

## **CENTRAL LINCOLNSHIRE LOCAL PLAN HIGHLIGHT REPORT**

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### **Introduction & Scope**

The National Planning Policy Framework (2012) requires all planning authorities to produce a Local Plan.

The aim of the Local Plan is to prepare plans and policies that help create places that are sustainable and attractive to live in. The Local Plan should work together with other plans and policies, such as economic, housing and environmental strategies.

This audit has been commissioned by Lincolnshire County Council, North Kesteven District Council and West Lindsey District Council as part of their 2014/15 audit plan provide via Audit Lincolnshire. These three authorities form 75% of the Central Lincolnshire Local Plan Partnership (CLLPP) which is tasked with delivering a Local Plan for Central Lincolnshire. Our highlight report also intends to inform the forth partner, City of Lincoln Council.

We are seeking to provide assurance on a broad range of the elements of the CLLPP, including:

- Governance arrangements of the partnership
- Project management of the Local Plan
- Staffing and resources adequacy – now and in future years
- Contract management of external planning experts
- Quality assurance processes over the evidence base
- Stakeholder engagement and consultation
- Financial sustainability of the partnership

This highlight report provides details of our findings on the first two areas reviewed - Governance arrangements of the partnership and project management of the Local Plan.

## **Key Messages**

### **Governance Arrangements – Some Improvement Needed**

Our review of the Local Plan governance found effective arrangements in place:

- An appropriate structure is in place to govern delivery of the local plan and there is evidence that this is effective in practice
- Roles and responsibilities are defined in terms of reference and there is evidence showing these are followed in the approval of key decisions
- A Local Development Scheme is in place which provides a timetable for delivery of the local plan in compliance with legislation
- Delivery of the local plan is monitored and reported on a regular basis throughout the governance structure
- Information presented is reliable complete and accurate

We are suggesting some improvements in the Coordination of Delivery Group, which to date has not been entirely effective in delivering its objectives. We hope a revised approach to the operation of these meetings to maintain a high level decision making forum along with a refreshed commitment to the group from Senior Management at all partners will help the group achieve its purpose.

### **Project Management – Some Improvement Needed**

We reviewed project management of the local plan and identified some areas where improvements could be made:

- The risk of not having a 5 year housing land supply should be added to the strategic risk register to ensure there is regular formal and transparent monitoring and reporting on this risk and the progress made in reducing the risk.
- Communication and information sharing on progress could be improved upon by allocating an overall programme manager to funnel all information to the CLSG
- Project management should be enhanced further by introducing an issues log and a change process and log.

We are also able to provide assurance that:

- The projects are being managed by experienced project managers.
- A master programme document is being maintained and is regularly reported to the Head of Planning and CLSG.
- Consideration of interdependencies is included in the various projects and across the programme.
- A strategic risk register is in place, maintained and reported to CLSG monthly.
- We were able to track feedback (lessons learnt) from the Core strategy to the action being taken to ensure the same questions will be answered for the local plan.

We have included full detail of findings, along with our recommendations and managements agreed actions in the action plan below

## Action Plan

	Finding	Recommendation	Agreed Action	Priority
1	<p>We reviewed the effectiveness of the Coordination of Delivery (COD) Group to provide assurance to partners. Our discussions and observations found this has been unsuccessful in achieving its purpose and objectives to date and needs to do more to provide enough evidence to show that infrastructure delivery is aligned to the local plan. We found:</p> <ul style="list-style-type: none"> <li>- Attendance at COD meetings of District Director's or Heads of Service is very low, with substitutes of much lower decision making power standing in.</li> <li>- The low senior attendance has stopped the group being able to reduce barriers and unblock issues as effectively as they otherwise might have.</li> <li>- The programme register is missing vital information such as interdependencies and key links, resources and funding and does not link projects to risk or prioritise works in relation to the local plan.</li> <li>- The programme register is not kept up to date so the 'by exception' discussion of this has become a line by</li> </ul>	<p>We recommend the partners take a series of actions to ensure this group achieves its objectives, including:</p> <ul style="list-style-type: none"> <li>- Updating the COD Terms of Reference to ensure that purpose and objectives are correct and meeting frequency and membership is up to date. This should ultimately be approved by CLSG to ensure agreement and commitment from the top.</li> <li>- Ensure meetings are scheduled so as to maximise attendance from Senior Management of all partners.</li> <li>- Ensure meetings are conducted as a high level decision making forum and not allowed to be railroaded into detailed information updating sessions.</li> <li>- Nominate a lead for each partner who will be responsible for ensuring that project data relating to their organisation is kept up to date within Infohub.</li> <li>- Update the programme register to ensure all projects include all information needed to provide a complete picture.</li> <li>- Link projects to a risk rating in the register and prioritise these so they can</li> </ul>	<p>CLSG had previously identified the need to review the working of the Co-ordination of Delivery (CoD) Group. A discussion occurred at the CoD meeting on 4 November which will result in a revised terms of reference being drafted including recommendations on attendees at the meeting. The detailed recommendation from the Audit report will be addressed by this work. CoD meets every two months at present and this action will be completed by March 2015.</p>	High

	<p>line updating session meaning the group cannot deliver upon its true purpose.</p> <p>Partners have recognised that this group is not delivering to its potential and at the meeting in November we observed discussion and agreement about the purpose and objectives of the group and how it can be moved forward to make it more effective.</p>	<p>be considered in order of importance in relation to the local plan.</p>		
2	<p>Governance arrangements include the Central Lincolnshire Steering Group (CLSG), which is a Director level strategic forum with a representative from each partner. Our review of this group's meetings between February and August 2014 highlighted no director level attendance from Lincolnshire County Council (LCC); although we did not the Head of Planning for LCC did attend all meetings.</p>	<p>To ensure a strategic perspective from all partners we would advise attendance from a LCC Director or Assistant Director at the CLSG meetings where possible.</p>	<p>The attendance by LCC reflected changes being implemented as part of the SMR process. LCC's nominated representative on this group in the future will be the County Commissioner for Economy and Place.</p> <p>This action has therefore been addressed.</p>	Medium
3	<p>The National Planning Policy Framework requires planners to 'identify and update annually a supply of specific deliverable sites sufficient to provide 5 years' worth of housing against their housing requirements'. There is currently 3.5 years supply of</p>	<p>The shortage of supply of deliverable housing land should be classified as strategic risk and recorded on the risk register. This will ensure close regular monitoring of mitigating actions and regular reporting on progress on reducing the risk.</p>	<p>This issue is acknowledged within the risk register reported (items 2 and 10) for the Local Plan project and its status has recently been upgraded following the special meeting of WLDC. A further specific risk reflecting the audit report recommendation will be added</p>	High

	<p>deliverable housing land supply and as the gap is quite large it is not expected that this can be filled in time for the local plan - this has some significant implications as without a 5 year supply it makes it more difficult to refuse planning applications as housing demand is not being met. As this was also an area highlighted as a concern during inspection of the core strategy we consider this to be high risk.</p>		<p>to the risk register.</p> <p>This action has therefore been addressed.</p>	
4	<p>The local plan project is actually a programme of many small projects which collectively will deliver the local plan. The structure has multiple project managers and reporting to the steering group can be either directly from the project manager or via the Heads of Planning Group; However this is not always consistent. This structure does create a risk that information sharing may not be adequate to ensure everyone's work is co-ordinated and any issues with ultimate production of the local plan are identified and addressed promptly.</p>	<p>Allocation of a programme manager would benefit this with all information to the steering group going through this person.</p>	<p>The importance of effective programme management is acknowledged. A further review will occur of the role of the Heads of Planning (HoP) group and the reporting arrangements to this group from the Local Plan team leader. This may require a review of the SLA with PCC if additional resource is required to fulfil this task.</p>	Medium
5	<p>The Local Plan project does not have a formal change control procedure or change control log. So far change has been minimal; However it is anticipated that change will be likely next year</p>	<p>Management should introduce a change control procedure to ensure minimal disruption from changes as the plan progresses. This should include: - How and when to request change</p>	<p>The importance of effective change control in project management is acknowledged. In reviewing the programme manager tasks and functions regard will be had to ensuring</p>	Medium

	when allocations are identified and assessed. Without a formal process there is a risk that change may not be managed sufficiently or consistently.	<ul style="list-style-type: none"> <li>- Authorisation of change</li> <li>- Recording of change</li> <li>- Communication of change</li> </ul>	a change control arrangement is agreed and implemented.	
6	The Local Plan project management does not include maintaining an issues log. Whilst we can see consideration and action to deal with issues a formal issues log provides a tool for tracking and communicating issues,	<p>The project team should create and maintain an issues log. This will allow them to:</p> <ul style="list-style-type: none"> <li>- Have a safe and reliable method for the team to raise issues.</li> <li>- Track and assign responsibility to specific people for each issue.</li> <li>- Analyse and prioritise issues more easily.</li> <li>- Record issue resolution for future reference and project learning.</li> <li>- Monitor overall project health and status.</li> </ul>	<p>A progress report is presented to CLSG. CLSG will consider changes required to this report to ensure this serves as an issues log as suggested.</p> <p>Actions 4, 5 and 6 will be addressed by March 2015.</p>	Medium

## Assurance Definitions<sup>1</sup>

<p><b>Effective</b></p>	<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p> <p>As a guide there are a few low risk / priority actions arising from the review.</p>
<p><b>Some improvement needed</b></p>	<p>Our critical review or assessment on the activity gives us a reasonable level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low. A few specific control or risk issues identified.</p> <p>As a guide there are low to medium risk / priority actions arising from the review.</p>
<p><b>Major improvement needed</b></p>	<p>Our critical review or assessment on the activity identified numerous concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p> <p>As a guide there are numerous medium and a few high risk / priority actions arising from the review.</p> <p>Our work did not identify system failures that could result in any of the following:</p> <ul style="list-style-type: none"> <li>- damage to the Council's reputation</li> <li>- material financial loss</li> <li>- adverse impact on members of the public</li> <li>- failure to comply with legal requirements</li> </ul>
<p><b>Inadequate</b></p>	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>Our work identified system failures that could result in any of the following:</p> <ul style="list-style-type: none"> <li>- damage to the Council's reputation</li> <li>- material financial loss</li> <li>- adverse impact on members of the public</li> <li>- failure to comply with legal requirements</li> </ul> <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.</p> <p>As a guide there are a large number of high risks / priority actions arising from the review.</p>

<sup>1</sup> These definitions are used as a means of measuring or judging the results and impact of matters identified in the audit. The assurance opinion is based on information and evidence which came to our attention during the audit. Our work cannot provide absolute assurance that material errors, loss or fraud do not exist.