



**Northern Ireland
Assembly**

**PUBLIC ACCOUNTS
COMMITTEE**

**OFFICIAL REPORT
(Hansard)**

**‘The Performance of the Planning
Service’**

3 December 2009

NORTHERN IRELAND ASSEMBLY

PUBLIC ACCOUNTS COMMITTEE

‘The Performance of the Planning Service’

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Members present for all or part of the proceedings:

Mr Paul Maskey (Chairperson)
Mr Roy Beggs (Deputy Chairperson)
Mr Jonathan Craig
Mr John Dallat
Mr Jeffrey Donaldson
Mr David Hilditch
Mr Trevor Lunn
Mr Patsy McGlone
Mr Mitchel McLaughlin
Ms Dawn Purvis
Mr Jim Shannon

Witnesses:

Mr Leo O’Reilly)	Department of the Environment
Mr Tom Clarke)	
Ms Marianne Fleming)	The Planning Service
Ms Cynthia Smith)	

Also in attendance:

Mr Kieran Donnelly)	Comptroller and Auditor General
Ms Fiona Hamill)	Deputy Treasury Officer of Accounts

The Chairperson (Mr P Maskey):

Today we are addressing matters that were raised in the Audit Office report ‘The Performance of the Planning Service’. If any members wish to express any interests, they should do so. Mr Leo

O'Reilly, the accounting officer for the Department of the Environment, is here to respond to the Committee; you are very welcome. Perhaps you will briefly introduce your colleagues.

Mr Leo O'Reilly (Department of the Environment):

Thank you, Chairman. I am the permanent secretary and accounting officer in the Department of the Environment. I am joined by Cynthia Smith, who is chief executive of the Planning Service; Marianne Fleming, who is director of corporate services in the Planning Service; and Tom Clarke, who is director of strategic planning in the Planning Service.

The Chairperson:

You are all very welcome to today's session. Members all have a lot of experience of the Planning Service and will have a keen interest in this session. In view of that, perhaps you will ensure that your responses to questions are succinct and brief; however, you should answer as fully as possible without leaving anything out. I foresee that there will be a lot of questions in today's session, so we would appreciate it if you could keep your answers brief.

Paragraph 1.6 of the report states that:

"The Agency is required to recover in full the permitted costs of determining planning applications and in 2008-09 achieved a recovery rate of 71 per cent."

Why have you been unable to recover the full costs?

Mr O'Reilly:

I refer members to the summary of the figures that are in appendices 1 and 2 of the report. In simple terms, the Planning Service has been unable to recover the full cost of its development management operating costs over the past two financial years because of the sharp fall in receipts of planning applications that has resulted from the economic downturn. Prior to that, the Planning Service was recovering a much higher proportion of those costs. The downturn in planning receipts over that period is the key reason for the inability to recover those costs.

The Chairperson:

My questions will set the scene, and members may have other questions on the failure to recover costs. Will the 15% increase in fees that was introduced in August solve that problem, or is it

likely to create further increases?

Mr O'Reilly:

Neither the Department nor the Minister made the decision lightly to increase planning fees by 15% last August. The sharp decline in planning receipts that I mentioned meant that the Planning Service faced the prospect of not being able to recover its full development management costs. In that situation, the Planning Service was and still is faced with a significant financial challenge in balancing the cost of its operations and of processing planning applications with the level of receipts.

The situation is that receipts are falling, but costs remain relatively stable. The figures in the report illustrate that the operating costs remained fairly stable over the past few years, but the fall in planning receipts meant that the amount being recovered to meet those costs fell off. One approach was to introduce the 15% increase in planning fees, but at the same time, action was and still is being taken to reduce the operating costs of the Planning Service to bring it more closely in line with the present level of activity and with the level of planning applications receipts. We have come from a period of high demand, when the emphasis was to get more staff into the Planning Service and to try to keep them there. The emphasis has switched rapidly over the past 12 months to seeking to contain the costs.

The final part of your question referred to the prospect for future increases. At the moment, the Department has no immediate plans to introduce further increases. I am aware that the Minister has to increase the fees, but in the medium term, we need to look at the way in which that is done. If fees remain unchanged for a number of years, whenever an increase is introduced, it will sometimes be larger than anyone would desire.

The Chairperson:

Are any increases in fees planned at the moment?

Mr O'Reilly:

There are none planned that I am aware of.

The Chairperson:

Figure 1 at paragraph 1.7 of the report outlines staffing levels, and it highlights that 43% of your

staff work in administrative support or corporate services. Why are you not devoting more of your considerable resources to operational work to speed up the processing of the planning applications? That point is highlighted well in the Audit Office report.

Mr O'Reilly:

First, I appreciate that the numbers of people working in administrative support and corporate services make up a high proportion of the total staff. However, the key point to remember is that administrative support staff play a critical role in supporting professional planning officers in their work. Secondly, many of the staff in corporate services are involved in the Planning Service reform and the major legislation programmes that are being planned.

As part of a wider departmental initiative, one move that the Planning Service has made over the past few months is to fundamentally review the way in which we are delivering corporate support services both in the service and across the Department, with the aim of seeing how quickly we can reduce them. We want to do what you were suggesting, which is to protect and enhance the capacity of the professional side of the Planning Service while seeking to address cost pressures by focusing on the potential to reduce the number of staff that are involved in administration and in corporate services.

The Chairperson:

Do you think that the high numbers of staff in administration and corporate service helps to speed up the planning application process, or is the opposite true? Might processing applications be speeded up if more employees are working on them?

Mr O'Reilly:

There has been a constant effort to maintain the numbers of professional and technical officers in the service. However, I will return to the difficulties that we have experienced in that area over the past few years. The emphasis in the past has been on maintaining those numbers. However, at present, because of the wider financial issues and challenges that the Planning Service faces and to which you referred, we are not seeking to fill vacancies in either the professional and technical side or the administrative and corporate support side.

The Chairperson:

Do you have a time frame for the review?

Mr O'Reilly:

Our intention is to have the first stage of the corporate services review completed by January 2010. It is a two-pronged review, focusing partly on the Planning Service, but extending across the entire Department.

The Chairperson:

Thank you. I now invite other members to ask questions. This topic was discussed at our meeting last week, and there is a lot of interest in it. I will try to keep members' questions to 10 minutes, if possible. We cannot go into individual cases at this meeting; those issues must be taken up with the Planning Service. I doubt whether the witnesses would have the relevant information to hand in any case. I would appreciate it if members would stick to general questions.

Again, I would appreciate it if you would answer questions succinctly. The acoustics in the room are not the best, so excuse me if you cannot hear me properly. If I can speak up, so can everyone else when asking and answering questions.

Mr Beggs:

Thank you for attending. I will ask questions about the poor performance of the Planning Service; however, you may not like those questions. Paragraphs 2.6 and 2.9 show that the Planning Service has failed to deliver the full suite of planning policies. Even today, the full suite of policies is not available. If applications are approved that do not align with the regional development strategy, is there not a risk of seriously undermining that strategy?

Mr O'Reilly:

I will ask the chief executive to respond to that question.

Ms Cynthia Smith (The Planning Service):

Thank you. I welcome being given the opportunity to attend the Committee for this strategic stocktake of the Planning Service and the planning system at a time when highly significant changes to the process are taking place.

The question was about planning policy statements. We have an objective to complete a suite

of planning policy statements. In a way, the whole process of preparing them is iterative. We seek to keep the policies as up-to-date as possible, and we are working within the requirements of the regional development strategy. All planning policy statements should align with it. That is one factor that we take into account when coming to a planning decision. Others include the development plan, the policy statement and other material factors, such as representations that have been received.

Mr Beggs:

I have looked at some specific planning policy statements and the time that it has taken to develop them. For example, PPS 4, which deals with industry, business and distribution, has been over 71 months in development and is still not finalised.

It took five years and eight months to publish PPS 8, which relates to open space, sport and outdoor recreation, and it has been 15 months since PPS 16, which covers tourism development, was initiated. It is projected that that will be published by March 2010. PPS 5, which deals with retailing, town centre and commercial leisure development, was first initiated in February 2000, but it is not finalised. I was drawn to a publication of the Northern Ireland Independent Retail Trade Association's (NIIRTA). It indicated that, in 2001, the Minister at the time said that PPS 5 would be processed as quickly as possible. NIIRTA had a meeting in 2004, when it was briefed by the Department and advised that it would be published within two weeks. However, it was almost another two years before it was published. There has been a series of delays. Why are there such delays in creating planning policy statements? Does that not create problems for the Planning Service and your planners when you are making rounded decisions?

Mr Tom Clarke (The Planning Service):

There is no doubt that the programme has got behind in many ways. We regret that, and we would be happier if our planning policy statements were bang up to date and in line with the regional development strategy. From our point of view, it is not an ideal position.

There is a range of reasons why planning policy statements are behind, and the same reasons do not apply to all statements. For instance, one reason for the delay of PPS 5 relates to the fact that it was agreed that the Department for Regional Development (DRD) should be responsible for it, and the legal challenges that that raised are also an issue.

Mr Beggs:

How long a delay did that cause? Is it one year, 18 months or six years?

Mr Tom Clarke:

We have been awaiting a legal judgement on that planning policy statement for almost a year. That is part of the timescale.

PPS 8 is a different kettle of fish. It relates to open space, and it was delayed because we had to get legal advice on how to take it forward. Therefore, there is a range of reasons for the delays in each of the planning policy statements. However, there are one or two generic reasons for the delays. For instance, we had to move staff away from our PPS programme in 2004 when we hit the peak, which we will probably mention in a number of answers this afternoon. At that time, a lot of applications were submitted, and we moved staff off planning policy statements and on to the front line so that they could deal with applications.

Mr Beggs:

Was that perhaps firefighting and something that caused even greater difficulties for the Planning Service, because you did not have the right tools in place?

Mr Tom Clarke:

We talked about PPS 5. There is a PPS 5 in existence, and we are updating it. It is not as though there is no policy cover. It all goes back to the old Planning Strategy for Rural Northern Ireland. Therefore, policy cover exists, but it is not as up to date as we want it to be. It was a management decision to take staff off one aspect of our work and to put them on to a more pressing aspect. That area was more pressing because applications were coming through the door from individuals who wanted to know whether they could extend their houses or build new houses. We felt that that area was more pressurised.

Policy enhancement is good, and it is something that we are keen to do, but sometimes it has to take second place.

Mr Beggs:

The NIIRTA document states that superstores being built means that something like 42% of villages and towns in England and Wales no longer have shops. The planning policies there have

evolved to try to give protection. We have not reached that point. Do you not recognise that things have changed in that period and that you are working with policies that are badly out of date?

Mr Tom Clarke:

We have been trying to get PPS 5 back on the stocks, but there is a PPS 5 in existence. It affords a degree of protection for town centres vis-à-vis out-of-town development. In that regard, however, a new PPS 5 would be of greater assistance.

Mr Beggs:

I will move on to processing times for applications. Paragraph 2.13 states that until 2003, targets in Northern Ireland were the same as those in the rest of the United Kingdom. Subsequently, you introduced less challenging targets. Having reduced the standards, however, you still failed to achieve the targets, as stated in paragraph 2.14. Why is the service in Northern Ireland so tardy?

Ms Smith:

The Planning Service is hugely disappointed that it has not managed to achieve the targets that have been set for processing planning applications. There is a range of factors for that, and they are identified in the report.

Originally, the targets set were that planning applications should reach district councils within eight weeks. We then decided to amend them so that the end-to-end processing time would be more realistic. Indeed, people told us that those amendments created a more relevant target for them.

An influx of planning applications saw numbers soar to 36,000 at their peak, and we were not able to keep up with demand. I am pleased to say that we are now starting to make inroads in meeting some operational targets on intermediate and minor applications. However, I accept that the position was very unsatisfactory in that we were not able to meet those processing targets until recently.

Mr Beggs:

As a local councillor, I have come across many delays resulting from formal statutory consultees failing to respond in time. Action is starting to be taken now, but why did it take so long for you

to force consultees to respond within an appropriate time frame?

Ms Smith:

I agree that that has taken a long time. That is one of the issues with which we have been struggling and one of the issues that was identified in a 1995 Audit Office report.

Mr Beggs:

What did you do about it?

Ms Smith:

We have taken a number of actions. For example, we negotiated service level agreements (SLAs), and, indeed, in response to the performance and efficiency delivery unit (PEDU) review of Planning Service operations —

Mr Beggs:

The PEDU review was about two years ago, and the document to which you refer is from 1995. What did you do between then and the PEDU review?

Ms Smith:

If I could just explain. After reaching agreement with PEDU, we negotiated new SLAs with our key consultees. Those SLAs are now in place. For example, we renegotiated an SLA for Roads Service, which is one of our biggest consultees, and an SLA for the Northern Ireland Environment Agency (NIEA). We have been working hard to look at not just the targets but at the reasons for consultation to ensure that we are consulting on appropriate areas.

We put in place a good practice guide, which encourages a more proactive approach to dealing with applications and consultees. We also have multidisciplinary teams, which have some of the main consultees from NIEA and Roads Service working with us. Looking ahead, under planning reform we propose to have statutory time periods in which our consultees must respond, and we also propose to extend the list of statutory consultees. Those will be very welcome moves.

Mr Beggs:

With respect, it would be nice if those were in place by 2011; however, the problem was identified in 1995.

Mr Shannon:

It is good to see you again, particularly Cynthia and Tom, with whom I have done business wearing my other hat as a councillor. My questions concern performance. By the way, I am one of those members who have been asked to curtail their questions; I was keen to go into them with zest. Therefore, you will be glad to hear that you will have to listen to me ask only two questions.

The Chairperson:

There is always the opportunity to ask further questions.

Mr Shannon:

If there is an issue on which my colleagues do not pick up, I would hope to ask another question. I am concerned that 68% of the public are dissatisfied with the planning application process. Why is that?

Figure 10 shows the variation in divisions' performance in processing planning applications. I do not want to pick out Downpatrick, but it does bite me on the end of my nose when compared with, for example, Craigavon and Omagh. Why is there such a variation in processing planning applications in different divisions? In Craigavon, 74% of minor applications are processed within 18 weeks, and other towns are not that far behind, with the exception of, perhaps, Downpatrick at 51%, and headquarters, which is doing not so well at 20%.

Omagh's rate of processing intermediate applications within 31 weeks is at a whopping 81%, and some other divisions are miles behind. It is as though there is a different range of cars, with a Morris Minor in one division and a Ferrari in the other. Whatever the reason, there is a variation. Will you tell the Committee why there is such a variation in processing planning applications?

Mr Tom Clarke:

First, it is down to the fact that different divisions receive different types of applications. Secondly, the variation has to do with the local population that each of the divisional offices serves. Some parts of the country take a much more detailed interest in planning and, therefore, require our responses to have a higher level of servicing. That variation means that different divisions deal with problems and issues that are beyond even the different types of applications that come through the door.

Mr Shannon:

Figure 20 illustrates the number of planning applications that each division received. The Craigavon office dealt with 10,000, and the Omagh office dealt with 10,500, but those are two of the better performing divisions. The Downpatrick office dealt with 7,500, and the figure was below 6,500 for each of the others. Why is it that the better performing divisions are those that had the most applications? Does that not go against the very point that you made, Tom?

Mr Tom Clarke:

No; I said that the divisions receive different types of applications. Sometimes, our more urban divisional offices have to deal with much more complex applications. Those could be major and could include a lot of mixed-use types of development, whereas some of the more rural offices do not get the same percentage of that type of complex commercial application and instead deal with more of the rural, bungalow-type applications. I am saying that different types of applications require different levels of staff input.

The nature of the areas in which the divisions operate also creates different issues. In an urban setting, a lot of people could be interested in planning and may want to make comments and to be involved. However, that is not the same across the board. Those variations can impinge on the performance levels of individual divisional offices.

Having said that, however, there are issues to consider. As a planning service, we have certainly intervened at times. We have taken action to help in situations in which particular offices had workloads that were seen to be out of kilter with the rest. For instance, at one point we sent a divisional support team to the Craigavon office to get it back on to an even keel. Most recently, we intervened in the Downpatrick office to help it to get back on to an even keel.

Mr Shannon:

Wearing my other hat as a councillor, I make it clear that I have found the officers in Downpatrick to be most helpful at every stage. The review of public administration (RPA) will bring changes, and responsibility for planning could go to councils. Those figures worry me, as a councillor. How can you assure us and the councils that the RPA changeover will result in a better system? It would be a terrible thing if councillors did not have a system that improved the figures. What can you do to convince councils and councillors?

Mr Tom Clarke:

There are two issues to consider. One is the system to which you referred. We certainly agree that the system is not perfect and needs to be changed. That is why we have begun our reform process. Throughout the latter part of this year, there has been a consultation about the nature of the changes that are needed in the system. Our development plan process is too long; everybody is in agreement about that. Some of our other processes also need to be changed. We recognise that there needs to be changes in the system, and that is what our reform programme is all about.

The second issue is the nature of the service that has been provided over the past number of years. That is, indeed, the full responsibility of the Planning Service. The figures demonstrate that we have made a distinct improvement, and we can even update those that are in the report. The figures are much more akin to where we would want to be in the processing times for applications.

The service was certainly in bad shape during those times, and applications came through the door in waves. However, we are now coming out of that situation, and we are optimistic that, by 2011, application turnaround times will be at a level that the Committee will be happy to accept.

Ms Smith:

We are mindful of the major change that will devolve the bulk of planning powers to local councils from May 2011. We are working closely with strategic leadership and local government colleagues and structures to ensure that we hand over a fit-for-purpose and functioning planning service and planning system. As my colleague said, after a tremendously challenging and difficult period for the Planning Service, we can show that we are starting to make inroads. For example, our live caseload is down to 12,000, which is the PEDU-recommended level for achieving our key processing targets. Much more must be done on the development plan side, and we are working with local government to introduce a number of pilot schemes. We are working closely with the structures to achieve that objective.

Mr Shannon:

We are glad that the changes are coming through, and I understand that more will follow. Across the water in England, councils have responsibility for planning, and they achieve 76% success in processing minor applications. The Department has a long way to go to match that.

Ms Smith:

I am mindful of that. Through initiatives such as the streamlining project, approximately one third of all minor non-contentious applications are now being processed in an average of 32 working days. That is a sign that we are working in close co-operation with local government and building on Derry City Council's pilot. That shows that we can do better and that performance is starting to improve.

Mr Shannon:

My second question is about paragraphs 2.21 and 2.23, which show that the Planning Service committed to introducing performance targets for enforcement by 2003-04, and a formal enforcement policy by 2005. Why did it take three years to agree the targets and another four years to put in place the performance management framework, given that it ended up as a guidance leaflet instead of a policy? Does that not send a message that people who breach planning law do not need to worry because the Planning Service is not serious about enforcement? As you know, enforcement cases take an incredibly long time to filter through, perhaps a year and a half or two years, after which the answer is sometimes not one that people want to hear.

Ms Smith:

I will say a few words of introduction and ask Tom to add some detail. I appreciate that it is important to be seen to have a robust enforcement regime so that people have confidence in the system. It has taken much longer than we wanted to establish our enforcement strategy, but I am pleased to say that it is now in place.

I am conscious that the issue of enforcement has been raised for many years. I agree that, when we faced huge volumes of work, that area of our activity was raided, so to speak. However, we established enforcement teams in 2004, and we have strengthened our policy. The strategy is now in place, and we have a planning policy statement, namely PPS 9. Moreover, we have issued a public information leaflet. There are now dedicated enforcement teams in each area, and we are at a stage where management information is available that allows us to set targets. However, much more needs to be done, and we are mindful of the need to continue to make progress.

Mr Shannon:

The availability of extra officers is critical to enforcement. Are officers available to do the business in a timescale that does not extend to 18 or 24 months?

Ms Smith:

I appreciate that point. It has taken much longer than we wanted. We try to resolve most enforcement cases by negotiation, but they sometimes take much longer than we had hoped. We have dedicated teams, and now that our workloads are at more manageable levels, we are committed to ensuring that those teams are not raided to cope with other pressures, as had happened in the past. We took decisions on that matter. Dedicated enforcement teams and strategies are now in place and should improve our performance.

Mr Tom Clarke:

I will back that up with some figures. This year, the number of cases that are more than three years old has dropped from 1,000 to 800. We are making inroads into those long-standing cases, and our live caseload has dropped from 5,600 to 4,200. We are making progress because the dedicated teams are in place.

Mr Craig:

I want to concentrate on an interesting chart on page 26 of the report. It records the Planning Service's customer satisfaction levels in percentage terms from 1998 to 2008. I have an obvious question to ask. Customer satisfaction was quite high in 1998 and 1999, when it was over 70%. By 2006, however, it had dropped to around 40% and lower. Do you agree that those percentages correlate more or less exactly with what we now call the "housing boom" years, when there was increased demand for houses?

Mr O'Reilly:

Yes. The chief executive can add some supplementary detail to my answer, but you are absolutely right. You can see that the sharpest drop in levels of customer satisfaction occurred just as the demands placed on the Planning Service reached their peak in 2004, 2005 and 2006. There was a shortfall in the quality of the service that was provided on a number of fronts, and that is reflected in the statistics on increased times to process applications, and increased delays.

A fair amount of criticism came from the business community and those who were concerned

that the Planning Service was becoming a source of delay in facilitating economic development. Colleagues in the Planning Service were aware, and remain aware, of the particular criticisms from that sector. Some of the initiatives that have been taken over the past few years, including the creation of the strategic projects division headed by Tom Clarke, have attempted to address those concerns.

The chief executive can give members some examples of actions that the agency has taken under the customer service action plan that it has implemented. I will finish by saying that no one in the Department or the Planning Service believes that those levels of customer service can be acceptable, now or in the future. There is work to do in order to get the levels of service back to where they were in the late 1990s.

Ms Smith:

I agree: the biggest dip in our customer satisfaction as shown in the surveys correlated with the economic boom and the huge rises in the property market. Our processes and resources simply did not enable us to respond in the way that we would have wished. Clearly, customer satisfaction levels are a way short of where we would like them to be. We have taken a number of actions in response; we are committed to improving customer response.

The survey was undertaken in 2008, and in response to the dip that Mr Craig pointed to, we took a number of actions, including an accessibility project to try to ensure that customers could contact planning officers. We have addressed issues such as complaints monitoring, introduced IT measures such as an online fee calculator, and we have standardised our opening hours. We have a customer service action plan and we are committed to improving the levels of customer service. Many of the initiatives that we have taken are beginning to have an effect, and the results of more recent surveys have shown a more positive picture. I accept that there is much more to be done.

Mr Craig:

I am glad that you accept that. That leads me on to another obvious question: what were the Department's staffing levels in 2000?

Mr O'Reilly:

In 2000, as I recall, the Planning Service had approximately 440 staff.

Mr Craig:

Did that staffing level increase in the peak period in 2004, 2005 and 2006 to meet the demand?

Mr O'Reilly:

Yes. The Planning Service's total staff complement increased from 440 to about 850 between 2000 and 31 March 2009. Therefore, the staffing complement almost doubled during that period.

Mr Craig:

Given the collapse of the housing market in the past couple of years, have those numbers reduced? What is the staffing level currently?

Mr O'Reilly:

The figures that I quoted refer to what we call complement levels, and I am sure that we will come back to that issue later. We have reduced staffing levels and the costs of delivering the development management system simply by not filling vacancies. I invite Marianne Fleming, director of corporate services, to supplement my answer with more detail.

Ms Marianne Fleming (The Planning Service):

There are 521 staff in our development management section, and they process planning applications. About 244 of those are professional and technical staff — 52 professional and technical staff work on strategic projects — and the remainder are admin staff who support the development management process.

We have been looking at how to manage operating costs and drive efficiencies. As part of the Planning Service's contribution to the departmental efficiency delivery plan, we made substantial reductions in 2008. Those equated to £2 million, some £1.2 million of which were made through not filling vacancies. The remainder were made through the suppression of a number of posts. We have looked carefully at costs in line with fee income and at ways to drive effectiveness and efficiency.

Mr Craig:

It is fascinating that, relatively speaking, the Planning Service has twice as many staff now than it did when consumer satisfaction was at its highest. It was quite right to increase staffing levels to

meet the massive demand, but, for whatever reason, customer satisfaction decreased. The entire development world has fallen apart over the past couple of years, and the level of demand and applications is well down. However, the Planning Service is sitting with 850 staff. Why did customer satisfaction reach an all-time low in 2008? As demand decreased, surely officers could process applications quicker and thereby increase consumers' satisfaction with the service. However, figure 12, at paragraph 2.24 of the report, indicates that that is not the case.

What are you doing to change the culture in the Department? If I contact the telephone response service and give only my name, I am treated almost with contempt. However, I get a completely different response if I phone and say that I am an MLA. That is worrying; a member of the public should be treated with respect and given the same response as an MLA. Ultimately, it is the public who pay not only my wages, but your wages.

Ms Smith:

I recognise the good points that you have made, Mr Craig. We are working very hard to turn around the whole culture of the organisation. I agree that, in the past, we were process driven and that our focus was on development control. We must engage in a much more proactive process of managing development and seeking to achieve sustainable development.

We have been taking a whole range of measures to try to turn around the culture of the organisation in relation to the service that we provide. I have used the example of the streamlining project, but also, for example, in June this year, we launched a good practice guide. That is aimed at changing the culture and moving away from the controlled regulatory culture to a more proactive and facilitating culture. I know that there is much more to do, but we are starting to do that. For example, we encourage applicants to come to us for a pre-application discussion at an early stage. That is slowly starting to show benefits, but I accept that there is much more to do, and I am very conscious of the need to make those further improvements.

Ms Fleming:

We were not happy with the telephone arrangements under NI Direct, as there were a number of initial difficulties with them. In fact, we carried out an evaluation once the system had bedded in this year, and we have now brought about improvements to make it more customer focused, and for our response to all of our customers to be swifter. The management board has agreed improvements to that telephone handling arrangement.

Mr Craig:

Paragraph 3.2 of the report indicates that, in the six years up to 2007, there was a fall in the number of applications. Particularly when the bottom fell out of the market, the number of applications dramatically fell. The staffing levels have not dramatically fallen off yet, and, as you say, that could take quite a while, but, given that, are people just going to take longer to process individual applications? In other words, are people just filling their time? Why are the applications not being processed much more rapidly, given that, let us face it, there is overstaffing to a degree.

The Chairperson:

May I ask you to speak up a bit; some members are finding it difficult to hear.

Mr O'Reilly:

Sorry. I will ask Tom to comment on that point, because it goes to the heart of the way in which individual planning offices in the regions operate and respond to the present workload.

Mr Tom Clarke:

It is true that the total caseload is reducing. We are also currently dealing with a lot of the older, more complex applications that have been in the system for a while. They take longer to process than applications that are being turned around by the streamlining. There is an issue of older applications in the system that need to be gotten rid of. That affects processing times.

Returning to the issue of customer satisfaction, there will inevitably be a time lag. We have had a period when there were a lot of applications, many of which were taking a long time to be processed. That is reflected in the dip in satisfaction levels. I suspect that, when we take new samples of satisfaction, those will start to go up again, because performance is going up again. There is a working through of that dissatisfaction.

Mr O'Reilly:

I have heard the perception that, because people have more time to deal with planning applications, they are taking longer to process, and are raising more issues. That concern has been reflected in our feedback from customers, and we are seeking to monitor it carefully.

The overall level of dissatisfaction with the Planning Service at the moment, and in the time I have been there, seems to be related to a number of specific issues that keep coming up. First, there are a number of issues concerning single rural dwellings, which I am sure we will come back to. The second issue is the question of brownfield housing development proposals that are still in the system and have to be processed. There are also the large-scale projects that have major economic implications, which Tom's division deals with. At times, those tend to be a focus for criticism. As I said at the beginning, there is a general perception — which we must respond to — among the business community that the Planning Service is not yet responsive enough to what is seen as a need to act quickly on the major applications that are dealt with by Tom's division.

We are aware of the range and focus of the criticisms, and, as I said, levels of customer service in Planning Service cannot stay where they are. Everyone in Planning Service wants to turn that situation around as quickly as possible.

Ms Fleming:

Appendix 2 to the NIAO report shows that, from 2006-07 onwards, because of the efforts made, the processes in place, and our drive towards continuous improvement, the Planning Service was, for the first time, beginning to issue decisions on more applications than it was receiving. We appreciate that, between 2006-07 and 2008-09, the number of new applications coming into the system reduced by 24%. Because of the efforts that it was making, the Planning Service was able to reduce its live caseload by 34%. We have been making inroads, and that is starting to impact on our operating performance times.

Mr Craig:

Is there an issue around response times from your legal consultees, and I am talking about Roads Service, Northern Ireland Water, and so on? I am dealing with a live caseload that numbers in the hundreds, and a lot of those cases have been in the planning system for perhaps two, three or four years. Many of the issues that come back to me from the local planning office are around consultees which, quite frankly, are dragging their heels. Is there an issue or a difficulty around that?

Mr O'Reilly:

Cynthia can fill in the detail on that, but the short answer is yes. The statistics quoted in the

report show that there have been unnecessary delays in the response times that we receive from our consultees.

Ms Smith:

We recognise that that is an issue. Consultees play an important role in the Planning Service and the planning system. We are very mindful of that, and we have been negotiating new service level agreements, in particular with our key consultees, which would be Roads Service, NIEA and NI Water. We are progressively tightening up those response times and seeking to ensure that, when we do consult with our key consultees, it is necessary consultation. For example, we are looking at alternatives, such as whether we can use negative conditions as a means of addressing some of the issues.

Important changes are coming up. Under planning reform, consultees will be made statutory and will be given a statutory time limit. I admit that the arrangements are administrative, and it would be much better if they were statutory requirements, which would ensure that we get priority.

One of the other actions that we have taken is to amend the PSA 22 target to ensure that our consultees' performance is also included and reported on. That was an important measure. However, I am very mindful that it is an issue that we are continuing to address.

Mr O'Reilly:

One of the interesting figures is that, in 2008-09, the Planning Service engaged in almost 69,000 consultations. By far the largest area of consultations is intra-governmental, such as with the Northern Ireland Environment Agency, Northern Ireland Water, Roads Service and Rivers Agency. That is the main volume of consultees that we engage with, and, obviously, we engage with district councils too. Primarily, it is a challenge of intradepartmental co-operation and, in my case, co-operation within my Department, which includes the Northern Ireland Environment Agency. The Northern Ireland Environment Agency gets about 8,000 to 9,500 consultation requests from Planning Service every year and, last year, it allocated an extra £500,000, and earmarked a group of around 30 staff, to process and push through consultation requests from Planning Service as quickly as possible.

Mr Craig:

I suggest that you really need to push the Departments on those issues. You will never satisfy a customer whose application has been in the system for three or more years.

Mr McGlone:

To follow on from Mr Craig, figure 23 shows the activity levels of the strategic projects division. To my simple mind, in 2005-06, the turnaround in validated applications to decisions issued was 93%. However, by 2008-09, that figure had dropped dramatically to 70-odd percent. Not detracting from anything that I said to my colleague about this issue, the number of live cases has increased also. In times of economic decline, that is very worrying.

Correspondence to the Environment Committee dated 10 July reveals that staff were redeployed away from the strategic planning directorate, despite the fact that they were still about the place and had reduced pressures on them. In harsh economic times, it should be pedal to the metal to get decisions out there. I do not understand that, and it is bouncing out of the page at me. We really should see an improvement in performance, rather than a significant decline.

Mr Tom Clarke:

There are a number of issues on which we ought to be absolutely clear. The strategic planning directorate covers all of the forward planning. The strategic projects division, which is the headquarters section that deals with major planning applications, is contained within that directorate. We have not transferred people out of the strategic projects division to supplement other areas; we have moved them out of the directorate.

Mr McGlone:

The document states that staff from the strategic planning directorate have already been deployed to the operations directorate to work on planning appeals.

Mr Tom Clarke:

That has not impacted —

Mr McGlone:

I am sorry; the figures for percentage turnaround tell me something different. In times of economic decline, businessmen come to me and try to get stuff pushed through and try to get jobs

out there. That tells me one thing. However, I then read the document and see that people are being moved away from the directorate, and the figures show a decline. My simple mind tells me that there is a correlation between the two.

Mr Tom Clarke:

I reassure you that we have not moved anybody out of the strategic projects division to supplement other areas. They have come out of the directorate, because that includes areas in which people work on policy, for instance.

Mr McGlone:

Why the decline, then?

Mr Tom Clarke:

That is a separate issue. That is why I said that there are a couple of issues. There are something like 450 major planning applications in the strategic projects division, around 100 of which are either applications designated as article 31 cases under the Planning (Northern Ireland) Order 1991, or ones on which we focus because they have major economic considerations. Beyond that, there are another 350 applications that, although major, fall within either the minerals group or the environmental group. We are focusing on making sure that none of the first category, the article 31 applications, or the economically significant ones, is unduly delayed. We have figures that show that that does not happen.

Currently, we are addressing delays in the other major applications at headquarters; for example, those that fall within our environmental unit or our minerals unit. The processing times are related to the complexities of the applications. Complex issues sometimes require a large amount of environmental information. Certainly, however, we are not happy with the processing times for that group. We are tightly focused and delivering on the group that falls within those that are of economic significance.

Mr McGlone:

Chairperson, it would be useful if we received the detail that was referred to, which was about how many of the applications have been turned around and their economic consequences.

The Chairperson:

OK. It would be useful if you could forward that information to the Committee after today's session.

Mr McLaughlin:

Good afternoon. I want to discuss paragraphs 3.8, 3.9 and figure 19.

Jonathan Craig touched on this issue already. We can agree that the Planning Service is not meeting its own targets and that there are significant levels of client dissatisfaction. We can also agree that, for a variety of reasons, we have a problem. You developed the system of service level agreements with your consultees, and there has been some discussion about that already. Will you describe the process that is involved in developing service level agreements? Are they agreed contracts between yourselves and the consultees? My understanding is that they are negotiated agreements on turnover times that are tailored to each agency. Is that correct?

Ms Smith:

Yes. The agreements are administrative arrangements, not statutory requirements. We have statutory requirements to consult with, for example, district councils and the Health and Safety Executive. However, the agreements do not have statutory requirements.

Mr McLaughlin:

I understand that. Nevertheless, they are formal agreements that are properly codified. They are written down so that people know what they have agreed to, and they have a performance-measurement element.

Ms Smith:

That is correct. To illustrate, our agreement with Roads Service is that it will process 70% of the consultations within 15 working days. As Leo explained, we send about 30,000 consultations a year to Roads Service, so its target is to process and respond to 70% of them within 15 working days. The latest performance figures show that Roads Service is meeting that target.

Mr McLaughlin:

There seems to be a problem. The statistics in table 19 are supplied by the Planning Service, and they tell me that Roads Service has one view of its performance and that you have another. The agreement is negotiated. Roads Service measures from the date of receipt of the documentation,

which, in a business sense, seems reasonable. If you have a responsibility for the turnaround of applications and there is sometimes difficulty with the performance of your consultees, the service level agreement is an attempt to address that. Therefore, it is in your interests to give the consultee all the information that it needs to respond within its remit and within the agreed period of time. Am I correct so far?

Ms Smith:

Yes.

Mr McLaughlin:

If you measure turnaround time from the date that you send out the information, and the consultee measures it from the date that it receives all the information, which I happen to think is a more reasonable position, we end up with two sets of statistics. Why is that not sorted out in the fairly straightforward negotiations that take place between your organisation and the consultee?

Ms Smith:

I agree that that was a very unsatisfactory situation. We were measuring turnaround time from the date of issue, which was the only date that we could rely on, and our consultees were measuring it from the date of receipt, which seemed reasonable from their viewpoint.

Mr McLaughlin:

Do you accept that by measuring turnaround in the way that you do, you are discounting some of your own lethargy in dealing with the consultations, because you are passing the responsibility to another agency?

Ms Smith:

I assure you that we have sorted that out and now rely on our consultees' records. Those records are in turn quoted in the consultees own business plans and audited for turnaround times. That is something that the PEDU review highlighted when it was looking at the Planning Service's performance. PEDU made recommendations on the SLAs, one of which was on the very point that you made.

Mr McLaughlin:

Does that anomaly exist in any of your other existing service level agreements?

Ms Smith:

We have agreed to rely on the consultees' —

Mr McLaughlin:

I am sorry; my question was important. I wondered why there was a problem with Roads Service, unless it was a general problem. Did someone make a special arrangement with Roads Service that the clock on its turnaround time would start from the date that you sent out the documentation? Did that apply to any of your other consultees?

Ms Smith:

We were keeping our own separate record from the time that the documentation was issued, and our consultees were measuring their turnaround from the time that they received the documentation. Clearly, that was unsatisfactory.

Mr McLaughlin:

Did the clock on turnaround time also start from the moment that you posted documentation to the Rivers Agency, district councils and the Environment Agency?

Ms Smith:

We have agreed to rely on the figures that the consultees —

Mr McLaughlin:

You have not answered my question. Were the broad principles of the arrangement that Roads Service had with Planning Service in any way different from the arrangements that the other agencies had?

Ms Smith:

No.

Mr McLaughlin:

Am I right to say that the arrangements have now been rationalised so that the clock starts ticking for the other agencies to provide input from the moment that they receive all the relevant documentation from the Planning Service? Has that process now been straightened out?

Ms Smith:

That is right. However, that is only an interim measure. Once the e-PIC is fully implemented, we will now be able to do what you describe online. That will be a further improvement.

Mr McLaughlin:

I take it that that will be an almost instantaneous transfer of information.

Mr Shannon:

My question relates to Mitchel and Jonathan's earlier points. You said earlier that Roads Service is meeting its targets, but the fact is that it is not — far from it. A number of outstanding applications are sitting with that agency. However, that is not just the fault of the guys in Roads Service; if that agency is not staffed accordingly, it cannot respond accordingly. It is important that you realise that when it comes to planning applications for roads, the guys in Roads Service are being inundated, so there needs to be a process for dealing with that.

What steps will the Planning Service take to ensure that adequate and sufficient staff are available in the agency to help Roads Service actually meet its targets? We have been told that almost every application was held up because of the Roads Service guys.

Ms Smith:

I accept that Roads Service's target for routine consultations is 70% within 15 days. However, that still means that a proportion of applications will not be processed within that time. I take your point that our consultees need to be adequately resourced so that they can respond in the way that we want them to. They play an important role in ensuring that the planning process works effectively.

Mr McLaughlin:

Do the consultees actually accept those targets? Are they negotiated, accepted and signed off on both sides?

Ms Smith:

Yes; those are agreed targets.

Mr McLaughlin:

Therefore, staffing issues feed into the ultimate decision on targets, which consultees agree between themselves and Planning Service and then sign off on.

Ms Smith:

That issue has caused us difficulties in negotiating our SLAs.

Mr McLaughlin:

I can see that. Although Rivers Agency deals with a much lower volume of applications, I found it interesting that it is the best performing agency, even though it does not have an SLA.

Ms Smith:

We are currently negotiating an SLA with the Rivers Agency.

Mr McLaughlin:

I know that. However, it is an interesting quirk that it is actually outperforming the other consultees, even though it does not have the benefit of a service level agreement.

Finally, I have a number of questions about the Northern Ireland Environment Agency. However, I will briefly ask about one issue in particular. That agency, which is part of your Department, is the worst performing consultee. We accept that the tardiness in turning over consultations has an impact on the length of time that it takes to deal with an overall application, but we expect a better performance. Your agency is the worst performing element of the planning-decision process. How can we accept that? Planning Service has to set the standard and be an exemplar for everyone else.

Mr O'Reilly:

Cynthia may wish to comment on some operational points, and I will speak from my point of view as the person responsible for the Environment Agency and the Planning Service. The situation that is reflected in the report is clearly not satisfactory.

As I mentioned earlier, the NIEA is receiving about 9,500 consultation requests a year from Planning Service, almost half of which relate to built-heritage issues. About 40% relate to

environmental issues, and about 15% relate to natural-heritage issues. I have discussed those matters with the Northern Ireland Environment Agency, and, as I mentioned in my reply to an earlier question, we allocated a specific budget of £500,000 in 2008-09 and earmarked 32 staff in the agency to focus on ensuring that we get a faster consultation response.

Staff in the agency said that the difficulty in responding quickly is sometimes because some issues are more difficult to deal with; for example, if a site visit or an investigation is required. For example, matters such as environmental protection or natural heritage, which involve wildlife and so on, might need to be considered. Staff can quite often find it difficult to get through site visits, write a report and get back again in the timescale that has been set by the target.

I am not offering those up as excuses; I am simply saying that they are the kinds of issues that the staff identified to me to explain why they are not meeting the targets. They are clearly the issues that we need to examine.

Mr McLaughlin:

I have some experience of that. I will not go into the details of individual cases, but where the Environment Agency responds, regardless of whether it does so within the target time, is immaterial to this point. For example, if a concern were to be raised about birds or bats, which are a protected species, do the staff have to give a rationale for the investigation, or do they simply have to express a concern? Is expressing a concern sufficient to hold up the process?

Mr O'Reilly:

They would have to provide a rationale.

Mr McLaughlin:

They should have to, but I wonder whether they do; I have never been able to establish whether they are required to do so. The receipt of a formal objection to a proposal, or a survey having to be done on a seasonal basis, can make the process lengthy. Twelve months could elapse before the applicant can proceed. Does that happen on the basis that there might be a problem, or might a scientific view have been given that would suggest that a problem exists?

Mr Tom Clarke:

We look very critically at responses that ask for more information. In an environmental

assessment, advertising and other factors may result in months of delay. We look critically at what staff say. The bottom line is that they are the experts. If they have solid evidence of the presence of bats, for example, we have to take advice from them. It is not in our interest to delay applications unduly.

Mr McLaughlin:

I would not think that it would be. If that is the practice, it is good practice. Is that information made available to the applicant, or are they simply told that more information is required to process the application? Are they told that a bird survey, for example, is required that can be done only in the spring, followed by a follow-up survey in the autumn and that staff will come back to them in a year's time?

Mr Tom Clarke:

Those are extreme cases.

Mr McLaughlin:

However, it is a very practical example.

Mr Tom Clarke:

There is no doubt that that happens; I do not disagree. From a planning perspective, we want to establish whether surveys are absolutely necessary, whether they are necessary at a particular point in time and whether they could be done at another stage.

Mr McLaughlin:

Did you say that you are going to do that, or that you do that already?

Mr Tom Clarke:

We take that approach to ensure that we do not go back for further information unless it is absolutely necessary for our consideration of the case.

Mr McLaughlin:

I have another line of questioning, but in fairness to other members, I will let them continue. I would like to ask further questions later.

Mr Hilditch:

You are very welcome. You have certainly had the heat turned up on you today, although I think that most of it is coming from underneath the Table.

I have a few questions on staff modelling. Paragraph 3.11 states that the staff have had a higher average caseload than elsewhere in the UK and that that has been the case since as far back as 1996. The caseload was an average of 167 against the UK average of 131. Subsequent reports have confirmed that, but there has been a loss of sympathy about that some 13 years later, because we still do not have a staffing model or a manpower planning tool. How do you expect to improve performance or to run an efficient service without such resources?

Ms Smith:

I am conscious that we do not have a manpower model. As a result of the 1995 Westminster Audit Office report, we instituted a time-recording system and cost modelling. We also did some work on a manpower model, caseloading and benchmarking with authorities across the water.

However, at a time when we were about to change our planning processes, following what turned out to be a very bureaucratic approach did not seem to fit in closely with what our users wanted. For example, if we had slavishly followed a manpower model at a time of considerable change to processes resulting in our being inundated with applications, we would have had further difficulties today, given the current position.

Ms Fleming:

I emphasise that our not using the pilot manpower models for the reasons that the chief executive gave does not mean that the management board did not focus very carefully on staffing, vacancies and our resources. In fact, as the chief executive said, we considered the manpower model to be a tool. It was a factor that had to be included among a number of factors that the agency management board took into account when considering its resourcing.

We have a range of detailed staff complements for all our sections and divisions, and, as we said earlier, we have an overall complement. We looked at how vacancies were filled, and we took a prudent approach to caseloading information that had been looked at. We looked at fee income, the affordability of staff and workload pressures to see what other pressures staff have, and we took a prudent approach and used managerial judgement to ensure that we assigned our

available staff resources to meet our business priorities. As you can imagine, that was all under particular scrutiny at a time when we were losing so many staff to the private sector. Our not adhering dogmatically to a manpower model does not mean that we did not look at our staffing and have it managed carefully.

Mr Hilditch:

However, there appears to be frustration that the situation had been going on for 13 years. There are two timelines, one in 2002 when a consultant produced a model, and one in 2005 when it was then postponed with no further work. What happened?

Ms Fleming:

As I said, that work did not go to waste, and it was factored into our considerations when dealing with caseloads and how we assigned staff to particular vacancies and areas. We always took a prudent approach. For example, we would have had a cadre of casual staff that would have allowed us to assign staff and react to changing circumstances. We used that information and factored it into staffing decisions during that period.

Ms Smith:

It was difficult to adhere to a rigid manpower model at a time when we were experiencing such considerable changes and flux in the sheer volume of demands and applications as well as having to process the appeals. We have adopted a more flexible approach using, for example, casual staff. That means that when volumes drop, our position is more flexible in allowing us to respond to the changing circumstances.

Mr Hilditch:

After those two models were not taken on, an exercise was carried out in the Omagh division. What was your assessment of that?

Ms Smith:

The Omagh division work was helpful in informing manpower decisions. It was looking at caseloading for each officer. We have used and developed that information, and it has helped us with allocating staff and with dealing with variations in caseloads. We used divisional support teams so that we can adopt a more flexible approach. For example, the teams went into Craigavon district, and we moved them to Downpatrick. Those teams are able to address

different pressures at particular times.

Mr Hilditch:

That brings us to paragraph 3.14, which states that the service is working:

“to develop a model for service delivery for local government”.

Why has that taken so long, despite considerable consultancy input? How can you be sure that existing staff problems such as those that other members expressed will not be replicated in the new councils?

I perhaps should declare an interest in that I sit on one of the review of public administration’s transition committees. Every time planning issues arise, there is a nervousness or concern as to what we will get. Will we see the staffing problems replicated in the new councils?

Ms Smith:

I very much appreciate your point. We are very alive to the need to work closely with the transition committees. We work closely with our colleagues on the strategic leadership board and through the transition committees. We are determined to pass across to local government a fit-for-purpose planning system that, frankly, works better than it has done in the past and that delivers. PricewaterhouseCoopers has just produced its report ‘Assessment of the Options for Local Government Service Delivery’, which I know that the strategic leadership board will discuss next week. Final decisions have yet to be taken on the shape of the planning reform proposals. We have just finished the consultation exercise, and we seek to go to the Executive with the final proposals. Once we have decisions on those two key areas, we will liaise closely with local government in drawing up the models that will deliver the function to the new councils.

Mr Lunn:

My questions are about general efficiency, and they will probably overlap with some of the topics that have been discussed already, such as staffing.

We are in the middle of a 2008-2011 efficiency delivery plan. I see that the measures proposed include fee increases and suppressing selective administrative posts, which, I presume,

means reducing staff numbers. In 2003, the service abandoned the most simplistic and obvious measure of efficiency, which is the unit cost of processing an application. Why was that abandoned?

Ms Smith:

In response to the 1995 report, we introduced a time-recording system in 1996, and we followed that with a unit-costing exercise. That was one of the measures of efficiency that we produced at that time, and we ran it for a number of years. However, we found that the system became overly bureaucratic and that the results were not particularly helpful to us at a time of rapid change. Do not forget that this was the time when the application numbers began to soar in response to improving economic conditions.

We took a conscious decision at the management board in response to the consultation that we held as part of the Planning to Deliver programme. Our customers said to us that they were more interested in knowing what the end-to-end processing time was. In those years, we focused on setting targets for end-to-end processing as a measure of efficiency and on driving to try to improve those times. I agree that given that we have now got to a level where our caseloads are more manageable, we need to look at what other measures we can put in place to inform our decision-making and to ensure that we deliver our services both on time and in accordance with our Programme for Government targets for end-to-end processing. We want to do that in a way that is efficient and seen to be efficient.

Mr Lunn:

The Audit Office has worked out the unit costs over the intervening years, and those are given in figure 21 and in paragraph 3.22 of the report. It has increased from £505 for each decision in 2004 to £801 in 2008. That is a 59% increase. I do not wish to sound too cynical, but could it be that you abandoned that measure because of the spiralling increase in costs?

Mr O'Reilly:

As you said, the cost for each decision increased by approximately 59% over that period. That reflects a gradual increase in the total cost of delivering the development management function, as is outlined elsewhere in the report. Set against that, the number of decisions being taken has dropped from 30,000 to 26,000. As I said, reducing our costs proportionally to where they were three or four years ago will take a bit of time. The trend is difficult in the sense that it shows that

when the cost base is static and the caseload is reducing, costs for each case dealt with will increase until such times as either the volume of activity increases or costs reduce. That is the challenge that we face.

I will answer your general point about unit costs. Cynthia explained that a time-recording system was used to show what was being done every 15 minutes. That became difficult for staff to keep on top of when they were dealing with such a large workload, but, in a sense, that sort of methodology was not needed because it is used when trying to charge individual customers the costs for their service, as would be done in a legal or accounting practice. In this instance, we were seeking to work out the overall costs of delivering the service, and Cynthia and her colleagues have been looking at how costs are measured in GB, for example, for the purpose of setting fees. In England, a system of approximately biennial reviews of the overall cost of delivering the services has been adopted. That is scrutinised and used as the basis for determining charges.

Mr Lunn:

I cannot follow that completely. Your processing costs have risen by around 60% in the past four years, the number of decisions that each planner deals with has fallen by roughly 20%, and the fees have risen by 15%. You have had a heaven-sent opportunity to remove the backlog.

You had sufficient staff to deal with the number of applications at their peak, and you took the opportunity to increase the fees. In addition, the number of applications declined, and you have an efficiency delivery programme, yet things have got worse. The number of decisions for each planner has reduced, and the number of decisions that each professional and technical officer dealt with has reduced from 108 to 85 over the past four years. It is a bit like trying to turn round an oil tanker. It seems that no matter what you do, things get worse instead of better.

Ms Smith:

I accept that application volumes are now at more manageable levels. Last year, we received approximately 20,500 applications, compared with over 36,000 at the peak. We can now make inroads into the live caseload, and we have been doing that. The live caseload has reduced to 12,000 cases, which is its lowest level for many years. It used to sit at around 23,000 cases, so we are mindful that we have an opportunity to tackle some of the old complex cases. We have been doing that, and we are seeking to keep the live caseload down so that we can manage new

applications, streamline those that we can so that the minor cases can be removed from the system quickly and focus on the cases that will make a big difference to the economy.

I accept that we need to look closely at output to ensure that we are delivering value. We have been focusing increasingly on complex cases. We have also been dealing with the backlog of appeal work and a range of other issues. I accept that we must focus not only on delivery-process times, which we have been doing, but increasingly on efficiency and on how we can show that we are being efficient.

Mr Lunn:

I will put on my double-jobbing hat briefly, and refer back to late 2007 and early 2008, when it became almost impossible for local councils to have office meetings or site meetings unless there were reasons that the Planning Service's development control officers could not ignore. The situation got so bad for Lisburn City Council that we almost withdrew from the process at one point. There has been an about-turn since then: was that an efficiency measure?

Ms Smith:

I will say a few words about that, and then ask Tom to respond. You are describing the review that we carried out. One of the outputs of our earlier reform programme, Planning to Deliver, which we undertook in 2002-03, was to examine carefully council consultation arrangements. The overall aim of that programme was to ensure that we were delivering more quickly and in a more transparent way. We reviewed site visits and deferrals in particular as part of the wider application process in order to ensure that we were dealing with those elements quickly and as openly as possible. Tom will talk about site visits, which I know are an area of concern.

Mr Tom Clarke:

There were pressures on development control at that time, as well as on management staff. We wanted to determine how we could focus on planning applications as such. There is no doubt that council consultation is very important; it is a vital part of our processing of applications. The procedures that had been set up in the late 1970s had fallen into misuse in some areas, but not in others. Some councils obeyed the rules and asked for deferrals when there were clear issues that needed to be addressed, but other councils took a different view.

At that time, we asked whether we could introduce a standard procedure that allowed

everyone to operate under the same rules. That meant that people in one council area were being treated in exactly the same way as people in another area. There were situations in which a council automatically deferred every refusal for a site meeting, but its neighbouring council did not take that approach. We felt that that was inequitable and was something that we had to address.

We decided to examine stringently the reasons for those deferrals, which was very unpopular with councils. Many councillors felt frustrated by that. That was unfortunate, and perhaps we applied ourselves too stringently, but we wanted equity across the board and to get fair treatment for all. We wanted to return to a system whereby applications were not automatically deferred for minor reasons.

Mr Lunn:

Am I being cynical again? Was it nothing to do with planners reducing the backlog? I will finish with a compliment: the present system of deferrals is working pretty well, and the streamlining process is excellent. I wish that you could streamline 80% of the applications instead of 10%.

Mr Tom Clarke:

We are at 50% at the moment.

Ms Smith:

We are not satisfied with that, however. We are trying to increase that figure. Working with Derry City Council, for example, we are extending the list of applications that are eligible for streamlining. That is one of the success stories. *[Mobile phone interference.]*

The Chairperson:

I ask everyone to check their mobile phones and make sure that they are switched off. It affects the quality of the recording of the session and makes Hansard's job much more difficult.

Mr Shannon:

Everyone should put their mobiles on the table. Then we will know who is to blame.

Mr McGlone:

Following on from Trevor's point, I was amazed by the application fees for single dwellings,

which most of us deal with. Some research was done for the Committee for the Environment earlier this year that showed that in Wales, England and Scotland, with full cost recovery, the fees for a single dwelling were 50% of the proposed cost here. I hope that there are lessons to be learned from GB, whatever they may be — not about e-PIC, I might add, but we will come to that in a moment.

I will begin with a compliment before we move on to the real business. I am heartened to see that Omagh has been performing well. Both officers that I have been dealing with — I am sure they will not mind me mentioning them; Gerry Hogg and Fiona McCandless — are excellent officers and good to be doing efficient business with.

By way of a bit of background to the e-PIC project — I will speak both as a former Chairman of the Environment Committee and as a public representative for whom the taxpayers' interests are at heart — I met with Mr O'Reilly's predecessor Mr Peover, the then permanent secretary, at the Department on 16 March 2009. At that stage, it was to express my concern on behalf of the Committee about general underperformance at the Department. I am aware that you are trying to pick up some of that legacy now.

At the tail end of that meeting, he briefly referred to the income issues with the Planning Service that you have elaborated on. There was then a follow-up Environment Committee meeting on 30 April, at the end of which he proposed — or briefly alluded to — an increase of 20% in planning fees. You may not be aware of that, Mr O'Reilly, because you were not there at the time, but I am sure that other officials will be. Many people in private industry, and consumers in general, could not believe what they were hearing. He also referred to the fact that, if the Department were running a business, it would be laying off considerable numbers of Planning Service staff.

A follow-up meeting to that was held with officials; I think that you were there. Unusually, at no stage during those discussions about pay, and the difficulties with income in the Department and the Planning Service, did any official volunteer any information about the debacle that e-PIC has become. At one level, we were being asked for an increase in fees of 20%, yet, on another level, the average punter, Joe Bloggs, would be entitled to ask how money was being spent like it was going out of fashion. It was only on 25 June, during a discussion on the monitoring round, that members sought further information about the overspend on e-PIC, and the fact that it was

projected to potentially be almost four years overdue.

Given the nature of the drip feed and the reluctance to volunteer any information about the difficulties associated with e-PIC, as elected Members representing ratepayers' and taxpayers' interests, is there anything else we need to know about it? Are there no other skeletons in the cupboard? There were ample opportunities to explain the £7.2 million overspend debacle. Is there nothing else that we need to know while we are here?

Mr O'Reilly:

I can give you the most up-to-date position that I am aware of in respect of the e-PIC project. As you have highlighted, and as is analysed in the report, the costs of e-PIC have increased. The capital costs of the project in particular have increased substantially by roughly 130%, as the report highlights. As I am sure you know from previous briefings, that reflects the additional work that was required in the development of the new system; in particular, the unanticipated complexities of adapting what was essentially a planning software platform that was used in England, Scotland and Wales to Northern Ireland circumstances.

In answer to your basic question, the information as set out in the report, particularly in figure 24, summarises, to the best of our knowledge, the current financial position and anticipated cost of the e-PIC project.

Last week, we briefed the Environment Committee on the position, but to bring you fully up to date, we are still seeking additional allocations through the monitoring rounds from the Executive to provide additional capital expenditure for the e-PIC project this year. We are hoping that that will be resolved in the December monitoring round.

Mr McGlone:

I have noticed in the information subsequently requested by the Committee that there is a difference, as the capital costs have gone up from £12.7 million to £12.8 million. That begs the question: where are the costs going? In fact, had it been run as a business with more transparency, a Committee of the Assembly would not be referring the whole project to the Audit Office for further scrutiny. Lessons may be learned there.

Ms Fleming:

I would like to clarify a couple of matters. Colleagues from the Department reported on the e-PIC project every quarter during monitoring, and I know that the Environment Committee was very interested in e-PIC. On that basis, we invited the Committee on three occasions to a demonstration and briefing on e-PIC. Therefore, I am concerned by the misconception that officials or anyone else in the Planning Service have not been open about the matter. In fact, on one occasion, Mr Beggs came and saw a demonstration of e-PIC and received a briefing on it. Therefore, I am sorry if there was some kind of misunderstanding there.

Mr McGlone:

I have to say that, at no stage, was that information volunteered. In fact, it was only following further scrutiny of your colleagues during the monitoring round that the full detail of information regarding the project's overspend was produced to us in written form. If information were provided to Mr Beggs on his visit, I would have presumed that it would have been forwarded to the Committee for its deliberations, but clearly that did not happen.

The Chairperson:

It is important that people do not stray into matters that are being dealt with by other Committees. We are discussing the Audit Office report.

Mr McGlone:

I appreciate that this was referred by the Environment Committee. Therefore, in that regard, there is a bit of an overlap, and it was referred to the Audit Office.

There has been a bit of embarrassment around the place, and there has been interest in the matter from the media and public representatives at local government level. How fit for purpose is the Planning Service in respect of being ready, capable and resourced to transfer over to the local authorities, given the nature of the report? I have spoken to people, and they are clearly concerned at the shortcomings that have been highlighted in the report.

Mr O'Reilly:

Since I began working with Planning Service, it is evident, and it is clearly reflected in the report, that the Planning Service has faced significant challenges in the past few years. Indeed, it has not fully responded to those challenges, and performance has deteriorated in previous years. Again,

that is reflected in the report. However, there has been a significant improvement in performance, particularly over the past couple of years. That is down in part to the better conditions in respect of the volume of applications being processed. Therefore, what will be handed over to local government will be among the lowest levels of outstanding applications — around 12,000.

We are continuing with the arrangement that the development management function will continue to be covered by the planning fees charged. Therefore, the key focus for us at the moment is to ensure that we align and get the right balance. To some extent, there are conflicting objectives. We need to ensure that the right number of professional staff are in place at the right time and that the planning fees are held to the lowest possible level consistent with that. However, the service must be properly structured to ensure that each of the new councils gets the service and the quality of support that it will need to perform its new functions.

I will ask Cynthia to supplement my remarks with details of some of the work that is being done to achieve that.

Ms Smith:

I recognise that the report does not make comfortable reading. We have not been able to meet our targets for the reasons that it outlines; nor have we been able to reach the adequate levels of customer satisfaction that we would wish.

Clearly, we are now in the position, with volumes down to more manageable levels, to finally start to meet, for example, two of our processing targets and operational targets, and the Department should be able to meet PSA targets for PPSs. I understand that we will not reach targets for development plan coverage for the reasons that are set out in the report. However, we are committed to handing over a reformed and better functioning Planning Service to local government. We are absolutely committed and determined to achieve that.

We reassure you that we are starting to meet operational targets now. We are on track to meet them. We are focusing on economically significant applications. We have talked about streamlining, which is having a significant impact. We are trying to change the organisation's culture and to adopt a more proactive approach to facilitate development. For example, we have introduced pre-application discussions; we have a good practice guide; we have multidisciplinary teams.

We are finally working closely with local government through implementation structures so that we can ensure that there is smooth transition to new arrangements. Inevitably, transitions are difficult times. We want to be realistic about what we can achieve. We are absolutely determined to ensure that we hand over a system that is, frankly, delivering better than the report shows that it has done in the past.

Mr McGlone:

I certainly hope so. I am conscious that many of the officials who are present have inherited quite a bit of that.

Paragraph 4.17 shows that e-PIC is three years late. The capital cost estimate has risen by 130% and the anticipated benefits of £3.5 million have not materialised. Can you tell us why that business-critical project has gone so badly off the rails despite alarm bells sounding in the health check reports?

Ms Smith:

Clearly, we are frustrated that the project has taken so long and has gone over budget. I appreciate the frustration that that has caused. It is a key reform project, both for us and wider e-government planning. Delays have arisen for a number of reasons, including the complexity of the solution and a range of other issues, such as staffing. I will ask Marianne to give you further details.

Ms Fleming:

The project overran in time and budget for a number of reasons that can probably be summarised into four main areas. First, the dimension of the project that had been based on a piece of planning — *[Mobile phone interference.]*

The Chairperson:

I must remind people again that a phone or electronic device is operating. People must ensure that they are switched off because they interfere with recording equipment.

Mr Donaldson:

My phone is off.

The Chairperson:

I am glad to hear that. Everyone's phone must be off.

Mr O'Reilly:

Chairman, could I be permitted to check my bag, please?

The Chairperson:

OK. I appreciate that. Carry on.

Ms Fleming:

Thank you. One reason is the dimension of the modifications and additions that had to be made to planning software, which was procured on the Planning Service's behalf from a system that has been operating since the early 2000s in local planning authorities in GB. The work that was required to modify and make that software appropriate for the planning system in Northern Ireland was seriously underestimated.

It took a considerable time to agree the additional requirements that had to be made to that basic framework. When we got into the development stages of the project, there were a lot of very major technical challenges. A suite of software had to be integrated successfully. That was not helped by the project, in the early stages, going through high levels of personnel turnover, particularly at project manager and software development grades. That was very unfortunate. It meant that there was a loss of continuity and experience. Unfortunately, that turnover was unavoidable.

The fourth main reason was that things have changed in the passage of time since the project was initiated. We have had new legislation and we have made changes to our processes. Things do not stand still. Clearly, additional modifications had to be made to the software to bring it up to date.

Those were the four main reasons for the difficulties that were experienced, particularly during the early stages of the project. I assure members that all of the gateway review recommendations were implemented. In fact, the most recent gateway review indicated that the project has now turned around and is on a very sound footing. It is currently at an advanced

stage, and we look forward to having it implemented before June 2010.

Mr McGlone:

I am glad that Ms Fleming referred to those issues. They also seem to have been alluded to briefly in the letter that we have before us. Paragraph 4.18 seems to point to the nub of the e-PIC problem, which you mentioned. Frankly, the Planning Service or the Department bought an off-the-shelf package that was not suitable for our needs. The amount of change that was needed was underestimated.

I know, from responses to Assembly questions, that £600,000 was paid for consultants, specialist legal advice, et al. Have you been able to recoup, or have you made an attempt to recoup, any of the money that was paid to consultants? It looks like they gave very poor advice. Who is likely to pay for any further unexpected changes that may pop up between now and when the councils take over, and, indeed, after that, if some of the councils find that it is not fit for purpose?

Ms Fleming:

Are you talking about the technical consultants, who supported us with e-PIC, or are you talking about the consortium of contractors?

Mr McGlone:

You engaged consultants.

Ms Fleming:

Yes, we did.

Mr McGlone:

They provided poor or inadequate advice, or advice that led you to buy something that was not fit for purpose, as you outlined —

Ms Fleming:

Planning Service obviously took advice from Central Procurement — *[Inaudible due to mobile phone interference.]*

The Chairperson:

There are only so many times that I can ask for mobile phones to be switched off. Please carry on, Marianne.

Ms Fleming:

The procurement exercise and contract negotiation was managed by Central Procurement Directorate on behalf of the Planning Service. It was recognised that we could not buy an off-the-shelf package for e-PIC. The decision was made to procure a system that was based on the planning system across the water, but it was recognised that some modifications would have to be made. I suppose that the dimension of the modification was underestimated.

The strategic advice that we received from consultants has added value to the organisation. It provided us with strategic advice and it meant that we could look at strategic options on the way forward for e-PIC. It also helped us with the business case.

The consultants were also involved in carrying out key pieces of work on the project, because it was simply not possible to get experienced staff from within the Civil Service to take forward those pieces of work. They helped us with strategic advice and also provided practical assistance in pushing forward the project.

Mr McGlone:

Who gave the advice that put the whole thing askew at the start? Was it Central Procurement Directorate?

Ms Fleming:

Let me explain. We took advice from our procurement colleagues. They invited tenders against a high-level, output-based specification. That is what the various bidders were asked to tender against. We were encouraged to do that, and, at the time, it was good advice — to offer the bidders the opportunity to bring creativity to bear and not to stymie their proposals by insisting on a defined way of obtaining those output specifications. That was the advice from Central Procurement Directorate, good advice at the time, and that was the basis on which the e-PIC project was procured.

Mr McGlone:

It is in the documentation before me that you had to seek specialist legal advice on that. Did that legal advice state that one person was liable or responsible or that one organisation was responsible,

because a contract had gone pear-shaped?

Ms Fleming:

I do not want to go into the details of the legal advice.

Mr McGlone:

No. Just give us the conclusions of it.

The Chairperson:

I advise you against going into the details. Please keep your answers succinct. We must move on.

Ms Fleming:

The advice from the lawyers was that it was not straightforward. It was an old-model contract that had many limitations. On the basis of the advice that we received, we negotiated robustly with the contractors to reach an agreement on how e-PIC could be completed. That formed the basis of the business case, which was then subsequently approved by the Department of Finance and Personnel supply division.

Mr McGlone:

So the problem was with an old-model contract?

Ms Fleming:

That was a part of the problem.

Mr McGlone:

Who drew up that contract?

Ms Smith:

If I could intervene, that was the form of contract that was used at the time.

Mr McGlone:

By Central Procurement Directorate?

Ms Smith:

Yes. It was used throughout, but that form of contract is no longer used.

Mr McGlone:

Is it fair to conclude, then, that the legal advice said that the old-model contract led you into making a series of decisions that led to the problems that we now face?

Ms Fleming:

It was not helpful. In the old-model contract, there were, for example, no provisions to impose penalties on the contractor.

Mr McGlone:

So you redeemed nothing from the contractor? Basically, the flaw was with the contract?

Ms Fleming:

It was not helpful.

Mr McGlone:

Well, was it unhelpful?

Ms Fleming:

Certainly.

Mr McGlone:

You need not dance on the head of a pin. We are here to discern where the problem lay.

Ms Fleming:

It was not helpful.

Mr Donaldson:

Could I come in on that point? The external health check, which was undertaken before the contract was signed, expressed several concerns relating to the project management, staff resources and training. I am curious to know why, when the health check report highlighted that before the contract was signed, changes were not made to the project management and staff

resources that were available. Those do not seem to be issues that were necessarily the product of a bad contract.

Ms Fleming:

Absolutely.

Mr Donaldson:

They are management decisions, taken despite the clear concerns that were highlighted in that health check. I wonder why the Planning Service proceeded, despite all that, to do what it did. The consequences were significant.

Ms Fleming:

The recommendations from the early health check related to ensuring that staff were trained in project management. Recommendations were made that the project board and the governance arrangements be tightened and focused. All of the recommendations from that early health check, and the two subsequent health checks, were implemented.

Mr Donaldson:

Were the changes that were recommended in the first health check report implemented prior to the contract being signed?

Ms Fleming:

Yes.

Mr Donaldson:

Why did you describe the contract as being “not helpful”?

Ms Fleming:

The issues that came out of the Gateway health check were to do with ensuring that the Planning Service looked at its project management and governance, making sure that experienced and skilled people were running the project and making sure that the e-PIC project board would be effective. Those issues are associated with, but slightly different from, the contract with the contractor for the supply of the software for the e-PIC project.

Mr McGlone:

We need more clarity from the Department. Either the old model contract had an impact or it did not. Either Central Procurement Directorate recommended the decisions that managers at Planning Service took, in spite of — or prior to — advice being given, or it did not. We are not getting the clarity that we need, given that there has been a major overspend and a major overrun on a significant project that affects councils.

By the way, were officials in the chain of management paid efficiency bonuses for their oversight of the project? We can have that information provided to us.

The Chairperson:

The witnesses may not have that detail of information with them. However, the question has been posed, so perhaps the Department can submit an answer to the Committee at a later date.

Mr O'Reilly:

I am aware of the time issue today. However, I listened to Mr McGlone's concerns, and the point is that the contract that was used was the model contract that was in use at the time. That model contract was not good at dealing with the type of situation that arose, whereby, after the contract was signed, it became apparent that the project was more complex and raised more difficulties than the Department, the Planning Service or contractor had anticipated when the contract was signed. The old contract was not well enough equipped to deal with that sort of situation.

From personal experience of using the new contract in some of the other major procurements in other parts of the service, I know that it is much better at dealing with those sorts of situations and ensuring that, where responsibility is shared — for example, between a contractor and the contracting Department or authority — there is a much better and stronger mechanism for sharing liability and the costs of putting things right. To that extent, the old contract was not helpful in managing the situation that arose.

Ms Fleming:

Can I add something?

The Chairperson:

Please be brief.

Ms Fleming:

At the time, the Office of Government Commerce (OGC) rigours, which now make up the OGC Gateway approach to complicated ITC projects, were not in place. At the stage that the project was initiated, the same due diligence that is now required under that much more rigorous approach was not given to projects. Had there been that provision, it is clear that there would have been more of an opportunity to establish the dimension and complexity of the project. The issues were to do with the approach that was taken to procurement and selection at the time, the lack of due diligence and the old model contract, which, when difficulties arose, limited what Planning Service could do.

Mr McGlone:

Correspondence on the matter dated 10 July refers to:

“the legal opinion and the advice received from CPD, the OGC assessor and the technical consultant, negotiations with HP, led by colleagues in CPD, were completed in October 2008, which determined which items were outside the scope of the e-PIC contract and the additional costs to develop an integrate these.”

It might be useful if we got a breakdown of the items that were outside the e-PIC contract and of the costs that are associated with their development and integration.

Ms Smith:

That is fine.

Mr McLaughlin:

Could we agree that describing the contracts as “not helpful” is not sufficient? They were either deficient or inadequate. “Not helpful” is a nebulous description. There was no protection for the public purse. They were deficient; that is why we abandoned them.

Mr Dallat:

I will be brief. In the private sector, is lack of due diligence not a sackable offence? I see that the Department was awarded an Investors in People award. That is a high award, is it not? However, its award to the Department certainly does not match the findings of the report.

Mr O'Reilly:

I would not say that all aspects of the report are inconsistent with the Investors in People award. That award focuses on how people and organisations are equipped to respond to the challenges that they face.

Mr Dallat:

Exactly. On a positive note, I have to say that recent responses have been much better. However, for many years, elected representatives had to live in a world in which there were no responses. It was impossible to have any communication. I know a group that went through the Investors in People award recently; the award is worth its money, and groups need to work for it. However, even now, communication in the Department is not particularly good, and it puts developers back. A simple phone call to a developer to say that something is missing would solve a problem and avoid a trip to the council, a deferral, office meetings and all that nonsense. I say that in a constructive way.

My question has been rolled over a few times today. However, I want to highlight the fact that the number of applications and the number of targets have fallen. I will accept a brief answer, because I have a feeling that you have responded to that point already.

Ms Smith:

We have answered that.

Mr Dallat:

We will leave it at that. Do Departments appreciate that, in the present economic doldrums, they need to work together to try to get building projects off the ground? Some time ago, I was told that an application for a new hotel near Portrush would have to take its place in the queue because a pigeon loft was being considered first. Am I to assume that such situations no longer exist? I was quoted equality laws and told that the hotel could not be put at the top of the queue because the man with the pigeon loft might complain. I am conscious of time today, so I am just illustrating the nonsense that has gone on.

Ms Smith:

The whole thrust of our approach now is on proportionality and on ensuring that the projects that will make a real difference to the economy and to society in Northern Ireland are given priority.

We issued guidance to staff about prioritisation, particularly for cases where grant aid is dependent on a project. That guidance should ensure that projects get the attention that they deserve.

Mr Tom Clarke:

The strategic projects teams were created to focus on major applications and to ensure that they are not delayed unnecessarily. As well as dealing with applications that are made under article 31, which are the bigger projects, they deal with local applications, such as the example of the hotel that Mr Dallat mentioned in the Coleraine office. If such a project has been delayed, we will process it speedily at headquarters. That is why we exist and why we have developed multidisciplinary teams to gather all competent consultees around the table. That point has been raised a number of times. It is a big assistance to have control over the consultees in that context.

I reassure the Committee that, in the five or six months since April, all the applications in that group have been approved. Indeed, we have processed 13 to date. The average processing time is about 6.5 months. The Bombardier factory, which is part of a £520 million project, and the Radox factory, which is a £15 million project, are in that group. Furthermore, the article 31 applications include the Titanic Quarter with the signature project in the middle of it. The teams have focused on those applications. We are on the ball with that bigger group and with those that have significance for Northern Ireland, and we are delivering them quickly and generally positively.

Ms Purvis:

I will be brief, because I have to leave the meeting. Page 51 of the report details the PEDU review of November 2008. The action plan was implemented very quickly, and one could argue that it had obvious improvements. Why do you think it took an external review to put those improvements in place?

Mr O'Reilly:

I have the benefit of starting on one side of the PEDU review and moving to the other. Cynthia can outline how the Planning Service managed the exercise, but the purpose of the review — and, indeed, the purpose of PEDU reviews generally — is to provide departmental business areas with an external perspective on identifying issues or problems. In general, rather than using external consultants, our philosophy was to use a combination of skills, whether from the Department of

Finance and Personnel (DFP) or, in this case, from the Planning Service itself. It was an opportunity for people to stand back alongside people from elsewhere in the system to examine problems in a particular area. The initiative for the review came initially from the Planning Service.

Ms Purvis:

Are they so close to the problem that they cannot see it?

Mr O'Reilly:

That is the approach behind the initiative. When you are up to your neck in difficulties and overwhelmed by demands from one day to the next, it is sometimes good that people from elsewhere in the public sector can come in, examine the issues and help you to stand back from the day-to-day pressures that you are facing. That was the reasoning behind the PEDU review.

Ms Smith:

We welcomed the collaboration, and we worked closely with the PEDU team. It liaised with staff who were involved in the processes and listened to their ideas about making improvements. It was heartening to have an independent validation that could support our streamlining programme and that said that many of the initiatives that we had already put in place were on the right track. It gave us an added impetus and a sharper focus, and we were able to produce the good practice guide, which came out in June, the aim of which was to change the culture and to have a more proactive facilitating role, rather than what we did previously. It gave us an added impetus in renegotiating the key service level agreements and re-examining the PSA 22 target. A range of outcomes that arose from the PEDU review was being initiated already. The PEDU team indicated that a live caseload that had a volume of around 12,000 would enable us to meet our processing targets, and that has proved to be the case.

Ms Purvis:

Surely that is the role of management in the agency anyway.

Ms Smith:

It is indeed, and many of the recommendations added a particular focus to work that was already under way. The PEDU approach to a review is to consult the staff of the body that it is reviewing so that it can come up with ideas and a particular focus. Therefore, it is not surprising that there

was a close mix and match in that the ideas that staff came up with were to do with work that they were already involved in, for example, focus groups and reform projects.

Ms Purvis:

In his introduction, Mr O'Reilly mentioned the time frame for bringing forward reform. Has the date moved? It was scheduled for 2011.

Mr O'Reilly:

No. The Chairperson asked me about the timescale for the completion of an internal review of corporate services. That is due in January 2010.

Ms Purvis:

Paragraph 4.25 says that the reform of the planning system is scheduled for May 2011. Do you expect to have met your PSA targets and to have e-PIC up and running by then?

Ms Smith:

We have a number of PSA 22 targets, which are important to the role that the Planning Service can play in supporting a vibrant economy.

We are already meeting two of the processing targets for intermediate and minor applications, and we are confident that we will also be able to meet the major processing targets with our current resources. The Department is also on track to meet the PPS targets. We will not be able to meet the target for complete development plan coverage by 2011. However, we are liaising with local government to work out pilot schemes, and we are ensuring that the relevant information and data are available to enable councils to initiate their own development plans once the transfer of functions is under way.

On top of that, we are initiating a whole programme of planning reform for short-term measures, which we discussed this afternoon, and for the legislative proposals that will allow us to transform and transfer the process. We are working hard to ensure that that reformed system and the legislative changes that we need are in place for 2011. Since the completion of the consultation, we have been working hard on proposals that will enable us to get legislation in place to effect the longer-term reforms and the transfer of functions to local government in time for the May 2011 elections.

Ms Purvis:

What about e-PIC?

Ms Smith:

To give visibility to the project, we have already had a number of early releases, including a fee calculator, a development plan viewer and an advice system. We are going to progressively start the roll-out throughout the divisional offices next year, and we hope to have that completed by the summer, which will mean that by that stage, people will be able to apply online for their planning permissions.

The Chairperson:

Members can now ask their supplementary questions.

Mr McLaughlin:

Paragraph 3.12 says that in recent years Planning Service has lost 90 professional staff, many of whom were very experienced. In response to a query that was raised during the Committee's hearing on the use of consultants, the then DFP accounting officer wrote to us saying that there had been only two cases in the previous five years when there had been a concern about former planning officials working in areas that might give rise to concern. I was pursuing that issue at that time, and I have to say that I was surprised that the figure was so low. Although I absolutely accept the integrity of the information that we got and of the person who supplied it, that issue raised a question about whether the Planning Service is confident that it is doing enough to identify potential conflicts of interest when staff leave the agency to work in the private sector.

Ms Smith:

I acknowledge your point about the importance of ensuring that Planning Service staff who leave the organisation, whether they retire or resign, maintain ethical standards when it comes to whatever information they might have gleaned.

Mr McLaughlin:

Do you have mechanisms in place for dealing with that? Are there written protocols?

Ms Smith:

Yes. Paragraph 6.01 of the HR handbook actually outlines the standards of conduct that civil servants, including Planning Service staff, are bound by when they resign or leave the Civil Service.

Mr McLaughlin:

If a planner intends to move from the public sector to the private sector, are they obliged under that protocol to notify Planning Service of their intention, and do they require permission?

Ms Smith:

Key Planning Service staff are advised of the provisions of paragraph 6.01 of the handbook when they leave the Civil Service. I have to say that how we enforce those provisions once people leave the service is an issue.

Mr O'Reilly:

Just to supplement those points, there is a distinction drawn between civil servants generally and members of the Senior Civil Service who leave for whatever reason and take up employment elsewhere. As I recall, there is a requirement for up to two years after senior civil servants leave for them to notify the Government of their intention to take up employment elsewhere, and that is then reviewed to ensure that none of the concerns that you referred to arise.

For staff at other grades in the Civil Service who leave to take up other employment, a balance has to be struck between the issues and concerns you identified. Basically, those individuals have the right to move to another employer if they so wish. However, there is a general specification that any issue that could cause a conflict of interest should be highlighted; for example, if staff have been involved previously in a commercial relationship or in a planning issue in their official role.

Mr McLaughlin:

Is it a voluntary code whereby they declare a possible conflict?

Mr O'Reilly:

No; it is specified in the internal handbook's terms and conditions of service.

Mr McLaughlin:

What happens after they have left the public service and become private individuals?

Mr O'Reilly:

As I said, there is a specific requirement on former members of the Senior Civil Service to notify for up to two years, but not, as I understand it, for other civil servants.

Mr McLaughlin:

I am trying to work out the significance of the distinction. Do you regard as senior personnel someone who has worked in the Planning Service for a considerable time — someone who is very experienced and may even have contributed to the development of the planning policy guidance — and who then moves on? Who do you regard as senior? They may not be at the pay grade of senior civil servants, but they would be regarded as senior planning officials.

Mr O'Reilly:

Those rules can be applied relatively easily to most people. Like most of these things, it does not affect the 20,000-plus people. However, there are people in certain parts of the public sector for whom, as you said, regardless of their grades, those issues can arise. One can think immediately of staff in the Planning Service or staff who have been involved in Invest NI or in economic development activities where they would have had a fairly intense role to play as public servants with outside private and commercial interests.

In those circumstances, the code states that there is a requirement for civil servants to obtain Government approval if they have had access to commercially sensitive information or if they continue to have dealings with prospective employers in their previous or next capacities. Furthermore, they must fulfil that requirement if there is any potential of them benefiting from their respective employers and where an offer of employment could be construed as a reward for their service in the public service. Those issues must be dealt with on a case-by-case basis. It is less specific for people in grades that are below the Senior Civil Service level, but, as you said, those issues can arise with people such as planners.

Mr McLaughlin:

Are mechanisms in place to enable your staff to report incidents where they identify former

employees working on cases that they had previously dealt with as public servants?

Ms Smith:

There are broader whistle-blowing arrangements in the Department that apply to a wide range of situations. We have robust arrangements in place to deal with potential fraud, although I am not saying that fraud is involved in what we are discussing, and that extends to having a fraud response plan that ensures that if there are any reports of fraud, they are reported immediately to the Comptroller and Auditor General and investigated straight away. We have our own internal audit team that is trained in fraud investigations, so we have robust arrangements in general terms, and we are alive to the risk of fraud. We are rolling out anti-fraud awareness training to all our staff, and we are looking at what arrangements might be appropriate for whistle-blowing, not only internally but externally. Therefore, people with concerns can feel comfortable about raising any concerns that they may have.

We are contacting other organisations and our colleagues across the water to ensure that if any other arrangements might be appropriate, we ensure that they are in place.

Mr McLaughlin:

Do the people who are carrying out the audit and who are trained in anti-fraud measures not only look at current employees who may or may not be suspected of being involved in impropriety but track former employees who are now working in the private sector who may be demonstrating a conflict of interest because they are working in a private consultancy capacity on projects that they had dealt with previously while they were members of the Planning Service?

Ms Smith:

I am not aware of anything being reported to us as you described. We have always given the undertaking that we will investigate concerns that anybody inside or outside the service has about impropriety or misconduct in relationships and dealings with Planning Service.

Mr McLaughlin:

Would the audit committee have been the source that the DFP accounting officer was depending on when he indicated that there were only two such cases?

Ms Smith:

I am not familiar with the information that the DFP accounting officer provided at the time. I will investigate and let the Committee have the details.

Mr McLaughlin:

That brings us full circle. My earlier question asked whether sufficient safeguards are in place, because a problem could exist that has not been not detected. I am not making allegations or dealing with specific cases, but I was a councillor for four terms before I became an MLA in 1998, so I have been around the system for a long time, and I know that issues exist.

I am relieved and reassured to hear that you have a trained group of people in the internal audit team. However, how often are they reviewed, not for any impropriety, but for their effectiveness? Are they giving us the necessary assurance? Does that team have any independent members?

Ms Smith:

No; it is an internal Planning Service team. We set it up because we were alive to potential risks and wanted to provide reassurance that we had sufficient and adequate control measures in place. That team is trained in fraud investigations.

Mr McLaughlin:

I see a significant distinction between the word “reassurance”, which can be self-serving, and the word “assurance”. One can stand over assurance, because it is evidence based. Are you sure that you have assurance? You may have reassurance, but that might not be good enough.

Mr O’Reilly:

Rules in the Civil Service HR handbook cover those circumstances, which require people to do certain things in certain instances. You are asking whether it is effectively policed at the moment.

Mr McLaughlin:

Is it effectively policed by the current arrangements?

Mr O’Reilly:

Yes. I think that that is the question that you are asking us.

Mr McLaughlin:

I find it surprising that there are no independent members on the team. Would there be any benefits if the team had that degree of objectivity? The Planning Service, like anything else, has a collegiate approach, which it should have. We should encourage that, but should it be policing itself?

Ms Smith:

We report all frauds to the Comptroller and Auditor General, and they are also scrutinised by our audit committee. Our audit committee chairperson is about to be replaced by an independent board member. Therefore, arrangements are in place for dealing with fraud. Any allegations of fraud or ongoing fraud cases are reported to the Planning Service audit committee and to the departmental audit committee, which also has an independent chairperson.

Mr McLaughlin:

I am not raising any issues about the reporting system, which seems to be what one would expect. I wonder whether we are identifying the problem. I am quite certain that the reporting mechanism would work. I am also conscious that this Committee has no business getting involved in policy direction, so I ask that you write to the Committee on two points. If any consideration was given to the inclusion of an independent element in the audit committee, it would be very helpful to see first, what the arguments and the pros and cons were, and secondly, the current composition of that committee. Can you supply that information?

Mr O'Reilly:

I wish to respond to the range of points that you raised, so it may be helpful if you agree that we could set out in writing our response to those specific issues about people leaving and taking up employment elsewhere, what the arrangements are and how they operate.

Mr Tom Clarke:

Professional planners are subject to their own professional codes. If members of the Royal Town Planning Institute are seen to have acted inappropriately, they are vulnerable to challenge under the professional code and their membership could be in danger. That may not be the particular control that you want, but it does exist.

Mr McLaughlin:

It is in my interests to be constructive and helpful. I recognise that a lot of people who work in the system are dedicated and have complete integrity. However, there are issues that we must address, just as we addressed deficient contracts in the past. Let us take on board the lessons from that.

Mr Shannon:

I am mindful of the time, especially given that you have been responding to questions for two and a half hours. Your stamina is probably beginning to wane; our stamina does the same sometimes. The six concerns that are outlined at paragraph 2.24 on page 26 of the report are the reasons why the Department must improve. My comments are intended to be constructive, because everyone, including the Committee and you and your staff, wants to do better.

A paper that was published in June stated that pre-inquiries would be made. However, that has not really worked through the process yet, and I want to know how it will happen. I have talked to the planning officer about the plan to streamline the process. It is a good idea that every application that concerns fewer than five dwellings can go through a streamlined process; that will hurry up the system. Inexperienced officers need to work alongside experienced officers who can help and guide them. I know that the Planning Service lost a lot of experienced staff, but it still has plenty of experienced staff who can make the system better.

It seems logical that developers should be contacted before their application is refused. I understand that, with a minority of developers, the process is a war of attrition. However, the majority of applicants, whether developers or individuals, would be open to advice on making small changes to a road layout, for example, or the design of a single dwelling. Contact should be made at an early stage to enable such changes to be made. As I have said to Roads Service, the problem is not with the guys in the Department. Departmental staff are only human and can only do so much in this world. If they are inundated with a stack of applications, perhaps more personnel should be put into the Department to enable those applications to be processed.

We have heard that the Planning Service has received a brave bit of criticism from the Department. We are keen to see improvement — the Public Accounts Committee is all about acknowledging the negatives and making improvements. Cynthia, can you assure the Committee that improvements will be made?

Ms Smith:

I can provide that assurance. We are alive to the need to improve the planning process, and the impact of the reforms is beginning to feed through. I accept that there has been disappointment that we were not been able to get to this stage sooner. The reasons for that have been outlined, and they include the sheer volume of work that we faced. We are now able to respond proactively, and we are beginning to change the culture and meet some of our key targets. We need the support of other people, such as consultees, and high quality applications to be made. However, I am confident that, if we work together, the reforms can help to create a Planning Service that is fit for purpose and that sits at the heart of local communities.

Mr Shannon:

When responsibility is handed over, the councils will accept it gratefully, but they will not accept an undue burden.

Mr Beggs:

I return to a question that Jim Shannon asked earlier about the Downpatrick division, because I did not understand the explanation that was given. Figure 20 shows that the Downpatrick division has a very low average planning application caseload per planner, yet figure 10 shows that it is the worst performing division for processing applications, be they major, intermediate or minor. The division is performing very badly, yet it has a very low caseload per planner. The explanation seemed to be that the applications are mixed use. I am not sure whether that is because the division covers an area considered to be urban or rural, but it is doing badly whether it is compared to the Belfast division, which covers an urban area, or to any other division that covers rural areas of Northern Ireland. Do you not accept that there is a problem with Downpatrick division?

Mr Tom Clarke:

In my answer, I was trying to explain that the Downpatrick division deals with a lot of urban areas, including Bangor, Lisburn, Newtownards —

Mr Beggs:

The Belfast division deals with a lot of urban areas, yet its planners have a significantly higher caseload and it has a better performance.

Mr Tom Clarke:

A high percentage of the applications in the Belfast division are household extensions. The Downpatrick division deals with more of the highly complex cases that require a lot of additional information than the other divisions that cover rural areas. That slows down the processing times.

There were problems that we addressed. We took PEDU's advice and created a divisional support team to improve the Downpatrick division's performance. I was not ignoring that the performance for processing applications in the Downpatrick division was lower; I was just trying to provide an explanation. I also made the point that the Downpatrick division deals with areas where people take a lot of interest in planning, so the responses through advertising and representations are higher, which takes up more time for planning officers and holds up their processing of applications.

Mr Beggs:

You said that detailed time management for someone dealing with multiple cases could be very bureaucratic unless everything was computerised. I fully understand that. However, relying purely on the figures for the percentages of applications that are getting through in a certain time frame does not necessarily apply pressure on individual workers to perform.

Therefore, surely using the figure for decisions for each planner is a relevant criterion for measurement. I accept that a particular planner may get all the awkward cases because of his or her experience and that there may be a reason why a planner has a smaller number of applications than everyone else. However, the caseload for each planner in each office ought to be comparable and ought to be a measure that you can use to measure performance, along with the number of decisions that are overturned at appeal, which will show that decisions taken may not have been correct. Do you not accept that those are relevant measures of performance that you should be using in the performance management of your officers?

Ms Smith:

As I said in response to earlier questions, we discontinued the time-recording and unit-costing systems for very good reasons. Our focus had shifted, because people were saying that it was more important for us to get our processing times down to appropriate levels.

Mr Beggs:

That can be achieved only through an improvement in individual performance. Therefore, the spotlight needs to be on individual performance.

Ms Smith:

I accept that. Now that we are at a level in which we have a more manageable and proportionate workload, we need to start looking at how to show that we are delivering efficiency. I accept the point that is being made. We are actively looking to see whether our colleagues, who face similar problems and, although they operate different systems, are involved in similar reforms, have any measures in place. I am not aware of any of our counterparts that have unit-cost measures, but studies are been done in advance to see whether they are operating efficiently — for example those that examine fees. We will be looking at undertaking such studies to provide reassurance and an additional measure.

You mentioned cases being overturned on appeal. We look very closely at our performance with regard to the appellate function. A fairly small percentage of applications go to appeal. Last year it was around 2%, and of those, around 35% were overturned on appeal. We look critically at those appeals, and have arrangements in place to analyse their outcomes.

Mr Beggs:

How do those figures compare with other planning services elsewhere?

Ms Smith:

The rate here is around 35%. It is around the same rate — 34% or 35% — in other Administrations.

Mr Tom Clarke:

Yes; in England and Wales at the moment it is around 35%.

Ms Smith:

That is not to say that we are at all complacent or satisfied with that, but it is broadly similar to other Administrations. However, we want to continue to look closely at the outcomes of appeals to see whether there are lessons to be learned.

Mr McGlone:

I will pick up on Mr Beggs's point about Downpatrick. Cynthia, you and I have known each other for quite a while in a good professional capacity, and you are very capable and competent, but I have to confess that this stuff is bouncing out of the page. I do not find Downpatrick to be incredibly different to Craigavon or Omagh, where there are conurbations and big towns. I have already addressed figure 10 and figure 11, but I will move on to appendix 5. I accept that there may be contentious issues and a big wad of objections to major applications, and intermediate applications to a lesser extent, but I do not accept that to be the case with minor applications.

When one looks at the data for the respective years, there is a constant pattern of — how shall I put it — a slide down of performance in processing major, intermediate and minor applications. I do not accept that that is due to objections. There is a performance issue. It can be compared and contrasted with other offices where there are urban areas, and where there are objections. As I sift through the different types of application, I do not accept that the percentage of minor applications processed within 18 weeks in Downpatrick has reduced from 86% to 51% because of objections. There is a problem with getting the stuff out the door.

It will be interesting to hear the dig-down analysis of what that problem is; why things do not seem to be happening there, and why Downpatrick appears to be so unique in its delivery of the planning process and its determination of applications.

Ms Smith:

We recognise that there have been performance issues in that particular office, as we have recognised previously in the Craigavon office. We deployed a support team to assist the Craigavon office, and it has now increased its performance to match the performance levels of other divisional offices. Our next focus, which PEDU confirmed, is the performance of the Downpatrick office. There is currently a support team in that office to raise the performance. By way of reassurance to the Committee, Downpatrick was one of the offices showing the biggest improvements in recent months, so clearly the divisional support team is assisting that office to raise its performance.

Mr O'Reilly:

That is an important point. In the latest information relating to the first six months of this year — which is not included in the report — the two areas that have shown the largest percentage

improvements in their performance are Downpatrick and Craigavon. Those are the two areas that the Committee has rightly identified as key areas of concern in the Planning Service. That reflects the fact that interventions that are now being made are having an impact in the performance of both of those offices.

Mr McGlone:

Can we have access to those improvement analyses?

Mr O'Reilly:

Yes.

Mr McGlone:

That would be useful; thank you.

The Chairperson:

I have one last question, you will be glad to hear. The Comptroller and Auditor General's report shows that there have been failures to meet targets for delivering planning policies and development plans for processing planning applications, and for delivering a crucially important IT system that is needed to improve the planning system. I believe that there have been some significant failures, which have been highlighted in the report. Has anybody been held to account for those failures?

Mr O'Reilly:

In the sense that I imagine you envisage of disciplinary action or some other type of penalty that is imposed on an individual; the answer to that is no.

The Chairperson:

Is there a reason for that?

Mr O'Reilly:

I suspect that it is a question of how individuals, in their work capacity, perform in responding to whatever the outside environment throws at their workplace from one week or one year to the next. In the circumstances that the Planning Service faces, there have been shortcomings. Indeed, the Planning Service has not sustained a level of performance with which anyone is

happy. The question, however, is whether that is due to the sheer scale of the range of problems that it faced, or, indeed, whether individuals who were in post took actions that responded to those challenges effectively.

As we have discussed, there have been and continue to be improvements across a range of issues. Some of the actions that have been taken in recent years are now beginning to bear fruit in the Planning Service's improved performance. Therefore, I suspect that that is based on analysis of how individuals responded to particular circumstances and challenges that they faced at the time.

The Chairperson:

OK. Accountability is important. We all strive to achieve accountability mechanisms. Obviously, failures have been pointed out in that particular report. I do not know whether accountability mechanisms are good enough in Planning Service. Perhaps you should look at that. It is better to have mechanisms in place. Rather than waiting a number of years for service to improve, putting mechanisms in place can deliver that much more quickly. We must all learn that.

You will glad to hear that the meeting is finished. On behalf of the Committee, I want to apologise for the person whose phone has been causing interference. Someone is going to have a busy night responding to all of his or her missed calls. I understand that it is not easy to sit on that side of the table. I thank each of you, Tom, Leo, Cynthia and Marianne.