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CAIRNGROMS NATIONAL PARK AUTHORITY
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Cairngorms National Park Authority

Internal audit report 2015-16
Planning processes and systems
7 August 2015

This report is for:

Action

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Rural Development
(Cairngorms National Park)*

Information

Audit Committee

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Introduction and scope

In accordance with the 2015-16 internal audit plan for Loch Lomond & The Trossachs National Park Authority (“LLTNPA”) and Cairngorms National Park Authority (“CNPA”), as approved by the audit committees, we have performed an internal audit of planning processes and systems at Cairngorms National Park Authority (“the Authority”).

The objective of this audit was to consider the design and operating effectiveness of the Authority’s planning and related application process. This review considered the project management of significant planning applications and the implementation and effectiveness of the service improvement plans, as part of the Planning Performance Framework. A review of the pre-application advice service was also performed.

Background

All planning applications are submitted to the five local authorities and the Authority can then decide if it wants to review any application. The five authorities are Aberdeenshire Council, Angus Council, Highland Council, Moray Council and Perth and Kinross Council.

The Authority does not receive planning applications directly from applicants, it obtains notification of planning applications from the local authorities and decides which applications to ‘call in’. This decision is made from a combination of set criteria (available on the website) and its own experience. The applications ‘called in’ tend to be larger in size and will require approval from the planning committee. On a weekly basis the five authorities notify the Authority of the applications received once they have validated the applications as worth considering (i.e. that the form has been completed correctly). It should be noted that when the Authority calls in applications it assumes responsibility for application decisions and performs the work up to and including the decision. The Authority levies a fee to the local authorities as agreed with them, which we understand is generally 60% of the application fee.

The main legal procedures for dealing with planning applications are set down in the Town and Country Planning (Scotland) Act 1997, the planning etc. (Scotland) Act 2006 and the National Parks (Scotland) Act 2000 and the relevant National Parks Designations Orders that give specific powers to CNPA.. The Town and Country Planning (Hierarchy and Developments) (Scotland) Regulations 2009 introduced approaches to processing planning applications which relate specifically to the scale of the proposed development, and established three categories of development: local; major; and national.

In 2008 the Scottish Government, under consultation with planning authorities, agencies and the development industry introduced a non-statutory method of giving provisional views on whether or not major development was likely to receive planning permission. The aim is to give developers a degree of confidence before committing to potentially lengthy and expensive appraisals in support of a planning application. The implementation and effectiveness of the pre-planning applications consultation service, offered by the Authority, has been reviewed as part of its Planning Performance Framework. The Planning Performance Framework was developed by Heads of Planning Scotland in conjunction with Scottish Government and is used for the associated reporting, benchmarking on annual basis, supplemented by quarterly statistical reporting, to Scottish Government.

Key findings and recommendations

We identified two ‘moderate’ and five ‘low’ graded risk recommendations during the review.

The actions identified will assist the Authority in strengthening the policies and procedures in relation to the planning application process.

The findings identified during the course of this internal audit are summarised below. A full list of the findings and recommendations are included in the report. Management has accepted the findings and agreed reasonable actions to address the recommendation.

	Critical	High	Moderate	Low
Number of internal audit findings	-	-	2	5
Number of recommendations accepted by management	-	-	2	5

Classification of internal audit findings is provided in appendix two.

The controls generally mitigate the inherent risks arising from the application process; with effective project management and value adding pre-application advice. There are improvements to be made to the control environment to facilitate timely application decisions in accordance with statutory deadlines and greater use of planning software functionality to provide enhancement to the management of the application process.

Summary of audit findings

We identified no ‘critical or ‘high’ risk recommendations during this review. We identified matters that will help to strengthen the measurement, monitoring and reporting of the Authority’s planning application process. The moderate rated findings are summarised below:

- there is a lack of formal documentation within the pre-application process; and
- current benchmarking does not utilise the most relevant information.

Areas of good practice

- The CNPA website contains extensive and detailed pre-application advice notes.
- Decision notices are issued on a timely basis; within seven days of the planning committee decision or on receipt of any signed agreements which the decision is contingent upon.
- There are robust governance structures and project management procedures, including the weekly update meeting held by the planning manager with each of the planning officer and the monthly review of live applications by the Director of Rural Development, Convenor and Vice Convenor of the Planning Committee.

We provide a summary of the internal audit findings

Pre-application process

In May 2015, the Authority formed a pre-application process with local authorities in an effort to enhance the quality of applications received. This had only been rolled out to Highland Council as at the date of this review. Formalising the pre-application advice option in the application process is expected to act as a reminder to applicants that they should liaise with the local authority. If pre-application services are required, their local authority will consult with the Authority. The Authority, by return email to the local authority, will inform the applicant of what information, reports and surveys are required to determine the application.

The Authority should ensure that the process is rolled out to the five local authorities; it should be formally documented and consistent across all authorities and the Authority should hold discussions with each authority to facilitate effective management of the process.

Recommendation one

There are three instances in the planning advice notes on the Authority's website where the narrative is not clear:

- when categorising an application as "highly likely to be called in", reference is made to "planning legislation", although the legislation is not defined.
- when categorising an application as "highly unlikely to be called in", reference is made to "small developments", although no clarity is given over the definition of 'small'.
- the advice notes also referred to CNPA calling in approximately 15% of all applications. We found that for 2015 (up until the date of the review) 7% of applications were called in by CNPA.

It is recommended that the advice notes on the website are updated to clarify the first two points. The approximate percentage of applications called in should be amended to better reflect the current proportion of applications called in by the Authority. This proportion should be monitored on an ongoing basis and we recommend the amount to be expressed as a range.

Recommendation two

Maximising use of planning software (UNIFORM)

UNIFORM is the software used by the Authority to facilitate the management of applications. We note that three functionalities within the software are not being utilised to facilitate effective management of the application process. These are 'Enforcement', 'Development Condition Monitoring' and 'Plan Monitoring'. Not fully harnessing available software could mean there are ineffective and inefficient practices with regard to the management of the planning application process.

It is recommended that the 'Enforcement' and 'Development Condition Monitoring' modules are incorporated into the planning process at the Authority as soon as possible in line with the shared service approach agreed with LLTNPA.

It is also recommended that a cost/benefit analysis of the 'Plan Monitoring' module of the system is performed to ascertain whether the module would enhance the quality or efficiency of the application process. The Authority uses the 'Development Management' module to monitor the progress of the plan and will only look to utilise the 'Plan Monitoring' module if it can be demonstrated to augment the quality of existing practices.

Recommendation three

Project management of planning application process

Target dates are agreed within management meetings. The UNIFORM system generates default target dates, in addition to those agreed at management meetings which may not be clear to staff.

It is recommended that the UNIFORM system is updated on a regular basis to ensure that target dates are accurately reflected to avoid ambiguity.

Recommendation four

Project management of planning application process (continued)

The tracker showing the status of live applications includes an 'Action' column which is blank. The tracker is on a shared drive and is utilised primarily to monitor the schedule the applications coming forward to planning committee not to record actions. The tracker is regularly reviewed by the Director of Rural Development, Convenor and Vice Convenor of the Planning Committee.

By inspecting the tracker in its current form it is potentially misleading to include an actions column as this has no bearing on the effectiveness of the monitoring control in place.

The 'Action' column should be removed to avoid ambiguity in the purpose of the tracker.

Recommendation five

Service improvement plan effectiveness

The Authority has a “unit plan” which is the active control document detailing improvement plans, their progress and resolution. Each item in the plan has a lead manager (one of the two planning managers) and both planning managers update the document regularly. The document is held on a shared drive. The unit plan translates the operational plan into work allocations down to Head of Planning/ Planning Manager level. It assists with work allocation and scheduling of activity over the year at Directorate level. This provides an additional level of work planning and scheduling, but does not identify lead officers with only 13 of the 107 actions allocated a lead officer. There is a risk that actions are not completed within the year, as it is unclear to staff who owns which actions within the service improvement plan.

It is recommended that the lead officers are identified within the unit plan for all actions. By clarifying all lead officers, responsibility over actions is clear, thereby placing onus on those individuals to complete tasks by scheduled deadlines. Viewing all improvement plan actions at the start of the year will help the delivery of all items as each individual can effectively project manage.

Recommendation six

Development of benchmarks

The Authority has one main benchmark which is distributed in the quarterly statistical management information provided to the management team. This benchmark compares CNPA to other Scottish organisations with planning application responsibilities individually and as a whole, in relation to the average time taken to reach a decision on a planning application; this is based on annual data provided by the Scottish Government. This resulted in the benchmark information issued to the management team as part of the quarter four 2014-15 statistics being based on 2013-14 annual data due to the lag in information being issued by Scottish Government. The usefulness of this benchmark is limited due to its lack of timeliness.

A more relevant metric, due to the unique planning approach undertaken within CNPA, would be to perform rolling annual comparisons against historical CNPA data on a monthly basis.

Recommendation seven

The action plan summarises specific recommendations, together with related risks and management's responses.

Findings and risk	Recommendations	Agreed management actions
1 Lack of formal documentation of pre-application process		Moderate
<p>The pre-application process created in May 2015 is presently only in place at one local authority, reducing its benefit.</p> <p>Without a consistent process there is a risk of varying pre-application process by each of the five local authorities and therefore inconsistent delivery.</p>	<p>The Authority should ensure that the process is universally rolled out; it should be formally documented and consistent across all local authorities and the Authority should hold discussions with each local authority to facilitate effective management of the process.</p>	<p>Agreed</p> <p>Positive discussions have taken place with each local authority and Advice Note is available on the website. System is working well with Highland Council but roll-out of the agreed procedure has only been partially implemented by former Head of Planning and is not formally recorded. This should be agreed through the Protocol with the five planning authorities.</p> <p>Responsible officer: Director for Planning and Rural Development</p> <p>Implementation date: 30 September 2015</p>

Findings and risk	Recommendations	Agreed management actions
2 Ambiguity in pre-application advice notes on website		Low
<p>There are three instances in the planning advice notes on the Authority’s website where the narrative is not clear:</p> <ul style="list-style-type: none"> ■ When categorising an application as “highly likely to be called in”, reference is made to “planning legislation”, although the legislation is not defined. ■ When categorising an application as “highly unlikely to be called in”, reference is made to “small developments”, although no clarity is given over the meaning of ‘small’. ■ The advice notes also referred to CNPA calling in approximately 15% of all applications. We found that for 2015 (up until the date of the review) 7% of applications were called in by CNPA. <p>This brings a risk of inappropriate or inadequate applications being made, as well as reducing the quality of communication with stakeholders.</p>	<p>It is recommended that the advice notes on the website are updated to clarify the first two points.</p> <p>The approximate percentage of applications called in should be reduced to better reflect the current proportion of applications called in by the Authority. This proportion should be monitored on an ongoing basis and we recommend the amount to be expressed as a range.</p>	<p>Agreed</p> <p>To comply with recommendation we will review Advice Note and:</p> <ul style="list-style-type: none"> ■ add footnote for major application definition in legislation. ■ add further reference for householder applications definition in legislation. ‘Small’ was used as an adjective to describe householder applications. ■ refer to “around 10%” applications called in – rate varies over time due to nature of applications and it was 11.2% for 2014/15. <p>Responsible officer: Planning Manager</p> <p>Implementation date: 31 August 2015</p>

Action plan (continued)

Findings and risk	Recommendations	Agreed management actions
3 Not maximising use of planning software functionality		Low
<p>Three functionalities within the UNiform system are not being utilised to facilitate effective management of the application process. These are 'Enforcement', 'Development Condition Monitoring' and 'Plan Monitoring'.</p> <p>Not fully harnessing available software could mean there are ineffective and inefficient practices with regard to the management of the planning application process.</p>	<p>It is recommended that the 'Enforcement' and 'Development Condition Monitoring' modules are incorporated into the planning process at the Authority as soon as possible in line with the shared service approach agreed with LLTNPA.</p> <p>It is also recommended that a cost/benefit analysis of the 'Plan Monitoring' module of the system be performed immediately to ascertain whether this module would enhance the quality and efficiency of the application process.</p>	<p>Agreed</p> <p>Enforcement and Development Condition Monitoring modules are in the process of being brought into use by the new Monitoring and Enforcement Officer.</p> <p>We are using Development Management to record information that Plan Monitoring module could do – which saves duplication of work. Could undertake formal cost benefit exercise but not immediately.</p> <p>Responsible officer: Planning Manager</p> <p>Implementation date: 30 November 2015</p>

Action plan (continued)

Findings and risk	Recommendations	Agreed management actions
4 Target dates in UNIFORM system are unclear		
<p>Target dates are agreed within management meetings. The UNIFORM system generates default target dates, in addition to those agreed at management meetings which may not be clear to staff.</p>	<p>It is recommended that the UNIFORM system is updated on a regular basis to ensure that target dates are accurately reflected to avoid ambiguity.</p>	<p style="text-align: center;">Low</p> <p>Agreed</p> <p>We will make sure appropriate changes are made to procedures so that Planning Officers add the agreed dates when routinely updating the system. Officers are already working with colleagues at Loch Lomond and Trossachs NPA to clarify the use of and purposes of different date fields in UNIFORM.</p> <p>Responsible officer: Planning Manager</p> <p>Implementation date: 30 September 2015</p>
5 Live application tracker incomplete		
<p>The tracker showing the status of live applications includes an 'Action' column which is blank. The tracker is on a shared drive and is utilised primarily to monitor the schedule the applications coming forward to planning committee not to record actions. The tracker is regularly reviewed by the Director of Rural Development, Convenor and Vice Convenor of the Planning Committee.</p> <p>By inspecting the tracker in its current form it is potentially misleading to include an actions column as this has no bearing on the effectiveness of the monitoring control in place.</p>	<p>The 'Action' column should be removed to avoid ambiguity in the purpose of the tracker.</p>	<p style="text-align: center;">Low</p> <p>Agreed</p> <p>The application tracker spreadsheet will be updated to remove the 'Action' column.</p> <p>Responsible officer: Planning Manager</p> <p>Implementation date: 31 August 2015</p>

Action plan (continued)

Findings and risk	Recommendations	Agreed management actions
6 Unit plan line items are unallocated		Low
<p>The 2015-16 unit plan has 107 discrete actions to be taken. The unit plan translates the operational plan into work allocations down to Head of Planning/ Planning Manager level. It assists with work allocation and scheduling of activity over the year at Directorate level. This provides an additional level of work planning and scheduling, but does not identify lead officers with only 13 of the 107 actions allocated a lead officer.</p> <p>There is a risk that actions are not completed within the year, as it is unclear to staff who owns which actions within the service improvement plan.</p>	<p>It is recommended that the lead officers are identified within the unit plan for all actions. By clarifying all lead officers, responsibility over actions is clear thereby placing onus on those individuals to complete tasks by scheduled deadlines. Viewing all improvement plan actions at the start of the year would help the delivery of all items as each individual can effectively project manage.</p>	<p>Agreed</p> <p>We will identify lead officers below Planning Manager level where appropriate.</p> <p>Responsible officer: Planning Manager</p> <p>Implementation date: 30 September 2015</p>
7 Current benchmarking used not most relevant information		Moderate
<p>The existing benchmarking (against other Scottish organisations with planning application responsibilities) in relation to the time taken to reach a decision on a planning application is based on quarterly data provided by the Scottish Government. This data is only available on an annual basis from Scottish Government resulting in the appearance of data being delayed before being compared.</p> <p>A more relevant metric, due to the unique planning approach undertaken within CNPA, would be to perform rolling annual comparisons against historical CNPA data on a monthly basis.</p>	<p>CNPA should undertake to implement a process of rolling benchmark analysis utilising appropriate comparators of previous years information. Where known outliers are identified these should be highlighted within the data and appropriately explained.</p>	<p>Agreed</p> <p>Twelve month rolling data comparing CNPA performance over time would be a good additional indicator for CNPA and this will be included in reports from Q2 of 2015/16. Responsible officer:</p> <p>Responsible officer: Planning Manager</p> <p>Implementation date: 31 October 2015</p>

Appendices

Objective

The Authorities have a remit to consider and approve planning and related applications within relevant boundaries.

There are arrangements at each Authority to consider planning applications against the national park plans, local plans and other guidance with decisions reserved for the planning committee with public authorities being required to work within the Planning Performance Framework (PPF)

Decisions and planning approval require detailed knowledge of various local factors; our review will look at the new processes and practices for Planning applications which have been adopted in response to the Scottish Government modernising planning agenda.

Scope

This review will include at the Cairngorms National Park Authority:

- review of the pre-application advice service and the value this is adding to the planning application process;
- review the functionality of the available planning software and consider the current use of the software and any scope to extend its use to improve the effectiveness and efficiency of the planning service through the use of appropriate working practices;
- review of the project management of significant planning applications; and
- review of the implementation and effectiveness of Service Improvement Plans
- Review of the approach to benchmarking undertaken by Heads of Planning focusing on resource levels and performance.

Approach

We will adopt the following approach in this review:

- project planning and scoping;
- conduct interviews with staff to gain an understanding of the Authority's processes, systems and policies for managing planning;
- identify and agree key risks and processes with management;
- review the adequacy and effectiveness of key processes through sample testing and discussion;
- through our understanding of the planning process at LLTNPA consider how the authorities can work together to support e-planning and wider software implementation within CNPA; and
- agree findings and recommendations with management.

Appendix two

Classification of findings

The following framework for internal audit ratings has been developed and agreed with management for prioritising internal audit findings according to their relative significance depending on their impact to the process.

Rating	Definition	Examples of business impact	Action required
Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> ■ Potential financial impact of more than £400,000. ■ Detrimental impact on operations or functions. ■ Sustained, serious loss in brand value. ■ Going concern of the organisation becomes an issue. ■ Decrease in the public's confidence in the Authority. ■ Major decline in service/product delivery, value and/or quality recognised by students and customers. ■ Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. ■ Life threatening. 	<ul style="list-style-type: none"> ■ Requires immediate notification to the audit and compliance committee. ■ Requires executive management attention. ■ Requires interim action within 7-10 days, followed by a detailed plan of action to be put in place within 30 days with an expected resolution date and a substantial improvement within 90 days. ■ Separately reported to chairman of the audit and compliance committee and executive summary of report.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> ■ Potential financial impact of between £200,000 to £400,000. ■ Major impact on operations or functions. ■ Serious diminution in brand value and/or market share ■ Probable decrease in the public's confidence in the Authority. ■ Significant decline in service/product delivery, value and/or quality recognised by students and customers. ■ Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. ■ Extensive injuries. 	<ul style="list-style-type: none"> ■ Requires prompt management action. ■ Requires executive management attention. ■ Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months. ■ Reported in executive summary of report.

Appendix two

Classification of findings (continued)

Rating	Definition	Examples of business impact	Action required
Moderate	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> ■ Potential financial impact of between £50,000 to £200,000. ■ Moderate impact on operations or functions. ■ Brand value and/or market share will be affected in the short-term. ■ Possible decrease in the public's confidence in the Authority. ■ Moderate decline in service/product delivery, value and/or quality recognised by students and customers. ■ Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. ■ Medical treatment required. 	<ul style="list-style-type: none"> ■ Requires short-term management action. ■ Requires general management attention. ■ Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months. ■ Reported in executive summary of report.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> ■ Potential financial impact of less than £50,000. ■ Minor impact on internal business only. ■ Minor potential impact on brand value and market share. ■ Should not decrease the public's confidence in the Authority. ■ Minimal decline in service/product delivery, value and/or quality recognised by students and customers. ■ Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. ■ First aid treatment. 	<ul style="list-style-type: none"> ■ Requires management action within a reasonable time period. ■ Requires process manager attention. ■ Timeframe for action is subject to competing priorities and cost/benefit analysis, eg. 9-12 months. ■ Reported in detailed findings in report.



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