

Internal Audit Report



Planning – Performance Management

Customer:	South Cambridgeshire District Council
Assurance rating:	Limited
Organisational impact:	Moderate
Corporate priorities:	Growing local businesses and economies

Actions	Number
Critical	
High	3
Medium	1
Low	
Total	4

Audit completed by	
Jonathan Tully	Head of Internal Audit
01 April 2021	Greater Cambridge Shared Audit

Report status	Final - confidential
Report to Committee	Yes - the committee will receive a specific update

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Executive Report

Introduction

New buildings, or major changes to existing buildings and the local environment, need consent which is known as planning permission.

South Cambridgeshire District Council is a Local Planning Authority and is responsible for issuing planning permission within the district. Planning is delivered by [The Greater Cambridge Shared Planning service](#) and they can issue in the region of 5,000 decisions per year, some of which are delegated to Officers and others which are reviewed by the Planning Committee. The Planning Service implemented a new computer system in February 2020 and has been working remotely during the Coronavirus pandemic.

Planning Performance is reported to Ministry of Housing, Communities & Local Government (MHCLG) on a quarterly basis and this is reported on their [website](#). These performance indicators include the amount of time taken to process a planning application. The target time scale depends upon the size and complexity of application. Extensions of time may be agreed where there is a legitimate reason which is agreed with the applicant. The Planning Performance Report PS2 illustrates/identifies where decisions have been made within this timeframe.

Scope & Objectives

Background

This review has been completed in response to concerns raised about the Planning Performance Management Statistics. An independent member of the public wrote to the council stating that they have independently reviewed the performance data and have concluded it contained errors.

Guidance on submitting performance information is documented in various places including legislation, the application process, and guidance from professional bodies such as the Planning Advisory Service (PAS).

We were asked to review the planning performance for Quarter 2 of 2020. MHCLG reports data on a calendar year and this period is April 2020 to June 2020.

Objectives

Our objective was to review the planning performance management process, and records in Quarter 2 of 2020. We considered:

- how decisions are recorded on the planning system;
- how supporting evidence is recorded and maintained on the planning system;
- how data is calculated to report planning performance to MHCLG;

We did not review the planning applications themselves, and whether they were compliant with planning policy, as there are already existing processes for reviewing, appealing or challenging planning applications.

To complete our review we considered procedure notes, discussed the events with officers, and reviewed system records. Planning application records are stored online on the Uniform

system. Documents associated with the planning application are loaded onto the publicly accessible online Planning Portal: <https://applications.greatercambridgeplanning.org/online-applications/>

Key risks

We consider, as part of our review, the risks related to the planning process. The key risks that we identified were data input error, plus non-compliance with policy and procedure, leading to reputational risk and the unplanned consumption of resources and expenditure to rectify errors.

Professional Standards

The audit was conducted in accordance with the principles contained in the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN).

Summary of Findings

We reviewed planning performance data for Quarter 2 of 2020. Firstly, we focussed on reviewing the calculation methodology, as this was a complex in-house designed process which has not been independently reviewed before. Therefore, our risk assessment highlighted this as a key area for review. Our independent testing provided assurance that this process is functioning correctly.

Secondly, we reviewed supporting information for the decisions, as we wanted assurance that the decisions were recorded accurately on the system. Any errors at this stage would be transferred into the calculation process. There were some cases where we could not locate supporting information on the Document Management System (DMS) for Extension of Time agreements (EOT). Reasons for this could be administrative, such as documents not yet being transferred from mailboxes to the DMS, and the Planning Service is reviewing the cases we have highlighted.

EOT's are normally completed via an email agreement. While this does help provide a quick way of corresponding with the applicant, we feel the process could be improved by adopting a standardised form.

There was a significant amount of EOT's within the period reviewed, however this is not surprising given the already known factors at the time that contributed to the backlog of work such as implementation of a new system plus the Covid-19 pandemic. This was apparent where site visits and committee meetings were delayed or rescheduled at short notice. This is a legitimate use of an EOT; however, it would be good to see a reduction in the future.

There are fields within the Uniform Planning System which are not being utilised consistently by Officers to record details for Extensions of Time. We would suggest using these fields could reduce the need to refer back to source documents in the DMS and could help make the performance reporting process more efficient through improved data analysis.

The Planning process is transparent, and therefore also subject to scrutiny. Consequently, there is reputational risk from error, in addition to the costs to correcting errors. Processes can be reviewed further to help mitigate these risks, and the main consideration should be whether a standardised form is introduced for Extensions of Time. This would introduce an additional processing cost to the Council, but the Council should recognise that this could be offset by preventing the cost of future errors.

We have documented opportunities for improvement in this report, plus we have developed an action plan which management will commit to implementing.

Our Conclusion

A '**Limited**' rating has been given based on the processes and controls examined at the time of the review.

The Council has policies and procedures in place for planning applications and processes a significant amount of applications each year.

There is scope to improve the design of the control framework in order to increase both efficiency and effectiveness.

We will complete a follow-up review of Quarter 2 2021 data to test the effectiveness of the controls that have been implemented, and this should be able to provide further assurance.

Acknowledgement

We would like to thank everyone consulted for their time and assistance in conducting the review.

Jonathan Tully | Head of Shared Internal Audit

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Detailed Findings

We have recorded below our detailed findings on the review of performance management and illustrated opportunities for improvement. These are then developed into a Management Action Plan.

Recording data on the Planning System

Overview

Planning data is recorded in the Uniform system. The key data fields used to calculate the planning performance comprise:

Header	Value
Reference	Individual application reference
Received	Date application received
Date Valid	Date application is valid
Determination Date	The target date for making a decision based on the type of application
Decision Issued	The date the decision was issued (which is used for performance management)
Extension	The date an extension was made.
Type Code	Each application is given a Type Code, which reflects the category on the PS2 return.
PPA Agreed Flag	This is a flag which highlights if a PPA has been agreed.
PPA or Extension Target Date	The revised target date based on a PPA or an EOT

Our testing provided assurance that these are being updated and queried correctly by the performance management calculation process.

Data fields

There are also fields in the Uniform System which can be used for recording information relating to Extensions of Time, such as key dates and the reasons for extension. A few Officers are using this part of the system, but it has not been formally adopted across the Team. These fields include:

Header	Value
Date of Response	The date that an applicant agreed to a PPA or an EOT
Extension Reason	This is a field which can be used to record the reason for an extension
Reason Determination Delayed	The reason that the determination in the case has been delayed.

We recommend that the Planning Team standardises their approach for completing this part of the system. Ideally these fields should be used as it provides an overview of what has happened, without having to look at source documentation on the DMS. Further information is included in Appendix: Code fields

Opportunities for improvement

Consideration	Detail
Consider making use of optional fields in the Uniform System to record information regarding Extensions of Time. <i>Action level: High</i>	There are cases where an Extension of Time has been agreed with the applicant. The correspondence is saved to the Planning file. Uniform has a "Reason for Extension " field in Uniform, and a "Date of Response" field, but this is not being completed consistently. While this omission does not affect the PS2 return, it would help to provide a comprehensive record of why applications are extended, and management could use this data to analyse and help identify trends that would improve planning performance.

Recording supporting evidence on the Planning System

Overview

Supporting evidence and correspondence relating to applications and decisions are held on a Document Management System (DMS). Records are also published to a Public Access Portal which can be viewed by the Public.

Examples can include application forms and email correspondence between Case Officers and Applicants agreeing Extension of Time.

We reviewed Extension of Time supporting information to validate that these had been agreed with the applicant. If there was no supporting evidence, it would be reasonable to challenge the data used in the Performance Returns to MHCLG.

Standardisation of records

Extensions of Time are typically agreed by email correspondence between the Case Officer and the Applicant. This does provide a quick way of agreeing and documenting the extension. However, this informal approach introduces potential risks around the quality of the agreement, such as a lack of clarity with what is being agreed.

PAS guidance explains Extension of Time:

There is no prescribed form for an extension of time agreement. It can be either an exchange of letters or a completed agreement form and it can be either electronic or a hard copy. The critical features are that the agreement should clearly set out a new date by which the decision letter issued and be signed by both the LPA and the applicant.

An EOT can be agreed towards the beginning or the end of a determination. The PAS provide 2 templates which can be used to record and agree extensions of time with the applicant, which reflect each scenario.

In most cases, an extension of time agreement will simply need to record the new agreed date and provide an explanation for the applicant of why the statutory time period for determination cannot be met in this instance. This will be suitable for less complex cases where, later on in the consideration of the application, it becomes apparent that more time is needed to allow for small modifications or additional information added to the submission in order to overcome concerns.

In some circumstances, particularly where an extension of time is negotiated in the early stages following the submission of a complex planning application, it will be helpful to both the council and the applicant to define the milestones that will mark progress towards getting the application determined. It is important that wherever possible the party responsible for satisfying the milestone is identified along with a target date by which time the action needs to be completed in order to stay on track to meeting the agreed extension of time date.

There is potential for the LGA templates to be used as the basis as a localised template that works with existing internal processes, e.g. email authorisation. We would recommend adopting templates to standardise the process and also provide assurance that the correct delegated authority and reasonable checks have been completed.

Storing data and management information

Extensions of Time are evidenced and stored on the DMS using a code “EOT”. Our review highlighted instances where an EOT had not been uploaded to the DMS, to substantiate the agreement. Our initial review has identified that this could be administrative errors, where the documentation has not been transferred from Case Officers email accounts into the DMS or miscoded.

The Planning Team is currently reviewing these applications to load missing data into the DMS. If any cases cannot be retrieved the team may wish to consider revising the Planning Performance Statistics accordingly.

We would further recommend that a workflow is created for an independent Officer to check that EOT has been loaded onto the DMS. This could perhaps be a function for the Technical Team, or a sign-off process in an EOT standardised form.

Opportunities for improvement

Consideration	Detail
<p>Adopt a standardised template for agreeing an Extension of Time</p> <p><i>Action level: High</i></p>	<p>Adopting a standardised template for agreeing an Extension of Time with the applicant can help to ensure consistency within the Planning Service, and help to maintain an evidence trail to support Planning Performance Statistics by ensuring the supporting information is added to the DMS promptly.</p> <p>This could also help to drive consistent data input in Uniform, which would also help to provide management with assurance that reasons for extension are reasonable and enable them to challenge poor performance.</p> <p>PAS has developed 2 examples of an agreement for the extension of time to determine an application which satisfies the government's reporting requirements and help LPAs to feel more confident in actively managing the application process.</p> <p>We also recognise that, on occasion, planning applications may be subject to multiple Extensions of Time. It would be advantageous to record multiple EOT's on the system, to identify any performance management trends. Referring to just the first or last EOT may be misleading for performance management.</p>
<p>Adopt standardised coding</p> <p><i>Action level: Medium</i></p>	<p>Supporting information is coded when loaded to the DMS. The EOT is coded as “EOT Agreement”, “Extension of Time Agreement”, “Agreement to Extension of Time” and “Confirmation of EOT”. Sometimes it is flagged as publicly accessible and sometimes it is not, consequently it can be difficult to view in the Public Access system. A single standardised code and approach should be adopted for adding records to the DMS.</p>

Calculation of planning performance data to MHCLG

Overview

The data stored in the Uniform System is queried and reported using an in-house designed Microsoft Access Database. We reviewed the SQL query code, and also independently reperformed this process using an alternative calculation in Microsoft Excel. This provided us with assurance that the in-house designed process was accurate and robust.

Data calculation

We retrieved live data to reperform the test. There was a discrepancy over one record and, while this did not have a material impact on the final calculation, we wanted to understand why this discrepancy had occurred. Unfortunately, as the system queries data in real time, it was not possible to identify which record this related to. The MHCLG reporting process enables historic data to be updated where corrections are identified. We therefore recommend that this is reflected in the next update to MHCLG. It would also be good practice to maintain a permanent record of the supporting information as at the time the Performance Statistics were calculated, which could easily be done by exporting the records to an Excel Workbook or similar. This would enable the team to complete further investigation at a later date if required.

Business Continuity

During our review we had difficulty obtaining data from the system promptly due to staff availability and system access restrictions. This did highlight a potential business continuity risk where expertise sits with one member of the team and could present a single point of failure. We would recommend that other members of the team have coaching so this provides a continuity within the team.

Opportunities for improvement

Consideration	Detail
Retain data exports to support quarterly performance calculations. <i>Action Level: High</i>	Data from the Uniform system is queried by Microsoft Access to complete the calculations for performance management returns. As this is live data, it is subject to change after data has been submitted to MCHLG via Delta returns. There may be legitimate reasons for this, and the data collection process allows for subsequent updates to be made. If a query arises in future, it may be difficult to ascertain where the change has occurred, as it queries live data. It would be good practice to export the data at the point of extract / submission to preserve records at the time of report.

Distribution list

Name	Title
Liz Watts	Chief Executive
Stephen Kelly	Joint Director of Planning and Economic Development
Sharon Brown	Assistant Director Delivery
Rory McKenna	Monitoring Officer
Peter Maddock	S151 Officer and Head of Finance
Bridget Smith	Leader of the Council
Cabinet	
Members of the Planning Committee	
External Audit	

This Internal Audit report is confidential within the service it relates to, and the information contained within it should not be disclosed to third parties without the consent of the appropriate Head of Service or the Head of Internal Audit.

Summary information will be shared with committees and boards that have responsibility for monitoring the governance risk and control arrangements for the Council.

Glossary of terms

Assurance ratings

Internal Audit provides management and Members with a statement of assurance on each area audited. This is also used by the Head of Shared Internal Audit to form an overall opinion on the control environment operating across the Council, including risk management, control and governance, and this informs the Annual Governance Statement (AGS).

Term	Description
Full Assurance	Controls are in place to ensure the achievement of service objectives and good corporate governance, and to protect the Authority against significant foreseeable risks.
Reasonable Assurance	Controls exist to enable the achievement of service objectives and good corporate governance, and mitigate against significant foreseeable risks. However, occasional instances of failure to comply with control process were identified and/or opportunities still exist to mitigate further against potential risks.
Limited Assurance	Controls are in place and to varying degrees are complied with, however, there are gaps in the process which leave the service exposed to risks. Therefore, there is a need to introduce additional controls and/or improve compliance with existing ones, to reduce the risk exposure for the Authority.
No Assurance	Controls are considered to be insufficient, with the absence of at least one critical control mechanism. There is also a need to improve compliance with existing controls, and errors and omissions have been detected. Failure to improve controls leaves the Authority exposed to significant risk, which could lead to major financial loss, embarrassment, or failure to achieve key service objectives.

Organisational impact

The overall impact may be reported to help provide some context to the level of residual risk. For example, if no controls have been implemented in a system it would have no assurance, but this may be immaterial to the organisation. Equally a system may be operating effectively and have full assurance, but if a risk materialised it may have a major impact to the organisation.

Term	Description
Major	The risks associated with the system are significant. If the risk materialises it would have a major impact upon the organisation.
Moderate	The risks associated with the system are medium. If the risk materialises it would have a moderate impact upon the organisation.
Minor	The risks associated with the system are low. If the risks materialises it would have a minor impact on the organisation.

Appendices

Glossary of Planning Terms

We have detailed below a number of common planning acronyms used throughout this report:

Term	Description
LPA	Local Planning Authority
PPA	Planning Performance Agreement
EOT	Agreed Extension of Time
EIA	Environmental Impact Assessment
PAs	Performance Agreements – an umbrella term that refers to PPA, EOT, EIAs.
PAS	Planning Advisory Service
EIA	Environmental Impact Assessments
MHCLG	Ministry of Housing, Communities & Local Government

Further Analysis

To help provide some context to the report we have included some further analysis in the sections below.

MHCLG data

Data is available on the MHCLG website: [Planning applications in England: January to June 2020 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/planning-applications-in-england-january-to-june-2020)

When we recalculated data using the latest export, we identified a discrepancy of one record. This is not surprising as records are updated in real time, and MHCLG allow provision for minor updates.

This did not have a material impact on the percentage calculation:

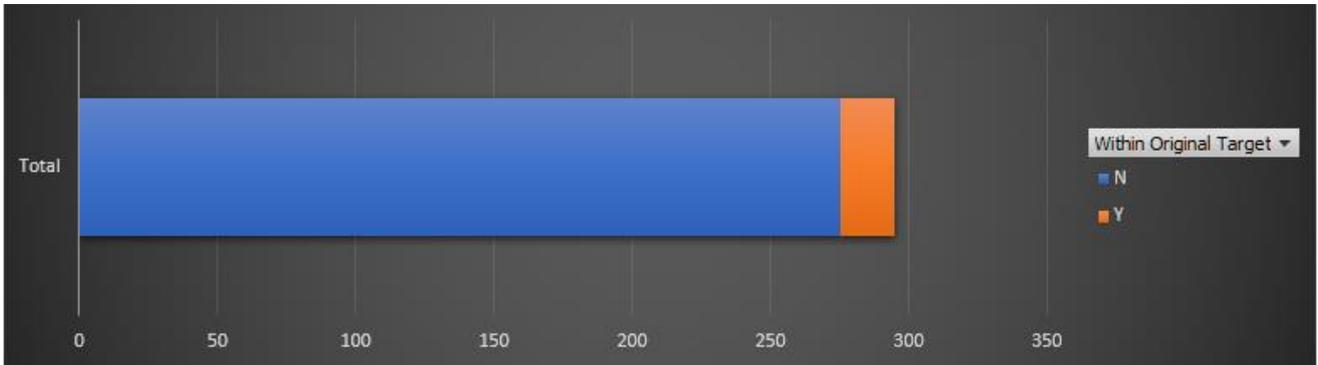
	Total decisions (all)	Total granted (all)	Percentage granted (all)	Total decisions (exc PAs)	Total decided in time (exc PAs)	Percentage decided in time (exc PAs)	Total decisions (PAs only)	Total decided in time (PAs only)	Percentage decided in time (PAs only)	Total decided in time (all)	Percentage decided in time (all)
MHCLG data	296	268	91%	43	17	40%	253	235	93%	252	85%
Our calculation	295	267	91%	43	17	40%	252	234	93%	251	85%

This data is based on PAs (Extension of Times / Planning Performance Agreements) being agreed with the applicant.

Applications within original determination date

The majority of applications were not approved by the statutory target determination date.

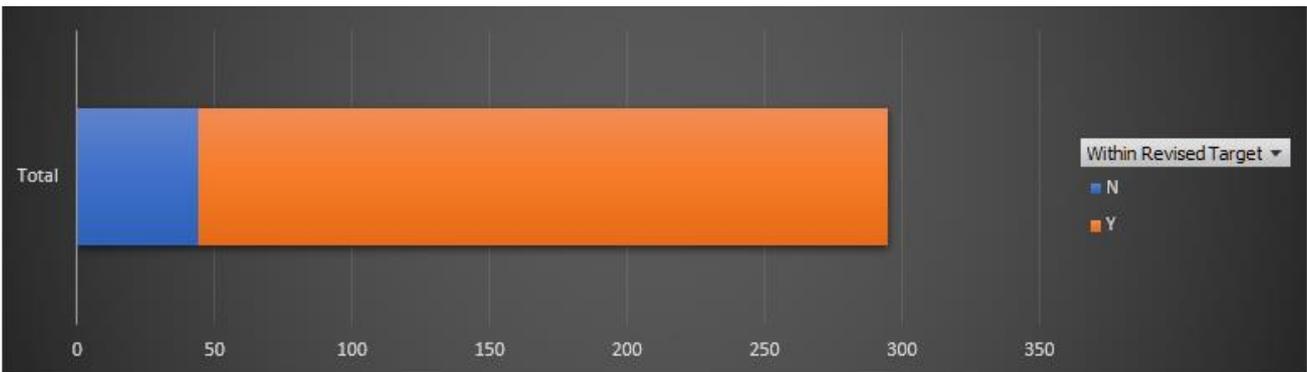
A contributory factor was the start of the Covid-19 pandemic, as site visits were temporarily put on hold, and Committee meetings were cancelled until alternative virtual meetings were established in May 2020.



Applications with extensions

Planning guidance allows agreement of an extension (Planning Performance Agreement, Extension of Time, EIA) with the applicant. The majority of the applications had an extension requested.

The majority of the decisions were approved within the revised timescales:



Extensions of time made after the determination date

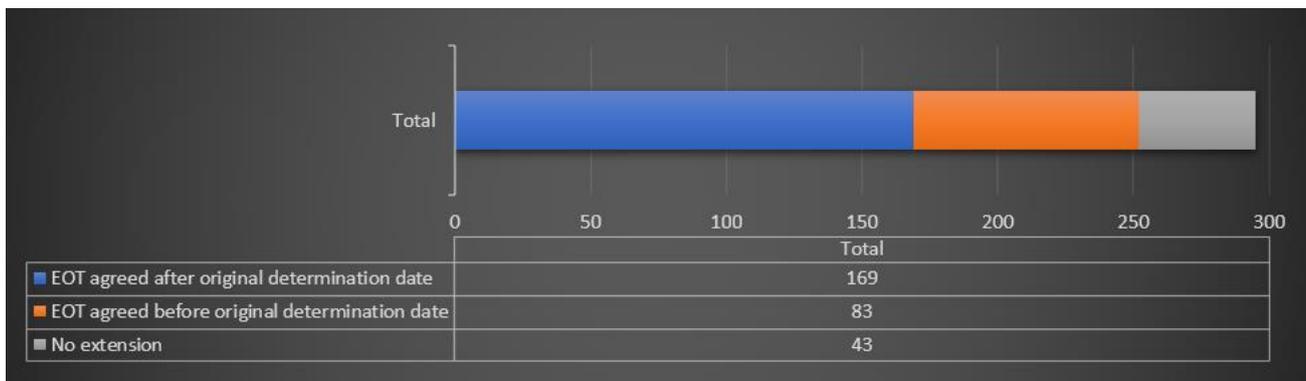
The Planning Advisory Service provides guidance on [agreement of extension of time](#) for applications for Performance Management. Their guidance states:

For most, it's expected that applications can be dealt with within the 8, 13 or 16 week statutory period, but for some applications a bespoke timetable is appropriate. The timetable for dealing with development applications can be extended beyond the statutory period so long as the council and the applicant agree. Provided the council is then able to meet the new mutually agreed date, an application will be counted as satisfying the timeliness requirement for development applications. This applies to both major and non-major planning applications. The Planning Practice Guidance on time limits for determining planning applications can be found on the MHCLG website.

An extension of time agreement can be completed at any point between registration and determination, so long as the applicant has not registered an appeal against non-determination. For it to count in the statistical performance returns, the extension of time agreement needs to be registered in the authority's planning data records prior to determination.

Article 34 of The town and Country Planning (Development Management Procedure) (England) Order 2015 – the DMPO – sets out the requirement for councils to give the applicant notice of their determination of a valid application within a specified period – being either the statutory time limit or "such extended period as may be agreed in writing between the applicant and the local planning authority" provided the applicant has not already given notice of an appeal to the secretary of state).

Our analysis highlights that the majority of Extension of Time for applications are agreed after the end of the statutory determination period.



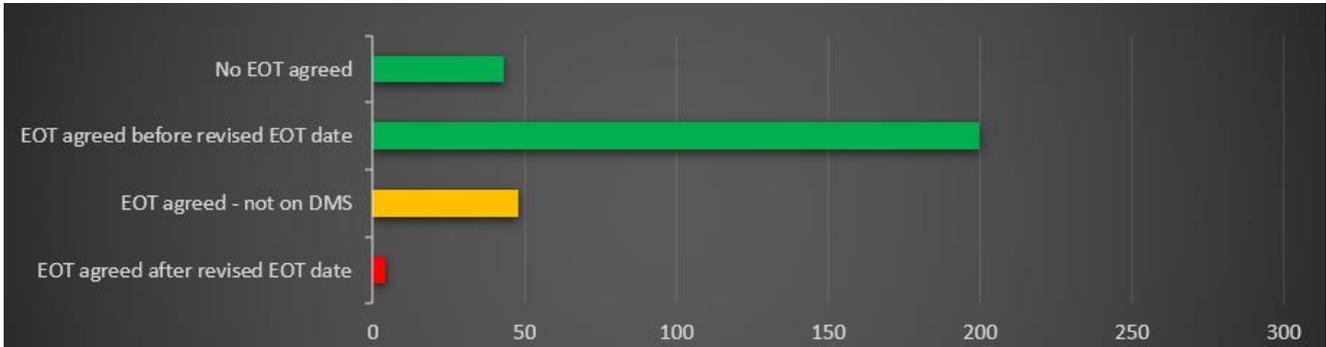
Ideally it would be best if the EOT could be approved before the original determination date. In some cases, there may be multiple extensions agreed, i.e. before the original determination date, and a further EOT after the original determination date. Consequently, this has the potential to distort the information above when looked at in isolation. We recognise that there was uncertainty due to delays to site visits and meetings in this quarter due to Covid-19. However, it is important that revised EOT's have a reasonable determination date set to avoid the need for another extension.

This may be a useful indicator to monitor, as it may be a useful statistic to drive improvement in customer performance for the applicant.

To enable meaningful analysis, it would be helpful to record the reason for an EOT and if it is an additional EOT. This could help inform whether it is something the Council can work on improving, or is it where further information was required from the customer (and this can potentially be built into the early stages of the application process).

Error Analysis

We reviewed all of the applications in the quarter and checked for supporting information on the DMS to match to the data input into Uniform. This would highlight if any potential areas where there was insufficient information to support the data in Uniform that produces the PS2 statistics. Firstly, our analysis showed positive areas of assurance, and areas that require further enquiry:



If “No EOT had been agreed” or “EOT was agreed before revised EOT date” it successfully met our testing criteria. This prompted us to analyse the remaining data below:

Records requiring upload to the DMS

There were 48 records where we could not locate a supporting Extension of Time agreement to support the record in Uniform. This could be because no EOT had been saved to the DMS, or a further EOT had been agreed but this was not saved to the DMS, or there is no supporting EOT agreed with the applicant.

These cases have been referred to the Planning Team for follow-up. It is expected that the bulk of these have not yet been saved to the DMS as yet. Once these records have been updated, it would be sensible to consider revising the PS2 statistics where there is no supporting evidence.

EOT classification errors

PAS guidance states: For it to count in the statistical performance returns, the extension of time agreement needs to be registered in the authority’s planning data records prior to determination.

There were 4 cases where the EOT was agreed after the revised EOT determination date, and it would be reasonable to review an update the Q2 statistics in light of these:

- In one case the supporting correspondence shows that the application was approved by a manager, but the decision was not issued. The case officer requested an EOT and this was agreed by the customer. This was two days after the EOT date, and we would suggest the statistics are updated to reflect this.
- Two cases were agreed on the same date as the revised EOT date. In one case this was because of a technical issue where the decision wasn’t produced from the system as expected. We would suggest it would be prudent to consider these for revision.
- In one case there is evidence that the applicant has agreed to a revised EOT date, but this correspondence does not specify what the EOT date was. Therefore, we could not compare this to the date recorded on Uniform. However, this application was recorded as a decision made after the EOT, and this would not necessitate a change to the PS2 statistics.

EOT data errors

We also checked that data in Uniform agreed to the DMS.

There were 31 records where the date in the Uniform system (used for PS2 statistics) did not agree to the supporting information in the DMS.

In 6 cases the supporting information on the DMS had an agreed revised EOT determination date, that was later than the date recorded in Uniform. The PS2 statistics could be updated to reflect these errors, which would improve performance.

In 25 cases the supporting information on the DMS had an agreed revised EOT determination date, that was earlier than the date recorded in Uniform.

2 of these cases were recorded as decisions made after the deadline, and the PS2 is not affected.

A further 4 of these cases had decisions made before the agreed revised EOT determination, and the PS2 is not affected.

19 of these cases were recorded as a decision made within time. The PS2 statistics could be updated to reflect these errors, which would reduce performance. It is possible that these records have not been uploaded to the DMS, as highlighted earlier.

Code fields

Below are example codes which the planning team could start to record in the system, which could help aid performance management.

Header	Value
Date of Response	The date that an applicant agreed to a PPA or an EOT
Extension Reason	<p>This is a field which can be used to record the reason for an extension</p> <ul style="list-style-type: none"> • ADDCO – Additional Consultation • ADVERT – Delay due to the need to advertise • AMEND – Amendments • CTTEE – Committee • NEG – Negotiations to resolve difficulties • S106 – Section 106 Negotiations • SITEVI – Delay due to the need for a site visit
Reason Determination Delayed	<p>The reason that the determination in the case has been delayed, for example:</p> <ul style="list-style-type: none"> • CONS – Required Consultation Response • CTTE – Referred to Committee • DETAIL – Further info / amendment required • LEGAL- Legal Agreement • NEG – Further negotiations required • PUBDEL – Publicity / Consults carried out too late • SITE – Site visit required • WKLD – Exceptional workload or staff shortage