



State Comptroller of Israel | Local Government Audit | 2021

Planning and Building

Optimizing Local Outline Scheme and Detailed Scheme Procedures



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Background

The physical-spatial planning anchored in outline schemes and detailed schemes is intended to regulate land designations and the use of physical space and should take into account a wide range of aspects - social, economic, environmental and safety. There is no construction in the absence of planning. In 2014, a comprehensive amendment was enacted to the Planning and Building Law (Amendment 101), designed to distribute powers to local committees while creating a hierarchy and division of powers between the district committees and local committees, in order to speed up planning procedures and improve the service to the citizen. Another major objective of Amendment 101 was to shorten the time required to advance plans by setting a maximum schedule for decision making.



Key figures

NIS 405 million

The comprehensive budget, including its changes, of the Planning Administration for 2019.

274

Consultants were employed by the Planning Administration in 2020. Of these: 200 external consultants and 74 overhead consultants in addition to 361 positions.

5,663

Local outline schemes and detailed schemes were advanced in 2019. In that year, 1,318 plans were approved, and they included planning for 140,608 housing units.

2.1 years

The average time required for approval procedures of local and detailed outline schemes in the district committees in 2019. In 2012, the average time was 3.5 years.

22

Local committees out of 131 (approximately 17%) are certified as independent committees. About half of the committees are certified for a period of less than three years.

3,081

Plans were addressed in 2019 by 123 local committees. In the same year, 944 plans were approved.

44%


Of all plans submitted to the district committees in the years 2016–2018 were published for entry into force, as of August 2020.

6.7%





Of all the plans approved by the district committees in the years 2016–2019 are plans that allow for the addition of more than 200 housing units and the period of time required for the overall approval process was 40 months.



Audit actions






-  From June to December 2020, the Office of the State Comptroller audited the Planning Administration with regard to optimizing the local outline scheme and detailed scheme planning procedures. The audit examined the implementation of the main points of Amendment 101 – decentralization of powers from the district committees to the local committees, optimizing the planning procedures and shortening their duration, management of the procedures and management of the planning inventory. Issues related to the Planning Administration's preparation for the efficient execution of its functions were also examined – in the field of budget, human resources and organizational infrastructure.

Key findings


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 **Budget Preparation by the Planning Administration** – The analysis of the budget of the Planning Administration indicated that in the years 2016 to 2019, the average expenditure budget including its changes was consistently higher by approximately one third than the original average expenditure budget; in 2019, the original budget was NIS 298.1 million, while the budget including its changes was NIS 405.1 million. The budgeting format that relies on the budget supplements mechanism undermines the day-to-day operations of the Planning Administration.
-  **Employment of Consultants in Core Positions** – approximately one-fifth of the personnel employed in the core of planning activity is based on outsourced consultants (overhead consultants). In the Southern District, their employment rate is even half.
-  **Decentralization of Powers to Local Committees** – more than six years after the entry into force of Amendment 101, 22 of 131 (17%) local committees are authorized as independent committees. A 2010 government resolution stipulated that all local committees would be required to meet the conditions and receive certification within four years until the end of the reform in the field of planning and construction; the explanatory notes to Amendment 101 state that “the decentralization of powers will be done gradually and is conditional on the conduct and professional ability of the committees”. It was found that since the entry into force of Amendment 101, there has been no real increase in the number and identity of most of the certified local committees. It was also found that as of August 2020, only 28% of the non-certified committees are eligible for certification – due to inadequate professional level or dysfunction in at least one aspect examined. The certification process itself is long as




well (about nine months on average), and in fact the period of time required to certify a committee is about 23% of the entire certification period.

-  **Specific Planning by the District Committees** – 54% of the local outline schemes and the detailed schemes dealt with by the district committees in the years 2016 to 2019 apply to an area smaller than five dunams (dunam – a unit for measuring land area, approx. 0.25 acre). The Jerusalem District is particularly noticeable, where the vast majority of the schemes (approximately 82%) apply to an area smaller than five dunams and the percentage of plans that apply to an area smaller than one dunam is 46%. The multiplicity of specific plans prolongs the duration of the planning periods, burdens the planning institutions and indirectly even increases the exposure of the planning institutions to pressure or unnecessary inquiries from interested parties, because any such plan is required to go through the entire planning process.
-  **Initiation of Plans by Local Authorities and Local Committees** – According to data from the Planning Administration, it can be estimated that out of 6,381 plans submitted to the district committees in 2017 to 2019, approximately 1,140 (approximately 18%) were submitted by local authorities or local committees, and about two-thirds of these plans (approximately 760 plans) applied to an area larger than five dunams.
-  **Duration of the Process of Approving a Plan Under the Authority of a District Committee, by Stages** – Along with a shortening of the time required to approve plans, there are stages in the process that take a relatively long time – for example, the stage of intake of the plan lasts 3.7 months on average, and the stage of fulfilling conditions for depositing a plan lasts an average of 9.7 months.
-  **The Time Required to Approve Plans at the Central District Committee** – Even after Amendment 101, the duration for approving plans under the authority of the Central District Committee remained long: 58.5 months (close to 5 years) on average. Analysis of the data of the average time required to complete the various stages of the process showed that in the Central District all stages, except the stage of depositing the plan, had average durations that exceeded those prescribed by law.
-  **Data on Planning Inventory** – The data on planning inventory does not include information on its availability and actualization. Thus, for example, the plans for approximately two-thirds of the housing units included in large-scale local outline schemes approved in 2018 to 2019 and including about 45,000 housing units, established conditions for implementation that did not allow their availability for construction in the short term. This information, despite its importance for inventory management, is not reflected in data of the Planning Administration. In addition, the Planning Administration has no information on the implementation of plans and their withdrawal from the inventory.



 **The Time Required to Decide on Outline Schemes Under Local Authority** – In the years 2016–2019, most of the plans (55%) were not decided upon in the maximum period of time set in the plan for the decision (one year). Moreover, as to 16% of the plans a decision is rendered after a period longer than two years. At the same time, there is some improvement in the rate of plans decided on within the maximum timeframe, from 43% in 2016 to 50% in 2019.


 **The Lack of an Automated Computer Interface Between the Information Systems of the Planning Administration and the Systems of the Local Committees** – It was found that plan data collection is done individually with each local committee and this involves encumbrance and mistakes.





The Time Required for the Overall Approval Process of Plans in the District Committees – There has been a significant improvement in the average time required for the overall approval process of plans in the district committees and it has been shortened from an average of 3.5 years in 2012 to an average of 2.1 years in 2019 – a decrease of 40% in the timeframe for completing the process.

Compliance With the Period of Time Set by Law for Deciding on Plans in the District Committees – It was found that out of all the plans decided on, the rate of those decided on within 18 months, as stipulated by the law, increased from 63% in 2016 to 77% in 2019.

Key recommendations

 It is recommended that the Budgets Department of the Ministry of Finance, in cooperation with the Planning Administration, work to regulate the budget frameworks of the Planning Administration within the budget base, insofar as possible, in a manner that minimizes the need for budget supplements throughout the year.

 It is recommended that the Planning Administration, the Budgets Department of the Ministry of Finance, and the Civil Service Commission jointly examine the scope of employment of employees and consultants in core positions in the Planning Administration compared to the administration's manpower needs in terms of its scope, skill and distribution and the relevant guidelines, and formulate a multi-year plan that will provide a full and appropriate response to these needs.

 The Planning Administration must continue the actions it has already taken to improve the functioning of the local committees, analyze the reasons why only 17% of committees have been found fit for certification, and formulate an effective plan of action



to improve the professional level and functioning of local committees according to their needs, in order to optimize the plan approval process, to improve the service to the public and to shorten the prolonged processes for plan approval, and to meet the objective stipulated in the government resolution for certification of all the committees. This is in accordance with the conditions set out in the law for certification.



It is recommended that the Planning Administration examine the multiplicity of specific outline schemes submitted to the district committees. In particular, special attention is required to the existing situation in the District of Jerusalem. It is further proposed that the Planning Administration produce a format for reporting and monitoring control of the range of the specific outline schemes for the plenum of the district and local committee and the relevant professional bodies, and formulate guidelines for the local and district committees in order to minimize specific planning as much as possible, and prioritize broad plans that allow a comprehensive planning point of view.



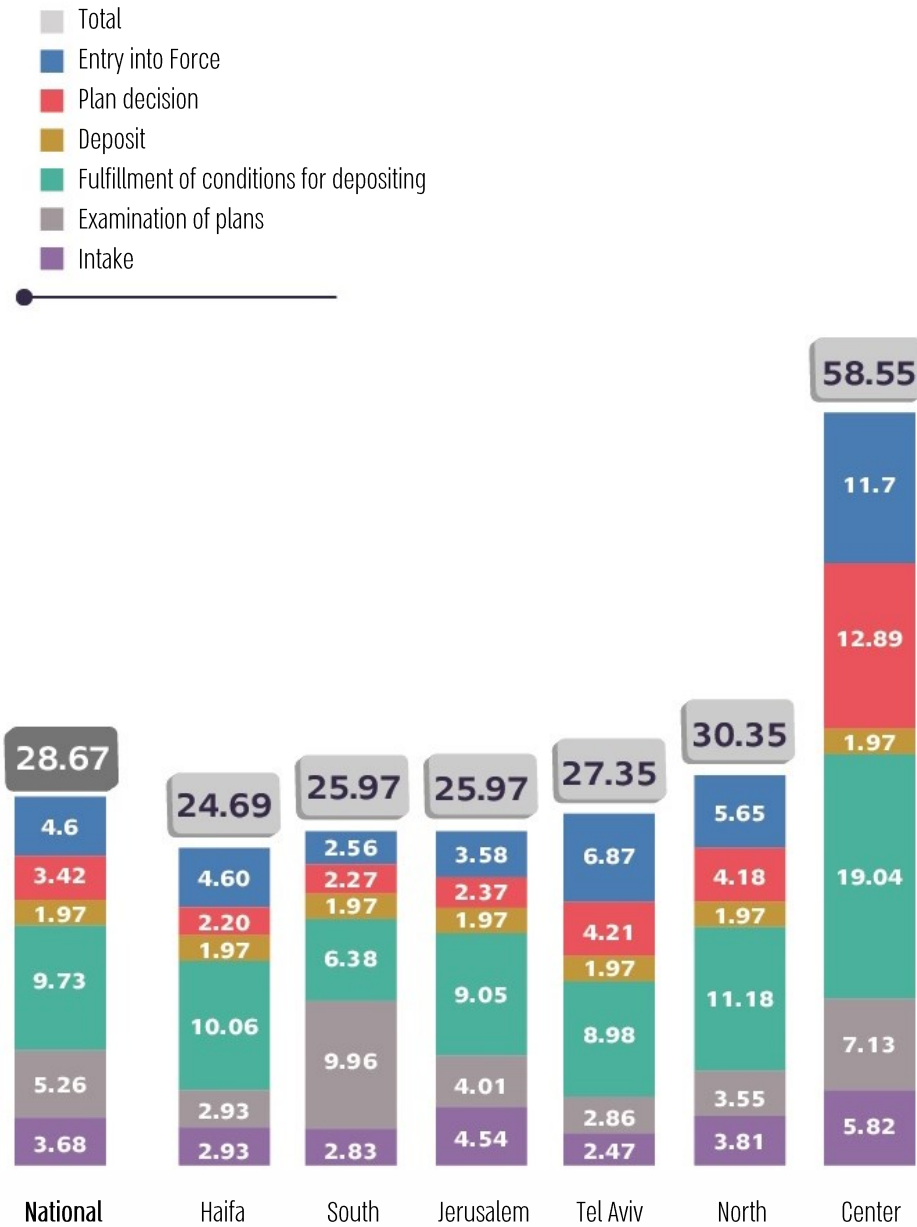
It is proposed that the Planning Administration examine which stages are still longer than desired, including stages that are under the responsibility of the program submitters, and the reasons therefor, in order to further shorten the time required for planning procedures, taking into account not to shorten the duration at the expense of the plans' quality and weighing all the necessary considerations regarding their impact on society, the environment and the economy. This is especially true of the Central District, where the various stages in the overall approval process are particularly long.



The Planning Administration must continue to act to collect data from all local committees and make rectification in order to obtain a good and up-to-date general picture of the activities of local committees in the realm of planning, and to have reliable information on the planning inventory created at the local level. It is proposed to develop an automatic computerized interface between the information systems of the Planning Administration and the systems of the local committees in order to receive the reporting online.



The Average Duration of Stages of the Comprehensive Approval Process of Plans Approved by District Committees, 2016–2019 (in months)



According to data by the Planning Administration, processed by the Office of the State Comptroller.



Summary

The objectives of Amendment 101 were partially achieved – with regard to the decentralization of powers, it was found that 17% of the local committees were authorized. As a result of the decentralization measures taken, there are more plans that are handled by the local committees, but the onus of handling plans imposed on the district committees remains heavy. It was also found that in accordance with the reform objectives, the average duration of approval procedures for plans under district authority was shortened by 40%. However, for most plans (66%), the process was prolonged for more than a year and a half, and for more than three years for approximately one-fifth of them. Furthermore, out of all the plans as to which a decision was rendered, the percentage of those decided on within 18 months, as stipulated by law, increased from 63% in 2016 to 77% in 2019.

In order to accelerate the planning activity that constitutes a key engine for the economy's growth, especially in light of the housing crisis and other needs of society and the economy, the Planning Administration must continue its efforts to optimize planning procedures, shorten their duration and improve certainty thereof. The Planning Administration, in collaboration with the Ministry of Finance and the Civil Service Commission, must examine the budget structure and employment patterns of outsourced consultants so that the Administration can fulfill its central role as Israel's national planning body and meet the planning objectives and challenges facing the planning system.