



Northern Ireland
Assembly

Public Accounts Committee

PLANNING IN NORTHERN IRELAND

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Report: NIA 202/17-22 Public Accounts Committee

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Powers and Membership

The Public Accounts Committee is a Standing Committee established in accordance with Standing Orders under Section 60(3) of the Northern Ireland Act 1998. It is the statutory function of the Public Accounts Committee to consider the accounts, and reports on accounts laid before the Assembly.

The Public Accounts Committee is appointed under Assembly Standing Order No. 56 of the Standing Orders for the Northern Ireland Assembly. It has the power to send for persons, papers and records and to report from time to time. Neither the Chairperson nor Deputy Chairperson of the Committee shall be a member of the same political party as the Minister of Finance or of any junior minister appointed to the Department of Finance.

The Committee has 9 members, including a Chairperson and Deputy Chairperson, and a quorum of five members. The membership of the Committee is as follows:

Chairperson: Mr William Humphrey MLA

Deputy Chairperson: Mr Roy Beggs MLA

Mr Andrew Muir MLA²

Mr Cathal Boylan MLA

Mr Maolíosa McHugh MLA

Ms Órlaithí Flynn MLA

Mr William Irwin MLA^{1 4}

Mr David Hilditch MLA

Ms Cara Hunter MLA^{3 5}

¹ With effect from 17 February 2020 Mr Harry Harvey replaced Mr Gary Middleton

² With effect from 31 March 2020 Mr Andrew Muir replaced Mr Trevor Lunn

³ With effect from 19 May 2020 Mr Matthew O'Toole replaced Mr John Dallat

⁴ With effect from 21 June 2021 Mr William Irwin replaced Mr Harry Harvey

⁵ With effect from 18 October 2021 Ms Cara Hunter replaced Mr Matthew O'Toole

List of Abbreviations and Acronyms used in this Report

C&AG	Comptroller and Auditor General
DAERA	Department for Agriculture, Environment and Rural Affairs
Dfi	Department for Infrastructure
NIAO	Northern Ireland Audit Office
NILGA	Northern Ireland Local Government Association
PAC	Public Accounts Committee
PAN	Planning Advice Note
SOLACE	Society of Local Authority Chief Executives
SPPS	Strategic Planning Policy Statement
The Act	Planning Act (NI) 2011
The Committee	Public Accounts Committee
LDP	Local Development Plan

Executive Summary

1. The Public Accounts Committee (the Committee) met on 10, 17 and 24 February and 10 March 2022 to consider the Northern Ireland Audit Office's (NIAO) report "Planning in Northern Ireland". The main witnesses were:
 - **Mrs Katrina Godfrey**, Department for Infrastructure
 - **Mr Angus Kerr**, Department for Infrastructure
 - **Ms Julie Thompson**, Department for Infrastructure
 - **Ms Alison McCullagh**, Society of Local Authority Chief Executives Northern Ireland (SOLACE)
 - **Ms Kate Bentley**, Society of Local Authority Chief Executives Northern Ireland
 - **Councillor Steven Corr**, Northern Ireland Local Government Association (NILGA)
 - **Councillor Robert Irvine**, Northern Ireland Local Government Association
 - **Ms Karen Smyth**, Northern Ireland Local Government Association
 - **Mr Kieran Donnelly**, Northern Ireland Audit Office
 - **Mr Stuart Stevenson**, Department of Finance
 - **Ms Nuala Crilly**, The Gathering
 - **Mr Dean Blackwood**, The Gathering
 - **Ms Anne Harper**, The Gathering
 - **Mr George McLaughlin**, The Gathering

2. Performance issues within the planning system are widely known and are a source of considerable concern for this Committee. Since the transfer of functions in 2015, planning authorities have failed to deliver on many of their key targets, particularly on major and significant development. The Committee is appalled by the performance statistics. It is simply unacceptable that almost one-fifth of the most important planning applications aren't processed within three years. Such poor performance has an impact on applicants, developers and communities and is risking investment in Northern Ireland.

3. Progress on Local Development Plans (LDPs) has been equally poor - seven years into the process these plans are yet to materialise. The Committee heard of the potential for LDPs to shape communities and make decision-making processes

easier, but the process has been stymied by a complete underestimation of the complexity and volume of work required, a lack of key skills and resources within councils, compounded by a series of unnecessary “checks and balances” implemented by the Department. The Committee urges all those involved in plan-making to work together to streamline remaining LDP processes and produce these important plans as soon as possible.

4. Issues with quality at all stages of the planning process are pervasive, affecting applications, statutory consultation, plan-making and the appeals system. The Committee is concerned about the long-term, cumulative effect of widespread quality issues. A planning system that allows poor quality applications risks poor quality development, which will only lead to further issues and additional costs for the future. The Committee heard that there are opportunities to improve application quality, but these have not been taken either centrally or locally. The Committee simply cannot understand the reluctance to implement change in this area.
5. Whilst these performance issues are concerning, and must be addressed, it is the Committee’s strong view that the problems presented are symptomatic of a planning system that is beset by more fundamental issues.
6. The Committee was alarmed by the volume of concerns around transparency that were presented during the course of its inquiry. In the Committee’s view, a planning system that lacks transparency leaves decision makers ill equipped to defend themselves against allegations of impropriety and contributes to public mistrust. This, in turn, damages the reputation of the system and places Northern Ireland at a huge disadvantage to other regions when competing for investment.
7. The Committee heard concerns about the lack of transparency from witnesses and through submissions received. The basis for making key decisions was often absent and this is extremely worrying. In particular the Committee are seeking urgent remedial action to ensure better transparency for those planning applications called in and for applications overturned by a Planning Committee contrary to the recommendation of the planning officers. The Committee are also seeking more transparency as to how councils exercise enforcement powers given the considerable variation across councils.

8. Having discussed its concerns with the Department, SOLACE and NILGA, the Committee was struck by the lack of accountability for poor performance. A system that allows all those involved to miss targets, without seeking improvements, is a system in chronic failure. The Committee is worried by the Department's misunderstanding of accountability, and was left with the impression that it is more interested in talking about issues, than taking the action needed to address them. This cannot continue, and the Committee expects the Department to provide the Committee with a radical action plan and provide the successor Committee with an update on the improvements made in six months time.
9. In the Committee's view, the Department is not currently providing the strong leadership needed drive transformational change within the planning system. The Committee is very concerned that the Department does not grasp the severity of issues facing the planning system, does not recognise the urgent need for change and has a poor understanding of its role in implementing change. The Committee urges the Department and the Head of the Civil Service to consider how leadership could be significantly strengthened so as to exercise an effective oversight role.
10. The operation of the planning system is one of the worst examples of silo-working within the public sector that this Committee has encountered. There is fragmentation at all levels - between central and local government, within statutory consultees, amongst the local councils and even the Department itself appears to operate in functional silos. The Committee believes that there is an urgent need for a radical cultural change in the way in which central and local government interact. If the planning service is to improve, the Department and councils must start to collaborate as equal partners. This will require a concerted effort from all those involved to work in a more productive way.
11. The Committee were astounded to hear of the case of Knock Iveagh where a wind turbine was granted planning permission on the site of an historic monument. Whilst the planning permission was granted by the Department of the Environment before planning powers passed to local government, there have been many opportunities since where the Department and the local council could have worked collaboratively to find a solution. The council are now in a legal dispute with the Department regarding this. The Knock Iveagh case clearly demonstrates the enormous damage caused by an incorrect planning decision and also the inability of the Department and

council to work together to rectify the position in an expedient way instead of wasting valuable resources and causing extreme distress to those affected.

12. The planning system in Northern Ireland is clearly not working. Given the widespread, severe and entrenched nature of the issues outlined, the Committee is calling for a fundamental review, led by someone independent from the Department, to identify the long-term, strategic changes needed to make the planning system fit for purpose.

Summary of Recommendations

Recommendation 1

13. The planning system should act as key economic driver for Northern Ireland and has a crucial role in leveraging investment, protecting the environment and delivering places that people want to live and work in. However, on the basis of the evidence presented to the Committee, it is clear that the system is failing on delivering its key functions - major applications take years to decide, plan-making is incredibly slow, and enforcement is inconsistent. Given such obvious issues, the Committee believes that a significant programme of reform is needed.

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.

Recommendation 2

14. Whilst there are widespread, systemic issues affecting planning in Northern Ireland, the Committee could not understand the reluctance, amongst many of those it heard evidence from, to initiate changes that could improve performance within a shorter timeframe. This inaction is stifling the system and cannot be allowed to continue.

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.

Recommendation 3

15. In the course of its inquiry, it became clear to the Committee that the planning system lacks robust accountability arrangements. Missed targets and poor performance have become accepted as the norm. The Committee was alarmed by the Department's misunderstanding of accountability. Publishing data is not accountability. The Committee is also concerned that the Department has been more focussed on talking about performance than implementing the significant actions that are so clearly needed.

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.

Recommendation 4

16. Northern Ireland's planning system is intended to be a plan led system. Despite this, the production of Local Development Plans (LDPs) has been both slow and expensive. Whilst there was an initial expectation that plans would be completed within three and a half years, seven years following the transfer of planning powers to local government no council has an approved LDP.

17. Current projections mean that it will be 13 years into the 15-year cycle before all councils have a completed plan in place. Without these, many councils are relying on outdated area plans to guide decisions, which in some cases are over 30 years old.

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.

Recommendation 5

18. Core to much of the Committee's work has been the promotion of the highest ethical values in public services. During the inquiry into planning the Committee heard a number of concerns around record keeping and the transparency of decision making. Given planning decisions are often amongst the most contentious decisions that will be taken within the public sector, adherence to the highest ethical standards are essential. Monitoring the level of transparency will be key going forward to engender trust in the planning system.

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.

Recommendation 6

19. Confidence in the planning system is low. Members of the public feel excluded and often believe they have no choice but to launch legal proceedings, in the form of judicial reviews, to challenge decisions that impact their communities. This is expensive, time consuming and confrontational for all those involved. Greater engagement is needed.

20. 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.

Recommendation 7

21. Planning must play an essential role in helping to address many of the issues being experienced with housing in Northern Ireland. In particular, the Committee is concerned by the evidence it has heard in relation to rural development. The level of variation in how this policy is being applied across Northern Ireland is of particular concern, along with what appears to be a disproportionate interest in this area from some planning committees.

22. The Committee is also concerned that work to clarify this policy had been commenced by the Department but was abandoned only two months after the Planning Advice Note was published. It is essential that this work be resurrected urgently, but accompanied with proper engagement between central and local government.

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.

Recommendation 8

23. The Department told the Committee that amongst its responsibilities within the two-tier system in Northern Ireland was oversight. However, the Committee heard evidence that the Department was overwhelmingly focused on matters of process rather than on the strategic issues which require strong, decisive leadership. The Department told us it was challenging to identify when it was appropriate to intervene - the Committee believes the Department has got this balance wrong.

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.

Recommendation 9

24. The planning system should be key to providing places that people want to live and work in. Whilst timely decisions are essential, it is perhaps even more important that development that is approved is of high quality. Allowing poor quality applications into the system will only result in poor quality development. Despite this, the Committee heard that the system has been incredibly slow to implement relatively simple changes which could improve the quality of applications. This cannot be allowed to continue.

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.

Recommendation 10

25. Without any review of past decisions, it is hard for those who make decisions to properly understand how the outcomes of those decisions impact on the communities around them. A key means of improving the quality of future decisions must be to reflect on the consequences of planning decisions.

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.

Recommendation 11

26. If the planning system is to deliver its key functions, it must be properly resourced and financially sustainable. However, at local council level, the planning system has been running at an ever-increasing shortfall since the transfer of functions in 2015. The Committee believes the current funding model does not recognise the importance of the planning system, and needs to be revised. Current planning fees, set by the Department, do not reflect the needs of the system. If developers are willing to pay higher fees for a better service, then at least part of the solution to financial sustainability is obvious. The Committee cannot understand why this hasn't been progressed.

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.

Recommendation 12

27. Underpinning many of the issues that the Committee found hampering the planning system was a lack of joined-up working. The Committee has stressed the importance of joined-up working in many of its inquiries, but the planning system is amongst the starkest examples of the negative consequences when public bodies don't work together.

28. Changing this will require leadership - but will also require both central and local government to step up and work together in the interests of the planning system and its users rather than individual bodies. This will require a cultural change, but is essential to allow a more responsive, effective planning system.

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.

Introduction

29. The Public Accounts Committee (the Committee) met on 10, 17 and 24 February and 10 March 2022 to consider the Northern Ireland Audit Office (NIAO) report “Planning in Northern Ireland”. The main witnesses were:

- **Mrs Katrina Godfrey**, Department for Infrastructure
- **Mr Angus Kerr**, Department for Infrastructure
- **Ms Julie Thompson**, Department for Infrastructure
- **Ms Alison McCullagh**, Society of Local Authority Chief Executives Northern Ireland
- **Ms Kate Bentley**, Society of Local Authority Chief Executives Northern Ireland
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- **Mr Kieran Donnelly**, Northern Ireland Audit Office
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- **Mr Dean Blackwood**, The Gathering
- **Ms Ann Harper**, The Gathering
- **Mr George McLaughlin**, The Gathering

Background

30. A properly functioning planning system should proactively facilitate development that contributes to a more socially, economically and environmentally sustainable Northern Ireland.

31. The Planning Act (NI) 2011 (the Act) established a two-tier system for the delivery of planning functions in Northern Ireland. The planning system has three main functions: development planning, development management and enforcement. Under the Act, responsibility for delivering the majority of operational planning functions passed to local councils in April 2015.

32. The Department for Infrastructure (the Department) retained a central role in the planning system in Northern Ireland and is responsible for preparing regional planning policy and legislation, monitoring and reporting on the performance of councils' delivery of planning functions and making planning decisions in respect of a small number of regionally significant applications.
33. A number of central government organisations provide specialist expertise to council planning officials on technical matters. The main organisations that councils consult with are Department for Infrastructure (DfI) Roads, Department for Agriculture Environment and Rural Affairs (DAERA), DfI Rivers, NI Water and the Historic Environment Division within the Department for Communities.
34. There were around 11,000 planning applications processed in Northern Ireland in the 2020-21 year. Of these, around 95 per cent were approved.

The planning system is in need of fundamental improvement

35. Evidence presented to the Committee is clear that the current planning system simply isn't working. It is slow, fails to provide certainty for those involved in it, and lacks the confidence of those both inside and outside the system. These are significant deficiencies given the importance of the planning system - it should be acting as a key economic driver, helping to leverage investment into Northern Ireland whilst protecting the environment and delivering places that people want to live and work in.
36. On the basis of many key metrics, the system is simply inefficient. Almost half of major applications, those likely to have significant economic social and environmental implications, take more than a year to decide upon. Three years after application, one in five of these major applications is still not decided. The Committee heard that even the target timescales were "eye-watering", and the system must aim for better. In comparison with elsewhere in the United Kingdom, the system is much slower.
37. Performance in preparing Local Development Plans (LDPs) has been incredibly slow. The most recent projections provided by councils suggest that it will be 2028 before

there is an LDP in place in each council area, 13 years into a 15-year cycle. The Committee also heard concerns around the effectiveness and equity of enforcement across Northern Ireland. Taken together, the Committee was left with the impression of a system that can't plan for the future; isn't doing well on deciding today's applications; and doesn't appear to be properly enforcing the decisions it made in the past.

38. Some of the underperformance undoubtedly relates to the transfer of functions in 2015. The Committee heard that the budget that transferred was inadequate, the staffing model was inappropriate and the future funding model needs to change. Most concerning of all appears to be the widespread recognition that the system isn't working. The Committee is clear that change is now needed and 'a sticking plaster' will not suffice. Given such obvious criticism, it is hard to understand why action hasn't been taken until now.

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.

39. Whilst there is an obvious need to look again at the structure and operation of the planning system, the Committee have been struck by the number of changes that could be made now to improve performance. In our view, there has been an inertia throughout the system and many of those involved appear reluctant to make much needed changes. This cannot be allowed to continue.

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

No one has been willing to take responsibility for the overall performance of the planning system

40. The Committee has discussed concerns around the performance of the planning system with the Department, SOLACE and NILGA. No one was able to explain how poor performance is addressed. It is now clear to the Committee that there is no accountability for poor performance. Statutory consultees, councils and the Department have all missed targets with impunity and without seeking improvements. This is a serious failing.
41. The Committee was also alarmed by what appears to be the Department's fundamental misunderstanding of what accountability is. The Committee was told that the Department felt there was accountability in the system because "we are publishing more now than we ever published before". The Department also told the Committee that, "data just gives you the questions to ask". However, the Committee can't see evidence of the Department actually asking those questions, be it on variation in performance, overturns, enforcement or delegation.
42. The Department also said, "the more you talk about performance, the more focus there is on improving it" - the Committee sees no evidence that this has been true for the planning system, and is concerned that the Department is focussed on talking, rather than on the significant action the system so clearly needs.

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.

43. There is a clear need for many organisations to work together to deliver an effective planning system. This is not happening. Whilst the Committee heard that planning is provided by a number of "autonomous public bodies", this cannot be used as an excuse for bodies to act in narrow self-interest. Public bodies exist to provide a public service - not to defend their own role. At this most basic level, the committee expects

all of those involved in the planning system to act in the interests of the public, not themselves.

Progress on Local Development Plans has been slow and the Department's input has led to further delays

44. Northern Ireland's planning system should be plan-led. However, the expectation that all councils would have a fully completed LDP within three and a half years of beginning the process has proved completely unrealistic. The Committee heard that a combination of inadequate funding, a lack of plan-making skills within councils and insufficient understanding of the complexity of the LDP process at the point of transfer has resulted in no council having an approved LDP seven years later.
45. The Committee is also concerned that the Department has implemented an excessive range of "checks and balances" at either side of the Independent Examination which have contributed to delays, and do not happen in other jurisdictions. The Committee did not get any sense of the value added by these checks and is concerned that this level of interference is symptomatic of the culture within the Department, and its approach to the planning system in general. The system has become so legalistic and bureaucratic that professional planners are tied up in processes, not adding value or place-making. This is expensive for public bodies and discouraging for staff.
46. The Committee was left with the impression that plan-making is excessively process driven and unlikely to deliver what is needed any time soon. Indeed, the current projections show that it will be 13 years into the 15-year planning cycle before all councils have an LDP in place, and there is now a risk that plans will be out of date by the time they are implemented. Whilst the Committee does not want the work done so far on LDPs to be wasted, attention must now be turned to streamlining and speeding up the remaining processes.

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.

There is a lack of transparency around key decision-making processes, undermining confidence in the planning system as a whole

47. Openness and transparency are at heart of the credibility of any public service, yet during its inquiry, the Committee received a large number of concerns about the lack of transparency in the planning system, and how hard it is for the public to engage. The Department itself told the Committee that it had concerns around record keeping and the transparency of decision-making processes at council level, but the Committee got no sense of any actions it has taken as a result of these concerns. In the absence of any real accountability the onus appears to have fallen on members of the public to call out poor practices and ensure process is followed.
48. A number of concerns around transparency were presented to the Committee, across every evidence session, with both central and local government and members of the public. Whilst there is a need to improve transparency across the system, the Committee believes urgent remedial action is needed in three specific areas:
- Call-in procedures;
 - Overturn of planning officials' recommendation; and
 - Enforcement.
49. Whilst each planning committee has a Scheme of Delegation setting out the applications to be decided by the planning committee, and those which are delegated to officials, elected members retain the right to "call-in" applications from the delegated list, for consideration and decision by the planning committee. The Committee was presented with evidence that call-in procedures vary considerably, and it is not always clear, even to members of the same planning committee, why certain applications are called in. Whilst there may be valid reasons for calling in applications, such variation in process and lack of detail leads to speculation and a lack of trust, particularly when planning committees appear to take an interest in

particular types of development. In this context, the Committee was especially alarmed to hear that lobbying is happening, even though it shouldn't be.

50. The NIAO's report found that one in eight decisions taken by planning committees was made contrary to the advice of the planning officer. Whilst the Committee understands that planning committees are not expected to agree with official recommendations in all cases, it expects so-called "overturns" to be supported by robust planning reasons which are publicly available. Witnesses agreed that this was not always the case, and that record keeping processes vary considerably across planning committees.
51. The Committee views enforcement as crucial to the integrity of and confidence in the planning system, however evidence suggests that this is another area where there is considerable variation across planning authorities. For example, in one council, a quarter of enforcement cases was deemed not expedient to pursue, compared to less than one in ten in another council. The Committee was told that enforcement is a discretionary function, but cannot understand why outcomes are not more consistent, and is concerned that discretion is being used as an excuse not to carry out enforcement action in some cases. Such large variations in key planning processes and outcomes do not lead to public confidence, and warrant more attention from both the Department and local government.
52. Finally, the Committee also heard frustrations that the Department is particularly difficult to engage with. However, the Department told the Committee that it is leading on the Planning Engagement Forum and wants to engage the public more. The Committee is concerned that the Department is completely disconnected from the reality of the system, largely as a consequence of its hands-off approach since the transfer of functions.
53. The extent of concerns around transparency and openness are causing reputational damage to the Northern Ireland planning system. The Committee has been made aware of developers who are unwilling to risk investment in Northern Ireland, and this has the potential to undermine development, such as housing, that is so badly needed. The Committee is concerned perception of a dysfunctional planning system places Northern Ireland at a huge disadvantage to other regions when competing for foreign direct investment.

54. Witnesses told the Committee that, although they were aware of a perception of ethical issues within the planning system, they did not believe these existed in practice. However, in the Committee's view, the planning system lacks transparency, leaves decision makers ill-equipped to defend themselves against allegations of corruption and contributes to mistrust. The Chief Planner remarked that there is "more work to be done" on transparency. The Committee feels this is a massive understatement. Transparency around decision-making is key to enabling accountability and public confidence in the planning system.

55. The Committee recognises the importance of making planning decisions within a framework of high ethical standards. It is therefore important that both planning officers and decision makers are constantly reminded of the required standards and that there are adequate checks and balances within the system to ensure such standards are adhered to.

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.

Members of the public feel excluded from planning and more meaningful access to the system is needed

56. The Committee heard a range of concerns from members of the public who felt excluded from the planning system. The Committee is clear that whilst it is important that the system works for applicants and developers, it must also work for those communities in which development takes place.

57. Many of those that the Committee heard from criticised the overly legalistic atmosphere that had been created around the planning system. However, by strictly limiting access, the system is currently contributing to this culture. Third parties are

left with no option to challenge decisions, other than by pursuing judicial reviews. This is expensive, time consuming and confrontational for all those involved.

58. Many of the responses to the Department's Review of the Planning Act reflected a desire for more access to the planning system, potentially through a new appeals system, or allowing for third party challenge. The Department was not persuaded of the need to make any amendments to the planning appeals process. The Committee recognises that there will be a trade-off between allowing access to the system for third parties and the speed of decisions - but currently the Northern Ireland system appears to have the worst of both worlds.

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.

The Committee is concerned by how planning is operating for rural housing

59. Much of the evidence heard during the Committee's inquiry centred on decisions around rural development and housing. In the Committee's view, some council planning committees appear to be excessively involved in decisions around the development of new single homes in the countryside. The NIAO report notes that, despite often being relatively straightforward, rural housing accounts for 16 per cent of all planning applications but comprises 40 per cent of all overturns. This represents a disproportionate use of planning committee time and resources.
60. The Department told us that the Strategic Planning Policy Statement (SPPS) sets out how applications for rural housing should be approached. However, they are concerned that so many of these decisions are not delegated, or overturned and that different decisions are reached.
61. The Committee is concerned, based on evidence presented to it, that there appears to be an increasingly fine line between planning committees interpreting planning

policy and simply setting it aside. As a result, these differing interpretations are threatening to create a patchwork of varying rural planning policy across Northern Ireland. The Committee is simply not convinced that what is relevant in one rural area is considerably different to what is relevant in another.

62. The Committee heard about the Department's Planning Advice Note (PAN) which was issued in August 2021 and subsequently withdrawn just over two months later. This was prepared without consultation between the Department and councils. As a result of the Department's approach, relationships have been damaged, confidence in the planning system undermined and inconsistency has been allowed to persist.

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.

The Department's leadership of the planning system has been weak

63. The evidence provided to the Committee by witnesses and in the NIAO report makes it clear that leadership is desperately needed to improve the planning system. The Department isn't providing this. The Committee is very concerned, based on the evidence it has heard, that the Department does not grasp the severity of issues facing the planning system, does not recognise the obvious need for change and has little understanding of its role in implementing change.

64. The Department's evidence to the Committee was overwhelmingly focused on process - it highlighted that it had completed 19 out of 30 actions in relation to the planning forum and processed 55 responses for the Planning Review to identify the 16 key issues. The Committee was surprised to learn that the Department has around 80 staff assigned to planning matters. Evidence provided by others noted that the Department exercised a number of checks and balances which appeared to only delay decisions, frustrate the system and its users, and fail to add any value.

65. However, at no point did the Department seem to have considered what impact any of this would have on the planning system itself. Rather than providing transformational leadership which would drive the change that is so badly needed, the Department is overly focused on process. Reviewing the Department's role in respect of planning might reduce the need for the large number of staff.

66. There are some areas where it is obvious that the Department must take a more proactive leadership role. For example, the Committee heard that legislative change is required on a number of areas, and that the Department is the only body capable of taking this forward, but has made no efforts to do so. The Committee shares some of the witnesses' views that the recent review of the Planning Act was ineffective and that many important issues raised as part of the consultation were not adequately considered by the Department. The Committee notes that because of the timing of the Department's review, any legislative changes will need to wait until the next mandate. Therefore, even the limited changes that the Department has accepted are necessary will not be implemented soon. The Committee urges the Department to drive forward legislative change as a matter of urgency.

67. Having heard the Department's evidence, this Committee considers that the Department has been too remote in its oversight of the planning system and is not confident that the Department is providing the leadership that will drive the necessary transformational change.

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.

The planning system has been slow to respond to quality issues

68. The Committee has significant concerns around the evidence it heard of widespread issues with the quality of applications entering and progressing through the planning system. Allowing poor quality applications into the system risks poor quality development. This is storing up issues for Northern Ireland's future. A poor planning

system will not only cost Northern Ireland today, but will have a long-lasting negative impact over many years to come.

69. The Committee can see little evidence of changes implemented to improve the planning system to date, and often there has been inertia on effecting change that would improve the system. An example of this is the validation checklist. Councils have been asking the Department to put this on a legislative footing since 2016, and yet nothing has happened. The Committee, however, was unconvinced by evidence provided by local government representatives that councils were unable to take independent action on this issue.

70. The Committee heard that there is strong evidence that validation checklists will improve the quality of applications, however most councils haven't attempted to implement these as they would be voluntary. The Committee can't understand the reluctance around making basic changes, despite the positive experience of the one council who had implemented a checklist. It is difficult to escape the conclusion that the Department's inaction is being used as an excuse and councils are pre-empting reasons for failure rather than learning from good practice elsewhere and trying to implement it.

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.

71. As well as allowing poor quality applications in, the system as currently designed, allows serial amendments at every stage of the process, right up to appeal. The Committee heard that dealing with poor quality applications clogs up the system and professional planners are constantly "firefighting". Addressing these issues could free up staff time to process applications in a more timely manner.

72. The Committee believes that a properly functioning planning system should encourage quality, however as it stands, there is no mechanism at either end of the system to do so. In addition to there being no robust mechanism to stop poor quality applications entering the planning system, the Committee heard that planning authorities do not review the outcomes of past decisions, despite this being Departmental guidance. The Committee was therefore left with the impression of a

system that has little interest in the impact of its decisions and learning from experience.

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.

The current funding model does not recognise the value of the planning system and is not financially sustainable

73. The planning system plays a key role in economic development, shaping communities and protecting the environment and its value should be assessed in this context. It is therefore vital that it is financially sustainable. The Committee heard evidence that the current funding arrangements do not properly recognise the potential of the planning system as an economic enabler and public service and that the gap between income and expenditure has grown so large that the system is becoming financially unsustainable.
74. Local government witnesses told the Committee that, despite assurances, planning did not transfer to councils as a cost-neutral service in 2015 and that the funding package was insufficient to meet the costs of running the planning service. The shortfall in funding has continued year-on-year, with additional costs borne by councils, as opposed to any additional central government funding or meaningful uplift in planning fees. The NIAO reported that the gap between costs and income has risen from £4.1 million in 2015-16 to £8.2 million in 2019-20. The Committee was also concerned to hear that the true costs of the LDP process have not yet been fully realised, and this will also have an impact on councils' finances.
75. The Committee was disappointed to hear that the devolution of planning to local government hasn't yet achieved any economies of scale. Witnesses told the Committee that insufficient budgets and inappropriate staffing models from the point of transfer made this almost impossible and that funding models needs to be overhauled before any improvement will be seen.

76. Since 2015, planning fees have increased once, by around 2 per cent. Any further changes to planning fees will require legislation to be brought through the Assembly. The Committee heard that applicants are generally willing to pay higher fees in return for a better and more efficient service. The Committee was also told that resources are one of the major constraints in processing applications. The solution is frankly self-evident and the Committee struggles to understand how this hasn't been progressed by the Department. In the Committee's view, the Department has paid insufficient attention to ensuring that the planning fees it sets reflect the needs of the system. It is hugely frustrating that there will not be a chance to address planning fees until the next mandate. Bringing forward this legislation should be an urgent priority for the Department.

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.

The planning system is badly fragmented and this hampers effective delivery

77. The Committee views the operation of the planning system as one of the worst examples of silo-working that it has come across. Despite an urgent need for better performance, there appears to be a lack of joined-up working between central and local government, silos within statutory consultees, a lack of co-operation amongst local councils, and even silos within the Department itself. Despite this, the Committee was surprised to hear from the Department's evidence that it felt it had been working collaboratively on multiple levels and multiple aspects. In contrast, councils told the Committee that they felt there was a level of mistrust and, that seven years into the system, this needed to change.

78. Departmental witnesses frequently referred to the work of the Planning Forum, however there was little evidence presented of tangible outcomes achieved. The Committee was surprised to learn that only three councils were represented on the

Forum, and that they were only invited to participate a year after it was established. The Committee is also concerned that the Department believes they have already brought everyone involved in the system together despite there being no representation from many of those who are essential to the system - councillors, developers or local communities. This is not an inclusive, joined-up approach to service improvement and must improve.

79. The Committee was disappointed to learn that one of the poorest performing statutory consultees, DfI Rivers, is part of the Department for Infrastructure. Such a failure within the Departmental boundary gives the Committee reason to question whether the Department fully grasps the consequences of its own actions or indeed the importance of the planning system. More generally, the Committee is concerned that, despite what it was told by the Department about the significant work ongoing with statutory consultees, there is no improvement in performance. The existence of a silo culture amongst consultees is also a significant concern, particularly the evidence that some consultees are protecting their own organisation's performance to the detriment of the overall system. This is not acceptable and urgent remedial action must be taken.

80. Within both statutory consultees and local government, we have also seen silo thinking predominate. The Committee has heard that some consultees have sought to protect their own performance, at the expense of the performance of the system as a whole. Likewise, the Committee remains highly concerned at one council implementing its own IT system and the consequences this will have for the rest of the planning system in Northern Ireland.

81. The consequences of silo working were laid bare in the evidence provided to the Committee. Professional planners were spending much of their time dealing with enquiries and chasing responses to applications that should have been progressed. Unbelievably, the Committee heard evidence that this was likely to represent much more than 40 per cent of planners' time. This is bad for the users of the system, bad for those employed by the system and bad for Northern Ireland. It must improve.

82. The Committee has also been left with the belief that not only is there a silo-mentality, but a strong sense of "us" and "them". The Committee was particularly alarmed by the case of Knock Iveagh where the council and the Department are in the midst of a

legal dispute. This is a stark example of where two parts of the planning system are at odds with each other rather than working in the interests of the system as a whole. This could and should have been avoided. The Committee is incredulous to learn that the costs of legal action to date, between two public sector bodies, have significantly exceeded what it may have cost to resolve the issue at the very outset.

83. The Committee believes that there is an urgent need for a cultural change in the way in which central and local government interact. The successful delivery of any service, but especially planning, will necessitate both the Department and councils collaborating as equal partners. More effort is needed from all those involved to work in a more productive way.

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.

Links to Appendices

Appendix 1: Printable version of Report

Download a printable version of this report [SELECT TEXT AND INSERT LINK]

Appendix 2: Minutes of Proceedings

View Minutes of Proceedings of Committee meetings related to the report
[SELECT TEXT AND INSERT LINK]

Appendix 3: Minutes of Evidence

View Minutes of Evidence from evidence sessions related to the report
[SELECT TEXT AND INSERT LINK]

Appendix 4: Correspondence

View Correspondence issued and received

Appendix 5: Other Documents relating to the report

View other documents in relation to the report [SELECT TEXT AND INSERT LINK]

Appendix 6: List of Witnesses that gave evidence to the Committee

- **Mrs Katrina Godfrey**, Department for Infrastructure
- **Mr Angus Kerr**, Department for Infrastructure
- **Ms Julie Thompson**, Department for Infrastructure
- **Ms Alison McCullagh**, Society of Local Authority Chief Executives Northern Ireland (SOLACE)
- **Ms Kate Bentley**, Society of Local Authority Chief Executives Northern Ireland
- **Councillor Steven Corr**, Northern Ireland Local Government Association (NILGA)
- **Councillor Robert Irvine**, Northern Ireland Local Government Association
- **Ms Karen Smyth**, Northern Ireland Local Government Association
- **Mr Kieran Donnelly**, Northern Ireland Audit Office
- **Mr Stuart Stevenson**, Department of Finance

- **Ms Nuala Crilly, The Gathering**
- **Mr Dean Blackwood, The Gathering**
- **Ms Anne Harper, The Gathering**
- **Mr George McLaughlin, The Gathering**

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