INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager

TO: Head of Development Services

C.C. Chief Executive
Deputy Chief Executive (BH)
Head of Finance
Business Manager (Policy & Delivery)
Portfolio Holder (Cllr Cooke)

SUBJECT: Planning Policy

DATE: 9 December 2019

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1 Introduction

1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.

1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

2.1 Planning Policy used to be covered under a 'wider-ranging' audit of Policy, Projects and Conservation. However, this audit was broken up into its constituent parts back in 2015, with the first audit of this specific topic being undertaken in March 2017.

2.2 The March 2017 audit was undertaken as a consultancy exercise to provide advice on the processes in place for recording progress against the Local Plan.

3 Scope and Objectives of the Audit

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

3.2 In terms of scope, the audit covered the following areas:
- Development progress monitoring
- Policy development.

3.3 The audit programme identified the expected controls. The control objectives examined were:
- The Council is aware of developments that are due to be brought forward and aware of progress against those already in place

- The Council produces formal monitoring reports as required by the Localism Act 2011
- The Council complies with applicable legislation
- Planning policies being developed reflect the priorities of the Council
- Members and officers are aware of progress towards policies being brought forward
- Appropriate stakeholders are able to have a say on planning policies being brought forward
- Interested parties are able to access policy documents.

3.4 A specific audit of Community Infrastructure Levy and Section 106 (s106) agreements is undertaken, so these aspects were not considered for inclusion within the scope of this audit.

4 **Findings**

4.1 **Recommendations from Previous Reports**

4.1.1 As the previous audit was undertaken as a consultancy exercise, no specific recommendations were made.

4.2 **Development Progress Monitoring**

4.2.1 The Business Manager (Policy & Delivery) (BMPD) advised that all information relating to planned developments is now recorded on Acolaid as opposed to the large spreadsheets that were used when the previous audit was undertaken, although some use of spreadsheets remains for monitoring purposes.

4.2.2 Quarterly monitoring of progress is undertaken in relation to sites that have a s106 agreement in place. These are initially identified (for monitoring) once the agreement has been signed and information has been emailed to Land Charges.

4.2.3 The Development Monitoring Officer (DMO) identifies the relevant information following the receipt of these emails and inputs it onto Acolaid, with the number of plots granted being held on the 'Plotting' tab (within the 'Monitoring Residential' field).

4.2.4 The BMPD advised that site visits are undertaken on a quarterly basis, with the visits being diarised within two to three weeks of the start of each quarter.

4.2.5 A sample development (land at Red Lane & Hob Lane, Burton Green) was identified and the DMO provided the monitoring information held. Relevant details were also identified on Acolaid to show that this information was being updated accordingly.

4.2.6 In terms of the site visits, the DMO advised that, for small sites, he will generally view from a public place. However, for larger sites such as the sampled site, more formal visits are undertaken.

4.2.7   For these larger sites, a copy of the site plan is taken and this 'document' is overlaid with 'form fields'. The site plan is updated after the visit to show whether each plot has started or has been completed.

4.2.8   Following the visit, the 'Schedule of Accommodation' spreadsheet is updated, with the summary information being used to update Acolaid (with the monitoring date being shown as the last day of the quarter). An annual summary spreadsheet for site visits has also been completed, showing the state of each development as at the date of the last visit for the year.

4.2.9   The BMPD advised that developers are contacted at least annually to ascertain if sites are being brought forward to prepare the 'housing trajectory' figures. It was confirmed that the trajectory and the five-year housing land supply figures (as set out in the Authority Monitoring Report (AMR) (see below)) are 'positive'.

4.2.10 The Site Delivery Officers are also in more regular contact with the developers during their site visits and if 'big sites' are being brought forward there will normally be some pre-application meetings held to discuss the likely figures to be included in the application etc. Staff in Development Services also tend to know who the 'promoters' / agents are (i.e. those that initially buy the land and then sell it on to the developers).

4.2.11 The BMPD advised that an annual review of the spreadsheet which shows all sites for the period to 2029 is performed, with a formal Local Plan review being undertaken every five years, with the next one being due in 2022.

4.2.12 However, in the meantime, the annual AMR (see below) will be performed which, as suggested above, looks at the housing trajectory and the five-year housing land supply. If these figures 'drop off' there would be cause for concern whereas over-supply is not considered a problem.

4.2.13 There is also the 'Housing Delivery Test Percentage', which covers a rolling, three-year, target with regards to delivery against the Local Plan. The latest figures (in the 2018/19 AMR) show a figure of 112.9% against the 100% target. The BMPD highlighted that a failure to meet this target could lead to the Local Plan becoming null and void.

4.2.14 The DMO highlighted that other monitoring is undertaken, with the nature and frequency of the monitoring performed depending on why the information is required (e.g. government / regional returns, s106 triggers).

4.2.15 Crystal reports are run from the system to extract the relevant figures, with a suite of reports available, covering areas such as residential and non-residential completions, shared accommodation etc. These can be run to cover any relevant period based on the date parameters input.

4.2.16 It was confirmed that the AMR had been completed for 2018/19 as required. Crystal reports generated covering sampled figures were provided and it was confirmed that the 'main' figures regarding new residential properties completed in 2018/19 had been accurately reflected in the AMR.

4.2.17   In terms of progress against allocated sites (section 2.2 of the AMR), the DMO advised that this is based on the information from the previous document with updates being 'manual' (i.e. based on knowledge and reviews of the information on Acolaid rather than being driven by specific reports generated from the system).

4.3   **Policy Development**

4.3.1   At the commencement of the audit, the latest version of the Local Development Scheme (LDS), which sets out the current planning policies and the programme for review of the policies, was from February 2019. This had been presented to, and formally approved by, Executive.

4.3.2   The BMPD advised that the document and the report to Executive had also been approved by the Head of Development Services (as confirmed on the front page of the report to Executive) and the Policy & Projects Manager.

4.3.3   During the course of the audit, an amended LDS was drawn up and this was presented to Executive on 13 November 2019. At the time of the audit, the minutes of the meeting had not been approved, so there was no evidence of Member approval, although the Portfolio Holder had seen the documents as part of the normal committee reporting process.

4.3.4   The BMPD advised that the LDS is a 'live document' and is used as a management tool to manage workloads of staff. There will inevitably be some deviation from the 'plan' due to other work coming in and changing priorities of the Council.

4.3.5   The legislation requires an annual update to be prepared to reflect progress made against the previously adopted document any new areas of policy being worked on.

4.3.6   The February report to Executive referred to above highlighted progress against the seven Supplementary Planning Documents (SPDs) that were to be adopted under the 2017/18 LDS and the November report was, in effect, an early update to reflect changing priorities of the Council following the change in Members as a result of the May 2019 elections.

4.3.7   The BMPD advised that the consultation process varies depending on whether the new policy is a SPD or a Development Planning Document (DPD).

4.3.8   SPDs will be produced in draft form and will be passed to Executive for approval to consult. From there, a consultation process will be undertaken (generally six weeks, although Executive have recently asked for some twelve-week consultations), with adverts produced and 'electronic' consultation being undertaken along with informing the statutory consultees (e.g. parish and town councils, Highways England, Historic England etc.)

4.3.9   Once this consultation period has ended, the comments will be made live, a summary will be produced and responses and actions will be drawn up. Depending on the responses, some changes may be made and a report will then be presented to Executive for the policy to be adopted.

4.3.10   The process for DPDs is largely similar. However, there will also be a second round of consultation, with the document also going to an independent inspector for examination. This examination will be undertaken in public.

4.3.11   Testing was undertaken to ensure that appropriate consultation had been or was being undertaken for planning documents that had been presented to Executive either for approval to consult and / or approval to adopt during the current calendar year.

4.3.12   The testing confirmed that consultation had been undertaken in six cases. Approval for consultation had only recently been received for the other two cases and, at the time of audit testing, evidence was seen that these consultations were scheduled to go live. It was subsequently confirmed that these consultations were underway prior to the conclusion of the audit.

4.3.13   The testing also confirmed that five consultation periods had ended and, of these, the responses had been reported to Executive in four cases with details of how each response had been reflected in the document that was put to them for approval. In the other case the SPD process had been stopped as legal advice was that it should go through the DPD process (Purpose Built Student Accommodation).

4.3.14   The BMPD advised that all agreed policies will be published on the Council's website, with specific pages being set up for overall policy, SPDs and DPDs. He also suggested that a small number will be printed. If the policy is geographically specific it will also be included on the Council's mapping system with a specific 'layer' being built.

4.3.15   Links are also included on the website to any live consultations. As suggested above, Executive had recently agreed for two SPDs to be consulted upon and, whilst these were not initially available on the system during the audit testing, a further review prior to the completion of the audit confirmed that links were available on the relevant Council webpage and the consultations were live on the e-consultation system.

5   **Conclusions**

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 Planning Policy 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   There are no recommendations arising from this report.

Richard Barr
Audit and Risk Manager