

Monitoring the outcomes of planning

A Research Study

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1 Introduction

- 1.1 This report documents the findings of a research project, commissioned by the Scottish Government's Directorate for Local Government and Communities, on Monitoring Outcomes from Planning. In January 2018, a consultant team led by yellow book ltd was appointed to carry out the study.
- 1.2 The aim of the research was "to identify how place-based outcomes from planning could be monitored to demonstrate the value added during the planning process and how the final development has resulted in an improved place". The report will inform future work on developing new approaches to assessing the performance of the planning system in Scotland. The brief also highlighted secondary objectives including:
 - identifying indicators for monitoring planning outcomes
 - exploring methods for monitoring outcomes
 - an assessment of the resources required to implement a new system.
- 1.3 The brief positioned the study in the context of the current Review of the Scottish Planning System. It cited the independent panel's recommendation that there should be "a move towards monitoring outcomes from planning, rather than focusing only on procedures". This recommendation was explored in the January 2017 *Places, People and Planning* consultation document and the brief notes that "there was very strong support from stakeholders for a focus on quality of decisions and outcomes as a measure of performance as well as the time taken to reach a decision".
- 1.4 Monitoring the outcomes of planning is one element of a broad-based performance management system. It was agreed that, while this report should focus on monitoring outcomes, it should also scope out the wider context which includes monitoring activities and outputs as well as evaluating medium to long-term impacts.
- 1.5 This report is in eight sections, including this introduction:
 - Section 2 describes our methodology and work programme
 - Section 3 puts the study in the context of the review of the Scottish planning system
 - Section 4 introduces the so-called Scottish approach to outcomes-based performance management (OBPM)
 - Section 5 discusses the application of OBPM to the planning system

- Section 6 introduces a performance management framework (PMF) for the Scottish planning system
- Section 7 discusses the implementation of the PMF, focusing on monitoring outcomes but also addressing evaluation and feedback
- Section 8 contains a summary of our key findings and conclusions.

1.6 There are three annexes:

- Annex 1: Note on terminology
- Annex 2: Bibliography
- Annex 3: Consultations.

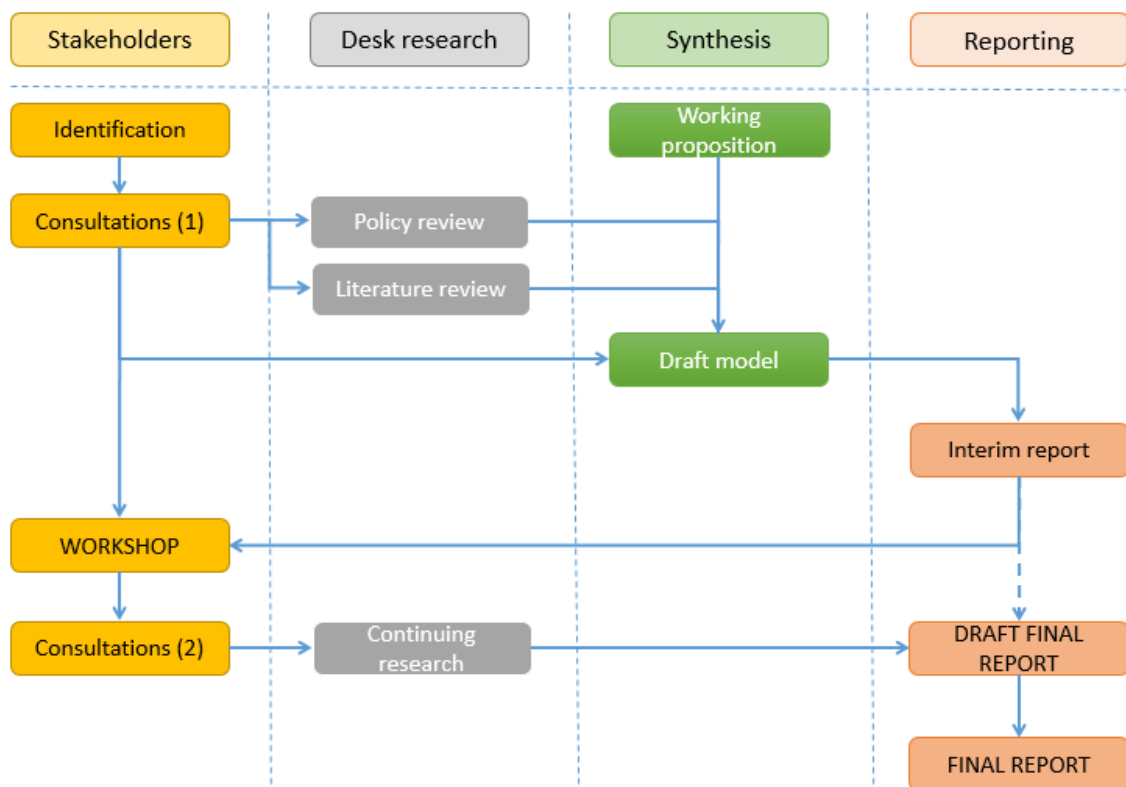
2 Methodology and work programme

- 2.1 The brief is challenging but focused, with the emphasis on monitoring the *outcomes* of planning. However, outcome monitoring is only one-element of a broader performance management framework (PMF) for the Scottish planning system. The development of a comprehensive PMF is beyond the scope of the present study, but it is not possible to explore the specific challenges of outcome monitoring unless we have some sort of understanding of the bigger picture, including:
- the purpose of the planning system
 - what success looks like, and how it might be measured
 - the use of the development management process to achieve the desired results
 - looking beyond outcomes to assess the long-term, cumulative impacts of planning
 - how lessons learned from monitoring and evaluation can be shared, disseminated and fed back into the development of policy.
- 2.2 The emphasis of the current performance management system for planning in Scotland is on monitoring the *development management process*. The Planning Performance Framework, introduced in 2011, focuses on policy development, development management and short term outputs. Our research has revealed a clear consensus that a shift towards monitoring the medium-term outcomes and longer-term impacts of planning will require new policies, new ways of working and a change in the planning culture. It is widely regarded as a positive step which would align performance management with public expectations of the planning system rather than the “insider” view of the present system. It is also in line with the call in the New Urban Agenda (United Nations, 2017) for “reinvigorating...urban and territorial planning and design in order to optimize the spatial dimension of the urban form and deliver the positive outcomes of urbanization”.
- 2.3 This report will inform the development and implementation of a comprehensive PMF for the Scottish planning system. Expanding the existing Planning Performance Framework to include monitoring of outcomes is a practical first step towards wholesale reform, and, as required by the brief, this report focuses on this key element of the PMF, setting out proposed indicators and methodologies for gathering key data.

2.4 As shown in Figure 2-1 our methodology has comprised four work streams:

- stakeholder engagement: one-to-one and small group meetings with a number of key stakeholders (Annex 3) and a half day workshop
- desk research including a review of relevant policy documents and a literature review (see Annex 2 for bibliography)
- synthesis: developing and testing a working proposition and preparing a draft performance management model
- reporting: we prepared an interim report which was issued in advance of the workshop; following the workshop we prepared the final report.

Figure 2-1: Work programme – key stages



3 Context: the planning review

- 3.1 This study is one of the strands of the Review of the Scottish Planning System, which was launched in 2015, when Ministers appointed an independent review panel. The panel submitted its report in 2016 (Independent Review Panel, 2016) and its findings were cited in the study brief, which noted that the panel had:
- “...recognised that the speed of decision making is an important part of performance monitoring...[but] a quality service relies on a wide range of factors...[T]he independent panel recommended...a move towards monitoring outcomes from planning, rather than focusing only on procedure”.
- 3.2 This theme was pursued in the January 2017 consultation paper, *Places, People and Planning* (Scottish Government, 2017a). In his introduction, the Minister for Local Government and Housing highlighted the economic, societal and environmental value of planning:
- “The places where we live, work and play can have a major impact on our health, wellbeing, sense of identity and prosperity. Planning can nurture our places, our environment and our communities and guide future change so that it benefits everyone.
- “Planning can co-ordinate and support investment, ensure that future growth reflects the needs of communities and is sustainable. Planning has a key role to play in delivering Scotland’s Economic Strategy. The efficiency and reputation of the system has an important role to play in making Scotland an attractive place to invest.”
- 3.3 In order to fulfil its potential, the planning system needs to change. Too often perceived as “bureaucratic and dull”, planning needs to be “dynamic [and] focused on outcomes”, playing a more active role in “making development happen in the right places”. The consultation document proposed a number of key changes, including a “new approach to improving performance. We will continue to strengthen the way in which performance is monitored, reported and improved”.
- 3.4 The consultation document set out proposals for improving the existing Planning Performance Framework (which focuses primarily on *process*) but it also discusses the case for “measuring performance on the basis of quality of places”. Such assessments might build on the Scottish Awards for Quality in Planning or the RTPI’s Awards for Planning Excellence; using the Place Standard might enable “before and after” comparisons, and communities could be invited to give feedback. These recommendations provide the immediate context for the present study, although, as we have seen, they focus on inherently complex impact

evaluation, with an emphasis on wider policy impacts, rather than more readily available (and reliably quantified) outcome measures.

- 3.5 The June 2017 report on the results of the consultation exercise found that there was general agreement among policy makers and planners that “planning performance needs to move beyond quantitative targets to focus on outcomes” (KMA, 2017). This is somewhat confusing: in fact, all the planning outcomes discussed in this study are quantifiable, while the longer-term impacts of planning (both direct and indirect) will require more subjective qualitative judgements. In practice, a comprehensive performance management framework for planning would require elements of both.
- 3.6 In recording broad support for a shift towards outcomes-based performance measurement, the KMA report noted that some developers had expressed concern about the time and resource required to monitor performance outcomes, which should not be “at the expense of delivering primary services”.
- 3.7 The June 2017 position statement (Scottish Government, 2017b) also recorded the welcome for proposals to focus on outcomes, citing health and wellbeing, climate change and carbon emissions as potential performance measures. A further round of consultations on the Position Statement confirmed “support for monitoring outcomes rather than performance”.¹ The consultation process revealed a clear consensus among policymakers, planners and third sector organisations that a new approach to performance management is required.
- 3.8 The Policy Memorandum that accompanied the Planning (Scotland) Bill (Scottish Government, 2017c) reaffirmed the importance of “a high-performing planning service...Planning authorities hold the primary responsibility for effective management and efficient delivery...” The Bill will increase scrutiny of the performance of planning authorities through three broad measures:
- a statutory requirement to produce annual performance reports
 - appointment of a national planning performance coordinator, and
 - powers to assess planning authorities’ performance and to pursue improvements.
- 3.9 The Memorandum specifically noted the “strong support for a focus on monitoring quality of decisions and outcomes, as well as time-based

¹ This is a false dichotomy: outcome monitoring and performance management are not options; the former is an integral part of the latter.

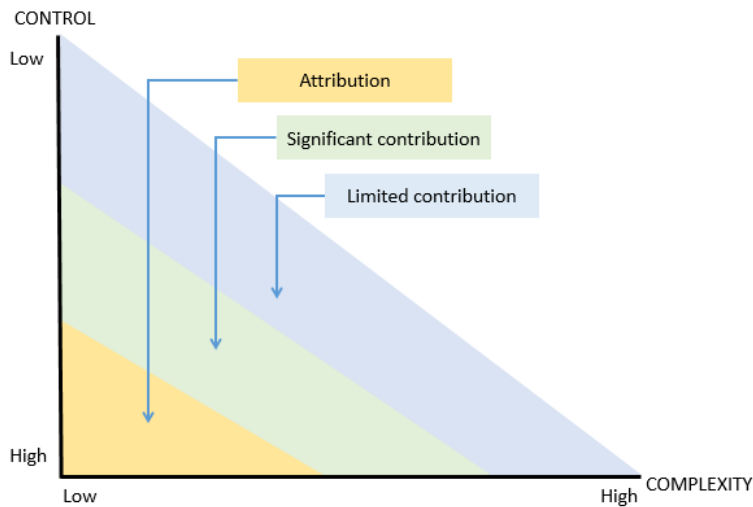
performance standards. There was also support for 360° feedback from service users, provided there would be implementation of lessons learned”.

- 3.10 The planning review has revealed some confusion about the purpose and scope of performance management in the Scottish planning system, but the broad message is clear. We need to have a better understanding of the outcomes delivered by planning, its impact in terms of making better places, and its wider contribution to the National Performance Framework. We should note that many of our consultees argued that better performance management involves more than the “scrutiny” of planning authorities mentioned in the Policy Memorandum: it should examine the performance of the Scottish planning system in totality and the roles of all the principal actors.

4 Outcomes-based performance management

- 4.1 The aspiration to create an outcomes-based performance management (OBPM) system is not confined to planning. In the Scottish policy context it is reflected in the National Performance Framework which identifies 16 National Outcomes, supported by a battery of National Indicators. Local outcome improvement plans (LOIPs) show how local authorities/community planning partnerships will contribute to the National Outcomes. The National Performance Framework is the centrepiece of what has become known as the Scottish approach to public service reform, which was the subject of the 2011 Christie Commission Report.
- 4.2 The Scottish approach is characterised by “a move within public services from top-down, service-led, reactive delivery, towards more personalised, preventative and collaborative ways of working”. Traditionally, outcome monitoring has been predicated on a direct, linear, “cause and effect” relationship between interventions and outcomes. The Scottish approach recognises that interventions interact with multiple other factors to influence outcomes (Cook, 2017). It also acknowledges the distinction between:
- programme outcomes: changes directly resulting from services and interventions, with a focus on service providers and users
 - population outcomes: how things are for people at the national, regional or local level, and
 - personal outcomes: what matters for individuals, families and communities.
- 4.3 Contemporary performance management practice tends to be more cautious about attributing outcomes directly to public sector services and interventions. The traditional linear perspective assumed a greater degree of control and/or predictability than is normally the case. Cook notes that, in practice, most interventions are “delivered in a complex, adaptive system which is influenced in unpredictable ways by internal and external factors”. As shown in Figure 4-1, this understanding tends to limit the territory in which outcomes can be confidently attributed to services/interventions and to expand the territory in which policy aims to exert influence through partnership and co-production.

Figure 4-1: Control, complexity and degree of influence



Source: Adapted from Cook (2017)

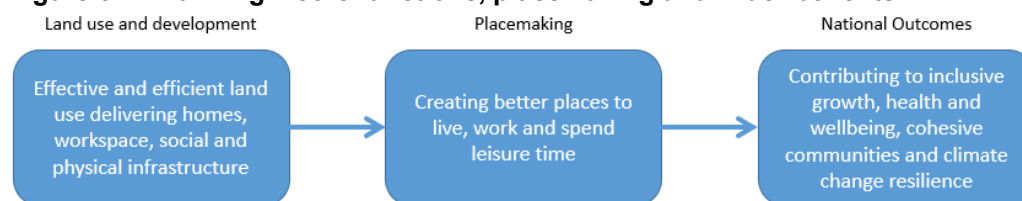
- 4.4 An outcomes-based approach should promote collaboration between sectors and agencies and a better understanding of the driving forces (social, economic, technological, environmental and political) influencing events. It is intended to promote organisational learning and innovation, increase transparency and accountability, and encourage long-term thinking.
- 4.5 The case for performance management systems that acknowledge complexity is widely recognised, but they are notoriously difficult to design and implement. Cook (op cit) cites research showing that “implementing population level outcomes-based approaches takes time and involves considerable shifts in culture, systems and practice”. Linear, cause-and-effect attribution may be problematic but it has the virtue of relative simplicity. Despite this, Cook argues that “outcomes-based approaches must embrace complexity, value the perspective and contributions of multiple stakeholders and capture evidence to support improvement and transformation”. She sets out a route map for practitioners and policy makers, based on the following guiding principles:
- navigate a path through complexity with a robust theory of change
 - promote partnership and co-production by focusing on outcomes
 - understand the journey as well as the outcomes
 - ensure data is meaningful and use multiple sources of evidence
 - maximise impact and efficacy by tailoring your approach
 - celebrate success and share learning
 - use outcomes-based approaches to evaluate progress and improve policy.

5 OBPM and the planning system

- 5.1 In this section we examine how the principles of outcomes-based performance management (OBPM) might be applied to planning. This has long been seen as a challenging task. In a report commissioned by the RTPI on the challenges of *Measuring the Outcomes of Spatial Planning in England*, the Centre for Urban Policy Studies (2008) noted the methodological difficulties of measuring “the effectiveness and outcomes of planning...due to the complexity involved in spatial planning activities and the limitation of any single method as a means of effectively measuring the outcome and impact of these activities”.
- 5.2 Wong (2006) described developing an outcomes-based approach to planning as “a wicked problem”. Planning outcomes and impacts are resistant to “traditional linear analytical approaches”. Planning operates within “an evolving set of interlocking issues and constraints” and it is “always embedded in a dynamic social context, which makes each problem unique”.
- 5.3 The difficulty stems from the long-term evolution of policy thinking about planning in Scotland, the UK and other countries, and the expanding scope of policy aspirations. Traditionally, planning has been seen as an essentially technical and regulatory activity (managing land use and development), and this continues to be the core function of the planning system. In recent decades, however, there has been a much greater emphasis on the purpose of planning, and in particular the concept of *placemaking*. Scottish Government policy statements on architecture, the work of Architecture + Design Scotland, CABI and others have explored and attempted to codify the attributes of “better places”. The Place Standard was developed as a tool for measuring aspects of place quality, albeit subjectively. Research around these themes has increasingly focused on the potential of “better places” to contribute in turn to a much wider set of goals, including the National Outcomes (see Figure 5-1).²

² In 2006, for example, the then Scottish Executive commissioned a literature review on the economic, social and environmental benefits of good design (Morris Hargreaves McIntyre, 2006). In 2007, yellow book prepared a Guidance Note on Policy for Architecture + Design Scotland, which drew on the literature review and other sources.

Figure 5-1: Planning – core functions, placemaking and wider benefits



- 5.4 There is a broad and growing consensus that good design and better places can make a positive contribution to better health and learning outcomes, to social cohesion, business productivity and climate change resilience, among others. But, for the reasons outlined in Section 4, attributing and quantifying such benefits is extremely difficult.
- 5.5 The Scottish's Government's *Guide to the Planning System in Scotland* (2009) focuses firmly on the core functions of planning:
"The planning system is used to make decisions about future development, and the use of land in our towns, cities and countryside. It decides where development should happen, where it should not and how development affects its surroundings.
"The planning system exists to regulate the use of land and buildings by granting or refusing planning permission. Decisions about planning applications are based on the development plan for your area, which is prepared by your local council or national park authority.
"The planning system balances competing demands to make sure that land is used and developed in the public's long-term interest."
- 5.6 The Policy Memorandum that accompanies the Planning (Scotland) Bill 2017 reaffirms this message:
"Development, such as new homes and facilities and places for people to work and to spend their leisure time, has always been needed and places continuously change. The purpose of planning is to guide how land should be used to meet the needs of society. Scotland has a plan-led system, whereby policy and proposals for how its areas will develop in future are set out in the statutory development plan. Planning authorities are required to make their decisions on planning applications in accordance with the development plan unless other material considerations indicate otherwise".
- 5.7 So, while planning in Scotland is expected to contribute to a broad range of policy goals, its core purpose continues to be "guid[ing] how land should be used to meet the needs of society". It is a *spatial* discipline that seeks to achieve the optimal distribution of development in cities, towns and the countryside. These spatial goals are reflected in the National Performance Framework which includes two National Outcomes which derive directly from planning activities:

- NO 10: We live in well-designed, sustainable places where we are able to access the amenities and services we need
- NO 12: We value and enjoy our built and natural environment and protect and enhance it for future generations

5.8 The language of these National Outcomes confirms that planning is concerned not only with the allocation and distribution of development, but with the *quality* of the places that are produced as a result. A range of policies and resources offer guidance and good practice exemplars to help all the actors in the planning system achieve placemaking goals as well as the delivery of development. These resources include:

- *Creating Places*, the Scottish Government's policy statement on architecture and place (Scottish Government, 2013)
- the advisory services provided by Architecture + Design Scotland and local authority design panels
- local development plan policies
- design guides, and
- the Scottish Government's Place Standard.

5.9 The potential strategic impact of planning is articulated in *Scottish Planning Policy* (Scottish Government 2014) which sets out the following vision:

"We live in a Scotland with a growing, low-carbon economy with progressively narrowing disparities in well-being and opportunity. It is growth that can be achieved whilst reducing emissions and which respects the quality of environment, place and life which makes our country so special. It is growth which increases solidarity – reducing inequalities between our regions. We live in sustainable, well-designed places and homes which meet our needs. We enjoy excellent transport and digital connections, internally and with the rest of the world."

5.10 *Scottish Planning Policy* introduces four key planning outcomes. The accompanying descriptions provide a useful commentary on the ways in which planning outcomes might contribute to placemaking and other policy goals:

- Outcome 1: A successful, sustainable place – supporting sustainable economic growth and regeneration, and the creation of well-designed, sustainable places.
By locating the right development in the right place, planning can provide opportunities for people to make sustainable choices and improve their quality of life. Well-planned places promote well-being, a sense of identity and pride, and greater opportunities for social interaction... promoting strong, resilient and inclusive communities. Delivering high-quality buildings, infrastructure and spaces in the right locations helps provide choice over

where to live and style of home, choice as to how to access amenities and services and choice to live more active, engaged, independent and healthy lifestyles... By allocating sites and creating places that are attractive to growing economic sectors, and enabling the delivery of necessary infrastructure, planning can help provide the confidence required to secure private sector investment, thus supporting innovation, creating employment and benefiting related businesses.

- Outcome 2: A low carbon place – reducing our carbon emissions and adapting to climate change.
By...encourag[ing] mitigation and adaptation measures, planning can support the transformational change required to meet emission reduction targets and influence climate change. Planning can also influence people's choices to reduce the environmental impacts of consumption and production, particularly through energy efficiency and the reduction of waste.
- Outcome 3: A natural, resilient place – helping to protect and enhance our natural and cultural assets, and facilitating their sustainable use.
By protecting and making efficient use of Scotland's existing resources and environmental assets, planning can help us to live within our environmental limits and to pass on healthy ecosystems to future generations. Planning can help to manage and improve the condition of our assets, supporting communities in realising their aspirations for their environment and facilitating their access to and enjoyment of it. By enhancing our surroundings, planning can help make Scotland a uniquely attractive place to work, visit and invest and therefore support the generation of jobs, income and wider economic benefits.
- Outcome 4: A more connected place – supporting better transport and digital connectivity.
By aligning development more closely with transport and digital infrastructure, planning can improve sustainability and connectivity. Improved connections facilitate accessibility within and between places – within Scotland and beyond – and support economic growth and an inclusive society.

5.11 These goals reflect the Scottish Government's commitment to the United Nations' Sustainable Development Goals (SDG), in particular Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

5.12 In their report on *The Value of Planning*, also commissioned by the RTPI, Adams & Watkins (2014) state that: "Planning is a much broader activity than the narrow regulatory role to which it is relegated by many economists and some politicians. Planning helps to create the kinds of

places where people want to live, work, relax and invest – often termed ‘shaping places’. Planning is about improving places by helping them to function better economically as well as socially and environmentally.” In a conclusion consistent with the findings of the independent review, Adams & Watkins conclude that planning is “about *outcomes*, not just *processes*”, and they argue that “planning is not always done by people called ‘planners’”.

- 5.13 Based on the dictum attributed to the US management guru, W Edwards Deming that “every system is perfectly designed to achieve the results it is getting”, it could be argued that place quality (measured by these and other standards) is the ultimate test of the efficacy of the planning system. But, while place quality remains a key goal, the lessons of the Scottish approach to public service reform (Section 4) should remind us of the complexity of the placemaking process and the inherent difficulties of attribution.
- 5.14 Places are shaped by multiple actors. Local authority planners and politicians create the policy frameworks and seek to enforce them, but every development project of even modest scale will also involve private, public or third sector developers, investors and their professional advisers, architects, statutory bodies, community representatives and local residents.
- 5.15 Some major projects may be considered to be an exercise in placemaking in their own right: more often, and especially in urban areas, places are shaped cumulatively by an aggregation of individual developments. Development management can be seen as the process of choreographing the efforts of different projects and agents to achieve the best possible place outcomes, balancing the interests of all the players.
- 5.16 Development occurs in a market context. During our consultations it was argued that planning authorities are better placed to deliver both a greater volume of development and better place quality in areas where consumer/ occupier demand is strong and where developers are active. In these locations a range of development types are viable and attractive to developers and this gives planning authorities greater leverage to “demand better”. By contrast, in places where demand is weak and viability is marginal, it may be more difficult for planners to exert a positive influence. It was suggested to us that, in some areas, there is a tendency to think that “any development is better than nothing”. The result may be a little-recognised form of inequality, with prosperous communities more likely to attract better quality design and placemaking,

while the least well off have to settle for lowest common denominator development. In these circumstances, it was argued that public sector and third sector developers (such as housing associations) need to act as “design champions”, commissioning quality projects that will help to close the “place quality gap”.

- 5.17 The Centre for Urban Policy Studies looked beyond placemaking outcomes to argue that “the planning system is now more than ever concerned with promoting the role of planning as a coordinator, integrator and mediator of the spatial dimensions of wider policy streams... This broader role represents an explicit extension of the scope of planning beyond its traditional focus on mediation, management and monitoring land use and physical change within localities.” Spatial planning is concerned with policy concepts such as “liveability”, “sustainable development” and “sustainable communities”, but such concepts may be “too holistic and vague” to be of operational value. They may need to be replaced with “an alternative formulation” of more specific desired outcomes.
- 5.18 The brief for this study is predicated on planning as an agent for change across policy domains. Adams, O’Sullivan et al (2016) argued that planning has often failed to gain traction, or at least to demonstrate its effectiveness, in this wider policy role:
“...we now have planning systems which struggle to deliver widely-shared economic, social and environmental goals. There is an urgent need to take stock of the planning systems we have now, what they can deliver, and to debate alternative futures for planning that might produce much better results.”
- 5.19 In language which prefigures the findings of the independent review, the authors argue that planners need to focus more on achieving better economic, social and environmental outcomes, and talk “less about planning procedures and processes”. The “value of planning” needs to be better understood so that positive outcomes can be achieved and maximised. If measuring the impact of planning on place outcomes is difficult, identifying the effects on wider policy objectives will inevitably be even more challenging. Such effects may be hard to measure in any event, even more so because “delivery is heavily reliant upon the actions of a plurality of actors and agencies across different operationally independent policy sectors”.
- 5.20 The idea that planning can reach beyond its core functions of managing land use and development, to help to create better places and to exert a positive influence on the wider policy agenda has become a conventional wisdom. It justifies concerns that the current performance management

regime is insufficiently concerned with the direct *outcomes* of the development management process, let alone its wider (direct and indirect) *impact* on the Government’s National Outcomes. But this study has confirmed that measuring the outcomes and, especially, the impacts of planning is inherently difficult. Theoretical models of the type set out in reports commissioned by the RTPi or by Arup (2011) for the Welsh Government may prove to be too complex and time-consuming in practice.

5.21 The clear message from the practitioners we spoke to in the course of this study has been that, while we must and should do better in terms of monitoring planning outcomes and evaluating impacts, policymakers must be pragmatic: they “should not let the perfect be the enemy of the good”. During the course of the study we developed and tested the logic chain shown in Figure 5-2, which is a no-frills model consistent with the Treasury ROAMEF framework (see Section 6). The terminology used here is discussed in more detail in Annex 1.

5.22 We had a positive response to this model, which we have adopted as the organising framework for the latter stages of this report. It is important to stress that it is a work in progress: the ideas and suggestions contained in the following pages are not presented as policy recommendations, but are intended to provide a basis for future policy development.

Figure 5-2: Performance management for planning: the logic chain



5.23 The model is explored in more detail in the following section, but some points are worth highlighting here:

- there is a linear connection between inputs, activities and outputs, and – to a lesser degree - outcomes
- planning authorities have a high level of control over inputs and activities, and a significant degree of control over outputs
- planners and policymakers already monitor activities and outputs through the Planning Performance Framework (see below) and they have the capability to monitor planning outcomes, using data which are already available
- planning authorities have a strong but not decisive influence on planning outcomes, a significant influence on the direct (placemaking) impacts of planning, and a degree of influence on the indirect (wider policy) impacts
- impacts (direct and indirect) can be assessed through post hoc evaluation, drawing on monitoring data as well as qualitative assessments.

5.24 There is already a Planning Performance Framework (PPF) for Scotland. The framework, which was developed by Heads of Planning Scotland (HOPS) in conjunction with the Scottish Government, was launched in 2011, and the most recent refreshed guidance notes were issued in April 2018. The PPF involves “a mix of qualitative and quantitative measures to provide a toolkit of indicators”. All planning authorities and SDPAs submit annual reports, which are complemented by a peer review process.

5.25 As shown in Figure 5-2, the scope of the PPF (the area between the dotted lines) is largely confined to the operation of the development management process. It monitors the planning process through activities and outputs, with only very limited coverage of outcomes, although the reporting proforma inaccurately describes measures of activity and outputs as “key outcomes”. Figure 5-3 overleaf analyses the PPF National Headline Indicators, distinguishing between activities/outputs and outcomes.

5.26 The PPF captures important management information, especially in relation to the determination of planning applications and the speed of decision-making but it is an overwhelmingly process-orientated tool. It is essentially inward-looking and narrowly focused on plan-making and the efficiency of the development management system. It is of more value to those who engage directly with the planning system (planners, policymakers, developers and others) than to citizens and communities. The latter are more likely to be concerned with planning outcomes – development on the ground – and the impact of that development on place quality. The conclusion is that Scotland needs a more broad-

based, outcomes-based performance management framework for the planning system. This would require two key steps:

- an extension of the monitoring regime to include planning outcomes – for example, the volume of development on the ground and progress towards local and national targets, and
- a regular programme of post hoc evaluations to assess the direct impact of planning on place quality and the indirect contribution of planning to the achievement of National Outcomes.

Figure 5-3: PPF National Headline Indicators

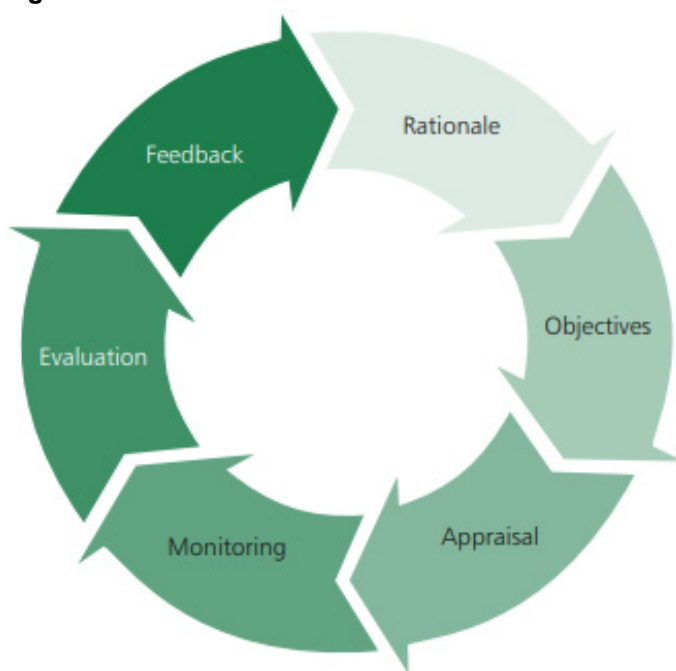
Indicators	Activities & outputs	Outcomes
Development planning Four indicators of development plan currency/status	✓	
Land supply and delivery of outputs Established housing land supply 5-year effective housing land supply 5-year housing supply target 5-year effective housing land supply Housing approvals Housing completions (5 years) Marketable employment land supply Employment land take-up	✓ ✓ ✓ ✓ ✓ ✓ ✓	✓ ✓
Development management Indicators relating to project planning, decision-making and validation	✓	
Decision-making timescales	✓	
Legacy cases	✓	
Enforcement	✓	

5.27 A number of our consultees challenged the implicit assumption of the PPF that a decision to grant planning permission should be seen as a positive output of the planning process, and that implementation of that consent is, by extension, a positive outcome. This concern echoes a theme of recent research on barriers to community engagement in planning (yellow book, 2017) which found that citizens who get involved in the planning process believe that “planning appears to be driven more by delivering development than by placemaking”. It follows that a future performance management system for Scotland needs to recognise that the refusal of an inappropriate and/or poor quality development is beneficial. Indeed, as the *Guide to the Planning System in Scotland* (Scottish Government, 2009) points out, stopping the wrong development in the wrong place is precisely what the planning system should be doing. In this context, no development may be a positive outcome.

6 A performance management framework for the planning system

- 6.1 Building on the principles set in Section 5, we used the consultations and the workshop to develop an illustrative performance management framework (PMF) for the Scottish planning system. The model received a positive response from consultees, but we must stress again that this is not a fully worked-up proposal. It should be treated as a working draft and a platform for future policy development.
- 6.2 The model takes as its starting point the Treasury *Green Book* on appraisal and evaluation, a new edition of which has recently been published (HM Treasury 2018). The *Green Book* is the recognised standard for public sector organisations in Scotland and the UK.³ It sets out guidance which can be applied to ongoing programmes and services as well as one-off projects. The foundation of the *Green Book* approach is the ROAMEF performance management model shown in Figure 6-1.

Figure 6-1: The ROAMEF model



Source: HM Treasury

³

<http://www.gov.scot/Topics/Government/Finance/spfm/appraisal> states that the *Green Book* has been adopted by the Scottish Government and applies to all organisations to which the Scottish Public Finance Model is applicable.

6.3 The *Green Book* states that every project and programme should pass through three key stages:

1. PLANNING AND DEVELOPMENT

- Rationale: what is the purpose of the intervention and why is it needed?
- Objectives: what specific objectives is it intended to deliver and how might we measure achievement?
- Appraisal: what are the options for achieving the objectives and which represents best value?

2. IMPLEMENTATION

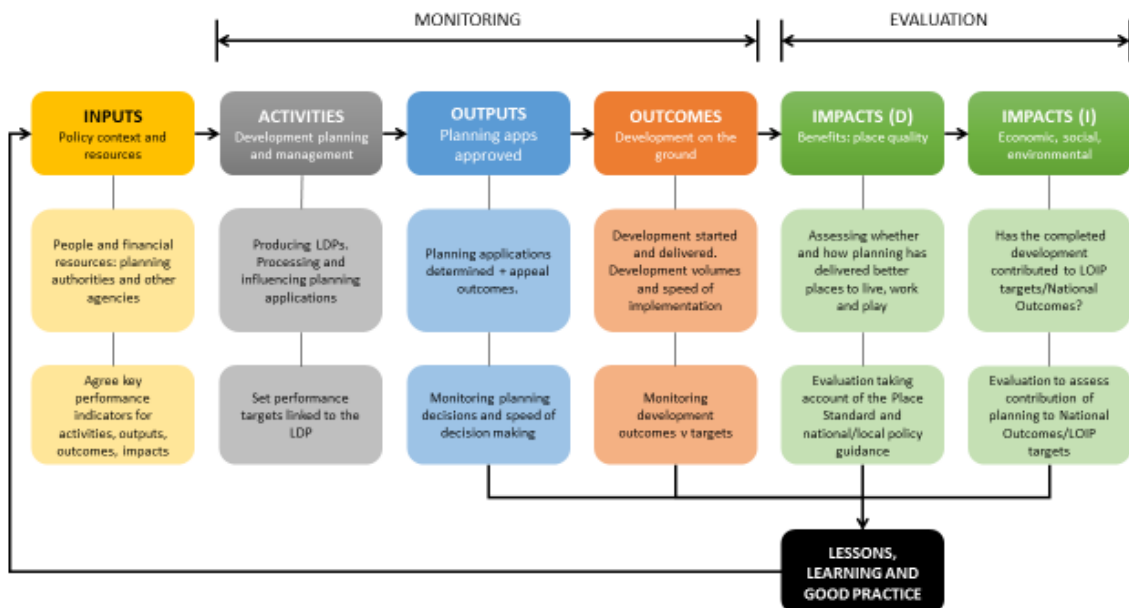
- Monitoring: how is the implementation of the intervention progressing? is it on time and on budget, and are the planned outputs and outcomes being achieved?
- Evaluation: after an appropriate interval (or at an agreed review stage) what can we learn about the impact(s) of the programme, and has it delivered the benefits we intended?

3. LEARNING

- Feedback: what lessons can we learn from our monitoring and evaluation? has the intervention been successful? should it continue/be repeated – or should we do things in a different way?

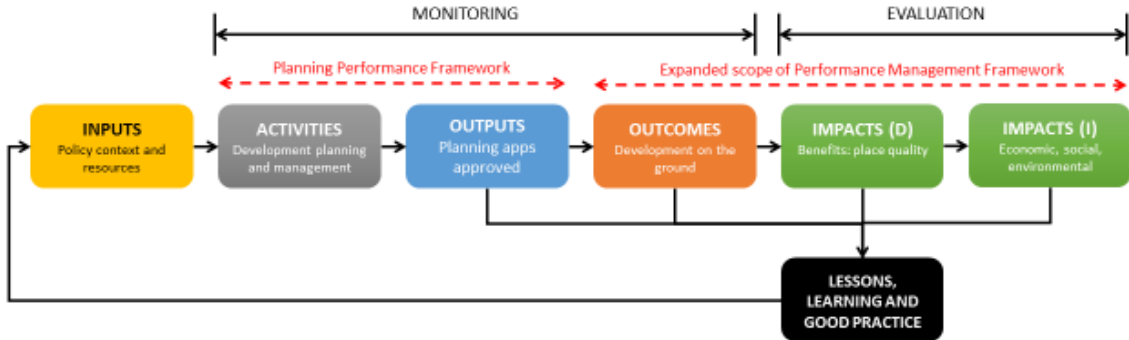
6.4 We have translated the relevant ROAMEF principles and the logic chain (Figure 5-2) into a draft performance management framework for the Scottish planning system. The model is summarised in Figure 6-2.

Figure 6-2: Draft performance management framework for the Scottish planning system



6.5 Unlike the Planning Performance Framework, which is concerned primarily with the planning process as measured by activities and outputs, the PMF would span the whole planning system from inputs to impacts, as well as a feedback loop to capture and disseminate lessons from experience – “what works and what doesn’t”. Figure 6-3 shows how the proposed PMF would expand the scope of performance management by focusing on outcomes and impacts.

Figure 6-3: Expanding the scope of performance management – from PPF to PMF

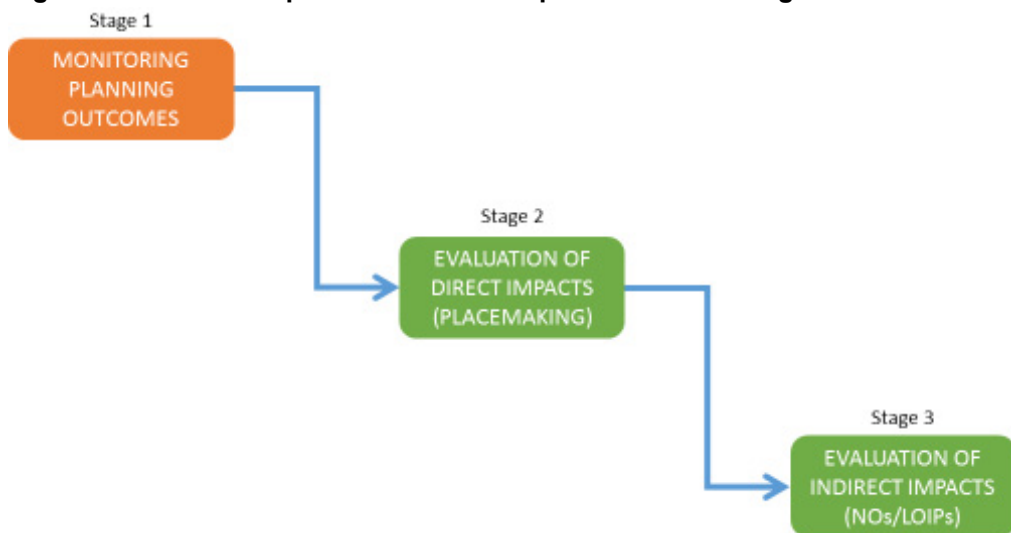


7 Implementing the PMF

- 7.1 The literature review has confirmed that finding a robust and practicable system for measuring the performance of planning systems has proved an elusive prize. A number of experts have produced sophisticated performance frameworks (see, for example, Arup (2011) and Wong and Watkins (2009)) but the complexity of these models, combined with a background of resource constraints have proved to be barriers to progress.
- 7.2 The recommendation, contained in the independent review, that there should be a greater emphasis on monitoring the outcomes of planning (and evaluating the impacts) commands broad support. Planners and professionals recognise the need for greater transparency and accountability, and for focusing on the difference that planning makes. Performance indicators empower citizens and communities: they can be a powerful tool for communications and advocacy. Monitoring the development management process is important, but it is not enough.
- 7.3 There is also a consensus that such a change needs to be approached in a pragmatic spirit, proceeding by stages if necessary. We noted in Section 5 that practitioners agree that “we should not let the perfect be the enemy of the good”. The absence of ready-made models in the UK and – as far as we can judge – further afield provides confirmation that a fully comprehensive performance management framework, embracing both the direct and indirect benefits of planning, is still some way off. Even if such a model were available, implementing it would, in all probability, be impracticable in the near term.
- 7.4 But we can still do better, and there is an immediate opportunity to take practical steps to improve the performance management regime and to make it more transparent and outcome-orientated. There is, in our view, a strong case for an incremental approach, using some early wins to create a platform for the development of a more ambitious performance management system in the medium-term. There may be merit in commissioning pilot studies to test more sophisticated approaches and methodologies.
- 7.5 The consultations revealed support for this approach. As indicated in Section 5, the new PMF might be introduced in three stages as shown in Figure 7-1:

- Stage 1 would involve the extension of the existing Planning Performance Framework to include the monitoring of all planning outcomes above an agreed threshold. By reporting the start and completion of developments, this would enable robust and reliable reporting on progress towards housing, workspace and other performance targets.
- Stage 2 would see a first tranche of evaluation studies, focusing at this stage on the direct (placemaking) impacts of the planning system
- Stage 3 would see the scope of the evaluation programme expand to include assessments of the indirect impacts on National Outcomes and other policy objectives.

Figure 7-1: Phased implementation of the performance management framework



7.6 In the following paragraphs we outline some preliminary thoughts on key elements of the performance management framework: monitoring, evaluation and the learning/feedback loop. These ideas draw on the literature review, our consultations and the workshop discussion. They have not been tested and they should not be treated as policy recommendations, but they are intended to inform the debate. We anticipate that they will be considered by the High Level Group on Planning Performance, HOPS, the Key Agencies Group and in other forums. We assume that the national planning performance coordinator will have a key role to play in developing proposals and supporting implementation. The detailed design and development of the PMF should involve all the key stakeholders, including citizens and communities; a system imposed from the top down will inevitably fail.

7.7 In process terms it is important to distinguish between outcome monitoring and impact evaluation. They are separate, though connected, activities, and some of their key features are summarised in Figure 7-2:

- we anticipate that the outcomes of all planning applications (with the possible exception of home improvements and other minor works) will be monitored; by contrast, evaluation is a discretionary and selective activity which may be time-consuming and costly, so local authorities and the Scottish Government will need to agree a programme of planning evaluations and decide how they will be resourced
- monitoring should focus on readily accessible, quantified performance data on a key set of planning outcomes: essentially, it should record and analyse the conversion of planning consents into completed development on the ground, and measure progress against development plan targets: evaluation will draw on this quantitative evidence, complemented by qualitative assessments, working within a framework of agreed criteria
- monitoring will generate standard reports accessible to all, presenting the results at the national and local level, and thus enabling comparisons to be made; evaluation reports, once approved, will be submitted to the Government and published online
- planning authorities will be responsible for the input of monitoring data, using guidance provided by the Scottish Government; evaluation studies will be commissioned by planning authorities and, from time to time, the Government, but they should be carried out by independent experts.

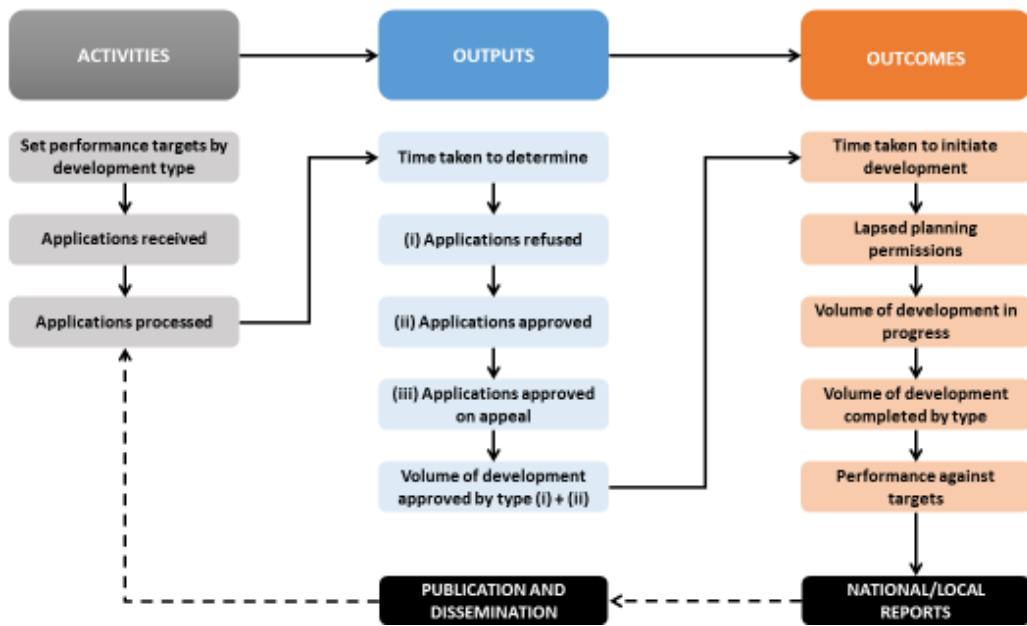
Figure 7-2: Monitoring and evaluation – key features

	Coverage	Evidence base	Reporting	Responsibility
Monitoring outcomes	All qualifying planning applications	Quantitative data on planning outcomes	System generates regular reports -national and by planning authority	Data input by local authority planners National reporting managed by Scottish Government
Evaluating impacts	Planned programme of post hoc evaluations	Quantitative and qualitative evidence Agreed appraisal criteria	Reports published and disseminated	Evaluation studies commissioned by planning authorities and carried out by independent experts

Monitoring outcomes

7.8 The key features of a basic performance monitoring regime are shown in Figure 7-3. They track progress from development management functions, through short-term outputs (planning permission granted or refused) to outcomes (development on the ground or the lack of it). These are cause-and-effect linear connections, over which planning authorities (at least in relation to activities and outputs) exercise a considerable degree of control.

Figure 7-3: Monitoring the outputs and outcomes of planning



7.9 The requirement here is for consistent, comprehensive and accurate quantitative data so that we can monitor the volume of development proposals coming forward, the “conversion rate” from applications, through approvals to implementation, and the speed of the process. It should be possible to aggregate planning authority data to generate national reports and to enable comparisons between areas, although there will still be a need for the informed interpretation of results. It does not necessarily follow that the planning authorities that rank highest on the key measures are the “best performers”. Local market conditions, developers’ attitudes to risk and many other factors all play a part, and some planning authorities may set the bar higher than others in terms of fit with policy, quality and conditions. Refusing an application which does not conform to the LDP, or which is of poor quality, can be a positive result.

7.10 There was a discussion at the workshop about a possible suite of outcome measures. It was agreed that the measures and targets adopted should derive from the National Planning Framework (NPF3) and the Local Development Plan (LDP), and that performance should be monitored both annually (to track year-on-year change) and cumulatively (to measure progress towards medium to long-term NPF and LDP targets). As indicated in Figure 7-3, a core set of quantitative measures could track completed development by type, for example:

- housing completions (including affordable homes)
- office and industrial development
- retail and leisure development
- social infrastructure (schools, hospitals, community facilities etc)

- transport and physical infrastructure
- green and open space

7.11 Workshop delegates also suggested that there was a case for monitoring a number of other significant measures, also quantitative, which might include:

- progress on the national developments (and, in the future, regional priorities) identified in the NPF
- progress on local strategic priorities identified in LDPs
- reuse and development of derelict land
- supply of effective housing and employment land.

7.12 There is a case for creating a national database of planning applications. All qualifying applications would be entered into the system by planning authorities and given a unique reference number. Planning authorities would also be responsible for data entry at the key output/outcome stages. The present Planning Performance Framework, though useful, is fairly rudimentary but a computerised system could be developed to provide real-time snapshots and generate regular, standardised national reports. The costs of developing and implementing such a system and training staff to use it would need to be determined, and it would require a one-off data entry exercise to populate the database, but the benefits – in terms of accuracy, confidence and accountability – could be considerable.

7.13 It is important to stress that we would not expect this basic system to create significant additional work, apart from a requirement to enter data (which is already available) into the computerised system at the appropriate stages in the process. Trying to achieve the same results by adapting the present clerical system (PPF) would almost certainly be more onerous. The model described here would provide a simple and reliable means of monitoring the operation of the planning system and its success in delivering the outcomes set out in the Planning (Scotland) Bill. Crucially, it will enable planners, policymakers, other agencies and the people of Scotland to monitor progress against the key planning targets contained in development plans.

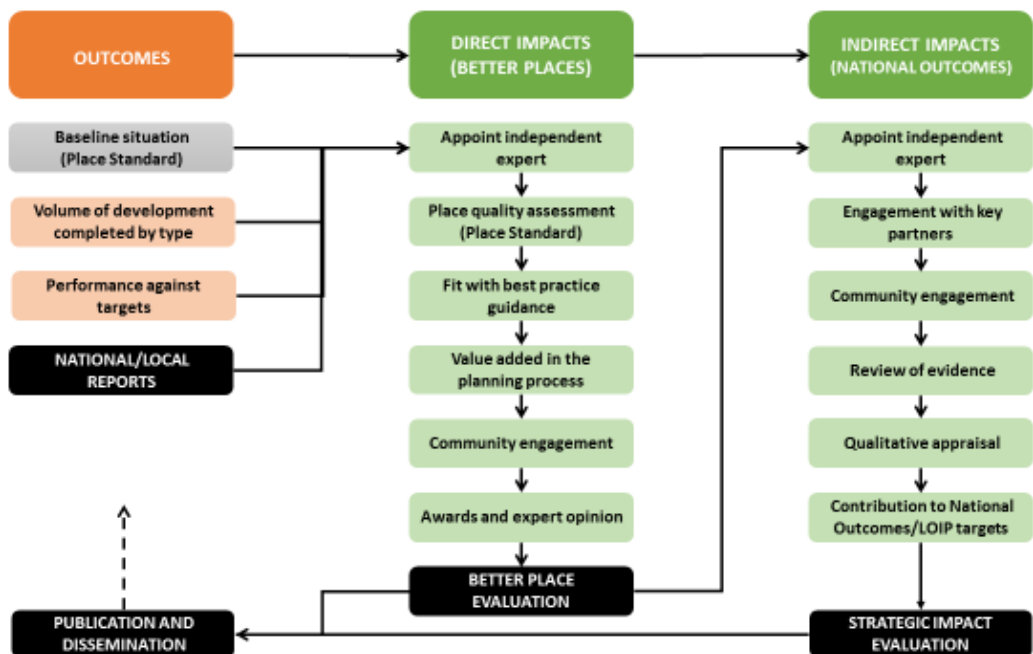
Impact evaluation

7.14 If output and outcome monitoring is the domain of linear connections, impact appraisal operates in a world of complexity, where planning interacts with multiple actors and factors to produce long-term effects – directly on place quality, and indirectly on the economy, society and the environment. It calls for informed judgement, the use of soft and hard

data, and the identification of useful proxy measures. To be credible and useful it needs to be conducted by independent experts, although planners, developers, communities and public sector bodies will all have a role to play.

7.15 Evaluation studies can be a major (time-consuming and costly) undertaking. While the monitoring system needs to be comprehensive, evaluation will be undertaken selectively, on the basis of the project's scale, strategic significance and sensitivity. In this report we have distinguished between the *direct* impact of planning on place quality – which may be considered to be the core purpose of planning – and its *indirect* impact on a wider set of policy goals. The same distinction applies here, and we have suggested that it may be sensible to start by focusing the first wave of evaluation studies on direct (place) impact, before broadening out to consider other National Outcomes.

Figure 7-4: Evaluating the impacts of planning



7.16 There is a before-and-after element to evaluation which means that projects (or groups of projects) need to be selected in advance, so that a baseline assessment can be undertaken. This might provide opportunities to engage with communities (possibly using the Place Standard) and to talk to planners, developers and statutory bodies to better understand their aspirations and expectations. The bulk of the activity will, of course, take place after the event when there is a new development (or place) to assess. As shown in Figure 7-4 above, a variety of approaches might be adopted, including a re-run of the Place Standard assessment, consultations with communities and key actors,

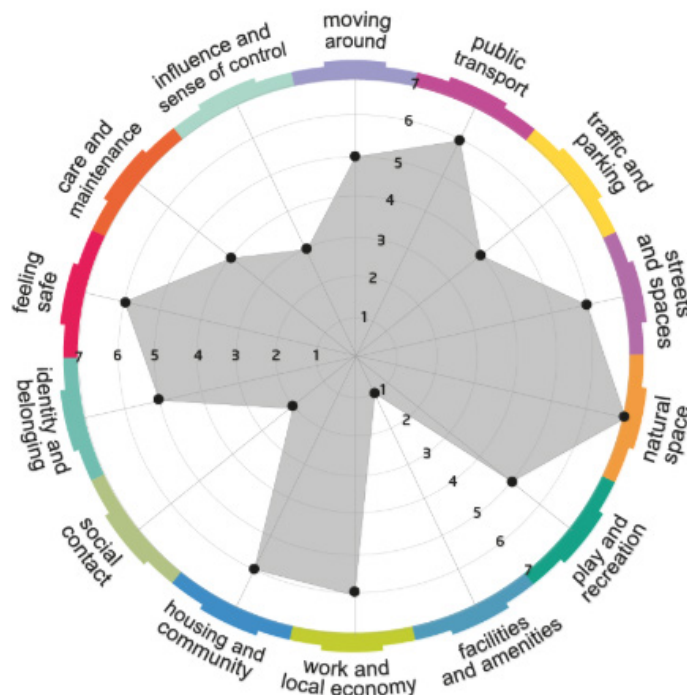
evidence that design guidance/best practice models were followed, and award recognitions. Together these sources will enable balanced judgements on the contribution of planning to better placemaking.

- 7.17 Looking beyond place impacts to the National Performance Framework and the National Outcomes, the problems of attribution become more challenging. Planners should expect to have a significant influence on placemaking, but only limited influence over policy domains (for example, inclusive growth, health and wellbeing, and learning) which are the primary responsibility of other agencies. Here the focus should be on how planners can make an effective contribution, and ensure that their knowledge and expertise is applied in the most appropriate way, for example by influencing the design of schools or hospitals or promoting active travel.
- 7.18 The development of detailed guidance for evaluating the impact of the planning system will be a substantial task. In our judgement, commissioning and formally adopting new guidance is likely to take 9-12 months. At the workshop we had a preliminary discussion about the scope of work, focusing on indicators and methodology. Delegates recognised that, while outcome monitoring should be a universal system applied to all qualifying planning applications, post hoc evaluation will be a discretionary process. Planning applications – or groups of applications – would need to be selected in advance based on factors including scale and (national or local) strategic significance. This would enable baseline studies to be undertaken before work starts and (potentially) some selective monitoring of the project while it is working its way through planning and into the implementation phase. The selection of projects for evaluation could help to encourage culture change and new ways of working, for example, by making more proactive use of design panels and/or design champions and identifying best practice exemplar schemes. Because the issues are “owned” by a variety of partners, there may be merit in planning authorities and other agencies (for example, NHS Boards or universities) jointly commissioning themed evaluations.
- 7.19 The distinction between the direct and indirect impacts of planning will need to be reflected in the timing of evaluation studies. The direct effects (better places) should be discernible relatively quickly, within, say, 12-18 months of completion, but the impact on other national outcomes will only be measurable after the new building/place has been in use for some time and has a chance to “bed in”. An interval of 24-36 months might be appropriate, but some effects (for example, improved health and learning outcomes) may take longer to manifest themselves.

7.20 Workshop attendees had a preliminary discussion about impact measurement. They noted that hard data from outcome monitoring would be an important source of evidence, but would not be sufficient to inform judgements about better place quality or wider socio-economic impacts. Any attempt to define what makes for “a better place” will inevitably take us into contested territory (yellow book, 2017) and the domain of subjective judgements, but there was strong support for the suggestion (in the brief for this study) that the Scottish Government’s Place Standard could be used to measure changes in how places are experienced and perceived. The practitioners we spoke to consider the Place Standard to be a useful, though imperfect, tool and most thought there was merit, albeit with some reservations, in using it to measure change over time.

7.21 The Place Standard (Figure 7-5) enables individuals, or groups working together, to assess 14 aspects of place quality. Responses are scored and aggregated, enabling an assessment of the subject area’s relative strengths and weaknesses. Our consultees raised some important questions about the way in which Place Standard assessments are conducted and the dangers of “group-think”. Practitioners know that results may vary depending on weather conditions or the time of day. There was some discussion about the appropriateness of a one-size-fits-all approach. Does it matter if a business district does not provide play facilities, or if a residential neighbourhood does not offer employment opportunities?

Figure 7-5: The Place Standard



- 7.22 These concerns were noted but the consensus view was that the merits of the Place Standard easily outweigh the reservations. It can be refined and improved over time and more people are learning how to use it effectively. There was, therefore, strong support for using the Place Standard as part of the impact evaluation process. Some suggested guiding principles emerged:
- the Place Standard should be conducted before planning consent has been granted, preferably at the pre-application stage, to help establish the baseline situation, and identify existing strengths to be preserved and weaknesses to be addressed
 - communities should be encouraged to participate and, if practicable, the assessment should be conducted on multiple occasions and with a range of audiences to help produce more robust and reliable results
 - a re-run of the Place Standard assessment should be a key element of the post hoc evaluation process; as far as possible the process should replicate the baseline stage, enabling before-and-after comparisons to be made with confidence.
- 7.23 The Place Standard offers a practical way of measuring how planning and development has changed places, and of testing whether those changes have been for the better. But the results will still need to be analysed and interpreted before changes can be attributed with confidence to the operation of the planning system. Evaluation studies will need to identify ways in which the planning system has influenced – or sought to influence – the quality of built development. For example, were the original proposals amended in order to enhance placemaking impacts? Was this the result of negotiations with planning officers, feedback from pre-application consultations, a response to advice from a design panel or some other factor? Evaluation will have a dual purpose: to determine whether the project has created a better place, and to determine whether (and how) the planning system has added value.
- 7.24 As the new system becomes established there will be opportunities to attempt more sophisticated analysis, and to augment the Place Standard with other sources, such as the qualities of successful places set out in *Creating Places* (Scottish Government, 2013)⁴, and the best practice case studies published by Architecture & Design Scotland and other agencies. Nominations for the RTPI Awards for Planning Excellence, the Scottish Awards for Quality in Planning and competitions organised by

⁴ Successful places are: distinctive, safe and pleasant, easy to move around, welcoming, adaptable, and resource efficient (*Changing Places*, Scottish Government 2013)

the RIBA, RIAS, the Civic Trust and others may also be valuable sources of evidence.

- 7.25 Planning seeks to create better places, and it is sensible for the impact evaluation effort to start there. Over time, the evaluation programme should also address the indirect impacts of planning, by examining its impact on, among others, health and wellbeing, productivity, learning, climate change resilience and other factors addressed by the National Outcomes. More work will be required to develop practical guidance for evaluation on these topics, but there is already an extensive literature on how good architecture and placemaking can contribute to wider policy goals. The Architecture & Design Scotland website (www.ads.org.uk) provides access to an extensive body of research on topics including learning environments, building for wellbeing and health, sustainable design, innovation and culture. The Design Council CABI has a large archive of case studies on a similar range of topics.

Learning from experience

- 7.26 Together, monitoring and evaluation enable planners, policymakers and citizens to gain a better understanding of the planning system, its successes and failures. Scrutiny of planning authorities is part of the story, but a more holistic approach is needed in order to build a better understanding of the Scottish planning system. Is planning performing its core functions effectively by translating development plans into planning consents and completed developments – and by preventing developments that do not conform to the plan? Is it helping to create better places to live, work and play? Beyond this, is it exerting a beneficial influence on a wider array of economic, social and environmental policies? The planning performance framework should help everyone concerned with the planning system – and the wider public – to understand the contribution that planning is making to a wealthier, fairer, smarter, healthier, safer, stronger and greener Scotland. It should provide insights into what works and what doesn't, promoting a culture of learning, innovation and continuous improvement.
- 7.27 Figures 7-3 and 7-4 highlight some of the ways in which that culture of learning can be resourced and nurtured:
- the output/outcome monitoring system will generate reliable, standardised reports at both national and local level, enabling comparisons between areas and (over time) trends analysis
 - a programme of better place evaluations will produce a series of authoritative reports which will provide a commentary on efforts to

use the planning system not just to deliver development but enhance place quality, and insights into what works

- these reports will be complemented by another series of studies which will explore the wider strategic impact of planning on national and local policy goals.

7.28 We anticipate that the national planning performance coordinator (when appointed) will use these resources to stimulate debate among planning professionals, developers and community organisations. Among the opportunities identified by this study are:

- the development of best practice guidance and case studies in partnership with Architecture + Design Scotland and other agencies
- a website dedicated to planning, development and placemaking
- events and seminars to showcase the key messages and celebrate success
- professional masterclasses with the authors of evaluation studies
- events for community activists.

7.29 The opportunities, in terms of professional development and promoting an informed debate about the role of planning, are clear but there will need to be a concerted effort, championed by the Scottish Government, the Improvement Service and others, to ensure that the insights and learning generated by performance monitoring and evaluation are shared, understood and internalised. There needs to be a feedback loop so that the lessons learned from experience can shape future local and national planning policies. Communities will want to see evidence that planning authorities are learning from experience and doing things differently. Developers and project promoters will expect to see success stories highlighted and celebrated.

Resource implications

7.30 The proposal to move towards an outcomes-based performance management system for planning in Scotland has been warmly received, by planners and a wider circle of interested organisations and individuals. But a strong sense that “this needs to happen” is qualified by some concern about the resource implications. Planners are acutely aware of the pressures on local authority budgets for planning and development, as reported by the RTPi and the Institute for Fiscal Studies. Meanwhile, some developers are concerned that greater emphasis on monitoring outcomes might slow the system down (KMA, 2017).

- 7.31 We have listened carefully to these concerns, which were reflected in the consultation interviews and at the workshop. We agree with those who said that moving to outcomes-based monitoring would represent a significant shift in the culture and practice of planning in Scotland, making the profession more open and accountable than previously. The consensus was that the benefits of change would outweigh the costs and we were encouraged by the enthusiasm of the practitioners we spoke to.
- 7.32 It was generally recognised that adopting a performance planning framework of the type described in Section 6 would inevitably entail some one-off transitional costs, but that the day-to-day operation of a system for monitoring planning outputs and outcomes (as described above) should be no more onerous than the present arrangements and might even deliver some modest savings. Once decisions about the detailed design of the monitoring system have been made, the likely transitional costs will include:
- design and commissioning of the national planning database
 - production of guidance material
 - delivery of staff training.
- 7.33 The basic output/outcome monitoring system described above will use data which is already collected by planning authorities, but which will be recorded in new ways, possibly on a national database which will provide a platform for reporting. Once the arrangements have been agreed they will be mandatory for all planning authorities, in line with the provisions of the Policy Memorandum (Scottish Government, 2017c).
- 7.34 Regular evaluations of the impact of planning would, by contrast, have significant resource implications. The development of guidance for impact evaluation will be a substantial task, and we would anticipate a series of launch events to introduce the new approach. Ministers will need to decide whether post hoc impact evaluations should be mandatory for planning authorities and, if so, how the consultancy costs will be met. The development of a (possibly 3-year) national evaluation programme might be the responsibility of the national planning performance coordinator. Depending on the scale of the project, consultants' fees are likely to be in the order of £15,000 - £50,000 per project. Evaluation studies should be carried out by independent experts but they are likely to require significant inputs from planning authority staff.

8 Key findings and conclusions

- 8.1 The study brief focused on monitoring the outcomes of planning. This report places outcome monitoring in the context of a broader performance management framework for the Scottish planning system (Section 2).
- 8.2 The background to the study was a recommendation by the independent review panel that there should be a move towards monitoring planning outcomes and away from a narrow focus on procedure. This recommendation has been pursued and tested through the review process, and the consultations revealed broad support for the panel's conclusions. The Planning (Scotland) Bill proposes measures to strengthen performance management, including greater scrutiny of planning authorities. Feedback from our consultations and the workshops suggests that many would prefer a more holistic approach, monitoring the performance of the Scottish planning system in totality (Section 3).
- 8.3 The changes proposed by the independent review panel and endorsed by Ministers need to be seen in the context of the National Performance Framework and the 16 National Outcomes. They are part of the Scottish approach to public service reform, which recognises that traditional, "cause and effect" performance management models have been challenged by a clearer understanding of the complex environments in which public services operate (Section 4).
- 8.4 A number of experts have concluded that applying an outcomes-based performance management model to the planning system is inherently difficult. Monitoring the core technical and regulatory planning functions is relatively straightforward, but, increasingly, policymakers expect planning to deliver "better places" or to contribute to wider policy goals such as health and wellbeing, learning, productivity, community cohesion and climate change resilience. Measuring the impact of planning on this much wider agenda is "a wicked problem" (Section 5).
- 8.5 The Policy Memorandum accompanying the Planning (Scotland) Bill 2017 confirms that the core purpose of planning continues to be "to guide how land should be used to meet the needs of society", but *Scottish Planning Policy* stresses the Government's wider ambitions to create the kinds of places where people want to live, work, relax and

invest and to contribute to economic, social and environmental wellbeing more generally (Section 5).

- 8.6 The report introduces a performance management logic chain (Figure 5-2) which would (i) capture planning inputs, activities and outputs, (ii) enable the outcomes of planning to be monitored, and (iii) capture through post hoc evaluation the direct impacts (better places) and the indirect impacts on the wider policy agenda. The current Planning Performance Framework focuses primarily on monitoring activities and outputs, with very limited coverage of outcomes (Section 5).
- 8.7 The report presents a draft performance management framework for the Scottish planning system (Figure 6-2). The framework summarises performance management activities and measures at each stage, and distinguishes between ongoing monitoring activity and post hoc evaluation. We show how this model could expand the scope of performance management activity (Section 6).
- 8.8 There is strong support for moving towards a regime of outcome monitoring and impact evaluation, but there are no ready-made models to adopt. There is a consensus that progress should be made pragmatically and incrementally, not “letting the perfect be the enemy of the good”. A staged approach is suggested: first, an expansion of the scale and scope of performance monitoring to include a wider range of outcomes; next, an initial tranche of impact evaluation studies, focusing on direct (placemaking) impacts; finally, more wide-ranging evaluation studies addressing the indirect impacts of planning (Section 7).
- 8.9 To be useful, monitoring should be a universal system, capturing outputs and outcomes from all planning applications with the exception of minor works. By contrast, subjects for in-depth evaluation studies will need to be selected based on agreed criteria (Section 7).
- 8.10 Figure 7-3 examines monitoring in more detail, and stresses the need for informed interpretation of the results, taking account of local market conditions and other variables as well as the policies of individual planning authorities; a number of quantitative measures are identified. The report discusses the case for creating a national planning database, which could enable reliable and comprehensive on-demand and periodic reporting (Section 7).
- 8.11 A model for impact evaluation (direct and indirect) is set out in Figure 7-4. Evaluation studies will need to be conducted by independent experts, using guidance created for the purpose. Projects or groups of projects

will be selected on the basis of scale, strategic significance or sensitivity, and baseline studies will need to be conducted at the pre-application stage to enable robust before-and-after analysis. The report records strong support for using the Place Standard as a tool for assessing place quality, augmented by national and local policies, best practice case studies, awards nominations and other sources. These sources will also be valuable as the focus extends to include evaluation of the indirect impacts of planning (Section 7).

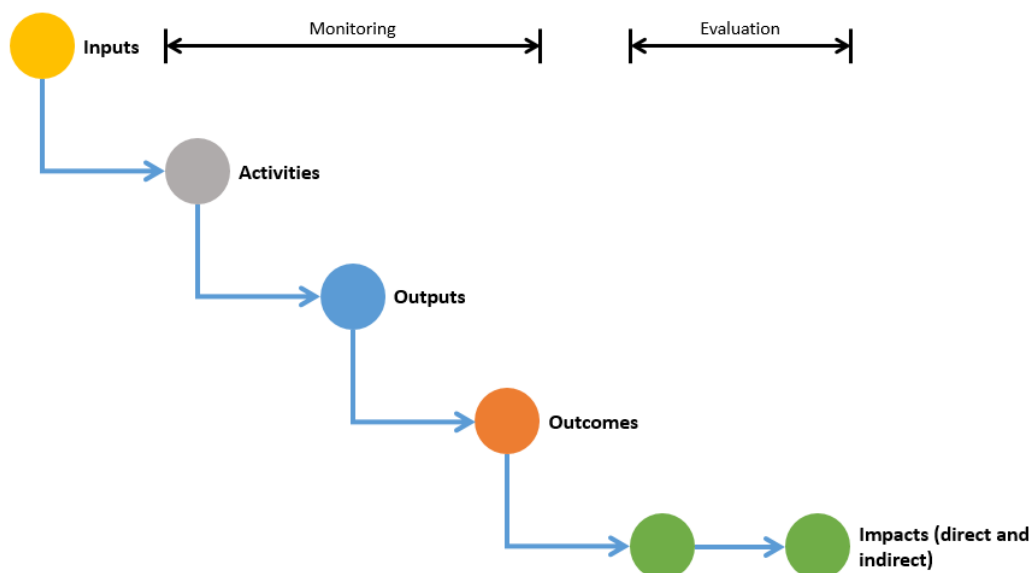
- 8.12 The benefits of developing and adopting a comprehensive performance management framework will only be fully realised in the context of a culture of learning, innovation and continuous improvement. The report includes suggestions for publishing and disseminating lessons from monitoring and evaluation, and feeding those lessons back into the local and national policy loop. The national planning performance coordinator, the High Level Group on Planning Performance, HOPS, RTPi Scotland and others will have a key role to play in achieving culture change (Section 7).
- 8.13 The report concludes with a brief commentary on resources. There is strong support for a move towards a more holistic performance management system, but planning authorities are under pressure. There will be short-term costs associated with developing new systems, including the planning database, preparing guidance and training staff. Once the new systems are embedded, the monitoring process should be more-or-less resource neutral because all the data required is already being collected but not yet stored on a database. Evaluation studies will be conducted by external experts, and there will need to be a discussion about how they will be funded. Project managing such studies will be a significant responsibility for planning authorities (Section 7).

yellow book
Nick Wright Planning
May 2018

Annex 1: A note on terminology

This research report discusses issues relating to performance management in the Scottish planning system. A review of policy documents on this topic – from a variety of sources - reveals a lack of rigour, precision and consistency in the use of terminology, and an inadequate understanding of the basic principles of performance management. In particular, there is a persistent failure to distinguish between the outputs, outcomes and impacts attributed to planning.

In the interests of clarity and consistency we have defined the **key terms** used in this report, showing how they should be used in the planning context. The key terms cover a sequence of steps which are summarised in the diagram.



Inputs refer to the human, financial and other resources available to planning authorities and, in principle, to other agencies involved in the planning process. The other resources may include legal powers, policies and published guidance. The inputs are deployed to deliver planning activities.

Activities describe the work that planners do; in particular, the creation of development plans and other local policies, and the management of the development planning system. These activities generate outputs and outcomes.

Outputs are the immediate, short-term results delivered by the development management process: in particular, approvals for specified quantities of built development and associated obligations. Output measures can be used to monitor the efficiency of the planning *process*: nothing has been built yet, but

planning consents are an essential precondition for development on the ground – the outcomes.

Outcomes are the tangible results of the planning process. They capture the quantum of development started and completed and other associated measures; they can be analysed to measure the time lag between approval and delivery. Outcome monitoring provides essential evidence for impact evaluation.

Impacts are the medium to long-term strategic effects of planning, as assessed by post hoc evaluation. Such effects may be either:

- *direct* – for example, achieving better place quality, or
- *indirect* – for example, contributing to wider economic, social or environmental goals.

Impact evaluation may draw on a range of sources, including quantitative monitoring data and qualitative assessments.

Monitoring is “the collection of data, both during and after implementation to improve current and future decision making” (HM Treasury, 2018). This applies especially to planning activities, outputs and outcomes. **Evaluation** is “the systematic assessment” of an intervention’s design, implementation, outputs and outcomes to establish the direct and indirect impacts of planning. These processes are connected: monitoring data provide an important source of evidence for evaluation studies. HM Treasury states that “both monitoring and evaluation should be considered before, during and after implementation”.

Monitoring and evaluation are both key elements of the outcomes-based Scottish approach to Public Service Reform, and reflected in the National Performance Framework. The Scottish approach (discussed in Section 4 of the report) explicitly acknowledges the complexity of delivering change through public sector intervention. It argues that we should be careful about claiming that the public sector *causes* change, and should focus more on the *contribution* public sector organisations have made, taking account of social, economic and environmental conditions and the roles of other organisations. Some outcomes-based practices assume a linear and direct relationship between intervention and outcomes/impacts; the Scottish approach is predicated on the assumption that “the intervention interacts with multiple other factors to influence the outcomes [and impacts]” (Cook, 2017).

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Annex 3: Consultations

(i) Workshop 22 March 2018: Delegate list

	Name	Organisation
Irene	Beautyman	Improvement Service
Caroline	Bell	East Dunbartonshire Council
Jim	Birrell	Heads of Planning Scotland
Pamela	Clifford	West Dunbartonshire Council
Chris	Cox	Stirling Council
Andrew	Stevenson	Historic Environment Scotland
Marie	Ferguson	Scottish Government
Brian	Frater	Scottish Borders Council
Kate	Givan	Architecture + Design Scotland
Gregor	Hamilton	Dundee City Council
John	Handley	John Handley Associates
Kate	Houghton	RTPI Scotland
Katherine	Lakeman	SEPA
Euan	Leitch	BEFS
Damian	McAfee	City of Edinburgh Council
John	MacCallum	JM Planning Services
Dorothy	McDonald	Clydeplan
Ken	McGregor	Angus Council
Nikola	Miller	Homes for Scotland
Trevor	Moffat	Improvement Service
Kevin	Murray	Kevin Murray Associates
Mark	Robertson	Ryden
Stuart	Salter	Geddes Consulting
Sarah	Shaw	Glasgow City Council
Chris	Sinclair	Scottish Government
Mike	Williams	Scottish Enterprise
David	Wood	PAS

(ii) One-to-one and small group consultations

	Name	Organisation
Irene	Beautyman	Improvement Service
Jim	Birrell	Heads of Planning Scotland
Chris	Cox	Stirling Council
Pam	Ewen	Fife Council
Cliff	Hague	Heriot Watt University
David	Leslie	City of Edinburgh Council
Craig	McLaren	RTPI Scotland
Carol	Tannahill	Glasgow Centre for Population Health

Meeting with delegation from the Scottish Planning Consultants' Forum
Presentation to the Key Agencies Group



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