

TEWKESBURY BOROUGH COUNCIL

Report to:	Overview and Scrutiny Committee
Date of Meeting:	22 November 2022
Subject:	Review of Planning Key Performance Indicators
Report of:	Head of Development Services
Head of Service/Director:	Head of Development Services
Lead Member:	Lead Member for Built Environment
Number of Appendices:	Two

Executive Summary:

In May 2021, we appointed POS Enterprises to undertake a review of our Development Management service. The POS report proposed several recommendations and, in November 2021, Executive Committee endorsed a programme response and high-level action plan. The programme introduced five streams, with one being 'performance management'. Under this stream there are several actions, one of which is to review the way we report our performance internally so that it aligns with the national approach. Specifically, the recommendations arising from the POS review were to:

- *Set performance management criteria to align with the MCHCLG (now DLUHC (Department for Levelling Up, Housing and Communities)) national criteria for designating underperforming authorities.*
- *Establish local targets which are ambitious but realistic, with the intention to reach national upper quartile within three years.*

This report proposes several changes to the way we report on planning performance internally.

Recommendation:

In view of the information contained within Paragraphs 5-9 of the report, Members are asked to be aware of the proposed changes to the Planning Key Performance Indicators.

Financial Implications:

None.

Legal Implications:

None directly from this report.

Environmental and Sustainability Implications:

None directly from this report.

Resource Implications (including impact on equalities):

None directly from this report but the national picture of recruiting and retaining planning officers is having a significant impact on the performance of the speed of decisions.

Safeguarding Implications:

None.

Impact on the Customer:

Our customers' experience is a priority theme in the review, and good performance is integral to that. Introducing meaningful KPIs will ensure the performance of the service is monitored effectively, helping to identify challenges and issues as quickly as possible.

1.0 INTRODUCTION

- 1.1 On 17 November 2021, Executive Committee approved the response to the POS review through the adoption of a detailed action plan supported by a vision, principles and detailed workstreams. The workstreams are:
1. Corporate ambition.
 2. Performance management.
 3. People and culture.
 4. Transformation and processes.
 5. Planning Committee.
- 1.2 A cross-service project board has been created to drive change and deliver improvement in the Development Management team. The team is made up of Officers from within the Development Management team and - recognising the importance of the Development Management team working alongside the Council's corporate objectives - there are also Officers from teams outside of Development Management.
- 1.3 The project board, in consultation with the Development Management team and Lead Member, developed the following vision for the review:
- "To create a resilient, high-performing and customer-focused planning service where the internal culture fosters positivity, innovation, mentoring and empowerment."*
- 1.4 The following principles were also identified as being critical to the review's success – these are the things that will run throughout the approach taken to improving the service and they reflect the values within our Council Plan:
- **Customer focus** – our development management service will be shaped around the needs of its customer and will deliver an enjoyable customer experience.
 - **Culture** – our culture will be one that is friendly, helpful, where staff feel empowered and where high performance is expected and achieved.
 - **Transformation** – wherever possible we will review our business processes to ensure they are digital by default, streamlined and improve the customer experience.

In addition, the team developed a set of objectives, which are attached for information at Appendix 1.

2.0 PERFORMANCE MANAGEMENT STREAM

- 2.1 The performance management stream includes a range of actions focused on ensuring performance management is meaningful, with effective monitoring and management put in place. One of the overarching recommendations from the POS final report, and therefore a key action within the Development Management review, is to review the way we report on planning performance internally and to bring our reporting approach in line with national reporting. In addition, the team identified performance as being one of its key objectives.
- 2.2 Currently, our internal Key Performance Indicators (KPIs) are reported through the Council Plan Performance Tracker on a quarterly basis. They are focused on the 'speed' of decisions and are based on internally set targets. The final POS report clearly proposed that this approach should be reviewed in line with the following:
- *Set performance management criteria to align with the MCHCLG (now DLUHC) national criteria for designating underperforming authorities.*
 - *Establish local targets which are ambitious but realistic, with the intention to reach national upper quartile within three years.*

This would ensure our performance is aligned to the Government's targets and we could benchmark our performance with that of other Councils.

3.0 NATIONAL PERFORMANCE CRITERIA

- 3.1 Under Section 62B of the Town and Country Planning Act 1990, the Department for Levelling Up, Housing and Communities (DLUHC) can designate local authorities if they are not adequately performing their function of determining planning applications.
- 3.2 The areas that can be considered for designation are 'major' and 'non-major' development planning applications, and we submit our performance to DLUHC twice a year. Designation is decided by assessing the performance under each of these categories. The assessments are looked at under two separate measures:
- *The **speed** with which applications are dealt with - measured by the proportion of applications that are dealt with within the statutory time or an agreed extended period; and,*
 - *The **quality** of decisions made by local planning authorities - measured by the proportion of decisions on applications that are subsequently overturned at appeal.*
- 3.3 In line with the DLUHC categories, all Councils are assessed on:
- The speed of determining applications for major development.
 - The quality of decisions made by the authority on applications for major development.
 - The speed of determining applications for non-major development.
 - The quality of decisions made by the authority on applications for non-major development.

While we submit our performance based on these criteria to DLUHC, we do not currently set our internal KPIs in line with this category criteria.

3.4 In general, a 'major' development is any application that involves:

- mineral extraction
- waste development
- the provision of 10 dwellings or more
- a site area of over 0.5 hectare and the number of dwellings is not known
- a floorspace of over 1,000sqm or a site area of one hectare

A 'non major' development is anything smaller than the criteria for 'major' developments, for example:

- the number of dwellings is between one and nine
- the floorspace is less than 1,000sqm or the site area less than one hectare
- Gypsy and Traveller sites - up to nine pitches
- householder applications
- change of use
- adverts
- listed building consent

3.5 Performance relating to the 'speed' of decisions is calculated using the average percentage of applications decided within what is called a 'current assessment period'. The 'current assessment period' is two years up to and including the most recent quarter. For example, currently we would be calculating performance relating to speed using data from 2020 to the end of September 2022.

3.6 We are expected to achieve above DLUHC's thresholds, which are:

- 60% of decisions for major applications.
- 70% of decisions for non-major applications.

*These can include any extension of time periods as agreed in writing with the applicant and not just the statutory time of an application.

3.7 Performance relating to the 'quality' of decisions is calculated using the percentage of applications that are overturned at appeal. In line with the 'speed' of decision assessment period, is two years up to and including the most recent quarter – although nine additional months is allowed to take into consideration the time it can take for applications to pass through the appeals process.

3.8 We are expected to achieve below the DLUHC's threshold, which is:

10% or more of applications being overturned at appeal, as recorded by the Planning Inspectorate.

4.0 OUR CURRENT PERFORMANCE IN LINE WITH NATIONAL CRITERIA

4.1 At the time of writing this report, our planning performance is:

‘Speed’ of decisions:

Measure and type of application	Threshold	Our performance during period July 2020 to June 2022
Speed of major development (District and County)	60%	77.3%
Speed of non-major development	70%	77.6%

‘Quality’ of decisions based on overturn of planning appeals:

Measure and type of application	Threshold	Our performance during period April 2019 to March 2021
Quality of major development (District and County)	10%	6.3%
Quality of non-major development	10%	0.6%

4.2 You can see from the table above that we currently meet the DLUHC thresholds. However, the POS review highlighted that improvement is still needed for us to become a high-performing planning authority. In addition, the Development Management review objectives set out an intention to become a top-performing Council by 2024. Paragraphs 7 and 8 of this report highlights where our performance currently sits compared to the lower, middle, and top performing Councils.

4.3 It is important to note that there are other Planning KPIs reported in the Council Plan performance tracker relating to planning enforcement. These KPIs will remain unchanged and reported on a quarterly basis as normal.

5.0 PROPOSED KPI CRITERIA

5.1 Planning application performance figures relating to speed are currently reported to Overview and Scrutiny Committee on a quarterly basis through our Council Plan Performance Tracker.

The three current planning KPIs are:

Current KPIs	Current local target
Percentage of ‘major’ applications determined within 13 weeks or alternative period agreed with the applicant.	85%
Percentage of ‘minor’ applications determined within 8 weeks or alternative period agreed with the applicant.	80%
Percentage of ‘other’ applications determined within 8 weeks or alternative period agreed with the applicant.	90%

5.2 When reviewing our current KPIs, it was clear that the ‘types’ of applications we report on do not align to the reporting required by DLUHC. DLUHC use ‘major’ and ‘non major’, whereas we use ‘major’, ‘minor’ and ‘other’. It is proposed that the following amends are made to our internal KPIs:

New KPIs
Percentage of ‘major’ applications determined within 13 weeks or 16 weeks where an EIA is required, or alternative period agreed with the applicant.
Percentage of ‘minor’ ‘non-major’ applications determined within 8 weeks or alternative period agreed with the applicant.
Percentage of ‘other’ applications determined within 8 weeks or alternative period agreed with the applicant.

5.3 You will note that the ‘other’ category has been removed, to be superseded by the ‘non major’ category. Any other application type that falls outside of ‘major’ and ‘non major’ categories will be monitored by the Head of Development Services and the Development Manager as part of their twice-monthly performance monitoring.

5.4 The types of applications that fall within each category are as follows:

KPI	Types of applications
Percentage of ‘major’ applications determined within 13 weeks or 16 weeks where an EIA is required or alternative period agreed with the applicant. (See Paragraph 3.4 for what constitutes a ‘major’ application)	Dwellings Offices / R&D / light industry General industry / storage / warehousing Retail and service Traveller caravan pitches All other major development
Percentage of ‘non-major’ applications determined within 8 weeks or alternative period agreed with the applicant. (See Paragraph 3.4 for what constitutes a ‘non-major’ application)	Minor dwellings Minor offices/ R&D/ light industry General industry/ storage/ warehousing Retail and service Traveller caravan pitches All other minor developments Change of use Householder developments.

6.0 PROPOSED NEW TARGETS

6.1 The POS final report also recommended that we:

‘Establish local targets which are ambitious but realistic, with the intention to reach national upper quartile within three years.’ The POS review confirmed that our current local targets are unrealistic. Historically, the target was automatically increased each year, and it has now reached a stage where achieving the target is just not possible. This has had a knock-on effect to the morale of the team as it means hard work is not being recognised.

6.2 To understand the best approach to setting new targets, an analysis was undertaken on where we currently sit nationally against the DLUHC criteria. Tables in Paragraphs 7.1 and 8.1 show that we currently sit in the lower quartile for both speed of major and non-major development decisions.

7.0 TARGETS FOR SPEED OF MAJOR DEVELOPMENT DECISIONS

7.1 The speed of major development decisions for period July 2020 to June 2022:

Upper quartile was rank 1 (100% performance rate) – 109 (92.9% performance rate) (average is 96.45%)
Middle quartile was rank 110 (92.8% performance rate)- 220 (84.6% performance rate) (average is 88.7%)
Lower quartile was rank 221 (84.4% performance rate) to 329 (56.5% performance rate) (average is 70.45%)

		July 2020- June 2022				
Rank (out of 329)	Authority	Number Major decisions	Within 13 Weeks	With PPA/ EoT/EIA	Within extended time	% within 13 weeks or ext. time (without penalty)
271 (lower quartile)	Tewkesbury	66	8	54	43	77.30%

7.2 You can see that we currently sit in the lower quartile (ranked 271 out of 329) with 77.3% of ‘major’ development applications being decided within the 13 weeks or with an extension of time. Whilst in the lower quartile, we are above the threshold of 60%.

To reach the lower end of the middle quartile, an improvement of approximately 7.3% is required.

To be in the lower end of the upper quartile an increase of approximately 15.6% is required.

It is important to note that this figure will change on a quarterly basis as and when new data is uploaded.

7.3 On the basis that significant improvement in performance is required, it is proposed a stretch target approach is adopted over three years, with the aim of becoming a top-performing Council by that time. This approach will allow the annual KPI targets to be realistic and will support the morale of the team.

7.4 For ‘major’ applications, the following stretch-target approach is proposed:

Local target for ‘major’ planning application KPI over a three-year period*		
2022/2023	2023/2024	2024/2025
80% (lower quartile)	85% (middle quartile)	93% (upper quartile)

8.0 TARGETS FOR SPEED OF NON-MAJOR DEVELOPMENT DECISIONS

8.1 The speed of non-major development decisions for period July 2020 to June 2022:

Upper quartile was rank 1 (100% performance rate) – 109 (91.8% performance rate) (average is 95.9%)
Middle quartile was rank 110 (91.7% performance rate)- 220 (82.9% performance rate) (average is 87.3%)
Lower quartile was rank 221 (82.6% performance rate) to 329 (48.6% performance rate) (average is 65.6%)

		July 2020- June 2022				
Rank (out of 329)	Authority	Total non-major decisions	Within 8 Weeks	With PPA/ EoT/EIA	Within extended time	% within 8 weeks or ext. time (without penalty)
271 (lower quartile)	Tewkesbury	1,666	518	957	774	77.6%

8.2 You can see that we currently sit in the lower quartile (ranked 271 out of 329 authorities) - with 77.6% of 'non-major' development applications being decided within the eight weeks or extended time period. Whilst in the lower quartile, we are above the threshold of 70%

For us to reach the lower end of the middle quartile, performance needs to improve by approximately 5.3%

To reach the lower end of the upper quartile, performance will need to improve by approximately 14.2%

In line with the proposed approach for major applications, we suggest a stretch target approach over a three-year period to increase the local target aiming for the upper quartile.

8.3 For 'non major' applications, the following staggered approach is proposed:

Local target for 'non-major' planning application KPI over a three-year period*		
2022/2023	2023/2024	2024/2025
80% (lower quartile)	85% (middle quartile)	92% (Upper quartile)

*It is important to note that each year, for both major and non-major decisions, the quartile figures will need to be reviewed as the 'upper, middle and lower quartile' will change depending on the number of applications received and the performance of other local authorities.

9.0 QUALITY OF DECISIONS

9.1 Currently we do not have an internal KPI on the quality of decisions. Performance relating to the 'quality' of decisions is calculated using the percentage of applications that are overturned at appeal. The data is submitted by the Planning Inspectorate following a decision at appeal stage, and we are assessed on:

- The quality of decisions made by the authority on applications for major development.
- The quality of decisions made by the authority on applications for non-major development.

9.2 For monitoring purposes, it is good practice these are reported on and checked on a regular basis, particularly as they are indicators that are assessed by DLUHC. It is therefore proposed that the following two KPIs are added to the Council Plan Performance Tracker and reported to Overview and Scrutiny Committee on a quarterly basis:

- Percentage of 'major' planning applications overturned at appeal.
- Percentage of 'non-major' planning applications overturned at appeal.

9.3 As detailed in Paragraph 3.7 of this report, the assessment period is two years up to and including the most recent quarter – with a further nine months being allowed to take into consideration the time it can take for applications to pass through the appeals process.

10.0 BENCHMARKING

10.1 Comparison against other authorities on the 'speed' and 'quality' of planning performance for 'major' and 'non-major' applications was carried out and this can be found at Appendix 2. By adopting the proposed changes in this report, we will be able to carry out more regular benchmarking to see how we compare with other Councils.

11.0 CONSULTATION

11.1 None.

12.0 ASSOCIATED RISKS

12.1 If the categories of the 'types of applications' are not amended to be in line with DLUHC reporting, a true representation of performance cannot be monitored effectively and efficiently. This, in turn, could see good performance being unrecognised or poor performance not being identified. If the latter, this could result in the Council being put in special measures where applicants can submit their planning applications for 'major' and 'non-major' developments to the Planning Inspectorate instead of directly to the local authority. This would result in the Council having a loss of control over development being undertaken within the borough. This could further lead to reputational damage.

13.0 MONITORING

13.1 The progress of the Development Management Service review is being monitored through the Transform Working Group and also the internal project management framework. KPIs are monitored on a quarterly basis by the Overview and Scrutiny Committee.

14.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

14.1 Council Plan 2020-2024

Development Management Service Review Action Plan

Background Papers: POS Enterprise final report
Development Management Review- action plan
DLUHC [‘Improving planning performance: criteria for designation’](#)

Contact Officer: Head of Development Services
01684 272173 Sandra.Ford@tewkesbury.gov.uk

Appendices: Appendix 1 – Service objectives.

Appendix 2 - Authority comparison on ‘speed’ and ‘quality’ of planning performance.