

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager

SUBJECT: Submission and Processing of
Planning Applications by
Development Management

TO: Head of Development
Services

DATE: 23 January 2018

C.C. Chief Executive
Deputy Chief Executive (AJ)
Head of Finance
Development Manager
Team Leader
Portfolio Holder – Cllr. Boad

1 Introduction

- 1.1 As part of the 2017/2018 Audit Plan an audit has recently been completed on the systems and procedures in place to manage the submission and processing of planning applications by Development Management (DM).
- 1.2 This report outlines the approach to the audit and presents the findings and conclusions arising.

2 Background

- 2.1 The DM function ensures that all development taking place in the District accords with local and national policies. This is achieved by the submission and determination of planning applications. Most applications are decided under delegated authority granted to the Head of Development Services with a relatively small number of major, controversial or sensitive applications being decided by Planning Committee.
- 2.2 There are likely to be in the region of 2,500 to 3,000 applications decided in 2017/2018 with around 85% of them being submitted online. Applications received in paper form are scanned to convert them to electronic documents.
- 2.3 The net cost of DM for this year was originally estimated to be £370,500 but this has been revised to £207,800 due in part to the increase in the number of applications being submitted which has seen the estimated income from planning fees increase from £1.1M to £1.4M.
- 2.4 DM is administered by a team of planning officers, planning assistants and technical support officers in Development Services. Employment Committee recently approved a new structure for the team, partly to respond to the increase in applications and partly to develop existing staff to improve resilience.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.

- 3.2 In terms of scope, the audit covered the following areas:
- Planning applications
 - Fees
 - Performance monitoring
 - Risk management.
- 3.3 The audit programme identified the expected controls. The control objectives examined were:
- Planning applications are decided by the appropriate officers or Members upon receipt of appropriately detailed reports which allow for informed decisions to be reached.
 - Planning applicants are correctly charged.
 - The council receives all planning monies due.
 - Performance can be accurately monitored.
 - Management and members are aware of how the service is performing against agreed objectives.
 - Management are aware of the risks associated with the provision of services.

4 Findings

4.1 Recommendations from previous report

- 4.1.1 The last report on DM was issued on 30 September 2014 and it contained a number of recommendations. The responses at the time and the current position are detailed below.

Recommendation	Management response	Current Status
Ensure all appropriate records are retained on IDOX.	This is important in ensuring transparency within the service. This will be highlighted to all relevant officers and monitored at an appropriate level to ensure compliance.	Following the last audit the action plan was circulated to all members of the team and then discussed during team meetings. The message to staff was to ensure that all relevant documentation was retained and filed in Idox, the document storage module of the planning system. There is no formal, evidential procedure in place but assurance was given that when officer reports and decision notices are being approved and signed by the Manager or Team Leader a check is made to ensure that all necessary records are available in Idox.

Recommendation	Management response	Current Status
Ensure Site Visit Reports are completed with sufficient detail.	As above.	Site visit reports are completed on site and will vary, depending on the nature of the application, from just a few words to a detailed account. As above the point was circulated to staff and discussed. Again it is checked as part of the report approval process.
Ensure all relevant consultation responses are included in reports.	This is important in demonstrating that all appropriate consultation responses have been properly taken into account in the decision making process. Action as above.	As above checked as part of the officer report and decision notice approval.
Ensure that the scheme of delegation is adhered to for all planning applications received.	This is crucial in ensuring that decisions are made at the appropriate level. Action as above.	As above.

4.2 **Planning applications**

- 4.2.1 Part of the council's constitution is a scheme of delegation (the latest version was approved by council on 25 January 2017) which authorises Heads of Service to make decisions and deal with various matters on behalf of the council. The Head of Development Services is authorised under DS (70) to determine all planning applications apart from those where certain features apply e.g. a request from a member of WDC, the number of objections, an application from WDC or WCC, an application from a councillor or member of staff in which case they are referred to Planning Committee for a decision.
- 4.2.2 There is also a local scheme of delegation which sets out which aspects have been devolved to other officers. In the case of DM the Development Manager, Development Management Team Leader and Senior Planning Officers have been authorised to approve the delegated reports and decision notices prepared by planning officers after the application has been considered and a recommendation made by the case officer.
- 4.2.3 In order to check that applications were being processed correctly a sample of 30 applications was randomly selected from applications submitted in 2017 to ensure that they had been determined correctly and that all necessary documentation was available to support the decision. Specifically, the following aspects were checked:
- Relevant site visit reports were being completed and retained.
 - Where necessary there was evidence that site notices had been appropriately placed.
 - Consultation responses were included in the relevant reports.

- Decisions as to whether the applications were dealt with under delegated powers or were passed to committee were sound, based on the scheme of delegation.
- Officer reports were in place and authorised.
- Committee reports were appropriately detailed.
- Decision notices were available.

4.2.4 In general, the detailed testing proved satisfactory and it revealed that there is in the main a very good record of the history of each application. Virtually all documentation received or generated is retained in Idox and then available as public information on the council website.

4.2.5 There was, however, a small number of examples where pieces of evidence were not available in Idox either because a document had not been saved properly or there was a "glitch" in Acolaid in that the system has an issue with documents generated outside of normal office hours. The documents were not missing as such in that they could be found elsewhere but they would not have been in Idox and so not publicly available. It is noted that the cause of the "glitch" in Acolaid has since been identified and fixed by IDOX. It is acknowledged that the application process generates many thousands of documents and there will be an element of human error but from the transparency and reputational angles all evidence should be available in Idox.

Risk

Not all documentation relating to an application will be publicly available.

Recommendation

All members of the team should be reminded to save all necessary documentation in Idox.

4.3 Fees

4.3.1 The council has no discretion over the setting of planning fees as they are established centrally and posted on the Planning Portal website. A 20% increase in fees is to take effect on 17 January 2018.

4.3.2 The council can set its own fees for pre-application advice and these were approved by Executive on 27 September 2017 as part of the annual fees and charges aspect of the budget setting process. Income from these fees was not examined as part of this audit.

4.3.3 The sample of applications selected to test the application process was used to ensure that the correct fee had been calculated for the application and subsequently received by the council. The test proved satisfactory in that all fees were correct and had been received.

4.3.4 Identifying receipt of the correct fee is slightly cumbersome as some fees are paid at the same time that the application is submitted whereas others are made a few days later, either online or by cheque. Staff are well versed in this and it does not present a problem. Evidence of payment is available in Idox.

An application will only be classed as valid (assuming everything else is in order) when the correct fee has been paid.

4.4 Performance monitoring

- 4.4.1 Individual officer performance is monitored in real time by the DM Team Leader who is able to see at any time how many cases each officer is dealing with and how many of those are nearing the deadline date so that appropriate action can be taken.
- 4.4.2 The overall performance of the planning process is monitored by the government and reports have to be submitted quarterly to the DCLG showing the number of applications received and outstanding (PS1) and the time taken to process the various types of application (PS2). The national targets are 60% of major applications to be decided within 13 weeks of application or by any extended date agreed and 70% of non-major applications within eight weeks or agreed extension.
- 4.4.3 DM are performing well against these targets with the figures for the first three quarters of 2017 being as follows:
- Major developments – 97.67%
 - Minor developments – 90.54%
 - Other developments – 93.93%

There are no incentives for authorities who perform well above target but in the case of poor performance an authority can be placed under special measures.

- 4.4.4 The data submitted to the DCLG is taken directly from the dates entered in Acolaid and the reports are generated by Acolaid. Using the same sample as before, the dates in Acolaid were checked against the dates used in the performance report. All were correct with one exception: An application for an extension that had been granted was incorrectly classified as "hedgerow removal" and so was not included in the performance report submitted to the DCLG.
- 4.4.5 An examination of PS1 for the quarter ended 31 December 2017 showed that there was a small number of errors (eight) of which five related to fairly recent applications. Of the others two were missing registration dates and one was a missing decision date.
- 4.4.6 There is no recommendation here as the point can be covered in the previous recommendation in that staff not only need to ensure that all documentation is available in Idox but also that all necessary data is entered in Acolaid.

4.5 Risk management

- 4.5.1 There are many risks relating to DM many of which will be of the generic variety e.g. resources, system failure, staff availability, health and safety etc. but for DM specifically the risks can be summarised as failing to deal with applications properly and within the required timescales.

- 4.5.2 These risks have been adequately identified and allocated in the Development Services risk register that was last reviewed by Finance and Audit Scrutiny Committee on 25 July 2017.

5 **Conclusion**

- 5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Development Management are appropriate and are working effectively.

- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

6 **Management Action**

- 6.1 The recommendation arising above is reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Development Management – January 2018

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.5	All members of the team should be reminded to save all necessary documentation in Idox.	Not all documentation relating to an application will be publicly available.	Low	Development Manager / Team Leader	This report and action plan will be discussed with all members of the team during the next team meeting. The message to staff will be to ensure that all relevant documentation is retained and filed in Idox.	8 January 2018.

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.