

Planning Follow Up

Oxford City Council

Audit 2005/06

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Summary Report

Introduction

- 1 This report summarises our findings following our review of the quality of Oxford City Council's Planning Services, undertaken as a follow-up to a previous review completed in July 2006. It identifies progress, strengths and pointers for improvement. The findings are also used to inform our other work such as the Value for Money opinion we are required to issue in respect of the adequacy of the Council's arrangements for ensuring services meet the needs of users and taxpayers, and for engaging with the wider community.
- 2 An effective planning service is essential for a council to deliver not only its core objectives but also those of its partners, both within the public and private sectors. The local, regional and national objectives to develop sustainable communities are at the heart of councils' duties to create improved quality of life for local people, create vibrant and sustainable communities, shape places and protect the natural and built environment.
- 3 Planning is currently under-going significant change, not only in terms of detailed legislation but also in terms of the culture within the planning profession. Planning is no longer seen as a hurdle or barrier to progress but is now seen as having an important role to facilitate and balance development demands to enable sustainable development to take place. This is a significant challenge to the profession and all who are involved in decision-making.

Background

- 4 Following its 2004 Comprehensive Performance Assessment (CPA), Oxford City Council agreed a number of improvement priorities. Its work to implement these priorities has led to improved services for local people as well as modernising its business and service planning. Fifty-three per cent of its performance indicators have improved in the last three years (compared to an average range for all district councils of 54 to 56 per cent). But the pace of improvement speeded up in 2006/07, with 70 per cent of indicators improving (compared to a district council average of 57 to 59 per cent)¹. Over the last two years the Council has also undertaken work to understand its current value for money and improve performance management. The Council's Use of Resources score has improved to 'adequate' in 2006/07 (the most recent assessment), which together with the improvement in performance indicators reflects its recent track record of improvement. However, it remained assessed as 'inadequate' in its overall value for money in 2006/07.
- 5 The Council agreed a programme of audit and inspection work with the Audit Commission to support improvement. That programme included a review of the Council's area committees and planning, completed in July 2006. This report provides an update on the planning aspects of that review.

¹ Audit Commission: Performance Information Profile 2006/07 'overall improvement and current performance'.

- 6 We reported in 2006 that the planning service at Oxford City Council was struggling to perform in many ways. In particular the robustness of planning decisions was an issue that caused unnecessary delay and expense, and used up considerable capacity within the planning service. This was in part due to inconsistent political ownership of planning policy and confusion between the many area committees. The knock-on impact of this inconsistency was a service that lacked confidence, was slow and delivered a poor level of service to customers. Many customers were frustrated; and the lack of transparency of decision-making resulted in a lack of confidence in the probity of planning decisions.
- 7 We made three key recommendations - that the Council should do the following:
- Improve the quality and effectiveness of Council meetings by:
 - developing a code of conduct/practice for area committees, specifically: - improved chairmanship;
 - mentoring for councillors to facilitate improved debate, adding value to the committee process;
 - refresh councillor training focussing on the planning process, current planning issues and policy development;
 - presentation training for officers;
 - improved report writing - sharper and more accurate report writing with improved quality checking;
 - legal representation during planning decision-making;
 - improved presentation technology - improved use of photographs, better presentation of plans and ability for presenting officers to point out features off screen;
 - increased awareness of how the public see the meeting, increased professionalism, sense of importance of the issues, and serious nature of the debate; and
 - encourage feedback from public, councillors and officers to monitor impact of improvements.
 - Sponsor the improvement of decision-making in area committees, by:
 - using the Council's improvement team approach to work through issues with councillors and officers together; and
 - developing options for area committees, including a clear assessment of value for money, impact and effectiveness and an assessment of risks.
 - Redefine the purpose of area committee meetings, to ensure:
 - clarity about the overall purpose of the committees, and in particular of the community engagement elements and the regulation elements;
 - more effective management of the distinctive roles of the committees for regulatory decision-making and community engagement functions;
 - clarity about the roles and responsibilities of area committees within the Council's constitution;

- clarity about the roles and responsibilities on councillors and staff attending Council meetings; and
 - active monitoring and management of the performance of area committees, to ensure consistency and encourage learning across all areas.
- 8 This project aims to assess how effectively the Council has improved its planning service between July 2006 and February 2008.

Audit approach

- 9 Our approach involved meetings and discussions with managers and councillors during summer 2007, and reviewing relevant documents and latest available performance data. The work focused on the following key questions.
- What progress has been made to address the key findings and recommendations identified in 2006? In particular, we considered what outcomes have been achieved, how performance has improved, how costs compare and the effectiveness of the service.
 - Does the service deliver value for money? In particular, we focused on invest to save activity, efficiency savings achieved, the scale of external funding attracted, and the effectiveness of partnership and joint procurement of services.
 - How is the service planning to cope with future challenges? In particular, we considered what these challenges are, whether the service has plans in place to minimise any adverse impact, whether it has the capacity to cope with these challenges, and how it will use performance management to monitor progress.
- 10 We then met with the Chief Executive and senior managers in autumn 2007 to discuss the draft report, and met again with senior managers in March 2008 to explore the implications of the most recent planning performance data.

Main conclusions

- 11 In summary, the Council can demonstrate important successes in improving the planning service, but some aspects need further work. Planning policy has made significant progress for the new Local Development Framework (LDF). Planning control and conservation services have maintained good levels of performance for speed of deciding most planning applications, although analysis shows this is affected by slow performance for dealing with the high level of applications affecting historic buildings. The city has benefited from high quality new major development schemes in the past two years. The Council now has a much clearer understanding of the value for money of the service. It has received a substantial allocation of Planning Delivery Grant for 2007/08, rewarding good performance the previous year and increasing capacity for further improvement. However, underlying these successes, the service still under-performs when compared to best-performing planning authorities. Also, the Council's response to the previous recommendations cannot yet demonstrate the step change in improvement that is required, although some process changes have begun to make a difference.
- 12 The Council is improving its corporate capacity and focus by introducing an ambitious organisational restructure, including two new executive directors focused on place shaping and front-line delivery, with corporate support managed by the Chief Executive. The Chief Executive is driving these changes at a rapid pace. Creating a directorate focus on place shaping is a clear recognition by the Council of the importance of planning in achieving its objectives for the city's environment and economy, and transforming the lives of local people, and a critical building block for delivery of improved services and value for money.
- 13 The Council's progress in delivering an improved planning service has not yet delivered improvement that residents and users would recognise, except in relation to the speed of planning applications. It has undertaken lots of activity and made changes to its internal processes, but these have resulted in limited change in terms of service outcomes. For example, only small-scale changes proved acceptable when the Council created a new code of conduct for councillors relating to the planning element of area committee meetings. However, these changes are so subtle that the basic issues previously identified - in relation to conduct of the meeting, the quality of the debate, the atmosphere of conflict within the meeting, the lack of consistency between area committees and the poor quality of the presentation of planning items - still undermines the public credibility of these meetings.
- 14 Performance in terms of speed of deciding 'minor' and 'other' planning applications has improved. These applications are decided well within the government target times, and this performance has been sustained for the past two years. They account for nearly 80 per cent of the planning applications handled by the Council. Performance until the end of February 2008 for deciding applications not related to historic buildings within 8 weeks is 93 per cent. However, listed building and conservation area application performance is only 41 per cent in 8 weeks, which worsens the Council's overall performance. This is particularly important in the context that the historic heritage and architectural quality of Oxford is an essential element of the Council's place making agenda.

- 15 However, steady performance in deciding major applications speedily is less well established. Performance had improved to 75 per cent decided in 13 weeks in 2006/07 against a target of 65 per cent. But recent performance has declined. It was 64 per cent at November 2007, but the impact of a large number of very large development proposals submitted to the Council during the autumn and winter further slowed performance, which is 55 per cent at February 2008. Dealing with major applications takes a disproportionately large amount of resource. Managing the risks of maintaining performance therefore depends on the Council's capacity, and its ability to predict likely workload increases and then flexibly and promptly shift resources to deal with them.
- 16 Appeal performance remains variable and the number of appeals lodged against the Council's decisions is also above average. The Council's success rate in defending appeals had improved from less than 60 per cent in 2004/05 to 67 per cent in 2006/07, But it has been highly variable over the past eighteen months and overall has worsened in 2007/08 to only 57 per cent, although the position has steadily improved in the past six months, This trend means that applicants have an increasing chance of being successful at appeal, which encourages the number of appeals. The Council has taken an in-depth look to better understand the reasons for its variable performance given the potential impact on resources, and recognises that it needs to make changes to aspects of its decision processes.
- 17 The Council has markedly improved its performance on awards of costs on planning appeals in 2007/08, compared to previous years. In the past it has incurred a considerable number when compared to other councils. In 2007/08 to date it has incurred none. Awards of costs reflect the reasonableness of the Council's decision-making, since they are awarded when the planning inspector believes the Council has acted unreasonably. This improvement suggests that - notwithstanding the greater proportion of appeals allowed - the Council's decision-making on planning applications is more robust than in previous years.
- 18 Planning policy development proceeds at a pace and has made significant progress in developing key planning policy documents for the LDF, but its impact is not seen to be fully effective. Councillors do not support some adopted local plan policies; and it is not yet clear whether elements of the new Local Development Framework (LDF), while responding to councillors' concerns, will also result in the good planning of the city for the benefit of all residents both now and into the future. It is right that councils should pursue new innovative policies that challenge the boundaries of policy-making where appropriate. The Council is aware that the detail of these policies, the strategic spatial principles behind them and their evidence base will be scrutinised at the LDF public examination, with the risk that any weaknesses will result in such policies failing to be adopted. Nevertheless, the Council is confident that it has minimised the risks of failure.
- 19 The Council now has a clearer understanding of the value for money of its planning policy and planning control services, and recognises the different issues facing each service. A key issue for the Council in improving value for money is overcoming the difficulties of using costs data, so that it is able to use data more effectively to better understand and challenge its costs.

- 20 In this context, the Council is not yet delivering good value for money in terms of the robustness of the delivery of planning control. It has secured extra income from several sources to support specific aspects, but has not been fully effective in exploring new revenue streams to support on-going services at a time of budget pressures. Planning control is less costly overall compared to other councils, but this is the result of high costs offset by higher than average income. It is not performing consistently across all indicators. Customer satisfaction is below average but improved well from three years ago, against the national trend.
- 21 The planning policy service provides good value for money overall, although it is expensive in comparison with other councils. The service is delivering a large number and wide range of new policy documents. The Council considers that the high cost is acceptable given the complex issues and high level of public engagement involved. Developing policy relies on considerable input from external organisations, some in partnership and others acting as consultants. Good partnership arrangements offer additional capacity and development work at reduced costs to the Council. However, and accepting the importance of ensuring a good evidence base for preparing the LDF, over-reliance on consultants to provide evidence that the Council already holds to support the development of planning policy is not a good use of public money.
- 22 The planning service in Oxford City is facing many challenges and is now potentially better placed in terms of capacity to deal with them than it has been for some time. The Oxford area is subject to considerable development pressures and is identified as a growth area in government policy, and many large-scale planning proposals are due to be submitted to the Council. In terms of capacity to deal with these issues, the Council strengthened its approach to managing vacancies and resourcing in July, following the arrival of the new Chief Executive. Within the planning service, internal development of staff has allowed them successfully to take on greater responsibility and the service is fully staffed without the use of agency staff (unusual among South East councils). It is also considerably improving the productivity of staff, although this has led to a perception within the planning control team in particular that it is struggling with existing workloads. The Council's last staff survey in 2005 showed high morale compared to other services, and managers believe that this remains true.
- 23 The Council faces risks in its ability to maximise the opportunities that new growth brings for the benefit of the whole community, but is starting to address these. The service is facing transformational change through the introduction of Council-wide developments to place customers' needs at the heart of service delivery. It plans to address remaining service weaknesses and wider challenges through improvements that do not undermine the existing levels of service. The key risk for the Council in delivering this plan is ensuring the service has sufficient capacity at a time of high workload to maintain performance while managing significant change. The lack of clear change management plans to address these issues poses clear risks, although the Council is aware of the need to develop them and is doing so as part of its wider corporate improvement agenda.

Recommendations

- 24 All the recommendations contained in our 2006 report on area committees and planning remain valid. While progress in developing these recommendations has continued, there has been little or no impact due to their poor implementation. We therefore make the following strategic recommendations, to support the transformation of the planning service through a stepped change in terms of the quality of service delivered to the residents of Oxford.

Recommendation

R1 Improve the robustness and quality of decision making on planning issues, and the quality of councillor and officer interaction, and create an environment where constructive and collaborative working can occur, by:

- *addressing councillor and officer skills, competencies and behaviours;*
- *enforcing compulsory training and development, including the need for periodic 'refresher' training, for councillors entitled to vote on planning decisions';*
- *implementing service change comprehensively; and*
- *proactively monitoring the implementation and outcomes of changes through performance management and customer feedback.*

The expected benefits of this recommendation are:

- improved conduct of meetings and quality of debate, and greater consistency between area committees; leading to
- greater public credibility of these meetings in relation to planning matters.

The implementation of this recommendation will have high impact with low costs. This should be implemented as soon as possible, but by September 2008 at the latest.

Recommendation

R2 Develop the skills, knowledge and capacity within the service to maintain improvement and performance, and to deliver service efficiencies in the future, by:

- *using performance management to proactively manage peaks and troughs of work, and flexibly match resources to them;*
- *using workforce planning to secure the skills, knowledge and capacity needed to deliver improvement;*
- *timing service improvements to take place when the capacity and skills needed to introduce them are available, the Council should use its project management skills to ensure; and*
- *developing partnerships and sharing services with the public, private and voluntary sectors to support service delivery.*

The expected benefits of this recommendation are:

- maintaining improvement and performance; and
- delivering service efficiencies in the future.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December 2008.

Recommendation

R3 Develop and implement plans to place the customer at the heart of service improvements across planning policy, development control and the planning elements of area committees, by:

- *engaging with users through creating a regular user group/forum to discuss, debate and sound out service improvement areas;*
- *seeking regular feedback on the implementation and success of service improvements to check that the desired results have been delivered; and*
- *carrying out mystery shopping exercises for both staff and councillors, to test how the service feels from a customer's perspective.*

The expected benefits of this recommendation are:

- improved understanding of the needs and expectations of customers, as the basis for developing service improvement; and
- better ability to assess whether service improvements have achieved customer acceptance and satisfaction.

The implementation of this recommendation will have high impact with low costs. This should be implemented by December 2008.

Recommendation

R4 Ensure that the service is delivering value for money by:

- *monitoring effectiveness of the service against costs;*
- *overcoming the difficulties of using costs data, so that it is able to use such data more effectively to better understand and challenge its costs;*
- *ensuring that investment in service improvements deliver the desired level of outcomes; and*
- *creating and implementing plans for the development of effective partnerships to support service improvement.*

The expected benefits of this recommendation are:

- improved capacity to support and deliver improvement plans; and
- better ability to assess whether service improvements have delivered improved value for money.

The implementation of this recommendation will have high impact with low costs. This should be an on-going activity.

Recommendation

R5 Ensure that performance on planning appeals in terms of both overall success rate and non-award of costs continues to improve, and becomes more consistent, by:

- *continually analysing the reasons for unsuccessful appeals to identify lessons for future decision making, especially in terms of:*
 - *consistency across the area planning committees;*
 - *issues that arise in relation to specific policy areas; and*
- *reporting to all planning councillors on appeal decisions which result in awards of costs against the Council on the reasons for such awards.*

The expected benefits of this recommendation are:

- more consistent learning across the area planning committees that may be applied to future planning decisions;
- a reduced number of appeals, and thus lower workload in defending planning decisions; and
- more effective use of planning resources and improved value for money,

The implementation of this recommendation will have high impact with low costs. This should be an on-going activity.

- 25** The Council has agreed these recommendations and an Action plan to implement them. This plan is set out at Appendix 1.

Detailed Report

Progress since 2006

Overview

- 26** The Council can demonstrate important successes in improving the planning service, but some aspects need further work. Planning policy has made significant progress in developing key planning policy documents for the Local Development Framework. Planning control and conservation services have managed to maintain good levels of performance for deciding 'minor' and 'other' planning applications. However, analysis shows poor performance in dealing with the high level of applications affecting historic buildings. The city has benefited from some high quality new major development schemes in the past two years. However, underlying these successes, the planning service still under-performs when compared to best-performing planning authorities. In terms of improving the service, the activity to implement previous recommendations cannot yet demonstrate the step change in improvement that is required, although some process changes have begun to make a difference. Changes relating to the operation of Area Committees when deciding planning applications have had little impact, although training to implement improvement proposals aimed at Council staff has now started.
- 27** Planning policy has made significant progress in developing key planning policy documents for the LDF. Although the plan of work has slipped against the original Local Development Scheme, the Council has agreed revisions with the Government Office for the South East (GOSE) in a timely manner and so all milestones have been met. It has responded to development pressure in the western part of the city and developed an Area Action Plan in advance of the Core Strategy so that regenerating the city's West End is effectively planned.
- 28** Planning control and conservation services have improved performance over the past three years and in some aspects markedly so, but they are still under-performing compared to many other councils nationally. Assessing relative performance depends on the comparison groups being used. Performance for dealing with applications not related to historic buildings is particularly good at 93 per cent decided within 8 weeks. However, performance in deciding listed building and conservation area applications is poor, with only 41 per cent decided in 8 weeks². This performance reduces the Council's overall performance for deciding 'other' applications to 87 per cent, which compares poorly with other similar councils.

² The Council does not directly decide applications affecting Grade I and II* Listed buildings, which are decided by the Government Office for the South East with advice from English Heritage, but they are included in the Council's overall performance figures reported as best value performance indicators

- 29** The Council is improving its corporate capacity and focus by introducing an ambitious organisational restructure and three project boards - performance, resources and transformation - that will deal with key corporate and service improvement issues, including improving value for money. The Chief Executive is driving these changes at a rapid pace. The three directorates are being reformed so they focus on place shaping, front-line delivery and corporate support. Appointing an executive director and creating a new directorate focused on place-shaping is a clear recognition by the Council of the importance of planning in achieving its objectives for the city's environment and economy, and transforming the lives of local people.
- 30** This reorganisation is a critical building block for delivery of improved services. The number of business units is being reduced from 18 to 12, but includes setting up a new unit focused on organisational transformation. The Council has mitigated the risks involved in this change by gaining cross party support, developing a capacity and competence framework for the new posts, and using external specialists to undertake rigorous review and assessment centres in the choice of the new executive directors and business unit managers.
- 31** The Council has also established a cross-party group to seek political consensus on important topics, which has already worked well in establishing support for the management restructure. Its plans are resourced and are being implemented in a timely way.

Planning control

- 32** At the broadest level, national data shows that the Council was 1st out of 381 councils for the proportion of regulation indicators³ improved over the past year (100 per cent, compared to the average range for district councils of 59 to 65 per cent). This builds on the three year trend, when the Council was ranked 104th out of 388, with 80 per cent of indicators improved (average range for all district councils of 66 to 72 per cent). However, only 14 per cent of these indicators are top-performing, compared to an average of 35 per cent for all district councils.
- 33** The speed of deciding all types of planning application has improved in absolute terms in the past one and three years but is still not fast compared to other councils. Performance is above average for deciding 'Major' planning applications within thirteen weeks and 'Minor' ones in eight weeks. The speed of deciding 'Other' planning applications within eight weeks is poor and got worse over time compared to all other councils. Nonetheless, minor and other applications - which account for nearly 80 per cent of the planning applications handled by the Council - are decided well within the government target times.

Major planning applications

- 34** National performance data over the past four years, together with the Council's latest data for 2007/08 to the end of February 2008, at Appendix 1 shows the improvement trend for major applications.

³ Audit Commission: Best Value Performance Indicator Profiles - 'Regulation' services are measured by six planning indicators and one environmental health indicator.

- 35** Table 1 shows that the Council has dramatically improved its speed of deciding major applications within 13 weeks over the past four years - from one of the worst performing councils nationally (29 per cent in 2003/04) to an above average position (75 per cent in 2006/07). Table 6 shows that the Council performs similarly to other historic towns, but that there may be lessons to learn from the much better performance of Gloucester City Council.
- 36** However, the position in 2007/08 is less encouraging. Performance has been variable across each quarter, fluctuating between 60 per cent in April-June 2007 and later very good performance at about 80 per cent, and overall just meeting government targets at 65 per cent at November 2007. However, a large number of very large development proposals submitted to the Council during the autumn and winter has slowed down the speed of decision, which is now 55 per cent for the year to the end of February 2008. This issue threatens to undermine the efforts of the Council's planning department, not only to improve performance but also to secure additional community benefits from key developments in the city. Dealing with major applications takes a disproportionately large amount of resource. Managing the risks of maintaining performance therefore depends on the Council's capacity, and its ability to predict likely workload increases and flexibly and promptly shift resources to deal with them.

Minor planning applications

- 37** Performance in deciding minor planning applications is more positive, although again data suggests there is no room for complacency. National data at Table 2 shows the Council has steadily improved the absolute speed of deciding minor applications over the past four years, from 68 to 81 per cent. But at the same time other councils have been improving their speed at a slightly faster rate than Oxford. The Council has remained at above average performance for the past four years, always slightly below the top quartile break-point. Table 6 shows that the Council performs similarly to other historic towns, but that again there may be lessons to learn from the much better performance of Gloucester City Council.
- 38** The gap between the Council's performance and the national median has steadily decreased. In other words, four years ago the Council was performing at a level not too far short of top quartile performance (68 per cent compared to top quartile 70.3 per cent; median 61.0 per cent). But in 2006/07, while it is still performing at a similar level in relation to that, it is much nearer the median position (79 per cent compared to top quartile 83.5 per cent; median 77.3 per cent). Unless the Council rapidly improves its speed of decision on minor applications, it risks becoming below average compared to other councils as they improve faster.

Other planning applications

- 39** The position in relation to other applications has got much worse compared to other councils nationally over the past four years despite steady improvement. Analysis shows that householder application performance is very good at 97 per cent in 8 weeks, but the speed of deciding listed building and conservation area applications is particularly poor.

- 40 National data at Table 3 shows the Council has steadily improved the absolute speed of deciding all types of 'other' applications over the four years 2003/04 to 2006/07 from 81 to 84 per cent, but compared to other councils it has moved from above average to worst-performing. In 2003/04 the Council decided 81 per cent of applications in 8 weeks, compared to best-performing councils at 85.1 per cent and a median of 79.8 per cent. In 2006/07 it decided 84 per cent of applications in 8 weeks, compared to best-performing councils deciding 92.5 per cent, a median of 88.9 per cent and worst-performing 85.1 per cent. In other words, most councils have improved much faster than Oxford over this four-year period.
- 41 The Council's performance has improved well in 2007/08. If this improvement is maintained throughout the year, the Council seems likely to improve its position relative to other councils (unless on average they all improve at a similar rate). In the period April 2007 to February 2008 it decided 87 per cent of applications in eight weeks - considerably faster than last year.
- 42 The Council's own data shows that the impact of the slower time taken to decide applications affecting historic buildings, and the high proportion of these applications (about 15 per cent of all 'other' applications over the period since April 2004), significantly reduces its overall speed of deciding applications. Table 4 shows that the Council's overall performance for other applications (ie the nationally reported performance level) is consistently 6 per cent lower than its speed for deciding applications affecting non-historic buildings. If these applications are considered separately, latest data shows the Council is deciding 93 per cent of other applications within eight weeks - comparable to best-performing councils in 2006/07.
- 43 The slower time taken to decide applications affecting historic buildings is a significant issue for the Council if it is to address the place shaping agenda effectively. The key characteristic of Oxford is its cultural and built heritage. A planning service that is unable to deal speedily with development proposals that affect the historic environment, as well provide good quality decisions on such proposals, will undermine the Council's objectives. However, the data at Table 4 also shows that the overall improvement in speed of deciding other applications results from both a steady improvement in dealing with applications not relating to historic buildings and a significant speeding up in dealing with ones relating to listed buildings and conservation areas. If the service can ensure this latter improvement is maintained, it will have a significant impact on delivering the Council's objectives.
- 44 In this context, Table 6 shows that two other historic towns perform much better than Oxford in terms of overall speed of deciding other applications. Such comparisons are not clear-cut because the areas differ - notably, Oxford has twice as many Grade I and II* Listed buildings as Gloucester and three times as many as Lincoln. Nonetheless, there may be lessons to learn from comparison with Gloucester and Lincoln City Councils in terms of a similar analysis to that undertaken by the Council to provide the data on which Table 4 is based, to understand why the other councils are performing better overall.

Appeals

- 45 Appeal performance is variable. The number of appeals lodged against the Council's decisions is above average, although it has fallen since 2005/06. The Council's success rate in defending appeals had improved from less than 60 per cent in 2004/05 to 67 per cent in 2006/07. However, it has been highly variable over the past eighteen months. Only 57 per cent of appeals have been successfully defended in 2007/08 to date, with a sharply decline in the period July 2006 to June 2007, although the position has steadily improved in the past eight months. This trend means that applicants have an increasing chance of being successful at appeal, which encourages the number of appeals. In considering this issue, it is recognised that the absolute numbers of appeals are small so can affect percentage changes - but this is true for most councils.
- 46 The Council has markedly improved its performance on awards of costs on planning appeals in 2007/08, compared to previous years. In the past it has incurred a considerable number when compared to other councils - totalling £25,000 in 2005/06 and £18,000 in 2006/07. In 2007/08 to date it has incurred none. Awards of costs reflect the reasonableness of the Council's decision-making, since they are awarded when the planning inspector believes the Council has acted unreasonably. This improvement suggests that the Council's decision-making on planning applications is more robust than in previous years.
- 47 The Council has recently carried out an in-depth analysis of the reasons why it has lost appeals, following our draft report which recommended this action. This is inevitably a difficult exercise when small numbers of appeals are involved, since a few different decisions can significantly affect the percentage success rate. Allowing for this problem, analysis shows that there are differences between area committees, differences between committee and officer-delegated decisions, and differences between refusals on or against officer advice. The Council needs to better understand the reasons for this variable performance given the potential impact on resources, and is currently considering the implications for changes to aspects of its decision processes. These variations reinforce the concerns about the qualitative aspects of some decision-making (discussed below), which has implications for the training of councillors involved in making planning decisions.

Qualitative aspects of performance

- 48 The city has benefited from some high quality new major development schemes in the past two years, including the redevelopment of the Castle and securing planning permission for the redevelopment of the Westgate shopping centre. This is a good example of collaborative and effective partnership working can deliver significant additional benefits for the city. By working with the developer and other stakeholders from an early stage in this redevelopment, the design and implementation of the scheme has been greatly enhanced.

- 49 However, underlying these successes, the planning service is still under-performing when compared to other similar planning authorities. The planning control service is not always able to offer a pre-application advice service, due to resource constraints. It also declines to negotiate with prospective developers to improve the majority of planning applications, with the exception of major applications. This has enabled the service to focus on improved performance in terms of speed of deciding applications, but at the expense of the quality of service delivered to customers using the service. This situation existed in 2006 and has not changed in the intervening time. Customers find it difficult to obtain reliable pre-application advice. Advice has sometimes been given by inexperienced staff, which can be overturned either by senior officers or by councillors or both once an application is submitted. This unpredictability adds to customers' frustration and inhibits their investment decisions.
- 50 Although there has been clear activity to implement previous recommendations relating to the operation of Area Committees when deciding planning applications, this has had little impact. Recommendation 1 in the 2006 report contained a series of 'quick win' actions that would, if implemented effectively, lead to significant improvement in a short time. However, these actions have not been implemented in a systematic or effective way. For example, training for councillors has been developed and provided. But training sessions were poorly attended with only 14 out of the 48 councillors attending, many of whom already have an interest in planning issues rather than being those councillors who needed to raise their awareness and understanding of planning issues.
- 51 Many of the Council's improvement proposals have been aimed at staff and related training has now started, such as improving presentation arrangements and skills. The overall impact is that the experience of attending Area Committees is unchanged and the quality of decision-making is still variable between areas. Area Committees remain confrontational, the quality of the debate is poor and decision-making does not appear transparent. This is reflected in the continuing poor performance at appeal and the scale of awards of costs suffered by the Council. This is an important issue, because the Council does not delegate as many of its planning control decisions to officers as most other councils (only 88 per cent against a best practice target of over 90 per cent, which many councils exceed).

Value for Money

- 52 The Council now has a much clearer understanding of the value for money of planning policy and planning control. It has developed a systematic process for analysing how much the services cost, the outputs delivered and their effectiveness. This work is still at an early stage but has the potential - if assessed honestly - to deliver a clear picture of value for money. Using this process the Council is clear that the planning policy service is expensive when compared to other similar councils, but is satisfied that this is acceptable. It is also clear that the planning control service offers 'fair' value for money.

- 53** In coming to this view the Council has recognised the different issues facing each service, and gained a good sense of the wide range of factors that need to be taken into account in assessing value for money. A key issue is overcoming the difficulties of using costs data (for example, separating gross and net costs), so that it is able to use its own and comparison data more effectively to better understand and challenge its costs.
- 54** The planning policy service provides good value for money. The service has relatively high gross costs but is dealing with complex issues that demand a high level of public engagement in delivering a large number and wide range of new policy documents to underpin the new Local Development Framework. The service has received more planning delivery grant in recognition of this progress - and indeed a high level compared to similar councils. The Council has used several performance measures to monitor effectiveness including support from GOSE and the Planning Inspectorate, the high score for BVPI 204 ((the planning checklist in relation to the percentage of appeals allowed element), and the cross-political party support for the planning policy service. As a result, the Council is satisfied that the high cost of this service is justified, although it recognises that more data would be helpful to help it refine its value for money assessment.
- 55** The service has identified several actions that might help improve value for money. It has started to fund its 'S106 monitoring post' through developer contributions, the full financial benefit of which takes effect from 2008/09. Further external funding contributions - such as from the West End Partnership and the South East Regional Development Agency for the West End project - would also reduce net costs. Other options include slowing down the rate of plan development work, thus reducing the need for in-house staff or consultancy costs.
- 56** The Council needs to further consider its use of consultancy support. Developing policy relies on considerable input from external organisations, some in partnership and others acting as consultants. Good partnership arrangements, including use of consultants, offer additional capacity and development work at reduced costs to the Council and can be essential for ensuring a good evidence base for preparing the LDF. However, some officers consider that the Council has used consultants to support the development of planning policy which has, in effect, relied on evidence that it already holds, and that there is an apparent lack of credibility given to in-house research and evidence compared to that obtained from consultants. Such an approach is not a good use of public money, and could be avoided by clearer scoping of work.

- 57 The planning control service delivers 'fair' value for money. Gross expenditure is average compared to similar councils, workloads are comparable and performance is also average although mixed. However, satisfaction with the service is below average at 68 per cent compared to best performance of over 80 per cent - although, as Table 7 shows, it has improved well compared to three years ago which contrasts with a national worsening trend. Appeal performance when at its best was average compared to similar councils. BVPI 204 (the planning checklist) is 100 per cent and therefore best 25 per cent performance. The Council's analysis did not compare the percentage of appeals allowed and the award of costs at appeal to any other council, but if it had done so such analysis would have shown weak performance. Action points for this service focus on the need to improve customer satisfaction and the potential for synergies with the building control service, but do not identify the potential for cost savings that would result from improved robustness of decision-making.
- 58 The Council needs to understand better its planning control expenditure to be able to identify effectively how best to improve efficiency, Although gross expenditure is average, that is mid-range compared with similar ('nearest neighbour') councils, CIPFA data indicates that this results from high expenditure offset by higher than average income. This poses questions for further analysis, such as whether the high costs are justified or future income reliable.
- 59 The Council is developing partnerships to supplement service provision and to add value to existing activity. For example, the development of the West End AAP was a collaborative effort with key partners and stakeholders. This enabled some of the preparation costs to be shared. The Council is also trying to develop a partnership with the Oxford Brookes University planning school to secure work experience for students and additional staff capacity. These partnerships give the services some additional ability to withstand budgetary pressures. This ability is also aided by the designation of Oxford as a growth area which will attract extra grant funding from government for the planning service.
- 60 However, the Council is not yet delivering good value for money in terms of the robustness of the delivery of planning control. Not only has it incurred awards of costs against its planning decisions (although not since April 2007), but it has also been slow - and in some cases very slow - to release Section 106 monies for local community benefits following development. This delay means that the community is not gaining the full benefit of planning decisions.

- 61 The Council has been successful in securing a range of partner contributions to support specific aspects of the planning service, but has not been fully effective in exploring additional revenue streams to fund on-going services at a time of budget pressures. It has secured extra income from a range of sources, for example from the West End partnership (£80,000), the Department for Communities and Local Government for New Growth Points (£1.2 million), Capital Shopping Centres to discharge planning conditions (£16,000), English Heritage on conservation appraisal work (£20,000), and a consortium of developers to contribute financially to the work of the Northern Gateway Area Action Plan. Importantly, it received a £485,000 allocation of Planning Delivery Grant for 2007/08 - one of the highest amounts awarded to a district council - rewarding good performance the previous year and increasing capacity for further improvement. On the other hand, the Council proposed introducing charges for the planning control service, at a meeting with local agents at a time when the existing pre-application service is not operating effectively. Agents soundly rejected this proposal, not only because they considered the service is not worth paying for but also because the scale of fees was above the cost of a planning application. This exercise had the potential to help the Council better engage with its regular customers, but has not yet achieved this.
- 62 The Council's efforts and investment to deliver improvements to the planning service have been ineffectual. Since our last report in July 2006 on the planning service, the Council has been working hard to deliver improvements. However, this activity has had little or no impact in terms of improvements that customers would recognise. The creation of working parties and the employment of consultants to guide and support improvement has not resulted in measurable outcomes. In part this is because of a lack of ownership by previous corporate management and councillors of the problems and challenges facing the planning department and poor leadership in taking, implementing and managing improvements that have led to fundamental and lasting change in the way planning decisions are made. Although processes are in place to improve the service - for example, councillor training, a new code of conduct for Area Committees, and improving presentation skills - in many cases these are not followed through and therefore no improvement is delivered.
- 63 In addition, an issue remains about the Council's capacity to ensure legal advice is available during planning decision-making. Legal staff now attend committee meetings dealing with planning issues. But with only one planning specialist on the legal team and six area committees to attend, the impact of legal representation has been limited and has not reduced the Council's risk at appeal.

Future challenges for the planning service

- 64 The planning service in Oxford is facing some significant challenges. The designation of Oxford as a growth area means that the scale, impact and importance of new development in the city are much greater than at any time in the recent past. The need to secure sustainable communities, to provide new 'places' for people to live and work, is a top priority.

- 65 The Council's plans to improve its corporate capacity and focus by introducing an ambitious organisational restructure and three project boards that will deal with key corporate and service improvement issues have been referred to above. As noted, the focus on place-shaping is a clear recognition by the Council of the importance of planning in achieving its objectives. As such the reorganisation represents an important step in enabling the planning service to face up to these challenges. In this context, the planning policy service is gearing up well to deal with some of these pressures. However, the capacity of the planning control service and the attitude of councillors to make these significant decisions to deliver timely, high quality and radical change in the city are unproven.
- 66 The Council is well advanced in developing its new spatial planning policy, and its approach has the potential to be 'cutting edge' in terms of the balance it is seeking to achieve between smaller dwellings that reflect market conditions and the perceived need for larger homes suitable for families. It is right that councils should pursue new innovative policies that challenge the boundaries of policy-making where appropriate. However, this is a high risk approach which will need to meet the stringent soundness test required of new policy and pass an examination in public. If this approach fails the Council will be able to fall back on the existing local plan until 2010; but policies in this plan do not have political support, and the Council is currently having difficulty in using the plan to deliver robust planning decisions. The Council is confident that it has minimised the risks of failure in adopting the new LDF, by ensuring a sufficient evidence base to support both the detail of its policies and the strategic spatial principles behind them.
- 67 In terms of capacity to deal with planning control work, the Council strengthened its approach to managing vacancies and resourcing in July, following the arrival of the new Chief Executive. This has allowed a more flexible approach to recruitment, allowing service managers to appoint the number and calibre of staff they deem necessary to deliver objectives, provided they remain within budget. The planning control service has developed staff internally by promoting early the most capable young officers to fill senior posts. While this approach was driven by recruitment problems and posed risks, the Council believes this approach has allowed staff to successfully take on greater responsibility and will speedily lead to improved standards. As a result, the service is now fully staffed without the use of agency staff (unusual among South East councils). It is also considerably improving the productivity of staff, although this has led to a perception within the planning control team in particular that it is struggling with existing workloads. However, some staff feel demoralised and under-valued because they consider they do not have the support of councillors and therefore are uncertain how to proceed with complex cases. Overall, however, managers believe that the position found by the Council's last staff survey in 2005 - that the planning service showed high morale compared to other services - remains true.

- 68** The service has been poor at placing the customer at the heart of its delivery. The corporate improvement agenda is intended to transform the way the service operates by placing customers' needs first. However, implementing this approach coincides with the likely submission of major developments linked to the growth of the city, placing additional pressures on senior staff at a time when they need to be engaged in the design and implementation of its improvement plans. There is therefore a risk to the effective implementation of the project and to the continued delivery of the service.
- 69** The Council has not effectively used monitoring of performance to support service improvement, although the position is improving. Its approach to identifying trends in performance and understanding the reasons for these is weak. For example, it had recognised the decline in appeal performance only a short while before our initial work and undertaken only limited analysis to understand the reasons for this decline. Appeal decisions were not analysed and reported in a coherent way to management team or councillors, in terms of either the planning issues they raise or the overall appeal performance. Both planning control and planning policy services were not using appeal decisions to proactively modify their approach. In part this is because of the inconsistent decision-making at Area Committees which makes such an approach very difficult, which had led to a general consensus among officers that any proactive response would not gain councillor support across the city. As noted above, our draft report identified this as an issue that the Council needed to address. In response, the Council has recently carried out an in-depth analysis and is currently considering the implications for changes to aspects of its decision processes.
- 70** There remain some risks about the Council's ability to maximise the opportunities that new growth brings for the benefit of the whole community. The service is facing transformational change through the introduction of improvement plans to place customers' needs at the heart of service delivery. It plans to address remaining service weaknesses and wider challenges through improvements that do not undermine the existing levels of service. The key risk for the Council in delivering this plan is ensuring the service has sufficient capacity at a time of high workload to maintain performance while managing transformational change. The lack of clear change management plans to address these issues poses clear risks, although the Council is aware of the need to develop them and is doing so as part of its wider corporate improvement agenda.

Appendix 1: Oxford City Council - planning performance data

Major planning applications

Table 1 BV 109a Percentage of 'major' planning applications determined within 13 weeks, 2003/04 to 2007/08

Year	Oxford City Council	Quartile position	Worst	Median	Best
2003/04	29.0	4 (worst-performing)	40.0	52.0	63.0
2004/05	51.0	3 (below average)	47.0	58.0	68.5
2005/06	74.0	2 (above average)	58.0	66.7	74.7
2006/07	75.0	2 (above average)	66.1	73.8	80.8
2007/08 (to Feb 2008)	55.0	n/a	n/a	n/a	n/a

Minor planning applications

Table 2 BV 109b Percentage of 'minor' planning applications determined within 8 weeks, 2003/04 to 2007/08

Year	Oxford City Council	Quartile position	Worst	Median	Best
2003/04	68.0	2 (above average)	52.6	61.0	70.3
2004/05	73.0	2 (above average)	61.3	69.3	75.4
2005/06	77.0	2 (above average)	69.1	75.1	81.1
2006/07	80.7	2 (above average)	71.6	77.3	83.5
2007/08 (to Feb 2008)	79.0	n/a	n/a	n/a	n/a

Other planning applications

Table 3 BV 109c Percentage of 'other' planning applications determined within 8 weeks, 2003/04 to 2007/08

Year	Oxford City Council	Quartile position	Worst	Median	Best
2003/04	81.0	2 (above average)	72.9	79.8	85.1
2004/05	80.0	3 (below average)	80.0	84.0	88.0
2005/06	79.3	4 (worst-performing)	83.8	88.0	91.5
2006/07	84.0	4 (worst-performing)	85.1	88.9	92.5
2007/08 (to Feb 2008)	87.0	n/a	n/a	n/a	n/a

Table 4 Oxford City Council percentage of historic versus non historic 'other' planning applications determined within 8 weeks

Year	Overall	Applications not relating to historic buildings	Listed Building and Conservation Areas
2005/06	79	89	26.5
2006/07	84	90	46
2007/08 (to Feb 2008)	87	93	41

Planning appeals

Table 5 BV 204 Percentage of planning appeals allowed, 2003/04 to 2007/08

Year	Oxford City Council	Quartile position	Worst	Median	Best
2004/05	41.4	4 (worst-performing)	37.5	30.0	25.0
2005/06	37.0	4 (worst-performing)	36.1	30.5	25.0
2006/07	33.0	3 (below average)	37.5	31.3	25.6
2007/08 (to Feb 2008)	43.0	n/a	n/a	n/a	n/a

Comparison with other historic towns

Table 6 Oxford City Council planning performance compared with other historic towns, 2006/07

Indicator	Oxford	C'bridge	Glouc'r	Lincoln	Norwich
Major applications	75.0	73.2	91.7	71.4	50.0
Minor applications	80.7	65.6	90.0	85.7	74.9
Other applications	84.0	83.4	95.7	92.1	83.8
Satisfaction	68.0	58.0	75.0	74.0	52.0
Appeals allowed	33.0	21.0	33.3	15.0	26.5

Customer satisfaction

Table 7 Percentage of applicants satisfied with planning service

Year	Oxford City Council	Quartile position	Worst	Median	Best
2003/04	61.0	4 (worst-performing)	69.0	74.0	81.0
2006/07	68.0	3 (below average)	66.0	73.0	80.0

Notes to Tables:

1. Performance data values in all Tables are percentages.
2. Source data for all Tables excepting Table 4:
 - 2003/04 to 2006/07 data: Audit Commission: Best Value Performance Indicator Profiles; and
 - 2007/08 data: Oxford City Council: planning performance data.
3. Source data for Table 4: Oxford City Council: planning performance data.
4. Comparisons: (i) for Tables 1 to 3 and 5: all Single Tier and District Councils; (ii) for Table 7: all councils.
6. Satisfaction data, Table 7: (i) Data from triennial national satisfaction survey of service users; (ii) Comparison of changes over time for results based on the surveys takes account of the confidence interval - or margins of error - for each of the results in the comparison.

Appendix 2 – Action plan

Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<p>R1 Improve the robustness and quality of decision making on planning issues, and the quality of councillor and officer interaction, and create an environment where constructive and collaborative working can occur, by:</p> <ul style="list-style-type: none"> • addressing councillor and officer skills, competencies and behaviours; • enforcing compulsory training and development, including the need for periodic 'refresher' training, for councillors entitled to vote on planning decisions'; • implementing service change comprehensively; and • proactively monitoring the implementation and outcomes of changes through performance management and customer feedback. 	3	Head of City Development in collaboration with the Portfolio Holder	Yes		<p>September2008</p> <p>September 2008</p> <p>Ongoing</p> <p>Ongoing</p>

Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<p>R2 Develop the skills, knowledge and capacity within the service to maintain improvement and performance, and to deliver service efficiencies in the future, by:</p> <ul style="list-style-type: none"> • using performance management to proactively manage peaks and troughs of work, and flexibly match resources to them; • using workforce planning to secure the skills, knowledge and capacity needed to deliver improvement; • timing service improvements to take place when the capacity and skills needed to introduce them are available, the Council should use its project management skills to ensure; and • developing partnerships and sharing services with the public, private and voluntary sectors to support service delivery. 	3	Head of City Development	Yes		<p>December 2008</p> <p>December 2008</p> <p>Ongoing</p> <p>Ongoing</p>

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Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<p>R3 Develop and implement plans to place the customer at the heart of service improvements across planning policy, development control and the planning elements of area committees, by:</p> <ul style="list-style-type: none"> • engaging with users through creating a regular user group/forum to discuss, debate and sound out service improvement areas; • seeking regular feedback on the implementation and success of service improvements to check that the desired results have been delivered; and • carrying out mystery shopping exercises for both staff and councillors, to test how the service feels from a customer's perspective. 	3	Head of City Development in collaboration with the Portfolio Holder	Yes		December 2008

Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<p>R4 Ensure that the service is delivering value for money by:</p> <ul style="list-style-type: none"> • monitoring effectiveness of the service against costs; • overcoming the difficulties of using costs data, so that it is able to use such data more effectively to better understand and challenge its costs; • ensuring that investment in service improvements deliver the desired level of outcomes; and • creating and implementing plans for the development of effective partnerships to support service improvement. 	3	Head of City Development	Yes		Ongoing

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Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<p>R5 Ensure that performance on planning appeals in terms of both overall success rate and non-award of costs continues to improve, and becomes more consistent, by:</p> <ul style="list-style-type: none"> • continually analysing the reasons for unsuccessful appeals to identify lessons for future decision making, especially in terms of: <ul style="list-style-type: none"> - consistency across the area planning committees; - issues that arise in relation to specific policy areas; and • reporting to all planning councillors on appeal decisions which result in awards of costs against the Council on the reasons for such awards. 	3	Head of City Development in collaboration with the Portfolio Holder	Yes		Ongoing