevant outside agencies.	Audit Risk 4 Audit Risk 5	Substantial	Planning services liaise regularly with customers and outside agencies with routine attendance at meetings of all relevant outside agencies. The Planning services use the corporate complaints process for complaints regarding planning applications. The Customer Charter was last reviewed in 2012. Service level Customer forums to be considered for re-introduction.
CO5	Appropriate arrangements are in place for performance monitoring and reporting	Audit Risk 5	Substantial	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. Development Management and Development Policy items are reported to the centralised Planning, Protective Services and Licensing (PPSL) Committee.

15. 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

16. The planning application process is principally governed by planning 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.

17. The Planning service does not currently have an established procedural document in place. This was highlighted as a "High" recommendation during the 2021/22 audit. The action has been delayed until June 2024 with the following explanation from Planning officers: "staff availability to progress this action has again been limited and the requirement to prepare a current procedure note is being overtaken by ongoing work to review and update current work processes that are linked to the IT led project for the replacement of Civica with the IDOX Document Management System (DMS). The IDOX DMS project has however been delayed as a result of matters out with the direct control of the Development Management Service and is currently expected to be completed by Summer 2024, it is recommended that the updated procedure notes be produced to align with the introduction of the new system environment".

Action Plan 2

18. Planning staff follow a series of workflow documents which are aligned to legislative requirements and current guidance. Planning are currently looking at streamlining their internal processes and improving communication with customers. This has been included as an action within the Planning and Regulatory Services Team update on 19th April 2023.

Action Plan 2

19. Roles and responsibilities are clearly outlined within each planning officer's job description.

20. 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. Examples of documentation made available on the website are:

- Guidance note on non-material amendments to Planning Permissions
- Pre Application Planning guidance
- Covid-19 updated guidance
- Permitted Development Guidance
- Planning Application Guidance

21. Planning do not currently have in place a training schedule for 2023/24 for planning officers. Discussions with the Process and Productivity Improvement Officer noted that once the incorporation of the IDOX project is completed a training schedule will be introduced covering both the new system and other relevant areas such as the National Planning for Framework 4. Planning do however have in place a "members" training programme for 2022/23 including a detailed session on processing planning applications, a session provided by SEPA on managing flood risk and new regulations on the production of Local Development Plans.

Action Plan 1

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

22. As noted in paragraph 17 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
- communication with agents/consultees carried out where appropriate
- condition of application noted to relevant persons
- decision notice has been issued
- Civica has been updated with decision and all appropriate documentation
- Performance targets have been met

23. Ten planning applications were selected for review, all were found to be satisfactory other than meeting the performance date set for completion. Only one of the 10 chosen 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
- Increased turnover of staff within the department

24. Legacy planning applications (applications which have been valid for more than 12 months) are reviewed regularly as part of caseload management. Ordinarily, caseload reviews are undertaken weekly/biweekly at team level and monthly with participation of a senior manager. Discussions with planning officers noted the continuing impact of the Covid-19 pandemic upon workflow, the ongoing difficulty in recruiting to vacant posts and interruption of workflow caused by the introduction of National Planning Framework 4 (NPF4) have all impacted on the capacity of the Development Management Service to determine planning applications. During

2022/23 an additional 60 legacy cases (125 legacy cases in total) accrued as of 31 March 2023. A review of legacy cases noted that during 2022/23, 18 legacy applications were concluded representing a downturn on the previous period.

Efficiency targets are in place and reported upon

25. Planning previously reported upon 4 targets within the Pyramid Performance Management system which was recently closed down. Planning now report on only one performance target namely the % of planning applications processed within 30 days. This has been changed from 20 days to 30 days due to manpower resources and restrictions within the department.

26. Planning Services report to all Area Committees with regard to % of pre-applications processed within 20 days (now changed to 30 days). The latest performance reporting to area committees for period ending 2022/23 is shown below:

% of Pre Applications enquiries processed within 20 days (now changed to 30 days)			
Year	Quarter 1(%)	Quarter 2(%)	Quarter 3(%)
2020/21	81.5	78.6	64.3
2021/22	66.7	65.5	61.7
2022/23	60.5	45.5	50.0

Commentary on the performance management during 2022/23 to the Area Committee noted the following: "Performance across Development Management remains impacted by extended periods of operating with staff vacancies and a backlog of casework from the pandemic. The introduction of National Planning Framework 4 in February 2023 by The Scottish Government has further impacted on productivity as the Development Management staff interpret this new policy".

The Planning Service liaise regularly with customers and relevant outside agencies.

27. Planning have in place a customer charter, however it was last reviewed in 2012 and requires to be updated as it does not reflect current practice. The framework document for 2022/23 stated "A review and update of the Development Management Customer Service Charter will also be undertaken during 2023/24."

Action Plan 3

28. Customer User Forums have previously been held regularly as a joint exercise between the Development Management, Development Policy and Building Standards Services providing a co-ordinated approach to engagement with regular professional customers. Currently however, customer forums are not being undertaken, though it was noted in the Planning Performance Framework for 2022/23 that "it is intended to reinitiate Service level Customer User Forums during 2023/24".

Action Plan 4

29. The Planning Service, working in partnership with Regulatory Services, attained the Customer Service Excellence (CSE) Standard in February 2019 and was retained following reassessment in March 2021. A wider corporate review of how the CSE Standard is applied within the Council has precluded the Planning Service undertaking reassessment during 2022/23, however, Planning officers have advised that this will be revisited during 2023/24 as part of a joint application by a wider grouping of Council services.

30. Services representatives regularly attend meetings of Heads of Planning Scotland (Inc. Development Management and Development Policy subgroups), Scottish Planning Enforcement Forum, the Local Authority Aquaculture Forum, Clyde Marine Planning Partnership, West of Scotland Archaeology Service, and the e-Development/Digital Taskforce. During 2022/23 the Development Management Service has continued to have regular meetings with Highland's and Islands Enterprise, SEPA, Scottish and Southern Electricity Networks, and Forestry Scotland to discuss upcoming projects/ casework, and to identify and prioritise resource for submission and determination.

31. The Planning Service offers a pre-application and permitted development enquiry service. This includes template responses and online submissions to provide prospective developers through identification of relevant planning policies, constraints and requirement for supporting information in advance of their formal application. It was noted from discussions with Planning Officers that Customer feedback has identified a demand for a pre-application initiation and follow up advice service, however, plans to extend the range of services and undertake a full review and refresh of website content has not been possible to date due to limited resource availability and a wider corporate refresh of the website.

32. Planning use the Council's 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.

Appropriate arrangements are in place for performance monitoring and reporting

33. The Council publish a Performance Framework Report, the most recent document being for the year 2022/23. This is the 12th 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 93.5% for planning applications for 2022/23.

34. 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 eleven occasions during 2022/23. Planning report regularly to all area committees.

35. 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.

36. The Council continues to benchmark its performance on the determination of planning applications against the National average and the performance of other rural local authorities. Argyll and Bute Council have moved from the upper quartile to the lower quartile in performance benchmarked against other Councils within Scotland.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	**Staff Training** Planning do not currently have in place a training schedule for 2023/24 for planning officers.	Failure to have a training schedule in place may lead to inefficient service delivery and failure to meet legislative requirements.	Once the incorporation of the IDOX project is completed a training schedule will be introduced covering both the new system and other relevant areas such as the National planning for framework 4.	Process and Productivity Improvement Officer 31 December 2023
Low	2	**Procedure Document and processes** The Planning service does not currently have an established procedural document in place. This was highlighted as a "High" recommendation during the 2021/22 audit.	Failure to have a training schedule in place may lead to inefficient service delivery and failure to meet legislative requirements.	As stated in our previous audit response, Planning are looking to complete this action by Summer 2024, once the IDOX and Civica replacements projects are completed.	Process and Productivity Improvement Officer 30 September 2024
Low	3	**Customer Charter** Planning have in place a customer charter, however it was last reviewed in 2012 and requires to be updated as it does not reflect current practice.	Failure to regularly review the Customer Charter may lead to inefficient service delivery.	The framework document for 2022/23 stated "A review and update of the Development Management Customer Service Charter will also be undertaken during 2023/24."	Development Manager 31 December 2023
Low	4	**Service level Customer User Forums** Customer User Forums have previously been held regularly however currently customer forums are not being undertaken.	Failure to regularly hold Customer forums may lead to inefficient service delivery.	The Planning Performance Framework for 2022/23 states that "it is intended to reinitiate Service level Customer User Forums during 2023/24".	Development Manager 31 December 2023

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.