

Audit Committee Meeting	Agenda Item:
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Meeting Date	8 March 2012
Report Title	Internal Audit Reports - Planning Services
Portfolio Holder	Cllr Dewar-Whalley - Finance
SMT Lead	Mark Radford – Corporate Services Director
Head of Service	Brian Parsons – Head of Audit Partnership
Lead Officer	Brian Parsons – Head of Audit Partnership
Key Decision	No
Classification	Open

Recommendations	That the Committee consider the adequacy of the actions that have been taken by the Head of Planning in relation to the issues identified in two Internal Audit reports (Development Control Enforcement, Section 106 Agreements).
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Purpose of Report and Executive Summary

- 1.1 The reason for the report is to provide the opportunity for the Committee to receive assurance that issues identified in two Internal Audit reports relating to Planning Services have been addressed.

2 Background

- 2.1 This Audit Committee meeting on the 25 May 2011 received the Internal Audit Annual Report for 2010/11. The report included summaries of the various audit projects that had been completed by the audit team over the financial year 2010/11.
- 2.2 Members expressed some concern regarding the outcome of the audit of Development Control Enforcement, which had been carried out in September 2010. The audit report concluded that only limited control assurance was in place at the time of the audit. The key issues arising from the audit were that:
- There was no policy or strategy in place setting out the objectives of the Planning Enforcement process
 - Enforcement staff did not have access to the Headway planning system to use its full potential
 - There was a need to improve procedures over the management and monitoring of cases where a breach has occurred to ensure that the appropriate action is taken as soon as possible.

The Head of Planning had confirmed in his action plan that the recommendations were accepted and that all of the programmed actions would be completed by March 2011.

- 2.3 The Head of Planning was in attendance at the meeting. In response to questions from Members he explained that a report on the formation of an Enforcement Service Strategy would be considered by Cabinet on 8th June 2011. He outlined that it had taken longer to produce the report than originally intended to ensure Cabinet Member views were being addressed and due to reporting times through to the Cabinet. He explained that a key issue that was being addressed was the need to develop the Headway IT system. The Head of Planning explained that they were in the process of implementing an enforcement 'add-on' system which would record how long it took the section to deal with complaints. It was hoped over time that this logging system would be accessible to Members and the general public. However, this would take three to four years to implement. He stated that more transparency was required around longstanding enforcement cases and the consideration of taking enforcement action where appropriate.
- 2.4 The Development Control Enforcement Internal Audit report was subject to a follow-up on 6 February 2012 to establish whether the action plan completed by the Head of Planning had been implemented in practice. The follow-up had been delayed at management request, pending formal consultation on the enforcement strategy which was due to end on 31 January 2012. The follow-up identified that 6 of the 9 actions had been delayed pending consultation and agreement of the Planning Enforcement Strategy and Service Charter and also due to delays surrounding the implementation of the Headway System upgrade.
- 2.5 The follow up confirmed that the enforcement strategy consultation process had ended on 31st January 2012 and that the Strategy will be formally approved for implementation by the 1st April. The agreement of the Strategy and Charter will now enable a full range of performance targets to be set and enforcement action to be more closely monitored and reported.
- 2.6 Although delayed, planning database systems developments (Headway) have now been implemented, allowing progress to be made - including officer training and improved performance monitoring and reporting.
- 2.7 At the time of the original audit it was concluded that the controls in place provided a limited level of assurance. Following satisfactory completion of the actions as outlined above, it is considered that the level of controls assurance will improve to 'substantial'.
- 2.8 The Audit Committee meeting on 14 December 2011 received the Internal Audit Interim Report setting out the work carried out by the Internal Audit team during the first six months of the 2011/12 financial year. The summarised reports included the results of an audit of the arrangements for Section 106 Agreements.

The audit concluded that only limited control assurance was in place at the time of the audit (June 2011). The main issues arising from the audit were:

- Additional user licences were required to allow all departments involved in the S106 process to monitor progress
- The S106 Officer needed additional training to be able to maximise the full monitoring and reporting benefits of the S106 database
- Proactive monitoring of developer progress towards reaching trigger points was not taking place, resulting in the Council being potentially unaware when S106 monies become due
- The central debtors system was not being used to ensure that outstanding financial obligations are brought into the Council's accounts on a prompt basis
- The spending of S106 monies was not being monitored in order to be able to confirm that they are being used in accordance with the terms and conditions of the respective agreements.

All of the recommendations were accepted by the Head of Planning in an action plan, which states that the actions will be implemented by March 2012.

- 2.9. A Member referred to the audit of Section 106 agreements and raised concern at the Council's arrangements for monitoring agreements. He considered that it was difficult for Councillors to monitor progress with Section 106 agreements and the process needed to be more transparent.
- 2.10 Members discussed this further and stressed the importance of this issue for the Council and local communities and the need to maximise Section 106 contributions from developers. They resolved that the Head of Planning should be invited to a future Audit Committee meeting to update the Committee on improvements to the Council's arrangements for monitoring Section 106 agreements.
- 2.11 An audit follow-up to the report was carried out on 6th February 2012 where it was confirmed that 5 of the 10 recommendations had been implemented, and the following remaining actions were in the process of being completed:
- a) a new working group has been appointed which will monitor satisfactory utilisation of S106 funding
 - b) Improved monitoring reports will be provided to Planning Committee on a quarterly basis to report on the satisfactory delivery of S106 obligations
 - c) IT Access controls over the S106 database will be progressed and resolved in a timely manner.
 - d) Additional resource allocation has been agreed for the S106 Monitoring Officer, making it a full-time post. This additional resource is expected to be in post by June 2012.

2.13 At the time of the original audit it was concluded that the controls provided a Limited level of assurance. The follow-up has allowed the level of assurance to be reassessed and following the implementation of the audit recommendations it is considered that the level of controls assurance has improved to Substantial

3 Proposal

3.1 The Head of Planning is attending the meeting to explain the progress that has been made in relation to Development Control Enforcement and the arrangements for Section 106 agreements.

4 Alternative Options

4.1 The Head of Planning is attending at the request of the Audit Committee. There are no alternative options.

5 Consultation Undertaken or Proposed

5.1 The Internal Audit reports referred to earlier were subject to discussion with the Head of Planning and summaries have previously been provided to the Audit Committee.

6 Implications

Issue	Implications
Corporate Plan	Becoming a High Performing Organisation
Financial, Resource and Property	The two Planning areas that are referred to in the report have financial and resource implications; Development Control mainly in terms of the costs of enforcement, Section 106 Agreements mainly in terms of the income due from Developers.
Legal and Statutory	Section 106 Agreements are a legal agreement.
Crime and Disorder	None identified at this stage.
Risk Management and Health and Safety	The two Planning areas that are referred to in the report contain a number of risks. Ineffective Development Control enforcement could undermine the planning process and damage the Council's reputation. Ineffective arrangements for Section 106 agreements could result in a loss or a delay in receipt of capital income.
Equality and Diversity	None identified at this stage.
Sustainability	None identified at this stage.

7 Appendices

7.1 There are no appendices.

8 Background Papers

8.1 The agendas and the minutes of the Audit Committees of 25 May 2011 and 14 December 2011.