



The Planning
Inspectorate

Framework document:

Inspectorate



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July 2023



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Introduction and background

1. Purpose of document

- 1.1. This framework document (the “framework document”) has been agreed between the Department for Levelling Up, Housing and Communities (Department) and the Planning Inspectorate (Inspectorate) in accordance with HM Treasury's handbook Managing Public Money¹ (“MPM”) (as updated from time to time) and has been approved by HM Treasury.
- 1.2. The framework document sets out the broad governance framework within which the Inspectorate and the Department operate. It sets out the Inspectorate's core responsibilities; describes the governance and accountability framework that applies between the roles of the Department and the Inspectorate; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3. The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4. If the Inspectorate establishes a subsidiary or joint venture, there shall be a document setting out the arrangements between it and the Inspectorate agreed with the Department for Levelling Up, Housing and Communities.
- 1.5. Copies of the document and any subsequent amendments have been placed in the libraries of both Houses of Parliament and made available to members of the public on the Inspectorate's website.
- 1.6. This framework document should be reviewed and updated at least every 3 years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of the sponsor Department. The latest date for review and updating of this document is October 2025.

2. Objectives

- 2.1. The Department and the Inspectorate share the common objective of delivering key elements of the planning system in England and nationally significant development in England and Wales. To achieve this the Inspectorate and the Department will work together in recognition of each other's roles and areas of expertise, providing an effective environment for the Inspectorate to achieve its objectives through the promotion of partnership and trust and ensuring that the Inspectorate also supports the strategic aims and objectives of the Department and wider government as a whole.

3. Classification

- 3.1. The Inspectorate has been classified as a central government organisation by the ONS/HM Treasury Classifications Team.
- 3.2. It has been administratively classified by the Cabinet Office as an executive agency.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000670/MPM_Spring_21_with_annexes_080721.pdf

Purposes, aims and duties

4. Purposes

- 4.1. The Inspectorate has been established by the Department and as an Executive Agency, does not have a separate legal personality to the Department.
- 4.2. Its purpose is to deal with planning appeals, national infrastructure planning applications, examinations of local plans and other planning-related and specialist casework. It shares its expertise with its customers, communities, businesses, local and national governments to enable good planning outcomes.

5. Powers and duties

- 5.1. The Town and Country Planning Act 1990 is the primary legislation for the planning system in England. The statutory bases for other key aspects of the Inspectorate's work are:
 - The single consenting regime for national infrastructure projects established by the Planning Act 2008.
 - 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 regime for public rights of way and common land, including under the Wildlife and Countryside Act 1981 and the Commons Act 2006.
- 5.2. The Inspectorate's statutory duties and functions are to:
 - Examine the soundness of Local Plans
 - Determine a range of appeals and applications
 - Make recommendations on Nationally Significant Infrastructure Projects
 - Assist in delivering the Government's objectives regarding climate change, housing provision and sustainable development.

6. Aims

- 6.1. The Inspectorate's strategic vision is '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'.
- 6.2. This vision pertains to the Inspectorates Strategic Plan for 2021-25 and may change when a new Strategic Plan is adopted. (Strategic Plans are published on www.gov.uk/government/organisations/planning-inspectorate). The vision is underpinned by three strategies:
 - Customer
 - Data and Digital
 - People
- 6.3. The implementation of the strategies will ensure:
 - delivery of great customer service for a wide variety of customers
 - the future of the planning system will be digital and integrated, giving customers the data they need

- the Inspectorate's workforce are engaged and empowered to deliver great decisions and recommendations for customers.

Governance and accountability

7. Governance and accountability

- 7.1. The Inspectorate shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 7.2. In particular (but without limitation), the Inspectorate should:
- comply with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice² (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties or specify and explain any non-compliance in its annual report
 - comply with MPM
 - in line with MPM have regard to the relevant Functional Standards³ as appropriate and in particular those concerning Finance, Commercial and Counter Fraud
 - take into account, the codes of good practice and guidance set out in Annex A of this framework document, as they apply to ALBs
- 7.3. In line with MPM Annex 3.1, the Inspectorate shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that the Inspectorate does intend to materially depart from the Code, the sponsor should be notified in advance.

² [https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-Department s-2017](https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-Department-s-2017)

³ <https://www.gov.uk/government/collections/functional-standards>

Role of the Department

8. The responsible Minister

- 8.1. The Minister for Housing is accountable to Parliament for all matters concerning the Inspectorate.
- 8.2. The Ministers' powers and rights in respect of the Inspectorate are:
 - is responsible for the policy framework within which the agency operates;
 - determines its strategic objectives and ensures that it achieves them and delivers value for money;
 - approves the agency's strategic plan and (where proportionate) business plan; and
 - appoints the agency's Chief Executive and Chair, and approves the appointment of non-executives.

Appointments to the Board

- 8.3. The Chief Executive of the Inspectorate is appointed by the Chair of the Board with the approval of the responsible Minister.
- 8.4. The Minister shall have the following appointment and approval rights in relation to the Inspectorate's Board:
 - The chairperson is appointed by the Minister for Housing under Part 1 of the Constitutional Reform and Governance Act 2010.
 - Three non-executive members are appointed by the Secretary of State under Part 1 of the Constitutional Reform and Governance Act 2010.
 - All such appointments should have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards which include a balance of skills and backgrounds.

Other Ministerial powers and responsibilities

- 8.5. The Minister is also responsible for:
 - the policy framework within which the Inspectorate operates
 - setting the performance framework within which the Inspectorate will operate including approving the Inspectorate's Strategy and Business Plan
 - matters regarding spending approvals, acquisitions, disposals, and joint ventures in line with delegations as set out in the delegation letter
 - such other matters as may be appropriate and proportionate

9. The Principal Accounting Officer

- 9.1. The Principal Accounting Officer (PAO) is the Permanent Secretary of the Department.

PAO's specific accountabilities and responsibilities

- 9.2. The PAO of the Department designates the Chief Executive as the Inspectorate's Accounting Officer (AO) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities.

- 9.3. The respective responsibilities of the PAO and AOs for ALBs are set out in Chapter 3 of MPM.
- 9.4. The PAO is also responsible, usually via the sponsorship team, for advising the responsible Minister on:
- an appropriate framework of objectives and targets for the Inspectorate in the light of the Department's wider strategic aims and priorities
 - an appropriate budget for the Inspectorate in the light of the sponsor Department's overall public expenditure priorities
 - how well the Inspectorate is achieving its strategic objectives and whether it is delivering value for money
 - the exercise of the Ministers' statutory responsibilities concerning the Inspectorate as outlined above
- 9.5. The PAO via the sponsorship team is also responsible for ensuring arrangements are in place in order to:
- monitor the Inspectorate's activities and performance
 - address significant problems in the Inspectorate, making such interventions as are judged necessary
 - periodically and at such frequency as is proportionate to the level of risk, carry out an assessment of the risks both to the Department and the Inspectorate's objectives and activities in line with the wider Departmental risk assessment process
 - inform the Inspectorate of relevant government policy in a timely manner
 - bring ministerial or Departmental concerns about the activities of the Inspectorate to the full Inspectorate Board, and, as appropriate to the Departmental Board, requiring explanations and assurances that appropriate action has been taken

10. The role of the sponsorship team

- 10.1. Director of Planning with support from ALB Governance in the Department is the primary contact for the Inspectorate. The responsible senior civil servant for this relationship is the Director of Planning. They are the main source of advice to the responsible Minister on the discharge of their responsibilities in respect of the Inspectorate. They also support the PAO on their responsibilities toward the Inspectorate.
- 10.2. Officials of the ALB Governance team in the sponsor Department will liaise regularly with the Inspectorate officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations. The ALB Governance team will also take the opportunity to explain wider policy developments that might have an impact on the ALB.

11. Resolution of disputes between the Inspectorate and Department

- 11.1. Any disputes between the Department and the Inspectorate will be resolved in as timely a manner as possible. The Department and the Inspectorate will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the senior sponsor, will be used to resolve the issue. Failing this, the senior sponsor will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

12. Freedom of Information requests

- 12.1. Where a request for information is received by either party under the Freedom of Information Act 2000, or the Data Protection Act 1998 or 2018, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities.

13. Reporting on legal risk and litigation

- 13.1. The Inspectorate shall provide a quarterly update to the sponsor on the existence of any active litigation and any threatened or reasonably anticipated litigation. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the sponsor in a timely manner.
- 13.2. In respect of each substantial piece of litigation involving the Inspectorate, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:
- material developments in the litigation are communicated to the sponsor in an appropriate and timely manner
 - legally privileged documents and information are clearly marked as such
 - individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege
 - circulation of privileged information within government occurs only as necessary

The Inspectorate's governance structure

14. The Chief Executive

Responsibilities of the Inspectorate's Chief Executive as accounting officer

14.1. The Chief Executive as AO is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the Inspectorate. In addition, they should ensure that the Inspectorate as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of MPM. These responsibilities include the below and those that are set in the AO appointment letter issued by the PAO of the sponsor Department.

Responsibilities for accounting to Parliament and the public

14.2. Responsibilities to Parliament and the public include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts
- ensuring that effective procedures for handling complaints about the Inspectorate in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within the Inspectorate and published: <https://www.gov.uk/government/organisations/planning-inspectorate/about/complaints-procedure>
- acting in accordance with the terms of MPM and other instructions and guidance issued from time to time by the Department, HM Treasury and the Cabinet Office
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
 - any governing legislation
 - this framework document
 - any delegation letter issued to body as set out in paragraph 18.1
 - any elements of any settlement letter issued to the sponsor Department that is relevant to the operation of the Inspectorate
 - any separate settlement letter that is issued to the Inspectorate from the sponsor Department
- ensuring they have appropriate internal mechanisms for monitoring, governance and external reporting regarding non-compliance with any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the PAC on the Inspectorate's stewardship of public funds

Responsibilities to the Department of Levelling Up, Housing and Communities

14.3. Responsibilities to the Department of Levelling Up, Housing and Communities

include:

- establishing, in agreement with the Department, the Inspectorate's corporate and business plans in the light of the Department's wider strategic aims and agreed priorities
- informing the Department of progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion

Responsibilities to the Board

14.4. The Chief Executive is responsible for:

- advising the Board on the discharge of their responsibilities as set out in this document, any relevant legislation and in any other relevant instructions and guidance that may be issued from time to time
- advising the Board on the Inspectorate's performance compared with its aims and objectives
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed

Managing conflicts

14.5. In executive agencies, final decisions, responsibility and accountability rest with the Chief Executive as accounting officer. However, the expectation is that the Chief Executive will follow the advice of the Board.

14.6. If the Board, or its chairperson, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe upon the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical the chief executive in their role as AO should reject that course of action.

14.7. The Chair has the right to refer, on behalf of the Non-Executive Directors to DLUHC and/or Ministers (by whom the Non-Executive Directors are appointed) any concerns and/or risks that cannot be resolved within the Inspectorate.

14.8. If the responsible Minister feels it is appropriate, they may direct the AO in the manner as set out in MPM paragraph 3.6.6 onwards.

15. The Board

Composition of the Board

15.1. The Inspectorate will have a board in line with good standards of corporate governance, the guidance as set out in Annex A and any relevant legislation. The role of the Board shall be to advise the Inspectorate in delivering its objectives, in accordance with the purposes as set out above, their regulatory, common law duties and their responsibilities under this framework document.

Detailed responsibilities of the Board shall be set out in the Board terms of reference. Remuneration of the Board will be disclosed in line with the guidance in the Government Financial Reporting Manual (FReM)⁴.

- 15.2. The Board will consist of a chairperson, together with the Chief Executive and three non-executive members that have a balance of skills and experience appropriate to directing the Inspectorate's business. The Board should include people with a mix and balance of skills and understanding to match and complement the Inspectorate's business and its strategic aims as set out in the Corporate Governance in Central Government Departments: Code of Good Practice (Board composition). This will include as an executive and voting board member an appropriately qualified finance director as described in Annex 4.1 of MPM.

Board Committees

- 15.3. The Board may set up such committees as necessary for it to fulfil its functions. As is detailed below at a minimum this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board.
- 15.4. While the Board may make use of committees to assist its consideration of appointments, succession, audit, risk and remuneration it retains responsibility for, and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at the Board for committees to report on the nature and content of discussion, on recommendations, and on actions to be taken.
- 15.5. Where there is disagreement between the relevant committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the committee concerned should have the right to report the issue to the sponsor team, PAO and responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 15.6. The Chair should ensure Board Committees are properly structured with appropriate terms of reference. The terms of each committee should set out its responsibilities and the authority delegated to it by the Board. The Chair should ensure that committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of committees.

Duties of the Board

- 15.7. The Board is specifically responsible for:
- ensuring effective business planning and performance management framework is in place
 - delivery against the strategic objectives
 - ensuring sufficient resources are available to achieve those objectives
 - ensuring the Inspectorate priorities are consistent with DLUHC's and that its affairs are conducted with probity and consistent with Managing Public

⁴ <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>

Money

- setting and communicating the Inspectorate's values, purpose and objectives to the organisation and stakeholders
- monitoring and continuously improving performance and quality
- ensuring an adequate risk management framework is in place and reviewing strategic risk
- protecting and enhancing the Inspectorate's reputation for professionalism, effectiveness, integrity and efficiency
- ensuring that proper accounting procedures are in place
- establishing and taking forward the strategic aims and objectives of the Inspectorate, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State
- providing effective leadership of the Inspectorate within a framework of prudent and effective controls which enables risk to be assessed and managed
- ensuring the financial and human resources are in place for the Inspectorate to meet its objectives
- reviewing management performance
- ensuring that the Board receives and reviews regular financial and management information concerning the management of the Inspectorate
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the Inspectorate Board or on the attainability of its targets, and determining the steps needed to deal with such changes and where appropriate bringing such matters to the attention of the responsible Minister and PAO via the executive team, sponsorship team or directly
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of any statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds
- ensuring that in reaching recommendations, the Board takes into account guidance issued by the sponsor department
- ensuring that as part of the above compliance they are familiar with:
 - this framework document,
 - any delegation letter issued to body as set out in Annex. B
 - any elements of any settlement letter issued to the sponsor department that is relevant to the operation of the Inspectorate
 - any separate settlement letter that is issued to the Inspectorate from the sponsor department
 - that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the chief executive and the Inspectorate as a whole act in accordance with their obligations under the above documents
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the board to address key financial and other risks
- putting in place mechanisms for independent appraisal and annual evaluation of the performance of the chairperson by the independent non-executives, taking into account the views of relevant stakeholders. The outcome of that evaluation should be made available to the responsible Minister

- determining all such other things which the Board considers ancillary or conducive to the attainment or fulfilment by The Inspectorate of its objectives.
- 15.8. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.
- 15.9. The Board should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with the Management of Risk – Principles and Concepts (The Orange Book)⁵. The Board must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that the department's Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns. The Board is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

16. The Chair's role and responsibilities

- 16.1. The Chair is responsible for leading the Board in the delivery of its responsibilities. Such responsibility should be exercised in the light of their duties and responsibilities as set out in their contract of employment/appointment letter, the priorities in the chair's letter issued by the sponsor team, any relevant statute governing the Inspectorate, this document and the documents and guidance referred to within this document.
- 16.2. Communications between the Inspectorate's Board and the responsible Minister can go through the Chair and/or the Accounting Officer with involvement from the Department Sponsor.
- 16.3. The Chair is bound by the Code of Conduct for Board Members of Public Bodies⁶, which covers conduct in the role and includes the Nolan Principles of Public Life⁷.
- 16.4. In addition, the Chair is responsible for:
- ensuring including by monitoring and engaging with appropriate governance arrangements that the Inspectorate's affairs are conducted with probity
 - ensuring that policies and actions support the responsible Minister's wider strategic policies and where appropriate, these policies and actions should be clearly communicated and disseminated throughout the Inspectorate
- 16.5. The Chair has the following leadership responsibilities:
- advising on the formulation of the Inspectorate's Strategic Plan
 - ensuring that the Board, takes proper account of guidance provided by the responsible Minister or the Department in reaching agreements on recommendations
 - promoting the efficient and effective use of staff and other resources

⁵ <https://www.gov.uk/government/publications/orange-book>

⁶ <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

⁷ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

- delivering high standards of regularity and propriety
- representing the views of the Board to the general public

16.6. The Chair also has an obligation to ensure that:

- the work of the Board and its members are reviewed and are working effectively including ongoing assessment of the performance of individual Board members with a formal annual evaluation and more in-depth assessments of the performance of individual board members when being considered for re- appointment
- that in conducting assessments that the view of relevant stakeholders including employees and the sponsorship team are sought and considered
- that the Board has a balance of skills appropriate to the Inspectorate business, and that all directors including the Chair and Chief Executive continually update their skills, knowledge and familiarity with the Inspectorate to fulfil their role both on the Board and committees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of Board membership within the public sector
- Board members are fully briefed on terms of appointment, duties, rights and responsibilities
- they, together with the other board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
- the responsible Minister is advised of the Inspectorate's needs when Board vacancies arise
- there is a Board Terms of Reference in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance
- there is a code of practice for Board members in place, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies

17. Individual Board Members' responsibilities

17.1. Individual Board Members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate⁸
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of the Inspectorate
- ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government

⁸ <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

Management and financial responsibilities and controls

18. Delegated authorities

- 18.1. The Inspectorate's delegated authorities are set out in the delegation letter [Annex B: Accounting Officer Delegation Letter](#). This delegation letter may be updated and superseded by later versions which may be issued by the sponsor Department in agreement with HM Treasury.
- 18.2. In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.
- 18.3. The Inspectorate shall obtain the Department's and where appropriate HM Treasury's prior written approval before:
- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the Inspectorate's annual budget as approved by the Department
 - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications
 - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department
 - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required
 - carrying out policies that go against the principles, rules, guidance and advice in MPM

19. Spending authority

- 19.1. Once the budget has been approved by the sponsor Department and subject to any variation as laid out in subsequent delegation letters, the Inspectorate shall have authority to incur expenditure approved in the budget without further reference to the sponsor Department, on the following conditions:
- the Inspectorate shall comply with the delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of the sponsor Department and as agreed by HM Treasury and Cabinet Office as appropriate
 - the Inspectorate shall comply with MPM regarding novel, contentious or repercussive proposals
 - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal Departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed
 - the Inspectorate shall provide the sponsor Department with such information about its operations, performance, individual projects or other expenditure as the sponsor Department may reasonably require.

20. Banking and managing cash

- 20.1. The Inspectorate must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 20.2. The Inspectorate should only hold money outside Government Banking Service accounts where a good business case can be made for doing so and HM Treasury consent is required for each account to be established. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.
- 20.3. Commercial accounts where approved should be operated in line with the principles as set out in MPM.
- 20.4. The AO is responsible for ensuring the Inspectorate has a banking policy as set out in MPM and ensuring that policy is complied with.

21. Procurement

- 21.1. The Inspectorate shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules and in particular the Public Contracts Regulations 2015.
- 21.2. The Inspectorate shall establish its procurement policies and document these in a Procurement Strategy and Policy documents.
- 21.3. In procurement cases where the Inspectorate is likely to exceed its delegated authority limit, procurement strategy approval for the specific planned purchase must be sought from the Department's sponsor team.
- 21.4. Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions should be sent to the Department.
- 21.5. Procurement by the Inspectorate of works, equipment, goods, and services shall be based on, a full option appraisal and value for money (VfM), i.e the optimum combination and whole life costs and quality (fitness for purpose).
- 21.6. The Inspectorate shall:
 - engage fully with Department and government wide procurement initiatives that seek to achieve VfM from collaborative projects
 - comply with all relevant Procurement Policy Notes issued by Cabinet Office
 - co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM
- 21.7. The Inspectorate shall comply with the commercial⁹ and grants standards¹⁰. These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all Department s and ALBs, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management

⁹ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

¹⁰ <https://www.gov.uk/government/publications/grants-standards>

within government.

22. Risk management

- 22.1. The Inspectorate shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts¹¹.

23. Counter fraud and theft

- 23.1. The Inspectorate should adopt and implement policies and practices to safeguard itself against fraud and theft.
- 23.2. The Inspectorate should act in line with guidance as issued by the Counter Fraud Function and in compliance with the procedures and considerations as set in in MPM Annex 4.9 and the Counter Fraud Functional Standard¹². It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.
- 23.3. The Inspectorate should keep records of and prepare and forward to the Department an annual report on fraud and theft suffered by the Inspectorate and notify the sponsor Department of any unusual or major incidents as soon as possible. The Inspectorate should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the counter fraud centre of expertise in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

24. Staff

Broad responsibilities for staff

- 24.1. Within the arrangements approved by the responsible Minister the Inspectorate will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination against employees with protected characteristics under the Equality Act 2010
 - the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness
 - the performance of its staff at all levels is satisfactorily appraised and the Inspectorate's performance measurement systems are reviewed from time to time
 - its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Inspectorate's objectives
 - proper consultation with staff takes place on key issues affecting them
 - adequate grievance and disciplinary procedures are in place

¹¹ http://www.hm-treasury.gov.uk/orange_book.htm

¹² <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place
- a code of conduct for staff is in place¹³

Staff costs

24.2. Subject to its delegated authorities, the Inspectorate shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

24.3. The Inspectorate's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the sponsor Department. The Inspectorate has no delegated power to amend these terms and conditions.

24.4. If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code¹⁴ and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by the Department to vary such rates.

24.5. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the Department together with subsequent amendments.

24.6. The Inspectorate shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations classification as detailed in the Senior Pay Guidance¹⁵ and the Public Sector Pay and Terms Guidance¹⁶.

24.7. The travel expenses of Board Members shall be tied to the rates allowed to senior staff of the Inspectorate. Reasonable actual costs shall be reimbursed.

Pensions, redundancy and compensation

24.8. Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.

24.9. The Inspectorate staff shall normally be eligible for a pension provided by PCSPS. Staff may opt out of the occupational pension scheme provided by the Inspectorate. The Inspectorate does not provide contributions to personal pension arrangements.

24.10. Any proposal by the Inspectorate to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Department. Proposals on severance must comply with the rules in chapter 4 of MPM.

¹³ <https://intranet.planninginspectorate.gov.uk/induction/2-working-at-pins/2-7-conduct/>

¹⁴ <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

¹⁵ <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

¹⁶ <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

Business plans, financial reporting and management information

25. Corporate and business plans

- 25.1. By end of September, the Inspectorate shall submit annually to the sponsor Department a draft of the strategic plan covering at least three years ahead. The Inspectorate shall agree with the Department the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the Inspectorate's statutory and/or other duties and, within those duties, the priorities set from time to time by the responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the Inspectorate contributes to the achievement of the DLUHC's Outcome Delivery Plan and priorities and aligned performance metrics and milestones.
- 25.2. The first year of the strategic plan, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department. Subject to any commercial considerations, the corporate and business plans should be published by the Inspectorate on its website and separately be made available to staff.
- 25.3. The following key matters should be included in the plans:
- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives
 - key non-financial performance targets
 - and an estimate of performance in the current year
 - other matters as agreed between the Department and the Inspectorate

26. Budgeting procedures

- 26.1. Each year, in the light of decisions by the Department on the updated draft strategic plan, the Department will send to the Inspectorate by the start of each new Financial Year:
- a formal statement of the annual budgetary provision allocated by the Department in the light of competing priorities across the Department and of any forecast income approved by the Department
 - a statement of any planned change in policies affecting the Inspectorate
- 26.2. The approved annual business plan will take account both of approved funding provision and any forecast receipts. It will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any Departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

27. Annual report and accounts

- 27.1. The Inspectorate's Board must publish an annual report of its activities together with its audited accounts after the end of each financial year. The Inspectorate shall provide the Department its finalised (audited) accounts each year (date agreed annually between the Inspectorate, the Department). A draft of the report should be submitted to the Department eight weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as the Treasury's Financial Reporting Manual (FReM).
- 27.2. The annual report must:
- cover any corporate, subsidiary or joint ventures under its control
 - comply with the FReM and in particular have regard to the illustrative statements for an executive agency¹⁷
 - outline main activities and performance during the previous financial year and set out in summary form forward plans.
- 27.3. Information on performance against key financial targets is included within the annual report and subject to the auditor's consistency opinion. The report and accounts shall be laid in Parliament and made available on the Inspectorate's website, in accordance with the guidance in the FReM.

28. Reporting performance to the Department

- 28.1. The Inspectorate shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans.
- 28.2. The Inspectorate shall inform the Department of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives on a quarterly basis through the AO meetings.
- 28.3. The Inspectorate's performance shall be reviewed through the following forums:
- Planning Inspectorate Board – bi-monthly: Director of Planning Attends, receives performance updates
 - AO meetings – quarterly: attended by the CEO and Chaired by the Director General for Regeneration
 - Project gateway meetings - as required: to be Chaired by the Director of Planning or another senior member of DLUHC, attended by relevant members of the Planning Inspectorate including the CEO as AO
 - Review of performance against the Ministerial targets.
- 28.4. The responsible Minister will meet the Chair and Chief Executive once a year.
- 28.5. The PAO will meet the Chief Executive at least once a year.

¹⁷ <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>

29. Information sharing

- 29.1. The Department has the right of access to all the Inspectorate's records and personnel for any purpose including, for example, sponsorship audits and operational investigations.
- 29.2. The Inspectorate shall provide the Department with such information about its operations, performance, individual projects or other expenditure as the Department may reasonably require.
- 29.3. The Department and HM Treasury may request the sharing of data held by the Inspectorate in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.
- 29.4. As a minimum, the Inspectorate shall provide the Department with information monthly that will enable the Department satisfactorily to monitor:
 - the Inspectorate's cash management
 - draw-down of grant-in-aid
 - forecast outturn by resource headings
 - other data required for the Online System for Central Accounting and Reporting (OSCAR)
 - data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter

Audit

30. Internal audit

30.1. The Inspectorate shall:

- establish and maintain arrangements for internal audit
- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury¹⁸
- set up an audit committee of its Board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook¹⁹
- forward the audit strategy, periodic audit plans and annual audit report, including the Inspectorate Head of Internal Audit opinion on risk management, control and governance as soon as possible to the sponsor Department
- keep records of and prepare and forward to the department an annual report on fraud and theft suffered by The Inspectorate and notify the sponsor department of any unusual or major incidents as soon as possible
- will share with the sponsor Department information identified during the audit process and the Annual Audit Opinion Report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department 's responsibilities in relation to financial systems within the Inspectorate

31. External audit

31.1. The Comptroller & Auditor General (C&AG) passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before parliament.

31.2. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Inspectorate has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the Inspectorate shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

¹⁸ <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

¹⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/512760/PU193

4_Audit_committee_handbook.pdf

Reviews and winding up arrangements

32. Review of the Inspectorate's status

- 32.1. The Inspectorate will be reviewed as part of the wider Public Bodies Reviews programme, at a time determined by the Department's ministers and their PAO. The date of the next review will be in 2023.

33. Arrangements in the event that the Inspectorate is wound up

- 33.1. The Department shall put in place arrangements to ensure the orderly winding up of the Inspectorate. In particular it should ensure that the assets and liabilities of the Inspectorate are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the Department.) To this end, the Department shall:
- have regard to Cabinet Office guidance on winding up of ALBs
 - ensure that procedures are in place in the Inspectorate to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body
 - specify the basis for the valuation and accounting treatment of the Inspectorate assets and liabilities
 - ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts
 - arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB's AO should sign the closing accounts. In the event that the Department inherits the role, responsibilities, assets and liabilities, the Department's AO should sign
- 33.2. The Inspectorate shall provide the Department with full details of all agreements where the Inspectorate or its successors have a right to share in the financial gains of developers. It should also pass to the Department details of any other forms of claw-back due to the Inspectorate.

Annex A: Guidance

The Inspectorate shall comply with the following guidance, documents and instructions:

Corporate governance

- This framework document
- Relevant Dear Accounting Officer (DAO) letters including the compliance with Function Standards: www.gov.uk/government/collections/dao-letters
- Corporate Governance Code for Central Government Departments (relevant to Arm's Length Bodies) and supporting guidance: <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-Departments-2017>
- Code of conduct for Board members of Public Bodies: <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- Code of practice for partnerships between Department and Arm's Length Bodies: <https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice#:~:text=This%20code%20of%20good%20practice,partnership%20approach%20to%20shaping%20relationships>.

Financial management and reporting

- Managing Public Money (MPM): <https://www.gov.uk/government/publications/managing-public-money>
- Government Financial Reporting Manual (FReM): www.gov.uk/government/collections/government-financial-reporting-manual-frem
- Relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts: <https://www.gov.uk/government/collections/whole-of-government-accounts>
- The most recent letter setting out the delegated authorities, issued by the parent Department .

Management of risk

- Management of Risk: www.gov.uk/government/publications/orange-book and <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>

- Public Sector Internal Audit Standards:
www.gov.uk/government/publications/public-sector-internal-audit-standards
- HM Treasury approval processes for Major Projects above delegated limits:
<https://www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects>
- The Government cyber-security strategy and cyber security guidance:
<https://www.gov.uk/government/publications/national-cyber-strategy-2022/national-cyber-security-strategy-2022> and
<https://www.gov.uk/government/collections/cyber-security-guidance-for-business>

Commercial management

- Procurement Policy Notes:
<https://www.gov.uk/government/collections/procurement-policy-notes>
- Cabinet Office spending controls:
<https://www.gov.uk/government/collections/cabinet-office-controls>
- Transparency in supply chains - a practical guide:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf

Public appointments

The following are relevant where public bodies participate in public appointments processes.

- Guidance from the Commissioner for Public Appointments:
<https://publicappointmentscommissioner.independent.gov.uk/>
- Governance Code on Public Appointments:
www.gov.uk/government/publications/governance-code-for-public-appointments
- Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees:
<https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees>

Staff and remuneration

- HM Treasury guidance on senior pay and reward:
www.gov.uk/government/publications/senior-civil-service-pay-and-reward
- Civil Service pay guidance (updated annually):
www.gov.uk/government/collections/civil-service-pay-guidance
- Public sector pay and terms: <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

- Whistleblowing Guidance and Code of Practice: <https://www.gov.uk/government/publications/whistleblowing-guidance-and-code-of-practice-for-employers>
- The Equalities Act 2010: www.gov.uk/guidance/equality-act-2010-guidance

General

- Freedom of Information Act guidance and instructions: www.legislation.gov.uk/ukpga/2000/36/contents and <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration: <https://www.ombudsman.org.uk/about-us/our-principles>
- Other relevant instructions and guidance issued by the central Department s (Cabinet Office and HM Treasury)
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and are relevant to the Inspectorate
- Guidance from the Public Bodies team in Cabinet Office: www.gov.uk/government/publications/public-bodies-information-and-guidance
- The Civil Service diversity and inclusion strategy (outlines the ambition, to which Arm's Length Bodies can contribute): <https://www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-to-2025>
- Guidance produced by the Infrastructure and Projects Authority (IPA) on management of major projects: www.gov.uk/government/organisations/infrastructure-and-projects-authority
- The Government Digital Service: www.gov.uk/government/organisations/government-digital-service
- The Government Fraud, Error, Debt and Grant Efficiency function; www.gov.uk/government/collections/fraud-error-debt-and-grants-function and www.gov.uk/government/publications/grants-standards
- Code of Practice for Official Statistics: <https://code.statisticsauthority.gov.uk/#:~:text=The%20Code%20of%20Practice%20for%20Statistics%20sets%20the,produced%20by%20people%20and%20o rganisations%20that%20are%20trustworthy>.
- Accounting Officer System Statements (AOSS are produced by Department s with input from ALBs): www.gov.uk/government/publications/accounting-officer-system-statements

Annex B: Accounting Officer Delegation Letter



Department for Levelling Up,
Housing & Communities

To: **Paul Morrison**, Chief Executive – **Planning Inspectorate**

From: **Conrad Smewing**, Director of **Planning** and
Emran Mian, Director General of **Regeneration Group**

14 December 2022

Dear Chief Executive,

PLANNING INSPECTORATE: LETTER OF DELEGATION FOR THE FINANCIAL YEAR COMMENCING 1 APRIL 2022

As the Senior Sponsor for the Planning Inspectorate, I am writing to you on behalf of the Principal Accounting Officer of the Department for Levelling Up, Housing & Communities (DLUHC) to inform you of your allocated budget for the financial year 2022-23 and to confirm your responsibilities as Accounting Officer of the Inspectorate effective from 14th December 2022, from when you take over your appointment as Chief Executive.

PINS have already received a separate letter earlier in the year which sets out your priorities for 2022-23. We will return to them throughout the year at the quarterly Accounting Officer/Chief Executive meetings to track progress and address issues as necessary. Our expectation and your agreement is that the Planning Inspectorate will deliver against these priorities. A summary of these priorities is included in the 'Delivery Expectations' section below.

As I have set out in my letter regarding priorities, the Covid-19 pandemic continues to impact on the Inspectorate's work into the new financial year, particularly as colleagues continue to adjust to a hybrid way of working. The Inspectorate should continue to discuss with DLUHC the impact that this situation will have on its delivery plans and its budgets for 2022-23.

Delivery Expectations

As Senior Sponsor for the Inspectorate, it is my responsibility to ensure that the direction of your organisation aligns with departmental and ministerial strategic objectives, and to regularly review performance information that you are required to provide to DLUHC. Key to doing this is the constructive involvement we have had on the 2022-23 Business Plan and the Strategic Plan, and I am grateful for your team's work on these.

The Department set out its six priorities for the Inspectorate for 2022-23 in a separate letter to PINS dated 12 May 2022, which are:

1. Plan-making
2. Project Speed and the British Energy Security Strategy
3. Operational performance recovery on appeals
4. People and Workforce
5. Finance
6. Operational Delivery Transformation (ODT)

We will focus our Accounting Officer/Chief Executive meetings on tracking progress towards these priorities and addressing issues as necessary. I look forward to continuing working together to meet the challenges and seize the opportunities that lie in the year ahead.

Budget Allocation for 2022-23

In delivering your organisation's objectives over the coming year, you are being assigned the following budget:

Budget Category	Budget £'000
Resource (programme)DEL	
Pay	48,483
Non-Pay	18,175
Income	(11,863)
Provision Utilisation	100
Net Resource DEL	54,895
Depreciation	2,000
Capital DEL	
General	4,805
Operational Delivery Transformation	4,995
IFRS 16 Adjustments	4,285
Net Capital DEL	14,085
Resource AME	204
Total Budget	71,184

As part of the above budget delegation, the Inspectorate has been allocated £0.9m to support the DLUHC's Planning Reform programme and £1.3m to support the Project Speed work. These budgets may need to be amended over the course of the year, with regards to progress against priorities. Any such changes will be addressed as part of DLUHC's overall quarterly budget review process later this year. DLUHC will also assist in offering increased scrutiny of financial forecasts through quarterly finance meetings.

The reclassification of the Inspectorate's budgets was completed as part of Supplementary Estimates in 2019. As a result, the Inspectorate's RDEL budgets no longer appear as Admin,

but as Programme within Department budget lines. We recognise that your Resource AME budget may need to be revised during the year to reflect Ex Gratia settlements.

To provide additional assurances around this there will be additional challenge from DLUHC, as outlined in the priorities letter.

Accounting Officer responsibilities

The Principal Accounting Officer of DLUHC is personally responsible for safeguarding the public funds for which he has been given charge under the DLUHC Estimate. In doing so, he ensures departmental spending is compliant with the principles of regularity, propriety, feasibility, and value for money, as set out in HM Treasury's *Managing Public Money*.

As the Accounting Officer (AO) for the Inspectorate, you are personally responsible for ensuring that your organisation lives within these budgets, and that the resources under your remit are managed in accordance with the standards and policies set out in *Managing Public Money*. In addition, you are required to comply with the Framework Document, the Government Financial Reporting Manual, Consolidated Budgeting Guidance, and Cabinet Office Spending Controls.

Your budget allocation forms part of the consolidated budget for the whole of the DLUHC Group. While you have been delegated responsibility to manage the resources which have been allocated to your organisation, ultimate accountability for the Programme budget is retained by the Principal Accounting Officer. As your Senior Sponsor, I will work closely with you in managing, controlling and assuring this budget so that DLUHC remains within its overall allocation. The Planning Inspectorate is required to provide timely and robust forecasting, and to engage early if there is likelihood that any of its delegated budget will be exceeded or underspent.

DLUHC reserves the right to amend these budgets during the financial year. This will be done in consultation with you to ensure that your budget remains appropriate for your needs. Should you wish to amend your budget allocation, this should be raised with me at the earliest opportunity. If you anticipate not being able to live within your budget, you must notify both your DLUHC Finance Business Partner and me, as your Senior Sponsor, as soon as possible, regardless of the point in the reporting cycle. Additions to budgets should not be assumed and will require a business case justifying the rationale for additional funding.

The Planning Inspectorate have investment programmes underway which operate under agreements with DLUHC's Investment Sub Committee (ISC). If these programmes deviate from the tolerances agreed by ISC, or business case quality assurers, then ISC must be informed.

The Principal Accounting Officer of DLUHC has a duty to satisfy himself that you have an adequate system of internal controls within your organisation which enables you to execute your responsibilities. This will be achieved through, but is not limited to, the following routes:

- You will be required to attend regular meetings with your Senior Sponsor within DLUHC to review performance against delivery expectations set out in the Inspectorate's business plan and the priorities letter.
- You will be required to provide DLUHC with a monthly report to the Planning Director that details the performance against the financial and delivery targets that have been set for your

organisation. Financial performance should include realistic and accurate forecasts to the end of the current year (and, where relevant, into future years). This should be submitted to me, as your Senior Sponsor, and copied to your DLUHC Finance Business Partner.

- You will undertake the annual Impact Assessment in a transparent manner to ensure appropriate levels of oversight are afforded to your organisation by your Senior Sponsor.
- You will provide any necessary ad-hoc assurances to DLUHC that the Senior Sponsor may require, including (but not limited to) access for DLUHC's finance, risk and internal audit teams; material required to answer Parliamentary or any centrally led commissions (for example, from HM Treasury or the Cabinet Office), periodic or otherwise.

I would be grateful if you would acknowledge receipt of this letter and confirm that you understand and accept the responsibilities that have been delegated to you, via email to me and copying to those included in the copy list below.

Yours sincerely,



Conrad Smewing

Director – Planning,

Department for Levelling Up, Housing & Communities

Annex A – Losses and Special Payments Delegations 2022-23

Budget Category	Maximum Limit per Transaction
Cash Losses	
Cash losses, physical losses of cash and equivalents	Unlimited
Bookkeeping losses	Unlimited
Exchange rate fluctuations	Unlimited
Losses of pay, allowances and superannuation benefits arising from overpayments, unauthorised issues, or other cases (short of proven fraud)	Unlimited
Losses arising from overpayments of social security benefits, grants, subsidies, etc. arising from miscalculation, misinterpretation of acts, regulations or scheme rules, or the full facts not being known	£45,000
Losses arising from failure to make adequate changes for the use of public property or services	No delegation except in the case of sub-letting property to non-government bodies at below market value: £25,000
Loss of accountable stores: because of fraud or other causes	Unlimited
Fruitless payments and constructive losses	Unlimited
Claims waived or abandoned	£60,000
Special payments	
Extra-contractual and ex-gratia payments to:	
Contractors	£50,000
Other ex-gratia payments	£45,000
Compensation payments	Other: £45,000, Personal injury: £75,000
Extra-statutory and extra-regulatory payments, leasing property at above market rate (NPV + Costs)	£45,000
Gifts	
Gifts to visiting dignitaries	£500pa
Gifts received by DLUHC	Unlimited

Annex B – ALB Sponsorship Framework and Sponsor Responsibilities

Principle Accounting Officer (Permanent Secretary)

Acting within the authority of the minister(s) to whom they are responsible, the Principal Accounting Officer:

- Appoints the senior official in the ALB (usually the 'Chief Executive') as Accounting Officer for the body.
- Ensures that the ALBs it 'sponsors' operate effectively and to a high standard of probity, and to the standards of governance, decision-making and financial management set out in Managing Public Money; and,
- Ensures that a 'framework document' (or equivalent) has been agreed with the ALB which allows for the department to exercise meaningful oversight of the ALB's strategy and performance, pay arrangements and/or major financial transactions.

Senior Sponsor (Director General or Director)

There is no 'one size fits all' model for sponsorship of the department's ALBs. The approach to sponsorship should be proportionate to the ALB's level of impact, risk and legal status.

However, a 'Senior Sponsor' always leads the relationship with the ALB on behalf of the department and the PAO and supports Ministers and the PAO in discharging their responsibilities.

Senior Sponsor are accountable for ensuring:

- The ALB delivers against its objectives, and there is appropriate oversight of the ALB's performance and risk, with strategic risks escalated as needed.
- Ministers are advised on the strategic direction and performance of the ALB;
- There is active engagement with the ALB on ministerial and departmental priorities and how the ALB fits within these priorities.
- Appropriate challenge and support is provided to the ALB in the development of their annual Business Plan, and there is consistency with the department's strategic objectives (particularly the SDP) and Ministerial priorities.
- There is open dialogue with the ALB on policy development (as appropriate), that ALB expertise is utilised, and that the impact on the organisation is carefully considered; and
- The Chair of the ALB Board has completed CEO and Board Members' annual appraisals, and Board Effectiveness Reviews are completed with recommendations implemented accordingly.

Finance Director	Director of People, Capability & Change
<p>Supports the Senior Sponsor via its Business Partner function with oversight of financial management and corporate governance. Key responsibilities include:</p> <ul style="list-style-type: none"> • monitoring financial performance of the ALB; • managing budget setting exercises; • attending ALB Audit and Risk Committees (as appropriate) and; • coordinating the review of operational business cases. 	<p>Supports the Senior Sponsor via its expert teams on Pay and a wide range of other issues, such as:</p> <ul style="list-style-type: none"> • Remuneration strategies • non-standard pay issues • casework and; • disciplinary matters.

Annex C – Cabinet Office Spending Controls

Category	Spending Limit	Additional Controls
Advertising, marketing, and communications	£100,000 (with approval by Communications Director*)	Over £100,000 requires Cabinet Office approval
Consultancy and Professional Services	Up to £100,000 and/or less than three months (with approval by Commercial Director*)	£100,000 to £500,000 requires approval from Accounting Officer*
		Over £500,000 and/or 9 months duration requires approval from Cabinet Office (including interactions with the Government Consulting Hub)
Contingent labour	Up to £750 daily rate or under 12 months duration (with approval by Commercial Director*)	£750 and above daily rate, or 12 months duration or longer to be submitted on Cabinet Office's Contingent Labour Portal

*This approval should be delegated to the Communication Director, Commercial Director and Accounting Officer within the Arms- Length Body.

You can find further information on Cabinet Office spend controls [here](#).