



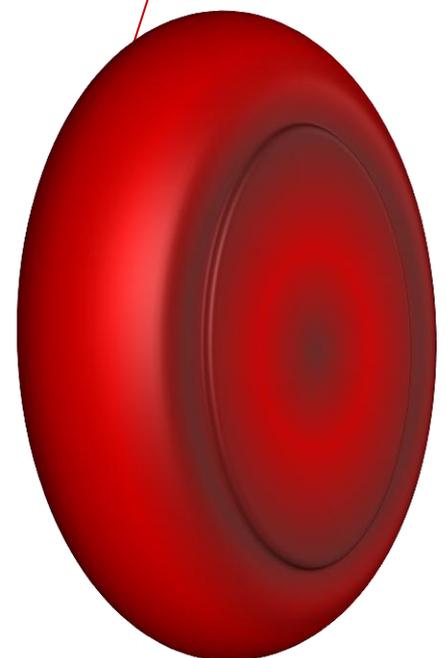
VANGUARD  
Scotland Ltd

# Designing and Managing a World Class Local Authority Planning System

Why planning isn't working and what to do about it

We all know that planning doesn't work as well as we know it should. There are a number of reasons, none of which seem to have been identified by recent government interventions. A change in planning requires a new system of validation, measurement and policy, as well as distribution and management of work.

Vanguard Scotland  
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# How to Design and Manage A World Class Local Authority Planning System

Why planning isn't working and what to do about it

In this 10-page report we will discuss:

## The Issues

- Why is planning still so important?
- Performance of the current system
- What do performance figures actually measure?
- What has already been tried?
- Why is the system still failing?

## Actions

- How should change take place?
- Understanding Purpose
- Eliminating Bad Multi-Tasking
- Freeze
- Accelerate
- Release
- Pre-application Advice
- Validity
- Designing in sustainability

## Conclusions

## The Issues

### Why is planning still so important?

Effective planning is a modern corner stone of community living. A guiding hand for urban regeneration, economic growth, heritage protection and reinvention, pollution control and the measured, sustainable development of our most precious resource... The one they're not making any more... Land!

When working as it should, a Local Planning Authority can influence such key areas as: employment levels, the provision of affordable housing, retention of natural beauty and the control of urban sprawl.

Planning Obligation Agreements (or Section 106 Agreements) have allowed Local Planning Authorities to punch above their weight in terms of ensuring that developers are duty bound to provide for the communities that in turn provide their customer base. The resultant legal agreements have been able to provide a range of amenities, from green spaces to schools.

### Performance of the current system

The question must be; how can we be certain that planning departments are performing to the very best of their ability?

You could of course ask the Government; it is a legitimate expectation after all that they would keep a finger on the pulse of planning performance. While they do collate and publish stats, we will go on to see that they don't even come close to telling the full story and worse still, they do not correlate with the issues that matter to those people engaged with the planning system.

### **Recent figures**

Over the past six years, despite legislation designed to improve things, reported performance in Scottish planning departments against their target of deciding local applications within two months has remained fairly constant. For example in 2009/10, 65% of local applications were decided within two months, compared to 63 % in 2004/05.

For major developments it is appreciated that they can be complex and take up a large proportion of officers' time. However in the second half of 2009, the period immediately after modernisation, performance in deciding major applications declined, with only 30% of major applications decided within four months. This compares with 45% in the first half of 2009.

### **Finance**

There has been a 29% drop in the number of applications made across Scotland compared to 2004/05. Whilst this is likely related to the economic downturn it still means that income from fees has fallen in the last six years by a corresponding 28%. With fewer major applications, there are also fewer opportunities for attracting larger fees.

Despite the drop in the number of applications, a 7% drop in staffing levels and slower processing, expenditure on processing planning applications has risen by 17% in real terms between 2004/05 and 2009/10. Over this period, the gap between income and expenditure on processing planning applications increased in real terms from £6.7 million to £20.8 million. This **£14.1 million gap** has to be met from councils' central budgets, which are already under pressure. Application processing costs continue to rise at unsustainable levels.

In 2009/10, Scottish councils spent £105.5 million on planning. They spent £50.9 million on development planning and £54.6 million on development management. Over three-quarters of spend on development management (£41.5 million) was spent on processing 40,119 planning applications. The remaining £13.1 million was spent on other development management activities such as pre-application engagement with developers and key agencies, handling appeals and enforcement action.

In 2009/10, the performance against the statutory performance indicators was as follows:

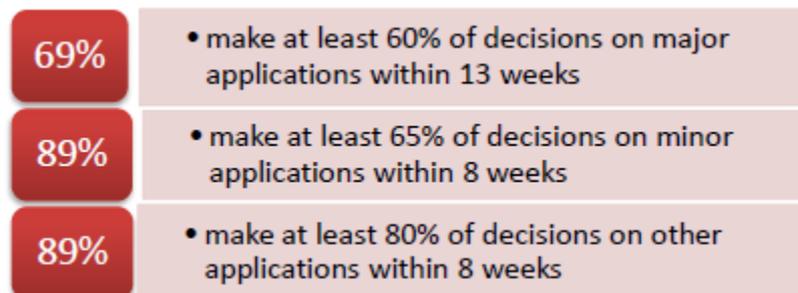


Happily the Scottish Government no longer uses these targets.

### **What do performance figures actually measure?**

The real situation may actually be worse.

As an example let's take a look at what the Government says was happening in Local Authorities in England in the September quarter of 2009:



Encouraging stuff... right? Well, not if you do more than just scratch the surface. Between what points do they measure these timeframes? What becomes of those that aren't dealt with inside the target 8/13 week periods? And the acid test, what do the service users make of their experiences?

During recent analysis of an English Local Planning Authority, it came to light that there is significant reason to scrutinise the method by which the Government monitors the health of planning departments nationwide.

Let's take as an example an Authority which in recent times had been meeting the Government's targets for determining applications. More sceptical readers will still be keen to understand exactly at which point in the application process does the Government's clock start?

The answer is unsurprising for those used to the alchemy of such indicators. The measured time period commences once an application is signed off as 'valid'. What happens to all the time between the applications arriving with the Authority and it being declared valid? Correct... it's simply not counted! The resultant effect is an all too frequent backlog at the front end of the planning system with little incentive to shift it.

In our example, when the true length of time to process an application was measured (from its receipt to its determination) the results did not exactly tally with the National Indicator (NI). The average length of time to process a minor application was actually 79 days, (around 3 and a half weeks longer) with a statistical worst case scenario of 144 days! Let's just hope these applicants are all patient people!

As it transpired, the length of time to determination wasn't even the whole story. When the number of applications being accepted into the system as valid was examined, it became obvious that even joining the queue was easier said than done. Approximately 70% of applications hitting the department were being returned as invalid. That is to say, not containing all that is required for the department to begin processing them. One frequent reason for invalidity was the omission of a North point on plans, an omission that could easily be put right without the full set of paperwork being returned to the applicant.

Cynics may point out that if the NI measures the time between an application being agreed as valid and its final determination, one shouldn't be surprised by figures such as these. While it must be said that the data gathered could not uphold or dismiss an allegation that this affected the planning staff's impetus on making applications valid quickly, human nature often leads us to action what's counted over what counts. To compound their problems yet further, planning applicants who were being kept waiting did not fall silent. 43% of phone calls made to the dept. were due to failure demand (work generated by a failure to do something or to do it right for the service user).

### **What remedies have been tried?**

Now, the insinuation is not that nothing has been tried to put these issues right. Perhaps it is the relative infancy of planning (the Town and Country Planning Act was only passed in 1947) that has it still trying to find its feet, largely hindered by the plethora of regulatory tweaks over the years.

In terms of speed of determination it was hoped that National Indicator 157, the Government target, would make an impact. The sad and rather counterintuitive truth is that it has only served to make performance yet more sluggish. In fact this is a critical factor to which we will return.

Many have been quick (and correct) to recognise the issues around Planning Authorities being bombarded with applications that don't meet the requirements for technical validity. (You'll recall that in our example 70% of applications were being bounced back to applicants on grounds of their validity.) As a result there has been a concerted initiative to provide quality pre-application advice ahead of formal applications in an effort to help them enter the system as cleanly as possible.

The logic of this pre-application advice cannot be faulted as in theory it serves to educate the service user of potential trouble and pit-falls long before they fall foul of them. However in the case of the previously mentioned authority the reality could have been written by Mary Shelley... They had indeed, created a monster! Their pre-application process had grown from something embryonic and noble, based around the concept of giving sound informal advice upfront, into a quagmire of formal paperwork and long winded correspondence. So formal had the process become that they now had an enormous filing cabinet devoted entirely to the written up pre-applications that hadn't even come to anything. In short, the process had grown arms and legs to the point where its formality was now detracting from the department's ability to deal with the live, fee-paying applicants. The service of possible customers had taken precedent over that of actual customers.

Other schemes for the improvement of planning have included Government guidance on best practice for the validation of applications. Given our most recent research it seems that this area is one which is unequivocally still left wanting.

Perhaps the most pragmatic scheme has been that of Planning Performance Agreements (PPAs.) Here, in major cases of considerable complexity, a mutual agreement is reached around the fact that, given the intricate nature of the application, it may not be determined within the targeted amount of time, but given that this constraint has been lifted via the agreement, the developer can have, it is said, more confidence that the process is done well and done 'right'.

### **Why is the system is still failing?**

In light of these schemes and proposals for improved planning, it is right to ask why the system is still not performing as well as it should.

Well let's take the National Indicators for starters. As with all targets, the 8/13 weeks outlined by the government are arbitrary in nature and fail totally to even acknowledge the immense variation in the types and circumstances of applications entering the system. The culture that is created by these indicators is one of blind target chasing.

Let's look back at our earlier example where minor applications were taking anything up to 144 days to clear the system. With a Government target of 56 days there are clearly some that simply didn't make the cut. So, what became of them? In the offices we observed the 55th day in the life of an application seemed to be particularly unlucky, with all manner of catastrophes befalling them. In the cycle that ensued applications that were obviously not going to make the target were de-prioritised in favour of those that still could. No point flogging a dead horse after all.

In real terms this meant that applications fell into one of two camps: they either were determined very close to the target 56 day mark or they took considerably longer as a result of no longer being of any importance to the NI target. Interestingly, very few applications were completed in much less time than the NI 56 days, yet another classic disadvantage of setting a target. After all, why bother to outperform it when just meeting it will do?

One key reason for the sub-optimisation of Planning Authorities ironically centres on a desire to do what is right for the customer. Again, this is another example of an intention without flaw, but one that needs to be carefully implemented to get the right result.

Planning departments are busy places. Even in a recessionary year such as this it's a case of all hands to the pump. It is the norm for the number of applications in the system at any given time to exceed the number that can physically be worked on at any given time. The problem here is that, given each applicant is keen to hear how their application is getting on, there is considerable pressure to show progress. Some of the planners we spoke to had as many as fifty open cases on their desks at any one time. Populist pseudoscience aside, human beings are only truly capable of doing one thing at a time, which gives us a problem as far as showing progress is concerned. To show progress on fifty cases means each one can only be moved forward in tiny increments.

The net result? Bad multi-tasking (incidentally leading to higher error rates and more re-work) and painfully slow throughput.

However, the premise concerning the applicant still remains true. Would it not be better to have a controlled and powerful engine room of a planning department that championed throughput over merely showing progress? One that was so solid that the customer could be kept abreast of when his application would be dealt with through precise scheduling. One where the customer was assured that their

application was going to get quality attention immediately. One that ultimately did the work quicker and better.

In reality the purpose of our case study Planning Authority had become; chase the National Indicator, cherry pick the work in the process and control the department's business through a pedantic validation process.

But this doesn't just apply to the English council we initially studied. We went on to study a further 3 local authority planning departments in both England and Scotland and found similar issues.

## Actions

### How should change take place?

Irrespective of the obstacles to performance our example Authority has faced, there is great hope. None of their problems were terminal and what's more they are currently in the process of overcoming them and in so doing learning how to avoid repeating them in the future. Not through the use of band-aid solutions but a thorough understanding of the underlying issues.

Despite their original failings the Authority in question showed real resolve and backbone, choosing not to bury their respective heads in the sand but to take matters in hand and to get help from the outside. A fresh set of eyes as it were. The solution was modelled along the following lines:

### Understanding Purpose

In any institution where there is a question mark over the existing culture there is only one place to start and that is by having those people involved in the work redefine and agree their common purpose. Only a collective understanding of purpose can drive a change in culture. In our instance purpose was defined as: "Determining the right decision for a given development in as short a time as possible".

### Eliminating Bad Multi-Tasking

From the start it was clear that the status quo was not sustainable. Putting planners under pressure to show meagre progress across a huge portfolio of cases was not only bad for overall performance but bad for those at the coalface. Anyone who's been there will know how soul destroying continual target chasing can be and theirs was coupled with and compounded by continual (though justified) interruptions from disgruntled applicants.

The answer lay in tackling the issue of the bad multi-tasking generated by having so many cases open at once. The relative uniqueness of each planning application gave us cause to make the connection with what would traditionally be thought of as a multi project environment in which each output is unique from the last.

A skilled project manager would never dream of flooding their system with work to the detriment of throughput. Instead they would focus on the gains to be made through a ruthless focus on prioritisation and flow. A system formed along those lines is in total harmony with our ability to perform a single task at once, not against it as in the chronic multi-tasking attempts we had seen.

To achieve this transformation there are three stages that must be adhered to:



## Freeze

To effectively freeze the workload you must first understand it and its quantity, assimilating it into a list is the best way. It doesn't have to be anything fancy, pen and paper will be just fine. This list will then need to be strictly prioritised. In terms of how, I would be surprised if most applicants didn't feel that "first in, first out" wasn't the fairest way to go. Then, you must prevent any new applications becoming visible to the planners themselves. This will serve to run their case load down to a manageable and sustainable level.

## Accelerate

The beauty of this method is that if you freeze effectively you will accelerate. The acceleration comes from the planners leaving behind piecemeal progress in favour of moving applications forward properly according to their priority. The rules of the road for this stage are that applications are to be worked on in priority order wherever possible until their completion. If for any reason a blockage occurs, it is the role of management to remove it and it is OK to ask for that assistance. For the avoidance of doubt these rules are best agreed with the team and codified for all to see as a set of Operating Principles.

Following this, planners will for the first time find that they can write up and determine applications immediately after the consultation period has ended, instead of letting them float in the ether until time allows. Planners regain their dynamism and are empowered by the ability to be proactive.

## Release

Once the planner's case load has been worked down to a suitable level and throughput has shot up (I promise you'll be surprised by how quickly this happens) you can consider releasing more work into the flow. The trick as far as releasing the work is concerned is to only release a case to a planner after they have completed one.

A basic "throughput board" is a simple but essential piece of kit for keeping track of this showing each application, the priority and where it is in the process in real time. If you've gone beyond a T-card board with labelled indexing cards attached, you've likely over engineered it! Simply put, the art of this stage is in choking the release of work.



## Pre-Application Advice

As our earlier example illustrated, the manner in which pre-application advice is handled is crucial to the smooth running of any planning department. Should the advice be too scant, the system will be snowed under with unclear applications. Too laboured and formal and the process can take over at the expense of the core work.

The foundation to getting the balance just right is to focus on the value work within the pre-application process. Putting the emphasis on what matters to the pre-application service users is the name of the game. Protocol junkies must remember that, what is critical quality information to one person may not be required by another. In short, the pre-application process must be able to absorb the inherent variation brought to the table by a plethora of users and needs. For example a site visit and the pouring over of detailed plans may very well be the best use of pre-application time in a complex case but is probably over egging the pudding for Mrs Smith's conservatory.

There is a myth in existence when it comes to pre-application advice. The notion is that service users will feel they have been failed in terms of customer service if they ultimately receive anything other than an approval. In order to debunk this we must recap on exactly who our service users are. There is the applicant of course and as they have paid a fee it is easy to misconstrue them as the 'customer.' That said it would be remiss of us to not spare a thought for the taxpaying community at large that the Authority represents, they too are service users, service users who are to be protected from the folly of poor development.

On this basis, it is an integral part of pre-application advice to knock for six those applications that for whatever reason do not stand a chance of being approved and in so doing prevent the wasted work they would cause by entering the system. In fact, taken to its natural conclusion, the perfect planning department would say Yes to every application it received (seriously... hear me out!). If all householders and developers could be so well educated via resources and advice that before they even submitted their application they would have overcome all obstacles, there would be nothing to stop a situation where all the Authority received were 'yes-able propositions.' Anyway... enough of utopia!

## Validity

The issue of educating service users prior to their formal engagement with the system ties in directly with the problem of the technical validity of applications submitted (our guinea pig Authority was only getting in circa 30% technically valid applications). The mountain of rework caused by this churning of applications is both massive and exponential. If you thought the front end of your system was busy today, just wait until tomorrow when it receives a new load of work plus all those apps that were returned on validity grounds the day before!

Fortunately, it is not simply a case of adopting the classic stance of "we've tried and we just can't seem to get householders and agents to keep their side of the validity bargain." A simple piece of analysis looking at the type and frequency of applications that come in invalid will prove invaluable. You can't take effective action until you know what to take action on! Once the data is gathered and you are clear on the top reasons for invalidity you can then act to remove them.

It's a two way street though. A programme of education for and listening to agents, developers, architects and householders is only half the battle. Your gaze must also turn inwards. How easy are we making it for these groups to get their applications in to us valid? To what extent are we sending applications back due to silly errors? As a result of this soul searching our test Authority found there was much they could do to up their validity rate.

In tandem with continual communications with service user groups they set about circumventing the need to bat applications back. The vast majority of errors were simple omissions and as it turned out many could be dealt with without the application being returned. A local validation list proved the foundation to this pro-activity, allowing clerks to, where prudent, add missing north points and accept a greater variety of scales on drawings into the system for example. Rather than return all paperwork a simple copy of the amendments was sent to the applicant to confirm their approval. Erroneous fees too are now being solved directly at the front end with clerks again empowered to take action and deal with mistakes by taking payments over the phone with no delay. Not only are applicants thrilled to be working with rather than against their applicants, adopting policies such as these will have a positive effect on any Authority prone to a front end back log as a result of applications churning back and forth.

### Designing in sustainability

Well-meaning initiatives are all well and good but they soon lose their appeal if they are not set up in a way that ensures their sustainability. We've already seen that the Government's own performance criteria certainly doesn't foster continual improvement (in reality it fosters chaos and uncertainty). For Authorities wanting to make large scale sustainable change these targets must be replaced with measures that closely relate to purpose. We appreciate that you are still compelled to report on performance in line with the National Indicator, let's view that for the time being as a necessary evil. The main point to remember is that if we manage by the NI we will end up perpetually chasing our tails and performance will suffer. Manage by measures relating to purpose and performance will soar.

In our example the team agreed to measure the true end to end time of applications in their system. In so doing the Government's idea of time (measuring only from valid to determined) was changed in favour of the customer's view... received to determined. Throughput was measured and understood through keeping track of both the volume of applications entering and the volume of applications leaving the system. There was a measure to support the work on validity, measuring the percentage of applications arriving invalid and the main reasons for them failing to do so. To work on these is to work on what matters to those that use your service. They will put the arbitrary indicators of government to shame every day of the week!

The magical thing about the good work that was done by our example Authority was that not only performance was affected for the better. In addition, to their efficiency gains there was a noticeable effect on those who were engaged in the work. The galvanising effect on people who are allowed once again to focus and do quality work must never be underestimated.

## Conclusions

Doubtless there will be some reading this report who can identify with our experiences either as a former applicant, a front line staff member currently taking the strain laid on them by an ill-conceived system or perhaps as a leader/manager who has long known that we cannot remain resigned to the present chaos.

Whatever camp you fall into please take heed, a positive change can be made... Planners and leaders are out there doing it now. In this new way of thinking about planning there is a tangible opportunity for local authorities across the country to not only to live up to their potential but to also act as a catalyst for the efficient sustainable growth required to lead us out of this most dark of economic chapters.

If you would like us to help you discover the root causes of 'waste' in the processes within your department we offer a 3-day Service Audit programme, just contact us to discuss your needs on 0131 440 2600 or via [office@vanguardscotland.co.uk](mailto:office@vanguardscotland.co.uk)