



The Planning Inspectorate  
Yr Arolygiaeth Gynllunio

# The Planning Inspectorate Annual Report and Accounts 2018/19



HC 2412



# The Planning Inspectorate Annual Report and Accounts 2018/19

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# Performance Report

## Overview



*“The Planning Inspectorate – Independent experts, inspiring confidence and shaping exceptional communities, now and for future generations.”*

The Performance Overview section provides views from the Chief Executive and the Chair of the Board on the past year and a look forward.

It also provides information on the purpose of the organisation, its main activities, key risks and a summary of performance.

The photos used at the beginning of each section of this report were taken by staff, and credits are included on the reverse of each one.

Photo: Lakeshore (previously the Wills tobacco factory offices) - Jo Millard



# 1. Chief Executive's Statement



Delivering excellent customer service

In this past year, the second in our journey of planned improvements, we made great strides in modernising the Planning Inspectorate. We invested in our people, our IT infrastructure, and sharpened our focus towards what our customers and users need. The programme to transform our end-to-end delivery processes is firmly underway and has involved high levels of customer engagement. Whilst there is more to do, these changes are already beginning to have a beneficial impact on our performance, and I am confident this will continue during the next year.

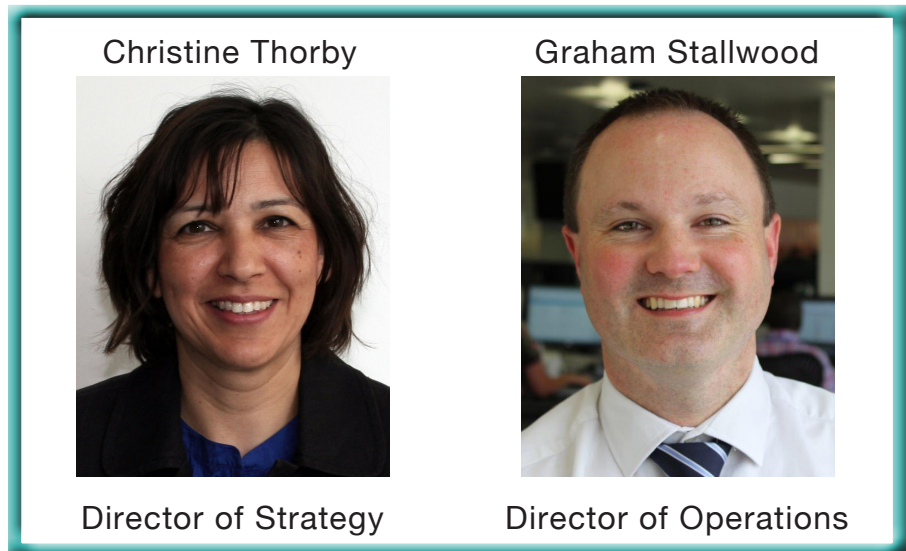
Our strategic aims for the year concentrated on our delivering excellent customer service; improving efficiency and effectiveness; and increasing staff engagement.

Feedback informs us that customers believe we are impartial, fair, professional and trustworthy in our work, but need to be more consistent in our decisions and procedures, faster at deciding appeals and improve the way that cases can be tracked in our systems. In the past year, we made strong progress in developing a new casework system which will give our customers a more streamlined way of making and tracking an appeal and our case managers a more efficient system of managing cases. We look forward to launching this during 2019.

Improving efficiency

I know that our performance on our volume work (planning appeal cases in England) has not been good enough this year. We have been clear about the diagnosis of the problem and have put measures in place to return our performance across all casework to an acceptable level by mid-2020. As a result, we have this year welcomed a large number of new Inspectors to the organisation. We have sought to optimise the use of our Inspector resource through the procurement of non-salaried Inspectors (NSIs) and recruitment of Appeal Planning Officers. In the context of a significant increase in caseload in 2018/19, this new intake and flexible resource, once bedded in, will give us greater resilience to tackle our caseload.

A further strengthening of the organisation's people resource has been made through significant changes to the management structure of the Planning Inspectorate and the appointment of new Directors of Strategy and Operations for 2019/20. The redesigned, streamlined, structure will provide clear responsibilities and accountability for operational performance and empower direct movement of resources to the highest priority work.



We have also supported our people with the rollout of new IT to all our workforce in the form of lighter, faster, modern devices and more efficient software. This has already started to transform how we work, offering greater flexibility with where and how we can work, and encourage greater collaboration and sharing.

## Staff engagement

Our people remain our most significant and valued resource. Staff engagement has increased, with our 2018 staff survey score back to a high point of 61%, last achieved in 2010. Results are evidence that our staff are clear on the organisational objectives and purpose, happy with their work and opportunities for learning and development, confident in the capabilities of their manager and feel they are treated fairly in the workplace. Our ambition to build on this and reach a score that puts us in the top quartile of Civil Service departments remains unchanged. However, we remain 5% below the Civil Service high performers so we know there is still room for improvement.

## Wales

On 9 May this year, in a Written Statement, the Welsh Government (WG) signalled their intention to establish a separate, dedicated Planning Inspectorate for Wales due to the ongoing divergence of the regimes in England and Wales. The Inspectorate will work with the Welsh

Government to devise the most effective way forward and ensure a seamless transition.

And finally...

In closing it would be remiss of me not to acknowledge the hard work and dedication of those people who were members of my Executive Team during 2018/19 – Mark Southgate who is now Chief Executive at MOBIE (working with George Clarke), Phil Hammond who is exiting the Civil Service in 2019 with plans to work in the charity sector, Steve Hudson who has returned to Welsh Government, Tony Thickett who continues to work closely with colleagues in Welsh Government, leading our operation in Wales, and Ben Linscott who we sadly lost in late 2018 following a brief illness.



During this time of major change at executive level, there has been a continuity of non-executive input, giving assurance and support to the organisation. I am proud of the way the whole organisation responded to the challenges we faced during the last year and to embracing the changes that are underway. I am confident that this gives a very firm base for the Planning Inspectorate to continue to improve performance and change the way we do things in future. We are committed to our strategy for change which will build on the excellence of our work and lead the Planning Inspectorate into an efficient, customer-focused organisation which is recognised as a great place to work.

*Sarah Richards*

Sarah Richards  
20 June 2019

## 2. Board Chair's Statement



I am pleased that over the past year the Planning Inspectorate has once again lived up to its long-standing reputation for fairness and impartiality trusted by stakeholders in both England and Wales. The organisation's work remains at the heart of both planning systems and it has continued to fulfil an important role in delivering on the priorities of both Governments - through the examination of Local Plans and proposals for homes, infrastructure, jobs, environmental and social assets - to create places where communities can thrive. It also helps protect the things that our communities value, through its role in enforcing planning legislation fairly.

The UK and Welsh Governments are among 164 countries which have committed to delivering the United Nations Agenda 2030<sup>1</sup> through its sustainable development goals. The Planning Inspectorate remains committed to playing its part towards their delivery.

During this year we have focussed on addressing the issue of timeliness which stakeholders have told us is a key priority for them. Whilst we have a strong record of meeting challenging targets in some areas of our work such as Nationally Significant Infrastructure and in Wales, we have not been able to determine other appeals swiftly enough. This work will bear fruit during the coming year. We have been supported in this by the recommendations of the review into Inquiries led by Bridget Rosewell. I am grateful to her for the collaborative approach she took with her task. We are also aware that stakeholders remain concerned about the consistency of our decision making. Our Strategic Plan takes account of the recommendations and we will measure our success against progress in them.

Over the last year the Inspectorate's Chief Executive Sarah Richards and all of our team have continued to prepare the organisation for the future with the aim of becoming an exemplar of the public service delivery. We have continued our sound stewardship of our resources.

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1. Transforming our world: the 2030 Agenda for Sustainable Development (<https://sustainabledevelopment.un.org/post2015/transformingourworld>)

Our current work will improve how our stakeholders can engage with us making what we do both more open and transparent and digitally user friendly. It will build on the well-deserved reputation of those who work for the Inspectorate of professionalism and customer focus by ensuring they have the tools for the job. Those who work for the Inspectorate are our greatest asset and we will continue to listen to their voice in shaping our future service and encouraging others to join us in this endeavour.

Trudi Elliott  
13 June 2019

### 3. Statement of purpose and activities

Our ongoing purpose remains to deliver impartial decisions, recommendations and advice to customers in a fair, open and timely manner.

The Inspectorate has been in existence, as a valued part of the planning system, for over 100 years in one form or another. We remain proud of that history and our ongoing role in support of the Government's priorities – increasing housing supply and contributing to economic growth.

The organisation is a joint executive agency of the Ministry of Housing, Communities and Local Government (MHCLG) and the Welsh Government. It is led by a Chief Executive and a team of executive directors, and is made up of salaried and non-salaried Inspectors, office-based support staff in teams in Bristol and Cardiff.

#### Vision and operating context

We aim to:

- hold the absolute confidence of Ministers and our customers as a key organisation for land use planning;
- have a reputation for excellent customer service and provide timely and high-quality impartial decisions in all our work;
- have a sustainable budget position with established sources of income and an embedded focus on continuous improvement and productivity;
- be a fully integrated organisation across all our casework, with common systems and effective leadership; and
- make the most of our knowledge and experience on the ground, building the capability of our staff and informing policy.

We operate under primary legislation for the appeals system, which is the Town and Country Planning Act (TCPA) 1990 (as amended), the Planning Act 2008 (as amended) which covers the consenting regime for National Infrastructure projects and the Planning (Wales) Act 2015 which covers Developments of National Significance in Wales. The Local Plans system is covered by the Planning and Compulsory Purchase Act 2004. Frameworks established by related legislation cover other areas of work such as Environmental appeals and Rights of Way casework.

#### Our role and contribution

The Planning Inspectorate has three primary roles:

- to help communities shape where they live;
- to operate a fair and sustainable planning system; and
- to help meet future infrastructure needs.

Helping communities to shape where they live

We support the Government's policy aims of delivering more housing and effective local planning through our role in the Local Plan process. Plans set out the future vision for a local area, identifying what development will go where, why and when.

We aim to:

- support local authorities to develop plans that fully meet local needs;
- share planning knowledge and expertise to help ensure the right development happens in the right place at the right time; and
- help protect communities from unsuitable and unsustainable development.

Operating a fair and sustainable planning system

The right for an applicant to appeal a planning decision made by a local planning authority (LPA) is a key feature of the planning system, as is making an appeal when they fail to do so in the time allowed. While there will always be those who agree with Inspectors' decisions and those who do not, at all times we remain committed to the three guiding principles of impartiality, fairness and openness.

We aim to:

- determine appeals to timeliness targets, giving all involved, including local communities, certainty one way or the other;
- deliver high quality decisions across a range of casework, from large housing developments to individual footpaths and village greens;
- provide citizens with an efficient service for appeals about their own homes;
- give all of those with an interest in a case a chance to make their views known and have them considered; and
- publish relevant information online, making it widely available.

Helping meet future infrastructure needs

It is essential that sustainable development and associated economic growth be supported by appropriate infrastructure. We take account of government policy and balance the interests of developers, local citizens and other interested parties when recommending which projects should be built.

We aim to:

- provide a streamlined service to developers, assessing the merits of proposed large-scale projects, such as new power plants or major roads;
- balance the country's needs and developers' plans with the likely impacts on localities, listening carefully to the views of communities, specialist groups and others' interests; and
- deliver a predictable and efficient process, providing certainty for all involved, including the relevant Secretary of State or WG Minister who makes the final decision on whether each project is approved.



## 4. Key risks

Our performance against our key objectives, and in particular our performance in dealing with casework, is impacted by uncertainty, and one way we mitigate that impact is by monitoring and managing risk.

The table below shows the risks that were being monitored at the end of the year and the most significant mitigating actions for each.

<b>Strategic Risks</b>	
<b>Risk description</b>	<b>Mitigating actions</b>
Capability and capacity	<ul style="list-style-type: none"> <li>- Develop strategic workforce planning</li> <li>- Introduce succession planning</li> <li>- Formalise Heads of Profession</li> </ul>
Horizon scanning and resource planning	<ul style="list-style-type: none"> <li>- Work with relevant Departments to identify impact of future policy changes</li> <li>- Manage emerging risks at operational level through separate register, escalating as necessary</li> <li>- Embed Organisational Design changes</li> </ul>
Transformation agenda and savings	<ul style="list-style-type: none"> <li>- Regular review and update of anticipated benefits</li> <li>- Ongoing assessment of change impact</li> </ul>
Operational performance	<ul style="list-style-type: none"> <li>- Set up Performance Recovery Programme and recruit additional Inspector resource (see Section 7)</li> <li>- Develop improved management information capability</li> <li>- Improve engagement with customers</li> </ul>
Technology updates and business continuity	<ul style="list-style-type: none"> <li>- Secure funding for essential changes</li> <li>- Implement expedited reporting</li> <li>- Escalate issues to the Executive Team (ET)</li> </ul>
Spending Review	<ul style="list-style-type: none"> <li>- Continue liaison and review of requirements and timescales with MHCLG</li> <li>- Align future performance and new Key Performance Indicators to the Spending Review</li> </ul>
Cultural resistance to change	<ul style="list-style-type: none"> <li>- Involve staff in change projects</li> <li>- Articulate and share compelling reasons for change</li> </ul>

In support of MHCLG's programme to prepare for exiting the European Union, the Inspectorate established a project to ensure that appropriate aspects were effectively managed. The risk was not considered to be critical, however as part of our response the Commercial team proactively engaged with organisations in the Inspectorate's supply chain. This enabled the identification of risks in the delivery of goods and services, and relating to the accessibility of data, and ensured that mitigating action could be taken. The project provided assurance both internally and to MHCLG. More information about our risk management process can be found in the Governance Statement in this document (see page 68).

## 5. Performance summary

### Financial performance

Our income levels vary significantly across years and also within year as our chargeable activities are largely demanded by our customers. Total income in 2018/19 was 77% higher than the previous year. Our expenditure on direct costs increased, in line with a focus on performance improvement. Spend on Inspectors increased by £2.9m compared to the previous year but we reduced some of our overhead.

The increase in expenditure was met by the increase in income and funding from MHCLG but was also offset by savings. The agreed net revenue budget at the start of the year was £36.1m to meet business as usual requirements and £1.8m to fund transformation activities. During the year the approved budget from MHCLG was increased as business cases were approved to secure further revenue funding of £1.1m for transformational change and £1.5m for performance recovery and a slight reduction against business as usual budgets.

Our asset base increased significantly in year. The approved budget from MHCLG increased from £0.5m to £5m which was invested in our casework system and processes as part of the Transformation Programme (see Section 8), as well as investment in our IT Modernisation Programme (see Section 9), which was part of an overall MHCLG-wide programme to deliver new laptops and office software to all staff.

A further breakdown of financial performance can be found in the detailed Financial Statements (starting on page 105).

### Casework performance

In the main, we measure casework performance on the basis of the percentage of cases of a particular type determined within a given target period. Our performance results can be found in Annex A.

#### England

In England we met many of our performance targets - all Nationally Significant Infrastructure Project (NSIP) applications were determined within statutory timetables and 99.4% of plans and 100% of bespoke inquiries were determined in the timescales agreed by the parties.

Enforcement written representations and hearing appeals were determined in target, as were Common land, Costs and most Rights of way casework.

As has been acknowledged elsewhere in this document our performance in our volume appeal casework has not been good enough and we have not achieved customer expectations. Timeliness for Householder and Commercial appeals, and for hearings and non-bespoke planning inquiries remained poor and a long way from target, and we also failed to meet our targets for Environmental, Tree preservation, High hedge, and Hedgerow casework.

### Wales

The team's performance against both its timeliness and quality targets were, broadly, met or exceeded; the exceptions being the target for written representations appeals (planning December-March) and the target in which to determine planning appeals by inquiry. Low numbers of cases dealt with by inquiry and performance targets being revised at the end of quarter 3, contributed to the failure to achieve these targets.

### Analysis

An analysis of our performance, against our objectives and key priorities, and in terms of casework, is given in the Performance Analysis section of this document.



A photograph of a dense forest with tall, slender trees and vibrant green foliage. Sunlight filters through the canopy, creating a dappled pattern on the forest floor. The trees are mostly deciduous with light-colored bark. The overall atmosphere is peaceful and natural.

## Performance analysis

*“Your impartial and professional approach is much appreciated”*

The Performance Analysis section provides detail of our work towards our strategic priorities as well as our results against key performance indicators, including in relation to quality. It sets out our community and environmental impact and provides the data required in relation to sustainability.

Photo: Leigh Woods - Nick Holmes

## 6. Change Portfolio

To ensure the optimal delivery of a set of prioritised activities, in December 2018 the Inspectorate formally adopted a portfolio approach for its significant change activities. The Change Portfolio is made up of those activities which are key to the delivery of our strategic objectives and require additional governance, due usually to their significant cost, impact and risk.

The Change Portfolio was defined and directed by a Change Portfolio Board, made up of the Inspectorate's Executive Team and MHCLG's Director of Planning as Senior Sponsor, plus an external 'critical friend'. MHCLG provided funding for aspects of the programme following approval of relevant business cases.

The Change Portfolio comprised the Performance Recovery Programme (see Section 7), the Transformation Programme (see Section 8) and Information Technology Modernisation Programme (see Section 9).

## 7. Performance Recovery Programme

Providing a prompt, quality service continued to be vital components of our role in the planning system, and of paramount importance to our stakeholders. We have been working on improvements to help us provide our services in the most efficient and customer-focussed way and meet customer expectations.

Feedback from the customers who use our service the most, predominantly planning agents and LPAs, continued to show that they rate our quality and rigor in deciding cases highly, though 9 in 10 told us we are not quick enough from submission to decision. The feedback also showed that progress of appeals was difficult to track, with main parties needing more information about the progress of cases.

The National Audit Office report<sup>2</sup> 'Planning for new homes' in February 2019 acknowledged the Inspectorate's contribution to housing delivery through granting planning permission on appeals, and also noted the independent review, conducted by Bridget Rosewell CBE, set up by Government in June 2018. Her review report stated that the average time to decide a planning appeal inquiry (usually used for the most complex cases) could be reduced from 47 to 26 weeks. The report made 22 recommendations - ranging from a more proactive approach to managing the inquiry process by appointing Inspectors earlier, through to more active case management and better technology solutions, including a new online portal. Cumulatively, the implementation of these recommendations is about culture change, the principles of which we will consider extending to other areas of our work. The recruitment effort in late 2018 should also allow more resources to be focused on processing important inquiry casework. We welcomed the findings of the report and acknowledged bringing our performance back on track as an absolute necessity.

What caused the performance issues in England?

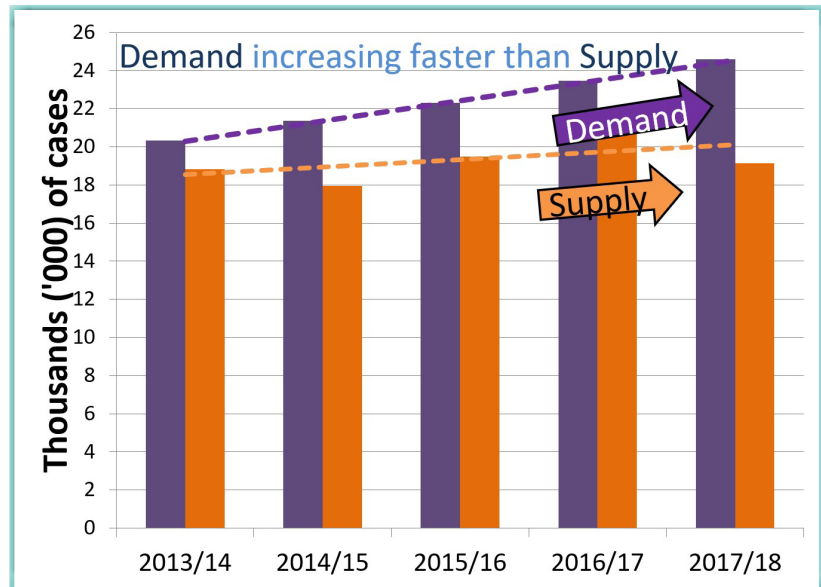
Several factors contributed –

- demand increased across all areas of casework, exacerbated by 1,350 'telephone kiosk' cases in 2017/18;
- demand for our more complex infrastructure and Local Plan work increased and will continue to do so; and
- supply, which is directly linked to the number of Inspectors, was impacted particularly by difficulties in recruiting Inspectors and the time taken for them to become fully productive.

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2. HC 1923





It also remained difficult for us to accurately predict future demand effectively and therefore to manage the number of people needed to carry out the work. The absence of sophisticated management information hindered our ability to understand the situation, to make effective decisions and to predict future performance.

In response to this challenge, the Inspectorate attempted to increase productivity by streamlining casework and validation processes, diverting funding from support to operational areas and, in early 2017, setting up a holistic Transformation Programme. However, this was insufficient to close the gap. The impact was felt by an increasing backlog, which at one stage was over 9,000 appeals cases, and lengthening casework times.

What has been done about it?

In response to this, the Inspectorate launched a £13m programme funded by MHCLG, over 2018/19 and 2019/20, to recover and sustain operational performance to levels expected by customers and stakeholders. At the heart of this programme was the recruitment of new salaried and non-salaried (contractor) Inspectors and a new decision-making model using Appeals Planning Officers (APOs). New management information systems will also underpin effective decision making and predictive performance analytics. This is being complemented by the new online appeals portal and exploring new ways for more efficient working, which will make better use of existing resources.

This recovery programme enables the Inspectorate to protect current levels of delivery for priority casework (NSIP, Local Plans and housing inquiries), whilst recovering and sustaining performance in planning appeals, enforcement and specialist casework.

It will enable the faster release of c. 35,000 houses that are currently 'tied up' in the appeals planning process and provide greater confidence to the market that our appeals process is robust and timely. It will also complement the work required to implement the recommendations from the Rosewell Inquiries Review.

## The recruitment drive

Since early 2018, we recruited 53 new Inspectors and this figure will rise by a further 68 new Inspectors following an extensive recruitment campaign. This represents a significant increase in our pool of Inspectors. New Inspectors typically join at Band 1 where they will decide all but the most complex cases, undergo intensive and on-going training. Working remotely in all regions of England and Wales, they are assigned to cases at the outset with mentoring and quality assurance provided by experienced Inspectors. We have also promoted a large group of Inspectors to Band 2 to meet demand at that level as well as opening a rolling recruitment programme for Band 2 and 3 contract Inspectors. Increasing the pool of highly skilled Inspectors that can be appointed to handle NSIP applications is vital to ensure these examinations were resourced adequately.

Our performance improvement strategy also included contracting the services of NSIs to provide an important and flexible resource. Our 2018 procurement drive brought the team of NSIs up to 84 from the numbers reported last year and, having received relevant briefing, they have started working on cases.

Despite the success of recent recruitments, we have historically struggled to recruit the number needed to stay on top of demand. One of the significant challenges we faced was recruiting from a finite pool of qualified people in the competition with both the private sector and other parts of the public sector. As a result, we started to think creatively and differently about how to source the Inspectors of the future. One such new approach has been a new model of appeals planning officers (APOs). APOs, like Inspectors, work remotely and perform a similar role but the model calls for them to be assigned to the more straightforward planning and enforcement appeals that follow the written representation procedure. They do not make the decision on the case (this is taken by an Inspector, based on a recommendation). The role is designed to provide an excellent career development opportunity for less experienced planners and other professionals, allowing them to benefit from the depth of

experience in the organisation. Like Inspectors, APOs will be able to access an extensive training programme to develop their skills and knowledge of the planning system so they can either become an Inspector or further their careers outside the Planning Inspectorate. Our recent recruitment effort yielded an excellent response with 82 applications – more than four times the 21 appointments we were seeking to make.

Whilst we have recruited a significant number of new resources, this has fallen short of our required levels and the Inspectorate will undertake a further recruitment exercise in early 2019/20 for additional NSIs, Band 2 and Band 3 Inspectors.

What is the latest position?

The Programme is now beginning to show early signs of recovery in performance for planning written representations cases, with the size of the list of cases awaiting an Inspector beginning to reduce, and target wait times reducing from over 12 weeks at the start of the year to around 6 weeks. This means Inspectors are being allocated to new cases sooner than they have been for many months, with recent users of the appeals service experiencing performance approaching acceptable levels (4 weeks wait time). Confidence that operational performance can be recovered during 2019/20 remains high. After external assurance testing of our forecasting model, a recovery zone of between 1-3 months (Sept - Dec 2019) has been identified and agreed with MHCLG to deliver 18 week 'Valid to Decision' performance.

We started a pilot of planning appeal inquiry cases in February 2019, trialling some of the recommendations made by Bridget Rosewell, such as setting inquiry dates earlier and involving Inspectors in cases at an earlier stage, so that they direct the inquiry process. We are developing real time performance reporting for managers to view performance reports such as decision times against target, the number of live cases in the system and information to help identify blockages on individual cases. Our customers will see further improvements as our new Inspectors complete their training and move on to live casework.

## 8. Transformation Programme

The Transformation Programme delivered some significant outputs this financial year in support of our strategic objectives. In October 2018, the Government Internal Audit Agency (GIAA) undertook a review of the Transformation Programme, to provide an indication of the effectiveness of its framework of governance, risk management and control, and whether it was operating as intended. The final rating of Green/Substantial – ‘The framework of governance, risk management and control is adequate and effective.’ There were no recommendations.

In November 2018, after the submission of an updated Strategic Outline Case to MHCLG, we received their agreement to fund the remainder of the Transformation Programme. This gave us the funding to deliver our plans for a new structure, as well as funding to continue to build on the in-depth work already completed to design a new casework process and develop a new public-facing portal and casework system.

Both decisions reflect the confidence MHCLG have in our ability to make these things happen.

### Organisation design

We started a journey this year to change how we organise ourselves to better deliver for our customers, to better support our strategic goals, and to better support our people in their careers in the Planning Inspectorate. We started by developing a new target operating model which allowed us to shape and prioritise the work, paint a picture of the future for staff and identify critical capability gaps.

We decided to tackle this change in two phases and developed a senior structure that:

- provides clear accountability for our operational performance;
- enables movement of resources to the highest priority work;
- removes silos between our lines of work to enable better communications; and
- creates more structured opportunities for career progression and development.

The next phase will see the structure finalised and teams with the necessary capacity and capability to support our Target Operating Model.

### Operational delivery transformation

We are progressing well with this project. Its scope covers the end-to-end operational delivery process of the Inspectorate and all areas that impact it including

people, processes, technology, systems and structures. This includes all of the Inspectorate’s casework as well as associated processes such as customer feedback relating to casework.

*Our vision for the project is:*

- *To transform our end-to-end operational delivery processes making it easier for our customers to do business with us;*
- *supporting our staff to work as efficiently and effectively as possible;*
- *maximising the use of digital opportunities;*
- *providing excellent value for money for taxpayers.*

The processes start at the ‘front door’ of the Inspectorate (when a customer considers submitting a case) and finish when a decision/report has been made, recorded and communicated (or where we handle a complaint or further contact regarding a case).

Further information about progress can be found in Section 11 (Providing excellent customer service).

## People strategy

We developed a people strategy to support our strategic plan. It focussed on three pillars of work: developing our leadership and management skills, developing the professional expertise of our people, and an increased focus on inclusion, diversity and wellbeing. We trained over 150 line managers to enhance their leadership skills, to equip them to have more constructive management conversations, and to help them become more inspiring, confident and empowering. We piloted a new approach to performance management and it will be rolled out in 2019/20. We invested in continuing professional development and started setting up professional frameworks across the organisation – aimed at ensuring that everyone is seen as a member of a profession and is respected for their expertise. All of this was underpinned by an enhanced focus on inclusion, for example we reviewed our recruitment practices to ensure they do not discriminate against any group. Our commitment to mental health wellbeing was demonstrated when the Chief Executive signed the pledge for ‘Time to change’ at our all staff event. MIND (the Mental Health charity) have recognised our efforts in this area and we were awarded their Silver Workplace Wellbeing Award.



Sarah Richards signing the time to change pledge



## 9. IT Modernisation Programme

This work started by stabilising our legacy casework system, removing frustrations and building confidence in future changes, which provided a platform for future technical developments.

We followed this by a pilot of new portable devices (tablets) for Inspectors, which demonstrated benefits such as greater portability and easy connectivity. Future changes (see Operational delivery transformation in section 8 above) will reduce the need for hard copy documentation and facilitate the earlier access required to fully action the recommendations from the Bridget Rosewell Review.

The contract with our IT supplier came to an end in March 2019, and together with MHCLG we worked to replace the services provided by Fujitsu. Our support desk is now provided by LittleFish.

Our new laptops and tablets utilise wireless connectivity which has provided greater portability, the ability to work from anywhere and faster, secure access to the Inspectorate's systems. The WiFi in Temple Quay House (TQH) was also upgraded. Upgrading to Office365 provided modern collaboration tools that will improve communications, and support both greater efficiency and our new customer-facing applications.

## 10. Improved efficiency and effectiveness

### Income

Our chargeable income is demand led by our customers and as such varies significantly across years. Total income in 2018/19 was 77% higher than the previous year, being £16.2m (2017/18 £9.2m). Whilst we can never fully predict our income in advance, we have invested in improving the way in which we set out income budgets, forecast and manage our income to enable us to mitigate the risk of income fluctuating from planned level. This year we saw a dramatic increase in income but ended the year only £0.6m (3.6%) above our agreed budget. This largely related to additional NSIPs projects being submitted in year, offset by lower than anticipated revenue from the Department for Environment, Food and Rural Affairs, development plans and the community.

### Expenditure

In line with a focus on performance improvement our expenditure on direct costs increased and we reduced some of our overhead. Spend on Inspectors increased by £2.9m compared to the previous year (£1.6m salaried, £1.3m non-salaried) and spend on support staff including caseworkers increased by £1.2m. This was met by increase in both income and funding from MHCLG, but was also offset by savings, with spend on building costs and office costs down by nearly 20% or £0.8m compared to the previous year. Included within this was a one-off rates rebate. Agreed rent reductions in future years from reducing the office space that we occupy, will more than offset this going forward and deliver significant savings. The cost of legal fees, adverse cost payments and payment out under our ex gratia policy were also much lower this year (£0.8m lower).

Our asset base increased significantly in year, with capital spend increasing from an original budget of £0.5m to a final spend of £4.5m which was kept within approved budget increases. This reflects investment in our casework system and processes as part of our transformation programme (operational delivery) as well as investment in our IT modernisation programme which delivered new digital devices and ways of working to all our staff in year. As part of the improvements to the way we deliver casework, a decision was also made to replace the casework management system in year. As a result of

this decision, the value of the intangible asset reflected in our accounts in relation to the system being replaced, Horizon, was reduced (impaired).

## Performance against budget

During the year we managed our financial performance against budget across three main headings: business as usual, transformation and performance recovery.

The agreed net revenue budget at the start of the year was £36.1m to meet business as usual requirements and £1.8m to fund transformation activities. During the year the approved budget from MHCLG was increased as business cases were approved to secure further revenue funding of £1.1m for transformational change and £1.5m for performance recovery (£10m for 2019/20), and a slight reduction against business as usual budgets.

After the changes to working budget, we ended the year with an underspend against budget of £2.8m being:

<b>2018/19</b>	<b>Final budget</b>	<b>Outturn</b>	<b>Underspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Business as Usual	32,232	30,581	1,651
Transformation	3,661	2,748	913
Performance Recovery Funding	1,547	1,284	263
<b>Revenue net costs (before depreciation and impairment)</b>	<b>37,440</b>	<b>34,613</b>	<b>2,827</b>

The Transformation underspend largely relates to the fact that we incurred no in year costs against an agreed Voluntary Exit Scheme which was set up within our Organisation Design work. This led to a variance against budget of £0.7m. Other underspends on transformation arose through delays in our Operational Delivery Transformation workstream gaining approval from Government Digital Services.

As part of our commitment to improving our performance, the performance recovery spending was used to recruit additional salaried and non-salaried Inspectors as well as investing in improvements in our management information tools. Further details of this can be found in Section 7. The reported underspend of £0.3m was due to delays in being able to recruit technical experts on the management information project and the availability of NSIs being slightly lower than originally anticipated.



The remaining business as usual activities were also closely managed in year with the overall position. The income variation is noted above and the variation on total operating costs was greater than anticipated due to a significant underspend against the costs of legal challenge (£0.7m). We informally ring-fence funds for ex gratia and other legal challenges until the year end due to the risk of late claims needing to be recognised. As there were no large claims at the year-end which met the rules of financial recognition, a large underspend was recorded. Further, the late letting for the 4th floor and other agreements with our landlord to reduce our property liabilities in the last quarter had not been forecast in year and therefore contributed to the underspend at year end.

There is no uncertainty regarding the going concern of the Inspectorate and we therefore continued to adopt the going concern basis in preparing the Financial Statements.

## 11. Providing excellent customer service

Across the many facets of our work, we interacted with a diverse range of customers. They included local authorities, appellants, agents, infrastructure developers, ministers, subject matter experts and, of course, interest groups.

Customer service means different things to different people. In terms of casework, we continued to pride ourselves on ensuring that it was handled professionally, taking all submissions from the parties into account within the context of relevant local and national planning policy, and applicable legislation including the Human Rights Act.

### Better online service

An important aspect of providing a better service for our customers was the work carried out this year to redevelop the Appeals Casework Portal - the primary way information was submitted to us by the various parties involved in an appeal. The current system had a number of key issues:

#### Right first time

One in three appeals we received had documents missing or were invalid. This caused considerable delays while our staff followed up with appellants to obtain the missing documents we need to progress the appeal. We need to update the existing Portal to effectively capture all the relevant information on submission and help people to 'get it right first time'.

#### Difficulty to track appeal progress

One of the main issues appellants and their agents raised with us was their inability to find out for themselves where their appeal is in the process. Whilst the existing Portal provides an indication of key stages, we want to provide greater transparency.

#### Digital service standards

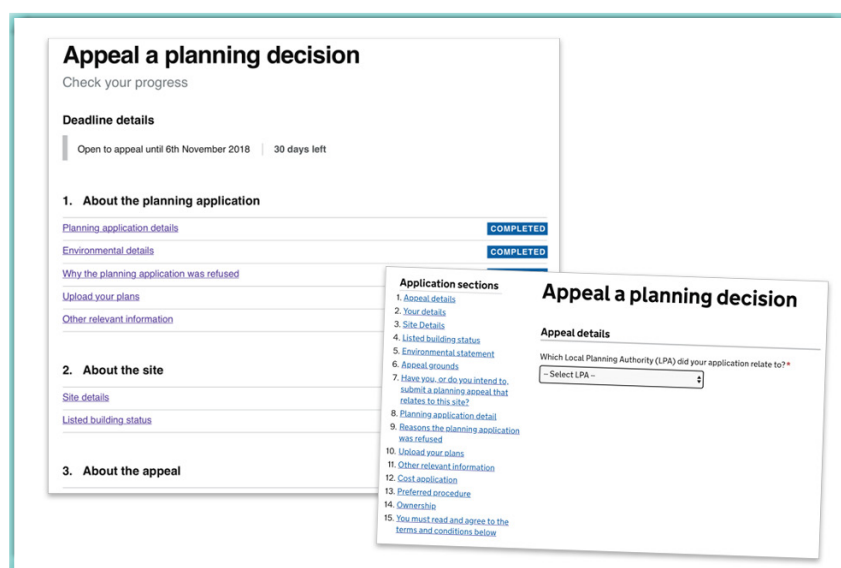
The current Portal has been improved a number of times over the years, but has remained behind the times. The way government delivers digital services has moved on, with greater emphasis on creating a better user experience. The new Portal will operate to the digital service standards outlined by the Government Digital Service to offer an improved customer experience.

Aspects of the process are still completed outside the Portal which causes an administrative burden and

frustrates users. Our prototype website<sup>3</sup> is based on extensive user research and testing involving the input of planning agents, unrepresented appellants, LPAs and interested parties. Our team worked closely with these groups to ensure the prototype meets user needs and that we can move into a beta phase with a clear direction. Feedback indicated that users want clearer guidance when submitting appeals and the new Portal will contain more succinct on-page guidance. Our team of content writers are testing it with our user groups to ensure we have got it right.

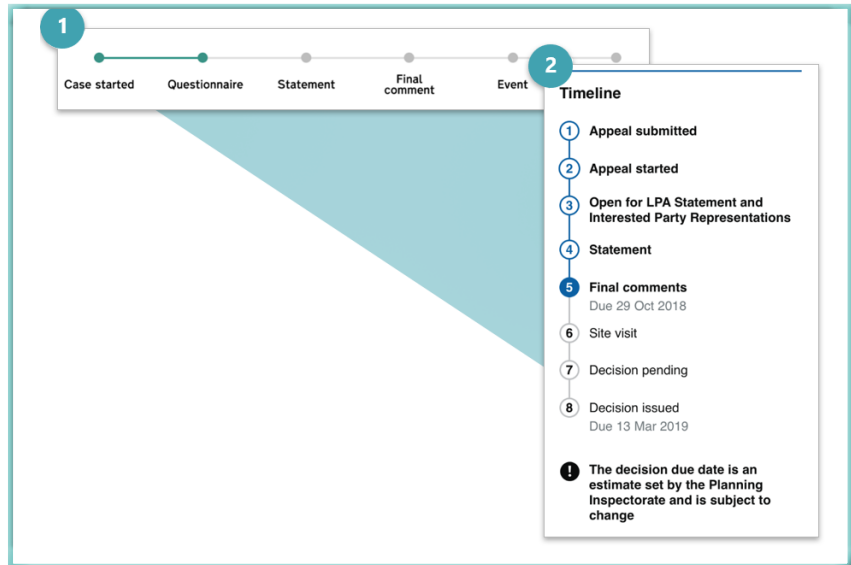
Appellants - getting it right first time

The structure of the appeal submission form is crucial to helping users get it right first time. Inspired by the 'Task List' in other digital services across government, we received positive feedback from users on this method for collecting data. The new form makes it easier for users to fill in different sections of the form in the order that they wish to.



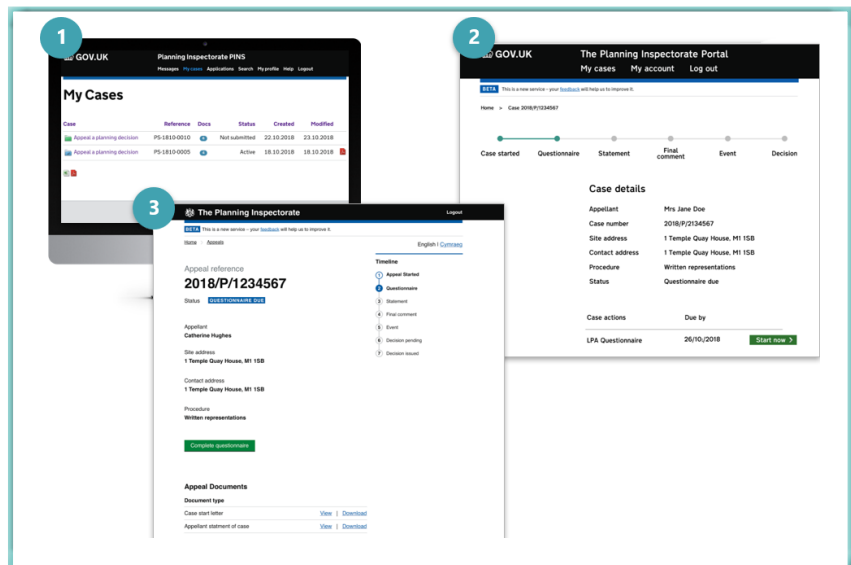
As the appeals process is both lengthy and complex, users felt a timeline showcasing the progress of their appeal would benefit them. This applied to both one-time users (unrepresented appellants) to help them navigate the process, as well as LPAs who are likely to be managing multiple appeals at once. The eventual design of the timeline was inspired by the design patterns used in the HMRC Self-Assessment Tax Return service.

3. Note – the pictures on the following page(s) are prototypes that are indicative of the expected look and feel of the site, and may be different to the final versions that go 'live',

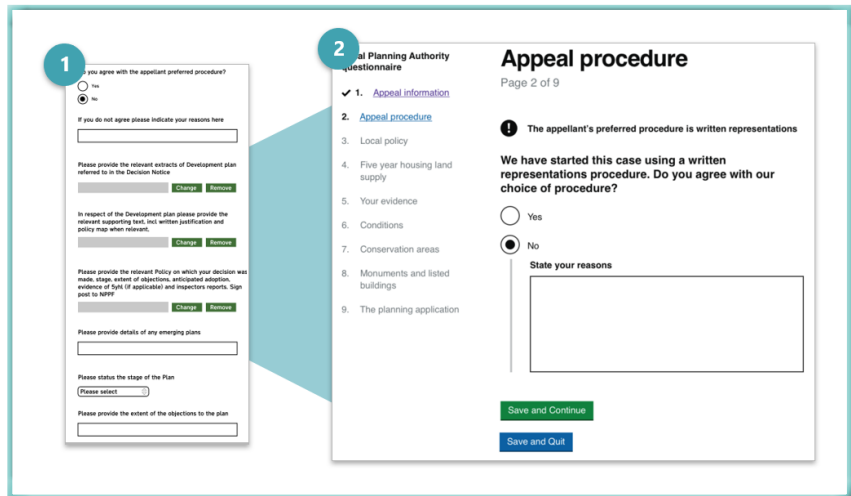


Local planning authorities – understanding my appeals

As we engaged with LPAs, who handle multiple appeals at any one time, we understood their need to be able to quickly understand the progress of appeals. Introducing the timeline to the LPA ‘case view’, as well as clearly laying out key appeal information, enables LPAs to quickly see their available actions relating to this appeal.



The questionnaire is one of the most important evidence collecting devices the Inspectorate uses and as such it's vital it is easy to complete for LPAs. By ensuring that evidence is clearly requested only when needed, as well as simplifying the language used, we can ensure the process is not overly complex for LPAs.



Introducing the new service

We are aiming to launch a trial of this new service in 2019 before rolling out to all casework by mid 2020.

## 12. Increased staff engagement

We have sought to improve staff engagement in a number of ways in the last year, including:

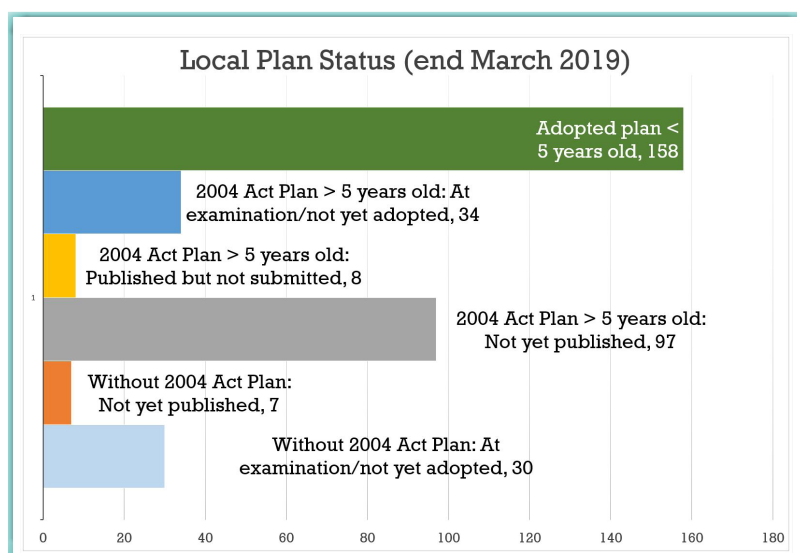
- a continuing role for the Staff Engagement Panel;
- in July 2018, we held an 'All staff' event, bringing our office-based staff and our remote workers together for a day. It was such a success that a second event was held in March 2019, and the intention is to hold similar events every year, just before the Inspector's annual training event;
- investing in the development of our line managers at all levels;
- increasing the profile of our internal communications, specifically around our change programme;
- seeking views from our people to inform decisions about the shape of the future organisation, and involving many of them in the design of new and improved processes; and
- improving our wellbeing offer, including specific signposting for the support that staff can expect in difficult circumstances and a network of Mental Health First Aiders.

## 13. Performance – England

Public examination of Local Plans and Community Infrastructure Levy schedules

A total of 65 Local Plans – 40 full strategic plans and 25 others - were submitted for examination, and each was resourced with an Inspector. We issued 52 reports to LPAs, finding all those plans to be ‘sound’. Two plans were withdrawn. LPAs adopted 49 Plans, and at the end of the year 99 Local Plan cases were carried forward into 2019/20.

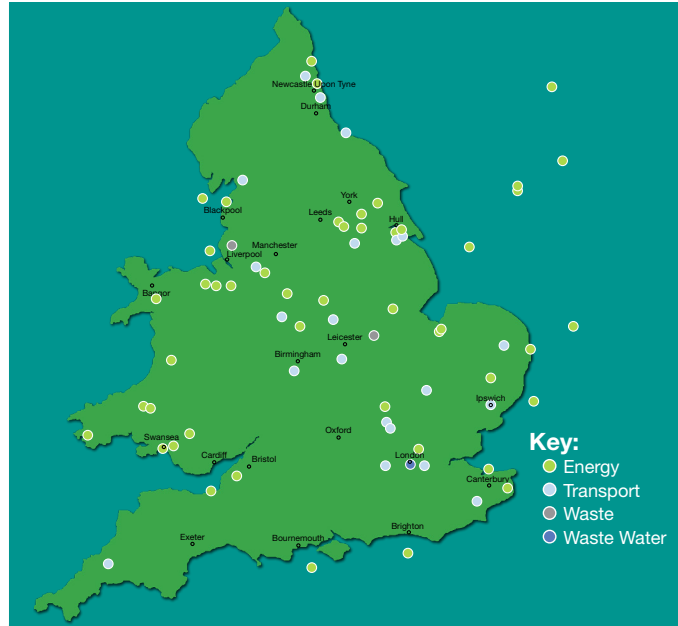
By the end of March 2019, out of 338 LPAs, 297 (88%) have an adopted Local Plan and 41 (12%) are without.



There were seven Community Infrastructure Levy Charging Schedules submitted to us for examination, we issued five reports and 10 Charging Schedules were brought into effect by LPAs. Eight cases were carried over into 2019/20.

NSIPs

In 2018/19, 23 formal applications were submitted for proposed NSIPs. In addition, 18 new pre-application projects were added to the list on our website (<https://infrastructure.planninginspectorate.gov.uk>) and we provided substantial pre-application advice to developers in this period.



NSIP decisions issued under the 2008 Planning Act

A total of five decisions were made by the relevant Secretary of State on NSIP applications – see the first table below. The second table provides a break down of those decisions, by sector.

Project	Decision Issued
Silvertown Tunnel	10/05/2018
A19/A184 Testos Junction	12/09/2018
Eggborough Power Station	20/09/2018
Tilbury 2 Port	20/02/2019
Millbrook Power	13/03/2019

Sector	No. of Decisions	Sector	No. of Decisions
Energy	2	Transport	3
Waste	-	Waste Water	-

There have been no 'Business and Commercial' cases submitted this year.

At the end of March 2019, there were 65 NSIP cases in hand - 44 cases at the pre-application stage and 21 applications were at stages between acceptance and recommendation. One application was with the relevant Secretary of State awaiting a decision. We received 20 Environmental Impact Assessment (EIA) scoping opinion requests and no screening requests. We issued 19 EIA scoping opinions during the year, all within target. Delivering against NSIP statutory timescales continued to be a key measure of success, with our performance shown in Annex A.



Planning and related appeals Our performance against our targets is shown in Annex A.

We recognise that we have not achieved our timeliness targets this year and have been working to ensure that we recover in a sustainable manner. Details of our performance recovery programme can be found in Section 7.

Our formal timeliness targets do not tell the whole story, as they are based on time from the formal start of a case to the issue of a decision. It has taken longer than we would like this year to get to that formal start point. From a customer's point of view therefore, the table below shows our timeliness from our acceptance of a valid appeal to the issue of a decision. The difference between these figures and those in Annex A reflects the time taken to validate appeals and place them in an Inspector's programme.

Case type	2018/19		2017/18	
	Weeks	Number decided	Weeks	Number decided
Average weeks from accepting a valid appeal to issue of a decision				
Planning: Written representations	26.4	9,313	19.5	9,697
Planning: Hearings	36.8	453	31.1	528
Planning: Inquiries (Non-bespoke)	64.9	3	44.3	282
Planning: Inquiries (Bespoke)	44.0	176	43.8	
Householder	14.4	4,453	13.5	4,670
Commercial	22.5	402	15.9	565

Major planning applications Provision exists under Section 62A of the TCPA 1990 (as amended by the Growth and Infrastructure Act 2013) for an application for planning permission and reserved matters consent to be made directly to the Secretary of State where (a) they involve major and non-major development, and (b) the relevant LPA has been designated by the Secretary of State. Any applications would be handled by the Inspectorate on behalf of the Secretary of State. During 2018/19 there were no LPAs designated, and no cases were referred to us for determination.

Enforcement appeals and specialist casework Our performance against our targets is shown in Annex A. Timeliness of decision making for enforcement appeals improved this year compared to last, with targets met

for both written representation cases and those decided by means of a hearing. Our performance recovery work covers not just planning appeals but all types of casework and we anticipate that the position for enforcement inquiries will improve as a result.

Intake of specialist casework remained low and therefore each case has a significant effect on performance. Whilst we met targets for common land cases and development plans, some casework required an Inspector with specialist skills and this affected our ability to deliver within target. We continued to work with partner organisations to prioritise cases of significance.

## 14. Performance – Wales

  
The Planning Inspectorate  
Yr Arolygiaeth Gynllunio

Teg | Fair  
Agored | Open  
Diduedd | Impartial  
Amserol | Timely



Welsh Government's aim of delivering a Wales which is prosperous and secure, healthy and active, ambitious and learning, united and connected continued to be supported by the work of the Planning Inspectorate in Wales. The Royal Town Planning Institute Wales considers it 'a crucial time for planning in Wales' and looks to Welsh Ministers to secure;

*"an efficient and appropriate Planning Inspectorate service for Wales, to fully discharge the growing body of decision work".*

This service was delivered by a bespoke team in the Inspectorate, based in Cardiff. Although independent from WG, it was funded by them. The team comprised 19 home-based Inspectors who were either recruited from local planning authorities in Wales, or live in Wales, and 26 office based professional administrative staff who provided support to Inspectors. The team included six Welsh speakers; recruitment exercises actively seek to strengthen this number. All decisions and recommendations were informed by policies formulated and adopted in Wales by WG and Welsh LPAs. These include, Local Development Plans (LDP), Planning Policy Wales (PPW) and Technical Advice Notes (TAN).

Planning Inspectorate Wales followed exclusive and significant business objectives in line with the priorities of WG as well as the Inspectorate's strategic goals. They were subject to performance targets set by Welsh Ministers, which were further revised in 2018/19, in relation to the main areas of casework processed (planning and enforcement). The wide variety of work covered by the team included:

- examining local development plans (LDPs);
- overseeing housing land availability studies;
- listed building consent appeals;
- non-validation appeals;
- rights of way casework;
- deciding wayleaves cases;
- common land casework;
- compulsory purchase orders;
- marine licensing; and
- Developments of National Significance (DNS).

To bridge the gap between the devolution of Infrastructure Consenting powers (anticipated) in 2020, and the introduction of a bespoke regime for Wales, the team worked with other areas of expertise in the wider organisation to assist WG to implement interim arrangements. The vast experience and deep knowledge available within such a body of professionals, covering a wide range of fields, was a great benefit.

Annex A sets out performance against the set targets and the number of cases processed in the year. Three targets were missed; 85% of inquiries in 29 weeks, 85% of written representation cases in 14 weeks (December to March) and deliver Inspectors' reports on Development Plan examinations according to agreed timescales.

Just one inquiry decision was issued in the year and this was issued out of target. The specific case had been disrupted by the postponing of the originally arranged event as a result of the ill health of the Inspector, and the publishing of edition 10 of Planning Policy Wales – parties had to be given the opportunity to make further comments in light of it. Postponement of an event due to illness is rare and cannot be foreseen and with fewer cases being considered by oral procedures, the risk to not meeting this target has increased.

Welsh Minister's reduced the written representation target from 15 to 14 weeks from December 2018. An administrative error led to the old target date being communicated to the Inspector. The Inspector's decision was issued by the 15th week but out of the newly set 14-week target; the case was made up of 15 individual cases being dealt with together, resulting in 15 out of target cases.

The examination of the Swansea development plan was suspended for a short while. Formal written notification of the start and end of the suspension period was not given.

Team and Inspector sub-group meetings were used to communicate and discuss failing to meet the targets and the particular reasons for it. Accuracy and timeliness are key to achieving the targets set for us by Welsh Ministers.

Taken as a whole, workloads were slightly up on the numbers of cases received in 2017/18; 850 cases were received against 844 on the previous year (0.71%). More decisions were issued in 2018/19 than the previous year; 740 in 2017/18 compared to 784 in 2018/19 (5.95%).

The first short form revision to an LDP was examined (Eyri LDP), the examination of Swansea LDP was completed, and two development plans were submitted for examination, Wrexham and the second short form revision, Pembrokeshire Coast National Park.

Submissions of DNS applications and notifications of intention to submit an application, increased in the second year since the regime was implemented;

- DNS applications submitted – two;
- notification of intentions received – two; and
- DNS reports submitted – three.

During the year a website was launched that was developed specifically for viewing and tracking DNS applications. The website was developed efficiently and cost effectively, building on the template for the NSIP website which has been running successfully for some time.



To achieve a greater understanding of issues faced by customers and to ensure a service that meets customer needs, several small stakeholder events were held for local planning authority officers and agents. Inspectors presented on all aspects of enforcement – notices, practicalities and pitfalls. The sessions were interactive and included topics such as:

- ‘An Inspector’s approach to decision making’;
- a focus on the new WG Gypsy and Traveller circular; and
- appeals against non-validation – the story so far.

Outcomes from the sessions include decisions in Wales now being written slightly differently, to address some of the feedback received; the reasons for each attached condition is included alongside the condition rather than in the body of the Inspector’s reasoning.

## 15. Quality – England and Wales

Maintaining the quality of our output is essential. Complaints on individual cases are all investigated, and we review any case where our decision is challenged in the High Court. For the ninth year in succession, less than one per cent of our casework (England and Wales) was the subject of successful challenge in the High Court or complaints that were upheld/successful.

		Year	Performance
		(Target 99%)	
		2009/10	98.7%
		2010/11	99.2%
		2011/12	99.6%
		2012/13	99.5%
		2013/14	99.4%
		2014/15	99.5%
		2015/16	99.6%
		2016/17	99.5%
		2017/18	99.3%
		2018/19	99.6%

Key	Target met	Target not met

Our ongoing reviews of complaint outcomes and successful legal challenges allowed us to capture lessons and disseminate that knowledge to Inspectors through a combination of training material and updates to guidance. These outcomes were shared regularly through the Professional Steering Group to the Customer, Quality and Professional Standards Committee.

*“As to how the complaints were handled internally, I have to say that I’m impressed. They demonstrated genuine engagement both with the complaints raised and the Inspector’s handling of the Hearing. Well done for that.”*  
(Lawyer)

The Inspectorate was included in the latest available statistics covering 2017/18, that were published by the Parliamentary and Health Service Ombudsman in December 2018 and available on their website<sup>4</sup>. The report showed 37 enquiries, 12 complaint assessments, two accepted for investigation; of these none were upheld. Two investigations were discontinued.

4. [www.ombudsman.org.uk/sites/default/files/Parliamentary Complaints Stats 2017 2018 Accessible.pdf](http://www.ombudsman.org.uk/sites/default/files/Parliamentary%20Complaints%20Stats%202017%202018%20Accessible.pdf)



As a result of the feedback, we have started to create video guides for our customers, reviewing how we communicate key messages, improving our online portal and providing access to a 'progress bar' for example see <https://t.co/jdr1m6Q5ba>

We handled 240 Freedom of Information requests, and answered 87% of those within 20 working days, and kept the requesting party informed where we needed extra time to respond.

Parties put to unnecessary expense as a direct result of an error made by the Inspectorate can claim recompense through our ex gratia scheme. In 2018/19, we made payments in relation to 10 claims, totalling under £150,000.

Providing customers with excellent service remained a key priority for us and we paid attention to the feedback they gave us. Towards the end of 2018, we conducted our 4th annual reputation survey, issuing over 1,200 invitations and getting 247 responses.

The majority of respondents told us we are impartial, fair, professional and trustworthy, and many were complimentary about the professionalism of the service. There remains work to do, however, to address the main areas of concern that were expressed. They related to appeal handling times and the need to improve our communication and our guidance on appeals. They also expressed concerns over the clarity of our online communications, our website and 'overall' waiting time.



## 16. Community and environmental impact

### Our outputs

The work of our Inspectors impacts on both individuals and their communities. Those impacts are important factors when our Inspectors consider cases allocated to them. They undertake examinations, inquiries and hearings in the area affected by proposals, and conduct site visits on the majority of appeals and applications to ensure they understand the environmental impact of proposals.

### Our organisation

Our impact on the environment was affected by the way we organised our work.

**Office space:** Inspectors continued to be home-based, so we did not provide dedicated space for them. On occasions when they attended our offices in Bristol or Cardiff, they were able to use desks in our flexible workspace. Our office-based teams were able to work flexibly both within our offices and at home using laptops and tablets. We vacated the 4<sup>th</sup> floor in TQH in July 2018 and in early 2019 the vacated space was re-let and we will therefore realise savings in 2019/20.

**Travel:** We minimised the distance Inspectors needed to travel to conduct casework, subject to the need to ensure their impartiality. Greater capacity to work from home through the rollout of up-to-date IT facilities helped reduce the impact of travel on the environment. We encouraged the use of public transport; supported the cycle-to-work scheme and provided shower facilities for those using this mode of transport to commute to work.

**Recycling:** We provided recycling facilities in our offices – for plastic, aluminium cans, glass, cardboard, paper and waste food.

**Equipment disposal:** Through a contract let by MHCLG, we safely disposed of unwanted IT equipment and electrical items. Disposal of data on computer disks was carried out in accordance with relevant regulations (Waste Electrical and Electronic Equipment, and Communications Electronic Security Group). All items were collected free of charge,

and sorted for refurbishment and resale, or recycling. Items for resale were cleansed of all data in accordance with Government requirements and refurbished with fully licensed Microsoft operating systems for onward supply to schools and UK registered charities at subsidised cost. A proportion of the profit made was returned to us, which amounted to over £6,000 in 2018/19. Equipment that was beyond repair or not saleable was broken down into its component parts and recycled in accordance with Environment Agency licensing, achieving a recycling rate in excess of 95%.

## Our staff

Towards the end of 2018/19, the inaugural ‘OnePINS’ Awards were decided by staff representatives on our Staff Engagement Panel, from a number of nominations in each of four categories.

The winners were:

### Delivering ‘Excellent customer service’



Debbie Seaton

### Delivering ‘Better ways of working’



The Environment and Transport team

### Making PINS ‘A great place to work’



Karen Curnock

### Ben Linscott OnePINS award



Victor Ammoun

We supported staff who needed time to engage in magisterial duties, or local government work such as membership of a police authority. We encouraged our staff to volunteer in their local communities. In 2018/19 we did a significant amount of fundraising for local and national charities, including Cancer Research, the Brain Tumour charity and Bloodwise. An amazing total of more than £10,000 was raised.



The 'PINS Spins' team (Martin O'Brian, Andrea Mageen, Rebecca Phillips, Tony Thickett, Martin Elliott, Gavin Ewing, and Matt Thickett).

On top of that, a group of intrepid cyclists took to the roads of Wales during the brutally hot summer of 2018 and raised a further £1,018 – smashing their £500 target. Thankfully all survived to tell the tale.

# 17. Sustainability report

In 2018/19 we completed the phased accommodation project relating to our Bristol office, which was reported in previous Annual Reports and illustrated below.

	<p><b>Phase 1 (April 2016)</b></p> <ul style="list-style-type: none"> <li>• Reduction in space occupied from 6,465 m<sup>2</sup> to 4,003 m<sup>2</sup></li> <li>• 1,991 m<sup>2</sup> of vacated space re-let and savings realised</li> </ul>
	<p><b>Phase 2 (March 2017)</b></p> <ul style="list-style-type: none"> <li>• Reduction in space occupied from 4,003 m<sup>2</sup> to 3,365 m<sup>2</sup></li> <li>• No further vacated space re-let</li> </ul>
	<p><b>Phase 3 (July 2018)</b></p> <ul style="list-style-type: none"> <li>• Reduction in space occupied from 3,365 m<sup>2</sup> to 2,379 m<sup>2</sup></li> <li>• All vacated space re-let and savings realised from 1 March 2019</li> </ul>

Plans are in place to create a regional Government hub based on our current building and the neighbouring Rivergate House. Reporting in future years is therefore likely to be based on the proportion of the hub that we occupy rather than the space in TQH.

## UN Sustainable Development Goals

The work we do contributes to aspects of the UN's agenda including Goals 8 - economic growth, 9 – infrastructure and 11 – sustainable cities and communities.



Government Greening  
Commitment

As a tenant of TQH we contributed to the Government Greening Commitment (GGC) targets for sustainability, reporting figures along with all Government Departments and arm's length bodies (ALBs).

We monitored our use of paper which was lower than 2017/18 at around 844 boxes, and substantially lower than the 3,700 in the baseline year 2009/10. We expect to be able to reduce our use of paper further in future as a result of enhanced online working. All paper we used was 100% recycled.

The figures in the following tables reflect the percentage of space in TQH that we paid for (unless otherwise stated). In 2016/17 and 2017/18 this was 34%, decreasing to 22.25% from 1 March 2019. Data provided is actuals for Quarters 1-3 (March to December) plus an estimate for Quarter 4 (January to March).

Greenhouse Gas Emissions		2016/17 (34% occupancy)	2017/18 (34% occupancy)	2018/19 (34% occupancy)
Non-Financial Indicators (tCO2e)	Gross emissions for Scopes 1 and 2	424.84	289.51	172.37
	Total net emissions for Scopes 1 and 2	0	0	0
	Gross emissions for Scope 3 Official business travel	503	467	459
	Other Scope 3 emissions	0	0	0
Related Energy Consumption (KWh)	Electricity: Green tariff	712,507	623,087	383,382
	Gas	569,013	271,294	135,647
	Liquid Petroleum Gas	0	0	0
	Other	0	0	0
Financial Indicators (£k)	Expenditure on Energy	103.6	82.55	136.93
	Carbon Reduction Commitment (CRC) Licence Expenditure	0	0	0
	CRC income from Recycling Payments	0	0	0
	Expenditure on official business travel	865.4	846.3	887.6
		(Actuals for the Inspectorate)		

<b>Waste</b>		<b>2016/17 (34% occupancy)</b>	<b>2017/18 (34% occupancy)</b>	<b>2018/19 (34% occupancy)</b>	
Non-Financial Indicators (t)	Total waste	15.55	29.76	42.74	
	Hazardous waste	0	0	0	
	Non-hazardous waste	Landfill	2.33	2.80	1.41
		Reused/Recycled	13.21	13.52	34.05
Incinerated/energy from waste		0	13.44	7.28	
Financial Indicators (£k)	Total disposal cost	5.3	10.65	5.65	
	Hazardous waste disposal cost	0	0	0	
	Non-hazardous waste	Landfill	0.3	0.34	0.66
		Reused/Recycled	5.0	1.60	1.18
		Incinerated/energy from waste	0	8.72	3.80

<b>Finite Resource Consumption - Water</b>			<b>2016/17 (34% occupancy)</b>	<b>2017/18 (34% occupancy)</b>	<b>2018/19 (34% occupancy)</b>
Non-Financial Indicators (m <sup>3</sup> )	Water Consumption	Supplied	2,281	1,992	1,243.38
		Abstracted	0	0	0
Financial Indicators (£k)	Water Supply Costs		7.0	6.63	4.22 <sup>1</sup>

1. Estimate based on 2017/18 cost uprated by 2%.

### Performance commentary

The number of occupants of the building across the year varied as space was vacated and refurbished before being re-let. As a result, water usage and energy consumption/emissions all reduced. However, there was an increase in waste produced.

Transparency  
commitments as part  
of the GGC Reporting  
Requirements

#### Controllable impacts commentary

None. The building was managed centrally by the Department for Education/Ministry of Justice.

#### Overview of influenced impacts

None. The building was managed centrally by the Department for Education/Ministry of Justice.

#### Climate change adaptation

Our office is located within easy reach of good bus and rail links that reduce the use of private transport. Our computer technology supports (a) increased home working so our staff are better able to balance their work and personal lives – whilst keeping in touch easily with colleagues in the office or elsewhere, (b) reduction of travel to meetings (eg in London) through increased use of video calling, and (c) our contingency plans for working at home in the event of disruptions caused by adverse weather and transport problems.

#### Biodiversity and the natural environment

Apart from our Inspectors, who are home-based, our operation is office-based in Bristol and Cardiff. As a result, we do not impact any Sites of Special Scientific Interest that require a Biodiversity Action Plan.

#### Procurement of food and catering services

The Facilities Management contract for the Bristol headquarters includes an element for meeting our catering requirements.

#### Sustainable construction

The Inspectorate does not commission new construction.

Accounting  
Officer  
Declaration:  
Performance  
Report

In my role as Accounting Officer, on the basis of documentary evidence and assurances from the Inspectorate's Board and relevant reviews, I am satisfied that the Performance Report is a fair, balanced and understandable reflection of 2018/19.

A handwritten signature in black ink that reads "Sarah Richards". The signature is written in a cursive, flowing style.

Sarah Richards  
Chief Executive  
20 June 2019





Accountability Report

Corporate Governance Report

*“Corporate governance involves balancing the interests of the diverse range of stakeholders, including politicians, customers, management, suppliers and the public.”*

The Accountability Report records details of the executive directors and sets the context for the way the Inspectorate was managed and controlled, and also accounts for use of resources – both staff and money.

Photo: Waterfall - Nick Holmes

## 18. The Directors' Report

Details of the non-executive membership of our Board are given in the Governance Statement starting at page 58.

Details of those who, at any time in the year, were executive directors or acting executive directors of the organisation are given below, together with the relevant period.

	<p>Sarah Richards Ongoing</p>	<p>Tim Guy Ongoing</p>	
	<p>Phil Hammond To May 2019</p>	<p>Steve Hudson From January to November 2018</p>	
	<p>Ben Linscott To August 2018</p>	<p>Navees Rahman Ongoing</p>	
	<p>Mark Southgate To November 2018</p>	<p>Tony Thickett To March 2019</p>	

Teresa Stanley, the acting Head of HR, attended ET meetings from the start of the year until July 2018. Katie Hartwright, Head of HR, attended the meetings from July until the end of the year.

## 19. Statement of The Accounting Officer's Responsibilities

The Departmental Accounting Officer at MHCLG appointed the Chief Executive as Accounting Officer of the Planning Inspectorate. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of public finances, for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Inspectorate's assets, are set out in 'Managing Public Money'<sup>5</sup> published by HM Treasury.

### 3

### Accounting Officers

This chapter sets out the personal responsibilities of all accounting officers in central government. Essentially accounting officers must be able to assure parliament and the public of high standards of probity in the management of public funds. This chapter is drawn to the attention of all accounting officers when they are appointed.

Under Section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Planning Inspectorate to prepare for each financial year a statement of accounts in the form and on the basis set out in the accounts direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Inspectorate and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, I, as the Accounting Officer, have complied with the requirements of the Government Financial Reporting Manual, in particular:

- observing the accounts direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements;
- preparing the financial statements on the going concern basis;
- confirming that as far as I am aware, there is no relevant audit information of which the entity's auditors are unaware;

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5. <https://www.gov.uk/government/publications/managing-public-money>

- confirming that I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information;
- confirming that the Annual Report and Accounts as a whole is fair, balanced and understandable; and
- confirming that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

A handwritten signature in black ink that reads "Sarah Richards". The script is cursive and fluid.

Sarah Richards  
Chief Executive  
20 June 2019

# 20. The Governance Statement

## Introduction

This Governance Statement covers the period from 1 April 2018 to 31 March 2019. It includes any matters from after the year-end that are pertinent. MHCLG publishes a similar statement that covers both the central Department and its ALBs, but it is at a higher level and does not duplicate information contained in this Statement.

## Scope of responsibility

I am the Inspectorate's Chief Executive and Accounting Officer. My responsibility is to ensure that the system of governance in the organisation supports the achievement of our policies, aims and objectives, whilst ensuring accountability, value for money, propriety and regularity of finances, and safeguarding public funds and assets as set out in 'Managing Public Money'.

I was designated as Accounting Officer by the Permanent Secretary and Accounting Officer for MHCLG in March 2016, with a summary of responsibilities in my letter of designation. That letter set out my responsibility to the Minister for the organisation's use of resources to carry out its functions, and my liability to be called to appear before the Public Accounts Committee to give evidence on the handling of my Accounting Officer responsibilities. I remain personally responsible for the effective management of the organisation in accordance with our Agency Framework Document<sup>6</sup> and in accordance with the normal Civil Service rules on propriety and securing value for money. This responsibility takes account of the delegation to the Welsh Government of headcount and budget controls.

During the period covered by this Statement, I have not sought any written directions to continue with a call from a Minister to take responsibility for an aim, priority or action that I believed to be contrary to the principles of Managing Public Money.

I am satisfied that I have the necessary level of assurance for the period of this Statement based on discussions over the course of the year, and information received from:

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6. <https://www.gov.uk/government/publications/the-planning-inspectorate-framework-document>

- the non-executive chair of the Planning Inspectorate's Board (the Board);
- the other non-executive directors (NEDs) on the Board, particularly the chair of the Audit and Risk Assurance Committee;
- internal and external audit; and
- the executive directors.

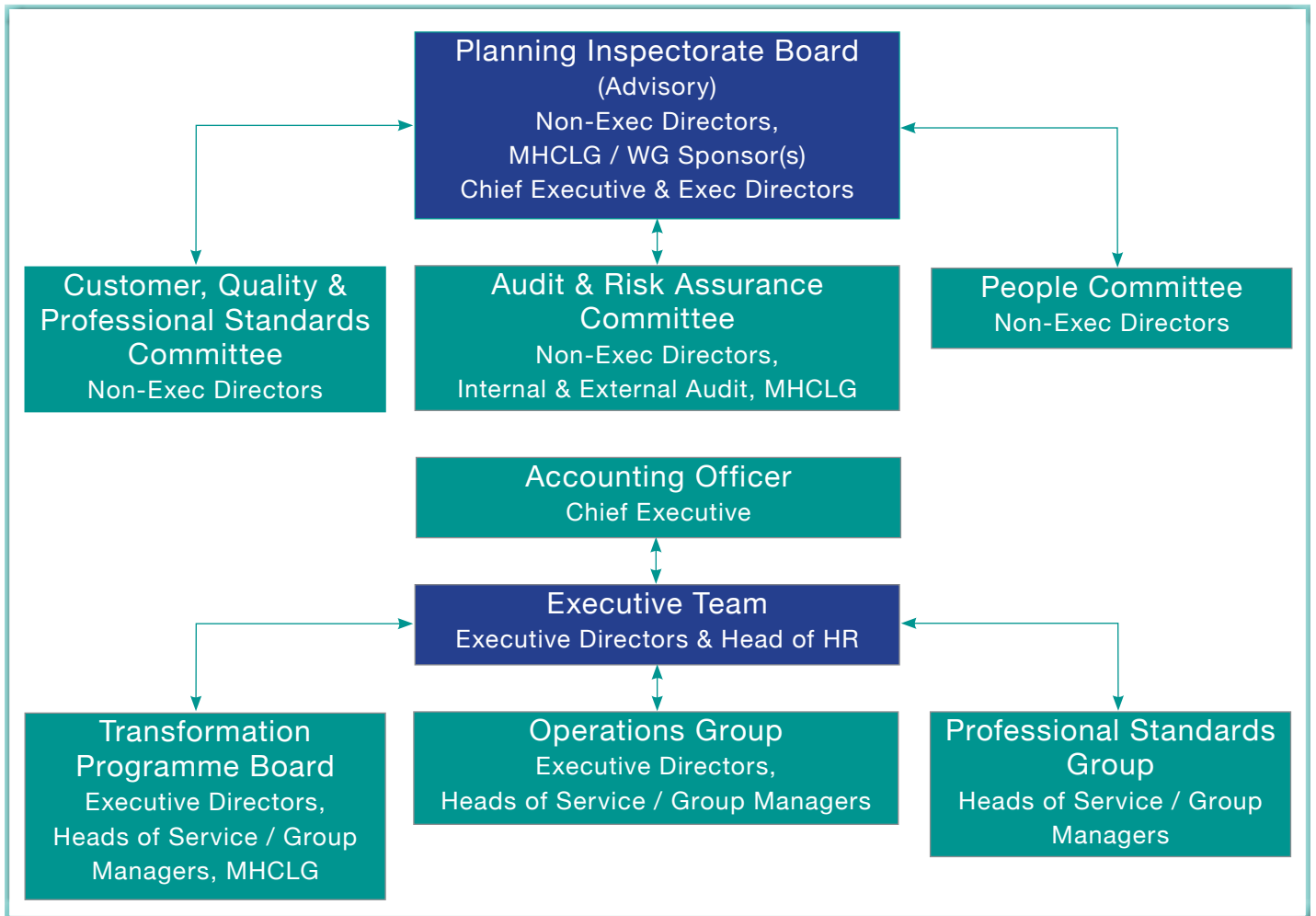
## Governance framework

Our Governance framework was made up of the structures, systems, processes, cultures and values that together were used to direct and control the organisation and its activities. The system of internal control was an ongoing and integral part of the framework, and regular management information was used to support decision-making. A formal risk management system and processes were in place to manage risk to a level considered acceptable.

The Governance framework included:

- the Board and Board sub-committees;
- the Executive Team, executive groups and senior leadership team;
- programme, workstream and project boards;
- business planning and performance reporting;
- legal controls including delegations from decision-making departments on National Infrastructure casework to ensure we operated within the scope provided by legislation; and
- financial regulation and administrative procedures including management supervision, formally recorded financial and contractual delegations and accountability, segregation of duties, procurement and spend controls, fixed asset controls, recruitment controls and controls relating to contracts for services.

Our governance structure  
2018/19



The Board

I was supported by an advisory Board appointed in accordance with our Agency Framework Document and the rules for Public Appointments.

The Board comprised:

- the Inspectorate’s non-executive chair;
- three non-executive directors;
- myself as Chief Executive, supported by executive directors; and
- a representative from MHCLG.

There was an open invitation to a representative of the Welsh Government to attend Board meetings.

The contracts for two of our NEDs were due to come to an end in December 2018. Since the planned recruitment of their replacements would not be completed in time, these were extended to the end of May 2019. New NEDs have been recruited and we anticipate that they will start their time with us in Quarter 2 of 2019/20.



The role of the non-executive chair and directors' was to use their knowledge and background in matters such as business planning, policy, strategy, performance, customer experience, resources, risk and governance, and to contribute to collective Board scrutiny of the executive's plans and operations. Our non-executives furthered their understanding of the organisation through meetings with individuals and teams, and attending stakeholder events and the Inspector annual training event. The Board was supported by three Committees, each chaired by a NED. It met on a bi-monthly basis, with an additional short meeting in June to sign off the Annual Report and Accounts.

The following table shows attendance by executive directors, NEDs and representatives of the Inspectorate's dual sponsors at Board meetings.

<b>Board Meeting Dates</b>							
<b>Name and role</b>	<b>21 May</b>	<b>14 Jun</b>	<b>26 Jul</b>	<b>27 Sep</b>	<b>29 Nov</b>	<b>31 Jan</b>	<b>21 Mar</b>
<b>Non-Executives and Sponsors</b>							
Trudi Elliott, Chair	✓	✓	✓	✓	✓	✓	✓
David Holt, NED	✓	✓	✓	✓	✓	✓	✓
Jayne Erskine, NED	A	✓	✓	✓	✓	✓	✓
Susan Johnson, NED	✓	✓	✓	✓	✓	✓	✓
Simon Gallagher, MHCLG	✓	A	✓	✓	✓	✓	✓
Neil Hemington, WG	A	A	A	A	✓	A	A

A – Apologies received. Dash - Not required to attend.

<b>Board Meeting Dates</b>								
Name and role	21 May	14 Jun	26 Jul	27 Sep	29 Nov	31 Jan	21 Mar	
Executive								
Sarah Richards, Chief Executive	✓	✓	✓	✓	✓	✓	✓	✓
Tony Thickett, Director of Wales	✓	✓	A	A	✓	A	✓	✓
Ben Linscott, Director of Inspectors	A	A	A	-	-	-	-	-
Steve Hudson, Director of Corporate Services	A	✓	A	-	-	-	-	-
Navees Rahman, Director of Corporate Services	-	-	-	-	✓	✓	✓	✓
Mark Southgate, Director of Major Casework	✓	✓	-	-	-	-	-	-
Tim Guy, Director of Transformation	-	✓	✓	✓	✓	✓	✓	✓
Phil Hammond, Director of Volume Casework	-	✓	✓	-	-	-	-	-

A – Apologies received. Dash - Not required to attend.

During the period, the Board:

- reviewed regular dashboards of management information to identify issues and risks, and ensure they were appropriately managed;
- challenged the Inspectorate’s poor performance and reviewed plans to recover it;
- considered the impact of and response to the Rosewell Review, and the NAO report<sup>7</sup> into the delivery of Housing;
- reviewed the impact of legislative and planning policy change on demand and workforce requirements; and
- considered progress with the Inspectorate’s transformation plans, including advice and challenge in relation to business cases.

The dashboard data reviewed by the Board reflected the data used by the executive to manage the business. Where the Board felt that it did not have the appropriate level of information, additional data or explanations were provided. In the coming year, the way information will be provided to the Board will change fundamentally as the organisation makes use of new business intelligence tools.

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7. Planning for New Homes - <https://www.nao.org.uk/report/planning-for-new-homes/>

The Executive Team and non-executive directors, joined by heads of service met on five occasions to hold workshops and strategic sessions to focus on business priorities such as organisation development, Brexit, the Target Operating Model, performance, transformation, budget planning, and pre-end of year training for the Audit and Risk Assurance Committee. The December People Committee meeting was replaced with a people-focussed workshop which explored staff engagement survey outcomes, culture and workforce planning insights.

The audit and risk assurance committee

The Committee was a sub-committee of the Board, supporting it in matters relating to risk, control and governance. The Committee kept under review the reliability and integrity of assurance provided by the executive to the Board and the Accounting Officer.

Formal membership of the Committee was restricted to the NEDs, supported by a head of service as the Committee’s professional lead, with other participants attending by invitation. David Holt chaired the Committee during 2018/19. A representative of MHCLG also attended these meetings.

In accordance with the agreed terms of reference, the Committee was convened on a quarterly basis. NED attendance and dates of these meetings are shown in the following table.

<b>Name</b>	<b>David Holt (Chair)</b>	<b>Jayne Erskine (Member)</b>	<b>Susan Johnson (Member)</b>	<b>Trudi Elliott (Observer)</b>
<b>Committee meeting date</b>				
14 June 2018	✓	✓	✓	✓
27 September 2018	✓	✓	✓	✓
13 December 2018	✓	✓	✓	✓
21 March 2019	✓	✓	✓	✓

During the period, the Committee:

- reviewed the final Annual Report and Accounts for 2017/18, prior to recommending sign-off by the Board;
- provided assurance to the Accounting Officer (Chief Executive) on propriety issues, based on reviews of the strategic risks and audit reports;
- provided oversight and advice on the Board’s responsibilities for risk management, including through ‘deep dives’ into individual risks, for example cyber security;

- considered and advised on the emerging policy risk register;
- continued to review the Assurance Framework;
- reviewed and provided insight to help shape the stewardship report process, building on lessons learnt from the 2017/18 year-end process to improve the accountability of directors;
- reviewed and provided challenge against progress for compliance with the General Data Protection Regulation;
- reviewed the internal control framework, including a review of the fraud wheel with National Audit Office risk factors and the whistleblowing and bribery procedures;
- monitored progress against the internal audit plan for 2018/19 and approved the draft programme for 2019/20;
- considered the draft Governance Statement for 2018/19, suggesting amendments where appropriate to strengthen areas of governance and control;
- undertook training on year-end responsibilities and best practice; and
- received, reviewed and cleared a ‘standing items’ report at each meeting.

The customer, quality and professional standards committee

The Committee was a sub-committee of the Board, supporting it in matters relating to customer service, quality and maintaining professional standards.

Formal membership of the Committee was restricted to the NEDs, supported by a head of service as the Committee’s professional lead, with other participants attending by invitation. Susan Johnson chaired the Committee during 2018/19.

In accordance with the agreed terms of reference, the Committee was convened on a quarterly basis. NED attendance and dates of these meetings are shown in the following table. A representative of MHCLG also attended these meetings.

<b>Name</b>	<b>Susan Johnson (Chair)</b>	<b>Jayne Erskine (Member)</b>	<b>David Holt (Member)</b>	<b>Trudi Elliott (Member)</b>
<b>Committee meeting date</b>				
27 April 2018	✓	✓	✓	✓
14 June 2018	✓	✓	✓	✓
8 November 2018	✓	✓	A	✓
21 February 2019	✓	✓	✓	✓

A – Apologies received.

The Committee agreed that there was consistency of approach to gaining assurance on the issues discussed and considered. Progress against the actions agreed at the Committee meetings during the year was tracked and reported back at each meeting.

During 2018/19, the Committee:

- analysed overall operational performance, focusing on those elements which matter most to customers (including timeliness and consistency), and provided insight and challenge to directors and heads of service;
- reviewed compliance with the procedures for establishing and maintaining professional standards in decision making, including scrutiny of how consistency is applied to all elements of casework process and procedure;
- looked at the root cause analysis of complaints and litigation to help understand and monitor the quality of our decision making;
- reviewed the allocation and management of strategic risks;
- provided advice and challenge on the customer and digital strategies;
- reviewed the approach to quality assurance management;
- monitored the progress of the project to implement the General Data Protection Regulation (GDPR); and
- reviewed the Knowledge Management Strategy.

Based on the evidence presented to the Committee during the year, it is the Committee's view that whilst there are no fundamental areas of weakness, there are nevertheless some areas of concern that fall within scope of the Committee's terms of reference. Examples include the pace of delivery around the customer workstream and customer strategy, which have been identified and need addressing.

## The people committee

The Committee was a sub-committee of the Board, supporting it in matters relating to the key people elements of organisational effectiveness. The Committee provides a forum for non-executive director comment, challenge and recommendations.

Formal membership of the Committee was restricted to the NEDs, supported by a head of service as the Committee's professional lead, with other participants attending by invitation. Jayne Erskine chaired the Committee during 2018/19.

In accordance with the agreed Terms of Reference, the Committee met three times, with people matters also discussed at other times or in other meetings, including the Board. Dates of and NED attendance at these meetings are shown in the following table.

<b>Name</b>	<b>Jayne Erskine (Chair)</b>	<b>David Holt (Member)</b>	<b>Susan Johnson (Member)</b>	<b>Trudi Elliott (Member)</b>
<b>Committee meeting date</b>				
26 April 2018	✓	✓	✓	✓
13 December 2018	✓	✓	✓	✓
31 January 2019	✓	✓	✓	✓

During the period, the Committee:

- reviewed the Inspectorate’s equal pay and gender pay gap;
- endorsed measures to start to close the gaps, particularly relating to gender;
- took stock of our People Transformation plan and ensured that this continues to support the other Transformation workstreams and was achieving what it set out to do;
- considered priorities for future years, specifically in relation to diversity and inclusion;
- held an insights session into engagement survey and workforce planning data, correlating the data and ensuring that our people priorities are the right ones;
- undertook a ‘deep dive’ into the organisational design work, looking at lessons learnt from the first phase of the work and how best to proceed with the second (final) phase; and
- monitored progress and dependencies between related aspects of the transformation programme.

#### Review of board and committee effectiveness

The 2018/19 review of effectiveness took place towards the end of 2018. It utilised an online survey and sought views from members and attendees of the Board. The survey responses indicated that the Board were content with the data they received and that the Board was effective. The results were analysed by the Strategic Support team and recommendations were made to the Board. These were discussed and the proposed changes will be taken into account, together with the appointment of two new NEDs and two new executive directors, when amendments to the overall governance of the organisation are devised and implemented during 2019/20.

Executive team	<p>The role of the Executive team (see Directors' Report on page 55 for membership) was to set the direction for the operation of the Inspectorate and ensure delivery of its strategic objectives within the context set by MHCLG and WG as joint sponsors. The Executive team oversaw the day-to-day operational management of the organisation and made associated decisions. They provided collective strategic leadership and direction for the organisation in accordance with the Agency's Framework Document, and supported the Chief Executive's role as Accounting Officer, upholding the Principles of Public Life set out in the Civil Service Code and role modelling the Civil Service Leadership Statement.</p> <p>The team met on a weekly basis and regularly reviewed management information to help focus attention where it was needed, including organisational performance (see also Performance Analysis starting on page 17) and key risks (see also page 13).</p>
Sponsorship arrangements: England	<p>The MHCLG Senior Sponsor, the Director of Planning, continued as lead senior contact within the Department, coordinating engagement with the Inspectorate on policy, strategy and performance matters. The Finance and Performance – Housing Division led on oversight of corporate governance, financial management and assurance activities. The team managed the process for Accounting Officer meetings between the Inspectorate's Chief Executive and the Permanent Secretary of MHCLG. These meetings were held to review and challenge the Inspectorate's performance and compliance with the Agency Framework Document, and to provide an opportunity to raise risks and issues with MHCLG. Given the Government's focus on planning, particularly housing, two-way dialogue between MHCLG policy officials and the Inspectorate team remained key.</p>
Sponsorship arrangements: Wales	<p>Separate arrangements apply in Wales, where the sponsorship team was kept informed through both formal meetings with our Director for Wales, and more frequent, less formal, contact where required.</p>
Internal Audit programme	<p>The GIAA carried out audits of specific aspects of controls and processes across our business. Details are given in the table below.</p>

<b>GIAA Audit Title</b>	<b>Report Date</b>	<b>Assurance Level</b>
Governance Statement and Risk Management Framework	May 2018	Moderate
GDPR Compliance	Sep 2018	Moderate
Inspector recruitment	Oct 2018	Moderate
Transformation: Benefits planning and realisation	Oct 2018	Substantial
Key financial controls	Dec 2018	Substantial
Commercial strategy and contract management	Mar 2019	N/A - Management letter

Each audit with identified actions resulted in an agreed Action Plan designed to address weaknesses and increase the level of assurance. Each audit was allocated a sponsor director and head of service, who co-ordinated activity and managed the agreed Action Plan. All high and medium priority actions identified in relation to GDPR Compliance were addressed. Progress with Action Plans was collated by GIAA and regularly reviewed by the Audit and Risk Assurance Committee.

The outcomes of the individual audits, and the work undertaken on the associated Action Plans, contributed to GIAA's consideration of the overall adequacy and effectiveness of the arrangements for risk management, control and governance, enabling it to provide an independent opinion at year-end. This was provided to the Audit and Risk Assurance Committee in June 2019 and gave an overall opinion of 'Moderate'.

## Risk management

The Governance Framework included the Risk Management Framework that provided the means of capturing and mitigating the impact of uncertain matters and events that could have impacted on achievement of the organisation's aims, objectives and performance. Our Risk Management Framework and the Strategic Risk Register remained on our intranet. An owner was identified for each risk on the Registers, and on other registers used across the organisation, including for the Transformation Programme and associated projects. The Governance Team reviewed and challenged the Registers regularly. Details of major risks as at the end of March 2019 are shown in the table in Section 4 together with the main mitigations for each which were designed to treat them to a level considered acceptable.



## Fraud, Bribery and Whistleblowing

Our policies relating to fraud (including anti-corruption), bribery and whistleblowing are available to all staff through our intranet. We continued to use the independent 'See, Hear, Speak up' service to support our whistleblowing process – we have our own procedure, aligned to the Civil Service-wide Policy. Our Nominated Officer has had formal training and can call on a network of other Nominated Officers within the MHCLG family (and across the civil service) should the need arise. In 2018/19, there were no instances of whistleblowing. In 2019/20 we intend to introduce an awareness-raising programme to ensure that staff across the business know about our policies and can easily access them.

## Health and safety

The Health and Safety Committee continued to support the Executive Team. They met three times in 2018/19. Their responsibilities included:

- supporting the statutory responsibilities of the Inspectorate's Health and Safety representatives;
- ensuring a positive and proactive safety culture where workplace risks are identified and reduced; and
- encouraging a consistent approach to improving the health, safety and welfare of staff.

A total of seven accidents and four near misses were recorded and reported to the Committee. All accidents were fully investigated, with the inclusion of Trade Union Side (TUS) Safety representatives; none were reported formally to the Health and Safety Executive. Inspector accidents and near misses were recorded separately to those of staff based in Bristol and Cardiff.

### Display screen equipment training and assessment

We continued to use the online workstation training and assessment package as part of our induction process for new staff, with any issues identified being addressed by their managers and the Health and Safety Team. On occasion this has resulted in a full occupational workstation assessment by our Health Management provider or other specialist assessors.

### Inspector health and safety training and guidance

We provided training to all the new intakes, highlighting specific issues that they can encounter in their role, and assisted the Inspector trainers in monitoring each Inspector's progress against the mandatory training requirements.

### Health and safety induction

An online Induction package was developed and implemented for those who joined the Inspectorate. It covers our Health and Safety systems and the support provided by the organisation, including the Occupational Health and the Employee Assistance Programme.

### Wellbeing

Several events were run in the Bristol office, and at the Annual Training Event. This year saw the introduction of Mental Health First Aiders and explanation of how these individuals can assist within the organization. Our Occupational Health provider delivered health checks at the training event in March 2019.

### Information Technology Modernisation Project

Risk assessments were carried out for both software and hardware to ensure they met the needs of staff and the organisation. All specialist equipment and software were checked to ensure their functionality and effectiveness was maintained following the change. All packages were updated to the latest version, and a new package was introduced to support staff with dyslexia.

The Information  
Commissioner, data  
protection and information  
security

Correct handling of data, whether personal data or otherwise, is essential for maintaining public trust and ensuring our statutory obligations are met.

For the implementation of the General Data Protection Regulation and Data Protection Act 2018, we reviewed and updated our procedures for processing personal data and answering information rights requests, including implementing a Data Protection Policy. GIAA conducted an audit of our implementation and made one high priority recommendation which we have actioned, along with three medium priority ones.

Our network of Information Asset Owners was already in place, and we recognised the need to provide them with resources and the support needed to continually maintain and improve evidence of our compliance. As a joint executive agency, the Data Protection Officer for each of our sponsors provided coverage for the Inspectorate.

Reporting data protection breaches, and acting on them and any complaints we received, allowed us to reduce risks to individual data subjects. We reviewed breaches

and complaints to improve internal awareness and our procedures. Since the implementation of the GDPR, we have reported three breaches of the Data Protection Act to the Information Commissioner’s Office (ICO), and we were also made aware of one complaint made directly to them. Details are provided in the table below:

Summary of breach/complaint	ICO Finding
A planning appeal decision was published that contained excessive special category data.	No further action required.
A request to withhold the name and address of an interested party was overlooked.	No further action required.
A letter submitted by interested parties ‘in confidence’ on an appeal was copied to the appellant rather than being returned to the sender.	No further action required.
Complaint to ICO - Publication of name and address information in respect of a National Infrastructure Application.	Awaiting ICO decision.

Our Information Services team followed the principles of ISO27001, the international standards for information security management. We were conscious of the threat posed by cyber attacks and took actions to raise awareness amongst staff and to minimise the impact in the event of such an issue. The Information Security Management Forum met five times to monitor, develop and improve the Information Security Management System. Serious incidents (such as the loss of large amounts of data or personal information, or a serious infection of malware) would have been reported to the Board, though there were no such breaches in the period.

#### Analytical modelling

Our use of analytical models was limited to those that helped us to forecast demand for our services, associated resourcing needs and related impact on performance. They were regularly reviewed, refined and updated. The Director of Corporate Services is currently the Senior Responsible Owner for our models.

If we develop models that have the potential or possibility to directly inform government policy, we will ensure that they are subject to robust internal and external quality assurance.

#### Recruitment controls

We have undertaken a significant amount of recruitment over the past year. Whenever we had a query, we engaged with the Civil Service Commission to ensure we complied with the rules applying across the Civil Service.

## Apprenticeships

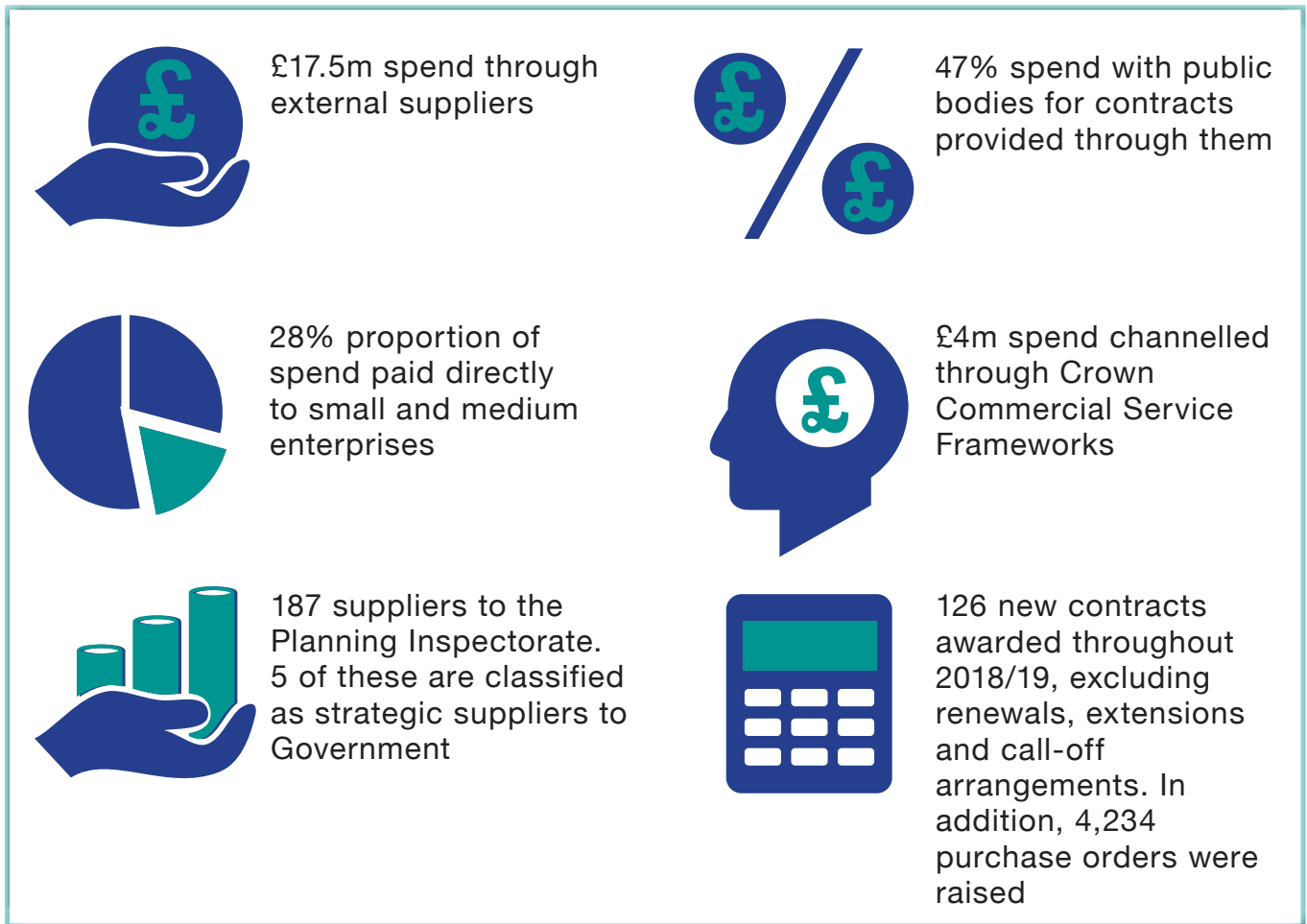
	2018/19	2017/18
Public Sector Target	14	15
Apprentices in total	13	17
Successfully completed apprenticeship	N/A	8
Did not complete (including resigned)	N/A	3
Withdrew before completion	3	1
On hold	N/A	1
Waiting for results	N/A	4
Obtained jobs after completion	N/A	7
Existing members of staff who signed up to an apprenticeship	2	4

## Commercial activity and supplier management

The Inspectorate's commercial function provided a central hub to deliver a professional service to the organisation and its supply chain. They provided a service that was fundamental in the realisation of change projects and business as usual activity and focussed on delivery against the Inspectorate's strategic objectives. Highlights included:

- procurement of 85 NSIs in October 2018 to undertake planning appeals on a case-by-case basis, supporting performance through the utilisation of a flexible supplier resource;
- procurement of an improved mobile telephony solution in February 2019, predominantly aimed at providing a robust service to Inspectors enabling them to work safely and remotely;
- ensuring that change projects and business as usual activity was adequately resourced through robust and commercially sound contracts with external expertise providers; and
- an end-to-end review of our 'procure to pay' processes to make both tactical and strategic changes, improving the performance of the commercial function and the internal customer experience.

The diagram below summarises commercial activity.



The Inspectorate managed its suppliers through a range of techniques dependent on value, criticality and contract type. Wherever possible and as appropriate, we took a collaborative approach to deliver best value for money, increase innovation and transfer of skills to staff within the organisation. As an example, given the strategic importance of the service provided by NSIs, a range of performance indicators were developed and they have been a useful tool to help proactively manage issues as they occur and identify opportunities to bring about improvements.

Early supplier engagement in a controlled manner was encouraged and produced the desired outcomes including a participative marketplace, improved volumes/quality of tenders and the ability for the Inspectorate to form commercially sound contracts.

Procurement strategies were developed for key procurements which encompassed the entire life of the contract from identification of need through to vendor rating, including risk analysis.

Many of the Inspectorate's services were supplied through other Government Departments including, but not limited to:

- MHCLG for the supply of ICT and telephony services;
- Government Legal Department for the supply of legal services; and
- Ministry of Justice for the supply of Estates services.

Agreements remained in place in the form of Service Level Agreements and Memoranda of Understanding to ensure these provisions were proactively managed.

## Conflict of interests

Our long-standing Conflict of Interest policy requires all staff and our non-executive directors to declare any potential conflicts as they arise. In addition, Inspectors are precluded from taking casework in LPA areas where they have recent or ongoing connections. Interests are declared on appointment and updated as necessary. Organisations such as the Royal Town Planning Institute, Royal Institution of Chartered Surveyors and Royal Institute of British Architects have their own codes of ethics and professional standards, and any Inspectors belonging to those organisations will be expected to adhere to them as well.

Everyone is expected to proactively report any potential conflict, and our Inspectors will excuse themselves from cases on this basis. Our Conflict of Interest policy is deemed proportionate to the perceived risk to our impartiality.

All directors, and NEDs, were required to complete a declaration of any related party transactions as part of the Annual Accounts process.

Our Register of Board Member Interests was published on the GOV.UK website and was updated to reflect changes to the membership of the Board, and at executive director level. The Register can be found at <https://www.gov.uk/government/publications/register-of-planning-inspectorate-board-member-interests-april-2014>

A standing agenda item for the Board, committees, executive groups and Inspectors' meetings makes provision for attendees to declare any such interests. Where an interest was declared, the member was responsible for withdrawing from any discussion where such a conflict could have been perceived to have influenced their judgement.

Value for money	<p>As Accounting Officer, I was responsible for ensuring that our activities were regularly assessed to provide confidence about their suitability, effectiveness, prudence, quality, good value and avoidance of error and other waste. Regular reports were provided to the Audit and Risk Assurance Committee on aspects of our system of internal control.</p> <p>I was supported by directors who provided me with assurances that their business areas achieved the optimum mix of quality and effectiveness for the least outlay, including through the use of shared service contracts covering off-site file storage, hotel booking and travel.</p>
Compliance with HMT Corporate Governance Code (the Code)	<p>We complied with the principles of good corporate governance set out in the Code in all material aspects, proportionate to the size and complexity of the organisation. In the interests of transparency, and in order to protect our reputation for impartiality, directors and NEDs were obliged to declare any business or other interests or any personal connections which could have been misconstrued or caused embarrassment to the Inspectorate, MHCLG or WG (see Conflict of Interests above).</p>
Acting on governance issues	<p>There were no major governance issues identified during the period, or within the Stewardship Reports completed by each director.</p>
Conclusion	<p>Responsibility for the Annual Report and Accounts, and the judgements required for determining that it is fair, balanced and understandable, rested with me in my role as Accounting Officer. On the basis of my observations, the information recorded in this Statement, the Stewardship Reports from the executive directors and other assurances I have been given, I am satisfied that appropriate and proportionate governance, risk management and internal control arrangements were in place during the period covered by this report.</p>

*Sarah Richards*

Sarah Richards  
Chief Executive  
20 June 2019







Remuneration and staff report

*“The Inspector’s patience and care was exemplary”*

This section contains details of the monies paid to senior members of the executive and the NEDs. It also provides information in relation to staff numbers, trade unions and other information including required disclosures on consultancy expenditure and exit packages.

Photo: Blaise Castle - Nick Holmes

## 21. Remuneration Report

Remuneration policy	The remuneration report summarises our remuneration policy and disclosures on directors' remuneration as required by Section 421 of the Companies Act 2006 adapted for the public sector context.
Role of the people committee	The People Committee, which deals with pay and reward matters, operates as a sub-committee of the Board, is chaired by a non-executive director and has terms of reference that encompass all aspects of the people function including pay and reward.
Directors' remuneration policy	The remuneration arrangements and performance appraisal that apply at director level and above are those which apply to the Senior Civil Service generally. The main features of these arrangements are specified centrally by the Cabinet Office. Annual salary is determined on an individual basis by the People Committee.
Remuneration and pension entitlements (including Cash Equivalent Transfer Values (CETV) disclosures) for directors and board members	<p>This section of this document has been subject to audit.</p> <p>The single total figures of remuneration for directors' for the year ended 31 March 2019 were as follows (comparative figures for 2017/18 are shown in brackets):</p>

	<b>Salary and fees paid<sup>1</sup></b>	<b>Bonus</b>	<b>Taxable benefits<sup>1</sup></b>	<b>Pension related benefits<sup>2</sup></b>	<b>Total for 2018/19 (2017/18)</b>
	<b>£k in bands of £5k</b>	<b>£k in bands of £5k</b>	<b>£ to the nearest £100</b>	<b>£ to the nearest £1,000</b>	<b>£k in bands of £5k</b>
<b>Accounting Officer</b>					
Sarah Richards Chief Executive	140-145 (140-145)	- (-)	- (-)	55,000 (55,000)	195-200 (195-200)
<b>Executive Directors</b>					
Tim Guy Director of Transformation	105-110 (105-110)	- (-)	- (-)	42,000 (42,000)	145-150 (145-150)
Phil Hammond Director of Volume Casework	75-80 (70-75)	- (-)	- (-)	39,000 (16,000)	115-120 (90-95)
Steve Hudson Director of Corporate Services (from January 2018 to November 2018)	40-45 65-70 full-time equivalent (10-15) (65-70 full-time equivalent)	- (-)	- (-)	26,000 (3,000)	70-75 (15-20)
Ben Linscott Director of Inspectors (to August 2018)	20-25 85-90 full-time equivalent (105-110)	- (-)	- (-)	1,000 (5,000)	20-25 (110-115)
Navees Rahman Director of Corporate Services <sup>3</sup>	75-80 (75-80)	- (-)	- (-)	31,000 (30,000)	105-110 (100-105)
Mark Southgate Director of Major Casework (to November 2018)	50-55 85-90 full-time equivalent (85-90)	- (-)	- (-)	20,000 (34,000)	70-75 (120-125)
Tony Thickett Director of Wales	95-100 (95-100)	- (-)	- (-)	17,000 (5,000)	115-120 (100-105)

	<b>Salary and fees paid</b>	<b>Bonus</b>	<b>Taxable benefits<sup>1</sup></b>	<b>Pension related benefits</b>	<b>Total for 2018/19 (2017/18)</b>
	<b>£k in bands of £5k</b>	<b>£k in bands of £5k</b>	<b>to the nearest £100</b>	<b>£k in bands of £5k</b>	<b>£k in bands of £5k</b>
<b>Non-Executive Directors</b>					
Trudi Elliott Chair, Non-Executive (from April 2018)	20-25 (-)	- (-)	- (-)	- (-)	20-25 (-)
Sara Weller Director, Non-Executive (to September 2017)	- (10-15 15-20 full-time equivalent)	- (-)	- (-)	- (-)	- (10-15)
Jayne Erskine Director, Non-Executive	10-15 (10-15)	- (-)	- (-)	- (-)	10-15 (10-15)
David Holt Director, Non-Executive	15-20 (10-15)	- (-)	- (-)	- (-)	15-20 (10-15)
Susan Johnson Director, Non-Executive	15-20 (10-15)	- (-)	- (-)	- (-)	15-20 (10-15)

1. Due to their dual office status, Ben Linscott and Tony Thickett were entitled to be paid for travel/accommodation expenses, which are included in the Salary and fees paid column (re-categorised from Taxable benefits column in 2017/18). Similarly, all travel/accommodation expenses incurred in the normal course of business for NEDs, are classed as taxable and re-categorised from Taxable benefits to Salary and fees paid column in 2018/19.
2. Pension related benefits have been rebanded to the nearest £1,000, rather than bands of £5,000, as per Cabinet Office guidance. The prior year figures have been restated accordingly.
3. The pension related benefit figure for Navees Rahman has been restated, as a recalculated opening figure was provided for the period to 31/3/19, to adjust for previous employer allowance.

Directors' pension disclosure This section of this document has been subject to audit.

	<b>Real increase in pension and related lump sum at pension age</b>	<b>Total accrued pension at pension age at 31/3/19 and related lump sum</b>	<b>CETV at 1/4/18<sup>1</sup></b>	<b>CETV at 31/3/19</b>	<b>Real increase in CETV</b>
	<b>£k in bands of 2.5k</b>	<b>£k in bands of 5k</b>	<b>£k to the nearest £1,000</b>	<b>£k to the nearest £1,000</b>	<b>£k to the nearest £1,000</b>
Sarah Richards Chief Executive	2.5-5	10-15	106	169	44
Tim Guy Director of Transformation	0-2.5	20-25	267	334	24
Phil Hammond Director of Volume Casework	0-2.5 plus lump sum of 0-2.5	35-40 plus lump sum of 85-90	590	687	25
Steve Hudson Director of Corporate Services (from January 2018 to November 2018)	0-2.5	15-20	210	258	15
Ben Linscott Director of Inspectors (to August 2018)	0-2.5 plus lump sum of 0-2.5	35-40 plus lump sum of 110-115	848	857	1
Navees Rahman Director of Corporate Services	0-2.5	15-20	167	214	11
Mark Southgate Director of Major Casework Casework (to November 2018)	0-2.5	20-25	258	297	12
Tony Thickett Director of Wales	0-2.5	40-45	743	842	17

1. CETV at 1/4/18 is restated for Navees Rahman, as a recalculated opening figure was provided for the period to 31/3/19, to adjust for previous employer allowance.

## CETV

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are

the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement, which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the Exchequer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation on early retirement or loss of office

We have not made any compensation payments to directors on early retirement or loss of office.

Payments to past directors

Directors do not have any entitlements to pay after their departure date. However, an additional payment was necessary as defined in the Exit Packages section.

Fair pay disclosure

This section of this document has been subject to audit.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The calculation is based on the full-time equivalent staff at the reporting period-end date on an annualised basis.

	<b>2018/19</b>	<b>2017/18</b>
Band of Highest Paid Director's Total Remuneration (£'000)	<b>140-145</b>	140-145
Median Total - Inspector	<b>56,484</b>	51,828
Remuneration Ratio - Inspector	<b>2.5</b>	2.7
Median Total - Support	<b>25,157</b>	26,220
Remuneration Ratio - Support	<b>5.7</b>	5.4

The banded remuneration of the highest paid director in the financial year 2018/19 was £140k - £145k (2017/18: £140k - £145k). This was 5.7 times (support); 2.5 times (Inspectors) (2017/18: 5.4 (support); 2.7 (Inspectors)) the median remuneration of the workforce, which was £25,157 (support); £56,484 (Inspector) (2017/18: £26,220 (support); £51,828 (Inspector)).

We have conducted an equal pay review to establish whether the salaries paid are appropriate for the work done, and do not pose any equal pay challenges. This work will inform our ongoing pay strategy.

Information on the gender pay gap for the Planning Inspectorate was published on GOV.UK at <https://www.gov.uk/government/publications/mhclg-gender-pay-gap-report-and-data-2018>.

In 2018/19, nil employees received remuneration in excess of the highest paid director (2017/18: nil). Remuneration ranged from £107,248 to £13,477 (2017/18 £107,130 to £10,970) excluding the highest paid director. Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.



## 22. Staff Report

### Staff numbers

This section of this document has been subject to audit.

For the financial year 2018/19, we employed (average, full-time equivalent) 636 staff (see the table below). This total was made up of 345 women and 402 men (average, full-time equivalent: 276 women; 360 men) which included one woman and six men at Senior Civil Servant level. Staff numbers include a mixture of full and part-time employees, home-based salaried Inspectors and office-based staff in the Cardiff and Bristol offices. We also used the services of 85 NSIs (2017/18: 53) on a fee-paid contractual basis to allow flexible resourcing and value for money.

The average number of full-time equivalent persons permanently employed by us (including senior management) during the year was as follows:

	2018/19	2017/18
Senior Civil Service Pay Band 2	1	1
Senior Civil Service Pay Band 1	6	6
Grade 6-7 (Senior staff)	25	19
Salaried Inspector	270	255
Support	93	88
Caseworkers	241	228
<b>Total</b>	<b>636</b>	597
Less Secondments	(1)	(2)
Add Agency	15	11
<b>Total Employed</b>	<b>650</b>	606

### Staff policies

#### Recruitment

All recruitment is carried out on the basis of fair and open competition, and selection is made on merit. Recruitment processes are fair and are regularly reviewed to take account of any changes to employment legislation.

#### Equality and diversity

As part of our commitment to fairness and promoting equality, we work closely with colleagues in MHCLG to embed diversity into our business functions and service delivery and to ensure compliance with equality legislation, promoting best practice in an environment of openness, fairness, and equality of opportunity.

The Inspectorate made further improvements for the inclusion and fair treatment theme in the 2018 People Survey results. Building on already strong results; more than 84% of respondents believed they are treated fairly, almost 90% believed they are treated with respect at work and 75% believed that individual differences were also respected.

The proportion of staff that consider themselves to have a disability remains small at 11.8%, though this figure is a slight increase on 2017/18. When recruiting staff, we continue to guarantee an interview to disabled candidates who meet the core requirements of the job description and person specification under the Disability Confident scheme.

## Trade unions

The organisation formally recognises two unions: Public and Commercial Services (PCS), representing office-based staff, and Prospect, representing Inspectors. Formal consultation with the unions took place largely through the Whitley meetings held in April, July, October and December 2018, and in March 2019. We also work with the unions and employees, both formally and informally, on management proposals that have a direct bearing on how staff work, ensuring that there is a common understanding of the impact on individuals. Information on relevant employment policies and changes is available to all staff through the intranet.

We are required to publish information in the following tables in accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017.

<b>Trade Union representation</b>	
<b>Employees who were relevant union officials during the period</b>	<b>Full-time equivalent employees</b>
23	21.72

<b>% of time spent on facility time</b>	
<b>Percentage of time</b>	<b>Number of employees</b>
0%	7
1-50%	16
51-99%	0
100%	0

% of pay bill spent on facility time	
Total cost of facility time	£47,902.84
Total pay bill <sup>8</sup>	£34,240,024.31
Facility time cost as percentage of pay bill	0.14%

Paid Trade Union activities	
Time spent on paid TU activities as a percentage of total paid facility time hours	100%

#### Attendance management

The average working days lost through sickness absence in 2018/19 was 6.1 days. This is below the Civil Service Average of 6.8 for the same period. Some of the absence is due to complex disability related issues. We are working closely with the line managers to ensure that appropriate support is provided to individuals by the use of reasonable adjustments, regular return to work interviews and use of Employee Assistance Programme.

#### Staff costs

The table below includes the Total staff costs for the 2018/19 financial year, as shown in the Financial Statements.

	2018/19	2017/18
	£'000	£'000
Wages and salaries	25,878	23,758
Social security costs	2,851	2,637
Other pension costs	5,497	5,035
<b>Sub Total</b>	<b>34,226</b>	31,430
Agency staff	589	341
<b>Total net staff costs</b>	<b>34,815</b>	31,771

#### Pension benefits

Pension benefits are provided through the Civil Service pension arrangements. Principal Civil Service Pension Scheme (PCSPS) and Civil Servants and Others Pension Scheme (CSOPS) – known as 'Alpha' are unfunded multi-employer defined benefit schemes in which we are unable to identify our share of the underlying assets and liabilities. The last full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource

8. The total pay bill figure is representative of salary payments, whereas the Staff costs include accounting adjustments necessary for the financial statements.

accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>).

For 2018/19, employers' contributions of £5,482,057 were payable to the PCSPS (2017/18: £5,053,174) as one of four rates in the range 20.0% to 24.5% (2017/18: 20% to 24.5%) of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018/19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £15,220 (2017/18: £17,545) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £42, 0.5% of pensionable pay were payable to the PCSPS to cover the cost of the future provision of lump-sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2019 were £1,249 (2017/18: £1,172). Contributions prepaid at that date were £nil (2017/18: £nil).

Nil persons (2017/18: nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2017/18: £nil).

#### Expenditure on consultancy

In 2018/19, the Planning Inspectorate incurred less than £60,000 (2017/18: £nil) on contracts which were categorised as consultancy. However, none of these required Cabinet Office approval, as they were out of scope of the Cabinet Office spend controls.

#### Off-payroll engagements

We engaged in a number of off-payroll contracts (see the following tables for further analysis). Over 80% of these engagements were for the services of NSIs (on a fee-paid contractual basis), to provide necessary flexibility in the Inspector workforce. The remainder of the off-payroll engagements were to support a specific need in the organisation.

<b>All off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months</b>	<b>As at March 2019</b>
No. of existing engagements.	102
Of which...	
No. that have existed for less than one year at time of reporting.	98
No. that have existed for between one and two years at time of reporting.	4
No. that have existed for between two and three years at time of reporting.	-
No. that have existed for between three and four years at time of reporting.	-
No. that have existed for four or more years at time of reporting.	-

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

<b>All new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months</b>	<b>As at March 2019</b>
No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019.	106
Of which...	
No. assessed as caught by IR35.	-
No. assessed as not caught by IR35.	106
No. engaged directly (via Public Service Companies (PSC) contracted to agency) and are on the agency payroll.	-
No. of engagements reassessed for consistency/assurance purposes during the year.	7
No. of engagements that saw a change to IR35 status following the consistency review.	-


Any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019	As at March 2019
No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	-
Total no. of individuals on payroll and off-payroll that have been deemed 'board members, and/or senior officials with significant financial responsibility', during the financial year. This figure should include both on-payroll and off-payroll engagements.	12

### Exit packages

Exit costs are accounted for in full either in the year of departure or, where a binding commitment is made to leave in the subsequent year, costs are accrued. Ill-health retirement costs are met by the pension scheme.

There were no compulsory redundancy departures or other departures in 2018/19.

# Parliamentary Accountability and Audit Report

A large, multi-masted sailing ship is docked in a harbor. The scene is captured at sunset, with the sun low on the horizon, casting a warm, golden glow over the water and the sky. The sky is filled with dramatic, dark clouds. In the foreground, there are several buildings, including a prominent white house with a dark roof. The water reflects the colors of the sunset. The overall atmosphere is serene and historical.

*“I wish to pay tribute to and thank the Inspector for her professional and personable attitude during this long and difficult inquiry. I think her impartiality was something that we shall remember for a long time.”*

This section provides the detailed disclosures we are required to make and is supported by the detail in the Financial Statements starting at Section 28.

Photo: Bristol harbour sunset - Nick Holmes



## 23. Budget Allocations and Outturn

This section of this document has been subject to audit.

The Planning Inspectorate is funded through MHCLG and WG. Initial indicative four-year allocations are agreed as part of HM Treasury Spending Review exercises and are then refined on an annual basis as necessary through the MHCLG business planning round. Since 1 April 2011, we have been funded from MHCLG and WG administrative budgets (with the exception of some non-cash costs which are programme-funded) and this classification of our funding is reviewed annually.

The detailed accounts for the 2018/19 financial year are included in the 'Financial Statements' part of this publication. A brief summary of our performance against budget is provided in the table below.

2018/19	Original budget £'000	Revised budget £'000	Outturn £'000
Staff and related costs			34,815
Non pay running costs			16,045
Receipts			(16,247)
<b>Net costs</b>	<b>35,131</b>	<b>37,440</b>	<b>34,613</b>
Administration funded ring-fenced costs	1,000	1,612	1,471
<b>Total administration costs</b>	<b>36,131</b>	<b>39,052</b>	<b>36,084</b>
Programme funded non-cash costs	161	161	13
<b>Total operating expenditure<sup>9</sup></b>	<b>36,292</b>	<b>39,213</b>	<b>36,097</b>
<b>Capital expenditure</b>	<b>500</b>	<b>5,000</b>	<b>4,452</b>

The table above shows that for Net Costs actual spend is £2.8m below the revised budget allocation.

9. This table reflects a lower net operating expenditure than the net operating expenditure on the Statement of Comprehensive Net Expenditure. The latter includes research and development costs which we treat as capital expenditure for budgetary purposes and exclude from the total operating expenditure in this table.

The agreed net revenue budget at the start of the year was £36.1m to meet business as usual requirements and £1.8m to fund transformation activities. During the year the approved budget from MHCLG was increased as business cases were approved to secure further revenue funding of £1.1m for transformational change and £1.5m for performance recovery and a slight reduction against business as usual budgets.

The underspend against budget of £2.8m related to the following activities which were budgeted for and funded by MHCLG separately:

- transformation - £0.9m – primarily relating to voluntary exit scheme costs that were not required and delays in progressing our casework system changes
- performance recovery - £0.3m – reflecting delays in recruiting specialist support to improve our management information systems and reduced availability of NSIs compared to initial plans.
- business as usual - £1.6m – being increased income against budget of £0.6m coupled with reduced spend on net operating costs. Estates and office costs were lower at outturn than forecasted to be. This was due to unexpectedly finding a tenant to rent unoccupied space in the last quarter and agreeing other estate reductions. Costs related to legal challenge were also much lower than budgeted. Due to the nature of ex gratia costs and potential need to recognise claims late in the year we do not forecast underspends to be able to use funds in year against other cost pressures, and therefore end the year with a significant underspend.

The table below shows the current provisional allocations and working assumptions for the budget.

	2019/20
	£'000
<b>Net costs</b>	<b>36,667</b>
Administration funded ring-fenced costs	1,000
<b>Total administration costs</b>	<b>37,667</b>
Programme funded costs	10,000
<b>Total operating expenditure</b>	<b>47,667</b>
<b>Capital expenditure</b>	<b>2,200</b>

The Planning Inspectorate received an indicative budget for 2019/20 financial year, which will be confirmed in a formal budget delegation. The figures are subject to change, including the classification of budget as Administration costs.

## 24. Creditor payments

The Government announced in November 2008 that all government organisations should aim to pay invoices, particularly from small and medium-sized enterprises, within ten days. The Budget 2010 announcement revised this target to payment of 80% of all undisputed invoices within five days for all central government departments. It is our policy to pay all bills not in dispute within five days of receipt of a valid invoice or within the agreed contractual terms if otherwise specified.

In 2018/19, we paid 81% of 3,241 invoices received within five days. This compares with the previous year's performance of 78% of 2,259 invoices. In November 1998, the Late Payment of Commercial Debts (Interest) Act came into force, providing small businesses with a statutory right to claim interest from large businesses (and all public sector bodies) on payments that are more than 30 days overdue. Amended legislation (the Late Payment of Commercial Debts Regulations 2002) came into force on 7 August 2002 providing all businesses, irrespective of size, with the right to claim statutory interest for the late payment of commercial debts. No claims were received during 2018/19 (no claims in 2017/18).

## 25. Fees and charges

This section of this document has been subject to audit.

We have complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance for fees and charges.

Casework for which total fees exceed £1m are analysed below.

	2018/19			2017/18		
	Cost	Income	Net	Cost	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000
National Infrastructure <sup>1</sup>	4,849	(6,334)	(1,485)	3,609	(802)	2,807
Local Plans	5,383	(4,976)	407	4,234	(3,909)	325
Other Major Specialist Casework <sup>2</sup>	4,273	(1,621)	2,652	3,738	(1,204)	2,534
<b>Totals</b>	<b>14,505</b>	<b>(12,931)</b>	<b>1,574</b>	<b>11,581</b>	<b>(5,915)</b>	<b>5,666</b>

1. Costs include an element of pre-application work which occurs before the point of income recognition, so costs and associated income can span different financial years.
2. The costs of Other Major Specialist Casework are only partially recovered from the work we undertake on behalf of other government departments.

## 26. Regularity of expenditure

This section of this document has been subject to audit.

Expenditure on losses and special payments, as defined in Chapter 4 and Annexes 4.10 to 4.13 of Managing Public Money, is reported to HM Treasury through the parent Department. The number and value of cases in each category are detailed below.

	2018/19		2017/18	
	Number of cases	£'000	Number of cases	£'000
Losses Statement	39	130	32	126
Special Payments	27	156	49	820

Losses include: claims waived or abandoned; and travel cancellation charges. Special payments include: ex gratia payments; and damage to hire cars.

Details of cases over £300,000:

There were no reportable cases in 2018/19 (one case of £429,376 in 2017/18).

## 27. Remote contingent liabilities

This section of this document has been subject to audit.

Ex gratia costs are non-statutory payments, generally made as a result of an acknowledged error causing unnecessary expenditure for the claimant. This can include cases where maladministration is found by the Parliamentary Ombudsman. Based on previous years, it is a remote possibility that we could have significant costs claims which relate to work completed prior to 31 March 2019. Given the remote classification, it is not possible to estimate a value but, if required, we would seek additional funding from MHCLG as part of our normal spending review submissions.

On 29 March 2017, the UK Government submitted its notification to leave the European Union (EU) in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

Any subsequent changes in legislation, regulation and funding arrangements are subject to the outcome of the negotiations. The Inspectorate is not directly funded by the EU, however, due to the potential impact from changes in legislation and regulation, an unquantifiable remote contingent liability is disclosed.

Accounting Officer  
Declaration:  
Accountability  
Report

In my role as Accounting Officer, and on the basis of documentary evidence and assurances from the Inspectorate's Board and relevant reviews, I am satisfied that the Accountability Report is a true reflection of 2018/19. I can confirm that this report complies with the requirements of the Government Financial Reporting Manual, and in particular there is no relevant audit information of which our auditors are unaware, as I ensured all relevant information was passed to them.

A handwritten signature in black ink that reads "Sarah Richards". The signature is written in a cursive, slightly slanted style.

Sarah Richards  
Chief Executive  
20 June 2019



## The Certificate and Report of the Comptroller and Auditor General to the House of Commons.

I certify that I have audited the financial statements of the Planning Inspectorate for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Planning Inspectorate's affairs as at 31 March 2019 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Planning Inspectorate in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Inspectorate's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant

to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Planning Inspectorate's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Other Information

The Chief Executive as Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;

- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report and Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with the applicable legal requirements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies  
 Comptroller and Auditor General  
 National Audit Office  
 157-197 Buckingham Palace Road  
 Victoria  
 London, SW1W 9SP

25 June 2019

Financial Statements for the year ended 31 March 2019



*“We had no hesitation in employing [the Inspectorate] for the subsequent CIL exam, such was the quality of service for the Local Plan examination.”*

The format and content of the financial statements in this section are in accordance with relevant Treasury/Cabinet Office guidance.

Photo: Blaise folly - Nick Holmes

## 28. Statement of comprehensive net expenditure (SOCNE)

		2018/19	2017/18
		£'000	£'000
	<b>Note</b>		
Income from sale of goods and services		(2,518)	(2,560)
Other operating income		(13,729)	(6,613)
<b>Operating income</b>	4	<b>(16,247)</b>	(9,173)
Staff costs	3a	<b>34,815</b>	31,771
Other administrative costs	3b	<b>19,546</b>	14,855
<b>Total operating expenditure</b>		<b>54,361</b>	46,626
<b>Net expenditure for the year</b>		<b>38,114</b>	37,453

All income and expenditure is derived from continuing operations.

The Notes on pages 111 to 128 form part of these accounts.

## 29. Statement of financial position

		31 March 2019	31 March 2018
		£'000	£'000
	<b>Note</b>		
<b>Non-current assets</b>			
Property, plant and equipment	5	2,235	9
Intangible assets	6	252	1,514
<b>Total non-current assets</b>		<b>2,487</b>	<b>1,523</b>
<b>Current assets</b>			
Trade and other receivables	8	8,658	5,624
Cash and cash equivalents	9	2,477	3,775
<b>Total current assets</b>		<b>11,135</b>	<b>9,399</b>
<b>Total assets</b>		<b>13,622</b>	<b>10,922</b>
<b>Current liabilities</b>			
Trade and other payables	10	(8,820)	(7,977)
Provisions	11	(13)	-
<b>Total current liabilities</b>		<b>(8,833)</b>	<b>(7,977)</b>
<b>Assets less liabilities</b>		<b>4,789</b>	<b>2,945</b>
<b>Taxpayers' equity</b>			
General fund		4,789	2,945
<b>Total taxpayers' equity</b>		<b>4,789</b>	<b>2,945</b>

The accounts on pages 105 to 128 were approved by the Inspectorate's Board on 13 June 2019 and signed on its behalf by:



Sarah Richards  
Chief Executive  
20 June 2019

The Notes on pages 111 to 128 form part of these accounts.



## 30. Statement of cash flows

		2018/19	2017/18
		£'000	£'000
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Net operating expenditure		<b>(38,114)</b>	(37,453)
Adjustments for non-cash transactions	3b, 4	<b>1,609</b>	450
(Increase)/Decrease in trade and other receivables	8	<b>(3,034)</b>	(1,138)
Less movement in bad debt provision	3b	<b>47</b>	76
Increase/(Decrease) in trade payables	10	<b>843</b>	2,736
Less movements in payables relating to items not passing through the SOCNE	5, 6	<b>(1,154)</b>	33
Use of provisions	11	-	(199)
<b>Net cash outflow from operating activities</b>		<b>(39,803)</b>	(35,495)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	<b>(1,277)</b>	-
Purchase of intangible assets	6	<b>(4)</b>	(88)
<b>Net cash outflow from investing activities</b>		<b>(1,281)</b>	(88)
<b>Net financing</b>		<b>39,786</b>	37,155
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>	9	<b>(1,298)</b>	1,572
<b>Cash and cash equivalents at the beginning of the period</b>	9	<b>3,775</b>	2,203
<b>Cash and cash equivalents at the end of the period</b>	9	<b>2,477</b>	3,775

The Notes on pages 111 to 128 form part of these accounts.

## 31. Statement of changes in taxpayers' equity

		General fund	Revaluation reserve	Total reserves
		£'000	£'000	£'000
	<b>Note</b>			
<b>Balance at 31 March 2017</b>		3,070	1	3,071
<b>Changes in Taxpayers' Equity for 2017/18</b>				
Total comprehensive expenditure		(37,453)	-	(37,453)
Non-cash charges – auditor's remuneration	3b	57	-	57
Notional charges	3b	115	-	115
Funding from MHCLG		37,155	-	37,155
Transfer between reserves		1	(1)	-
<b>Balance at 31 March 2018</b>		<b>2,945</b>	-	<b>2,945</b>
<b>Changes in Taxpayers' Equity for 2018/19</b>				
Total comprehensive expenditure		(38,114)	-	(38,114)
Non-cash charges – auditor's remuneration	3b	57	-	57
Notional charges	3b	115	-	115
Funding from MHCLG		39,786	-	39,786
<b>Balance at 31 March 2019</b>		<b>4,789</b>	-	<b>4,789</b>

The Notes on pages 111 to 128 form part of these accounts.

## 32. Notes to the Accounts

### Note 1. Statement of accounting policies and estimates

#### Note 1.1 Accounting policies

The financial statements have been prepared in accordance with the 2018/19 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Inspectorate for the purpose of giving a true and fair view has been selected. The particular policies we adopted are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### Note 1.1a Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

#### Note 1.1b Accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The key accounting estimates and judgements are accruals, provisions (see Note 11) and contingent liabilities (see Note 12). Estimates are based on known information within the business and past trends.

#### Note 1.1c Value added tax

Most of the Planning Inspectorate's activities were outside the scope of VAT and in general output tax does not apply and input tax on purchases is not recoverable, other than under the terms of the Treasury Direction under section 41(3) Value Added Tax Act (VATA) 1994. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable the amounts are stated net of VAT.

We are not separately registered for VAT but operate under the MHCLG VAT registration.

Note 1.1d Operating income	<p>In previous periods, income has been calculated as the value of services provided from the ordinary activities of the Inspectorate completed during a financial year. For casework such as Local Plan inquiries, which can span financial years, income is calculated on the work completed to the end of the financial year and accrued. In accordance with IFRS 15, income is now recognised when a performance obligation is satisfied eg by providing a service to a customer. In applying the new standard no changes have been made to the treatment of income, as the value of services provided in the historical treatment aligns with when the performance obligations are met, being the provision of services by reference to time spent on casework.</p> <p>The main services offered can be seen within the segmental analysis in Note 2 of the Financial Statements which describes the service areas and shows the income split. The analysis of the services for which a fee is charged, Note 4 of the Financial Statements, is provided for fees and charges purposes only.</p>
Note 1.1e Operating leases	<p>Leases other than finance leases are classified as operating leases. Operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease, taking account of any lease incentives in accordance with the terms of International Accounting Standards (IAS) 17.</p>
Note 1.1f Notional costs	<p>In accordance with Managing Public Money, notional costs at the appropriate rate are included for audit fees and for services provided by MHCLG.</p>

Note 1.1g Property, plant and equipment

Property, plant and equipment are stated at fair value using depreciated replacement cost. On initial recognition they are measured at cost including any costs, such as installation, directly attributable to bringing them into working condition. All property, plant and equipment are restated at fair value each year, using indices published by the Office for National Statistics appropriate to the category of asset. In recent years, restatement has not been applied as the value has been immaterial. The minimum level for capitalisation of property, plant and equipment is £5,000, or £5,000 for aggregated items. Items falling below this value are charged as an expense and shown in the Statement of Comprehensive Net Expenditure.

In 2018/19, there has been a change in accounting policy to include aggregated items above £5,000. The change in policy has been made to improve the recognition of assets within the Financial Statements and will also align our policies more closely with those of our sponsoring department. The provision of new desktop kit, and mobile telecommunications, have been capitalised on this basis. The impact of the change in accounting policy has been considered, in relation to items expensed in prior years but still in use at 31 March 2019 and 31 March 2018, to see whether a prior year adjustment was appropriate. Due to the age of any remaining assets in use that had not previously been capitalised, the value has been deemed immaterial and no adjustment has been made.

Note 1.1h Depreciation

Property, plant and equipment are depreciated at rates calculated to write off the assets over their estimated useful lives on a straight-line basis, as follows:

Information Technology (Strategic IT)	3 years
---------------------------------------	---------

Note 1.1i Intangible assets

Intangible assets comprise the capitalised value of systems developed in-house or bought-in software, software licences and systems under development. Intangible assets are valued at cost less amortisation and impairment. Intangible assets are not revalued; the organisation considers the amortised replacement cost basis of valuation is not materially different from fair value.

Note 1.1j Amortisation and impairment

Intangible assets are amortised at rates calculated to write off the assets over their estimated useful lives on a straight-line basis, as follows:

Internally-generated software 8 years

Assets in the course of construction are amortised from the point at which the asset is brought into use. Amortisation is charged as an expense and shown in the Statement of Comprehensive Net Expenditure.

Note 1.1k Finance leases

The terms of all the Planning Inspectorate leases are reviewed and, where the risks and rewards of ownership rest with the Planning Inspectorate, leases are treated as finance leases.

The Planning Inspectorate also reviewed all service contracts (eg contracts for the supply of IT services) to determine whether the contracts include an embedded finance lease, under the terms of IAS 17 as interpreted by International Financial Reporting Interpretations Committee (IFRIC) 4.

Note 1.1l Provisions

The Planning Inspectorate provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation (see Note 11).

Note 1.1m Segmental reporting

The Planning Inspectorate, as an Executive Agency of MHCLG, reports under only one operating segment: Localism. It is therefore felt more appropriate to base the segmental analysis on major areas of casework, based on the internal reporting structure. The assets and liabilities have not been included in the segmental analysis as these are not apportioned but used across the organisation (see Note 2).

Note 1.1n Financial instruments

IFRS 9 Financial Instruments became effective from 2018/19. The Planning Inspectorate has reviewed the new standard and it does not impact on the financial statements or require any adjustments.

Note 1.1o Accounting standards and interpretations not yet adopted

The following standards, amendments and interpretations have been issued but are not yet effective.

<b>Change published</b>	<b>Published by IASB</b>	<b>Financial year for which the change first applies</b>
IFRS 16 Leases	Jan-16	Effective from 2019/20.
IFRS 17 Insurance Contracts	May-17	Effective from 2021/22.

The potential impact of IFRS 16 and IFRS 17 is still to be determined and is dependent upon any FReM interpretations or adaptations applied. Any such interpretations or adaptations are currently being determined, and the outcome of this work is not yet known.

Note 1.1p Going concern

In common with other Government organisations, the future financing of our liabilities is to be met by resources approved annually by Parliament. Approval for amounts required for 2019/20 is due to be given before the Parliamentary Recess and there is no reason to believe that future approvals to support business as usual activities will not be made. It has accordingly been considered appropriate to adopt a going concern basis throughout this report and for the preparation of the 2018/19 Financial Statements.

## Note 2. Statement of operating costs by segment

We report under one operating segment, namely, Localism. Therefore we have instead based the segmental analysis on major areas of casework.

The assets and liabilities have not been included in the segmental analysis as they are used across the organisation and are not apportioned or reported in this way to senior leadership.

The Planning Inspectorate receives most of its funding from MHCLG (notional through reserves) but approximately 30% of its costs in 2018/19 have been recovered by charging a mixture of other central government departments, local government bodies or private individuals and businesses.

	2018/19			2017/18		
	Cost	Income	Net	Cost	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000
Planning appeals	26,954	-	26,954	25,071		25,071
National Infrastructure	4,849	(6,334)	(1,485)	3,609	(802)	2,807
Local Plans	5,383	(4,976)	407	4,234	(3,909)	325
Enforcement appeals	5,379	-	5,379	4,903	-	4,903
Rights of Way	1,218	-	1,218	1,222	-	1,222
Listed Building Planning appeals	525	-	525	600	-	600
Compulsory Purchase Orders	257	(111)	146	279	(233)	46
Other Major Specialist Casework	4,273	(1,621)	2,652	3,738	(1,204)	2,534
Income from Welsh Government	-	(2,518)	(2,518)		(2,560)	(2,560)
Transformation Programme	4,236	-	4,236	1,875	-	1,875
Other	1,287	(687)	600	1,095	(465)	630
<b>Totals</b>	<b>54,361</b>	<b>(16,247)</b>	<b>38,114</b>	<b>46,626</b>	<b>(9,173)</b>	<b>37,453</b>

### Description of segments

1. Planning appeals: This covers the usual planning appeals affecting householders, advertisement and minor commercial appeals.
2. National Infrastructure: This relates to work undertaken on large-scale proposals that support the economy, and vital public services, including railways, energy generation stations, harbours and airports. These costs include an element of pre-application work which occurs before the point of income recognition, so costs and associated income can span different financial years.
3. Local Plans: This covers work undertaken in relation to examination of LPA Local Plans.



4. Enforcement appeals: This is where an appeal is made against enforcement notices when a development is carried out without planning permission or not in accordance with an approved planning application.
5. Rights of Way: This is work undertaken in reviewing orders regarding rights of way.
6. Listed Building Planning appeals: This covers appeals in relation to work being undertaken with respect to listed buildings.
7. Compulsory Purchase Orders: This is work undertaken in respect of objections received in relation to a Compulsory Purchase Order.
8. Other Major Specialist Casework: This covers work undertaken on behalf of other government departments. These costs are only partially recovered from the work we undertake on behalf of other government departments.
9. Transformation Programme: This is a large change programme which strives to deliver three strategic priorities: excellent customer service; improved efficiency and effectiveness; and increased staff engagement. For the purposes of segmental analysis, the costs are derived from elements which are funded by: Transformation; Performance recovery; capital; and business as usual budgets.
10. Other: This covers all other work not listed above and includes making cost decisions arising mainly from withdrawn appeals/enforcement notices and making decisions on Purchase Notice appeals. Such work can include subjects such as tree preservation orders and transport.

## Note 3. Operating expenditure

### Note 3a. Staff costs

#### Remuneration for directors

Remuneration for directors is included in Staff costs but further detail can be found in Section 21 in the Accountability report.

#### Staff costs

Staff costs comprise:

	<b>2018/19</b>	<b>2017/18</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>25,878</b>	23,758
Social security costs	<b>2,851</b>	2,637
Other pension costs	<b>5,497</b>	5,035
<b>Sub-Total</b>	<b>34,226</b>	31,430
Agency staff	<b>589</b>	341
<b>Total net staff costs</b>	<b>34,815</b>	31,771

### 3b. Other administrative costs

		2018/19	2017/18
	Note	£'000	£'000
Rentals under operating leases:			
Hire of plant and machinery		152	186
Other operating leases		1,417	1,517
		<b>1,569</b>	1,703
Non-cash items:			
Depreciation	5	209	15
Amortisation	6	338	339
Impairment of assets		924	-
Provision for doubtful debt		(47)	(76)
Auditor's remuneration <sup>1</sup>		57	57
MHCLG recharges <sup>2</sup>		115	115
Apprenticeship Levy Training Services		19	6
In-year increase in provision		13	-
Write-back of provisions		-	-
		<b>1,628</b>	456
Other expenditure:			
Fees to Non-Salaried Inspectors <sup>3</sup>		2,239	856
Travel, subsistence and hospitality		2,009	1,641
Accommodation costs		760	1,212
Legal and professional services <sup>3</sup>		1,678	1,730
Support Services		2,466	1,436
Research and Development		2,017	691
Information Technology		2,608	2,362
Ex gratia costs		136	391
Adverse costs		333	657
Bad debts		130	126
Telecoms		182	353
Training and conferences		835	327
Postal services		157	157
Office supplies		196	209
Redundancy and other departure costs <sup>4</sup>		1	22
Other administration costs <sup>5</sup>		602	526
		<b>16,349</b>	12,696
<b>Total</b>		<b>19,546</b>	14,855

1. Represents the notional audit fee in respect of the Comptroller and Auditor General's annual certification of the Planning Inspectorate's financial statements. There was no remuneration due for non-audit work.
2. MHCLG recharges are for the supply of accounting and Human Resources services.
3. NED fees and expenses have been reclassified in 2017/18 and 2018/19, to Legal and professional services, in line with MHCLG accounts.
4. The redundancy costs in 2018/19 are the residual value from the 2017/18 departures.
5. Other administration costs include professional fees, publications, furniture/fittings and translation services.

## Note 4. Operating income

	<b>2018/19</b>	<b>2017/18</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fees and charges</b>		
Local Plans	4,976	3,909
National Infrastructure	6,334	802
Compulsory Purchase Orders	111	233
Other Major specialist casework	1,621	1,204
<b>Total Fees and charges</b>	<b>13,042</b>	<b>6,148</b>
<b>Goods and services</b>		
Income from Welsh Government	2,518	2,560
<b>Total Goods and services</b>	<b>2,518</b>	<b>2,560</b>
<b>Miscellaneous income</b>		
Recovery of adverse costs	650	453
Other <sup>1</sup>	18	6
<b>Total Miscellaneous income</b>	<b>668</b>	<b>459</b>
<b>Total Miscellaneous notional income<sup>1</sup></b>	<b>19</b>	<b>6</b>
<b>Total Operating income</b>	<b>16,247</b>	<b>9,173</b>

1. Notional income, relating to the apprenticeship levy scheme, has been re-categorised from Other to Total Miscellaneous notional income.

## Note 5. Property, plant and equipment

	<b>Information Technology</b>
	£'000
<b>Cost or valuation</b>	
At 1 April 2018	55
Additions <sup>1</sup>	2,435
<b>At 31 March 2019</b>	<b>2,490</b>
<b>Depreciation</b>	
At 1 April 2018	46
Charged in year	209
<b>At 31 March 2019</b>	<b>255</b>
<b>Net book value at 31 March 2019</b>	<b>2,235</b>
At 31 March 2018	9
<b>Asset financing</b>	
Owned at 31 March 2019	2,235
	<b>Information Technology</b>
	£'000
<b>Cost or valuation</b>	
At 1 April 2017	482
Disposals	(427)
<b>At 31 March 2018</b>	<b>55</b>
<b>Depreciation</b>	
At 1 April 2017	458
Charged in year	15
Disposals	(427)
<b>At 31 March 2018</b>	<b>46</b>
<b>Net book value at 31 March 2018</b>	<b>9</b>
At 31 March 2017	24
<b>Asset financing</b>	
Owned at 31 March 2018	9

1. The additions recorded in the Statement of Cash Flows do not include the movement in asset accruals for which there have been no cash flows.

## Note 6. Intangible assets

	<b>Internally Generated Information Technology</b>
	£'000
<b>Cost or valuation</b>	
At 1 April 2018	4,397
Impairment <sup>1</sup>	(924)
<b>At 31 March 2019</b>	<b>3,473</b>
<b>Amortisation</b>	
At 1 April 2018	2,883
Charged in year	338
<b>At 31 March 2019</b>	<b>3,221</b>
<b>Net book value at 31 March 2019</b>	<b>252</b>
At 31 March 2018	1,514
<b>Asset financing</b>	
Owned at 31 March 2019	252
	<b>Internally Generated Information Technology</b>
	£'000
<b>Cost or valuation</b>	
At 1 April 2017	4,342
Additions <sup>2</sup>	55
<b>At 31 March 2018</b>	<b>4,397</b>
<b>Amortisation</b>	
At 1 April 2017	2,544
Charged in year	339
<b>At 31 March 2018</b>	<b>2,883</b>
<b>Net book value at 31 March 2018</b>	<b>1,514</b>
At 31 March 2017	1,798
<b>Asset financing</b>	
Owned at 31 March 2018	1,514

1. In 2018/19, a replacement document management system was being developed resulting in the existing system being impaired to reflect the reduced value in use.
2. The majority of the remaining value is in relation to our document management system.

## Note 7. Financial Instruments

As our cash requirements are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements and we are therefore exposed to little credit, liquidity or market risk.

## Note 8. Trade receivables and other current assets

	2018/19	2017/18
	£'000	£'000
<b>Amounts falling due within one year</b>		
Trade receivables <sup>1</sup>	2,043	987
Other receivables:		
VAT	122	131
Other <sup>1,2</sup>	228	193
Prepayments and accrued income	6,265	4,313
<b>Total</b>	<b>8,658</b>	<b>5,624</b>

1. Trade receivables and Other receivables have been re-categorized for 2017/18 to correct prior miscoding of work type.
2. Other includes balances due from organisations and other government departments which are not in relation to regular fee-based work and various payroll advances and recoveries.

## Note 9. Cash and cash equivalents

	2018/19	2017/18
	£'000	£'000
Balance at 1 April	3,775	2,203
Net change in cash and cash equivalent balances	(1,298)	1,572
Balance at 31 March	<b>2,477</b>	<b>3,775</b>

All cash balances are held in the Government Banking Service.



Note 10. Trade payables  
and other current  
liabilities

	2018/19	2017/18
	£'000	£'000
<b>Amounts falling due within one year</b>		
Trade payables	25	145
Other payables:		
VAT, taxation and social security	760	696
Third party	-	2
Other <sup>1</sup>	1,000	767
Accruals and deferred income	7,035	6,367
<b>Total payables at 31 March</b>	<b>8,820</b>	<b>7,977</b>

1. Other includes payroll deductions.

## Note 11. Provisions

	Ex gratia	Adverse costs	Total
	£'000	£'000	£'000
Balance at 1 April 2018	-	-	-
Provided in the year	-	13	13
<b>Balance at 31 March 2019</b>	-	13	13

	Ex gratia	Adverse costs	Total
	£'000	£'000	£'000
Balance at 1 April 2017	199	-	199
Provisions utilised in the year	(199)	-	(199)
<b>Balance at 31 March 2018</b>	-	-	-

### Analysis of expected timing of discounted flows

	2018/19	2017/18
	£'000	£'000
Not later than one year	13	-

### Ex gratia

Ex gratia payments are non-statutory payments, generally made as a result of an acknowledged error causing unnecessary expenditure for the claimant. This can include cases where maladministration is found by the Parliamentary Ombudsman. The provision is the best estimate based on the available information.

### Adverse costs

Adverse costs are litigation costs which may possibly be incurred following unsuccessful attempts to resist a High Court challenge to an inspector's decision. The provision is the best estimate based on the available information.

**Note 12. Contingent liabilities disclosed under IAS 37**

There were two types of contingent liability which existed at 31 March 2019, and have not been provided for in the accounts. These were:

(a) Ex gratia payments which may possibly be made to appellants or other appeal parties as a result of an acknowledged error causing unnecessary expenditure for the claimant. The timing and value of these payments are very difficult to predict but a best estimate of the contingent liability is £467,000 (2017/18 £nil);

(b) Litigation costs which may possibly be incurred following unsuccessful attempts to resist a High Court challenge to an inspector’s decision. The timing and value of such awards are difficult to predict. We have reviewed evidence from previous years on the number of cases which resulted in payment and, applying this trend to the cases in the current year, estimated a contingent liability of £110,000 (2017/18: £118,000).

**Note 13. Commitments under leases**

Two properties are occupied and used for operational activities which are leased from government departments (England and Wales) on cancellable contracts.

**Note 14. Other financial commitments**

MHCLG manages a significant contract for technology services on our behalf and the commitment is reflected in full in MHCLG’s Annual Report and Accounts.

The Planning Inspectorate has embarked on a Transformation Programme, and this is reflected in the increase in commitments at March 2019. The payments to which we are committed, mainly for technology and telephony services, are as follows:

	2018/19	2017/18
	£'000	£'000
Not later than one year <sup>1</sup>	1,119	481
Later than one year and not more than five years	152	78

1. Up to 25% of this commitment may be used on capital spend to develop new intangible assets.

## Note 15. Related-party transactions

MHCLG is the controlling related party and the ultimate controlling party.

WG is regarded as a related party, with which the Planning Inspectorate has had a significant number of material transactions during the year.

In addition, the Planning Inspectorate has had a significant number of material transactions with other government departments, central government bodies and local government organisations, in relation to the usual course of business.

Non-Executive and Executive Board members must declare any personal or business interest which may, or may be perceived to, influence their judgement as a Board member. During the year no Board member, or other related parties, have undertaken any material transactions with us.

The remuneration of senior managers/Board members is set out in the Remuneration Report (see Section 21).

## Note 16. Events after the reporting period

The Planning Inspectorate's financial statements are laid before the Houses of Parliament by the Secretary of State of MHCLG. IAS 10 requires us to disclose the date on which the accounts are authorised for issue. This is the date on which the certified accounts are despatched by the Planning Inspectorate's management to the Secretary of State of MHCLG.

The Accounting Officer authorised these financial statements for issue on 25 June 2019.

## Annexes



*“Thank you for your swift and comprehensive response – we have found the Inspectorate very helpful to us at all stages of this process”*

Photo: Isambard Kingdom Brunel, Temple Quarter - Nick Holmes

# Annex A – Performance against key indicators

England (Key on page 133)

Annex A not subject to audit.

<b>Nationally Significant Infrastructure Projects</b>	<b>2018/19</b>	<b>2017/18</b>
Issue 100% of all EIA scoping opinions within 42 days of receipt	100%	100%
Issue 100% of all EIA screening opinions within 21 days of receipt	N/A	N/A
To decide a 100% of acceptance of all applications within 28 days	100%	100%
Complete 100% of all examinations within six months	100%	100%
Submit 100% of all recommendations to the relevant Secretary of State within three months	100%	100%
<b>Planning Appeals</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of written representations in 14 weeks of the start date	58.8% (9,318)	76.7% (9,697)
To determine 80% of hearings in 14 weeks of the start date	23.6% (453)	31.4% (528)
To determine 80% of inquiries (non-bespoke) in 22 weeks of the start date	0.0% (3)	13.7% (51)
To determine 100% of inquires (bespoke) according to the agreed timetable	99.4% (176)	98.7% (231)
To determine 80% of householder appeals in 8 weeks of the start date	75.9% (4,453)	85.3% (4,670)
To determine 80% of commercial appeals in 8 weeks of the start date	62.9% (402)	80.0% (565)
<b>Enforcement Appeals (S174, S39 and Lawful Development Certificates)</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of written representations in 32 weeks of the start date	88.7% (1,868)	84.5% (1,474)
To determine 80% of hearings in 33 weeks of the start date	83.2% (167)	58.2% (177)
To determine 80% of inquiries in 43 weeks of the start date	62.1% (195)	56.3% (247)
<b>Rights of Way, Public Path Orders</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of written representations in 27 weeks of the start date	81.25% (39)	82% (38)
To determine 80% of hearings in 29 weeks of the start date	33.3% (1)	60% (5)
To determine 80% of inquires in 35 weeks of the start date	77.5% (4)	72% (18)
<b>Rights of Way, Wildlife and Countryside</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of written representations in 27 weeks of the start date	73.5% (25)	92% (61)
To determine 80% of hearings in 29 weeks of the start date	83.3% (5)	78% (9)
To determine 80% of inquires in 35 weeks of the start date	77.5% (45)	90% (29)

<b>Schedule 14</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of directions in 17 weeks of the start date	46.2% (56)	83% (23)
To determine 80% of appeals in 26 weeks of the start date	45.83% (11)	99% (71)
<b>Common Land</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of no objections in 12 weeks of the start date	89% (33)	83% (41)
To determine 80% of those objected in 26 weeks of the start date	92% (22)	94% (16)
To determine 80% of those objected (Inspector) in 52 weeks of the start date	84% (15)	100% (16)
<b>Environmental Appeals</b>	<b>2018/19</b>	<b>2017/18</b>
To determine all types of appeal in 28 weeks of the start date	33% (6)	25% (4)
<b>Tree Preservation Orders</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of written representations in 14 weeks of the start date	1% (292)	3% (287)
To determine 80% of hearings/inquires in 26 weeks of the start date	13% (54)	0% (27)
<b>High Hedges</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of written representations in 24 weeks of the start date	1.7% (56)	2% (47)
<b>Hedgerows</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 80% of all appeal types in 28 weeks of the start date	0% (4)	50% (2)
<b>Cost applications</b>	<b>2018/19</b>	<b>2017/18</b>
To determine 50% of all appeal types in 10 weeks of the start date	55% (139)	59% (132)
<b>Development plans</b>	<b>2018/19</b>	<b>2017/18</b>
Complete Development Plan (Local Plan) examinations within the timetable agreed with the LPA	100% (52)	98% (54)
Complete Community Infrastructure Levy examinations within the timetable agreed with the LPA	100% (5)	100% (14)
<b>Customer satisfaction</b>	<b>2018/19</b>	<b>2017/18</b>
To ensure that 80% of parties surveyed are satisfied or very satisfied with the appeal process/procedures	74% (249)	79% (303)



## Wales

<b>Timeliness<sup>10</sup></b>	<b>2018/19</b>	<b>2017/18</b>
To determine 90% of all planning appeals decided by written representations (part 1 and part 3 of 2017 Regulations) in 8 weeks	98.8% (116)	91.7% (105)
To determine 85% of all planning appeals decided by written representations (part 4) in 15 weeks (April – November)	92.5% (256)	98.4% (245)
To determine 85% of all planning appeals decided by written representations (part 4) in 14 weeks (December – March)	81.2% (124)	98.9% (87)
To determine 85% of all planning appeals decided by hearings in 21 weeks (April - November)	93.5% (34)	100% (52)
To determine 85% of all planning appeals decided by hearings in 21 weeks (December – March)	N/A	87.5% (10)
To determine 85% of all planning appeals decided by inquiries in 29 weeks (April - November)	0% (1)	100% (3)
To determine 85% of all planning appeals decided by inquiries in 29 weeks (December – March)	N/A	100% (1)
To determine 85% of all enforcement appeals decided by written representations in 28 weeks (April – November)	91.7% (24)	100% (20)
To determine 85% of all enforcement appeals decided by written representations in 27 weeks (December – March)	92.3% (13)	N/A
To determine 85% of all enforcement appeals decided by hearings and inquiries in 41 weeks	100% (9)	95.7% (23)
To meet the timetable set by WG in respect of recommendations provided by the Inspectorate on recovered appeals and called in applications	100% (5)	100% (1)
To submit recommendations on Developments of National Significance within 36 weeks	100% (3)	100% (2)
To provide an Inspector for Development Plan examinations in all cases on the date requested by the LPA	100% (2)	100% (3)
To deliver Inspectors' reports on Development Plan examinations according to agreed timescales	50% (2)	100% (2)

## England jointly with Wales

<b>Quality</b>	<b>2018/19</b>	<b>2017/18</b>
99% of Inspector decisions are free from upheld complaint or successful legal challenge	99.6% (Wales 99.7%)	99.3%

Key Target met Target not met Results show percentage in target followed by number of cases decided in brackets.

10. Legislation governing the appeals process in Wales changed some of the targets from December 2018. Where relevant, performance for the two periods has been shown separately.



## Annex B - Customer Services and Contact Points

### Customer Services England



The Planning Inspectorate  
Customer Services Team  
Area 3Q  
Temple Quay House  
2 The Square  
Temple Quay  
Bristol BS1 6PN

Tel: 0303 444 5000

Email: [enquiries@planninginspectorate.gov.uk](mailto:enquiries@planninginspectorate.gov.uk)

### General Enquiries Wales



The Planning Inspectorate  
Crown Buildings  
Cathays Park  
Cardiff CF10 3NQ

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Email: [wales@planninginspectorate.gov.uk](mailto:wales@planninginspectorate.gov.uk)

### Press Office



The Planning Inspectorate  
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Twitter: @PINSgov

### Corporate sites

England: <https://www.gov.uk/government/organisations/planning-inspectorate>

Wales: <https://gov.wales/planning-inspectorate>

Appeals Casework Portal: <https://acp.planninginspectorate.gov.uk>

Parliamentary and Health Service Ombudsman: <https://www.ombudsman.org.uk/>

Public Services Ombudsman for Wales: <https://www.ombudsman.wales/>









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