



The Planning
Inspectorate

Planning Inspectorate Annual Report and Accounts 2022/23



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Planning Inspectorate Annual Report and Accounts 2022-2023

For the period 1 April 2022 to 31 March 2023

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Preface

This document combines performance and financial data with analysis to help readers better understand our work. It covers the period 1 April 2022 to 31 March 2023.

In line with our values of being open and fair, it is designed to support accountability and transparency, describing how we have used taxpayer's money to deliver for our customers. To be accessible and understandable the analysis is set out in three sections; our performance, accountability, and financial data.

The Performance report and analysis (pages 2 to 55) is divided into three sections:

- Performance overview – Opening with an introduction from our Chief Executive and Chair of the Board, the Performance Overview provides a review of our performance in 2022/23, including the challenges, successes and strategic risks, and our delivery plans for 2023/24.
- Performance report – Sets out our organisation and the context in which we operate.
- Performance analysis – A closer look at the data and analysis of our operational performance, broken down by the services we provide. Our performance in terms of customer service, environment and sustainability and finance is also covered.

The Accountability report (pages 57 to 90) covers our Chief Executive and Chief's responsibilities to Parliament, the arrangements we have in place to discharge our public duties and the internal controls we have in place to comply with all required regulations. A remuneration and staff report sets out the pay and benefits received by the executive and non-executive Board members, disclosures on pay and pensions policies and details of staff numbers and costs.

The Financial statements (pages 99 to 103) outline our income and expenditure for the 2022/23 financial year with the notes to the accounts to enable readers to understand these results.



Keeping it Simple

Look out for this symbol throughout the report for explanations of technical terms

A note on the data used in this report:

Data are accurate at the time they were drawn from administrative systems but as we use live operational systems this data is subject to change. Revisions to previously published data are made when changes in the data materially change interpretation of PINS performance or when a change is greater than 5%. Revisions are only made to FY21/22 onwards as changes to some administrative systems leaves us unable to reliably replicate data from previous years. Corrections will always be made if computational errors are identified in previously published data.

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Board Chair's Statement

The Planning Inspectorate plays a key part in delivering the places and priorities, infrastructure, homes, jobs, community assets, healthy and sustainable communities and environments England needs. This is possible through the inputs of our partners, stakeholders, customers and Ministers who have worked with us this year on our drive to deliver and improve.

2022/2023 has seen the Inspectorate have a laser like focus on the delivery of our [strategic plan](#) at a time of both internal change and external uncertainty. This is critical to ensure we play our part in delivering the places and priorities, infrastructure, homes, jobs, community assets, healthy and sustainable communities and environments needed in England, and Wales (through our National Infrastructure Project application service). We are part of a wider delivery system and legislative and policy framework. We continue to use our knowledge and experience to collaborate to encourage innovation and improve performance and delivery. The experience of our customers is driving our work to improve the quality and timeliness of our decisions, reports and recommendations. I am grateful to my colleagues, our partners, stakeholders, customers and Ministers who have worked with us this year on our drive to deliver and improve. Below are some of the highlights.



Local plans can shape a local area for the future. Research told us that local people want to be involved in their development but struggle to navigate the complex system. To help address this, we made six short films to explain the process, you can read more about these on page 34.

We continued to receive high levels of casework which presents resource and speed challenges. In response we have had to prioritise. This year we focused resources on delivering in areas of casework that will provide the greatest value from an economic and community perspective, such as inquiries, local plans and National Infrastructure. Once it was clear that improvements in these areas could be maintained, we began to focus on hearings which delivered results in stabilising and improving timeliness in these areas. We also increased our Inspector capacity and continued to invest in our digital services. But we still have more to do, our next area of focus will be appeals decided after written exchange of evidence.

This year the Inspectorate has worked collaboratively with Government departments to make the consenting regime for National Infrastructure such as energy and transport better, faster, greener and fairer. In February 2023 the resulting Government Action plan was published, and the Inspectorate will deliver its part of the plan.

We are working with our sponsors (Department of Levelling Up, Housing and Communities) on different aspects of planning reform including the proposals within the Levelling Up and Regeneration Bill and their implementation.

We are transforming our internal systems over the next few years, they will become the foundation for the way we provide services and integrate both data and our services with the wider planning system. We have worked constructively with Local Planning Authorities on a digital portal for appeals and national infrastructure applications, with real time learning shaping its design. Appellants in 200 Local Planning Authorities have access to the new digital appeals service as of the end of March 2023.

We could not deliver without our dedicated and knowledgeable work force. Like many organisations, recruiting, retaining and growing talent in a competitive market has required innovative approaches which has provided the opportunity to bring in new and diverse talent. For example:

- 13 apprentices enrolled at the Inspectorate in 2022/23, more than doubling our intake from 2021/22.
- The Inspectorate is one of the first Boards to host a Non-Executive Director Apprentice through the new UK National Non-Executive Director Apprenticeship Program. You can read our first non-executive director apprentice bio on page 58.
- Participation in the Royal Town Planning Institute Explore programme and the Spring Board programme, both of which enable participants to undertake work experience with us and ensures the Inspectorate better reflects the communities we serve.
- Taking steps to improve our gender pay gap.

A key role for the Board is to ensure stewardship of public funds. I am therefore very pleased that once again our external auditors have given us an unqualified audit. I am grateful for the challenge and support of both our internal and external auditors.

Senior leadership of the Inspectorate has undergone significant change this year and I wish to pay tribute to our former Chief Executive Sarah Richards, who led so effectively, and our former Director of Corporate Service Navees Rahman, who both left us. Together they contributed to an organisation better equipped to respond to and prepare for future demands on the organisation and the planning system. I am pleased to welcome our new Chief Executive Paul Morrison and his refreshed executive team.

My fellow Non-Executive Directors have made an enormous contribution and will all step down at the end of their terms during the forthcoming year and I thank them for the challenge, guidance and support they have offered the Inspectorate during their term.

Trudi Elliott

Chair of the Planning Inspectorate Board

Chief Executive's Statement

This is an exciting time to join a respected organisation where expertise and a profound sense of public duty is embodied across the Inspectorate. I look forward to working with colleagues and partners in the year to come to build on the successes outlined in this report.

It is a pleasure to be writing my first, of what I hope will be many, Chief Executive Officer statements in the Planning Inspectorate's Annual Report. Having only arrived in December I can take little personal credit for the successes the report describes. But I can derive pride in being part of an organisation that has delivered them. In keeping with that spirit, I should start by paying tribute to my predecessor as CEO, Sarah Richards and our outgoing Director of Corporate Services Navees Rahman who so ably led the Inspectorate as an Interim CEO between Sarah's retirement and my arrival. As I look to the future I am certainly standing on the shoulders of giants. Given that, this statement slightly breaks from the mould of an annual report looking over the year just gone, and has perhaps a greater focus on the year to come.



At one level the message for the coming year, is more of the same. The core purpose of the Planning Inspectorate will remain as it ever was; to make fair, open and impartial decisions, reports and recommendations in a timely manner. We will achieve that by continuing to invest in our people, driving the service we deliver to customers and improving our processes and systems, particularly in the data and digital field. But while the fundamentals of our approach remain the same, they will play out against the backdrop of significant changes to policy which will require us to continue to engage across the planning system. In this statement I want to say a little more about each of these areas.

People

In preparing to take on this role I spoke to a range of stakeholders across the planning system. I was struck by the breadth and depth of the regard in which the Inspectorate was held in terms of its professional reputation. That respect rests on the expertise and profound sense of public duty that is embodied across all the professions that make up the Inspectorate. The approach to recruiting, retaining, training and ensuring the continuing engagement and wellbeing of our incredible staff was a priority for my predecessor, as is captured in the progress described in this report on all those areas, and will remain so for me.

Service Delivery

The conversations reflected the progress we had made in our service delivery. The Independent Review of Planning Inquiries undertaken by Bridget Rosewell led to significant improvements in timeliness of planning appeals heard through an inquiry and in this last year the same principles were applied to planning appeals heard by hearing leading to similar improvements. This has been noticed, but the improvements only applied to planning appeals heard through an inquiry or hearing, which constituted around 5% of all planning appeals received. We cannot hide that in 2022/23 we received more casework across our services than we were able to decide which leads to cases taking too long. Working on turning this around will be a key operational priority in the coming year.

Data, digital and innovation

Part of the solution to improve delivery will be to continue to close our vacancy gaps. But it also must result from our ongoing work to improve processes, particularly through our digital and data programmes. 2022/23 is the year we emerged from lockdown, into the new normal we all predicted during the pandemic. We will build on the innovation that difficult period accelerated, for example that saw more of the work we are doing taking place online. The overhaul of our digital systems saw some new services come online in 2022/23 and that will continue to roll out. But in the coming year we will also have a particular focus on the less visible but equally essential developments around our data and back-office IT. This will give us a foundation to deliver more effective and easier to use systems for years to come.

New Policies

Our role is to implement the Government's policies. We will work with my erstwhile colleagues in the Planning Directorate in the Department for Levelling Up, Housing and Communities (DLUHC) on implementing key policy priorities such as the planning provisions in the Levelling up and Regeneration Bill, changes to the National Planning Policy Framework and the NSIP reform.

Taking a system view

As well as DLUHC, we work with a range of other departments with a role in the planning system such as the Departments for Environment, Food and Rural Affairs, for Transport and, for Energy, Security and Net Zero (formerly part of BEIS) and their families of arms-length bodies as well as every Local Planning Authority and a range of users across sectors and communities. We want to be generous in using that vantage point to help connect the dots in a complex system and work with partners across all tiers of Government and other sectors in the design of policies and services that are deliverable and do what is needed to ensure the country gets the development it needs and communities want.

This is an exciting time to join an impressive organisation. So I will end by thanking everyone who made the successes in this report happen and I look forward to working with colleagues and partners in the year to come.

Paul Morrison,

Chief Executive, Planning Inspectorate

2022/23 AT A GLANCE

258

decisions issued for planning appeals determined by inquiry, with the average time taken decreasing.



Appeal Planning Decision service launched in June 2022, with approximately 200 LPAs joining the pilot by March 2023.



Provided recommendations to a Secretary of State on

10

National Infrastructure Applications within statutory timeframes.



33

Reports issued for Local and Development Plans.

17,456

decisions and recommendations on appeals, applications and examinations. This is comparable to 2021/22.



95



New Inspectors recruited, increasing our capacity to deliver more decisions.

Invested in the future by enrolling a record number of apprentices, participating in outreach activities and hosting work experience to encourage young people into planning.



Local Plan explainer videos go live on the Inspectorate's YouTube channel in November to help everyone understand the examination service.



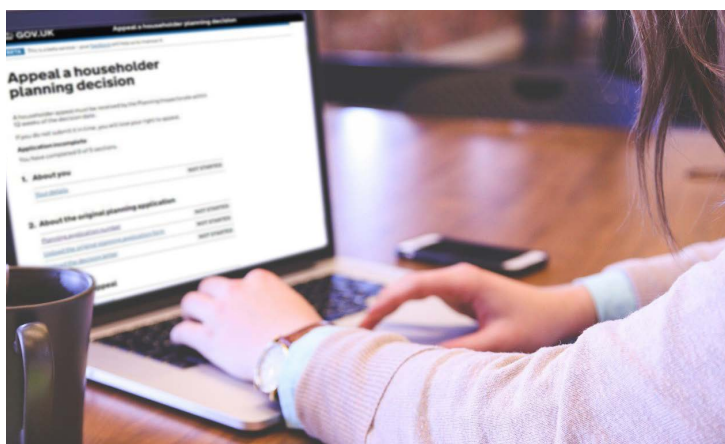
Published set of experimental statistics designed to provide more transparency and clarity on performance against Ministerial Performance Measures.

Introduction

The Planning Inspectorate deals with National Infrastructure Planning applications in England and Wales, and examinations of Local Plans, planning appeals, and other planning-related casework in England. We do this fairly, openly and impartially with a customer-focus.

Our work

In England, our Inspectors deliver decisions and recommendations across our three public services: examinations, appeals and (also in Wales) applications. We make sure development is carefully considered and that the right homes and developments are allowed in the right places and valued green spaces are protected. We ensure that proposed developments meet future needs for the economy, environment and society and that the communities' views on large infrastructure applications are heard. We uphold and promote quality, assuring the checks and balances of the planning system, so that our decisions are fair, impartial and open. We examine Local Authorities' development plans, which set the framework for local economic, social and environmental priorities. We have specialist experts able to advise and decide cases on a wide range of environmental, ecological, historic and tree and high hedges matters. We share our expertise with a number of our stakeholders to enable good planning.



Our headquarters are in Bristol and we employ in the region of 887 staff. Around half of these are home-based Inspectors, all of whom are professionally qualified (for example, as town planners, architects, lawyers or engineers). We offer a hybrid working environment for our support staff, who carry out a wide range of functions. These include supporting the delivery of casework; liaising with the public; providing direct support to Inspectors and formal decision making for some types of casework. They provide essential organisational support through the provision of Corporate Services such as Finance, Commercial, HR and Digital and Data Services. As well as Communications, Customer Services, Corporate Governance, Future Strategy and Change, Innovation and Knowledge & Information management.

Our Strategy

Our [Strategic Plan](#), published in October 2021, centres on a vision to:

‘Provide our customers with high quality, timely and efficient services that support the nation’s recovery from the COVID-19 pandemic by engaging, empowering and equipping our workforce and by delivering ambitious policy changes’.

This is underpinned by three core strategies: a Customer Strategy to act as a vision for our service delivery, and two enabling strategies that provide the foundations for its delivery. The enabling strategies focus on our People and on Data and Digital Improvement.

Customer Strategy

The customer strategy is a cross-cutting strategy which influences all areas of the organisation to ensure we are customer focused. This strategy focuses on:

- Understanding the needs of our customers to inform our improved digital services.
- Engaging with our customers to ensure our services are easy for customers to use and that they are kept informed on the progress of their case throughout.
- Using insights to drive and prioritise customer focused change and innovation.
- Improving the timeliness and quality of our decisions and recommendations.



Look out for these symbols throughout the report to learn how we have delivered against our strategies.



Data & Digital Strategy

Data and digital capabilities are key to improving our services and the planning system. This strategy focuses on:

- Improvements to our digital services underpinned by our customers needs.
- Utilising technology and data to allow our customers to easily engage with us.
- Enabling data to move across the planning system.
- Invest in new digital and data capabilities.
- Provide our people with the technology they need to deliver.

People Strategy

Successful delivery of our vision is reliant on our people and creation of the conditions that enable them to thrive. This strategy focuses on:

- Developing our leaders.
 - Ensuring our workforce is reflective of the communities we serve.
 - An inclusive culture which prioritises wellbeing.
 - We have the right people, with the right skills.
- Delivering on this strategy will enable our people to deliver high levels of performance for our customers.

Aligned with these, our sponsoring department, the Department for Levelling Up, Housing and Communities, set six priorities for the Inspectorate for the 2022/23 financial year. Our progress against these priorities is outlined below:

Plan-making



Ensuring LPAs deliver robust Local Plans which help shape well planned sustainable communities that determine the future pattern of development.

We have:

- Encouraged Local Planning Authorities to use our advisory visits to help them get their plans in good shape and deal with challenges well before submission.
- Completed 34 examinations in 2022/23, for more information see page 32.
- Launched a [series of short films](#) to explain the process of examinations to support communities to get involved, following research that open and easily understandable information would make the process more accessible for all. Read more in our case study on page 34.
- Worked in close partnership with colleagues in DLUHC by providing Inspector expertise in helping shape and test policy changes proposed, and to ensure the Inspectorate is operationally ready to receive the anticipated changes.

NSIP reform and the British Energy Security Strategy



The shared vision across government is to create improvements to the consenting process for major infrastructure that facilitate energy security, deliver transport connectivity and the needed water and waste management facilities.

We have:

- Worked closely with departmental colleagues in developing and implementing National Infrastructure Planning Reform.
- In collaboration with all the involved Departments (DLUHC, DESNES, DfT and DEFRA), developed and delivered an Action Plan published on 23 February 2023. This sets out a comprehensive, whole system approach to strengthening the resilience of the system and making infrastructure consenting better, faster, greener and fairer. The Inspectorate will remain centrally involved in delivering these reforms over the coming years.
- Ensured the Inspectorate is operationally ready to implement the ongoing changes:
- Recruited and trained additional staff to increase capacity for handling national infrastructure applications expediently and service an increase in demand.
- Used direct testing and learning to inform our reform programme, through piloting enhanced preapplication options mainly on the A66 National Highways and Lower Thames Crossing DCOs.
- In 2023/24 we will continue to progress opportunities for streamlining secondary legislation and guidance and identifying and developing ways for greater standardisation to reduce the amount of information that needs 're-examining' in every examination.
- For a full set of the improvement measures and the Inspectorate's role in delivering these visit [the NSIP action plan.gov.uk](https://the-nsip-action-plan.gov.uk).

Operational performance recovery on appeals



The Inspectorate prioritised appeal timeliness against the backdrop of continuing to receive more casework than we could decide in 2022/23.

We have:

- Continued to prioritise completing cases with the biggest economic impact, in line with governmental expectation. For appeals, this is those requiring a hearing or inquiry, which are generally those which have the greatest community interest and potential to provide homes, jobs and community facilities.
- As a result, for planning appeals decided after an inquiry we decided 258 appeals, and for planning appeals decided after a hearing we decided 570 appeals. For both types of appeals, this figure is more than in 2021/22 and more than we received. This demonstrates the positive impact of applying focus to improving their performance.
- For planning appeals decided after a written exchange of evidence we decided a comparable number of appeals to 21/22 and confirmed this would be the next area of focus after planning appeals by hearing. Our performance is reported on a monthly basis, these statistical releases can be accessed at [Planning Inspectorate.gov.uk](https://www.planninginspectorate.gov.uk).
- Increased our capacity by recruiting and training more Inspectors and other decision makers, using our commercially contracted inspectors to the full extent of their availability and training inspectors in different areas to increase flexibility in the way we deploy them.
- Continued to invest in the technological foundations which provide the opportunity for process efficiencies and experiential service improvements.
- For further information, see our operational performance from page 31.

People and workforce



An appropriately resourced, diverse and inclusive inspectorate.

We have:

- Continued to embed our strategic workforce plan, focusing particularly on Inspector recruitment. This has resulted in 95 new Inspector appointments being made and a further 51 promotions in 2022/23. Work has begun on our wider workforce requirements looking at our support functions and the many other professions employed at the Inspectorate.
- Continued to deliver on our ED&I strategy and increased resources dedicated to delivering against our commitments.
- Made significant improvements to the relevance and inclusivity of our people policies.
- Developed an approach to apprenticeships and outreach.
- For further information, visit the our people section from page 24.

Finance



We have:

- Continued to develop our monthly forecasting process ensuring that our focus is based on materiality and risk. The validity of financial planning assumptions made throughout the organisation are tested by the finance team, who act as a critical friend and undertake sensitivity testing. Cashflow forecasting has been integrated into the month end processes and we test the robustness of the balance sheet in the context of the forecast.
- Developed our processes to ensure continued compliance with Government Functional Standards.
- In 2023/24 we will complete the review of our methods of forecasting income and plan to introduce further measures to enhance risk sensitivity testing and speed up debt recovery.

Operational Delivery Transformation



Delivering the
Inspectorate's
digital services.

We have:

- Progressed designs for a new planning appeals service which will be easier, faster and more cost effective. The first part of these improvements focuses on the appeal submission form, and we have introduced a new form for submitting full planning (s78) and householder appeals in some local authority areas of England. Over time, we will be adding additional LPAs and new features to the service.
- Begun work on the design and development of other case types, such as appeals for listed building consent and enforcement.
- Begun work to improve the design of the LPA questionnaire and statement submission process.
- Worked with DLUHC and third-parties to determine the priorities to shape the development of data standards and a data-driven planning system, and will continue to do so.

What we plan to do in 2023/24

Business Plan

The Inspectorate has launched a Business Plan for the coming financial year 2023/24 which focuses on five priorities we believe are critical to addressing the main challenges of the day. These include meeting our customers' expectations on the timeliness and quality of our services; adapting to changes to the wider planning system; the pace and scale of technological change; and the challenges we continue to face around recruitment. The plan is underpinned by a reporting framework detailing how we will take action to progress these priorities and how we will measure the impact of our work.

Strategic Plan

The organisation had been considering the need to revise its Strategic Plan and towards the latter part of the financial year, the case for doing this was agreed with the Executive Team, Board and sponsoring department. The emerging Strategic Plan, which we plan to launch in the autumn of 2023, will set out in detail how we will bring about significant improvements to our services in the three year period 2024-27. The plan will be structured around a set of principles that will benefit our customers, our sector and society more broadly. We will continue to work closely with DLUHC and other sector partners to test our thinking and to ensure that our plan is robust and equips the Inspectorate to achieve our goal of a quicker, more certain, backlog-free and cheaper operation.

Our statutory framework

We work within a legal framework consisting of Acts of Parliament and secondary legislation.

Our part in the planning system

In England we operate a plan-led system where Local Plans are used to decide how much land should be set aside to build new homes, offices, factories, warehouses, shops and other things, usually over the next 10 to 15 years. They also show areas where development should be limited for some reason. These are then used to make decisions on planning applications for individual development proposals.

At the Planning Inspectorate we examine the soundness of Local Plans, determine a range of appeals and applications, and make recommendations on Nationally Significant Infrastructure Projects. We help deliver the government's objectives to overcome some of the big challenges facing the country, such as climate change, housing provision and achieving sustainable development.

Three key Acts

There are three Acts of Parliament which are particularly significant for our work.

The Planning and Compulsory Purchase Act 2004

Covers the Local Plans system, as well as the statutory duty "to determine planning applications and appeals in accordance with the development plan, unless material considerations indicate otherwise."

The Town and Country Planning Act 1990

Covers the right to appeal for planning, enforcement, and lawful development certificate cases, as well as our ability to determine the procedure for a variety of case types.

The Planning Act 2008

Covers the consenting regime for Nationally Significant Infrastructure Projects.

There is more legislation for other areas of our work, such as listed buildings, rights of way and environmental appeals.

The rules and regulations

Sitting underneath the Acts, secondary legislation provides the detail to the statutory framework. For example, it defines what development can take place without seeking planning permission and when one requires prior approval. It also sets out how to make applications and appeals and how we must handle them.

Our statutory duties

The statutory framework ensures the fair operation of the planning system. But we also carry out other statutory duties, such as those under the UK General Data Protection Regulation or the Public Sector Equality Duty. When doing so we must ensure that the parties involved in our casework are meeting their own obligations.

Three things on our radar

Environment Act 2021

This Act made provision for a wide range of measures, many of which apply to planning. Some of those measures are now in force, while many others need secondary legislation and/or consultation on aspects of policy development and will come forward over the next few years. We are monitoring the process to ensure we are aware of, and ready for, the changes when they happen.

NSIP Reform

This is a government-led initiative that aims to improve the process for Nationally Significant Infrastructure Projects (NSIPs). It challenges stakeholders to remove barriers and work faster together within the current framework of the Planning Act 2008. The Reform Action Plan published in February 2023 sets out the timetable for a series of significant actions beginning in Spring 2023 and continuing over the next couple of years.

Reforms to the planning system and Levelling Up the UK

The government intends to reform the planning system and will do so by creating new legislation and policies. The Levelling Up and Regeneration Bill is progressing through parliament, and the government has consulted on changes to the National Planning Policy Framework which it expects to implement this year. We are closely monitoring the progress of these to ensure that we are ready for when they happen so we can continue to operate within the statutory framework in the interests of all those involved in the planning system.

Our risk profile

As the world challenges us and as we change and evolve, we use risk management to systematically mitigate the threats that could keep us from realising our Strategic Plan.

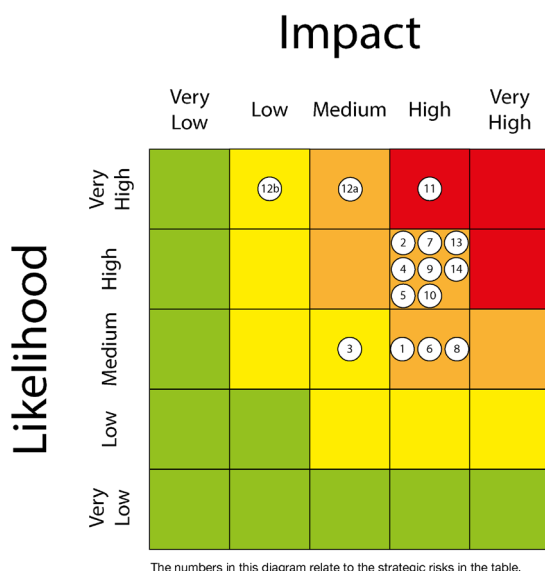
Strategic risk management

We actively manage our strategic risks to make best use of public money, maximise our performance and achieve our objectives. Each strategic risk is owned by a member of the Executive Team who assess it using a five-by-five scoring matrix. We rate the impact by considering the consequences of the risk. We rate the likelihood by considering the probability of the risk materialising. Each risk is categorised and a risk appetite is agreed which defines the level and type of risk exposure we will tolerate to achieve our strategic vision. The Executive Team are responsible for setting the risk appetite and will draw upon the risk appetite statement when managing the strategic risks. Periodically the effectiveness of our Risk Management process and internal control is reviewed by our Internal Audit service provided by the Government Internal Audit Agency.

Our risk profile through 2022/23

Table 1 summarises the strategic risk profile for the Inspectorate and the changes over the past twelve months. We conduct biannual horizon scanning to identify cross-cutting risks that may impact on the Inspectorate. This includes identification of political, economic, social, technological, legal and environmental factors. These factors may impact on our existing risks and help us identify new risks.

Our risk profile at the end of the 2022/23 financial year shows that the scores for all our risks are between 9 and 20. There has been movement in the scores throughout the year. However, when comparing the scores as at 31 March 2022 and 2023, only one risk score differs. One strategic risk has been closed and five new risks have been added to the register, demonstrating ongoing review of the relevance of the risks and effectiveness of mitigations.

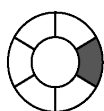


This risk heatmap shows each strategic risk plotted against how likely the risk is to occur and the impact it would have if it did.

Key: Risk categories



Reputation and Credibility



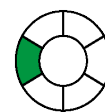
Operational Delivery



Financial



People

Compliance / Legal /
Regulatory

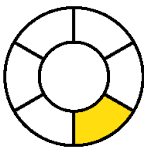


Innovation

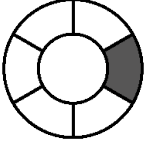

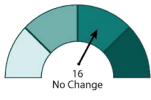
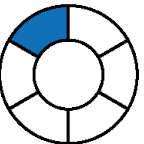




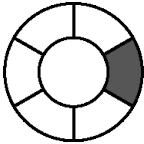


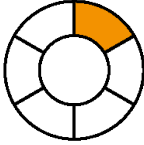


Risk appetite explanation

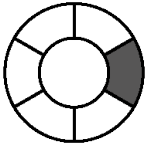



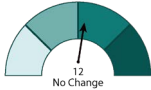
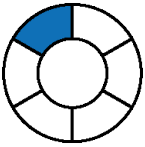



Averse	Minimalist	Cautious	Receptive	Eager
Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.	Preferences for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver.	Preference for safe options that have low degree of inherent risk and impact on performance.	Willing to consider all options, seeking to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities may carry, or contribute to, a high degree of residual risk.	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.



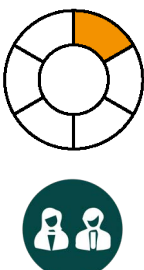
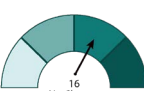
Table 1. The Inspectorate's strategic risk profile 2022/23

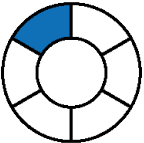


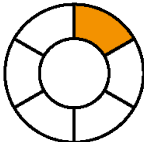

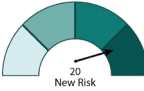
What is the risk and our appetite?	Risk category and related strategies	Mitigations delivered in 2022/23 / Future Mitigations	Risk score movement
1. Data Protection - Lack of robust controls and an immature culture of data governance could lead to a data breach. Averse	 	Delivered: <ul style="list-style-type: none"> Data Protection Impact Assessments carried out for all new work and a number of retrospective (DPIAs) were carried out and identified no high risks. Review completed into Redaction policy and guidance in place. Majority of Local Authorities (LPAs) have signed a data sharing agreement. Future: <ul style="list-style-type: none"> Work underway to ensure full compliance with redaction policy. Continue to work with LPAs to put in place Data Sharing Agreements where required. 	

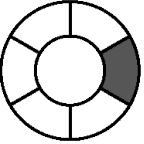




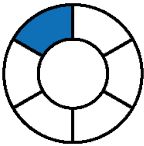




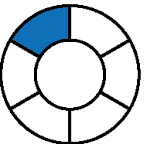




What is the risk and our appetite?	Risk category and related strategies	Mitigations delivered in 2022/23 / Future Mitigations	Risk score movement
<p>2. Failure to embed changes - Due to limited capacity, the Inspectorate's digital public services may not be fully operational or provide enough value to customers and taxpayers.</p> <p>Receptive: Willing to consider all options, seeking to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money.</p>	 	<p>Delivered:</p> <ul style="list-style-type: none"> • Procured 3rd Party Software Engineering partner agreement to provide additional resource support. • Increased focus on recruitment from Digital & Data Leadership Team. • Implementation of Service Model to highlight areas of under resourcing and to better balance priorities and workloads. <p>Future:</p> <ul style="list-style-type: none"> • Continue to fill Data and Digital vacancies reduce reliance on external support. • Continue to develop Data and Digital service model including improving capability. • Improve ability to meet new demands. 	
<p>3. Failure to manage stakeholder and customer relationships and communications, or a badly handled error, could impact our reputation.</p> <p>Minimalist</p>	 	<p>Delivered:</p> <ul style="list-style-type: none"> • Launched Customer Service Desk monitoring software enabling better complaint outcomes and data on complaint outcomes. • Insights gathered through monitoring media/social media to take prompt action on emerging issues. • Used stakeholder matrix to manage relationships. <p>Future:</p> <ul style="list-style-type: none"> • Further develop Customer Strategy and Customer Survey. • Identify further opportunities to develop the reach and automation of media/social media/stakeholder monitoring. • Review the corporate narrative in line with the refresh of our Strategic Plan. 	

What is the risk and our appetite?	Risk category and related strategies	Mitigations delivered in 2022/23 / Future Mitigations	Risk score movement
<p>4. The submission of a single, large, complex, high-profile and controversial application, or overlapping of several smaller cases, could surpass our capacity to deliver Nationally Significant Infrastructure Project applications.</p> <p>Averse</p>	 	<p>Delivered:</p> <ul style="list-style-type: none"> • Training for an extra 30 Inspectors. • Extra support staff roles recruited. <p>Future:</p> <ul style="list-style-type: none"> • Developing the skills and capabilities of our inspectors so we can assign them to a wider range of cases. • Automating digital systems to manage demand more flexibly. • Improving our knowledge of applications being prepared so that we are ready to receive them. • Working with applicants to improve the consistency and standard of information we receive with new applications. 	
<p>5. Failure to address health, safety and wellbeing could result in a major accident, incident, near miss or ill health.</p> <p>Averse</p>	 	<p>Delivered:</p> <ul style="list-style-type: none"> • Procurement of new Display Screen and Equipment system and the subsequent use of it to assess the health and safety of our people when working from a desk. We have identified and put in place additional, or changed existing, equipment requirements for our people based on these assessments. • Lone working and personal safety now business as usual following roll out of policy and procedures. • New risk assessment procedure rolled out, delivered training on how to follow it, and provided risk assessment templates for teams to adapt for their own purpose. • The stress project group developed a survey which was completed by staff and the results used to inform action plan. <p>Future:</p> <ul style="list-style-type: none"> • To mitigate the driving risk, develop driving policy, procedure and training. Update the driver handbook and risk assessment. • Develop policy and procedure to improve the reporting of accidents, incidents and near misses. Including implementing improvements to investigation, feedback and lessons learned. • Deliver stress project group action plan. 	

What is the risk and our appetite?	Risk category and related strategies	Mitigations delivered in 2022/23 / Future Mitigations	Risk score movement
<p>6. Lack of intelligence analysis leads to failed identification of external changes and misinformed strategic direction which would negatively impact on our customer service</p> <p>Cautious</p>	   	<p>Delivered:</p> <ul style="list-style-type: none"> • Horizon scanning approach piloted. • Established a futures function to enable us to better understand our external environment and reduce blind spots. Ensuring we better understand uncertainties, are prepared for potential threats and opportunities, and that we can adapt to remain resilient and relevant in a changing environment. <p>Future:</p> <ul style="list-style-type: none"> • Establish a network for understanding and capturing intelligence about potential future changes and ensure that this is fed in and used in relevant decision making. 	
<p>7.Not meeting user expectations because of the mismatch between demand and insufficient operational resource which could lead to an increased uncertainty and cost for the planning system.</p> <p>Minimalist</p>	  	<p>Delivered:</p> <ul style="list-style-type: none"> • Secured the continued service of contractor inspectors and adapted our approach to make it easier for new contractors to work for us. • Extra inspectors, apprentices and support staff recruited. • Ensured inspector induction and training is inclusive. <p>Future:</p> <ul style="list-style-type: none"> • Developing the skills and capabilities of our inspectors so we can assign them to a wider range of cases. 	

What is the risk and our appetite?	Risk category and related strategies	Mitigations delivered in 2022/23 / Future Mitigations	Risk score movement
<p>8. Legal framing of the appeals service allows for user behaviours and unpredictable demand for services which results in us never being able to meet expectations with increased uncertainty and cost for the planning system.</p> <p>Minimalist</p>		<p>Delivered:</p> <ul style="list-style-type: none"> Proposed actions to DLUHC for reducing appeal demand by keeping decision making in local communities. <p>Future:</p> <ul style="list-style-type: none"> Updating our procedural guidance and DLUHC's Planning Practice Guidance to help keep decision making in local communities. A new approach to managing deadlines. Reviewing our approach to accepting appeal scheme amendments to help keep decision making in local communities. Conducting research on why appellants appeal. 	
<p>9. Failure to identify future capability requirements could put at risk the delivery of the Strategic Plan resulting in the workforce not having the capabilities we require.</p> <p>Eager: To be innovative and maximise opportunities to develop and resource the required capabilities for the future.</p>		<p>Delivered:</p> <ul style="list-style-type: none"> A strategic workforce plan produced and published for Operational Delivery and Planning Inspector professions. Designed a three year Learning and Development strategy. <p>Future:</p> <ul style="list-style-type: none"> Strategic workforce planning for Strategy and Corporate Services. Continuous review of the Operations workforce plan, particularly accounting for new scenarios and skills forecasting that has been done and is ongoing. Deliver our agreed three year Learning and Development strategy. Agree the resourcing required to successfully implement a sustainable approach to strategic workforce planning. 	

What is the risk and our appetite?	Risk category and related strategies	Mitigations delivered in 2022/23 / Future Mitigations	Risk score movement
<p>10. Failure to identify, integrate and quality assure data could result in delays and increased costs when making changes and innovating in response to planning system-wide improvements.</p> <p>Minimalist</p>	 	<p>Delivered:</p> <ul style="list-style-type: none"> Work progressed throughout the year to develop the Operational Data Warehouse (ODW). As a result of this, at the start of 2023/24 about half of the Inspectorate's data estate will be transferred from the test environment to the ODW production - including human resource and application casework data. This is a substantial milestone in making data available and easier to access across the Inspectorate, reducing the possibility of data being lost or hidden. <p>Future:</p> <ul style="list-style-type: none"> Complete the transfer of the Inspectorate's data estate into the ODW – to provide a trusted and accurate master data set to improve how efficiently and accurately we can analyse and improve our performance. Produce a data quality framework to enable and empower information owners to understand and improve the quality of data. Improve integration with internal and external data, this will further prepare the Inspectorate for NSIP and planning reforms. 	
<p>11. Holding high numbers of vacancies could lead to business plan objectives being delayed or not delivered, a decline in staff wellbeing and underspend.</p> <p>Eager: To be innovative and maximise opportunities to minimise the risk of high vacancies.</p>	 	<p>Delivered:</p> <ul style="list-style-type: none"> Identified the capacity of the recruitment team. Filled non priority roles with contractor or service contract backfill. Prioritised recruitment campaigns. Completed a continuous improvement review of our recruitment process. <p>Future:</p> <ul style="list-style-type: none"> Continue to review recruitment opportunities in the face of a very competitive market. Consider how the work of the Pay and Reward Project will feed into this risk mitigation. 	

What is the risk and our appetite?	Risk category and related strategies	Mitigations delivered in 2022/23 / Future Mitigations	Risk score movement
<p>12. As a result of strike action, we may experience staff walkout which could affect ability to achieve objectives/ casework.</p> <p>Averse</p>	  	<p>Delivered:</p> <ul style="list-style-type: none"> We have developed and agreed a partnership way of working document facilitated by the Advisory, Conciliation and Arbitration Service. We have formed a project working group with Trade Unions on pay and reward and continue to develop informal working relationships. We have developed plans to ensure that our line managers know their accountabilities on days of strike action. <p>Future:</p> <ul style="list-style-type: none"> Continue to work in partnership with Trade Unions and to build constructive working relationships. 	 
<p>13. Future operational changes, as a result of policy reforms, are not fully understood or embedded.</p> <p>Minimalist</p>	   	<p>Delivered:</p> <ul style="list-style-type: none"> Advised on draft legislation including procedures for examining local plans. <p>Future:</p> <ul style="list-style-type: none"> Continue to work with DLUHC to understand the implications of Planning Reform and other policy changes, allowing future operational changes to be planned and embedded. 	
<p>14. Not able or ready to fully realise the change expected by NSIP reform.</p> <p>Minimalist</p>	   	<p>Delivered:</p> <ul style="list-style-type: none"> Developed collaborative working relationships with DLUHC across NSIP Reform workstreams. Advised on draft legislation and National Policy Statements. Secured funding for additional employees to support NSIP Reform. <p>Future:</p> <ul style="list-style-type: none"> Securing ongoing funding to support NSIP Reform. Continue to work with DLUHC to ensure future operational changes are planned and embedded. 	

Our stakeholders and customers

In our Strategic Plan, we outline our ambitions to increase our customer focus, recognising the importance of gaining a deeper understanding of who our customers are and the best ways to serve them and their diverse needs.

Our Customers

We have a varied group of customers across our appeals, applications, and examinations services. Our customers include Local Planning Authorities for examinations, appellants and planning agents for appeals, and applicants (including government departments) for applications. Our work also serves local residents, developers, landowners, statutory consultees and special interest groups as well as a diverse mix of stakeholders, described below. Our Customer Strategy sets out our ambitions to continuously improve our customers' satisfaction with, and experience of, our services. We gather customer feedback from interactions with the Customer Service team and through the formal complaints process. This allows us to understand in more detail our customer's needs and identify parts of the customer experience where we should improve. We want to listen to what our customers are telling us, and look at both short and long term measures that will lead to a better service. Additionally, throughout the design and development of our new digital services, we have conducted user research sessions with stakeholders to ensure these services are built with users at their centre. You can read more about this in Our Customer Service on page 48.



Our Stakeholders

We recognise the importance of good stakeholder relationships, and the benefit they can bring to the Inspectorate. In addition to our customers, our key stakeholders include: ministers and officials at the Department for Levelling Up, Housing and Communities and other governmental bodies, Local Planning Authorities, communities, professional bodies, and news and trade media. Engaging with our stakeholders and keeping them informed about our activities, successes and challenges is of ongoing importance to us. Since surveying our stakeholders in the summer of 2021 on the Future Operating Model for Events we have issued updated guidance on how we run events taking on board the comments and suggestions of our stakeholders. We now have a more inclusive method for managing and running inquiry and hearing events for all those involved. In December we re-launched a regular stakeholder survey to collect in the views, ideas and concerns of our stakeholders. The questions are designed to gather information on how well we demonstrate living our values in our work rather than case-specific feedback. The feedback will help identify areas for improvement. Our self-assessment rating against the communication functional standard is 'good'.

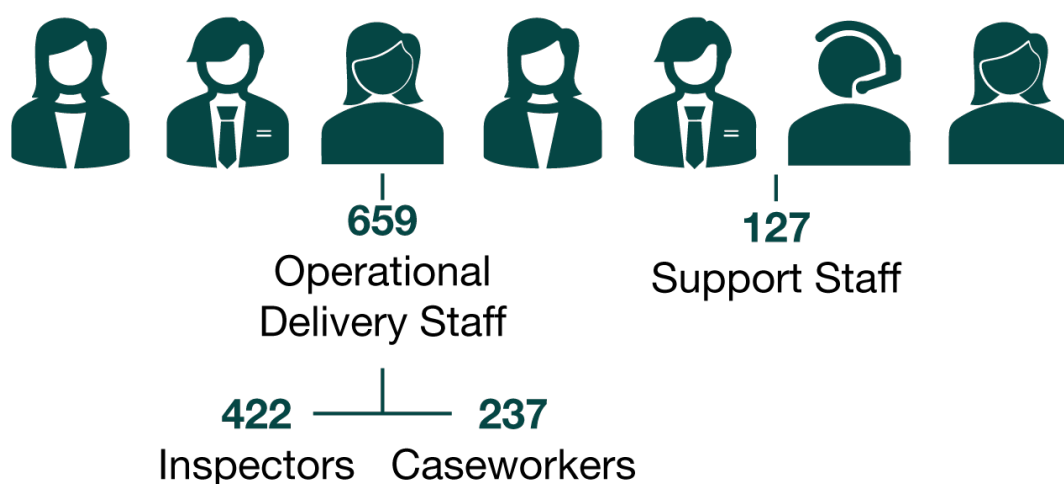
Our Interactions

The Planning Inspectorate is organised in three directorates. Operations is our largest directorate and is at the forefront of our interactions with customers. Inspectors and caseworkers interact with customers and stakeholders throughout their work on cases and often directly when visiting sites and when holding inquiries and hearings. Our Corporate Services Directorate has close relationships with the Department for Levelling Up, Housing and Communities and other governmental bodies. The Strategy Directorate includes a Communications team that manages our relationship with the media and the Customer Service team that helps customers troubleshoot any issues they may have.

Our People

We have been embedding new working practices and a new culture to help the organisation adjust to a post-pandemic working environment, with a focus on delivering core business as usual activities, such as recruitment, in what has been a challenging external environment. We continue to focus on creating an inclusive, modern workplace that supports and provides opportunities for our people.

Headcount of staff - AA to Grade 6

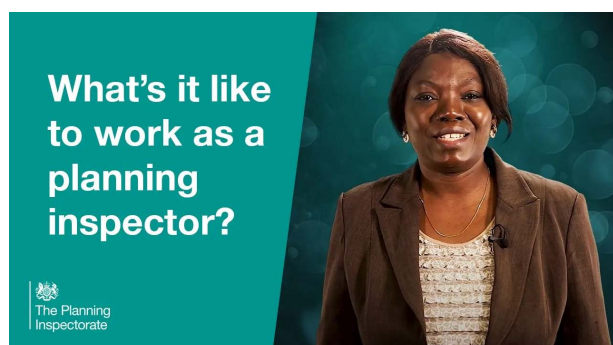


Our workforce is made up of Inspectors, all of whom are professionally qualified (for example, as town planners, architects, lawyers or engineers), and support staff who carry out a wide range of functions. As set out in our People Strategy, successful delivery of our vision, to provide high quality, timely and efficient services to our customers, is reliant on our people and ensuring the conditions are in place to enable them to thrive.

Recruitment, Resourcing and Workforce Planning

We have continued to embed our strategic workforce plan with an emphasis on Planning Inspectors. We have invested in focused resources to attract and appoint to our Inspector roles. This has resulted in 95 new Inspector appointments being made and a further 51 promotions throughout 2022/23, supporting both our need to ensure we increase the casework capacity of Inspectors and ensuring our ability to handle more complex planning decisions. We continue to examine the future requirements for this profession to ensure we have the right people in place at the right time to deliver our casework.

We have begun work on establishing our wider workforce requirements looking at our support



Watch our video [What's it like to work as a Planning Inspector?](#)

functions and the many other professions employed at the Inspectorate but recognise there is further work to do in workforce planning more widely.

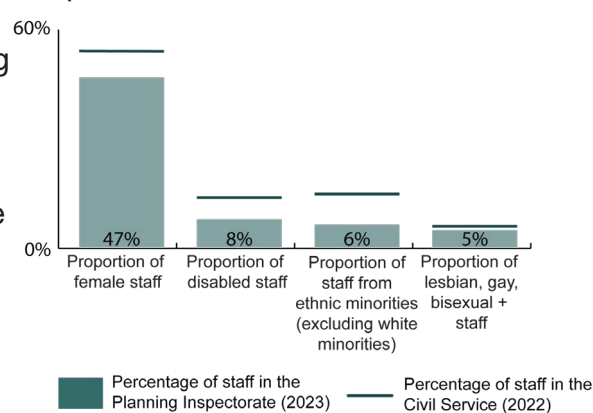
We have developed our online presence within the recruitment market with the launch of our careers site on the Civil Service Jobs platform and are now utilising more online advertising. During the year we have made 163 appointments to the Inspectorate and 121 promotions through fair and open competitions, with all appointments made based on merit.

Equality, Diversity, and Inclusion (ED&I)

We have continued to deliver on our ED&I strategy throughout 2022/23 and have been working on refreshing the strategy for the coming years to remain in line with best practice.

We have made significant improvements to the relevance and inclusivity of our people policies, both through the introduction of new policies, and through updates to existing policies with significant contributions from our employee networks, wider Civil Service and partnership organisations. We have received excellent feedback on the introduction of our Menopause policy and have been asked to present to other Government departments to demonstrate good practice in this area.

Graph 1 - EDI Breakdown

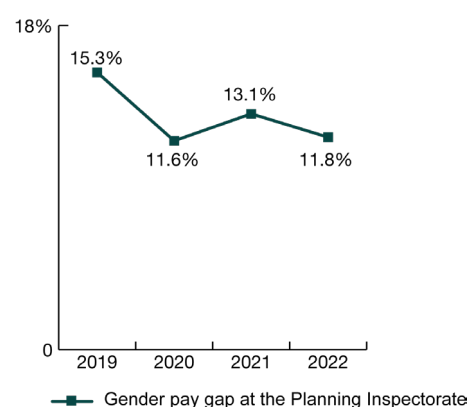


Our HR team has welcomed two new posts; one dedicated to ED&I and one for Apprenticeships and Outreach, giving us focused resource to support the organisation in these areas. And we have developed an approach to apprenticeships and outreach designed to support the ambitions in our ED&I strategy. Throughout 2022/23, the Planning Inspectorate took part in and hosted multiple events to encourage diversity and inclusivity, including Bristol Pride, the RTPi Explore Programme and the Springboard. The Explore and Springboard programme's gave students the opportunity to spend time at the Planning Inspectorate, with access to work experience, expertise and coaching. Alongside this, we have enrolled a record number of apprentices for the Planning Inspectorate in 2022/23, more than doubling our intake from 2021/22 this year.

The Gender Pay Gap

Our most recent gender pay gap figure is 11.8% for 2022, down from 13.1% in 2021. We have distinct groups of staff: office-based staff and home-based Planning Inspectors, approximately a 50/50 split. Our gender pay gap is structural, meaning it is directly attributable to the large proportion of senior Planning Inspectors being male; and the substantial proportion of administrative roles being occupied by females.

Graph 2 - Gender pay gap



On a grade-by-grade basis across office-based staff gender pay gaps are small. This year, we have taken active steps to recruit more female Planning Inspectors, from a range of industries, to begin narrowing the pay gap further. However, we recognise it will take long-term solutions to fully address this, as set out in our ED&I Strategy.

Graph 1 shows the diversity of the Inspectorate's workforce for 2022/23. For further information, please refer to our [December 2022 statistical release](#) detailing a comparison of the diversity of the Inspectorate's workforce over time.

Health, Safety and Wellbeing

We continue to successfully embed the actions from our health, safety and wellbeing project. In 2022/23, we completed and implemented all tasks relating to lone working and personal safety for our Planning Inspectors. We also began the roll out of a new display screen equipment system that will give us the assurance that all our people can work safely, whether they are at home or in the office. We have started the delivery of the risk assessment training that will cover implementation of the risk assessment policy and procedure for our line managers. Throughout 2023/24 we will continue to develop policies and procedures with a focus on driving for work and accident/incident and near miss reporting.

Future Ways of Working

We have successfully delivered against our Future Ways of Working project which aimed to ensure that we have a positive, inclusive hybrid working culture. This was designed to enable us to attract and retain the people we need to deliver effectively for our customers. Our HR policies have been reviewed and amended to reflect our desired ways of working, including updates to the flexi-time policy and new guidance on hybrid working.

We have worked with our line managers to give them the skills and support they need to lead teams in a hybrid environment, delivering our first Line Manager Conference in December 2022. We have also redesigned our estate to encourage face to face collaborative working and building work is now underway to implement this.

Engagement, Learning and Development

We have made substantial progress in designing a new approach to modernise and improve our approach to learning across the organisation. In January 2023, a detailed delivery plan for the coming years was agreed with our Executive Team and work is now underway to begin establishing the function. The plan, which is fully aligned to our People Strategy and Strategic Plan, sets out our key learning objectives for the next 3 years based around the priority areas of:

- Embedding a learning framework and culture that is clear and accessible to our people.
- Establishing expectations and baselines around development in key skills areas.
- Building our Civil Service professions, establishing curricula to support professional development routes.
- Embedding talent management processes to ensure we are meeting both current and future skills requirements.

Our people engagement score in October 2022 was 65%. The result equalled our scores in 2020 and 2021, which were our best results for over a decade. This year we have also equalled the Civil Service benchmark for the first time. We specifically saw improvement in our focus area of "opportunities for career development" and we scored higher than the Civil Service benchmark in all aspects of Learning and Development and People Management.

Change and Innovation

Proactively preparing for the future, ensuring we better understand uncertainties, are prepared for potential threats and opportunities, and that we can adapt to remain resilient and relevant in a changing environment.

This year we have delivered a number of changes, some of which have been mentioned elsewhere in this Annual Report. Through our Change and Innovation portfolios we have ensured that all changes have been governed appropriately, ensuring that our approaches make the best use of our limited resources and budget. For all changes, we have ensured that we retain focus on the impact of the changes on our customers and our people.

Change Portfolio

We have:

- Worked to identify the changes required to support the Government's Levelling up agenda, and to deliver the NSIP Reform programme.
- Taken the learnings from the pandemic, and delivered clarity on our ways of working, resulting in our people adopting a flexible approach to where they work, providing a balance of working from home and the office, with time in the office concentrated on networking and collaboration activities.
- Reviewed the use of our office space; resulting in a reduction in space of over 50%, and working with the Government Property Agency to ensure a good working environment for all our people whilst refurbishment work takes place.
- Implemented a new telephony service, removing the need for physical handsets and providing an easy to use and inclusive service for all users.
- Rolled-out new IT devices to all users, reducing the risk of hardware failure and taking advantage of new, more energy efficient equipment
- Implemented improved systems to support our workers' Health, Safety and Wellbeing, including:
 - Improvements to our lone working advice and support systems;
 - The implementation of a new system to assess and respond to our people's requirements; along with the provision of specialist support kit where needed.
 - Delivered training to support the review of risk.

Next year, we will continue to work on projects relating to reforms of the planning system, improvements to our digital services to benefit both our customers and the wider sector, and changes that will improve the support and development of our people.

Innovation

In last year's annual report, we outlined how we had established and developed capabilities in innovation. Our approach to innovation has continued to evolve over the last year, alongside our portfolio of innovation projects. We have refined our approach to empower internal business sponsors, increasing engagement and ownership. We have reviewed our strategic focus areas, to ensure they are still where we believe innovation will deliver most value and are in line with our Strategic Plan. They continue to be:

- maintaining an appropriately skilled and trained workforce; and
- transforming how we work through digital automation.

We continue to develop an innovation portfolio that focuses effort on:

- maintaining and strengthening our core services;
- developing new opportunities; and
- preparing for potential disruptive challenges.

This allows us to test ideas that have the potential to deliver varying degrees of impact, from lower-level incremental improvements, through to transformative new ways of working.

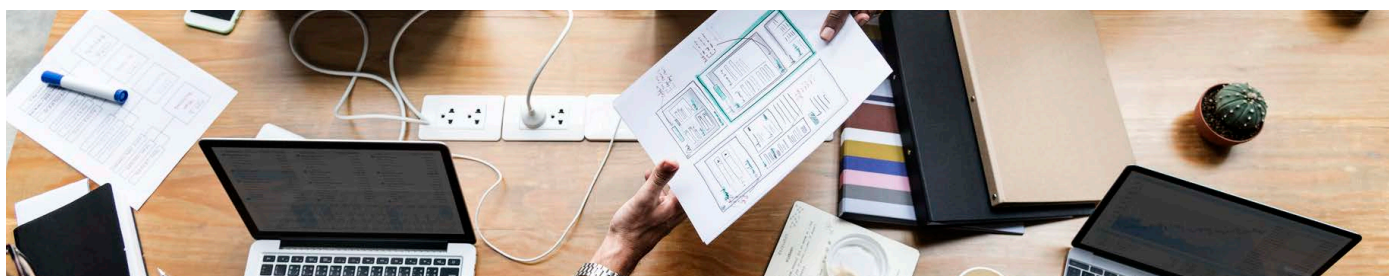
We have continued to establish and develop other strategic capability, such as our Futures function. This allows us to take a systematic approach to exploring our external environment, to identify emerging issues and trends. We are bringing external thinking and ideas into the organisation; a critical feed for innovation. This is allowing us to better understand and explore uncertainties and proactively prepare for the future.

Case Study:

One of our innovation projects is helping us explore how our casework demand and workforce requirements are likely to evolve in the next decade. Through this work we have:

- Captured a picture of the current state of the organisation (e.g. significant recent trends across casework, capability, and ways of working).
- Explored significant external trends across a PESTLE framework (Political, Economic, Sociological, Technological, Legal and Environmental) that are relevant to the planning environment.
- Developed six future scenarios based on combinations of these trends.
- Identified a range of priority and common implications across these scenarios.
- Developed options that we could explore in more detail (across our operating model) to prepare for these potential implications and inform the next phase of the project.

This example highlights by anticipating how our operating environment may change in the future, we can proactively prepare by taking action to improve the resilience of our workforce and how we deliver our services.



Our Quality Assurance Processes for Decision Makers

The quality of our work is important to maintain the confidence of all those involved in planning, including the public, politicians and developers. By quality we mean everything relating to the content of the final decision and the procedures and processes that lead up to that.

Planning Inspectors, and other decision-makers at the Planning Inspectorate, are responsible for the high quality of their decisions, reports and recommendations. Organisationally, however, we support them in achieving this.

This support begins with the comprehensive introductory training that we provide to all new decision makers, in whatever area of the organisation they will be operating. This training focuses on how to evaluate and balance competing evidence in order to reach well-reasoned, justified and impartial conclusions. While in training, all decisions are read by experienced Inspectors, seconded specifically to support and to mentor trainees. Our decision makers, whether in training or otherwise, are never told what conclusions they should reach.

Beyond this, decision makers have access to frequent updates on changes to guidance, policy and legislation. They are also provided with focussed, additional training, through various mechanisms, on different areas of work as required.

We are developing, as an iterative process of continuous improvement, an overarching Quality Assurance Framework (QAF) beneath which casework area specific Control Plans will explain in more detail how we assure, as part of a rolling programme, integral to our work, the quality of our decisions. This QAF will formalise existing feedback loops, with data (collected from peer reviews, line manager discussions, customer feedback and lessons from litigation) being examined for trends and issues, which can be addressed through the provision of additional learning opportunities and revised guidance. This will feed into our continuous improvement process, ensuring the ongoing, high quality of decisions, recommendations and reports, for the which the Planning Inspectorate is justifiably renowned.

Additional, individual service area initiatives are set out below.

- **Plans:** all local plan reports and all letters relating to “soundness” are quality assured by an independent panel of senior Inspectors.
- **Appeals:** a proportion of appeal decisions are selected randomly, on a rolling basis, for reading by more experienced Inspectors. Issues and trends arising from this reading are directed into the feedback process, with additional training and guidance provided as required.
- **National Infrastructure:** all national infrastructure reports are read by an independent senior Inspector, to ensure that the quality of drafting and reasoning is appropriate.

Our three public services

Across our services, our independent Inspectors decide cases and make recommendations in an open, fair and impartial way. This means they consider the evidence, make sure everyone can respond to the evidence of others and keep an open mind without prejudging one view over another.

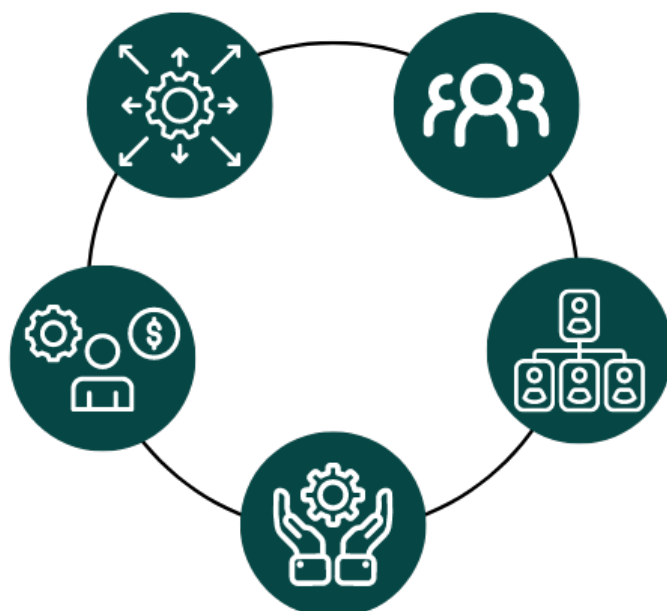
Across England (and Wales for National Infrastructure), our Inspectors provide decisions and recommendations across our three public services: examinations, appeals and applications.

To do this:

We make sure development is carefully considered, that the right homes are constructed in the right places, and that green spaces are protected. We have specialist experts able to advise and decide cases on a wide range of environmental, ecological, historic, tree and high hedges matters.

We examine Local Plans that set the framework of economic, social and environmental priorities for Local Authorities.

We make sure that proposed developments meet future needs for the economy, environment and society and that the community's views on large infrastructure applications are heard.



The work of our Inspectors is supported by skilled professionals delivering casework support, specialist advice, customer service, corporate services, knowledge management, project management and digital expertise.

We uphold and promote quality, assuring the checks and balances of the planning system, so that decisions are open, fair and impartial.

Our operations

In 2022/23 we received more casework than we could decide. To make the most of scarce resources, we continued to focus on improving outcomes for casework with the greatest economic and social value. We saw improvements by concentrating on priority areas of casework in turn. We also increased our Inspector capacity and continued to invest in digital.

In 2022/23 we took a strategic decision to dealing with casework, by focusing on casework with the greatest individual potential for economic impact and community interest:

- Local Plans, which provide certainty for short and long-term investment across the country.
- Infrastructure, such as energy generation, transport, ports, reservoirs, water pipelines and waste disposal which are essential for the country to function.
- Appeals requiring a hearing or inquiry, which are generally those which have the greatest community interest and greatest potential to provide homes, jobs and community facilities.
- Secretary of State work critical for public services including High Speed 2 casework, drought orders and permits to keep water supplies going, compulsory purchase orders and planning applications in Uttlesford District, where the Secretary of State has removed some local powers due to poor performance.
- However, these cases are typically resource intensive, with the result that despite improvements in these areas, overall in 2022/23 we received more casework across our services than we could decide.

Our remaining resource has progressed other casework such as planning and enforcement appeals, and some specialist casework decisions made following an exchange of written evidence.



To help us improve further, we have increased our capacity by:

- recruiting and training more Inspectors and other decision makers;
- using our commercially contracted Inspectors to the full extent of their availability; and
- training Inspectors in different areas to increase flexibility in the way we deploy them.

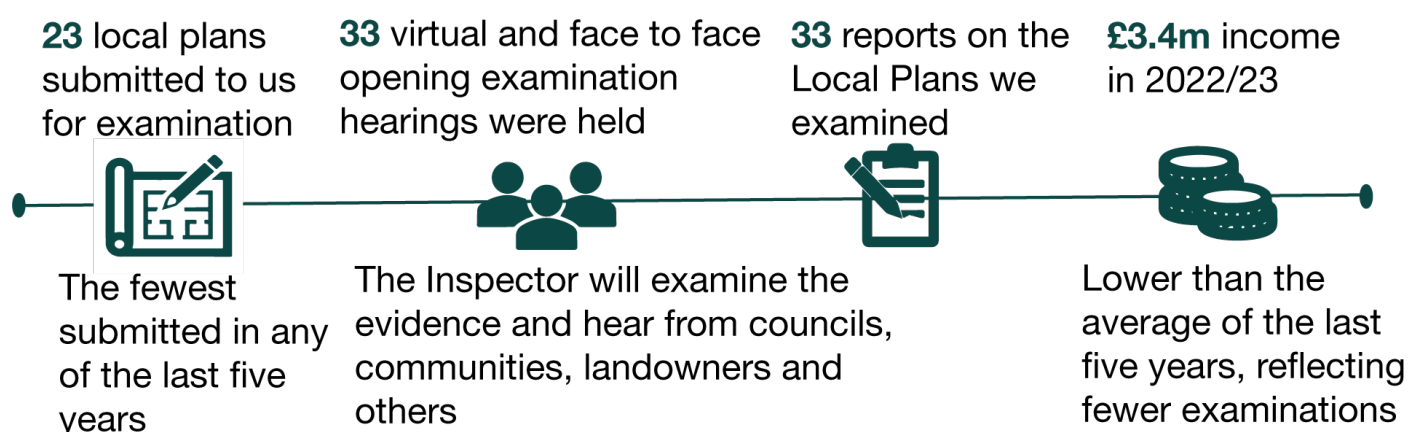


We have continued to invest in the technological foundations which provide the opportunity for process efficiencies and experiential service improvements. These tools will provide the digital public services our customers and employees expect and need that cannot be achieved with our legacy software systems. We are working closely with the Department for Levelling Up, Housing and Communities to ensure our new digital services align with the wider ambitions for the digitalisation of the planning system.

Supporting Communities to plan for their future:

Our Examinations Service

The places where people live and work significantly affect their lives and wellbeing. Councils and some other organisations produce Local Plans and other plans with their communities to identify how they will prepare for the future. We independently assess if the plans meet the legal, procedural and policy tests for them to be used.



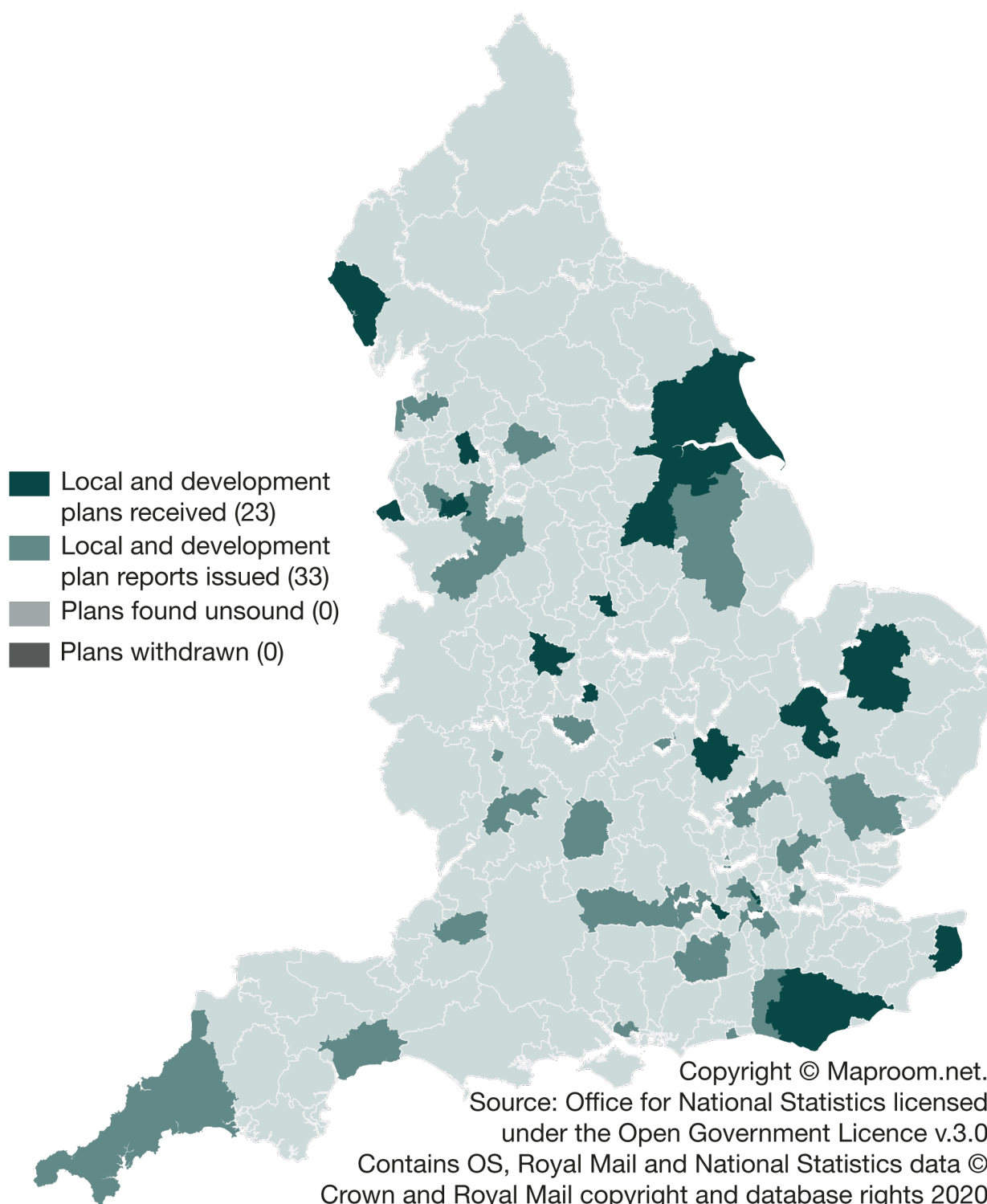
The fall in Local Plans being submitted and examined has reduced our income from examinations work. However, examinations are costing more on average and taking longer to conclude. This reflects a context where national policy is evolving and there is increasing polarisation of views around the development and the environment that can make plan proposals more controversial.

In most cases our Local Plan examination reports recommended changes to achieve a sound plan and to pass the legal tests. Sometimes this meant recommending removing policies or introducing new ones, amending the wording of a policy or changing a housing requirement. We worked pragmatically and constructively with all those involved to help achieve this.

We expect the number of Local Plan submissions to increase once reform proposals have progressed. In anticipation we have started to train additional Inspectors to lead Local Plan examinations. We trained an extra five Inspectors in Local Plan examinations this year.

In February 2022 we received the largest plan we have examined: Places for Everyone, the draft plan from the Greater Manchester Combined Authority covering nine Greater Manchester Districts. It plans for the period up to 2037, with just under 165,000 homes (including 50,000 affordable homes), over five million square meters of employment floorspace and a range of measures aimed at improving the built and natural environment. A panel of three Inspectors opened the examination in March 2022 and it continued throughout the year.

The below map shows all of the Local Plans submitted and the reports issued in 2022/23. This year four local plans were received and the reports issued in the same year.



Case Study: Examinations Service

We released five Local Plan explainer videos this year. They are designed to help communities understand how examinations work, how communities can have their say and what to expect. Our videos are in non-technical language and are supported by subtitles and graphics to ensure they can help as many people as possible.

Communities are an essential part of a Local Plan examination process. The Inspector chairs meetings (called hearings) around specific issues as part of the examination process. Some citizens want assurance that the examination is open, fair and impartial. Others wish to watch when hearings take place, whilst others will have an active role explaining their views at a hearing.

The examination is much more than the hearings themselves, but it is at the hearings where communities see the Inspector examining the issues and evidence first-hand. For many people their involvement in a Local Plan examination will be the first time they have ever experienced anything like it.



Our five short new [videos](#) are designed to make the examination process clearer and easier to understand, help communities understand what happens, how to prepare and help build confidence around taking part, whatever their background or previous experience.

1. [What is a Local Plan and how are they prepared?](#)
2. [The Local Plan examination](#)
3. [How can I have my say during a Local Plan examination? Written Statements](#)
4. [Hearing sessions](#)
5. [What happens after the hearing sessions?](#)



In all our work we do our best to ensure that we are being as inclusive as we can be. Our videos are:

- Free to access, 24 hours a day, all year round.
- Explained in non-technical language.
- Subtitled to help customers who are, for example, hearing impaired or find subtitles helpful to understanding what they can hear.
- Supported by graphics to help understanding of the content.
- Carefully colour contrasted to make them understandable to as many people as possible.

Supporting a fair planning system through our appeals service

Our appeals service is critical to a fair planning system. Our Inspectors are independent of councils, applicants and communities and consider the evidence with openness, fairness and impartiality.

Reasons for appeals vary. Councils and some other organisations like National Park Authorities and Mayoral Development Corporations can refuse planning applications; they might give you an enforcement notice requiring you to do something or stop doing something; and sometimes they don't decide applications in time. You can find the relevant organisation for your area at <https://www.planningportal.co.uk/find-your-local-planning-authority>.

The Inspectorate is here if you want someone independent to re-consider decisions from these organisations on planning applications or enforcement notices, or to decide an application where they have taken too long. Our Inspectors independently review the information and evidence and, in most cases, visit the site and nearby area before deciding the case.

This service also provides independent Inspectors to consider evidence and make decisions for other work including:

- Tree preservation order works, hedgerow removal and anti-social high hedge appeals.
- Public rights of way such as when proposals include changes to access rights to the network or when there are objections to a new right of way.
- Compulsory purchase orders, where some organisations can purchase land even if the owner does not want to sell. This is normally because the land is needed for an important project such as a road, railway or a development important for the area. We independently assess whether the compulsory purchase order should go ahead.

We are accountable to Parliament through the Secretary of State for Levelling Up, Housing and Communities, who monitors our appeals service performance through these Ministerial measures seeking us to:

- make our decision times faster and make decisions in a more consistent time range;
- increase the proportion of appeals that are valid when they submitted; and
- publish information about the number of cases we quality assure.

Appeals are decided through one or more of the three approaches.

Written exchange of evidence

Most of our appeals are decided by Inspectors after seeing written evidence and usually visiting the site. This is often called “written representations”. The appellant, the Local Planning Authority, local people, businesses and anyone else interested in the appeal make their comments in

writing and the Inspector decides the case after reviewing the evidence.

Hearing

For these appeals, those submitting the appeal, the Local Planning Authority, local people, businesses and anyone else interested in the case make their comments in writing. The Inspector then chairs a structured discussion around some or all the issues to help them test the evidence. These hearings generally finish in one day. Inspectors often visit the site as well, and then prepare their decision.

Inquiry

Inquiries are held for the most complex appeals and for some other casework like 'called in' planning applications where the Inspector will make a recommendation to the Secretary of State rather than decide the case themselves, and compulsory purchase orders. The appellant or applicant, the Local Planning Authority, local people, businesses and anyone else interested in the case make their comments in writing. At the discretion of the Inspector, people can also make their views known verbally at the inquiry. Inquiries are more formal than hearings and evidence is tested by cross examination, normally by barristers representing the main parties interested in the appeal. After visiting the site, the Inspector then makes their decision or recommendation.

In 2022/23:

Incoming work

We received around 17,000 planning appeals, which is our largest area of work. This is comparable to 2021/22. However, the mix of cases included a higher share of case types which are more time consuming. For example, about 20% more cases required a hearing. The increase in hearings is likely to be related to us receiving more major housing appeals, as the improvements we have made mean our decision times for these cases are more certain, which makes an appeal more attractive.

We also received about 8% more enforcement appeals than 2021/22, when there were also more appeals received than 2020/21. These cases are also typically more time consuming than simple householder appeals. However, we are receiving fewer than before the pandemic, probably because local planning authorities are taking less enforcement action.

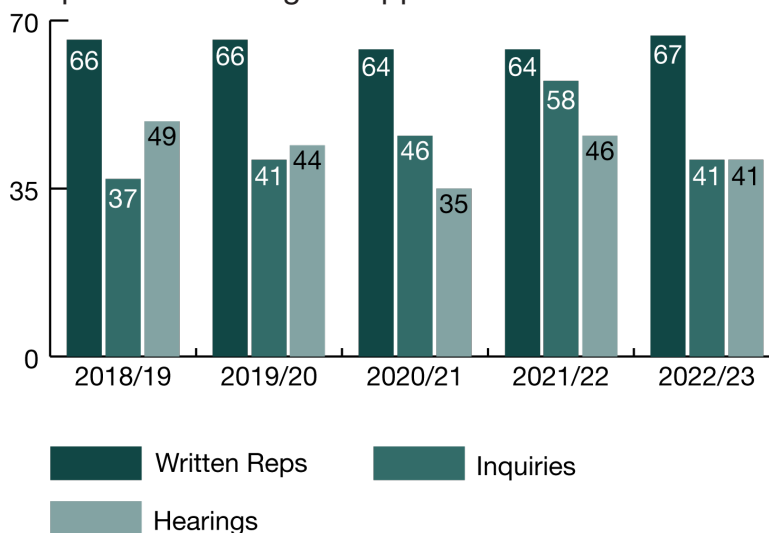
Other appeals include works to protected trees, community infrastructure levy notices, environmental, hedgerow regulation, anti-social behaviour high hedges, a range of casework relating to public rights of way and different types of Compulsory Purchase Order.

Of note amongst that casework in 2022/23 were drought order and drought permit cases where the unusually warm summer led to two cases, which was more cases than in the previous two years. We also decided 20 cases for Compulsory Purchase Orders and 11 Necessary Electricity Wayleaves during the year. These are procedures which can help important schemes go ahead but can mean landowners are required to sell land or give access to the land even if they do not wish to. A landowner losing rights over their land is a very significant step, so these cases often involve inspectors hearing evidence on very sensitive and important issues.

Appeals received

Around 35% of the appeals we receive each year do not have all the information or evidence we need to be able to start work on the case. This means that consideration of the appeal is delayed whilst we wait for that information or evidence to be provided. The appeal is 'invalid' until we have everything we need. Appeals requiring hearings and inquiries are more likely to be invalid when they are first submitted. The new digital services we are developing are user focused and will support customers to submit the right information with their appeal the first time.

Graph 3 - Percentage of appeals valid first time



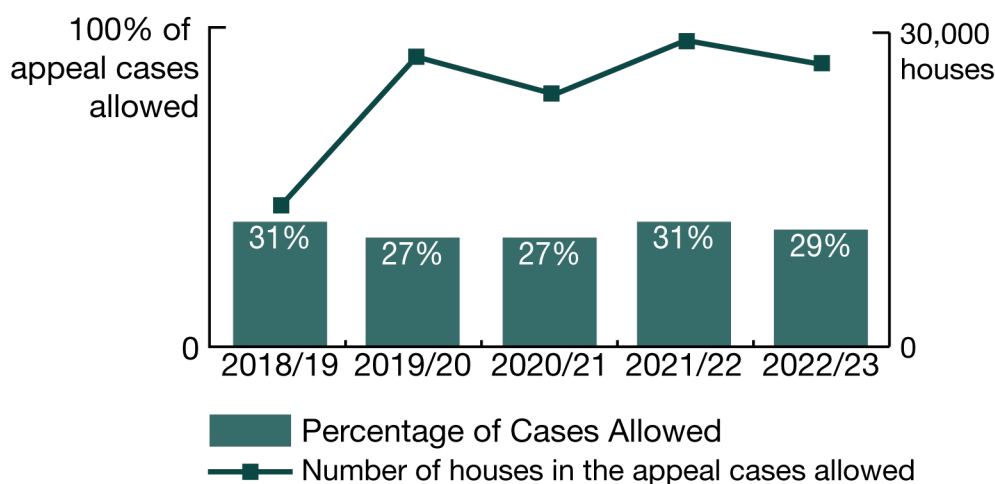
Allowed appeals

The overall proportion of appeals our Inspectors allowed remained comparable with previous years.

In the last year three out of every ten appeals were allowed, meaning that the Inspector's decision permitted a development where the original decision did not.

Across England in 2022/23 around 27,000 homes were granted planning permission on appeal. This was comparable to the previous three years.

Graph 4 - Number of appeal cases and houses allowed





What is a percentile?

If you arrange a group of numbers from the smallest to the largest, a percentile is a way of expressing where a value falls within that range of other values.

For example, if we tell you the 25th percentile for decision times, then you know that 25% of decisions are issued in less time (or the same time) as that.

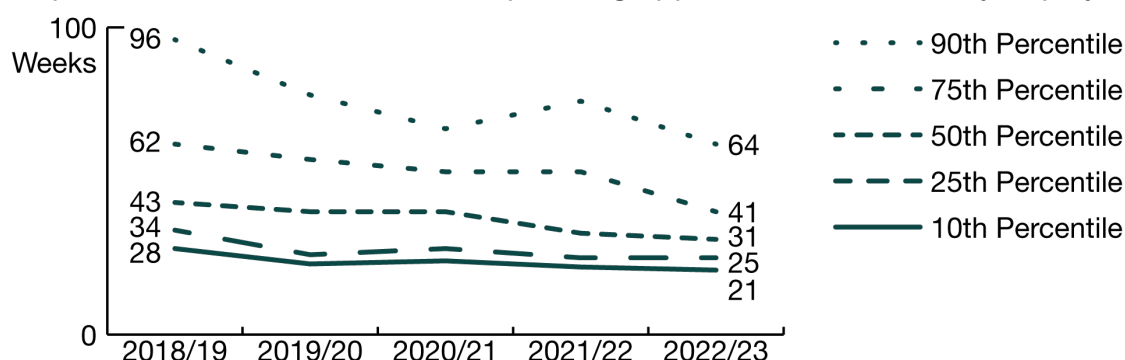
How long we took to decide appeals in 2022/23

Over time our Ministers expect us to make our decision times faster and make decisions in a more consistent time range. This helps provide certainty to our customers. In 2022/23 our decision times varied between different types of case. This was because the process to reach the decision is different, and we focused more of our Inspectors on some strategic case types to make these decisions faster.

For planning appeals decided after an inquiry we:

- Decided 258 appeals, slightly more than in 2021/22.
- Continued progress in becoming more consistent in our decision times.
- Continued progress to decide more appeals close to a time range of 24-26 weeks.

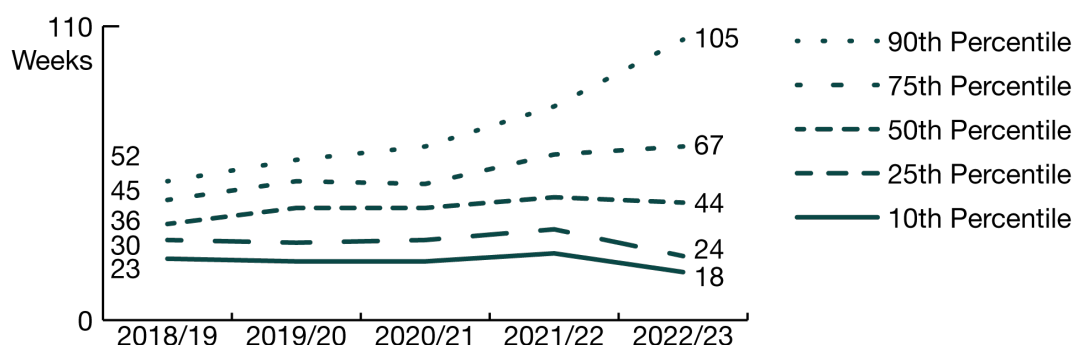
Graph 5 - Median decision time for planning appeal cases decided by inquiry



For planning appeals decided after a hearing we:

- Decided 570 appeals, around 34% more than in 2021/22 and more than we received, as this was a focus area.
- Notably sped up decisions on the fastest 25% decisions as we began to handle new appeals submitted from April 2022 in a similar way to planning appeals by inquiry.
- Did not make overall decision times more consistent as we continued to decide older appeals from before April 2022. The 10% of decisions that took the longest consequently took longer than 2021/22.

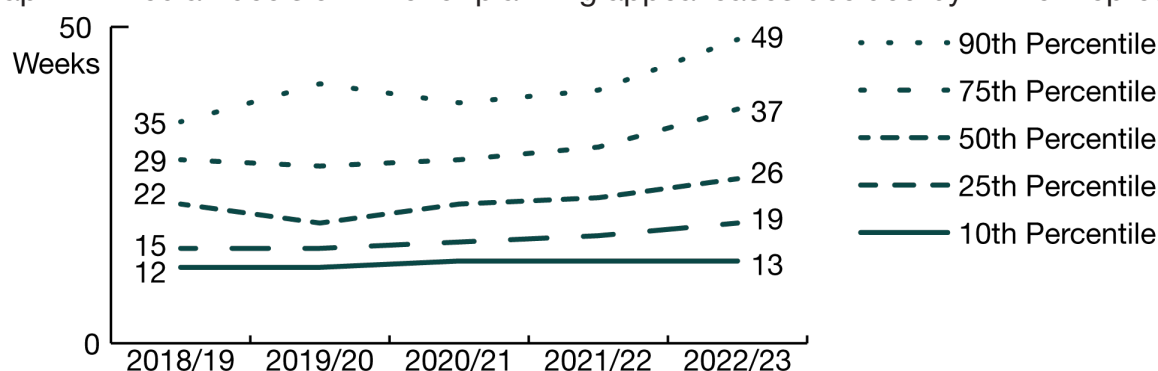
Graph 6 - Median decision time for planning appeal cases decided by hearing



For planning appeals decided after written exchange of evidence we:

- Decided a comparable number of appeals to 2021/22 and received more than we decided as we focused on other casework.
- Took longer to decide appeals. The median decision time increased gradually through the year to 26 weeks, the highest it has been in the last five years.
- Became less consistent in our decision times. The quickest 10% of decisions took 13 weeks or less, whilst the slowest 10% took 49 weeks or more.
- Confirmed this was the next area of focus after planning appeals by hearing and began to allocate inspectors to this work more in the first quarter of 2023.

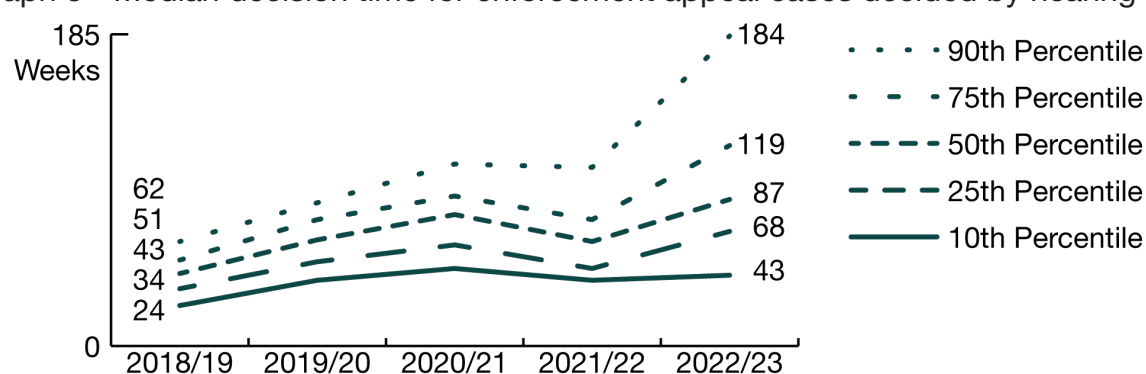
Graph 7 - Median decision time for planning appeal cases decided by written representation



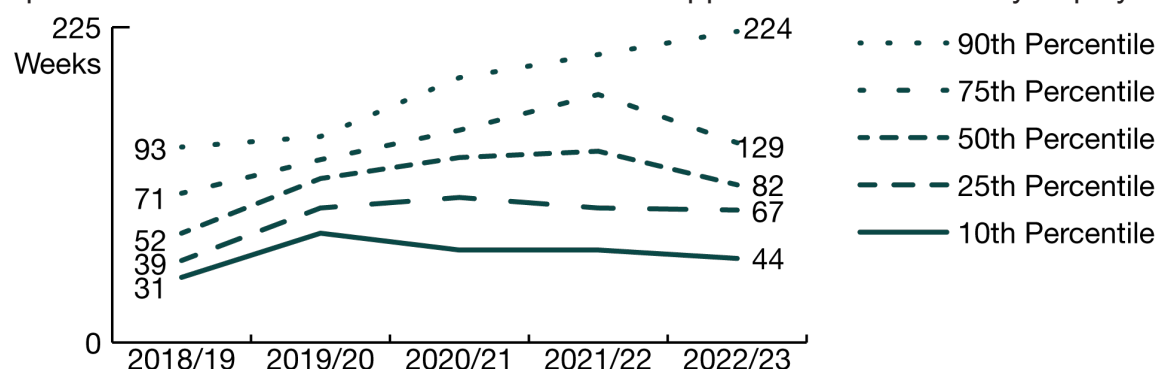
For enforcement appeals decided after a hearing or inquiry we:

- Decided around 490 appeals, which was 15% more than 2021/22 and more than we received as this was a focus area. This continued the progress made since 2020/21 as we reduced the number of open appeals to prepare for holding the hearings and inquiries earlier. The number of appeals awaiting an inquiry reduced from a high of over 600 in 2020/21 to around 325.
- Continued the progress by deciding the quickest 50% of appeals decided by inquiries faster as seen in Graph 9. However, this did not make decision times more consistent as we continue to close long standing cases that were held up during the pandemic, and this 10% of cases continued to take much longer.

Graph 8 - Median decision time for enforcement appeal cases decided by hearing



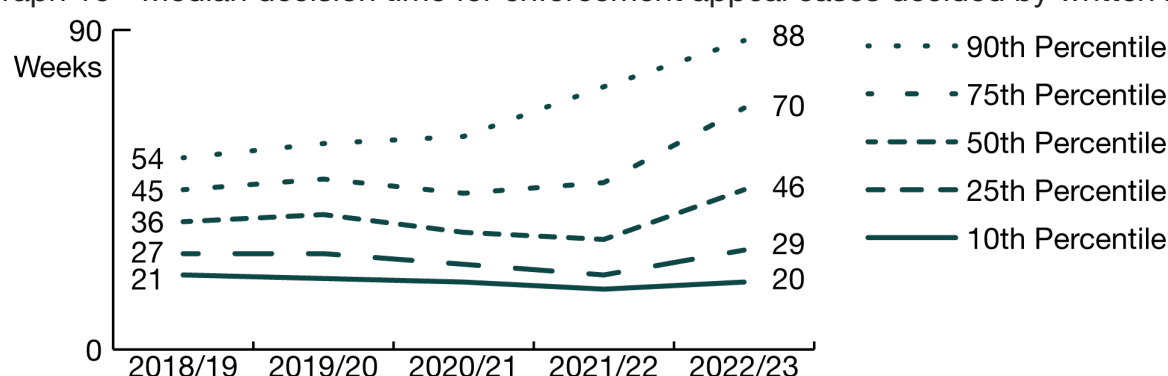
Graph 9 - Median decision time for enforcement appeal cases decided by inquiry



For enforcement appeals decided after written exchange of evidence we:

- Decided 1,711 appeals, which was 2% fewer than 2021/22, and we received more than we decided.
- Took median decision time increased gradually through the year. For 2022/23 the median decision time was 46 weeks, the highest it has been for five years.
- Became less consistent in our decision times as we focused on other casework. The quickest 10% of decisions took 20 weeks, whilst the slowest 10% took 88 weeks.

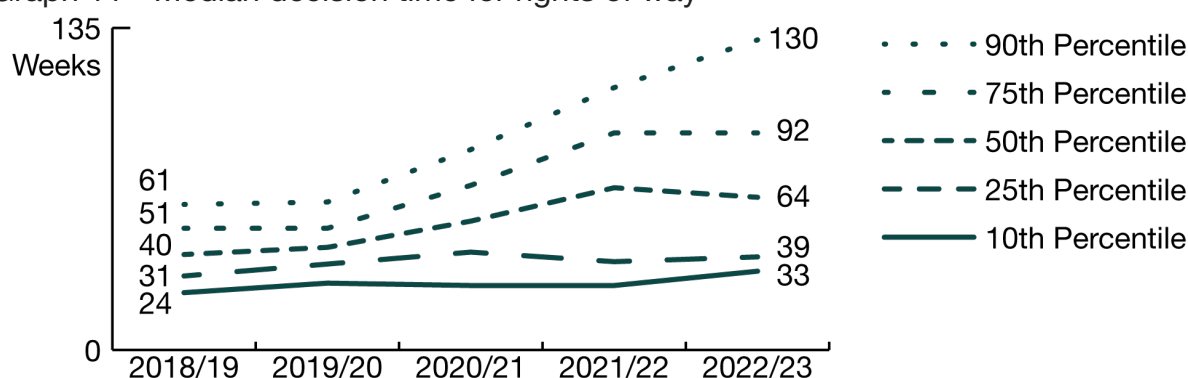
Graph 10 - Median decision time for enforcement appeal cases decided by written representation



For rights of way cases decided through written exchange, hearing or inquiry we:

- Decided 284 cases, which was approximately 50% more than 2021/22
- Became no less consistent in our decision times
- Considerably reduced the number of undecided inquiry cases from 62 to 40.

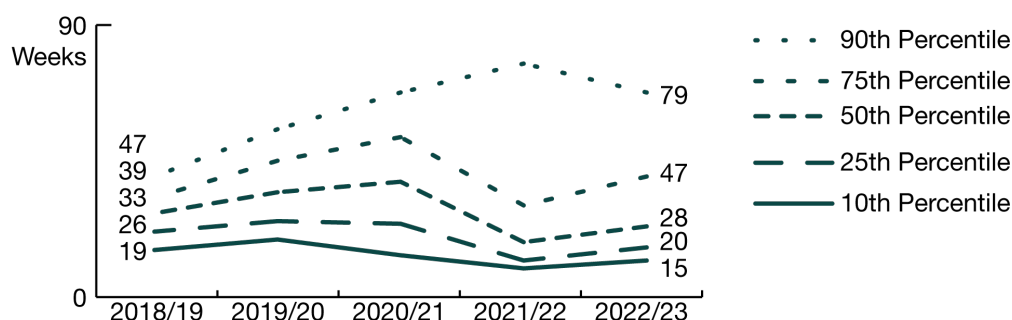
Graph 11 - Median decision time for rights of way



For tree preservation order, high hedge and hedgerow appeals we:

- Decided a comparable number of cases to 2021/22 and received more than we decided as we focused on other casework.
- Became no less consistent in our decision times overall compared to 2021/22, but about half of decisions took slightly longer as we focused on other casework.

Graph 12 - Median decision time for tree preservation order, high hedge and hedgerow appeals



Accelerating appeals

In January 2022 the former Housing Minister asked us to identify what it would take to support us in making most appeal decisions in four to eight weeks. This provided an opportunity to challenge the assumptions underlining our current services operation and to explore how a reframed appeal service could be made more sustainable.

Research and engagement took place in Spring 2022, and we identified a series of possible steps that could be implemented around three themes:

- Removing process, complexity, delay and rigidity which is built into the appeals process.
- Making more decisions at local level and reducing the volume of appeals considered by the Planning Inspectorate.
- Understanding wider systemic challenges in the planning system and incentivising behaviours which support a high-functioning planning system.

The research is an evidence base which will support our future business planning with the Department for Levelling Up, Housing and Communities.

Case Study: Appeals Service

From April 2022 new appeals which required a hearing were handled faster like planning inquiries. These decisions were consequently much faster and the range of time taken to reach a decision became more consistent. Everyone involved in an appeal had a role to play in helping us achieve that.

In 2019 we implemented a range of improvements to the way we handled planning appeals by inquiry following the Rosewell Review. We had planned to start applying the approach to planning appeals by hearing in 2020, but we delayed this due to COVID-19. Appeals requiring a hearing was one of our focus areas as part of focusing our resources on those cases with the greatest community interest or individual potential to support the economy. We implemented the new approach for new cases received from 1 April 2022, in a similar way to which we approached planning appeals by inquiry. The approach to the Inspector reaching the decision was as robust as for all our casework. But the timetable and process for reaching the decision was focused on the decision being issued no later than within 24-26 weeks from the receipt of a valid appeal.



The Rosewell review was an independent review of planning appeal inquiries. The report, published in 2018, made 22 recommendations on how the planning appeal inquiry process could be improved and decisions made more quickly.

Appeal Key facts: Appeal Reference 3300200

Proposal: Floodlit artificial hockey pitch; six lane all weather running track; football pitch; javelin, discus, shot put and long jump area; relocated of cricket nets; extended sports pavilion balcony; new store building; additional car parking.

Council concerns: Impact of the floodlighting and the artificial hockey pitch on the Area of Outstanding Natural Beauty

Appeal decision: Appeal allowed and planning permission granted

Appeal Timeline:

Appeal submitted: 31 May 2022	Statements and comments by: 18 August 2022	Hearing: 13 September 2022
Decision: 21 October 2022	Time from valid appeal to event: 16 weeks	Time from valid appeal to decision: 21 weeks

The appeal site was a sports facility used by a school and the wider community. It included a grass track, pitches, pavilion and parking facilities. It was close to but outside the urban area of Guildford with the countryside beyond being mainly open, grassed land. The Inspector recognised the semi-natural grassland made a positive contribution to the landscape and scenic beauty of the Area of Outstanding Natural Beauty.

The site was at the end of a residential area which was lit by street lights. There was also lighting

on the site. The proposed floodlights were designed to be orientated and angled to direct light at the hockey pitch and fitted with louvres to point the light downwards. The Inspector considered the light spillage and “glow” would be limited and in wider perspectives from and towards the Area of Outstanding Natural Beauty the illuminated pitch and glow would generally not be visible. Although the wider countryside was generally unlit, the Inspector considered that the contribution the site made to the experience of dark sites in the Area of Outstanding Natural Beauty as modest. The Inspector accepted the retractable floodlights would be visible when up and in use, but their visibility would be highly time limited.



Photo used with the permission of
Guildford Borough Council

The Inspector recognised the wide range of benefits from improved facilities including physical benefits around tackling obesity, mental health benefits around behaviour, building resilience and values like fair play, tackling loneliness improving self-esteem and the general benefits of sport recognised by the Department for Education and the National Planning Policy Framework. The Inspector considered the scheme would be particularly beneficial for expanding hockey provision. The site would also be available for community use, which could be secured through any planning permission.

The Inspector also considered a range of other matters including the impact on biodiversity, living conditions, parking and appropriateness of the development in the Green Belt. The Inspector concluded the benefits outweighed the harm and granted planning permission. The hearing was held 16 weeks and the decision made 21 weeks after the appeal was submitted. A prompt appeal decision means the school proposing the development can make detailed plans for funding and its future sporting offer. Potential community users of the facility can start to work with the school over when they may be able to benefit. Those in the community who did not support the facility may be unhappy with the final decision, but there is clarity.

This was only possible because everyone played their role:

- The **appellant and their agent** supported the appeal with the required information so that the **Planning Inspectorate** could accept the appeal as valid without the delay associated with further submissions.
- The **appellant, their agent and the Council** provided a statement of common ground with the initial appeal which confirmed clearly which matters were agreed, which were in dispute and agreed conditions should the inspector decide to allow the appeal.
- The **Council** was prompt in telling people that commented on the original application that an appeal had been made.
- The **Council** was prompt in providing the additional information required by the appeal questionnaire.
- The **Planning Inspectorate** promptly identified an inspector and proposed a hearing date within 16 weeks of the appeal being submitted.
- The **Council and appellant** responded proactively and confirmed the proposed hearing date.
- The **Council** identified an available hearing venue and ensured it was booked.
- **Residents, the Council and the appellant** provided their statements by the deadline.
- The **Planning Inspector** issued a pre-hearing note a month before the proceedings outlining how the hearing would take place.
- The **Planning Inspector** was well prepared to lead the hearing, visit the site and issue their decision.

Giving communities a voice through our Applications service in England and Wales

Through our applications service we consider the biggest infrastructure developments in the country, using government policy to examine them and recommend which should go ahead. We also make decisions for Secretaries of State on other applications. Whatever the application, our independent Inspectors hear the views of communities and act with openness, fairness and impartiality in reaching their recommendation or decision.

National Significantly Infrastructure Projects (England and Wales)

Our communities all use and rely on our nation's infrastructure. There is a reliance on power stations and wind farms to generate electricity. Similarly, there is a reliance on major roads, railways, ports and airports to move people, food and other products around the country and between countries. And on reservoirs for fresh water from taps and sewage treatment works when flushing toilets.

These are the largest and most complex development projects in the country. They take many years to develop. We provide advice during that period, identifying where the projects need improvement or where more evidence is needed to explain them.

Nationally significant infrastructure projects are big and complex and take considerable time to develop. Certainty over the process and avoiding delays are important for everyone. Delays can lead to uncertainty for communities, infrastructure not being ready when needed, increased costs for the taxpayer and some projects no longer being financially viable.


We consider the interests of developers, local authorities, local communities and other interested parties, whether it is consistent with government policy, and anything else that is relevant. We then recommend to the Secretary of State whether these projects should go ahead.

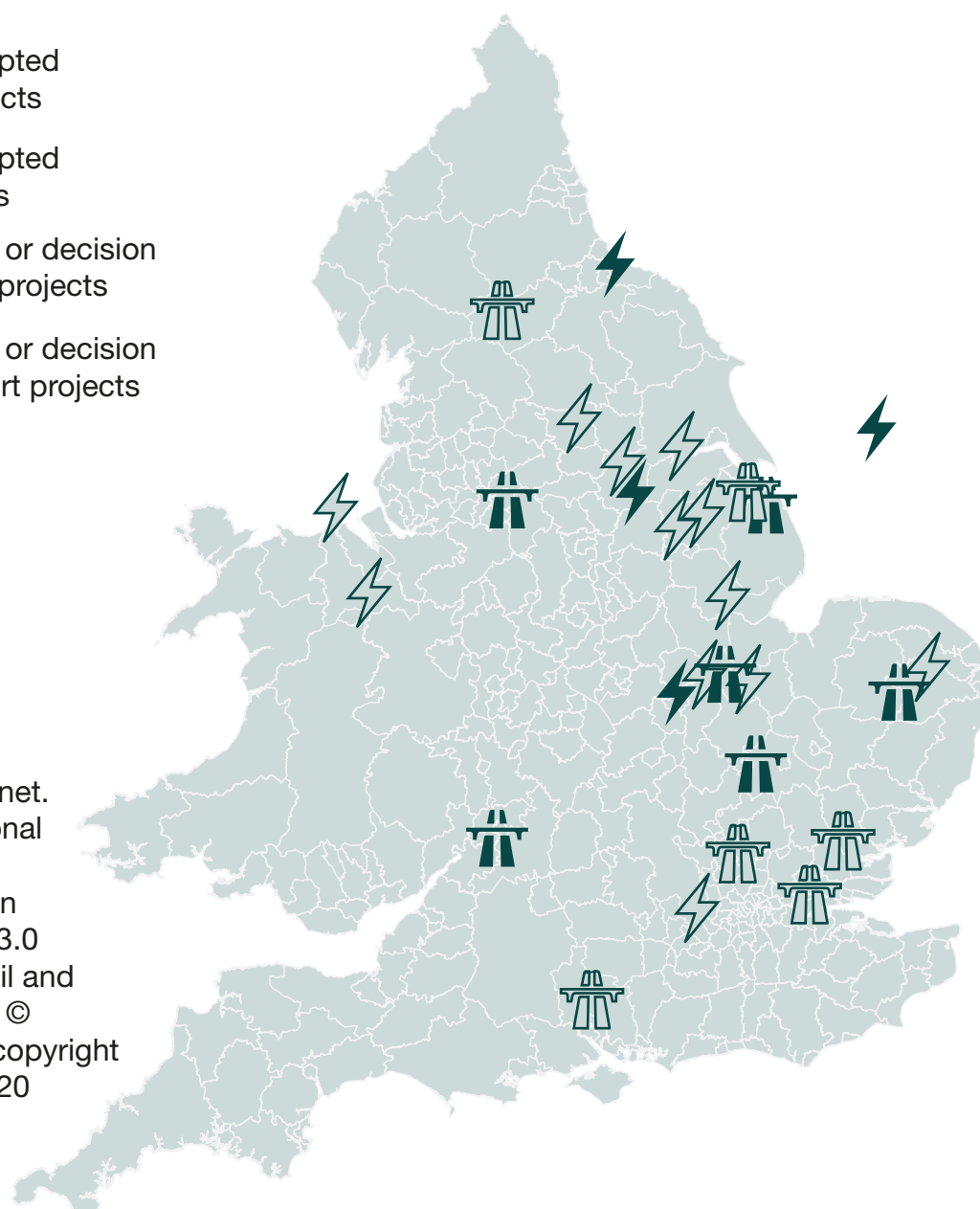
We completed the work to accept all new applications within 28 days of receipt (a statutory requirement), as we have done in previous years. We provided recommendations to a Secretary of State on 10 national infrastructure applications this year, all within the statutory time frames. This is comparable to the last few years.

As well as investment in transport infrastructure, England and Wales is seeing considerable growth in infrastructure proposals related to energy generation and distribution and carbon capture. This

means we need to have inspectors with expertise in all these areas. As we expected, the number of new national infrastructure applications we accepted for examination this year was 16, which was higher than the last few years.

We also provided advice on approximately 65 potential infrastructure projects. Those projects are likely to become applications in the next few years. Our advice is aimed at making sure those applications are supported by the right information and address the issues likely to be considered when they are examined.

-  Applications accepted for transport projects
-  Applications accepted for energy projects
-  Recommendation or decision issued for energy projects
-  Recommendation or decision issued for transport projects



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Unlike appeals, the Inspectorate charges for considering NSIP applications. The uncertainty created by the COVID-19 pandemic changed the timetables for some applications, delaying projects, and this has affected our income. Our income has increased to £6.3m, £1m more than last year and higher than many years, but lower than the year leading up to the pandemic.

Improving the infrastructure consenting process

The current consenting process for national infrastructure was created in 2008. Throughout 2022/23 we contributed to the cross-government review, which led to the action plan published on 23 February 2023. The action plan is intended to build resilience, trial faster models of consenting for some projects, remove delays in parts of the process and support the system to cope with the likely increase in projects.

Our supporting preparatory work included:

- Piloting enhanced pre-application advice in pilot projects, including having an Inspector involved in providing advice.
- Supporting the design of a fast track procedure for parts of the consenting process which will be piloted later in 2023 on pilot schemes.

Planning applications in Uttlesford District

The Secretary of State has powers to designate local planning authorities where their performance falls below expected standards. Uttlesford District Council was designated in July 2022, the first time a council has been designated since 2013. This means applicants can apply for planning permission directly to the Secretary of State where their application proposes “major development”, such as ten more homes or development on a site over one hectare. We both provide advice to potential applicants and handle applications on behalf of the Secretary of State.

5

requests for advice
were received

5

applications for major
development

Consisting of two solar farms and
developments of 15, 96 and 130
homes

0

decisions issued

Common land and other applications (England)

We also decide other applications for government, including applications for work on common land and town and village greens. Common land has a long history based on ancient rights under British common law and remaining common land is now publicly accessible. About 3% of England is common land.

Many applications for works on Common Land can be small, but they are often vital to providing electricity or gas as essential services, for public safety or for local councils providing safe footways or public transport facilities. In 2022/23 we received and decided a comparable number of applications to the previous year. Average times increased slightly as we focused on other casework.

Case Study: Applications service

We started to make elements of our new digital service for national infrastructure applications available this year. It has the familiar GOV.UK look and high accessibility standards so it can be used easily by everyone, including people with disabilities.

Our digital applications service will make applications for Nationally Significant Infrastructure Projects easier, faster and more cost effective. We know from our research with more than 200 users that the application process for nationally significant infrastructure projects is complex and difficult to understand for first time users. They are unsure of what to expect and are unfamiliar with the technical, formal language.

Our new digital service will transform the way individuals and communities find information and take part in the examination process. It will also be the foundation for future improvements in the way applications are submitted, using data during the examination and to connect with other public services and enabling the application process to adopt future technology.

In our annual report last year, we reported that our new service had passed early Government Digital Service assessments, we had developed early functionality and that users would experience the first elements of the new service in 2022/23.

The application for Longfield Solar Farm in mid-Essex was part of the pilot for the new service. It proposed solar panels which could potentially generate energy for more than 300,000 homes, alongside battery storage, environmental measures and the infrastructure for the energy to enter the national electricity grid.

As part of this application, we piloted the first part of the new digital service when registration opened for anyone interested in commenting on the proposed project in May 2022.

We took the learning from the first pilot to make adjustments and the Drax application then became the pilot case for all the new digital service functionality including:

- registering to comment on the proposals;
- the library of information supporting the application; and
- communities and individuals having their say on the application.

If approved, the Drax Bioenergy with carbon capture and storage project in North Yorkshire will see organic biomass used to generate energy, with the resulting carbon captured and stored so that carbon emissions are removed from the carbon cycle and are not emitted into the atmosphere. The facility would have the potential to remove between 20 and 70 million tonnes of carbon dioxide per year by 2050.

Our Customer Service

Our drive to improve the services that we provide our customers is set out in our Customer Strategy. We aim to build the best relationships with our customers by understanding who they are and what they need us to deliver for them. We also promise, through our Customer Charter, to listen and respond to feedback and use this to inform where we need to improve how we do things.



Over the last year

We launched a series of customer contact forms on our website. The forms give customers an additional channel for submitting an enquiry, complaint, or information request. The forms provide fields for important information, for example an appeal reference number, and are automatically triaged to the correct team. This helps us to efficiently identify the customer's needs, allowing us to respond more quickly and accurately. The form asks pro-active questions to determine, at the earliest stage, the right route for the customer. Where matters cannot be resolved through the Planning Inspectorate, customer time and effort are reduced with an instant response and signposting to more helpful sources of information and assistance.

Case Study: Improvements to our Digital Services for our Customers

What have we delivered?

We have made our new Appeals and Applications Citizen facing services more widely available to the public, in line with Government Digital Services standards. Many of our customers will now be making use of these new services to submit appeals and register interest in Nationally Significant Infrastructure projects. These services are set to become widely available in more Local Planning Authorities, across more appeal types and across all newly submitted National Significant Infrastructure Projects.

What is the impact?

The new services are more intuitive and straightforward for our customers to use and have been the subject of detailed user research to ensure that they are accessible to all our customers as well as giving customers the opportunity to feedback on their experience to help us improve them even further. This should result in a better customer experience interacting with the Planning Inspectorate and less issues being experienced.

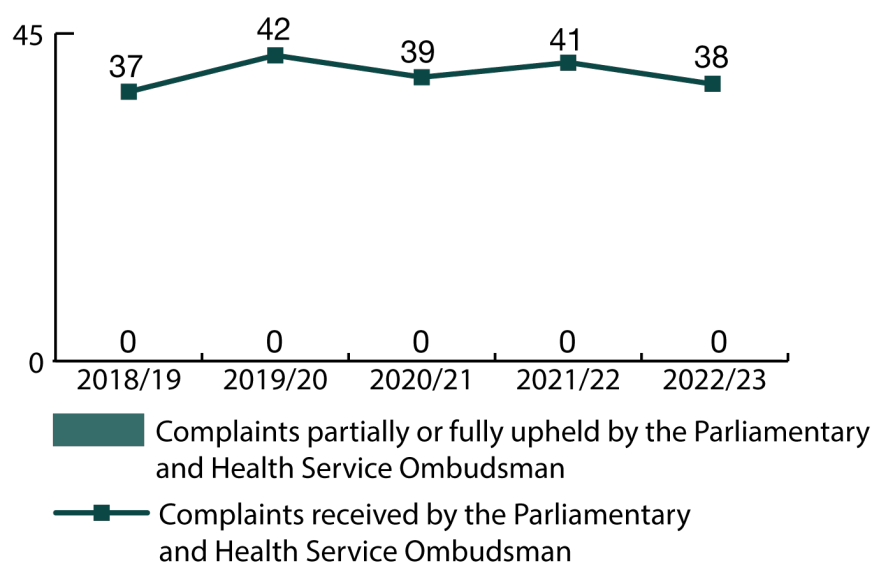
How we handle complaints

Complaints can be raised by customers in response to a range of issues such as administrative or factual errors, failure in our service standards or failing to adhere to our procedural guidance, poor conduct, or where our customers feel we have not followed the relevant planning policy, guidance, or legislation. We carry out a robust investigation into every complaint and where complaints are upheld, provide feedback to the relevant area of the organisation. Customers can escalate their complaints to the Parliamentary and Health Service Ombudsman. In 2022/23 we received 38 complaints, this is comparable to previous years. We are also pleased to confirm no adverse findings in our complaint handling from the Parliamentary and Health Services Ombudsman.

Our plans for next year

We have started to analyse, in greater detail, the issues that our customers raise through complaints, even where those complaints were not upheld. We recognised that if customers engage with our complaints process it is a signal that they are unhappy with our service, and that by analysing the most frequent causes of complaint we identify the weak points in the customer experience. We have already set the foundations of a complaint analysis process and are establishing a structure around how we will learn from this data. We look forward over the next year to identifying key areas for improvement.

Graph 13. Complaints received and partially or fully upheld by the Parliamentary and Health Service Ombudsman



Environmental performance and sustainability

Understanding and improving our performance supporting the sustainable development objectives as an organisation.

The impact of our decisions and recommendations

The Inspectorate's responsibility is to deliver an operational service that adheres to the requirements of the UK Government's legislation and policy, that in turn contributes to the achievement of sustainable development. Our Inspectors fully understand their responsibilities and appreciate how their decisions and recommendations contribute to the achievement of sustainable development. The significance of the decisions and recommendations Inspectors make in the delivery of our operational service vary according to matters such as casework procedure, scale, and complexity. In all cases full consideration is given to the economic, social, and environmental objectives and the impact each project would have in this regard.

The impact of our organisation





Our operating model, the way we undertake our work, has an environmental footprint. Our people are split between office-based and home-based working. In both cases we have an environmental impact through transport, heating, lighting, waste, water etc.

Travel

Inspectors are primarily home-based, but their role requires them to visit sites around the country, to ensure they fully understand the relevant economic, social, and environmental impact of the proposal they are considering. We conduct around 18,000 site visits per year and each one contributes to our environmental impact. Staff also travel for other official work purposes such as attending training events and meeting with external bodies.

[Annex 1](#) shows the impact of official business travel on emissions, which increased by 27% in 2022/23 due to an increase in staff travel following the easing of COVID-19 restrictions. Currently we measure some of our impact, but more could be done. The data in Table 2 shows the breakdown of travel by mode of transport in 2022/23 where people used the corporate travel contract. It does not include travel completed in personal vehicles. Of the cars hired, 2% were Ultra-Low Emissions Vehicles, and all flights were domestic. There were 136 flights taken in 2022/23, compared to 27 in 2021/22.

Table 2. Travel in 2022/23 via a corporate travel contract

Mode of transport				
Number of bookings	2,993	4,175	136	2
Miles travelled	1,799,881	844,474	49,780	-
Co2 emissions	375,107	47,702	10,417*	-
% of travel Co2 emissions	87%	11%	2%	

*Without radioactive force

In 2022/23, we made positive changes to our travel solution booking tools to enable staff to make informed choices when making bookings by:





- Showing the Co2 emissions for rail journey options, enabling staff to choose greener travel.
- Provided improved search facilities for hotels, enabling staff to filter options by greener choices and whether electric car charging points are available.
- Showing the average Co2 bandings for hire cars, enabling staff to choose greener travel.

Included in “Other payables”, set out in [Notes to the Accounts: Note 10](#), “Trade payables and other current liabilities”, is £20k that was collected under a former scheme, whereby staff paid for use of the car park. The proceeds were previously used to assist staff in the cost of public transport. Given the new ways of working, where the majority of the time staff work from home, the scheme is now obsolete. As such we intend to use this money within the spirit of the original arrangements and will be exploring how it can be used in a context of environmental improvement/reduction in environmental impact.

IT equipment

A technology refresh was completed in 2022/23 by our Digital Services team, replacing IT equipment, including laptops, tablets, mice, keyboards, and headphones. Equipment was procured in line with Government Buying Standards, with around 80% of equipment being issued at the in-person, all-staff event in March 2023, reducing the cost and environmental impact of posting to our people at home. Options for the disposal of old equipment are currently being explored and will be completed in 2023/24. The preference is to donate the equipment for re-use.

Table 3. Information about our new IT equipment

		
Model:	Microsoft Surface Laptop 5	Microsoft Surface Pro 9 Tablet
EPEAT level:	Gold	Gold
Battery life:	Up to 18 hours	Up to 15 ½ hours
Meets ENERGY STAR® requirements:		
Packaging:	97% renewable materials and 99% recyclable	97% renewable materials and 99% recyclable
Full lifecycle carbon footprint Co2eq		
Production:	245 kg	164 kg
Transport:	9 kg	1 kg
Product use:	33 kg	42 kg
End of life:	<1kg	<1 kg
Total:	288 kg	207 kg

Printing at our headquarters increased by 95%, as staff returned to the office to undertake their roles. There is progress to be made in this area, in particular the digitalisation of some remaining appeal types processed manually.

Supplies

The volume of A4 paper purchased in 2022/23 (361 boxes) was lower than in 2021/22 (406 boxes). Our paper usage in 2022/23 is a 67% reduction on the 2017/18 baseline. This should reduce as more of our casework is digitalised and new ways of working are embraced.

We purchased 31 toners and 3,650 ink cartridges in 2022/23. Both are lower than the previous year as we have utilised stock bought in 2021/22 and we have begun to see a change in working practices, moving towards 'paper light'.

Our office space - Temple Quay House

In 2022/23, the Inspectorate provided a non-binding commitment to the Government Property Agency to remain in Temple Quay House after it is refurbished and transformed into a Government Hub. In this commitment, we have taken the opportunity to further reduce our office space from 2,585.36sqm to 2,045.68sqm from November 2024. Following a re-evaluation of our office space by the Government Property Agency, our calculated occupancy changed from April 2022 by 0.0645% from 22% to 23.42%.

Annex 1 shows the environmental impact of our Bristol office on some specific metrics. It doesn't show the impact of our home-working employees. Due to the way data is gathered this is a 23.42% portion of the consumption of utilities and production of waste for the whole of Temple Quay House.

In preparation for the refurbishment and our floor space decreasing, we disposed of surplus paper and office equipment which resulted in an increase in waste over 2022/23. In previous years non-recyclable waste was sent to landfill but is now sent for incineration to produce energy. This year we are unable to provide a reliable year on year comparison for our utility consumption, recyclable and non-recyclable waste. A number of values supplied by our partners are subject to data quality issues, we will work with them to improve our reporting for 2023/24.

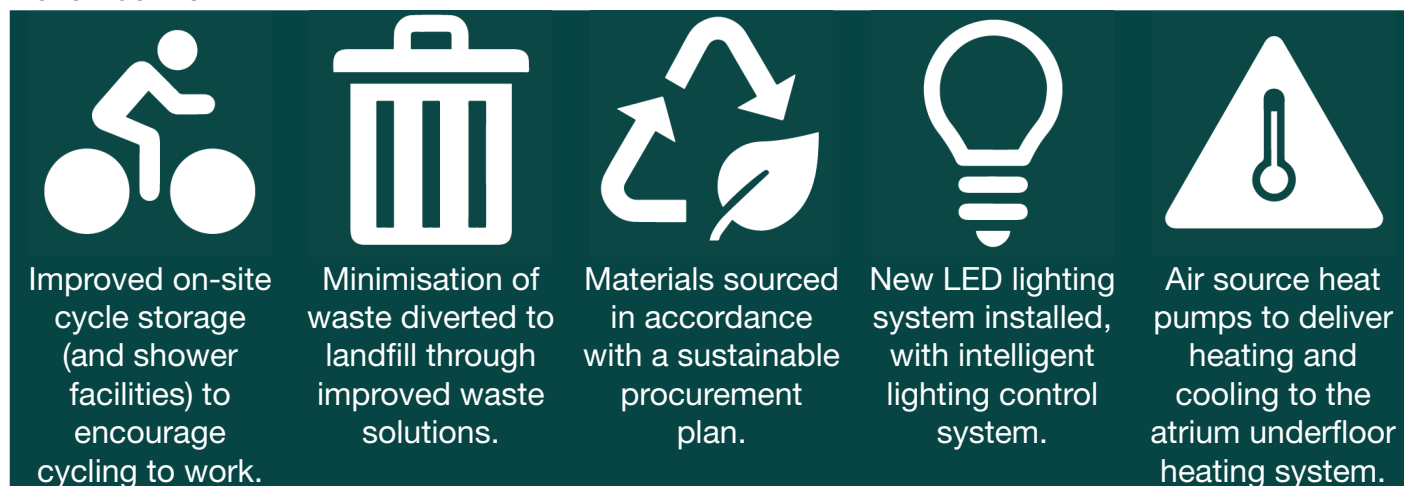


Temple Quay House in Bristol

Refurbishment of Temple Quay House

The Government Property Agency started the major refurbishment of Temple Quay House in November 2022. Once completed, the refurbishment will enable us to deliver improved ways of working and environmental improvements in the future.

Diagram 1. Some of the upcoming changes to the building, planned to be completed by November 2024.



Through the actions above (and more), the Government Property Agency are aiming to achieve a 'Very Good' Building Research Establishment Environmental Assessment Methodology (BREEAM) rating and improve our Energy Performance Certificate rating from 83 D to 29 B.

Sustainability and reducing our environmental impact is one of the priorities throughout the refurbishment, meaning we will re-use furniture and materials wherever possible. As an example, in 2022/23, following the clear-out of the building, a large amount of furniture was determined as no longer required or not suitable post refurbishment. The Government Property Agency (and us as tenants) were able to support the 'Business 2 schools' charity who provide unwanted furniture and technology free of charge to state schools to help them save on their budgets and teach children the things they need to learn about the circular economy. Twenty tonnes of furniture were saved from recycling points or landfill and 30 tonnes of carbon emissions.

Bristol Heat Network

In addition to the refurbishment of Temple Quay House, approval was obtained in 2022/23 to connect the building to the Bristol Heat Network. This is a city-wide, fossil free heat network which will provide low-carbon, reliable heat through a network of underground pipes, whilst creating jobs and delivering social value. The decarbonisation of heat is also a crucial step in achieving Bristol's goal to become a carbon neutral city by 2030.



The image to the right shows one of the water source heat pumps in Bristol.

We are excited to be a part of this innovative initiative that will deliver crucial, positive change in 2024.

Greening Government Commitment

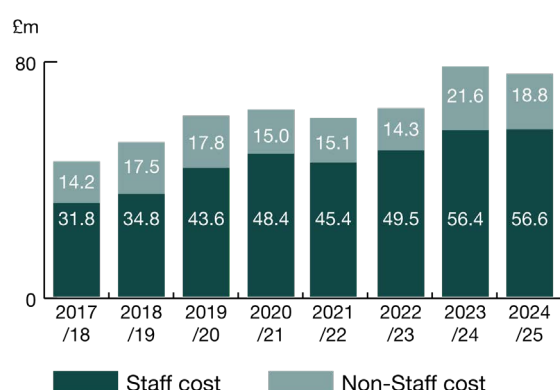
The Greening Government Commitments (GGCs) set out the actions the UK Government and their Agencies will take to reduce their environmental impacts. The most recent GGCs cover the period from 2021 to 2025 and set targets to; reduce water consumption, reduce greenhouse gas emissions and minimise waste and promote resource efficiency. The Inspectorate's Environmental Policy has been developed to support the implementation of the GGCs, the 25-year Environment Plan and the United Nations Sustainable Development Goals. In 2022/23 we have implemented several actions that support the Inspectorate's policy objectives and have led to better environmental outcomes for the decisions made at the organisational level. We have introduced an environmental policy appraisal process, which is applied to all internal project decision making, we require environmental assessments to accompany corporate level decision making and we have developed environmental action plans that are implemented through relevant departments. Recent changes to our operating model mean that virtual and hybrid events are taking place more routinely and can reduce environmental impacts associated with events e.g. reducing the need to travel.

Financial performance

In order to support the delivery of our Strategic Plan we manage our finances effectively and efficiently. £51.8m of our revenue expenditure is funded by the Department for Levelling Up, Housing and Communities, with £12.0m funded by income from National Infrastructure, Local Plans and other casework.

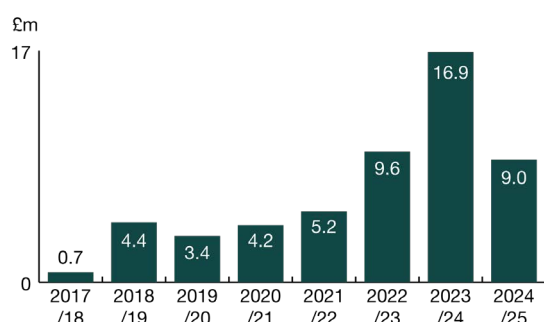
In 2022/23 we spent £63.8m on revenue expenditure, £3.1m more than the previous year. The increase in costs is largely as a result of our inspector recruitment £2.4m and an increase in travel and subsistence costs of £0.9m following the pandemic.

Graph 14 - Revenue Expenditure



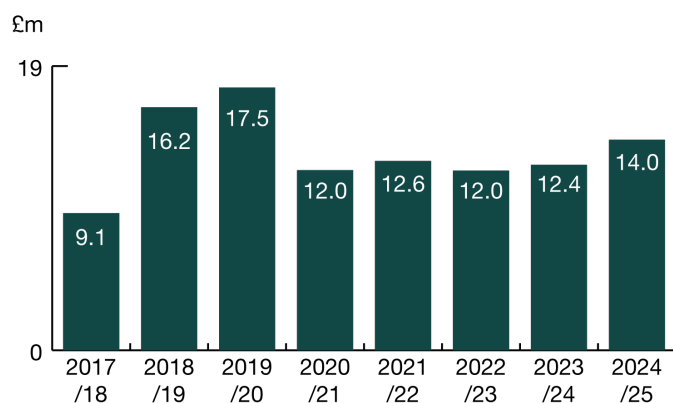
In 2022/23 we spent an additional £4.4m on capital investment to enhance our future performance. The increase from the prior year was £1.2m on a technical refresh including laptops and phones, £2m on a case management system, £0.9m on an operational data warehouse and £0.2m on appeals and applications.

Graph 15 - Capital Expenditure



In 2022/23 we saw a £0.6m reduction in income. We saw the full year effect of the loss of income from Wales during this year of £1.8m, there was also a reduction in other income (including from specialist casework) of £0.1m and Local Plans £0.2m. This was partly offset by increased income from Nationally Significant Infrastructure projects of £1.0m and S62a casework we inherited yielding £0.4m.

Graph 16 - Generated Income



Overall, we underspent against the Spending Review by £9.5m, this was composed of an underspend on revenue expenditure of £4.9m, an increase in income of £0.2m and an underspend on capital expenditure of £4.5m. Of the £4.5m underspend on capital, £4.3m of this budget had been made available to us, to enable us to implement the requirements of the new accounting standard IFRS16 leases. We subsequently received technical advice that resulted in there being no requirement to utilise it. The true underspend on capital work after the return of the IFRS16 funding was £0.2m.

We returned £4.7m of revenue expenditure to the department. Our underspend on revenue was largely composed of £3.0m on support staff due to difficulty in filling vacant posts, £0.7m legal costs, £1m NSIP and Planning Reform and £1m depreciation due to a lower value of assets being brought into operation. This was partly offset by an overspend of £0.6m on inspector salaries. We were successful in obtaining additional capital funding of £2.3m for applications, appeals and examinations (formerly encompassed by Operational Delivery Transformation) this was offset by underspending on NSIP reform.

Our taxpayers equity has increased by £9.8m from £13.3m to £23.1m due to an increase in our asset base following investment, please see page 100.

Looking at this year's performance in a longer-term context, our staff costs in 2022/23 are 78% of our revenue expenditure, which is consistent with the past two years, having invested in inspector recruitment to secure the progress of casework. The projected increase in our costs for the remainder of the spending review period reflects our anticipated requirements to undertake Planning Reform work in line with Government policy.

Paul Morrison
Chief Executive
19 June 2023

Statement of the Accounting Officer's responsibilities

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 income and expenditure, Statement of Financial Position and cash flows for the financial year. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state 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;
- prepare the financial statements on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Departmental Accounting Officer at the Department for Levelling Up, Housing and Communities has 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 the 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 published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Inspectorate's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.



Paul Morrison
Chief Executive
19 June 2023

Directors' report

The Planning Inspectorate is led by a group of Executive and Non-Executive Directors.



Trudi Elliott was appointed on 1 April 2018 and reappointed (for four years) on 1 April 2022 as Non-Executive Director and Chair of the Board. Trudi is a Chartered Town Planner and was Chief Executive of the Royal Town Planning Institute until 2018. Visit <https://www.gov.uk/government/people/trudi-elliott> for more information.

Trudi attended seven Boards, five Audit and Risk Assurance Committees, five Panels and two Remuneration Committee at the Inspectorate in 2022/23.

Sally Dixon was appointed on 22 July 2019 and contract extended until 21 July 2023 as Non-Executive Director and rotational Chair of the Strategic Assurance Panels. Sally is a qualified pensions actuary and a Chartered Member of the Institute for Personnel and Development. She has over 25 years experience at the professional services firm PwC. Visit <https://www.gov.uk/government/people/sally-dixon> for more information.

Sally attended seven Boards, five Audit and Risk Assurance Committees, four Panels and one Remuneration Committee at the Inspectorate in 2022/23.



Stephen Tetlow was appointed on 22nd July 2019 and contract extended until 21 July 2023 as Non-Executive Director and rotational Chair of the Strategic Assurance Panels. Stephen is a Chartered Engineer. He has substantial experience of large-scale IT delivery, including the award-winning computerisation of the National MOT system. Visit <https://www.gov.uk/government/people/stephen-tetlow> for more information.

Stephen attended seven Boards, five Audit and Risk Assurance Committees, five Panels and two Remuneration Committees at the Inspectorate in 2022/23.

Dr Rebecca Driver was appointed on 31 December 2019 and contract extended until 21 July 2023 as Non-Executive Director and Chair of the Audit and Risk Assurance Committee. Rebecca is an economist with over 25 years of experience. She is currently director of the research consultancy Analytically Driven Ltd. Visit <https://www.gov.uk/government/people/rebecca-driver> for more information.

Rebecca attended seven Boards, five Audit and Risk Assurance Committees, five Panels and two Remuneration Committees at the Inspectorate in 2022/23.



Zaffrin O'Sullivan was appointed on 1 January 2023 through the Boardroom Apprentice scheme for one year. Zaffrin is a qualified solicitor and works as an in-house lawyer in the TV industry.

Zaffrin attended two Boards, one Audit and Risk Assurance Committee, one Panel and one Remuneration Committee at the Inspectorate in 2022/23.



Paul Morrison - Chief Executive Officer was appointed on 14 December 2022. Paul joins the Inspectorate having held a range of leadership, operational and policy roles across several Government departments. Visit <https://www.gov.uk/government/people/paul-morrison> for more information. Paul attended two Boards, one Audit and Risk Assurance Committee, two Panels and one Remuneration Committee at the Inspectorate in 2022/23.

Graham Stallwood - Chief Operating Officer was appointed on 13 May 2019. Graham is a Chartered Planner with twenty years' experience of planning in local government. Visit <https://www.gov.uk/government/people/graham-stallwood> for more information. Graham attended five Boards, four Panels and observed one Audit and Risk Assurance Committee at the Inspectorate in 2022/23.



Sean Canavan - Chief Strategy Officer was appointed on 1 April 2022. Sean is a Chartered Town Planner with over thirty years' experience of planning in local government. Visit <https://www.gov.uk/government/people/sean-canavan> for more information. Sean attended six Boards and four Panels at the Inspectorate in 2022/23.

Joanne Butcher - Interim Chief Finance Officer was appointed in January 2020 as Head of Finance and Commercial and in September 2022 as interim Director of Corporate Services. Joanne is a member of the Chartered Institute of Public Finance and Accountancy with eighteen years' experience in finance and commercial. Visit: <https://www.gov.uk/government/people/joanne-butcher> for more information. As Director of Corporate Services, Joanne attended three Boards, two Audit and Risk Assurance Committee and three Panels at the Inspectorate in 2022/23.



Richard Schofield - Chief Planning Inspector was appointed in May 2022. Richard has been at the Planning Inspectorate for nearly 10 years, during which time he has undertaken a range of casework, from Local Plan examinations to Secretary of State call-in and recovery cases. He is a qualified town planner and is the most senior planning inspector at the Inspectorate, providing professional leadership to planning inspectors as part of the executive management team. Immediately before joining the Planning Inspectorate, Richard was Head of Planning for a local planning authority. Prior to this he worked in various fields in the private, public and third sectors.



Rachel Graham - Chief Digital and Information Officer was appointed in May 2022. Rachel is an experienced inclusive digital, data and analytical leader working in Government for over 20 years. Rachel's career started in analysis, and she has significant experience working in the private and public sector leading teams to provide relevant management information, analysis, tools, and insight to executives, challenging their thinking, and helping them make more informed decisions and driving business strategy. More recently, Rachel has been leading the team in a new service model approach, focused on meeting user needs, and continuously improving the services provided.

Simon Levi - Interim Chief People Officer was appointed 8 March 2023. Simon has worked as Head of HR at the Planning Inspectorate for almost four years. Simon has led the HR team to support the implementation of a new organisational structure and ways of working. He has led the people implications of the pandemic, a resultant tight labour market and the cost of living crisis. Simon has worked in senior HR roles across the Civil Service, in education and in private industry.



Members of Executive Board who left in 2022/23

Navees Rahman was appointed on 5th December 2016 as Director of Corporate Services and on 15th September 2022 was appointed as Interim Chief Executive until Paul Morrison's appointment. Navees left the Inspectorate on 28th February 2023.

Navees is a trained Chartered Accountant. He has held leadership positions in executive agencies and central government departments.

Navees attended five Boards, five Audit and Risk Assurance Committees, three Panels and one Remuneration Committee (as interim CEO).

Sarah Richards was appointed on the 7th March 2016 as Chief Executive and stepped down from this role on 14th September 2022.

Sarah attended two Boards, three Audit and Risk Assurance Committees and one Panel at the Inspectorate in 2022/23.

A Register of Interest for our current Non-Executive Directors and Chief Officers is published on the GOV.UK website: <https://www.gov.uk/government/publications/register-of-planning-inspectorate-board-member-interests>

Data protection incidents

In 2022/23 there was one data breach which met the threshold for reporting to the Information Commissioner's Office (ICO). The breach occurred when sensitive personal information was inadvertently released as part of a response to an Environmental Information Request. The sensitive personal information was subsequently deleted, and no further action was required by the ICO following notification.

Governance Statement

The Planning Inspectorate is an arm's length body sponsored by the Department for Levelling Up, Housing and Communities. Our governance arrangements are the controls we have in place to uphold our public duty with probity.

This Governance Statement covers the period from 1 April 2022 to 31 March 2023. Our Chief Executive and designated Accounting Officer, Paul Morrison, is accountable for ensuring the effectiveness of governance arrangements and of the management controls, including risk management and internal audits. He is personally responsible for the organisation's use of resources to carry out its functions and for managing the organisation in accordance with our Framework Document, with the Civil Service rules and best practice on propriety and value for money. He may be required to appear before the Public Accounts Committee in relation to his responsibilities as Accounting Officer.

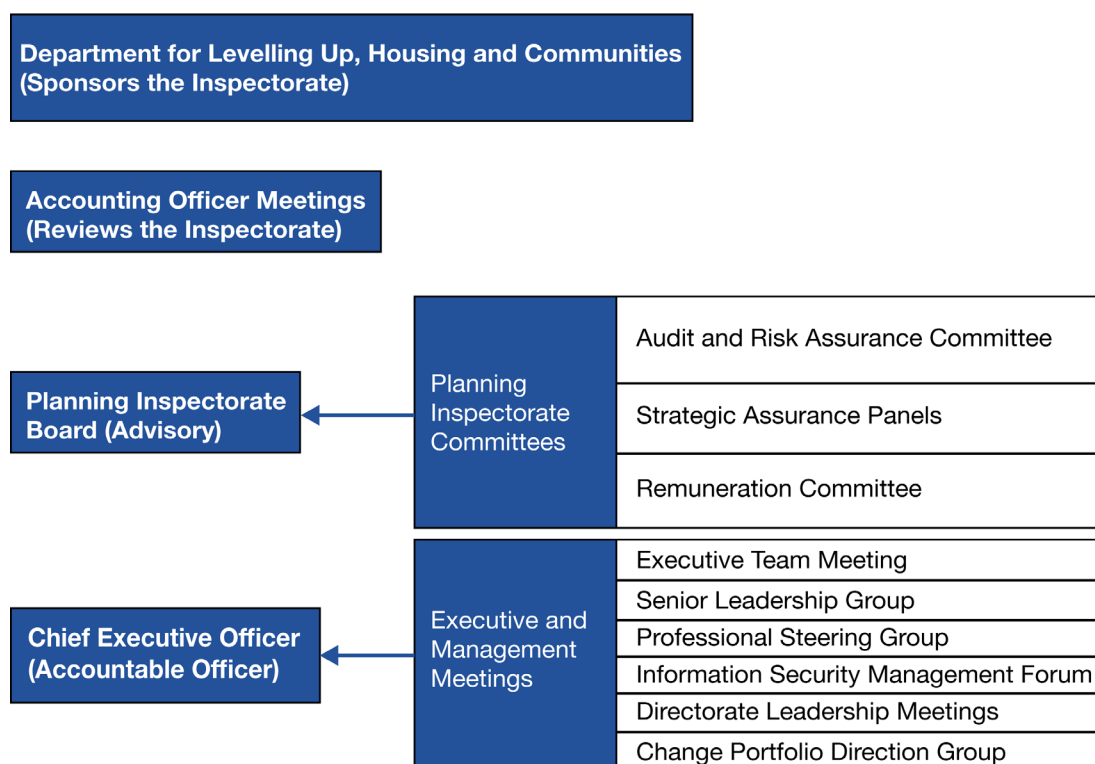
Paul was designated as Accounting Officer with effect from the 14 December 2022. There were two other Accounting Officer's during this year:

- Sarah Richards: 1 April 2022 – 14 September 2022 (designated 14 March 2016)
- Navees Rahman: 15 September 2022 – 13 December 2022 (designated 15 September 2022)

Paul is satisfied that there were appropriate handovers between Accounting Officers and, on that basis of evidence he has the necessary level of assurance through rigorous reviews of the controls, especially risk management and audit findings, the advice of the Board, Audit and Risk Assurance Committee and panels, and through recommendations taken to Executive Team meetings.

Our Corporate Governance structure for the 2022/23 financial year is set out in the diagram below. Our corporate governance framework is under review as part of the work to implement our Business Plan for 2023/24 and oversee the implementation of our Customer, Data and Digital and People strategies and the new Strategic Plan we intend to launch this coming autumn.

Diagram 2. The Planning Inspectorate's governance structure



Accounting Officer meetings

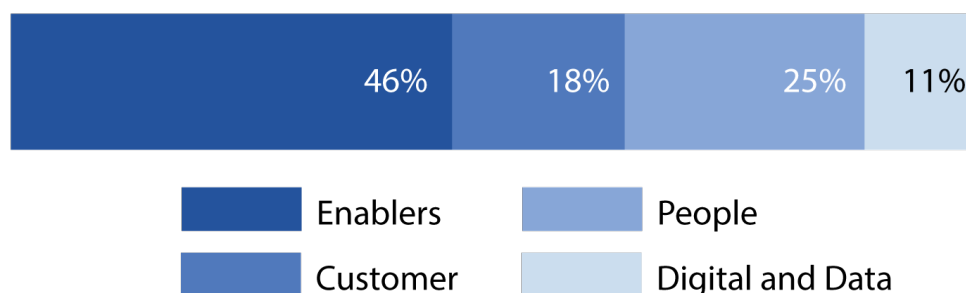
The Accounting Officer meetings are called by the Department for Levelling Up, Housing and Communities and are chaired by the Director for Planning. The meetings hold our Accounting Officer to account, for operational and financial performance and for compliance with the Framework Document that formalises the relationship between the Inspectorate and its sponsor. The meetings typically focus on progress against the priorities set for the year by the department.

Executive Team meetings

Before March 2023 the Executive Team members consisted of our Directors of Operations, Strategy and Corporate Services, the Head of Planning Inspector Profession and the Chief Digital and Information Officer. In March 2023, the Chief Executive expanded the Executive Team, replacing the Director of Corporate Service role and renaming the other roles. The Executive Team now comprises Chief Executive, Chief Operating Officer (previously Director of Operations), Chief Strategy Officer (previously Director of Strategy), Chief Planning Officer (previously Head of Planning Inspector Profession), Chief Finance Officer (new role), Chief People Officer (new role) and Chief Digital and Information officer (remains the same).

Meeting fortnightly, this group sets out and delivers our strategy, monitors our financial and non-financial performance, mitigates and evaluates strategic risks and issues, manages our relationships with our key stakeholders and customers and gives direction to the Inspectorate. In the last year almost half of the items on the Executive Team agenda focused on enabling activities, with a quarter of agenda time focused on the people strategy and the remainder of the time focused on the customer and digital and data strategies, this breakdown can be seen in graph 17.

Graph 17. Break down of decisions made at Executive Team



Some of the key actions agreed by the Executive Team in 2022/23 were:

- our organisation priorities for 2023/24 as part of the strategic and business planning processes, including budget;
- our areas of focus to further improve our people engagement across the organisation;
- our stakeholder engagement matrix and key messages;
- our Strategic Risk Register, including the addition of new risks, mitigation plans, risk appetite statements and policy and guidance related to risk management;
- our work with the Stonewall working group lead to draft blogs, support national or international days of remembrance and promote LGBT equality in the planning sector;
- our recruitment and retention of priority roles, skills and experience for the organisation, attracting talented individuals into our organisation and making the Planning Inspectorate a great place to work;
- the outline approach to our Digital Operating Model, a new service model for the organisation with continued discussion around funding and recruitment
- our Future Operating Model for Events;
- our new casework management approach, enabling the Inspectorate to handle new casework area requests; and
- Annual Report and Accounts.

At every meeting the Executive Team discussed internal and external communications, our social media channels and upcoming events. Every month the Executive Team discussed the strategic dashboard, including operational performance across our wide range of work, budget, our people's wellbeing and vacancy levels. On a quarterly basis the Executive Team has received and reviewed Business Plan and budget performance following quarterly business review meetings.

Planning Inspectorate Board

The Board is advisory. It aims to provide assurance to our sponsors about our progress in delivering our strategy through insight, challenge and support to the Executive Team.

Trudi Elliott is the independent Non-Executive Chair of the Board. The other members are the other Non-Executive Directors, all the Executive Directors, the Chief Executive, and a representative from the Department for Levelling Up, Housing and Communities. In January 2023 as part of the Board Apprentice scheme, a Boardroom Apprentice joined the Inspectorate Board and will be in post until December 2023.

The Board has a broad range of skills and experience. The non-executive team currently includes an economist, a planner, an engineer, a pensions actuary/human resources specialist and a lawyer.

Collectively they have extensive experience of both executive and non-executive governance as well as leadership experience.

The Board met seven times in 2022/23. Attendance is shown in the Directors' Report pages 58-60. Every meeting included:

- an update from the Department for Levelling Up, Housing and Communities on Ministerial priorities in the changing political environment and priorities for the teams lead by the Director of Planning;
- review of the strategic dashboard, which includes data about operational performance across our wide range of work, the health, safety and wellbeing of our people, progress of change projects and our financial position; and
- discussions about Planning Reform and the changes to the NSIP regime, resource requirements, funding and changes for the Planning Inspectorate and across the planning system.

Our 'customer' discussions focused on:

- the work underway to speed up hearing appeals using the Rosewell principles;
- Local Plan performance and quality framework; and
- Transformation of our casework system.

Our 'people' discussions focused on:

- health, safety and wellbeing of our people, which was high on the agenda whilst the team at the Inspectorate made changes to policies, including;
- health, safety and wellbeing policies and systems related to keeping our people safe during site visits, events and using equipment at home; and
- training for managers on supporting teams whilst working in a hybrid environment as a result of embedding the Future Ways of Working project.
- ability to recruit staff and priorities for recruitment.

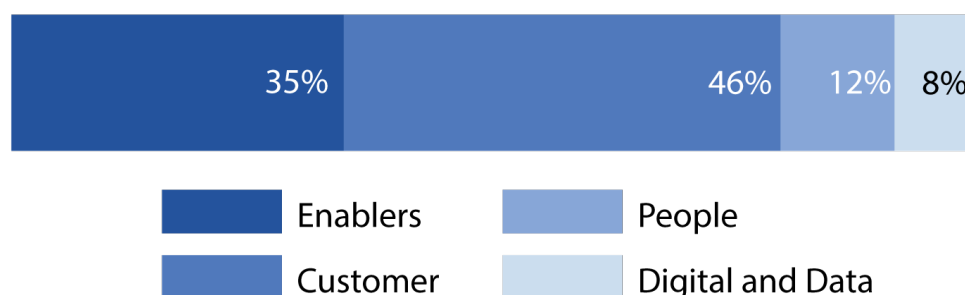
Our 'digital and data' discussions focused on:

- cyber security accreditation, resourcing and partnering for services. The Board endorsed the recommendation to explore and purchase security as a service for the organisation.

The Board focused its time on discussions related to enablers such as:

- the environmental action plan and implementation of the environmental management system;
- the work to transform our operational systems and services for our people and customers; outreach and take up;
- skills and flexible resourcing for now and the future; and
- strategic plan, business plan, priorities and deliverables.

Graph 18. Break down of decisions made at Board



Remuneration Committee

The Remuneration Committee is a new committee and met twice during 2022/23. Attendance is shown in the Directors' Report pages 58-60. The purpose of the Committee is to make final recommendations to the Board on all aspects of remuneration decisions for senior Planning Inspectorate civil servants in accordance with the guidance in the Pay Strategy. The Board recommendation will be submitted to the Department for Levelling Up, Housing and Communities for decision. The Committee:

- agreed the Remuneration Committee Terms of Reference;
- discussed 2021/22 Executive Team performance and agreed remuneration advice to the Department;
- reviewed and discussed the 2022/23 goals set for the Executive Team and the mid-year point performance against goals; and
- discussed 2023/24 Executive Team goals ahead of setting for next reporting year.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is an advisory sub-committee of the Board. It aims to support the Board by providing insight, challenge and support on the effectiveness of the Inspectorate's risk management framework, internal and external audit programmes, and management controls. This includes the integrity of financial reporting and the annual report and accounts.

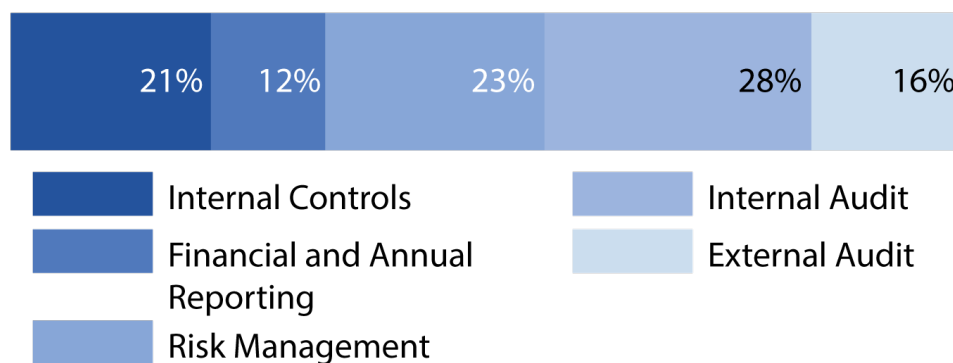
The Committee is chaired by Rebecca Driver. The other two members are Non-Executive Directors Sally Dixon and Stephen Tetlow. The meetings are also attended by a range of executives and experts, representatives of the Department for Levelling Up, Housing and Communities, the National Audit Office and the Government Internal Audit Agency.

The Audit and Risk Assurance Committee met five times this year. Attendance is shown in the Directors' Report pages 58-60. During the year, the Committee:

- reviewed the risk assurance process and internal controls. These included the whistleblowing policy and progress made to strengthen the process, complaint management, risk appetite, fraud and bribery procedures;
- assessed how we identify and manage risks, both at a strategic and directorate level;
- monitored the robustness of the internal audit programme and resulting management actions;
- provided insight and challenge on the production of the annual report and accounts, including the transitional arrangements for the Accounting Officer;
- considered how to strengthen the Inspectorate's approach to governance reporting requirements;
- escalated issues that the Committee thought would benefit from more focused discussions;
- reviewed the Accounting Officer's assessment of the effectiveness of internal controls, including as part of the hand over between CEOs; and
- reviewed the Committee's own effectiveness, including whether the Accounting Officer was content with the assurances provided.

Committee time was spent almost evenly discussing internal audits, risk management and internal controls. The remaining 28% of time was spent on external audits and financial and annual reporting. All of the discussions were supported by quality papers and presentations.

Graph 19. Breakdown of decisions made at Audit and Risk Assurance Committee



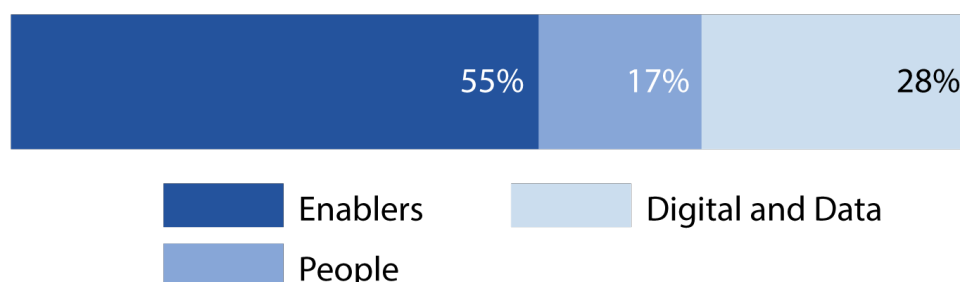
Strategic Assurance Panels

The Strategic Assurance Panels are advisory deep dives that complement the Board. They are chaired by a Non-Executive Director. Attendees are the other Non-Executive Directors, members of the Executive Team and experts with relevant knowledge. The Panels aim to offer assurance on our delivery against our strategic objectives. They offer opportunities for the Non-Executive Directors to gain assurance by hearing directly from a wider range of senior leaders and subject matter experts.

Strategic Assurance Panels have enabled deep dives into key opportunities and challenges facing the Inspectorate. Five Strategic Assurance Panels were held this year. Attendance is shown in the Director's Report pages 58-60. Topics included:

- benefits management against project delivery and the Change Portfolio;
- cyber security and digital and data resourcing, including the cyber security plus accreditation and resourcing challenges across the digital and data teams;
- horizon scanning, including how the organisation has set up a new function to look for opportunities and challenges for the organisation in the future;
- people engagement Survey results;
- business planning and strategy reporting for 2023/24;
- Non-Executive Director recruitment;
- the Executive Team structure;
- the terms of reference for the effectiveness review and confirmed Lesley Cowley as reviewer;
- a review of the actions and progress made across the Strategic Assurance Panels to date; and
- allocated items to future Audit and Risk Committee and Board meetings.

Graph 20. Break down of decisions made at Strategic Assurance Panels



Effectiveness review

The purpose of effectiveness reviews is to ensure our governance is effective and our corporate governance meetings are responsive, inclusive and participatory with appropriate escalation routes in place. This contributes to the United Nations Sustainability Goal of 'Peace, Justice and Strong Institutions' (targets 16.6 and 16.7).

In 2021/22 we conducted an internal effectiveness review to test the improvements implemented from the 2020/21 review. A number of actions followed the review, with the below completed in 2022/23:

- Time management – lead in time for papers and time management of meetings themselves.
- Corporate Governance structure - escalation process to be clearly visible on the intranet – making sure the right items are at the right meetings at the right time and escalation process is clear and discussions are at the right level and producing outcomes.
- Action management - changes to action and decision tracking – making sure actions are clear, deadlines are realistic and decisions captured.
- Agendas - the right items are at the right forums at the right time and improvements to paper templates and guidance (including the recommendations table).

These actions are continuously reviewed, reflecting changes to best practice and how we work.

Once the changes were implemented, we sought to gather further feedback, both positive and for improvement.

Positive feedback indicated:

- Agendas are well-structured in terms of items and timing;
- Items are coming to the right forums at the right times; and
- Panel discussions are being held at right level.

Areas for improvement:

- Implementation of actions from Executive Team and Board meetings require improvement;
- Chairs could have more involvement in the preparation of Executive Team forward look, agenda, and commissioning of papers;
- Improve the clarification on why panel topics have been selected; and
- Discussions at the right level could be improved for Board and the Audit and Risk Assurance Committee.

The Executive Team and Board secretariat review and follow up on meeting actions monthly, with a standing item added to the Executive Team meeting monthly and closer review of actions and escalation to the Chair for the Board.

In January 2023, a decision was made with Executive Team (ET) that the CEO would Chair all ET meetings, moving away from Chair on rotation, which will improve forward look and agenda planning.

In line with the HM Treasury's Code of Good Practice for Central Government Departments, we made provisions for an external review of the effectiveness of our Board and corporate governance arrangements in 2022/23. The review will commence in May 2023. The Chair of the Board has commissioned Lesley Cowley, Chair of the DVLA and Chair of Companies House to lead this review, with findings to be reported to our Executive Team, our Board and sponsoring department.

Compliance with the Corporate Governance Code

We assessed the compliance of our governance arrangements with the HM Treasury's Code of Good Practice for Central Government Departments. We determined that they were compliant with a few exceptions explained below.

The Corporate Governance Code is written with the assumption that the Board has a decision making role but our Board is advisory. Therefore, some of the responsibilities the Code assigns to the Board are carried out by our Executive Team. Additionally, our Board Chair is not a Minister but our lead Non-Executive Director, who reports to the Director of Planning at the governmental Department for Levelling Up, Housing and Communities.

Contrary to the Code, we do not have a Nominations Committee for appointments. The Chair of the Board is involved in the recruitment process for Executive Directors, effectively carrying out the role of a committee. This is a proportionate arrangement given the size of our organisation and our Executive Team.

The Code states that effectiveness reviews will be led by a Non-Executive Board member and that they should periodically assess the mix of skills and experience of Board members to ensure it is sufficient and relevant. We have been unable to complete an external effectiveness review of our Board within the recommended three-year period. However, this has been planned and findings will be reported in summer 2023 and the Inspectorate will be able to remain compliant in future. Our lead Non-Executive Director has evaluated skills mix and experience as part of undertaking Non-Executive Directors appraisals.

As the current non-executive director terms come to an end in July 2023, a recruitment campaign launched in January 2023 to recruit three new non-executive directors. It has been decided that one of the roles (the non-executive who will chair the Audit and Risk Assurance Committee) is to have an accountancy qualification and relevant experience, to further strengthen assurance.

Our Framework Agreement was due for renewal in summer 2021. We decided to delay renewal until the creation of the Planning and Environment Decision Wales and the publication of a new template produced by HM Treasury to prevent abortive work. The Framework Agreement was drafted in summer 2022 as planned, and is currently under review by HM Treasury, but not yet in place.

Key controls

As part of our governance arrangements we have specific controls in place across the Inspectorate to ensure that we comply with legal and regulatory requirements as well as undertake best practice.

Functional Standards

The Government Functional Standards exist to create a coherent, effective and mutually understood way of doing business within government organisations and across organisational boundaries, and to provide a stable basis for assurance, risk management and capability improvement. There are 14 functional standards covering areas including Finance, Commercial, HR, Project Delivery and Digital. Initial assessment of compliance against the relevant mandatory requirements of the functional standards took place in 2021/22 and were found to be broadly in place. Ongoing reviews of mandatory compliance have continued to be undertaken and reviewed and where appropriate, included in work plans going forwards.

Internal audits

A key source of independent assurance for the Planning Inspectorate is the internal audit function provided by the Government Internal Audit Agency, which complies with the Public Sector Internal Audit Standards. The annual internal audit programme is closely linked to the organisation's key risks, arrangements are in place to ensure that the Accounting Officer is made aware of any significant issues which indicate that key risks are not being effectively managed.

The Head of Internal Audit's (HIA) opinion on governance, risk management and control for the year was assessed as Moderate. The opinion takes into consideration the context in which the Inspectorate has had to operate over the year, specifically post pandemic with increased home working, where the HIA considered the Inspectorate to have responded effectively. The HIA recognised that the Inspectorate has taken action to address appropriate areas highlighted in the 2021/22 opinion. The HIA acknowledged the steps taken to have a strong core controls environment, and considered counter fraud measures in the use of corporate cards to be an exemplar across Government. Going forward, the HIA considers the Inspectorate needs to focus attention on proving the benefits from programmes it operates to meet its key objectives and it needs to consider the implications of the Government's planning reform measures on its operations.

Risk management

Our risk management processes are aligned to The Orange Book: Management of Risk - Principles and Concepts. The Executive Team are responsible for setting our risk appetite, which is reviewed by the Audit and Risk Assurance Committee.

Risks are managed throughout the Inspectorate and escalated to the Executive Team when they are strategic in nature. The strategic risks detailed in pages 15-21 are owned by the Executive Team. We provide visibility of our strategic risks to the Department for Levelling Up, Housing and Communities' risk management team on a yearly basis.

Changes made in 2022/23

- Reviewed and revised Risk Framework and Risk Register
- Conducted risk workshops to embed a bottom-up and top-down approach.
- Implemented monthly departmental risk reviews

Plans for 2023/24

- Conduct further risk workshops to embed a bottom-up and top-down approach.
- Publishing risk education material to embed risk culture across the Inspectorate.
- Promote the role of the risk champions through learning and development

Business continuity

The Business continuity process aim to increase our resilience and minimise the risk of disruption to our services. Planning ensures we can reinstate critical services as quickly as possible. We review, update and test the process yearly to ensure continuous improvement.

Changes made in 2022/23

- A Business wide multi-scenario BCP test, monitored by the Crisis Management Team, was carried out over 2 days in February 2023.

Plans for 2023/24

- Update BCP Plans with outcomes of February 2023 Test
- Run a scenario exercise with the Crisis Management Team.
- Run a further inspectorate-wide Business Continuity Test

Fraud and bribery

Supporting the Government's Counter Fraud Function, we continue to work to prevent and identify fraud. We do this by raising awareness about fraud and through activities to mitigate the risk of fraud within the Inspectorate. Our self-assessment rating against the Counter Fraud Functional Standard is 'good'.

Changes made in 2022/23

- Reviewed fraud and bribery policy and procedures to assess risk of fraud

Plans for 2023/24

- Carry out additional fraud risk assessments; and
- Deliver fraud awareness training for all Inspectors and new staff.

Change management

The Change Portfolio consists of programmes and projects that aim to change the way we do things. The direction for the Portfolio is provided by the Executive Team, and is aligned to the Business Plan, which informs the general priority of work. A central team manages the Portfolio, which is reviewed monthly by the Change Portfolio Progress Group. The Group:

- assesses proposed changes;
- challenges delivery plans and progress against agreed priorities and project controls;
- ensures the balance of ability of the Inspectorate to deliver changes while maintaining operational services; and
- approves budget variances when needed (against a zero-tolerance policy for project overspend).

Our self-assessment rating against the Project Delivery Functional Standard is ‘developing’.

Changes made in 2022/23

- Improved processes and templates to support effective decision making and improve control.
- Implemented a revised Benefit Management process and set of templates.
- Implemented new and improved budget tracking and profiling for projects.
- Delivered core training to project managers (financial, commercial, engagement and risk management).

Plans for 2023/24

- Produce a 3-5 year change plan aligned with the Strategic plan.
- Develop a core training programme for Project Delivery skills.
- Implement further recommendations to improve our Benefits Management.
- Review effectiveness of the governance model for change.

Information security

The Planning Inspectorate Information Security team monitor and strengthen the security of the organisation through new technologies and development of existing defences enabling us to resist existing and emerging cyber threats. We are certified to Cyber Essentials Plus, an independent technical assessment of the cyber protection levels of our digital notebooks, mobile telephone devices, servers and networks. We are implementing measures to ensure we meet the expected, and heightened, standard for this accreditation. This includes only allowing access to the organisation’s business, systems and data from managed and authorised devices. Additionally, we will conduct a comprehensive review of all Inspectorate data hosted, stored, archived and processed externally, ensuring sufficient controls are in place and that the data complies with formal protective markings. Throughout the introduction of our new digital service model we will maintain compliance with our information security policies and procedures.

Changes made in 2022/23

- Increased user awareness of email based security threats.
- Ensured the information security team are engaged in the software procurement and authorisation process at the optimal time with the relevant information.
- Introduced controls to eliminate shared accounts, prevent processing of business data on non-managed devices and restrict app usage to authorised applications only.

Plans for 2023/24

- Recruit additional information security staff to increase capacity to proactively identify and mitigate business risks from cyber threats.
- Continue to increase cyber awareness across the Inspectorate.
- Establish the process of the Digital Security Service engaging with the Inspectorate’s other services to ensure they are integrated.

Human resources controls

Our human resources controls are set out in our policies and procedures. The Civil Service Commission regularly audits our systems to ensure compliance with the Framework on our recruitment and selection standards. Our self-assessment rating against the Human Resource Functional Standard is 'good'. In compliance with Business Appointment rules, the department is transparent in the advice given to individual applications for senior staff, we do not appoint special advisers. Advice regarding specific business appointments has been published on the [Planning Inspectorate.gov.uk](https://www.planninginspectorate.gov.uk).

Changes made in 2022/23

- Continued delivery of our equality, diversity and inclusion approach.
- Continued our rolling programme of continuous improvement for all our human resources policies.
- Continued to embed our public sector equality duty to our employees, through improved training and the use of equality impact assessments.
- Built a learning and development framework to develop the capability of our people.
- Improved our approach to recruitment, as evidenced by being awarded the highest rating in an audit by the Civil Service Commission.
- Set up the Remuneration Committee.

Plans for 2023/24

- Improve compliance with Human Resource functional standards focusing on the organisational development requirements.
- Develop our leadership, increase diversity and inclusivity, and embed all aspects of talent management from recruitment to succession planning.

Whistleblowing

Our people can report misconduct anonymously via telephone or email using the 'See, Hear, Speak up' confidential service. Reports are routed to our Nominated Officer, who can also be approached by whistleblowers directly, and will co-ordinate a response to any received reports.

No reports were made this year.

Changes made in 2022/23

- Worked with our Continuous Improvement Manager to identify ways to gain better assurance on the effectiveness of our arrangements.
- Retendered for our confidential reporting service, awarding a new contract to the existing supplier.
- Updated whistleblowing policy by adopting a 'Raising a Concern' policy of which whistleblowing is a component, consistent with the Civil Service policy approach.

Plans for 2023/24

- Work with HR colleagues and our external service provider to raise awareness within the organisation of the importance of raising concerns.
- Continue to seek improved assurance on the effectiveness of our arrangements.

Conflict of interests

Our Conflict of Interests policy requires all our people and Non-Executive Directors to declare any potential conflicts on appointment and later on as they arise. It is a standing agenda item for the Board, Audit and Risk Assurance Committee and Executive Team Meetings. There were no declarations of interest, beyond those already declared, at these meetings this year. All Directors check and update the declarations of interest register as part of the Annual Report and Accounts process. Inspectors do not work on cases set in areas where they have recent or ongoing connections. The Professional Steering Group takes assurance on this yearly as part of its annual standards review.

Changes made in 2022/23

- Identified the need to update the policy and processes.
- Set up a working group to oversee the policy refresh.

Plans for 2023/24

- Launch the refreshed Conflict of Interests policy.
- Implement improved recording and assurance procedures.

Financial controls

We are accountable to the Department for Levelling Up, Housing and Communities for how we prepare and spend our budget allocation. This year there was a 13% variance on our net budget. Our processes comply with the Civil Service guidance, Managing Public Money. We operate effectively, efficiently and focus on providing value for money. We conduct quarterly reviews to assure our business plan delivery and financial management.

Our self- assessment rating against the Finance Functional Standard is 'better', with the rating against Debt Functional Standard reported as 'developing'.

Changes made in 2022/23

- Achieved shorter month end closedown processes by adopting a new approach based on risk and materiality, allowing greater time to review material items with budget managers.
- Increased the level of engagement with operational staff to develop more robust income collection and forecasting processes.
- Introduced new goods matching processes, currently being trialled in agency and specialist technical support, to facilitate simpler month end processes.
- Scoping work undertaken to develop an activity-based costing model to understand the cost of operational activity/ case work at a more granular level.

Plans for 2023/24

- Develop benefits reporting to ensure projects deliver their business case commitments.
- Develop standardised monthly reports for dissemination to budget managers to aid understanding and communication of key points.
- Develop activity-based costing for greater alignment of costs to business plan activities.
- Develop standardised procedures for income collection.

Commercial controls

Our commercial controls have ensured effective delivery of contracts, providing value for money and compliance with procurement regulations. In the year we awarded 103 new contracts. One of those was the creation of a new Dynamic Purchasing System for the supply of Planning Appeal Decision Services which provides around 90 suppliers who make planning decisions to help us manage our service demand.

Overall, 14 contracts were procured on a single tender basis without competition, but below the Public Contracts Regulations thresholds.

We have managed our 184 suppliers through a range of techniques dependent on value, criticality and contract type. Taking a collaborative approach, we have delivered value for money, increased innovation and transfer skills to our people. We have shared risks with suppliers, agreed liabilities and insurances, as formalised in the terms and conditions of our contracts. In the year, 62% of our invoices were paid within five-days, which does not meet Government's target of 80%.

Our self-assessment rating against the Commercial Functional Standard is 'good'.

Changes made in 2022/23

- Developed the use of internal commercial business partners, improving collaboration.
- Developed and launched a new Commercial Strategy and Procurement Policy.
- Improved contract management and supplier relationships.

Plans for 2023/24

- Develop and implement a new, digital procurement system.
- Prepare for, implement and embed new procurement regulations.
- Procure a more diverse, environmentally friendly supply chain to support Government's Social Value Model objectives.

Property

Our Bristol headquarters in Temple Quay House, Bristol (provided through the Government Property Agency) is undergoing a large-scale refurbishment whilst we remain an occupier.

Our self-assessment against the Property Functional Standard is 'developing'.

Changes made in 2022/23

- Reduced our occupied office space in Temple Quay House.
- Increased estates expertise, capacity and effectiveness through recruitment and training.
- Built effective relationships with the Government Property Agency who are delivering the project.

Plans for 2023/24

- Manage the change for our people, ensuring their health, safety and wellbeing is protected.
- Complete 2 further office moves within Temple Quay House (planned for July and November 2023).
- Design our final office facilities for our 'home zone'.

Management information

We need to understand our data and its quality so that we can provide good management information. We have created a business data catalogue, a master data map, and an information asset register. Collectively known as the Inspectorate's Information Management System (IMS), these establish information ownership, definition of our data model, and records where data flows and is mastered.

With a clear understanding of our data and where we store it, we can ensure we use management information securely and make decisions based on sound evidence. We have embedded the process of using data and analysis to understand and improve our performance. We provide frequent reports, analysis and insights to the Executive Team and the Board.

Our self-assessment rating against both the Digital Data and Technology Functional Standard and the Analysis Functional Standard is 'developing'.

Changes made in 2022/23

- Improved reporting on the performance of our public facing digital services; prepared for public reporting on three of the four mandatory government KPIs.
- Successful pilot for the Operational Data Warehouse (ODW).
- PINS Data Model refinement and IMS updates.
- Developed and published new statistics that show how we are performing against new Ministerial measures.
- Began publishing an Older Appeals Database covering appeal decisions between five and ten years old, in an effort to increase transparency and openness.
- Expanded diversity stats to test whether protected characteristics have a statistically significant effect on pay.

Plans for 2023/24

- Improve reporting in our Official Statistics – including reviewing and developing our experimental statistics; and consultation on proposals to improve our monthly statistical release.
- PINS Data Model refinement and IMS updates.
- ODW development work to integrate with new systems, remove legacy systems and improve analytical capability.
- Improve MiPINS (key internal management information system in support of performance measurement and evidence-based decision-making) by reviewing and expanding the content and increasing clarity and accompanying notes.

Note about the performance data showed in this report: many of the measures included in this Annual Report are subject to technical definitions in one way or another. For example, how are decision times calculated or what cases are included. Much of this technical information is published alongside [our monthly statistical releases](#).

Legal controls

Decisions from Inspectors are covered by Crown Indemnity. This means that the Inspectorate is liable for decisions taken, not the individual Inspector who made them. Our quality assurance processes test the legality of contentious or complex case decisions before we reach any final decision. The Government Legal Department advises and supports us on casework matters and in response to legal challenges. Successful challenges can be the result of human error or when the Inspector and a judge have interpreted the law differently. We respond to these either through training and/or revision of guidance on case law interpretation.

Our ex gratia policy is in place to compensate customers when we recognise that we have made a mistake and parties have claimed for costs. Awards are reviewed and authorised through independent and financial checks.

Changes made in 2022/23

- Reviewed how we handle court challenges, including use of a legacy software system and independent quality assurance of our data.

Plans for 2023/24

- Take forward and implement the findings of the review.
- Closely monitor changes to planning, including elements of the Levelling Up agenda and adapt our approach in line with any increased risk of challenge.
- Continue to analyse legal challenges to identify lessons learned and update our guidance for Inspectors.

Summary

Balancing our annual internal audit opinion, our self-assessment of compliance with functional standards and our internal risk framework assessment, we conclude we have adequate controls in place which are operating effectively. We also have a good understanding of which areas require focus as part of our organisational commitment to continuous improvement.



Paul Morrison
Chief Executive
19 June 2023

Remuneration report

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.

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. In line with Senior Civil Service pay guidance as part of the work and recommendations of the Senior Salaries Review Body, annual salary is determined on an individual basis by the Chief Executive, with oversight from Department for Levelling Up, Housing and Communities and a Remuneration Committee made up of Inspectorate Board members. Directors' notice period is at least one month.

Remuneration and pension entitlements (including Cash Equivalent Transfer Values (CETV) disclosures) for Directors and Board members

This section of the document has been subject to audit.

The single total figures of remuneration for Directors, for the year ended 31 March 2023 and in brackets the comparative figures for the year ended 31 March 2022, are shown in Table 4. The Bonus Payment was determined via equal distribution of the delegated non-consolidated performance pay total across all staff and then applied to all grades, this resulted in a payment to all staff of £184.18 (pro-rata for part-time staff) to recognise the performance of all staff during the pandemic recovery period.

Table 4. Single total figures of remuneration for Directors for the year ended 31 March 2023

	Salary and fees paid	Bonus	Taxable benefits	Pension related benefits	Total for 2022/23 (2021/22)
	£'000 in bands of £5,000	£'000 in bands of £5,000	£ to the nearest £100	£ to the nearest £1,000	£'000 in bands of £5,000
Accounting Officer					
Paul Morrison Chief Executive (from December 2022)	35-40 125-130 full-year equivalent (-)	- (-)	- (-)	33,000 (-)	70-75 (-)
Navees Rahman Director of Corporate Services (until February 2023) and Interim Chief Executive (September to December 2022)	85-90 95-100 full-year equivalent (90-95)	0-5 (0-5)	- (-)	22,000 (38,000)	105-110 (130-135)
Sarah Richards Chief Executive (until September 2022)	70-75 145-150 full-year equivalent (140-145)	- (0-5)	- (-)	27,000 (56,000)	100-105 (200-205)
Executive Directors					
Joanne Butcher Interim Director of Corporate Services/Interim Chief Finance Officer (from September 2022)	35-40 70-75 full-year equivalent (-)	0-5 (-)	- (-)	16,000 (-)	50-55 (-)
Sean Canavan Director of Strategy (from April 2022)	75-80 (-)	- (-)	- (-)	30,000 (-)	105-110 (-)
Rachel Graham Chief Digital Officer (from March 2023)	5-10 75-80 full-year equivalent (-)	- (-)	- (-)	20,000 (-)	25-30 (-)
Simon Levi Interim Chief People Officer (from March 2023)	5-10 70-75 full-year equivalent (-)	0-5 (-)	- (-)	- (-)	5-10 (-)
Paul McGuinness Interim Director of Corporate Services (until April 2021)	- (0-5) (75-80 full-year equivalent)	- (0-5)	- (-)	- (4,000)	- (5-10)

	Salary and fees paid	Bonus	Taxable benefits	Pension related benefits	Total for 2022/23 (2021/22)
	£'000 in bands of £5,000	£'000 in bands of £5,000	£ to the nearest £100	£ to the nearest £1,000	£'000 in bands of £5,000
Richard Schofield Chief Planning Inspector (from March 2023)	5-10 80-85 full-year equivalent (-)	- (-)	- (-)	31,000 (-)	35-40 (-)
Graham Stallwood Director of Operations	105-110 (105-110)	0-5 (0-5)	- (-)	42,000 (41,000)	145-150 (145-150)
Christine Thorby Director of Strategy (until March 2022)	- (110-115)	- (0-5)	- (-)	- (-5,000)	- (105-110)
Non-Executive Directors					
Trudi Elliott Chair, Non-Executive	20-25 (20-25)	- (-)	- (-)	- (-)	20-25 (20-25)
Sally Dixon Director, Non-Executive	10-15 (10-15)	- (-)	- (-)	- (-)	10-15 (10-15)
Dr Rebecca Driver Director, Non-Executive	10-15 (10-15)	- (-)	- (-)	- (-)	10-15 (10-15)
Stephen Tetlow Director, Non-Executive	10-15 (10-15)	- (-)	- (-)	- (-)	10-15 (10-15)

Non-Executive Directors are contracted for three to four years. Their notice period is usually one month long. There are some specific events that can trigger termination by the Secretary of State.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

Rachel Graham and Richard Schofield were in post from May 2023 but have directly reported to the Chief Executive from March 2023, the point of inclusion in this report.

Directors' pension disclosure

This section of the document has been subject to audit.

Table 5. Directors' pension disclosure

	Real increase in pension and related lump sum at pension age	Total accrued pension at pension age at 31/03/23 and related lump sum	Cash Equivalent Transfer Value (CETV) in £'000 to the nearest £1,000		
	£'000 in bands of £2,500	£'000 in bands of £5,000	As at 31/03/22	As at 31/03/23	Real Increase
Paul Morrison Chief Executive (from December 2022)	0-2.5 plus a lump sum of 0-2.5	40-45 plus a lump sum of 65- 70	646	685	24
Navees Rahman Director of Corporate Services (until February 2023) and Interim Chief Executive (September to December 2022)	0-2.5	30-35	322	363	5
Sarah Richards Chief Executive (until September 2022)	0-2.5	20-25	370	403	23
Joanne Butcher Interim Director of Corporate Services/ Interim Chief Finance Officer (from September 2022)	0-2.5	5-10	37	47	5
Sean Canavan Director of Strategy (from April 2022)	0-2.5	25-30	362	400	20
Rachel Graham Chief Digital Officer (from March 2023)	0-2.5	15-20	204	227	7
Simon Levi Interim Chief People Officer (from March 2023)	0-2.5	20-25	342	344	(1)
Richard Schofield Chief Planning Inspector (from March 2023)	0-2.5	15-20	185	213	16
Graham Stallwood Director of Operations	0-2.5	5-10	77	108	20

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (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. The rate of the Lifetime Allowance Tax is 0% for 2023/24 and is due to be abolished completely from 2024/25. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in Cash Equivalent Transfer Values

This reflects the increase in Cash Equivalent Transfer Values 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

This section of the document has been subject to audit.

No payments were required this financial year.

Payments to past Directors

This section of the document has been subject to audit.

Directors do not have any entitlements to pay after their departure date.

Fair pay disclosure

This section of the document has been subject to audit.

Table 6. Fair pay disclosure

	2022/23	2021/22
Change in highest paid Director's total pay	-11%	0%
Change in highest paid Director's bonus	-100%	17%
Average change in total pay of employees	8%	-4%
Average change in bonuses of employees	21%	9%
Band of Highest Paid Director's Total Remuneration (£'000)	125-130	140-145
Median Total Remuneration – Inspector	£60,643	£59,412
Remuneration Ratio - Inspector	2.06	2.4
Median Total Remuneration- Support	£28,248	£27,684
Remuneration Ratio - Support	4.43	5.2

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

Table 7. Fair pay percentile ratios for the whole workforce

	2022/23			2021/22		
	Pay ratio	Total pay	Salary	Pay ratio	Total pay	Salary
25th Percentile	4.4	£28,994	£28,809	5.2	£27,684	£27,529
50th Percentile	2.8	£45,100	£45,100	3.3	£43,484	£42,878
75th Percentile	2.0	£62,604	£62,438	2.4	£61,221	£58,806

The highest paid Director's total pay movement is a result of a change in Chief Executive. The average change in total pay has been inflated by changes in staff numbers over the last two years. Staff numbers increased in 2022/23 as a result of an increase in Inspectors and a continuation of recruiting to vacancies. The average change in bonuses and performance pay represents an increase of £28 from £156 in 2021/22 to £184 in 2022/23 that was made as a one off payment pro-rata to all staff.

The banded remuneration of the highest paid Director in the financial year 2022/23 was £125,000 - £130,000 (2021/22: £140,000 - £145,000). This was 2.06 times (Inspectors); 4.43 times (support) (2021/22: 2.4 (Inspectors); 5.2 (support)). The median remuneration of the workforce, which was £60,643 (Inspector); £28,248 (support) (2021/22: £59,412 (Inspector); £27,684 (support)). The remuneration ratio has changed as a result of the change in Chief Executive. The calculation is based on the full-time equivalent staff at the reporting period-end date on an annualised basis.

We conducted an equal pay review based on employee's average earnings in 2017 to establish whether the salaries paid are appropriate for the work done, and do not pose any equal pay challenges. Government pay restrictions have impacted on the progressing work on our long term pay approach. Lower paid employees have had pay uplifts to reflect minimum wage increases. Information on the gender pay gap for the Planning Inspectorate was published on GOV.UK at DLUHC's gender pay gap report 2022 - GOV.UK (<https://www.gov.uk/government/publications/dluhc-gender-pay-gap-report-and-data-2022/dluhcs-gender-pay-gap-report-2022>) and demonstrates improvement in this area on the previous year.

In 2022/23, nil employees received remuneration in excess of the highest paid Director (2021/22: nil). However, temporary staff, necessary to provide essential cover for vacant posts, received remuneration rates in excess of the highest paid Director, with twelve remaining in post at 31 March 2023. Remuneration ranged from £158,700 to £10,500 (2021/22 £179,400 to £10,500) including 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.

Staff report

Staff numbers

For the financial year 2022/23, we employed (average, full-time equivalent) 783 staff (see Table 8). This total was made up of 45% women, less than 1% non-binary and 54% men which included 2 women and 4 men at Directorate level. Staff numbers include a mixture of full and part-time employees, home-based salaried Inspectors and office-based staff in our Bristol office. For those staff on office-based contracts, we offer the option to work in a hybrid fashion, where they can choose to work either in the office or at another suitable location within the UK with a minimum attendance in the office of 12 times per year or as the organisation requires if the work they undertake requires more attendance in the office than the minimum.

From November 2022 we also used the services of 71 contractors who provided Planning Appeal Decision Services on a fee-paid contractual basis to allow flexible resourcing and value for money. Previously we had 80 non-salaried Inspectors providing a similar service from April – October 2022.

The average number of full-time equivalent persons permanently employed by us (including senior management) during the year to 31 March 2023 was as follows in Table 8. Turnover rate in 2022/23 was 10.1% (2021/22 4.5%), when broken down this was 5% for Planning Inspectors and 16% for all other staff. Turnover rates excluding fixed term appointments was 7% overall.

We used the services of, on average, one seconded-in staff during the year. These services were used at management level, for longer than six months, to support us with a priority post. There was also one seconded-out staff at management level for a longer-term post in another Government organisation. At 31 March 2023, 67 staff (86 as at 31 March 2022) were on contracts for a fixed term duration.

Table 8. Average Number of full-time equivalent staff employed in year. (This table has been subject to audit)

Permanent (average)	2022/23	2021/22
Senior Civil Service Pay Band 2	1	1
Senior Civil Service Pay Band 1	5	3
Grade 6-7 (Senior Staff)	44	39
Salaried Inspector	375	350
Support	120	117
Caseworkers	218	242
Total	763	752
Less Secondments	(1)	(1)
Add Agency	21	9
Total Employed	783	760

Trade Unions

The organisation formally recognises two Unions: Public and Commercial Services, representing mostly office-based staff, and Prospect, representing mostly Inspectors. Formal consultation with the Unions took place largely through the four Whitley meetings held this year and separately on more detailed policy developments and pay and reward. 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. In 2022/23 consultations with Trade Unions included: Pay and Reward programme and Future Ways of Working.

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

Table 9. Trade Union representation

Employees who were relevant Union officials during the period	Full-time equivalent
22	20.15

Table 10. Percentage of time spent on facility time

Percentage of time	Number of employees
0%	14
1-50%	8
51-99%	-
100%	-

Table 11. Percentage of pay bill spent on facility time

Total Cost of facility time	£85,158.04
Total pay bill	£48,404,202
Facility time cost as percentage of pay bill	0.18%

Table 12. Paid Trade Union activities

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

The average working days lost through sickness absence in 2022/23 was 5.9 days compared to 5.2 days in 2021/22. The days absent are split approximately evenly across long-term and short-term absence cases with causes varying. We continue to work closely with line managers to ensure that appropriate support is provided to individuals through reasonable adjustments, return to work interviews and use of the Employee Assistance Programme.

Staff policies

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.

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 reviewed to take account of any changes to employment legislation.

Equality and diversity

The proportion of staff that consider themselves to have a disability in 2022/23 remained low at 8%, this figure is a slight decrease on the 9% figure from 2021/22. 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. We also offer support to candidates through the provision of reasonable adjustments. Since the COVID-19 pandemic, we have continued to offer interviews virtually, while maintaining a high-quality selection and appointment process throughout. We continue to offer support and training to all staff either when they join the organisation or during their employment to support them with a disability in the workplace and are currently working on a line manager and leadership capability programme that will include line manager training on all relevant elements of inclusive people management, including supporting those with disabilities.

Staff costs

This section of the document has been subject to audit.

Table 13 includes the total staff costs for the 2022/23 financial year, as shown in the Financial Statements.

Table 13. Total Staff costs

	2022/23 £'000	2021/22 £'000
Wages and Salaries	34,384	32,432
Social security costs	4,025	3,644
Other pension costs	9,362	8,804
Sub Total	47,771	44,880
Agency staff	1,739	566
Total net staff costs	49,510	45,446

Pension benefits

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or ‘Alpha’, which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined Alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (Classic, Premium or Classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (Nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic plus, Novos and Alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into Alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report. All members who switch to Alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account). Further details about the Civil Service pension arrangements can be found at the website <https://www.civilservicepensionscheme.org.uk/>.

For 2022/23, employers’ contributions of £9,413,279 were payable to the pension scheme (2021/22: £8,945,700) as one of four rates in the range 26.6% to 30.3% (2021/22: 26.6% to 30.3%) 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 2022/23 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 £31,114 (2021/22/21: £32,513) 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 £95 (0.5% of pensionable pay for those employees) were payable to the pension Scheme 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 2023 were £2,314 (2021/22: £2,924). Contributions prepaid at that date were £nil (2021/22: £nil). Nil persons (2021/22: one person) retired early on ill-health grounds.

Expenditure on consultancy and contingent labour

In 2022/23, the Planning Inspectorate incurred £495,480 (2021/22: £597,600) on contracts which were categorised as consultancy. All consultancy spend was subject to internal scrutiny and approvals in addition to normal finance/commercial governance to test appropriateness and ensure value for money. No approvals were required for consultancy from Cabinet Office as the value and/or durations were below the thresholds in the spend controls.

Our total contingent labour spend for 2022/23 was £4,350,993 (2021/22: £5,284,317), across three main categories:

- Agency staff – used to temporarily fill vacancies whilst we recruit and provide additional resource as needed.
- Specialist technical support – providing technical skills and resource where the capability and/or the capacity is not available.
- Non-salaried Inspectors – flexible Inspector resource engaged on a fee per case basis as and when work is available (up to 31 October 2022).

Fifteen contracts for contingent labour were in scope of the Cabinet Office spend controls, all requiring approval from the Inspectorate's Accounting Officer and three also requiring approval from Cabinet Office.

In addition to the spend explained in this section, the Inspectorate contracted for specialist resources and expertise through several service-based contracts, including but not limited to our Cloud Software Engineering Partner contract and Planning Appeal Decision Service contracts.

Off-payroll engagements

We engaged in off-payroll contracts (see the following tables for further analysis). Over 17% of incurred spend on these engagements were for the services of Non-salaried Inspectors (on a fee-paid contractual basis), who provide necessary flexibility in the Inspector workforce. These contracts ended on 31 October 2022 and were replaced with Planning Appeal Decision Service contracts through a new Dynamic Purchasing System commercial arrangement. The remainder of the off-payroll engagements supported a specific need in the organisation while transforming the organisation or backfilling vacancies in our establishment.

Table 14. Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater	As at March 2023
Number of existing engagements.	17
Of which...	
Number that have existed for less than one year at time of reporting.	15
Number that have existed for between one and two years at time of reporting.	1
Number that have existed for between two and three years at time of reporting.	1
Number that have existed for between three and four years at time of reporting.	-
Number that have existed for four or more years at time of reporting.	-

All the existing off-payroll engagements outlined above have been subject to a risk-based assessment to determine whether they are inside or outside the scope of the Inland Revenue legislation 35 (IR35) intermediaries.

Table 15. Off-payroll workers engaged during the year

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater	As at March 2023
Number of temporary off-payroll workers engaged during the year ended 31 March 2023.	131
Of which...	
Not subject to off-payroll legislation.	-
Subject to off-payroll legislation and determined as in-scope of IR35.	49
Subject to off-payroll legislation and determined as out-of-scope of IR35.	82
Number of engagements reassessed for consistency/assurance purposes during the year.	104
Of which: Number of engagements that saw a change to IR35 status following the consistency review.	-

Table 16. Off-payroll engagements of Board members and senior officials

Any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023	As at March 2023
Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year.	-
Total number 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.	9

Exit packages

This section of the document has been subject to audit.

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 nil compulsory redundancies or other departures in 2022/23 (£nil in 2021/22). In 2021/22 Transfer of Undertakings (Protection of Employment) terms (TUPE) was used for the transfer of staff to the new Wales Division.

Consultations in 2022/23

We conducted an extensive range of consultations to support improvements to the organisation and the delivery of its aims. We have consulted on:

- Flexible Working Policy
- Hybrid Working Policy
- Menopause Policy
- Raising Concerns Policy (Whistleblowing)
- Dispute Resolution Policy
- Travel and Subsistence Policy
- An extensive project on Pay and Reward and job evaluation
- An extensive review and revision of our Lone Worker Policy and procedures
- Furniture purchasing policy (for mandatory homeworkers)

Parliamentary accountability and audit report

This section provides the detailed disclosures we are required to make under the corporate governance in central departments: code of good practice and is supported by the detail in the Financial Statements of this Annual Report.

Budget Allocations and Out-turn

The Planning Inspectorate is funded through the Department for Levelling Up, Housing and Communities. Initial indicative allocations are agreed as part of HM Treasury Spending Review exercises and are refined annually as necessary through the Department for Levelling Up, Housing and Communities business planning round. Since 1st April 2020, we are fully funded from the Department for Levelling Up, Housing and Communities programme budgets and this classification of our funding is reviewed annually.

The detailed accounts for the 2022/23 financial year are included in the 'Financial Statements' part of this publication. A brief summary of our performance against budget is provided in Table 17.

During the year we managed our financial performance against budget across three main headings: staff and related costs; non-pay running costs; and income. The agreed net revenue budget at the start of the year was £56.9m (2021/2 £53.6m) and the capital budget was £14.1m. The approved budget from the Department for Levelling Up, Housing and Communities was reduced by £4.7m in 2022/23 in recognition of the change in: staff recruitment; income demands; and expenditure patterns. This followed changes in the market, such as ongoing recruitment shortages and uncertainties, including customer caution following the conflict in Ukraine. We ended the year with an underspend against revised budget of £3.1m, as shown in Table 17. A more detailed analysis of financial performance is provided in the Financial Performance section of this document.

During 2022/23 the total value of adverse costs paid out was £0.5m with £0.5m of costs awarded to the Planning Inspectorate. This amounted to 123 cases in total including 53 refused, 13 won and 18 lost with 32 outstanding (14 of which relate to prior year cases).

Table 17. 2022/23 Budget, out-turn and underspend

	Original budget £'000	Revised budget £'000	Out-turn £'000	Underspend £'000
Staff & related costs	48,483	49,700	49,510	190
Non-pay running costs	18,275	13,626	13,355	271
Receipts	(11,863)	(11,177)	(12,016)	839
Net costs	54,895	52,149	50,849	1,300
Ring-fenced costs	1,788	1,210	1,042	168
Total programme costs	56,683	53,359	51,891	1,468
Non-cash costs (Annually Managed Expenditure - AME)	204	204	(73)	277
Total operating expenditure	56,887	53,563	51,818	1,745
Capital expenditure	14,085	12,758	9,620	3,138

Table 18 shows the current provisional allocations and working assumptions for the budget. The Planning Inspectorate received an indicative budget for 2023/24 financial year, which will be confirmed in a formal budget delegation. These figures are subject to change.

Table 18. Current provisional allocations.

	2023/24 £'000
Net Costs	61,900
Ring-fenced costs	3,500
Total programme costs	65,400
Annually managed expenditure	185
Total operating expenditure	65,585
Capital expenditure	16,938
Total budget	82,523

Fees and charges

This section of the 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 (see 1.1n for restatement explanation).

Table 19. Income and costs for casework activity

	2022/23			2021/22 RESTATED		
	Cost £'000	Income £'000	Net £'000	Cost £'000	Income £'000	Net £'000
National Infrastructure	12,443	(6,324)	6,119	11,092	(5,304)	5,788
Local Plans	7,291	(3,395)	3,896	8,127	(3,549)	4,578
Other Major Specialist casework	4,242	(1,508)	2,734	4,935	(1,556)	3,379
Totals	23,976	(11,227)	12,749	24,154	(10,409)	13,745

Regularity of expenditure

This section of the document has been subject to audit.

Expenditure on losses and special payments, as defined in Managing Public Money guidance, is reported to HM Treasury through the parent Department.

Details of cases over £300,000: there were nil reportable cases in 2022/23 (nil reportable cases in 2021/22).

There were 31 losses and special payment cases: three cases were between £10,000 and £299,999; all other cases below £10,000. This included: ex gratia payments; damage to hire cars and other compensation payments; and overpayment write-offs.

Remote contingent liabilities

This section of the 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 2023 where the case has yet to be raised. Given the remote classification, it is not possible to estimate a value but, if required, we would seek additional funding from the Department for Levelling Up, Housing and Communities as part of our normal spending review submissions.



Paul Morrison
Chief Executive
19 June 2023

The certificate and report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Planning Inspectorate for the year ended 31 March 2023 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Planning Inspectorate's:

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

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 2023 and its net expenditure for the year then ended; and
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). 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 2019. I am independent of the Planning Inspectorate in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that the Planning Inspectorate's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Planning Inspectorate's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Planning Inspectorate is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Planning Inspectorate and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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 by the Planning Inspectorate or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Planning Inspectorate from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- assessing the Planning Inspectorate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Planning Inspectorate will not continue to be provided in the future

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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Planning Inspectorate's accounting policies and key performance indicators.
- inquired of management, the Planning Inspectorate's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Planning Inspectorate's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Planning Inspectorate's controls relating to compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.
- inquired of management, the Planning Inspectorate's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Planning Inspectorate for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals and complex transactions. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Planning Inspectorate's framework of authority and other legal and regulatory frameworks in which the Planning Inspectorate operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Planning Inspectorate. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, the Town and Country Planning Act 1990, the Planning Act 2008, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I reviewed internal audit reports, business documentation and correspondence relating to claims and major contracts entered into as part of my substantive testing, as well as continuous risk assessment procedures performed relating to fraud, non-compliance with laws and regulation or regularity.

I also communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

26 June 2023

National Audit Office
 157-197 Buckingham Palace Road
 Victoria
 London
 SW1W 9SP

Financial statements for the year ended 31 March 2023

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

Statement of comprehensive net expenditure

	Note	2022/23 £'000	2021/22 £'000
Income from sale of goods and services		-	(1,433)
Other operating income		(12,016)	(11,224)
Operating income	5	(12,016)	(12,657)
Staff costs	4a	49,510	45,446
Other administrative costs	4b	14,324	15,286
Total operating expenditure		63,834	60,732
Net expenditure for the year		51,818	48,075

The income and expenditure for the year ended 31 March 2022 includes the activities of the Planning Inspectorate in Wales. On 1 October 2021 these activities were transferred to the Planning and Environment Decisions Wales for the Welsh Government. The related income and expenditure for the period from 1 October 2021 to 31 March 2022 is therefore reported in the annual report of the Welsh Government. More information regarding the transfer can be found in Note 2. All of the Planning Inspectorate's income and expenditure for the year was derived from continuing activities.

The Notes on pages 103-117 form part of these accounts.

Statement of financial position

	Note	31 March 2023 £'000	31 March 2022 £'000
Non-current assets			
Property, plant and equipment	6, 11	3,615	143
Intangible assets	7	16,591	8,572
Prepayments greater than one year	8	13	33
Total non-current assets		20,219	8,748
Trade and other receivables	8	4,373	6,088
Cash and cash equivalents	9	8,138	6,949
Total current assets		12,511	13,037
Total assets		32,730	21,785
Trade and other payables	10	(7,546)	(8,438)
Other liabilities	11	(813)	
Provisions	14	-	(73)
Total current liabilities		(8,359)	(8,511)
Other liabilities	11	(1,237)	-
Total non-current liabilities		(1,237)	-
Assets less liabilities		23,134	13,274
General fund		23,134	13,274
Total taxpayers' equity		23,134	13,274

The Notes on pages 103-117 form part of these accounts.

The accounts on pages 99 to 117 were approved by the Inspectorate's Board on 8 June 2023 and signed on its behalf by:



Paul Morrison
Chief Executive
19 June 2023

Statement of cash flows

	Note	2022/23 £'000	2021/22 £'000
Cash flows from operating activities			
Net operating expenditure		(51,818)	(48,075)
Adjustments for non-cash transactions	4b, 5	1,232	996
(Increase)/Decrease in trade and other receivables	8	1,735	138
Less movement in bad debt provision	4b	(12)	10
Increase/(Decrease) in trade payables	10	(892)	551
Less movements in payables relating to items not passing through the SOCNE	6, 7	516	-
Use of provisions	14	(73)	(21)
Interest paid	11	24	-
Net cash outflow from operating activities		(49,288)	(46,401)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,589)	(160)
Purchase of intangible assets	7	(8,547)	(5,012)
Sale of property, plant and equipment	6	10	-
Net cash outflow from investing activities		(10,126)	(5,172)
Cash flows from financing activities			
Funding from the Department for Levelling Up, Housing and Communities		61,500	53,000
Payments to right-of-use buildings lease		(897)	-
Net cashflow from financing activities		60,603	53,000
Net (decrease)/increase in cash and cash equivalents in the period	9	1,189	1,427
Cash and cash equivalents at the beginning of the period	9	6,949	5,522
Cash and cash equivalents at the end of the period	9	8,138	6,949

The Notes on pages 103-117 form part of these accounts.

Statement of changes in taxpayers' equity

	Note	£'000
Balance at 31 March 2021		8,174
Changes in Taxpayers' Equity for 2021/22		
Total comprehensive expenditure		(48,075)
Non-cash charges – auditor's remuneration	4b	60
Notional charges	4b	115
Funding from the Department for Levelling Up, Housing and Communities		53,000
Balance at 31 March 2022		13,274
Changes in Taxpayers' Equity for 2022/23		
Total comprehensive expenditure		(51,818)
Non-cash charges – auditor's remuneration	4b	63
Notional charges	4b	115
Funding from the Department for Levelling Up, Housing and Communities		61,500
Balance at 31 March 2023		23,134

The Notes on pages 103-117 form part of these accounts.

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 2022/23 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the Financial Reporting Manual apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the Financial Reporting Manual 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 that 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 the International Financial Reporting Standards 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 (see Note 10), 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 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 Department for Levelling Up, Housing and Communities' VAT registration.

Note 1.1d Operating income

Income is recognised when a performance obligation is satisfied e.g. by providing a service to a customer. The provision of services is by reference to time spent on casework. For casework, such as Local Plan examinations, which can span financial years, income is calculated on the work completed to the end of the financial year and accrued on a pro-rata day rate basis. We are not disclosing the value of outstanding performance obligations as our contracts with customers are charged at a fixed rate that directly relates to the work completed to date. There are no significant financing arrangements and payment terms are within 30 days from receipt of invoice. The main services offered can be seen within the segmental analysis in Note 3 of the Financial Statements which describe the service areas and income received.

Note 1.1e Lease Accounting Policy

With effect from the financial year 2022/23 leases which meet the definition of a right of use asset are accounted for under the standard IFRS16 Leases. In accordance with this standard the lease of Temple Quay House, The Planning Inspectorate headquarters, has been assessed as a right of use asset– see Note 11 for details of the specific treatment. The Planning Inspectorate does not reassess whether a contract is or contains a lease at the date of initial application, it applies the requirements of IFRS 16, presuming that entities have been applying the guidance in IAS17 and IFRIC 4 appropriately in the past.

In prior financial years and as reflected in comparative figures leases were classified as either operating or finance leases under International Accounting Standard (IAS) 17 Leases. Operating leases were formerly 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 Standard (IAS) 17 – Disclosures and treatment of finance leases as separate from operating leases.

Previously where the risks and rewards of ownership rested with The Planning Inspectorate, leases were treated as finance leases. All service contracts (e.g. contracts for the supply of Information Technology services) were reviewed annually to determine whether they included an embedded finance lease, under the terms of IAS 17 as interpreted by International Financial Reporting Interpretations Committee 4 - Determining Whether an Arrangement Contains a Lease.

Note 1.1f Notional costs

In accordance with the FReM, notional costs at the appropriate rate are included for audit fees and for services provided by the Department for Levelling Up, Housing and Communities, which have an equal reversing credit in the Statement of changes in taxpayers' equity. Additionally, notional costs in both income and expenditure reflect the use of the Apprenticeship levy.

Note 1.1g Property, plant and equipment

Property, plant and equipment are stated at fair value using depreciated historic cost. On initial recognition they are measured at cost including any directly attributable costs to bring them into working condition. Property, plant and equipment is not revalued, as using indices published by the Office for National Statistics appropriate to the category of asset, the value would be immaterial. Assets still in use beyond the standard useful life period will be extended or remain at nil book value if appropriate. The minimum level for capitalisation of property, plant and equipment is £5,000, and £5,000 for aggregated items. Items falling below this value are charged as an expense and shown in the Statement of Comprehensive Net Expenditure.

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) 4 years - New IT hardware and associated peripherals purchased as a bundle are capitalised on acquisition, with any replacements to peripherals arising during the four-year lifespan expensed to revenue expenditure to ensure depreciation is not double counted.

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 historic cost basis of valuation is not materially different from fair value. A new in-house software asset is under construction for a workflow management system and will be amortised once it is brought into use.

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. The current document management system is still in use after eight years whilst the new replacement system is developed.

Note 1.1k Finance leases and right of use assets

From 2022-23, the lease of the office building is categorised as a right of use asset– see Note 11. The Planning Inspectorate does not reassess whether a contract is or contains a lease at the date of initial application, it applies the requirements of IFRS 16, presuming that entities have been applying the guidance in IAS17 and IFRIC 4 appropriately in the past.

Note 1.1l Accrued income and trade receivables

Accrued income is included for services provided but not invoiced as at 31 March 2023. Trade receivables are included where services have been provided and invoiced but not paid. Revenue is recognised in accordance with IFRS 15 Revenue from contracts with customers as detailed in Note 1.1d.

Note 1.1m 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. In 2022/23, after reviewing obligations, it is not necessary to make any provisions (£nil 2021/22).

Note 1.1n Segmental reporting

The Planning Inspectorate, as an Executive Agency of the Department for Levelling Up, Housing and Communities, reports under only one operating segment: Building better homes. 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 they are not apportioned but used across the organisation (see Note 3).

Note 1.1o 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. 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 1.1p Accounting standards and interpretations not yet adopted

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

Change published	Published by International Accounting Standards Board	Financial year for which the change first applies
International Financial Reporting Standards 17 Insurance Contracts	May 2017	Implementation is not expected before 2025/26

Disclosure for Financial Year 2022/23

The Planning Inspectorate has made an assessment of the provisions of IFRS17 in the context of our activities and have concluded that it does not at present apply. Therefore, no actions or disclosures are required in respect of this standard.

Note 1.1q 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 2023/24 should 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 2022/23 Financial Statements.

Note 2. Transfer of function

On 1 October 2021, the activities of the Planning Inspectorate in Wales were transferred to a new single body for Planning and Environment Decisions Wales under a Machinery of Government change. As a transfer of function to a devolved administration this has been accounted for as a Transfer by Absorption under the FReM. The accounts for the year ended 31 March 2022 included six months of income and expenditure relating to casework in Wales as noted in the table below. The Welsh Government's contribution to costs for the period to 30 September 2021 was £300k. No assets or liabilities were transferred and there was no change to cash or reserves as a result of the separation. From 1 October 2021, any services provided to or received from Planning and Environment Decisions Wales are provided on an arm's length basis, and an appropriate service level agreement would be formed between the two entities. The agreement would detail the charges involved based on full cost recovery for the service provided and proportionate overheads.

	2021/22 £'000
Income from sale of goods and services	
Funding from Welsh Government	1,396
Direct income from Welsh Government	37
Total funding from Welsh Government	1,433
Direct income from other Government bodies and organisations	457
Total income	1,890
Staff costs	1,289
Direct administrative costs:	
Rental under operating leases - Hire of plant and machinery	1
Other operating leases	54
Travel, subsistence and hospitality	16
Legal and professional services	119
Support services	49
Other administration costs	62
Total direct costs	1,590
Overhead allocation	300
Total operating expenditure	1,890
Net expenditure	-

Other administration costs include: Bad Debts; Telecoms and other Information Technology; Training and Conferences; Postal services; and other Miscellaneous costs.

Note 3. Statement of operating costs by segment

We report based on the segmental analysis on major areas of casework and other significant income and expenditure categories.

Due to changes in some of the data collation systems within the inspectorate this year, it has not been possible to run the unit cost model in the normal manner as system development is required. Development is underway to ensure that this method can be returned to within the next financial year. We have therefore used an alternative method using the original data sources. The prior year has been restated for consistency. Changes in the prior year figures arise firstly, because we now use actual hours worked on cases rather than planned hours, this change will continue into the future. Secondly, the restated figures are based on hours booked to all cases worked on in the year, in the prior year only hours booked against cases that had reached a decision were included.

	2022/23			2021/22 RESTATED		
	Cost £'000	Income £'000	Net £'000	Cost £'000	Income £'000	Net £'000
Planning appeals	30,938	-	30,938	28,107	-	28,107
National Infrastructure	12,443	(6,324)	6,119	11,092	(5,304)	5,788
Local Plans	7,291	(3,395)	3,896	8,127	(3,549)	4,578
Enforcement appeals	4,577	-	4,577	4,774	-	4,774
Rights of Way	1,962	-	1,962	1,599	-	1,599
Compulsory purchase orders	709	(221)	488	642	(208)	434
Other Major Specialist Casework	4,242	(1,508)	2,734	4,935	(1,556)	3,379
Income from Welsh Government	-	-	-	-	(1,433)	(1,433)
Other	1,672	(568)	1,104	1,456	(607)	849
Totals	63,834	(12,016)	51,818	60,732	(12,657)	48,075

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 Department for Levelling Up, Housing and Communities but approximately 19% of its costs in 2022/23 (21% in 2021/22) have been recovered by charging a mixture of other central government departments, local government bodies or private individuals and businesses.

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 Local Planning Authorities' 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. Compulsory purchase orders: This is work undertaken in respect of objections received in relation to a compulsory purchase order.

7. 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.

8. Income from Welsh Government: this covers work undertaken on behalf of Welsh Government for which we recovered costs until 30 September 2021.

9. Other: This covers all other casework 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 4. Operating expenditure

Note 4a. Staff costs

Remuneration for Directors

Remuneration for Directors is included in Staff costs with further detail in the [Remuneration Report](#).

Staff costs - Staff costs comprise:

	2022/23 £'000	2021/22 £'000
Wages and salaries	34,384	32,432
Social security costs	4,025	3,644
Other pension costs	9,362	8,804
Sub Total	47,771	44,880
Agency staff	1,739	566
Total net staff costs	49,510	45,446

Note 4b. Other administrative costs

Auditor's remuneration - 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.

The Department for Levelling Up, Housing and Communities recharges are for the supply of accounting and human resources services.

Other administration costs include professional fees, publications, subscriptions, safety equipment, recruitment services and translation services.

	Note	2022/23 - £'000	2021/22 - £'000
Rentals:			
Hire of plant and machinery		277	166
Other payments formerly classified as operating leases under IAS17 (note 1.1e)		-	946
Total		277	1,112
Interest charges	11	24	-
Non-cash items:			
Depreciation	6, 11	1,024	775
Amortisation	7	18	71
Provision for doubtful debt		12	(9)
Auditor's remuneration		63	60
Department for Levelling Up, Housing and Communities recharges		115	115
Apprenticeship Levy Training Services		61	30
Write-back of provisions		-	(15)
Total		1,293	1,027
Other expenditure:			
Fees to Planning and Appeal Decision Suppliers		1,325	1,309
Travel, subsistence and hospitality		2,038	1,136
Accommodation costs		957	1,069
Legal and professional services		1,820	1,991
Support Services		2,667	3,768
Research and Development		-	52
Information Technology		1,872	1,983
Ex gratia costs		42	288
Adverse costs		546	284
Bad debts and write offs		13	60
Telecoms		127	115
Training and conferences		361	273
Postal services		48	136
Office supplies		124	118
Other administration costs		790	565
Total		12,730	13,147
Total administrative costs		14,324	15,286

Note 5. Operating income

	2022/23 £'000	2021/22 £'000
Fees and charges		
Local plans	3,395	3,549
National infrastructure	6,324	5,304
Compulsory purchase orders	221	208
Other major specialist casework	1,508	1,556
Total Fees and charges	11,448	10,617
Goods and services		
Income from Welsh Government	-	1,433
Total Goods and services	-	1,433
Miscellaneous income		
Recovery of adverse costs	512	569
Other	-5	7
Total Miscellaneous income	507	576
Total Miscellaneous notional income	61	31
Total Operating income	12,016	12,657

Note 6. Property, plant and equipment

2022/23	Information Technology £'000	Right of use asset £,000	Total £,000
Cost or valuation			
At 1 April 2022	2,853	-	2,853
Change of accounting policy (1.1e, 11)	-	2,923	2,923
At 1 April 2022	2,853	2,923	5,776
Additions	1,583	-	1,583
Disposals	(41)	-	(41)
At 31 March 2023	4,395	2,923	7,318
Depreciation			
At 1 April 2022	2,710	-	2,710
Charged in year	149	876	1,025
Disposals	(32)	-	(32)
At 31 March 2023	2,827	876	3,703
Net book value at 31 March 2023	1,568	2,047	3,615
Net book value at 31 March 2022	143	-	143
Asset financing			
Owned at 31 March 2023	1,568	-	1,568
Right of use asset at 31 March 2023	-	2,047	2,047

2021/22	Information Technology £'000	Right of use asset £,000	Total £,000
Cost or valuation			
At 1 April 2021	2,694	-	2,694
Additions	160	-	160
Disposals	(1)	-	(1)
At 31 March 2022	2,853	-	2,853
Depreciation			
At 1 April 2021	1,936	-	1,936
Charged in year	775	-	775
Disposals	(1)	-	(1)
At 31 March 2022	2,710	-	2,710
Net book value at 31 March 2022	143	-	143
Net book value at 31 March 2021	758	-	758
Asset financing			
Owned at 31 March 2022	143	-	143

Note 7. Intangible assets

The Intangibles assets note mainly consists of a significant asset for a new casework management system and accompanying citizen facing portals for data and document submission. This asset has a cost value of over £15million. The current document management system, with a net book value of nil is still in existence whilst its replacement continues to be developed.

The asset under construction addition of £7.1m is the total value of in-year costs of our internally generated Digital public service portal that includes directly attributable goods and services for work completed during the year ended 31 March 2023.

Internally Generated Information Technology

2022/23	Asset under construction £'000	In operation £'000	Total £'000
Cost or valuation			
At 1 April 2022	8,507	3,375	11,882
Additions	8,037	-	8,037
Disposals	-	(1,808)	(1,808)
At 31 March 2023	16,544	1,567	18,111
At 1 April 2022	-	3,310	3,310
Charged in year	-	18	18
Disposals	-	(1,808)	(1,808)
At 31 March 2023	-	1,520	1,520
Net book value at 31 March 2023	16,544	47	16,591
Net book value at 31 March 2022	8,507	65	8,572
Asset financing			
Owned at 31 March 2023	16,544	47	16,591
2021/22	Asset under construction £'000	In operation £'000	Total £'000
Cost or valuation			
At 1 April 2021	3,568	3,473	7,041
Additions	4,939	73	5,012
Disposals	-	(171)	(171)
At 31 March 2022	8,507	3,375	11,882
Amortisation			
At 1 April 2021	-	3,410	3,410
Charged in year	-	71	71
Disposals	-	(171)	(171)
At 31 March 2022	-	3,310	3,310
Net book value at 31 March 2022	8,507	65	8,572
Net book value at 31 March 2021	3,568	63	3,631
Asset financing			
Owned at 31 March 2022	8,507	65	8,572

Note 8. Trade receivables and other current assets

Other receivables 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.

Amounts falling due within one year	2022/23 £'000	2021/22 £'000
Trade receivables	1,832	1,560
Other receivables - VAT	535	314
Other receivables - Other	130	142
Prepayments and accrued income	1,876	4,072
Total	4,373	6,088
Prepayments falling due after one year	13	33
Total	4,386	6,121

Note 9. Cash and cash equivalents

All cash balances are held in the Government Banking Service.

	2022/23 £'000	2021/22 £'000
Balance at 1 April	6,949	5,522
Net change in cash and cash equivalent balances	1,189	1,427
Balance at 31 March	8,138	6,949

Note 10. Trade payables and other current liabilities

Amounts falling due within one year	2022/23 £'000	2021/22 £'000
Trade payables	-	5
Other payables - VAT, taxation and social security	1,095	953
Other payables - including payroll deductions	1,353	1,597
Accruals and deferred income	5,098	5,883
Total payables at 31 March	7,546	8,438

Note 11. Right-of-use assets

The Planning Inspectorate has determined that the lease of its headquarters in Bristol, Temple Quay House constitutes a right of use asset under the definitions contained within the accounting standard IFRS 16 Right of Use Assets. Temple Quay House, leased from the Government Property Agency is currently being refurbished and therefore the precise details of our future agreement with them is not yet known. We have determined that we are likely to occupy the building until at least March 2026, the point of the first rent review post the refurbishment work. Under the provisions of the standard it is therefore our judgement that it was appropriate to capitalise the future anticipated rental values of the lease for four years being 1st April 2022 to 31st March 2026. In the prior year accounts, no commitments were disclosed in respect of this lease under IAS17 as we were in the process of renegotiating the lease.

Following the refurbishment, it is anticipated that the square meterage occupied by the Planning Inspectorate will be smaller than the current space, being a reflection of our new ways of working. Rent is therefore projected to be less in future years than at present. We are using cost (being the value of the future rental payments, less interest) as a proxy asset valuation. Given Temple Quay House is currently undergoing refurbishment it is not considered appropriate to commission a professional valuation whilst those works are ongoing and incomplete.

The capitalisation of this right of use asset has the following impact on the financial statements:

Statement of Financial Position

A right of use asset has been created being the capitalisation of the anticipated rental values for four years to 31st March 2026, less the value of implied interest of 0.95% at the point of measurement, as set out in the PES (Public Expenditure System) notice of 2nd December 2022. Therefore:

- The value capitalised on 1st April 2022 was £2,922,840
- Depreciation for the year was £875,637
- Closing net book value was £2,047,203
- Current liabilities were £812,936
- Long term liabilities were £1,237,463

Statement of Comprehensive Net Expenditure

The cash value of rental payments in 2022/23 was £896,804, this has been reversed out as required by the standard and replaced with:

- Depreciation for the year of £875,637
- Interest for the year of £24,364

Timing differences will arise between the cash value of the rental payments and the sum of depreciation plus interest as:

- Interest will reduce as the value of the asset is depreciated and:
- Depreciation is profiled to reflect lower capitalised rent once the refurbishment is complete and floor area occupied is reduced.

Note 12. Contingent liabilities disclosed under IAS 37

There were two types of contingent liability which existed at 31 March 2023, and have not been provided for in the accounts. These were:

- (a) Ex gratia payments which may 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 £185,000 (2021/22: £243,000);
- (b) Litigation costs which may 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 £96,000 (2021/22: £64,000).

Note 13. Other financial commitments

Department for Levelling Up, Housing and Communities manages a significant contract for technology services on our behalf and the commitment is reflected in full in the Department for Levelling Up, Housing and Communities' Annual Report and Accounts.

The payments to which we are committed, mainly for technology and telephony services, are as follows.

	2022/23 £'000	2021/22 £'000
Not later than one year	846	592
Later than one year and not more than five years	217	-

Capital commitments

In addition to the above we are also committed to capital spend on the new casework management system and accompanying citizen facing portals:

	2022/23 £'000	2021/22 £'000
Not later than one year	742	400

Note 14. Provisions

	Ex gratia £'000	Adverse costs £'000	Total £'000
Balance at 1 April 2022	73	-	73
Utilised in the year	(73)	-	(73)
Balance at 31 March 2023	-	-	-
Balance at 1 April 2021	73	36	109
Utilised in the year	-	(21)	(21)
Written back in the year	-	(15)	(15)
Balance at 31 March 2022	73	-	73

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.

Note 15. 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 16. Related-party transactions

The Department for Levelling Up, Housing and Communities is the controlling related party and the ultimate controlling party.

The 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. The Departments with which the Inspectorate has the most significant transactions are: Department for Environment, Food and Rural Affairs; Department for Transport; Highways England; Government Legal Department; and the Government Property Agency.

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](#).

Note 17. Events after the reporting period

The Planning Inspectorate's financial statements are laid before the Houses of Parliament by the Secretary of State of the Department for Levelling Up, Housing and Communities.

There have not been any significant post year end events that have required disclosure in the accounts.

The financial statements are authorised for issue on the same date that the Comptroller and Auditor General signs the Certificate and Report of the Comptroller and Auditor General.

Appendix 1 - Greening Government Commitment Figures

	2018/19 (34% occupancy)	2019/20 (22% occupancy)	2020/21 (22% occupancy)	2021/22 (22% occupancy) (Restated)	2022/23 (23.43% occupancy)
Greenhouse gas emissions					
Non-financial indicators					
Gross emissions for scopes 1 and 2 (tCO ₂ e)	172.37	83.53	115.20	108.90	62.79*
Total net emissions for scopes 1 and 2 (tCO ₂ e)	0	0	0	0	0
Gross emissions for scope 3 official business travel (kgCO ₂)	459	453	302	334	425
Other scope 3 emissions	0	0	0	0	0
Related energy consumption (KW h)					
Electricity: green tariff	383,382	288,147	282,770	179,267	209,621*
Gas	135,647	190,878	237,469	128,258	101,056*
Liquid petroleum gas	0	0	0	0	0
Other	0	0	0	0	0
Financial indicators (£'000)					
Expenditure on energy	136.93	59.52	59.66	39.06	89.77*
Carbon reduction commitment licence expenditure	0	0	0	0	0
Carbon reduction commitment income from recycling	0	0	0	0	0
Expenditure on official business travel	887.6	1,026	408	591	880
Finite resource consumption - water					
Non-financial indicators (m3)					
Water consumption - supplied	1,243.38	1,127	1,634	373	187
Water consumption - abstracted	0	0	0	0	0
Financial indicators (£'000)					
Water supply costs	4.22	4.9	4.05	0.03	0.09*

	2018/19 (34% occupancy)	2019/20 (22% occupancy)	2020/21 (22% occupancy)	2021/22 (22% occupancy) (Restated)	2022/23 (22% occupancy)
Waste					
Non-financial indicators (t)					
Total waste	42.74	61	12.54	2.20	7.46
Hazardous waste	0	0	0	0	0
Non-hazardous waste - landfill	1.41	0.8	0.22	0	0
Non-hazardous waste - reused or recycled	34.05	60	12.10	0.88	5.89
Non-hazardous waste - incinerated or energy created from waste	7.28	0	0.22	1.32	1.57
Financial indicators (£'000)					
Total disposal cost	5.65	0.1	0.2*	_*	_*
Hazardous waste disposal cost	0	0	0	0	0
Non-hazardous waste - landfill	0.66	0.035	0.21*	0	0
Non-hazardous waste - reused or recycled	1.18	0.063	0.051*	_*	_*
Non-hazardous waste - incinerated or energy created from waste	3.80	0	0	_*	_*

*These values, which are supplied by our partners, are subject to data quality issues, we will work with them to improve our reporting for 2023/24.

