

**Department of Finance
Memorandum on the Fourteenth
Report from the
Public Accounts Committee
Mandate 2017-2022**

Planning in Northern Ireland

**Presented to the Northern Ireland Assembly
by the Minister of Finance**

18 April 2024



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Glossary of Abbreviations

DfI	Department for Infrastructure
iRPC	interim Regional Planning Commission
LDP	Local Development Plan
PAC	Public Accounts Committee
PAN	Planning Advice Note
RTPI	Royal Town Planning Institute
SPPS	Strategic Planning Policy Statement

Fourteenth Report

Department for Infrastructure

Planning in Northern Ireland

Introduction

The respective roles of the Department for Infrastructure (DfI) and local government in the Northern Ireland planning system are set out in legislation and reflect the intention of the Executive to create the two-tier planning system in 2015, transferring the majority of planning functions to the newly formed councils. Local councils have responsibility for a significant number of planning functions and are autonomous, locally accountable sovereign political authorities, out with the control of DfI. Accountability for the planning system, therefore, lies both with local and central government.

Whilst DfI has an important leadership role in the two-tier planning system, it does not have sole responsibility for addressing all the Committee's recommendations. A number of the recommendations reference local government and are relevant to the remit of council planning authorities. Therefore, in order to respect the correct accountability arrangements, DfI's response relates to the aspects of those recommendations which are for central government and does not respond on those aspects for which responsibility lies with the councils.

Notwithstanding this, DfI has led and continues to work with local government and other key stakeholders on a joint programme to improve the efficiency and effectiveness of the planning system. Within this context of collective ownership and responsibility, this Memorandum of Reply (MoR) identifies actions that have been taken by DfI in respect of those Committee recommendations for which it is either fully or partially responsible.

PAC Recommendation 1

The planning system in Northern Ireland is not working. The Committee recommends that a Commission is established to undertake a fundamental review to ascertain the long-term, strategic changes that are needed to make the system fit for purpose. This should be led by someone independent from the Department.

DfI accepts and has implemented this recommendation.

DfI has established an interim Regional Planning Commission (iRPC) which is independently chaired and comprises representatives from key stakeholder groups including the economy, environment and community sectors. A Terms of Reference outlining the objectives of the interim Commission is available on the DfI website and amongst its key objectives it aims to guide and promote continuous improvement by identifying, constructively responding to, and exploring new ways of tackling emerging issues in planning and sharing constructive and proactive comment across stakeholders on planning processes.

The interim Commission is currently providing advice and support to the wider Planning Improvement Programme using their expertise, skills and experience to constructively review, identify improvements and promote further accountability in the planning process.

The iRPC meets on a quarterly basis with the first meeting held on 24 February 2023. The Royal Town Planning Institute (RTPI) provides independent secretarial support to the interim Commission.

PAC Recommendation 2

The Committee has heard that there are a number of opportunities to make immediate improvements to the planning system. We recommend that a commission is established to identify tangible improvements that can be achieved in the short term. This must focus on problem solving, delivery and achieving outcomes within a fixed time frame.

DfI accepts and has implemented this recommendation.

As set out in the response to the first recommendation, an iRPC has been established and is providing advice and support to the wider Planning Improvement Programme. The Programme encompasses a suite of 40 actions with relevant targets and time

frames attributed to each action. It covers work streams including: Governance; Policy & Legislation; Local Development Plan (LDP); Development Management; Performance; Engagement and Financial Sustainability. Governance arrangements have been formalised to ensure accountability and appropriate oversight of the Programme.

PAC Recommendation 3

The Committee expects action to be taken to improve the planning system. In lieu of any accountability for performance within the system, the Department will provide the Committee with a radical action plan and provide the successor Committee with an update on the improvements made in six months' time.

DfI accepts this recommendation.

As reflected in the responses above, DfI has initiated and developed a Planning Improvement Programme which has been endorsed by local government. It encompasses a suite of 40 actions covering work streams including: Governance; Policy & Legislation; LDP; Development Management; Performance; Engagement and Financial Sustainability. Governance arrangements have been formalised to ensure accountability and appropriate oversight of the programme.

DfI will provide a copy of the Planning Improvement Programme to the Committee and are happy to update the Committee on progress made at any point.

PAC Recommendation 4

The Committee recommends that the Department considers ways to streamline the remaining LDP processes, and works with councils to learn lessons from those that have been through the independent examination process with a view to taking a more pragmatic approach to the remaining plans. The Department and councils need to work collaboratively to produce these important plans as soon as possible.

DfI accepts this recommendation.

The LDP process is a significant new process in the reformed planning system, which is being led by local government, and overseen by DfI in its central government strategic role. LDP preparation and production is advancing at different rates across the 11 council planning authorities and the timelines are set by each local council and agreed with DfI. As the system matures and becomes better established, best practice recommendations will become apparent. DfI however remains committed to capturing and sharing key learning as appropriate.

Streamlining LDP processes is a significant element of the Planning Improvement Programme with several actions being taken forward jointly by DfI and local government covering all areas of the existing process including legislation, guidance, procedures and the role of key stakeholders including the Planning Appeals Commission.

It is worth highlighting that to date four Councils have adopted their draft Plan Strategies and are progressing to Local Policies Plan stage. Progress on the remaining draft Plan Strategies for the other councils is at various stages of the process.

PAC Recommendation 5

The Committee recommends that all those involved in decision-making ensure that processes are open and transparent, particularly where a high degree of interpretation has been exercised. The Department and councils should consider how checks on good record keeping, to ensure transparency, could be carried out effectively.

DfI accepts this recommendation and has implemented it in respect of its role as a planning authority in the two-tier system.

DfI has produced and implemented a File Management Protocol to assist staff with consistent records management, ensuring that relevant documents are uploaded to the Planning Portal for external viewing. The protocol also ensures that records which are not suitable for publication on the Planning Portal are stored securely and retained by DfI for audit and accountability purposes.

PAC Recommendation 6

The Committee recommends that the Department should ensure that there is suitable and proportionate means of engaging with the planning system. This should include a deeper consideration of the appropriateness of limited third-party rights of appeal.

DfI accepts this recommendation.

The reformed planning system includes measures to significantly front-load third party and community engagement in the development management and forward planning processes. In the Review of the Implementation of the Planning (NI) Act 2011 report, DfI stated that it was not persuaded of the need to amend current provisions for appeals, and this was not brought forward as a recommendation. Any consideration of the introduction of limited third party rights of appeal into the planning system would require a change to primary legislation, with associated public consultation and Assembly scrutiny. This matter will be considered by the DfI Minister, who will decide the way forward on this policy matter.

PAC Recommendation 7

The operation of the planning system for rural housing is at best inconsistent and at worst fundamentally broken. The Committee believes that it is essential that policy in the area is agreed and implemented equally and consistently across Northern Ireland. The Department should ensure this is the case.

DfI accepts this recommendation in respect of its role and responsibility for regional planning policy.

In January 2024, DfI published a Call for Evidence on a potential focused review of the Strategic Planning Policy Statement for Northern Ireland (SPPS) in relation to Climate Change, including consideration of the future direction of policy for development in the countryside. The DfI Minister will consider the next steps for regional planning policy on this issue, following consideration of the responses from this Call for Evidence.

Under the two-tier planning system, it is the responsibility of council planning authorities to process and determine all planning applications for rural housing and to ensure that planning policy is considered and is a material factor when planning decisions are made; and to ensure that there is transparency around this process.

PAC Recommendation 8

The Committee recommends that the Department urgently considers how it exercises its oversight of the planning system. In the Committee's view, this must be accompanied with a cultural change. Intervention should be to support delivery and to make improvements. The current minimal approach is no longer sustainable.

DfI accepts this recommendation.

DfI will continue to work to ensure that oversight of the planning system strikes the right balance between respecting council's rights and responsibilities for carrying out their own statutory processes and decisions, whilst ensuring that regional planning objectives are achieved. It is also important to acknowledge that the objective of achieving an efficient and effective planning system which delivers for the economy, communities and the environment is a collective responsibility for all those involved in the planning process, and all stakeholders must play their part.

DfI has demonstrated leadership through the creation of the joint Planning Improvement Programme endorsed by local government to support delivery and make improvements across the planning system. In conjunction with associated governance arrangements including the Planning Improvement Project Board it is considered that the Planning Improvement Programme will help drive cultural change.

PAC Recommendation 9

The Committee recommends that the Department and local government should implement immediate changes to improve the quality of applications entering the system. Whilst this may require legislative change, we do not believe that this should be an excuse for delay.

DfI accepts this recommendation.

Following a public consultation in November 2022, legislation has been drafted to enable the production of statutory validation checklists for planning applications submitted to council planning authorities. DfI is engaging with key stakeholders including the Planning Appeals Commission and Department of Justice (in relation to providing for a dispute mechanism), local government and statutory consultees, to ensure that the practical out-workings of the amending legislation and supporting guidance achieve the objective of improving the quality of applications entering the system. The legislation will need to be approved by the DfI Minister and completed in line with Assembly procedures. DfI has also encouraged local government to proceed to develop their own local validation checklists in advance of the legislation, and to work with developers and agents to prepare them for the changes. In terms of applications processed by DfI, the Regional Planning Casework Team carries out direct engagement with applicants from an early stage to ensure the submission of accurate and appropriate documents/drawings and decrease the likelihood of an invalid application being received.

PAC Recommendation 10

The Committee recommends that planning authorities regularly review past decisions to understand their real-world outcomes, impact on communities and the quality of the completed development.

DfI accepts and has implemented this recommendation in respect of its role and responsibilities.

DfI has undertaken a review of its own past decisions and is using this to inform a methodology for future recording and reporting on real-world outcomes.

PAC Recommendation 11

The planning system must be financially sustainable and this requires an appropriate, long-term funding model. The Committee recommends that all those involved in delivering planning work together to achieve this. In the short term the Department should take the lead on bringing forward legislation on planning fees as a matter of urgency.

DfI accepts this recommendation in respect of its role and responsibilities.

DfI recognises that the long-term financial sustainability of the regional planning system is of critical importance, particularly in these difficult financial times. This issue is, however, influenced by a multitude of factors, many of which are outside the DfI's direct remit and control, such as the wider management and prioritisation of finances within individual councils and other departments.

DfI recognises that in order to achieve the improvement to the planning system, the whole system and key parties to delivering the process i.e. DfI, council planning authorities, statutory consultees and the Planning Appeals Commission must be properly funded and resourced in terms of capacity and capability. For its part, DfI has requested additional resources for the DfI planning function, including Roads and Rivers statutory consultees, through the 2024/25 budget process. It is recognised however that any additional funding will be subject to the constraints on the budget available and the consideration of competing priorities and funding decisions are ultimately a matter for Ministers and the Executive.

DfI also recognises that any assessment of financial and budgetary requirements should be set against the most efficient systems and processes available, and any work towards streamlining existing processes and systems should inform the financial sustainability of the planning system.

In terms of planning fees, DfI legislated in April 2023 to provide an inflationary uplift of approximately 12.3 per cent across all planning application categories to assist councils and DfI in covering the cost of processing planning applications. DfI also intends to introduce a further inflationary uplift to planning fees in 2024. The DfI Minister will decide the approach to future uplifts on an ongoing basis.

PAC Recommendation 12

There is a fundamental need for a cultural change in the way local and central government interact around planning. Whilst cultural change will take time, this should be reflected immediately in a more inclusive planning forum which includes representation from developers and communities.

DfI accepts and has implemented this recommendation.

As reflected in the response to recommendation 1 above, an inclusive iRPC which is independently chaired and comprises representatives from key stakeholder groups including the economy, environment and community sectors has been established and the work which central and local government are taking forward together is set out in this MoR.