

Continuous Improvement Review Kit

for planning and responsible authorities

February 2006

Published by the Victorian Government Department of Sustainability and Environment
Melbourne, February 2006

Also published on www.dse.vic.gov.au

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Authorised by the Victorian Government,
8 Nicholson Street, East Melbourne.

Printed by XL Colour Printing, 28–32 Bruce Street, Kensington 3031

ISBN 1 74152 438 5

For more information contact the DSE Customer Service Centre 136 186

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Continuous
Improvement
Review Kit

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Introduction

A regular review of the planning scheme and its associated business processes has many benefits, including:

- reducing the complexity of processes and controls
- removing unnecessary permit requirements
- improving the performance of the planning scheme and strengthening its strategic objectives
- helping to comply with Best Value reporting requirements.

The *Continuous Improvement Review Kit* provides planning and responsible authorities with a suggested methodology that will both meet the requirements of the *Planning and Environment Act 1987* (the Act) for the monitoring and review of planning schemes and identify potential operational improvements that can save money and staff resources in the planning department.

The kit was developed by the Department of Sustainability and Environment (DSE) and the Municipal Association of Victoria (MAV) and piloted and refined with the assistance of the Baw Baw, Latrobe, Bass Coast, South Gippsland, East Gippsland, Wellington and Knox Councils.

The kit sets out a methodology for conducting the review. This methodology has been tested by the pilot councils and shown to be effective.

The kit also includes:

- self-audit tools to help to carry out the review (Appendix A)
- a suggested approach for the workshop sessions (Appendix B)
- examples of planning practices that may prove useful (Appendix C).

We welcome feedback on the content of the Kit so that improvements can be made periodically.

A practice note '*Review of Planning Schemes*' is also available. The practice note sets out:

- What is a planning scheme review?
- The review process.
- Reporting the review.

Email us at planning.systems@dse.vic.gov.au

What does the Act require?

Section 12B of the Act includes a requirement for a planning authority to regularly review its *planning scheme*.

The objective of a review is to enhance the effectiveness and efficiency of the planning scheme in achieving the objectives of planning in Victoria and the objectives of the planning framework established by the Act.

The review must evaluate the planning scheme to ensure that it:

- (a) is consistent in form and content with the directions or guidelines issued by the Minister under section 7; and
- (b) sets out effectively the policy objectives for use and development of land in the area to which the planning scheme applies; and
- (c) makes effective use of State provisions and local provisions to give effect to State and local planning policy objectives.

On completion of a review under this section, the planning authority must report the findings of the review to the Minister.

An integrated approach

The kit complements other corporate and statutory reporting obligations, including the Council Plan, Business Planning, council's annual risk insurance audit, Best Value and other strategic council documents.

Council should ensure that there are clear links between the review of the planning scheme and processes and existing local government monitoring, review and organisational requirements to ensure that the maximum value for all systems is gained.

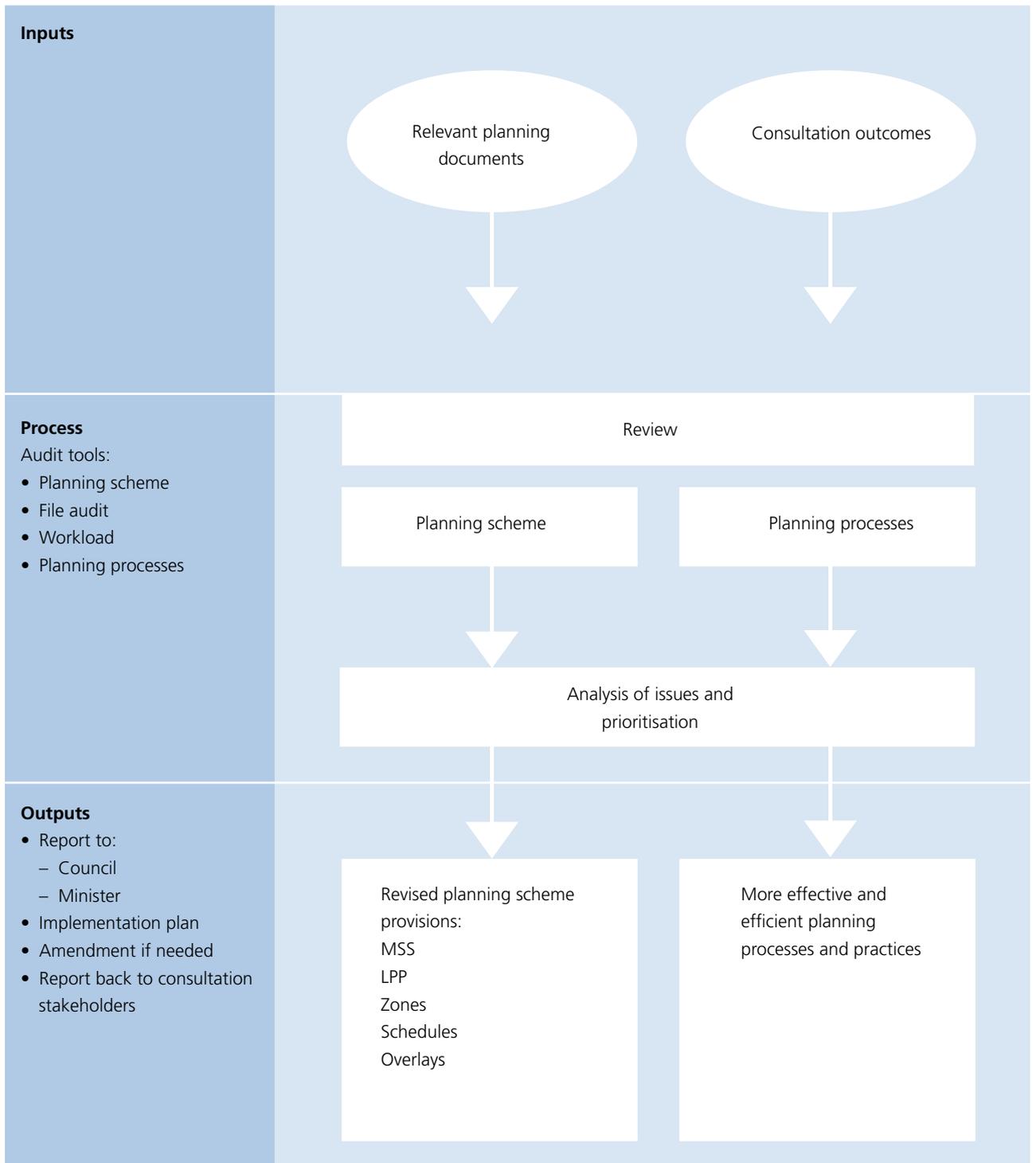
Best Value

The *Continuous Improvement Review Kit* is consistent with the Best Value Principles and can provide a structure for collecting information necessary to apply the Best Value Principles and reporting implementation and outcomes to the community.

Councils using the kit can be confident that they are fulfilling the requirements of sections 208A to 208E of the *Local Government Act 1989* for the review of council planning services. Only some additional quality and cost information may be necessary to meet the Best Value Principles.

Further information and details on Best Value can be found at www.dvc.vic.gov.au in the Local Government Victoria section.

Planning Scheme and Process Review



The review process

The review process

The process for completing the review is flexible and can be altered to suit the requirements of each council. The application of the kit can be adjusted to fit local issues and circumstances.

The process has been designed so council can undertake the review without needing to engage a consultant. However, should council choose to use consultants, the kit can be used to establish the parameters of their work and assist in costing the project.

In addition, councils can undertake the process either individually or as a group of councils. A joint review allows knowledge and experiences to be shared throughout the process.

In addition to the planning scheme review required by the Act, there are many benefits from also conducting a smaller annual review. The kit has been developed so that it can be undertaken in two stages:

- 1 A full planning scheme and planning process review as required by the Act.
- 2 An annual review. This is a shortened version of the full review and can be individualised to suit the particular needs of council.

The annual review

To fully benefit from the planning scheme and process review, council is encouraged to also undertake an annual review of its planning services. An annual review helps council to monitor implementation and supports the continuous improvement approach. This is a scaled down version of the full review process and could involve:

- a user's forum to:
 - review and update the Implementation Plan from the previous planning scheme review
 - identify any emerging issues; and
 - provide feedback to council on an annual basis
- the completion of the audit tools.

Council might also consider including in the annual review:

- a review of VCAT decisions and any Planning Panel recommendations in relation to the planning scheme.

The benefits of an annual review are that it:

- helps to ensure that the actions needed to improve the planning scheme and planning system are completed in a systematic and timely way
- assists in compiling issues for the planning scheme review
- establishes a mechanism for highlighting planning scheme and process issues on an ongoing basis.

Step 1 - Scope the review

What will be the scope of the review?

What will be the main issues to focus on?

The following approach is suggested:

1. Establish a review committee to ensure a range of views are brought to the process. The team could comprise senior strategic and statutory planners, the Director of Planning, the Best Value planning coordinator and one or more councillors.
2. Appoint a project manager.
3. The review committee should:
 - develop and set down the aims of the review such as:
 - a strategically driven planning scheme
 - better and quicker planning decisions
 - reduced processing times, resulting in reduced development costs.
 - a planning department focused on achieving continuous improvement
 - community having an enhanced sense of confidence with the planning system
 - improved planning staff and councillor credibility
 - improved planning staff job satisfaction and retention rates.
 - a set of objectives to drive and monitor improvements
 - develop a project methodology, time frame and related meeting schedule
 - decide whether the project is to be undertaken individually or with a group of councils
 - develop a consultation strategy
 - determine if consultants are necessary and for what tasks
 - decide how to inform councillors, executive management, and the planning department of the progress of the review and the expected outcomes of the review.

Outcome of step 1:

- The appointment of a review committee including a project manager.
- The aims of the review are agreed and documented.
- Project methodology.
- Consultation strategy.

Step 2 - Collect data

What information needs to be collected?

It will not be possible or desirable to review everything about the planning scheme and the planning process. What data needs to be collected will depend on the specific project objectives.

Relevant planning documents for review are likely to include:

- the planning scheme and relevant State provisions and policies
- any approved Government Strategy, such as Melbourne 2030 or any regional strategy
- any previous review recommendations and the recommendations of any relevant Planning Panel or Advisory Committee
- any new strategic plans (eg local structure plans) that have been developed by council
- any key VCAT decisions
- key planning files (refer file audit tool)
- the annual DSE/MAV Planning Permit Activity Report
- the Council Plan
- the Best Value framework, particularly the requirement for quality and cost standards and performance outcomes and related factors that need to be taken into consideration when developing the quality and cost standards for the planning service as required by section 208D of the *Local Government Act 1989*.

Outcome of step 2:

- A summary of all the issues arising from the planning document review.

Step 3 - Consultation

Who should we inform, consult and listen to?

How should we engage the community and stakeholders?

Consultation is an important part of the monitoring and review process. This is because reviewing existing documentation will not be enough to measure the performance of the planning scheme and planning processes.

The purpose of the consultation is to understand the community's expectations, how they perceive the planning scheme and processes and how they can be improved. Consultation is about engaging with the users of the planning system such as residents, community groups, the development community and professionals. The level and extent of consultation is up to each council to decide.

There are a number of different ways that we can effectively listen to community views. Information can be gained by directly seeking feedback by way of telephone surveys, workshops or focus groups, questionnaires or surveys.

Council will find the DSE publication *Effective Engagement: building relationships with community and other stakeholders*, useful in deciding how to engage the community and other key stakeholders to obtain and share information across a range of stakeholders to achieve better results. It can be obtained at www.dse.vic.gov.au/engage.

One consultation method is to convene workshops to identify those things that have helped achieve a particular objective and those things that have worked against the achievement of objectives. A suggested workshop session approach is included in Appendix B.

Other consultation processes can also be used such as Best Value, the State Government Annual Community Survey and other relevant council consultation exercises.

The Best Value Victoria Community Consultation Resource Guide provides councillors, council staff and service providers with tools to enable them to adequately plan and implement meaningful consultation. The guide also includes a useful list of consultation strategies and policies used by many Australian local governments. It can be obtained at www.vlga.org.au.

The outcomes of the consultation should be considered when completing the self-audit tools and reviewing the content and performance of the planning scheme and processes.

Outcome of step 3:

- A summary of all the issues arising from the consultation.

Step 4 – Doing the review

Applying the tools

Four audit tools have been developed to assist the review process. The outcomes from steps 1 and 2 provide input into these tools.

Resources needed

- relevant statistics from council's planning information systems
- council's annual report, Council Plan and Best Value program (where it relates to the operation of the planning unit)
- an organisational plan of the structure and staffing of the planning unit.

1. Planning scheme review

Planning scheme audit tool (See Appendix A1)

The Planning scheme audit tool aims to:

- maintain the strategic focus of the planning scheme
- ensure council's continued ownership and commitment to the planning scheme and its continuous improvement
- satisfy the requirements of section 12B of the Act.

This audit tool includes a number of questions about the planning scheme, in particular about:

- the content of the Local Planning Policy Framework
- the consistency of the planning scheme with the State Planning Policy Framework
- the strategic performance of the planning scheme
- any strategic gaps in the planning scheme
- linkages between the Council Plan and the planning scheme
- format, consistency and useability of the planning scheme.

2. Planning process review

A review of existing planning systems and processes is likely to identify opportunities to improve the administration of council's statutory responsibilities.

File audit tool (See Appendix A2)

A thorough audit of a sample of completed planning files is an excellent way of monitoring the performance of the planning department. A file audit is also an agreed way of identifying procedural problems such as blockages in the assessment process and poor administrative practices (such as not documenting site visits) that might need to be remedied.

A selection of 30 to 50 completed planning files that represent a cross section of planning issues, geographical areas, report authors and VCAT determinations during the previous 12 months should be made.

Preferably, the project manager and senior statutory and strategic planners should undertake the file audit.

Ideally, council can satisfy other audit process requirements concurrently, such as the risk insurance audit and delegation audits.

Planning workload and office statistics audit tool (See Appendix A3)

This audit analyses various quantitative statistics including:

- existing and proposed staffing levels
- workload (planning permits, number of VCAT reviews, planning scheme amendments and strategic planning projects)
- existing and proposed budget.

This audit tool focuses on quantitative data to establish the performance of the planning department. By using this tool, performance in a range of areas, from staffing and registration of applications to enforcement and applications for review, can be measured.

The audit tool allows performance to be measured at the beginning of the review and performance benchmarks to be set for subsequent years. Achieving these benchmarks will help to ensure a process of continuous improvement within the planning department and provide a means of measuring compliance with the statutory requirements of the *Planning and Environment Act 1987*.

Planning processes audit tool (See Appendix A4)

The audit examines the effectiveness and efficiency of the planning department and its systems and processes. Both quantitative and qualitative data can be used as part of this process. Because the audit is focused on operational efficiency of the planning department, this section of the audit is aligned with the various stages of the permit assessment process and the other statutory responsibilities of the council.

The following issues are covered:

- pre-application
- registration, referrals, lodgement and assignment
- preliminary assessment
- consultation and public notification
- delegation
- assessment, reporting and decision-making
- applications for review
- enforcement
- training and support.

Outcome of step 4:

- A summary of the current situation, trends and issues in key performance areas.

Suggestions:

- Involve strategic and statutory planners throughout the process to ensure sharing of knowledge.
- Understand statistical needs and identify and set up data systems to deliver information required to decide on improvements.
- The annual DSE/MAV Planning Permit Activity Report contains information on total applications lodged, number of decisions on applications lodged, and land use and development categories for applications.
- VCAT has data available on the number and type of applications for review lodged by council at www.vcat.vic.gov.au.
- Data on the number of planning scheme amendments can be obtained from DSE at www.dse.vic.gov.au/planning/amendments.

Step 5 - Analysis

What are we going to do?

This step analyses the outcomes of the previous steps against the existing planning scheme and processes. This enables confirmation or dismissal of the issues and trends that have been identified and an understanding of the extent of the issues. It also enables an appreciation of the reasons why the issues are being raised and potential actions that can be taken to address the issues.

As part of the analysis it may be useful to review examples of planning practices used by other councils (Appendix C). The examples have been identified by councils that have completed the review process.

Outcome of Step 5:

- An understanding of the issues and their relative importance.
- An understanding of actions that can be taken to address the issues.
- Recommendations on the priority of the actions and the weight they should be given.

Step 6 - Report the review

Who needs to be informed about what we have found and what we will be doing?

Each council will have its own method for reporting the outcomes of the review.

The review should be presented in a report to council which:

- identifies the major planning issues facing the municipality
- demonstrates how the planning scheme implements State Planning Policy
- assesses the strategic performance of the scheme
- documents the strategic work that has been completed or carried out since the previous review of the scheme or MSS and any additional work required to strengthen the strategic direction of the planning scheme
- describes the monitoring and review process that has been carried out
- outlines the consultation process and its outcomes
- makes recommendations arising from the review including:
 - possible changes to the strategic objectives of the LPPF
 - possible changes to the implementation tools to achieve the strategic objectives
 - matters requiring further strategic work to strengthen the strategic objectives of the planning scheme
- streamlining the permit process including:
 - identifying matters that should not require a planning permit
 - opportunities to introduce simpler assessment and approval processes
 - possible 'fast tracking' of various application types
- outlines the operational improvements to current planning process recommendations including:
 - council practices which should be changed, modified or replaced in order for improvements to be made to the planning department
 - compiling planning application and application for review statistics and other relevant information in a manner suitable for review and analysis at the next audit.

Section 12B (5) of the Act requires a council, on completion of the review, to report the findings of the review the Minister.

The report to the Minister should:

- identify the major issues facing the municipality
- outline key matters requiring further strategic work to strengthen the strategic objectives of the planning scheme in terms of its efficiency and effectiveness to satisfy the requirements of section 12B of the Act
- outline issues that require the engagement or assistance of the Department of Sustainability and Environment

Councils are encouraged to notify the department of any of their planning practices that should be added to Appendix C. This enables all councils to share experiences and benefit from a collaborative approach.

Outcome of Step 6:

- Report back to the workshop participants on the outcomes of the review.
- A report to council.
- A report to the Minister.

Suggestions:

- The project manager should report back to the workshop participants on the outcomes and invite them to review progress and implementation one year after their participation.
- Establish a permanent stakeholder group to focus on the operation of the planning scheme and planning processes.
- Consider making a summary of the report available to other councils for their review.

Step 7 - Implement the findings

How do we ensure commitment to implementation?

How do we ensure implementation is effective?

Following through on implementation is critical to realise the benefits of the review.

The implementation plan should be integrated with other corporate and statutory reporting obligations, including the Council Plan, Business Planning, Best Value and other strategic council processes.

Ideally the implementation plan should establish a series of performance targets to be achieved within the period leading to the next review.

The implementation plan will form the basis of the next review and provide feedback to the community.

The following suggestions may help successfully implement the review:

- base the implementation plan on what can be achieved with the available resources
- develop actions that are realistic, clear and achievable
- establish clear linkages between the implementation plan, the Council Plan and the council budget
- closely link the review with other corporate and statutory reporting obligations, in particular the Best Value process. Council may wish to list the recommendations of the review under the six Best Value Principles
- formally adopt the implementation plan and release it as a public document
- allocate the responsibility for achieving recommendations to specific positions, not just a particular council department. This will help build accountability and ownership.

Suggestion: Consider using a table to express each recommendation:

Recommendation	
Who is responsible?	
When will it be achieved?	
What will it cost?	
How do we know we have achieved it?	

Outcome of Step 7:

- An implementation plan.