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News release

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Better understanding of performance and costs of planning system needed

An Audit Scotland report published today, *Modernising the planning system*, assesses whether recent reform of the planning system is making it more economic, efficient and effective.

The report finds that, while public bodies involved in planning are now working better together, the time councils take to decide planning applications has not reduced and there is a widening gap between the costs of processing applications and the income councils receive from fees. The report says that more detailed information on performance and costs is needed to identify efficiencies.

The number of planning applications has fallen by 29 per cent over the past six years, with income from planning application fees also dropping. However, expenditure on processing planning applications has risen by 17 per cent 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 gap has to be met from councils' central budgets, which are already under pressure.

John Baillie, Chair of the Accounts Commission, said: "Our planning system plays a key role in sustaining and growing our economy and shaping our communities. The time taken to decide planning applications is not reducing and the gap between income and expenditure is widening and becoming increasingly unsustainable. Councils lack detailed information on the costs of handling planning applications. Understanding these costs and why they have increased is a necessary first step in identifying where efficiencies can be made. Councils need to make progress on this as a matter of urgency."

The report says that there have been significant changes at national, regional and local levels and a survey shows that users are generally satisfied with the planning application process. Progress has been slower than expected in developing some strategic and local development plans and in introducing householder permitted development rights, which will set out when planning permission for small developments is no longer needed.

Robert Black, Auditor General for Scotland, said: "The Scottish Government has led other public bodies in making major changes and there is now better working between the public bodies involved. The Scottish Government should ensure its reform programme is completed and that a new framework is put in place for measuring performance and linking planning activities with outcomes."

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Notes to Editors:

1. The main public bodies involved in the planning system are: the Scottish Government; six key agencies (Architecture + Design Scotland, Historic Scotland, Scottish Environment Protection Agency, Scottish Natural Heritage, Scottish Water and Transport Scotland); and the planning authorities which are Scotland's 32 councils and the two national park authorities, Cairngorms National Park Authority and Loch Lomond and the Trossachs National Park Authority.
2. In 2009/10, councils spent over £105.5 million on planning services and received income of £30.4 million, 68 per cent of which was from planning fees. There were 40,119 applications decided by councils in 2009/10, a 29 per cent drop compared to 2004/05.

3. Over the past six years, performance in deciding local applications within two months has remained fairly constant. In 2009/10, 65 per cent of local applications were decided in two months compared to 63 per cent in 2004/05. Major developments can be complex and take up a large proportion of officers' time. In the second half of 2009, the period immediately after modernisation, performance in deciding major applications declined, with only 30 per cent of major applications decided in four months. This compares with 45 per cent in the first half of 2009. Time is only one indicator of performance and the Scottish Government and planning authorities need to agree a wider view of the performance of the planning system, which takes into account users' satisfaction, costs and contribution to outcomes. The report also says that planning departments have been shedding staff in recent years, due to budget pressures, and this may be affecting timescales.
4. In a survey carried out for Audit Scotland of people using the planning system. 77 per cent of respondents said they were either 'fairly satisfied' or 'very satisfied' with the planning application process. However, users were not generally satisfied with the time taken to process applications or respond to enquiries. A report of our survey of users' views is available on our website.
5. In addition, a supplement of statistics compiled for the report is available on our website. This includes local figures.
6. Modernisation introduced a wide range of changes to the planning system. These include:
 - in development planning, four new strategic development planning authorities with responsibility for developing strategic plans for the four city regions of Aberdeen, Dundee, Edinburgh, Glasgow.
 - in development management, a new way of defining planning applications by their scale (national major, or local); new processes for handling major developments including requirements for formal consultation with communities at an early stage for major applications; specific powers for planning authorities to delegate more decisions to planning officers; and a new appeals process.
7. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report for the Accounts Commission for Scotland and the Auditor General for Scotland:
 - The Accounts Commission looks at whether local authorities, fire and police boards spend public money properly and effectively. It is independent of both central and local government. Commission members are appointed by Scottish ministers.
 - The Auditor General is responsible for securing the audit of the Scottish Government and most other public bodies in Scotland, except local authorities. The Auditor General is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.

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