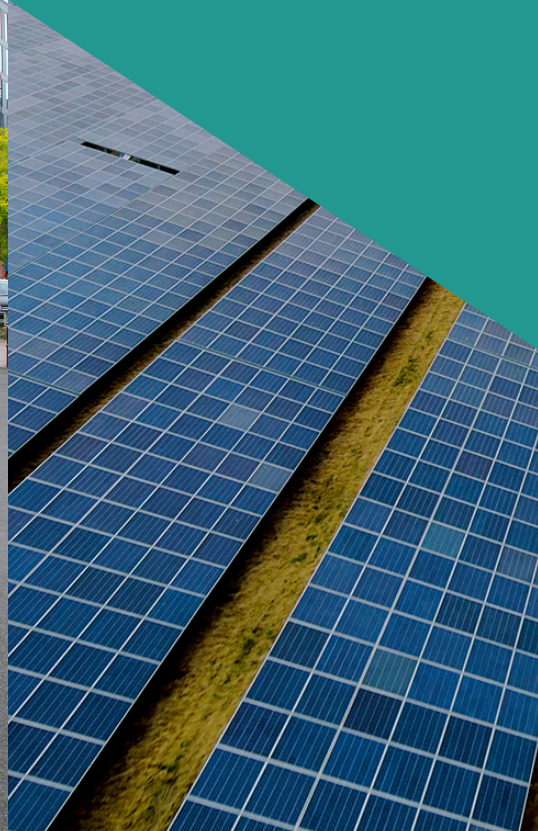




The Planning
Inspectorate

Planning Inspectorate Annual Report and Accounts 2023/24



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Planning Inspectorate Annual Report and Accounts 2023-2024

For the period 1 April 2023 to 31 March 2024

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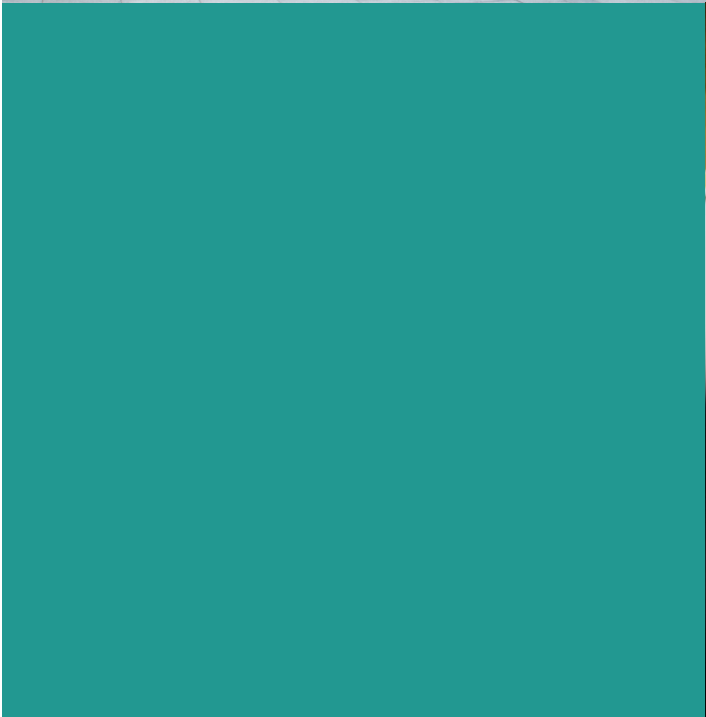
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Performance Overview

This section opens with an introduction from our Chief Executive and Chair of the Board. It provides an overview of our performance in 2023/24, including the challenges and successes, and looks forward to our delivery plans for 2024/25.



Chief Executive's Statement

Our people have worked exceptionally hard this year, with professionalism, expertise and integrity, maintaining our reputation as a highly-respected organisation. There remains more to do to ensure we make consistently timely, high-quality and cost-effective decisions. In 2023/24 we have refocused our strategy, setting clear ambitions to deliver against this mission.



This is my second year providing the Chief Executive's foreword to the Planning Inspectorate's Annual Reports and Accounts. In my first I spoke about the success we had and the challenges we still faced. I paid tribute to my predecessors as the giants on whose shoulders I stood having joined late in the last financial year. I want to do the same this year, but instead of starting with a tribute to those who have gone before, I want to pay the biggest tribute to the range of professionals that make up the Inspectorate. The successes described rest on the expertise, integrity, and hard work of our 951 people.

I said last year that my early impressions of the Inspectorate were of a body held in wide and often expressed esteem by many working in the planning system and beyond. That impression has been

confirmed by my daily contact with colleagues and customers. My favourite part of the job is when I see colleagues in action, most visibly inspectors at hearings, inquiries, site visits and all other points in between but also all the other environmental specialists, casework, operational delivery, finance, commercial, communications, customer services, corporate governance, strategy, project delivery, data and digital, people, innovation, and knowledge management professionals.

The quality of the people and the work they produced and the reputation that this has created is critical to the success of the Inspectorate. However, if there was a 'but' in the praise we received, it was that there was a significant inconsistency in the way we dealt with work.

We have refocused our strategy on the core of what the Planning Inspectorate is here to do, to make consistently timely, high-quality and cost-effective decisions. We have set the ambition that by 2027 we will have no backlogs, 98% cases will be dealt with in target with no compromise on the quality of the work delivered. The report describes both the extent to which we are beginning to meet that ambition, but also how far we have left to go.

Our recipe for getting to where we want to is to make sure our systems are as efficient and waste free as possible, including but not only through rolling out modern digitalised services, by working

with our customers, stakeholders and partners across the planning system to make it as easy as possible for everyone to do the right thing in terms of engaging and influencing the policy framework we operate in, working with users of the system to get the right evidence into it and making sure that the work that reaches the Inspectorate is going to make the best use of our expertise.

This report describes progress in all these areas. In terms of our processing of cases, at the year end the number of open appeals cases stands at 13,265. This is 1,237 fewer than at the start of the year and at its lowest level for two years: the most sustained fall in our backlog since before the COVID-19 pandemic. At the start of the year the work we had on the books would have taken us 37 weeks to complete; as the year ended the number of open cases represented 33 weeks. We still have a way to go given our highest volume work needs to be completed within 20 weeks, but it is a strong indicator of our progress.

We have delivered new digital services and introduced trailblazing new approaches to managing applications for planning consent for Nationally Significant Infrastructure Projects while remaining within our statutory time targets. And we have achieved the same on local plan examinations, including the unique Manchester City Region plan involving nine separate Local Planning Authorities.

The number of vacancies across the organisation has steadily declined, meaning we now have a stable workforce with minimal vacancies. Our people survey showed more engaged staff, with a stronger sense of our strategic purpose, more likely to advocate for the organisation and recommend it as a great place to work and better able to learn and develop themselves.

The annual reports and accounts afford a moment to pause and reflect on that success. It is also a useful platform from which to view the future. Given we are still averaging 29 weeks (median) for our

key volume cases, our performance is still not where it needs to be. The business plan for next year is set, but as with all plans it will need to flex to accommodate a shifting operating context. Our progress will have to be made while accommodating uncertainty and new work.

The Levelling-up and Regeneration Act has created a range of new services and powers, many of which will call on the expertise of the Planning Inspectorate and may not be the only policy shifts we will need to absorb. While our output has increased, from 17,369 appeals cases in 2022/23 to 18,158 appeals cases in 2023/24, the level of work coming into the organisation has declined from 21,133 cases last year to 19,420 cases this year. Depending on a range of external factors, incoming work may increase. Our plans will set out a range of measures to increase our productivity to allow us to manage that additional work without allowing progress on our core services to stall.

I do not pretend these challenges are insignificant or that the ambitions we have set ourselves are not stretching. But the foundations we have laid this year and the plans we have for next will start us on a path that will get us to where we need to be by the end of the strategy.

Paul Morrison
Chief Executive Officer

Board Chair's Statement

The Planning Inspectorate continues to play its vital part in the delivery of the places and priorities, homes, infrastructure, community assets, sustainable communities and environments that England needs. We are part of a complex system, and our work is only possible through the active engagement of all those we work with.



In 2023/24, we have refreshed our Strategic Plan which will steer our Business Plan for the coming year. Like many organisations, the Inspectorate has multiple demands upon it but finite resources, and so it is necessary we have a clear plan to guide our focus and priorities.

We have set ambitions to improve our performance and customer experience through a laser like focus as we move forward on our productivity. We are committed to having no backlog by 2027, and although we are shortening the time we take to make decisions, we are not where we, customers or Ministers want us to be. We have made a number of significant strides forward which are set out in this report, such as improvements in clearing our backlog of cases, including deciding more appeals cases than we receive. Below I set out some highlights from the year. I am grateful to all those who contribute to making the Inspectorate's work impactful and

for the interest, challenge and support of Ministers in our drive to improve our services. I commend colleagues within the Inspectorate for their dedication to our purpose.

We are responsible for considering the merits of Nationally Significant Infrastructure Projects and this year have considered a diverse range of schemes, including offshore wind farms and solar projects. We provided recommendations to a Secretary of State on 15 Nationally Significant Infrastructure applications, all within the statutory time frames, and continued to work collaboratively with departments and scheme proponents on improvements to the system.

There is a continuing push to make planning more effective, responsive and timely and we have worked closely with the Ministry of Housing, Communities and Local Government on the planning reform agenda. This will impact on the place shaping work of Local Plans and the national focus on addressing the Country's housing needs. This year, whilst the number of Local Plans submitted to us declined, we issued reports on their plans to 23 Local Authorities or other Planning Authorities.

We could not deliver without our hard-working and professional workforce, which includes national experts in key areas of work. Like many organisations, recruiting, retaining and growing talent in a competitive market requires deploying

innovative approaches to bring in new and diverse talent. This year we had 30 apprentices in a range of roles, underlying our commitment to growing and nurturing talent. We have implemented a learning and development strategy to support colleagues across the Inspectorate to develop and deepen their knowledge and skills. Our people have once again worked skilfully and hard this year to provide high quality decisions, recommendations and advice, to improve our timeliness and support the operation of the wider system. Our people remain our most important asset. Furthermore, the Inspectorate is committed to reducing the environmental impact of how we work and have developed a new Environmental Plan to drive this.

The Board plays an important role in driving the Inspectorate forward. This year we undertook a Board Effectiveness review led by an experienced Non-Executive Chair Lesley Cowley. This confirmed the Board to be effective whilst making constructive suggestions for future development and improvement. The Inspectorate's Board and Audit and Risk Committee work closely with both our Internal auditors and External Auditors. I am proud that once again our

Annual Report and Accounts is unqualified and gives us a clean bill of health.

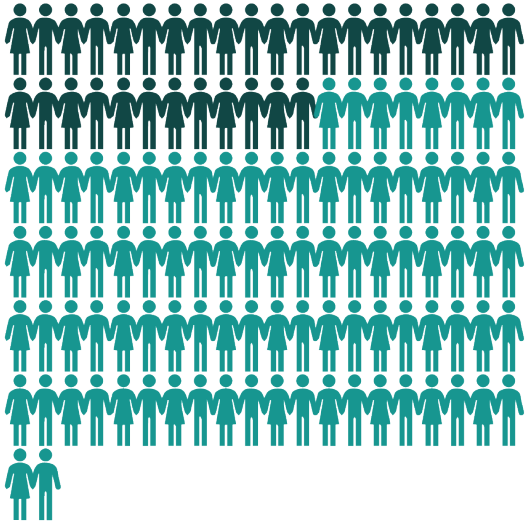
My fellow Non-Executive Directors (NEDs) offer challenge and support to the organisation and oversee the effective use of money and resources. Over the past year this has included applying their expertise to carry out deep dives into areas of challenge. This year has seen a change of NEDs and I would like to thank the outgoing Directors Stephen Tetlow, Rebecca Driver and Sally Dixon for their enormous contribution. We welcome Adrian Penfold, Emir Feisal and Oliver Munn. The Inspectorate was one of the inaugural host Boards in the National Non-Executive Board Apprenticeship program which we have found to be positive for both the organisation and the NED apprentice. We say goodbye and thank you to Zaffrin O'Sullivan and welcome Madeleine Burch.

It has been my pleasure to work with the Inspectorate's senior leadership team throughout the year, and I look forward to the year ahead as we embark on delivering our 2024-27 Strategic Plan.

Trudi Elliott
Board Chair, Planning Inspectorate

2023/24 At A Glance


In 2023/24 we continued to deliver for our customers, here we highlight some of those successes.



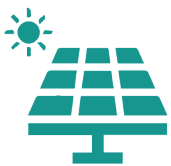
Increased our capacity to deliver more decisions with the appointment of 122 new staff, including 32 Band 1 Inspectors.

18,214

decisions and recommendations issued across all our casework



The Application Service went live, allowing applicants to submit NSIP applications digitally



Provided 15 National Infrastructure Application recommendations within statutory timeframes to a Secretary of State



23
reports issued for Local and Development Plans

Introduction

Our purpose is to maintain a fair planning system, support significant infrastructure development and help communities shape where they live.

The Planning Inspectorate is an executive agency of the Ministry of Housing, Communities & Local Government (MHCLG). We are responsible for making decisions and providing recommendations on a range of planning-related issues across England. We make decisions and recommendations across our three public services: examinations, appeals and (also in Wales) applications. We employ a large cohort of planning specialists and work alongside other parties to support the development of the wider planning sector.

Our part in the planning system

England operates a plan-led system where policies in Local Plans, produced by Local Planning Authorities (usually local councils), are used to decide how much land should be set aside to build

new developments, such as homes, offices, factories and shops, usually over a period of 10 to 15 years. They also show areas where it has been decided that development should be limited. These Local Plans are used to make decisions on planning applications for individual development proposals.

We uphold this system by delivering three public services:

Examinations

We help communities in England shape where they live through examining the soundness of Local Plans. We consider how well Local Planning Authorities' proposals meet citizens' needs, adhere to legal requirements and follow national planning policy.

Graphic 1 - Stakeholder engagement



Planning Inspectorate	
OPERATIONS	PLANNING INSPECTOR PROFESSION
PEOPLE	FINANCE, COMMERCIAL & BUSINESS SUPPORT
STRATEGY	DIGITAL AND DATA

Appeals

We maintain a fair planning system by providing an impartial appeals service. This involves determining a range of appeals which have been made against the decisions of Local Planning Authorities.

Applications

We support significant infrastructure development decision making in England and Wales by advising on NSIP applications. In this role we consider future needs for the economy, environment and society, and ensure communities' views are heard.

In 2023/24, we took on a new area of work in considering planning applications in areas designated by the Secretary of State as requiring support.

There are four 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 on decision-makers 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 of 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 (NSIPs), and powers relating to other parts of the planning system.

The Levelling-up and Regeneration Act 2023

This provides for changes to a wide range of planning related matters. Powers relating to NSIPs have come into force, but many other provisions are awaiting

secondary legislation before they can commence.

There is more legislation affecting other areas of our work, such as for 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. It also sets out how to make planning applications and appeals and how they should be considered.

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.

What's on our radar

Environment Act 2021

This Act contained a wide range of measures which apply to planning. Most of these are now in force such as the Biodiversity Net Gain provisions which commenced in the first quarter of 2024 for certain types of development.

NSIP Reform

This is a government-led initiative that aims to improve the process for 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. In Spring 2024 the first set of regulatory and guidance changes are in place, with more to follow in the next year.

How we work

We have a long history of living by our values of openness, fairness and impartiality. Our roots stretch back to the Housing and Town Planning Act of 1909 and the birth of the UK planning system. For over a century we have upheld and promoted quality, assuring the checks and balances of the planning system; our decisions and recommendations have made a profound difference to the country we live in. We take this privilege, and its associated responsibility, as seriously as ever.

Our values shape our culture and ways of working and guide us in delivering a responsive and improvement-focused customer service. They define our strategic approach, are integral to our daily operations and help us to attract and retain the right people.

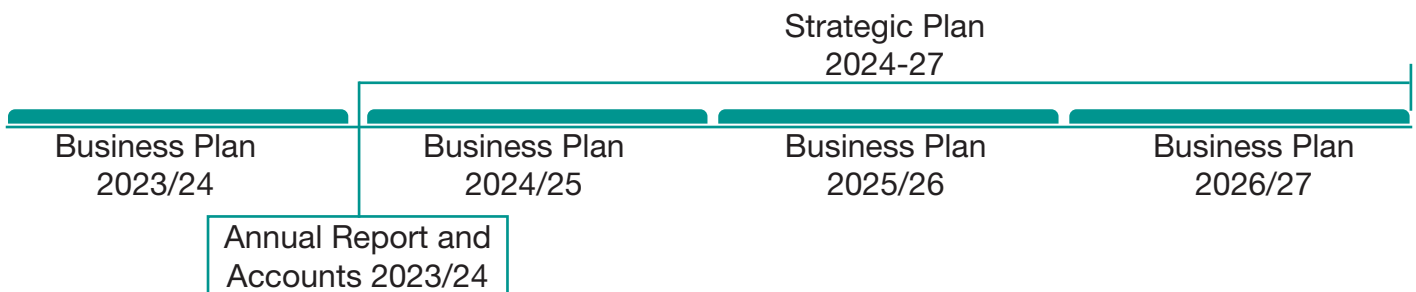
Our headquarters are in Bristol and we employ in the region of 950 staff. Around half of these are home-based Inspectors, all of whom are professionally qualified (for example town planners, architects, lawyers or engineers). We offer a hybrid working environment for our support staff, who carry out a wide range of functions from supporting casework to the running of the organisation.



Our Business Plan

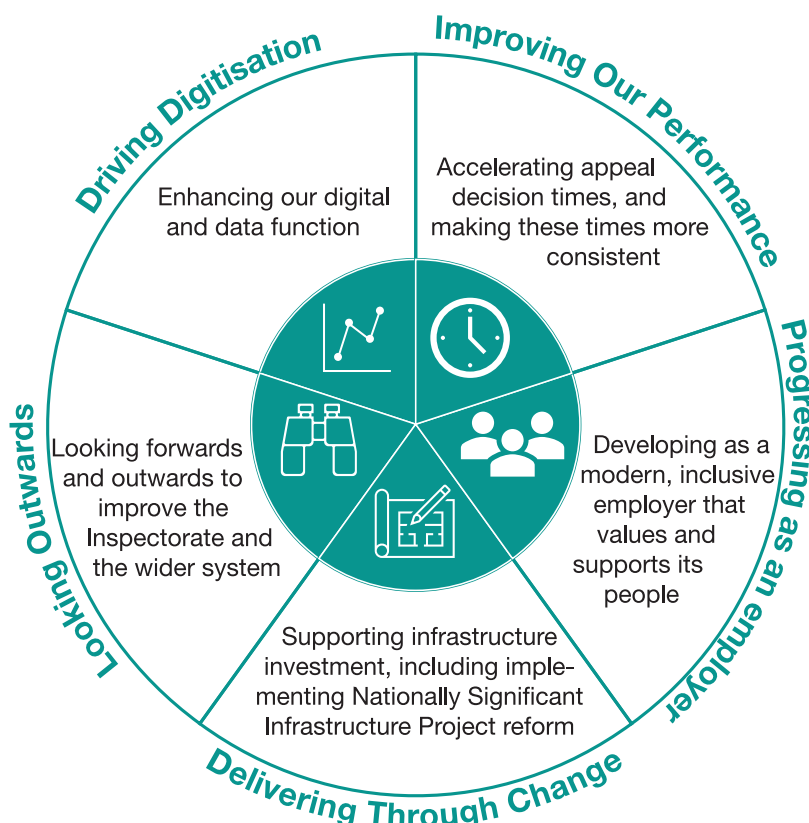
Our 2023/24 Business Plan was underpinned by five priorities aligned to our vision, values and purpose and the priorities of our sponsoring department. Looking forward, we have set the direction for the next three years in our 2024-27 Strategic Plan, and for the coming year in our 2024/25 Business Plan.

Where we are now



Our 2023/24 Business Plan

Our 2023/24 Business Plan set out the roadmap of collective effort required to achieve our ambitions in the last twelve months. The plan was underpinned by five priorities aligned to our vision, values and purpose. It also aligned with the priorities of our sponsoring department, the Ministry of Housing, Communities and Local Government. These priorities were:



Look out for these icons throughout the report to learn how we have delivered against each priority.

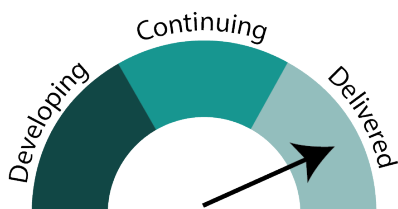
Overview of delivery against our priorities

Below we set out a summary of our performance against the Business Plan. Further analysis on our delivery, and a key explaining the gauges, can be found on page 15.

The monitoring of our strategic risks enables us to mitigate risks to the delivery of our Business Plan. A breakdown of our strategic risks can be found on page 60.

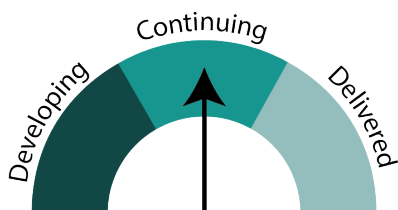
Delivering through change

This priority has been delivered, including through a recruitment drive in readiness to meet the growing demand for our services, and the development of a new quality assurance process for our casework. We will continue to support implementation of Nationally Significant Infrastructure Projects and Local Plan reform as well as changes as part of the Levelling-up and Regeneration Act 2023 as set out in Ambitions 1 and 2 of our 2024-27 Strategic Plan.



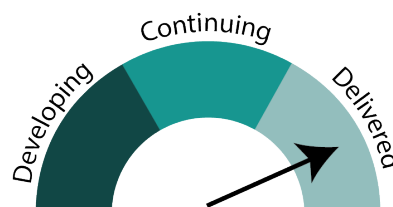
Progressing as an employer

We improved our Employee Engagement score as well as all areas of staff diversity. To support our ways of working to be green and inclusive, we developed an Environmental Plan and a new commercial strategy. We will continue to progress as an employer, as set out in Ambition 3 of our 2024-27 Strategic Plan.



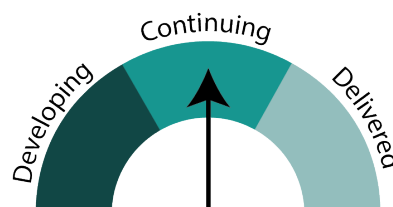
Looking outwards

This priority has been delivered, including through our horizon-scanning and futures programme, and the development of a roadmap for our future use of AI (Artificial Intelligence). To progress this further, we have ambitions to bolster our position within the wider planning sector, as set out in Ambition 2 of our 2024-27 Strategic Plan.



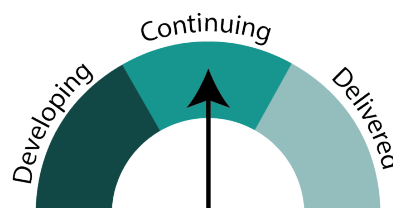
Driving digitalisation

We delivered new digital tools and set up automated systems which improved ease of use and efficiency, as well as delivering training and guidance to ensure data protection compliance. We will continue to develop digital and data systems and services to further increase our efficiency and productivity as set out in Ambition 1 of our 2024-27 Strategic Plan.



Improving our performance

Whilst significant positive progress was made on our decision timeliness and output, we continue to fall short of the appeals decision times set by Ministers. We will continue to improve on this, as set out in our mission for the 2024-27 Strategic Plan.



Our Strategic Plan 2024-27

Our new 2024-27 Strategic Plan was launched in 2024. This strategy sets out our mission for the next three years. At the heart of the strategy is a relentless focus on the things our users want us to do: provide consistently timely and high-quality decisions, recommendations and advice. The plan has a clear focus but an expansive outlook. It builds on the progress we have made, the excellence of our people and the strength of our relationships across the planning system.

Our Business Plan 2024/25

We developed our Business Plan for 2024/25 setting out how we will deliver against the first year of our Strategic Plan, which runs from 2024 to 2027. The plan sets out our forecast for the work we are expecting to receive in year, the measures we will use to monitor our success, and 23 workstreams which we have committed to delivering within the year to improve our productivity and performance, in line with the ambitions set out below.

Our Purpose

To maintain a fair planning system, support significant infrastructure development and help communities shape where they live.

Our Mission

To provide consistently timely, high-quality and cost-effective decisions, recommendations and advice.

Ambitions



1. A more efficient, proportionate and streamlined approach

Develop our scheduling, casework and other digital systems and processes to increase our productivity, reduce our environmental impact and lay the foundation for future sustainable improvements.



2. A leader in bringing the planning system together

Use our unique, highly-connected position to influence the system and its actors to support both our service delivery and the design and implementation of planning policy.



3. An even better place to work, that values and builds the expertise of its workforce

Strengthen our offer as a modern and inclusive employer with a focus on professional standards to upskill, engage and motivate our staff to deliver.

Our Strategy 2024-27

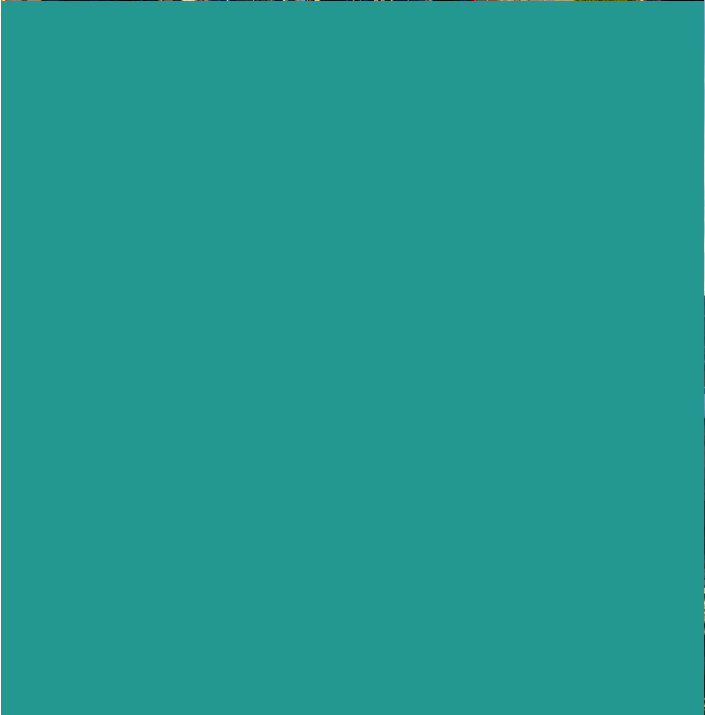
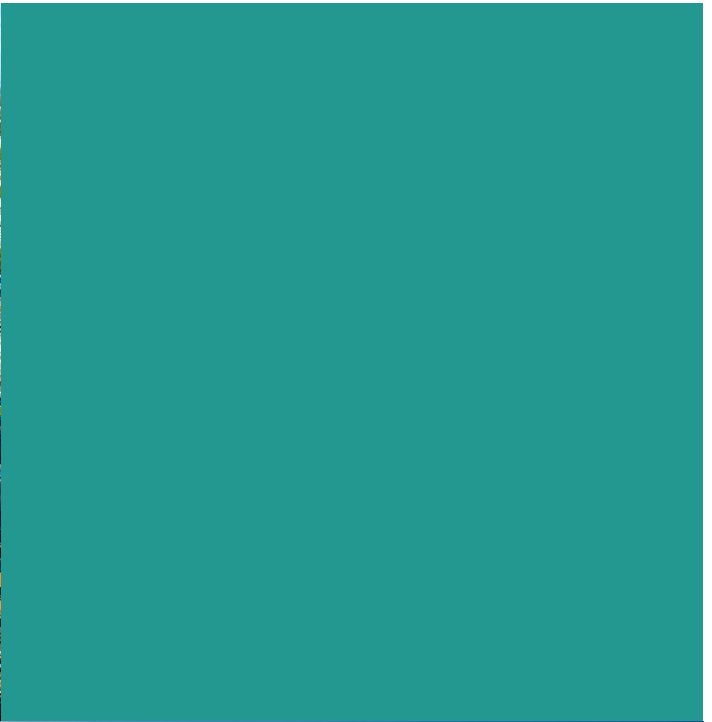


By 2027 we will have:

- A** Delivered NSIP services in line with new timescales and requirements.
- B** Implemented a programme of work with LPAs which sees more planning decisions determined at a local level.
- C** Seen a reduction in the amount of new evidence submitted at appeal for Inspectors to consider.
- D** Developed our GOV. UK and back office case management services for the submission and management of all appeals and application casework, evidence and communications.
- E** Increased our productivity and reduced the unit cost of our decisions.
- F** Explored options to amend our pay and reward frameworks.
- G** Standardised and better categorised our appeals data to enable more forensic examination of appeal types and trends.
- H** Improved our Inspector Development Programme to build the expertise of our staff to deliver our services more consistently and efficiently.
- I** Met our performance targets for all casework areas in a consistent timely manner.
- J** Worked in partnership with government departments and agencies to help design and advise on the delivery of policy ambitions relevant to our activities.
- K** Reduced the environmental impact of our casework and processes.

Performance Analysis

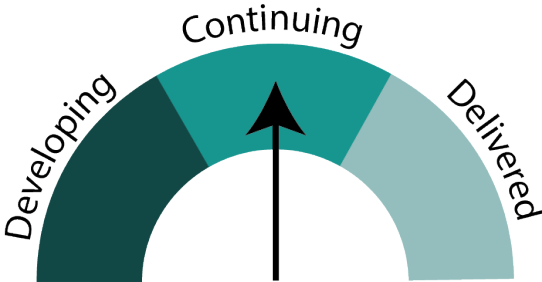
This section provides a closer look at the data and analysis of our operational performance, broken down by the services we provide. It also covers our performance in terms of customer service, environment and sustainability, and finance.



Our Business Plan Performance

In our 2023/24 Business Plan we committed to delivering against five priority areas. This section sets out in detail the progress we made.

Key



Developing - We have started to work to deliver the intended outcomes and will continue progressing this priority in 2024/25.

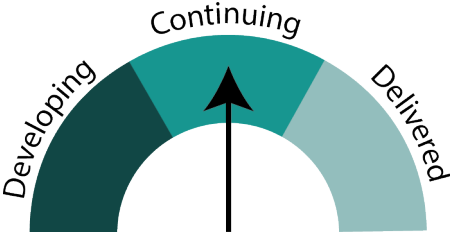
Continuing - Progress towards this priority was made in 2023/24 and we have committed to continuing progress in our 2024/25 business plan.

Delivered - All work towards this priority was completed in 2023/24.

Priority	Delivered in 2023/24
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Improving our performance

Accelerating appeal decision times and making these times more consistent.



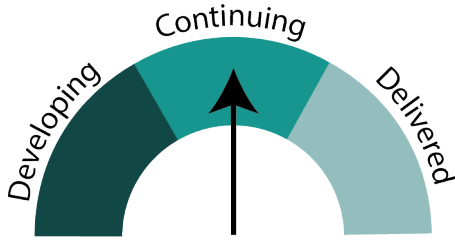
Progress/delivery was made in the following areas:

- We reduced the proportion of planning appeals submitted through written representations that took longer than 36 weeks to process, from 30% at the start of the year to 19% at the end of the year.
- We did not improve our timeliness for planning appeals decided by written exchange of evidence due to increased focus on clearing our older cases. However, we have made progress in improving our timeliness for planning appeals decided by hearing or inquiry. Further details on our timeliness performance are provided on page 29.
- We continue to decide all national infrastructure applications within the statutory timeframes.
- The proportion of appeals received 'right first time', received through the old and new digital service, decreased from 60% in 2022/23 to 53% in 2023/24. However, our internal tracking shows that the new digital services have enabled more customers to submit the right information with their appeal first time compared to the old service.
- We are progressing well in improving customer satisfaction. We improved the service level performance for customer complaints by 40% and reduced the numbers of open complaints by 45%.

Priority	Delivered in 2023/24
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Progressing as an employer

Development as a modern, inclusive employer that values and supports its people.

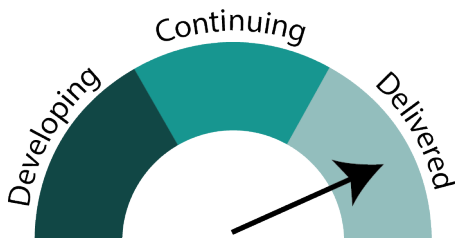


Progress/deliver was made in the following areas:

- Our Employee Engagement score in October 2023 was 67%, placing us above the Civil Service benchmark.
- We improved our staff diversity in all areas (disability, ethnicity, gender and sexual orientation), compared to the previous year, as shown in Graph 11 on page 38.
- The proportion of the organisation joining as apprentices as at 31 March 2024 was 1.8%, a slight decrease compared to 1.9% as at 31 March 2023. Further details of our apprenticeship programme are explained on page 39.
- We developed an Environmental Plan to monitor and improve the sustainability of our ways of working, which will come into effect from April 2024.
- We developed our new commercial strategy which will enable us to procure services from a greener, more diverse and inclusive supply chain that will create new businesses, new jobs and new skills.
- We progressed the design of our future hub office as part of the ongoing refurbishment. We also procured a temporary dynamic, vibrant office space that enables staff to collaborate, innovate and focus on delivery to ensure customer satisfaction.

Looking outwards

Looking forwards and outwards to improve the Inspectorate and the wider system.



Progress/delivery was made in the following areas:

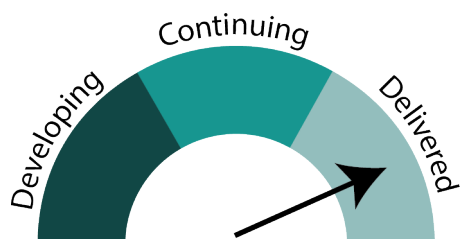
- We launched our 2024-27 Strategic Plan. Development of the plan was enabled by horizon scanning and consultation with the planning sector, as set out in our case study on page 18.
- We set up a forum through which to explore opportunities in generative AI and developed a four-year future road map for AI, which was submitted to the Cabinet Office and HM Treasury in February 2024.
- We delivered the next stages of our horizon-scanning and futures programme, with findings from these programmes being incorporated into our planning process.
- We started to review and reform the organisation’s governance structure, but changes have not yet been implemented and work on this will continue in 2024/25.

Priority

Delivered in 2023/24

Delivering through change

Supporting infrastructure investment, including implementing National Significant Infrastructure Project reform.

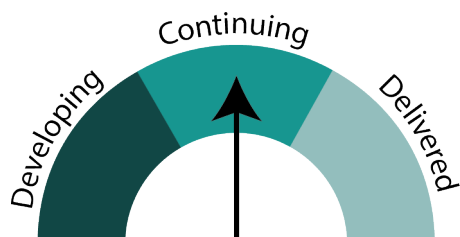


Progress/delivery was made in the following areas:

- We bolstered our resources to meet the growing demand from applications and examinations through additional recruitment, details of which are explained on page 34 (applications) and page 22 (examinations).
- We developed a new quality assurance process for our casework and will be progressing the implementation and tracking of associated measures in 2024/25.
- We progressed reforms to data architecture to support integration with the wider planning system and continued to work with the MHCLG on Nationally Significant Infrastructure Project reform (this does not include changes as part of the Levelling-up and Regeneration Act, which received Royal Assent in October 2023 and will be included within the 2024/25 Business Plan).

Driving digitalisation

Enhancing our digital and data function.



Progress/delivery was made in the following areas:

- We maintained a near 100% uptime for all our key digital tools in 2023/24.
- We successfully delivered new digital tools, including for our applications service, such as the portal hosted on GOV.UK, which improved ease of use and efficiency.
- We set up automated systems to efficiently manage updates and standardise how we add new data to our warehouse, ensuring everything runs smoothly and reliably.
- We delivered training, advice and guidance to ensure data protection compliance and provided assurance that Data Protection Impact Assessments, data sharing agreements, data breach reports and investigations are carried out and maintained.

Case study: Engaging our stakeholders in the development of our 2024-27 Strategic Plan

In developing our Strategic Plan through 2023/24, we ensured that it was informed by both the needs of our service users and stakeholders and the strategic context in which we operate.

We held a series of workshops with a range of stakeholders including our service users, experts from across the planning sector and colleagues in central and local government. This helped us build up a picture of the opportunities and challenges facing the sector in general, and our organisation specifically. We also used these workshops to understand the different priorities our stakeholders wanted us to address.

We carried out a horizon scan to identify relevant trends and emerging issues in our external environment. Working with experts from academia, local and central government, industry, and civic society, we explored how key changes might play out and what impact they might have on our strategy. We will periodically review the results of the horizon scan as we implement the plan.

This was situated within a broader programme of work to improve how we engage with, and meet the needs of, our diverse group of stakeholders.

Our Operational Performance

In 2023/24 we have focused on maintaining our performance in casework areas where our decisions are timely and meet quality standards, and reducing the number of undecided older cases in other casework areas.

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.
- 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 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.

We uphold and promote quality, assuring

the checks and balances of the planning system, so that decisions are open, fair and impartial.

After the pandemic we received more casework than we could decide. We prioritised and focused our resources on dealing with casework with the greatest individual potential for economic impact and community interest, such as:

- 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; and
- 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 areas where the Secretary of State has removed some local powers due to poor performance (Uttlesford all year, Chorley from late December 2023, Fareham from late December 2023 to March 2024, and Bristol and St Albans from March 2024).

By 2023/24 we had reduced casework in those priority casework areas such that we were able to start focusing on other casework areas, especially planning appeals being considered by an exchange

of written evidence. To do this we need to reduce the number of undecided cases by around three thousand, by increasing the number of decisions and deciding thousands of appeals already older than 20 weeks.

To help us improve further, and ensure the capacity available for appeals is not reduced by other priorities, we:

- Increased our capacity for national infrastructure casework by recruiting and training more Inspectors and supporting case teams;
- used our commercially contracted Inspectors to the full extent of their availability; and
- trained Inspectors in different areas to increase flexibility in the way we deploy them.

We 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, which cannot be achieved with our legacy software systems. We are working closely with MHCLG to ensure our new digital services align with the wider ambitions for the digitalisation of the planning system.

The section below sets out the analysis of our operational performance throughout 2023/24. The section begins with a case study, spotlighting the work of our customer team who are integral to our core value of providing excellent customer service. Following this, we take an in depth view at each of our services: examinations, appeals and applications.

The analysis of our operational performance is supported by performance data. More details on the technical definitions underpinning these measures can be found in our [monthly statistical releases.gov.uk](https://www.gov.uk/government/releases/monthly-statistical-releases).

Case study: Delivering excellent customer service

Being customer-focused is a core value of the Inspectorate. We serve a varied group of customers across our examinations, appeals and applications services, including: local residents, businesses, developers, landowners, communities, special interest groups, planning agents, Local Planning Authorities and government departments. Customer service underpins how we deliver our services to this varied group: from Inspectors issuing decisions and advice, to case officers providing information about a customer's case as it progresses. From our dedicated communications team who keep customers up to date with news and information via our channels, to our people team who ensure the Inspectorate is equipped with a professional and knowledgeable workforce.

If any of our customers have a query, a request for information, or a complaint, our Customer Service Team is on hand to provide assistance. This team plays a vital part in capturing feedback through our interactions with customers and through the formal complaints process. During 2023/24 we helped 16,600 customers with queries via our phone lines, email and online contact forms. This allows us to understand in more detail our customers' needs and identify parts of the customer experience where we should improve. As a result of the work we have undertaken this year, the time taken to respond to complaints has reduced and the number of open complaints has fallen by 45%.

In the last year, we reviewed our online contact forms to gather insights on how we can improve their use and functionality. Further to this review we will re-launch the contact form in 2024/25 with greater levels of self service and automation. This should further reduce the time taken for customers to receive a response. For example where possible the form will provide an instant answer to common issues and queries.



A new recruitment process this year brought in a fresh cohort of skilled customer service practitioners into the organisation and brought the team up to full operating capacity. Improvements to both onboarding processes and training programmes have ensured all team members swiftly built up the knowledge they need to provide a consistent, quality service to our customers. The impact of these improvements has allowed our telephone service to return to pre-COVID-19 operating hours.

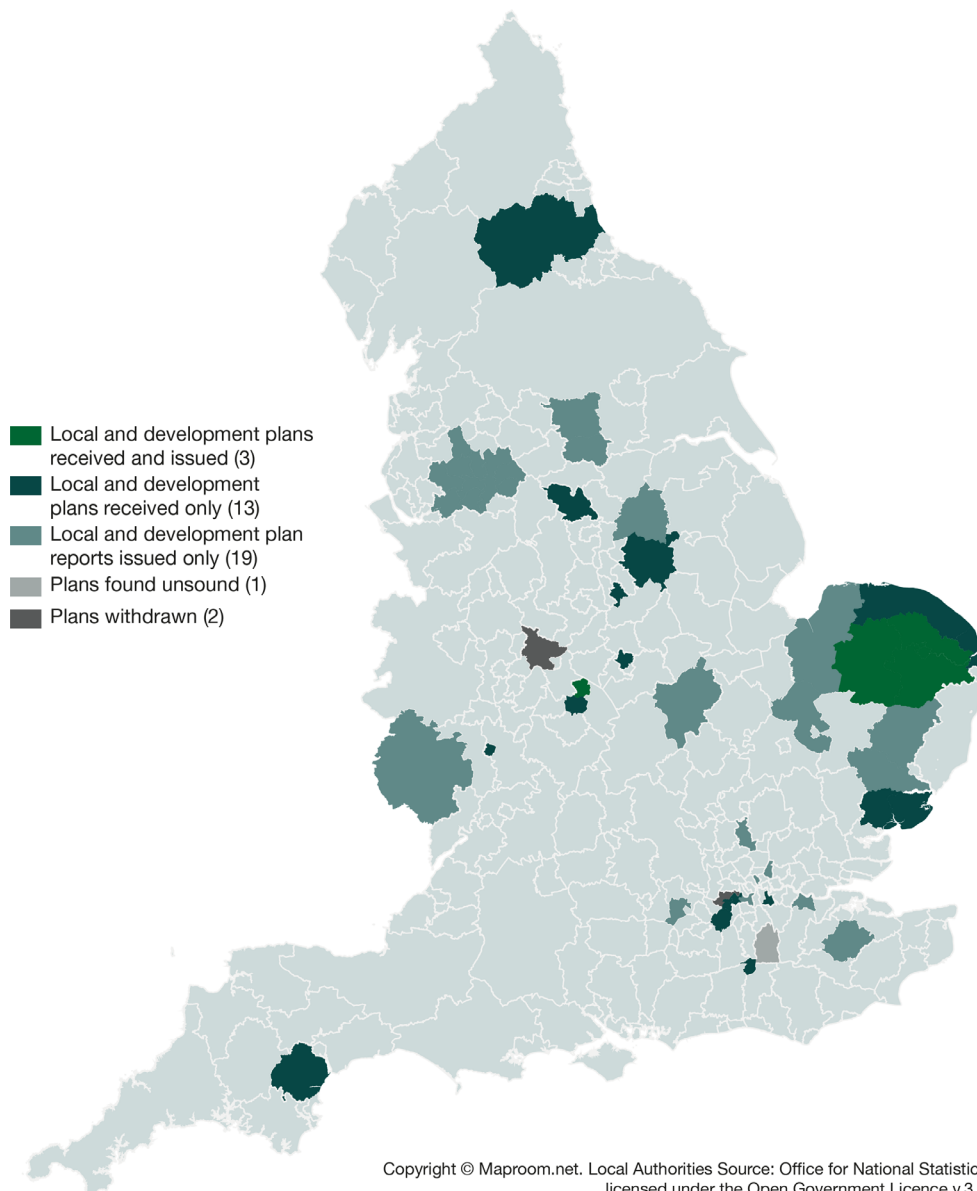
Regular surveying of our customers throughout 2023/24 has demonstrated that our customer service has improved. Looking forward to 2024/25 we will build on this progress, including by committing dedicated resource to gathering and utilising insights from our customers to further improve the service we provide.

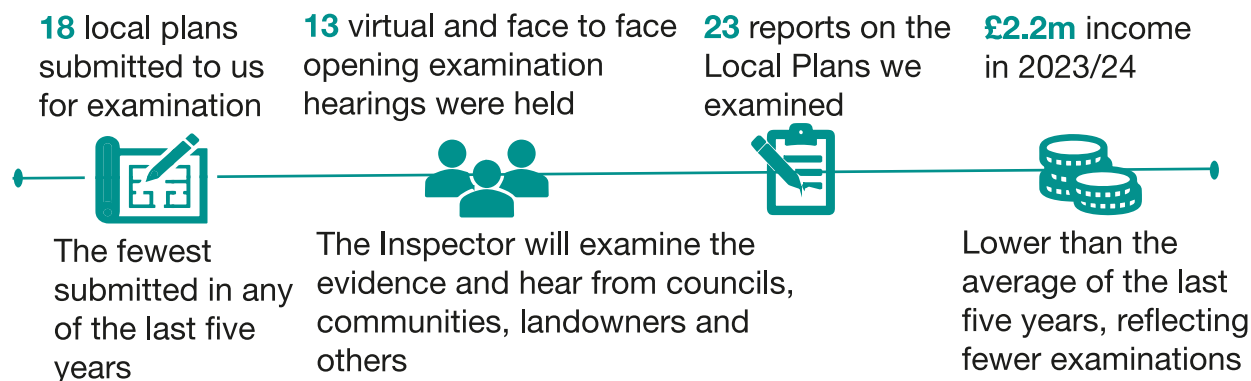
See page 77 for more information on how we manage our external complaints process.

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.

This year 16 local plans were received and 23 reports were issued. The below map shows all the Local Plans submitted and the reports issued in 2023/24.





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.

This year we finished examining the largest plan we have received, 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 metres of employment floorspace and a range of measures aimed at improving the built and natural environment. A panel of three Inspectors examined this plan.

In total, the number of Local Plans we received in 2023/24 was markedly lower

than the average number of plans we have received in previous years. This reflects a context in which national policy on plan-making has been evolving. The fall in Local Plans being submitted and examined has reduced our income from examinations work. Additionally, examinations are costing more on average and taking longer to conclude.

We expect the number of Local Plan submissions to increase once reform proposals set out in the Levelling-up and Regeneration Act (LURA) have progressed. In anticipation we have started to train additional Inspectors to lead Local Plan examinations. The small number of local plans being submitted for examination means there has been limited opportunity to build experience of examinations amongst Inspectors. In spite of this, we trained an additional 11 Inspectors in Local Plan examinations this year, and have more rapid training plans in the pipeline, in preparation for the expected surge in demand.

Case study: Examinations service

In July 2021, Norwich City Council, Broadland Council and South Norfolk District Council submitted the Greater Norwich Local Plan for examination. The plan was produced jointly by the councils with the support of Norfolk County Council, the Broads Authority and other partners. The three councils have a history of working together and a Joint Core Strategy was adopted in 2011. The Greater Norwich Local Plan, which will replace it, is a wide-ranging plan and will be crucial to the growth of the Norfolk economy over the coming years.

The Plan area is very large, stretching from Aylsham in the north to Diss in the south, and from Hingham in the west to Acle adjoining the Broads National Park in the east. The population is around 409,000, of which around 55% live in the Norwich Urban Area. The plan area is very diverse with major heritage and regeneration issues in Norwich, and significant market town and rural challenges elsewhere.

As submitted, the Plan provided for around 49,000 new homes from 2021-2038 with over 32,000 being in the Norwich Urban Area. Of these, 4,000 homes were planned for a major regeneration site, the East Norwich Strategic Regeneration Area (ENSRA). This huge brownfield site has the potential to become a new sustainable urban quarter for Norwich, linking well into the city centre and out towards the Broads to the east.

The examination hearings of the Plan began in February 2022. They were originally planned to take place in

Norwich but with concerns over the potential impact of COVID-19 restrictions, they were moved online and remained so throughout the examination, a process that was well managed by the programme officer. This had the added advantage of facilitating the engagement of communities from some of the more rural parts of Norfolk.

One of the initial concerns of the Inspectors was the absence of any allocations for Gypsy and Traveller sites, despite an identified need. The councils agreed to work together under guidance from the Inspectors to produce options for site allocations, which they assessed and consulted on whilst other elements of the plan were being examined. The preferred sites were the subject of hearing sessions towards the end of the examination process in July 2023.

The Inspectors also had concerns about some of the housing delivery assumptions particularly for the Norwich sites, including the ENSRA. By seeking up to date housing data and statements of common ground, along with considering the views of representatives, the Inspectors recommended reducing the expected contribution of the ENSRA and some other sites during the plan period.

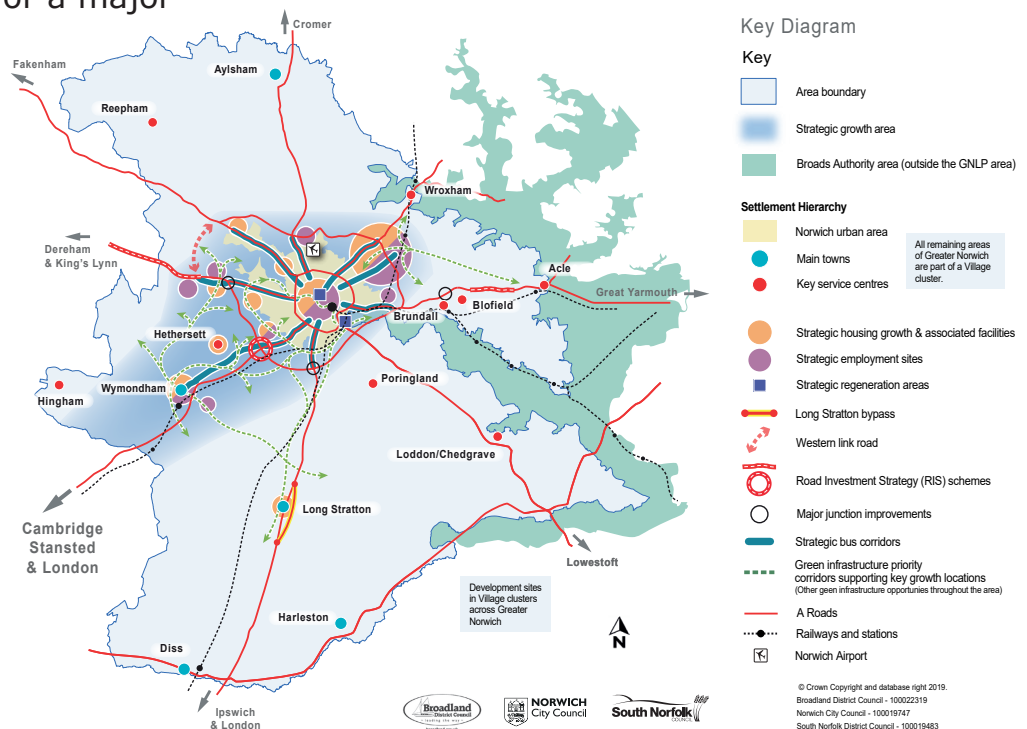


Image used with permission of the Greater Norwich Local Plan Team

This still retained a buffer of around 11% of supply compared to need.

A further challenge to the Plan which occurred whilst it was in examination, was the ministerial statement on nutrient neutrality. This had significant potential implications for the delivery timescales for housing sites in the Plan area. As a result of excellent joint working with Natural England, the authorities managed to produce additional evidence with the Inspectors guiding the process. Using the time delay caused by the additional Gypsy

and Traveller site work, the additional work and assessment on nutrient neutrality did not further delay the examination of the plan. The Inspectors were able to take this new evidence and recommend modifications to make the Plan sound.

Following consultation on the modifications in late 2023, and the receipt of the Inspectors' report, the plan was adopted by all three councils in March 2024.

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. They consider the available 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 changing access rights to the network or when there are objections to a new right of way; and
- 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 Housing, Communities and Local Government, who monitors our appeals service performance through 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 following 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.

Hearings

For these types of appeal, 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 2023/24:

Incoming work

We received around 15,071 planning appeals, which is our largest area of work. This is around 10% fewer than 2022/23. Householder appeals fell by about 12%. These falls are probably due to economic conditions.

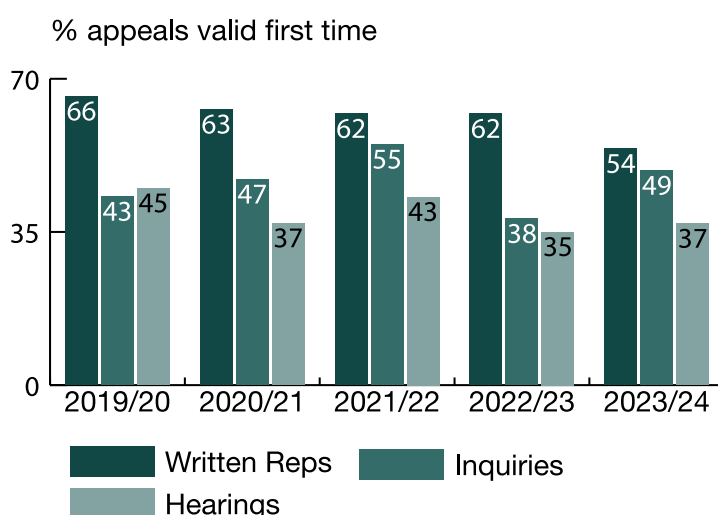
We received about 3% more enforcement appeals than in 2022/23, which was itself a 12% increase on 2021/22. These cases are also typically more time consuming than simple householder appeals. We are now receiving a comparable number of enforcement appeals to before the pandemic.

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 particular note amongst this casework in 2023/24, we decided 21 cases for Compulsory Purchase Orders and 19 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 53% 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.

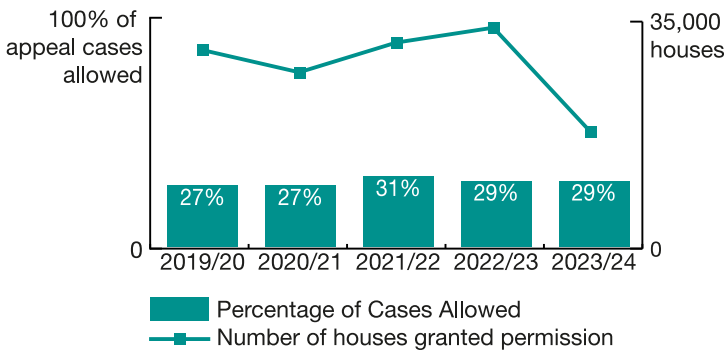
Graph 1 - Percentage of appeals valid first time



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 2023/24, around 16,684 homes were granted planning permission on appeal. This was significantly lower than the previous three years as fewer homes were considered through the appeal process, probably due to economic conditions.

Graph 2 - Number of appeals allowed and number of houses granted permission



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.

All our graphs show the following:

- 90th percentile - - - - -
- 75th percentile - - - - -
- 50th percentile - - - - -
- 25th percentile — — —
- 10th percentile —————

How long we took to decide appeals in 2023/24

Over time our Ministers expect us to make decisions faster and in a more consistent time range. This helps provide certainty to our customers.

As in other years, in 2023/24 our decision times varied between different types of appeal. This was because the process to reach the decision is different. It was also because some appeal types (generally smaller development proposals) have a queue of appeals waiting for an Inspector to be allocated to decide them, and these take longer than those where an Inspector is allocated as soon as we receive the appeal (generally larger development proposals).

Planning appeals decided after a hearing or inquiry are now generally much faster than they were a few years ago. In 2022/23 and 2023/24 we focused more of our Inspectors on these more strategic case types to make these decisions faster. We also implemented a faster timetable for planning appeals to be decided by hearing which reflects the timetable used for inquiries. In 2023/24 we were also able to focus more Inspectors onto planning appeals by written exchange of evidence to reduce the number of appeals waiting for a decision.

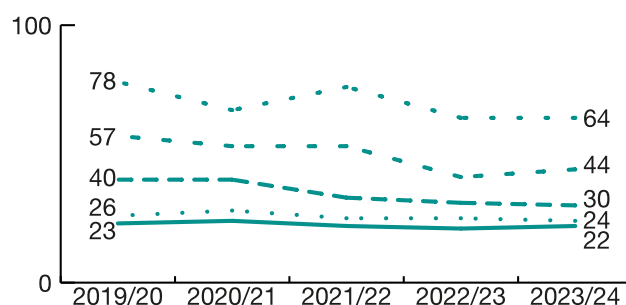
For planning appeals decided after an inquiry we:

- Decided 236 appeals, slightly fewer

than in 2022/23. We received fewer appeals requiring an inquiry, probably due to economic conditions.

- Continued progress to be more consistent in our decision times.
- Continued progress to decide more appeals close to a time range of 24-26 weeks. Average decision times have improved over the last ten years.

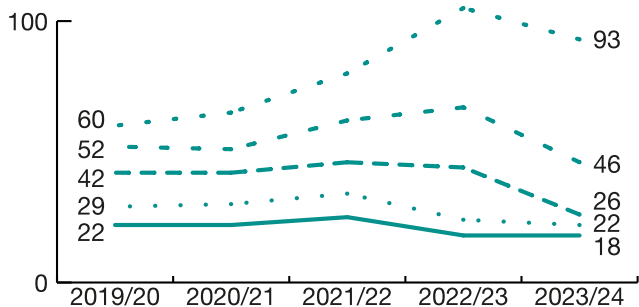
Graph 3 - Median decision time for planning appeal cases decided by inquiry



For planning appeals decided after a hearing we:

- Decided 555 appeals, slightly less than in 2022/23.
- Continued the progress from 2022/23 with speeding up these decisions and becoming more consistent in decision times. In 2023/24 49% of these appeals were decided within 30 weeks, compared to 56% in 2022/23.

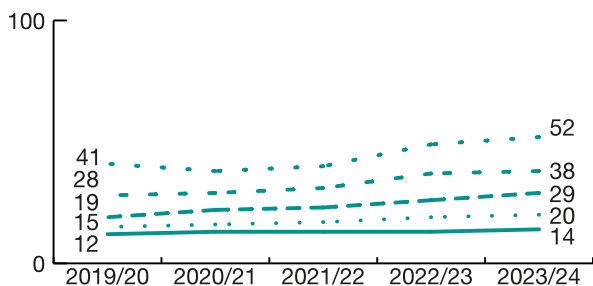
Graph 4 - Median decision time for planning appeal cases decided by hearing



For planning appeals decided after written exchange of evidence we:

- Decided about 6% more appeals than 2022/23 and decided more than we received as we started to focus on improving our performance for these appeals.
- Focused on deciding older appeals, which caused the median decision time to increase gradually to around 30 weeks, the highest it has been in the last five years. It then began to fall.
- Did not become more consistent in our decision times. The quickest 10% of decisions took 14 weeks or fewer, whilst the slowest 10% took 52 weeks or more. The focus on reducing older cases puts us in a good position to improve our decision time consistency in 2024/25.

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



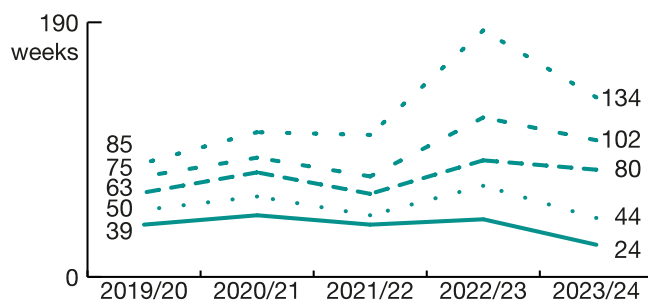
For enforcement appeals decided after a hearing or inquiry we:

- Decided 342 appeals, around 36% fewer than 2022/23. We decided more appeals by inquiry than we received but received 22% more appeals that needed hearings than in 2022/23. The number of appeals

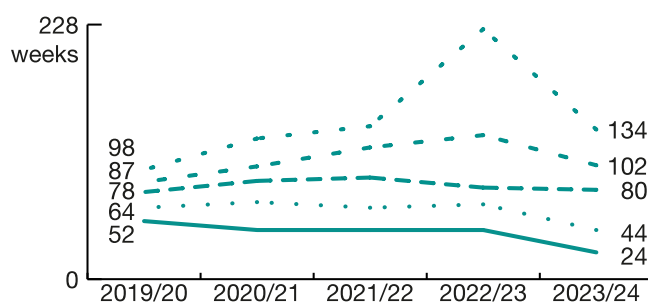
awaiting an inquiry reduced from a high of over 600 in 2020/21 to 325 in 2022/23 and has further reduced to 244 in 2023/24.

- Piloted running enforcement inquiry appeals on a faster timetable like planning appeals decided after a hearing or inquiry. This was successful and we applied it to all new enforcement inquiry appeals from February 2024.
- Did not make our decision times more consistent as we continue to close long standing cases, and this 10% of cases continued to take much longer. The fastest 10% of inquiry decisions are getting faster compared to 2022/23 because we started to progress new appeals on a faster timetable.

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



Graph 7 - Median decision time for enforcement appeal cases decided by inquiry



For enforcement appeals decided after written exchange of evidence we:

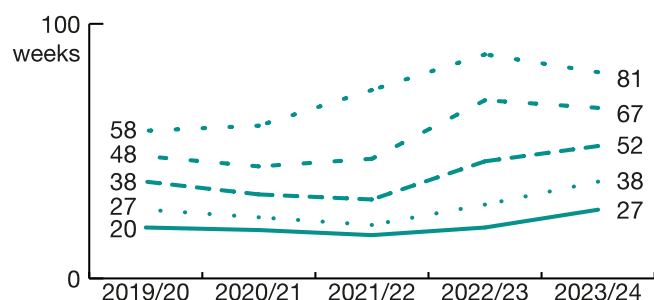
- Decided 1757 appeals. Although this was 4% more than 2022/23, we still received more than we decided.
- Gradually took longer to decide cases as the year passed. For 2023/24 the median decision time was 51 weeks,

the highest it has been for five years. This will not reduce until after we have improved performance in other casework areas and transferred more Inspectors onto this casework.

- Became less consistent in our decision times as we focused on other casework. The quickest 10% of decisions took 26 weeks, whilst the slowest 10% took 81 weeks.

- Became no less consistent in our decision times overall compared to 2022/23, but about half of decisions took slightly longer as we focused on other casework.

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



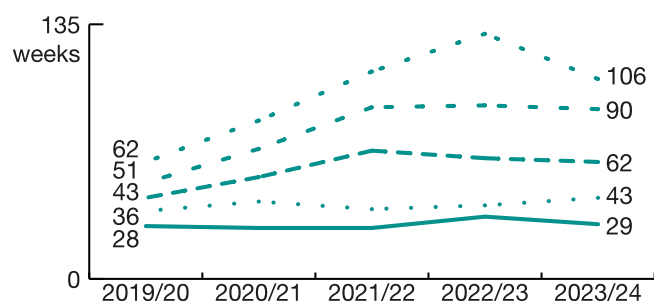
Graph 10 - Median decision time for tree preservation order, high hedge and hedgerow appeals



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

- Decided 182 cases, slightly fewer than 2022/23 as we focused on other casework.
- Became no less consistent in our decision times.
- Further reduced the number of undecided inquiry cases from 40 at the end of 2022/23 to 30 at the end of 2023/24.

Graph 9 - Median decision time for rights of way



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

- Decided 18% fewer appeals than 2022/23 and received more than we decided as we focused on other casework.

Case study: Appeals service

Following the 2019 Independent Review of Planning Inquiries by Bridget Rosewell CBE, a range of improvements enabled us to make consistently faster decisions on appeals considered through an inquiry. The average time for us to decide planning appeals by inquiry has improved over the last ten years, and we've retained the same high standards of decision making.

In April 2022, we applied the same principles to planning appeals being decided after a hearing. On average in 2023/24, they were decided 12 weeks faster than in 2022/23. In 2023 we trialled using the principles on lawful development certificates and enforcement notice appeals being considered by inquiry. The trial was successful. Since February 2024, all these appeals are now decided following the faster timetable. Decisions are now being made in approximately six months, instead of approximately two years.

This case study provides an example of the speed of this new timetable, and some of the key features which support the Inspectorate's faster decision making.

Enforcement appeal considered through the new timetable

The Lake District National Park Authority served an Enforcement Notice on 22 May 2023. It alleged that the land use had changed to residential, including a residential caravan and associated works including a chimney breast, fence and gates, domestic garden and domestic parking including vehicles, boats and trailers. The Notice provided eight months for the use to cease and arrangements for items to be removed from the land.

The appellant appealed the Notice on Saturday 1 July 2023, before it became effective. We confirmed the appeal was valid on Monday 3 July, the next working day. By 10 July we had reviewed the appeal documentation, provided a timetable for the appeal including a requirement that all evidence was

provided by 11 September, and organised an inquiry for 31 October.

The appellant identified five of the standard grounds for their appeal:

- ground c) The fence and gates, and chimney breast on the caravan were not a breach of planning control;
- ground d) Enforcement action could not be taken against the change of use to residential, the associated works, parking and storage;
- ground a) Even if grounds c) and d) were unsuccessful, planning permission should be granted for all the things in the notice;
- ground f) The requirement to remove the caravan exceeded what was necessary to remedy the breach of planning control; and
- ground g) The period for compliance was short of what was reasonably necessary.

To support the smooth running of the inquiry, the Inspector held a virtual case management conference with the Lake District National Park Authority and the appellant on 15 September.

We have successfully introduced case management conferences into planning appeals heard by hearing and inquiry, and are now using them routinely for enforcement appeals by inquiry.

To ensure the parties knew what to expect and what they would be asked, the Inspector provided a note before the meeting. The Inspector followed the meeting with a further note confirming what was agreed or decided.

At the case management conference, the Inspector decided most of the appeal evidence would be considered by written exchange, with the evidence for ground d) taking place at inquiry. This would allow the evidence for ground d) to be tested under cross examination. The inquiry would also consider what conditions would be necessary if the Inspector granted planning permission.

Hearing the evidence in different ways ensures that the time and cost of the inquiry, for all parties, is kept to only what is necessary to consider the evidence.

The case management conference provided an opportunity for the Inspector and the Lake District National Park Authority to understand the general approach the appellant was planning to present. Consequently, the Inspector could be clear what evidence they needed to cover at the inquiry. They also asked the parties to consider changes to the proposed conditions, and clarified administrative arrangements such as the witnesses who would appear at the inquiry and the importance of all parties sticking to the timetable.

The case management conference provided the foundation for a smooth inquiry that made effective use of

everyone's time. There were no surprises and all parties were prepared, avoiding the need for a last minute adjournment. The inquiry took slightly longer than planned and reconvened virtually on 2 November to complete the evidence. The Inspector issued their decision on 11 December 2023, a few days over 23 weeks since the appeal was made.

The Inspector dismissed the appeal, so the appellant must comply with the Notice. In the past, this decision could have taken up to two years. The faster timetable means the appellant has certainty over what they need to do, and by when. The Lake District National Park Authority has certainty that a breach of planning control has occurred and its Enforcement Notice was appropriate. And anyone in the community affected by the breach of planning control has certainty that the Notice requires it to be removed.

Supporting communities to have 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.

Nationally Significant Infrastructure Projects (England and Wales)

Our communities all use and rely on our nation's infrastructure:

- power stations and wind farms generating electricity;
- major roads, railways, ports and airports moving people, food and other products around the country and between countries; and
- reservoirs providing fresh water from taps, and sewage treatment works processing waste water.

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.






In 2023/24 we completed the work to accept all new applications within 28 days of receipt (a statutory requirement), as we have done in previous years. And we provided recommendations to a Secretary of State on 15 national infrastructure applications, all within statutory time frames. This is a comparable volume of work to what we have processed in the last few years.

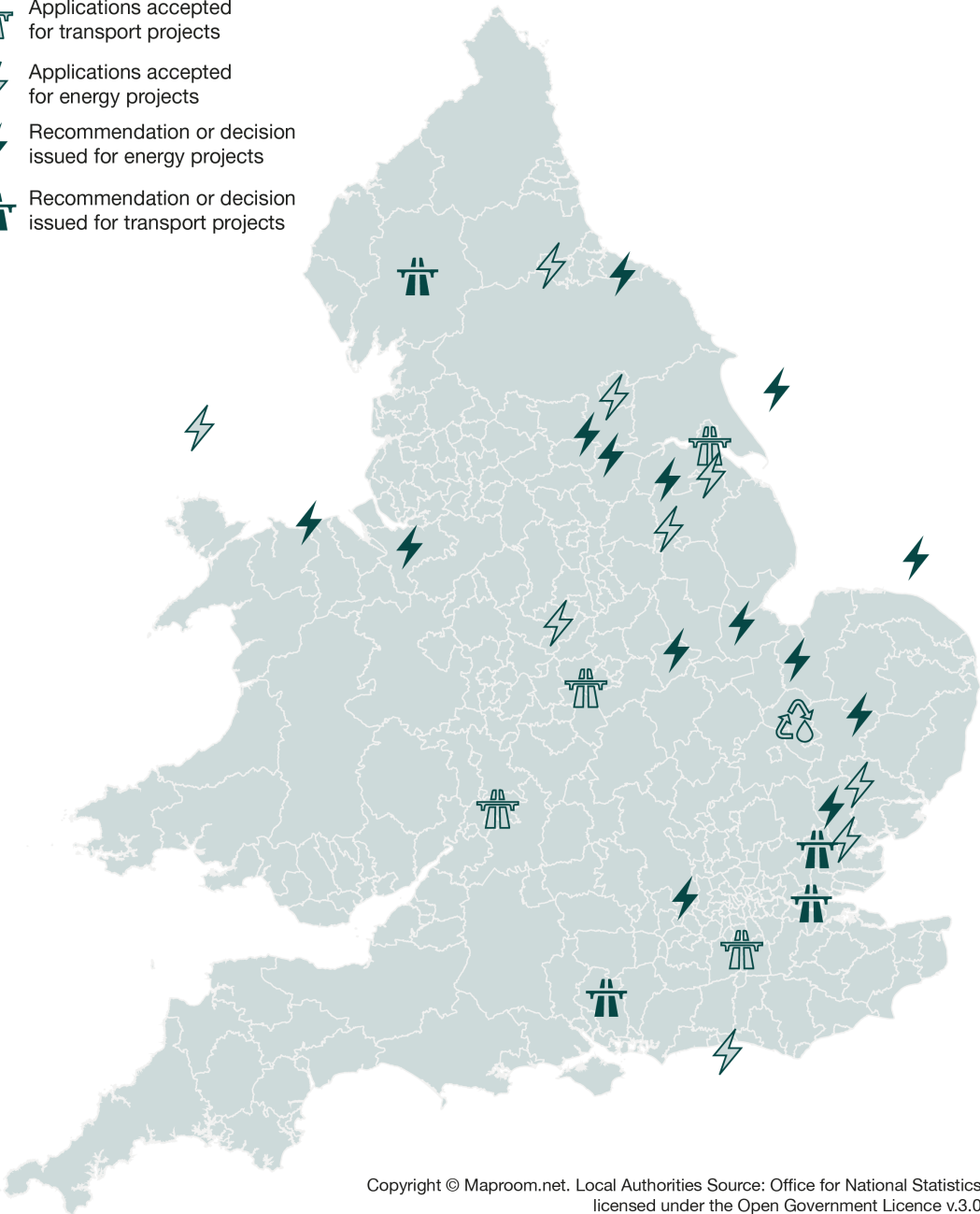
As well as investment in transport infrastructure, England and Wales is seeing considerable growth in infrastructure proposals related to energy generation and distribution, and carbon capture. This means we need to have Inspectors with expertise in all these areas.

In addition to making recommendations on 15 applications, we also provided

advice on approximately 77 potential infrastructure projects. These 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.

Unlike appeals, the Inspectorate charges for considering NSIP applications. Our income from NSIP applications increased from £6.3m in 2022/23 to £11.5m in 2023/24. Income had been affected by delays caused by economic conditions. Income rose as projects progressed through charging phases like examination, and because higher charges apply to larger projects.

-  Applications accepted for waste water projects
-  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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Improving the infrastructure consenting process

The current consenting process for national infrastructure was created in 2008. Throughout 2023/24 we continued to implement the cross-government 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 (the adjacent case study explains more about this);
- piloting fast track procedures for parts of the consenting process;
- supporting work to develop a charging regime for pre-application advice; and
- recruiting and training additional NSIP Inspectors.

Planning applications in Bristol, Chorley, Fareham, St Albans and Uttlesford Districts (England)

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. Chorley Council and Fareham Borough Council were designated in December 2023. Fareham was de-designated in March 2024. Bristol and St Albans were designated in March 2024.

This means applicants in Chorley, Fareham and Uttlesford Districts can apply for planning permission directly to the Secretary of State where their application proposes 'major development', such as ten or more homes or development on a site over one hectare. We provide both advice to potential applicants and handle applications on behalf of the Secretary of

State. Across the designated authorities:

- four requests for advice were received;
- fifteen applications for major development were received (and eighteen decisions issued); and
- three applications for non-major development were received (and no decisions issued).

In Bristol and St Albans Districts it means applicants can apply for planning permission directly to the Secretary of State where their application proposes 'non-major development', such as one to ten homes or up to 1000sqm of commercial floorspace. We handle applications on behalf of the Secretary of State.

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 2023/24 we received slightly more applications than in 2022/23 and decided a comparable number of applications to that previous year. Average times increased slightly as we focused on other casework.

Case study: Applications service

The government's [NSIP Reform Action Plan](#) is about improving how plans for nationally significant infrastructure are approved, to better support a range of government ambitions.

As part of the action plan, the Inspectorate announced its Early Adopters Programme in July 2023. Seven Nationally Significant Infrastructure Projects are trialling potential elements of a future enhanced pre-application service. These include:

- All projects trialled publishing a programme plan on their website to make it available to read by anyone interested in the project, therefore improving transparency. A more detailed programme plan was also available to key statutory and other consultees so they can plan for their effective involvement.
- The Outer Dowsing Offshore Wind Farm trialled the Planning Inspectorate engaging with its plan to gather evidence from the outset. This provided an opportunity to influence the programme and provide early, assertive advice.
- Four projects trialled shared tracking of issues to improve communication and understanding, and maximise the effectiveness of the examination.
- Three projects trialled statements at pre-application stage which highlight the principal areas of disagreement. These can be started at the project outset and sustained through the pre-application phase and into the examination, to help the examination run smoothly.
- Byers Gill Solar trialled providing evidence as to how their submitted application considers and responds to advice from the Planning Inspectorate and statutory consultees.
- Three projects trialled mature Outline Construction Environmental Management Plans (or equivalents). Well-developed draft iterations were provided in advance of the

final application being submitted so that the standard of information in examination is improved and greater certainty provided.

The trials tested whether these elements improve the application process, or provided other value, and should be included in our future services. The full effectiveness may not be clear until these projects progress into examination in future years. Meanwhile, the trials helped us to develop initial ideas into practical, valuable services or to decide which elements should not be provided in the future.

Applicants have said:

'The Five Estuaries team have found the Early Adopters Programme of significant benefit in improving dialogue with key stakeholders. There have been excellent two-way discussions with the Planning Inspectorate on identifying and improving the overall pre-application process, being part of the Early Adopters Programme has also made us think differently about the way we can make our project programme more accessible to the local community and key stakeholders.' - [Five Estuaries Offshore Wind Farm](#)

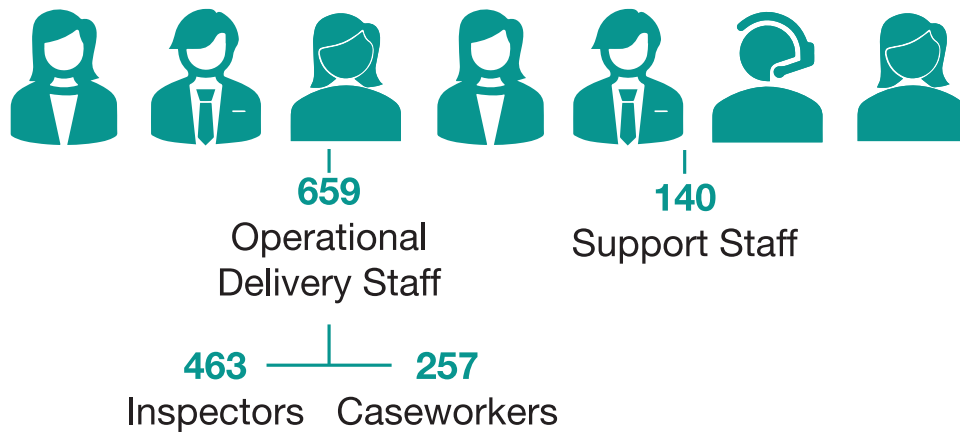
'East Yorkshire Solar Farm Limited has been pleased to engage in this trial of the Planning Inspectorate's enhanced pre-application service. We have seen the benefit with our key stakeholders of ensuring there is transparency regarding our project programme.' - [East Yorkshire Solar Farm](#)

'Tillbridge Solar welcomed the opportunity presented by The Planning Inspectorate to participate within the Early Adopters Programme as a means of supporting proposed reforms to the NSIP process to speed up the consenting timeframe in accordance with the Action Plan published in February 2023.' - [Tillbridge Solar Project](#)

Our People

Supporting our people is crucial to delivering for our customers. We have refreshed our learning and development offer, supported the business planning work to establish a three-year organisational strategy and embedded new practices to address a challenging recruitment market. We continue to foster a diverse, inclusive and modern workplace that supports and provides opportunities for our people.

Average headcount of staff throughout 2023/24
(AA to Grade 6)



Our workforce is made up of Inspectors, all of whom are professionally qualified (for example as town planners, architects, lawyers and engineers), and support staff who carry out a wide range of functions. Achieving our mission to provide high quality, timely and efficient services to our customers is reliant on the whole workforce, therefore we continue to foster an environment where everyone is supported to thrive.

We have made progress against our people orientated 2023/24 Business Plan priority, 'progressing as an employer', and have delivered in areas outlined here.

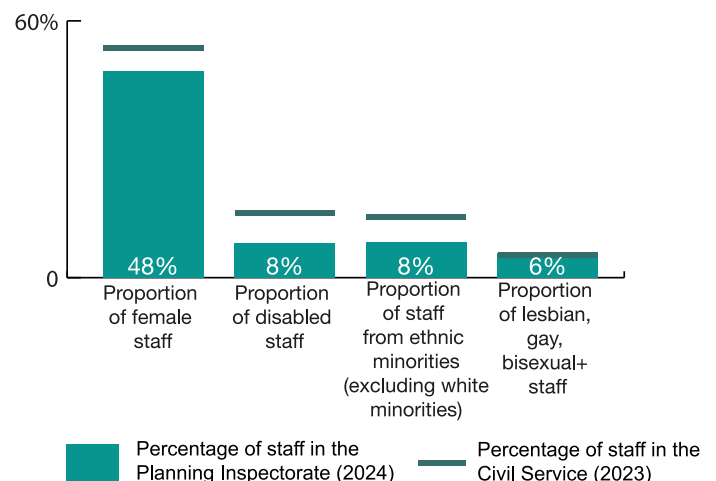
Equality, Diversity and Inclusion Apprenticeships and Outreach

We continued to deliver on our Equality, Diversity and Inclusion (ED&I) strategy throughout 2023/24 and have conducted a review to ensure our future plans focus on areas where we can improve and

remain in line with current best practice.

We have made significant improvements to our people policies, both through the introduction of new policies and through updates to our current policies with contributions from our employee networks, the wider Civil Service and partnership organisations.

Graph 11 - ED&I breakdown



We have embedded a dedicated ED&I Officer into the People Unit on a permanent basis to enable improvements across the Inspectorate and in particular areas of work. Our Apprenticeships and Outreach role has become part of our Learning and Development team to align this work to the development of our people and their talents. The two roles work together to deliver apprenticeships and outreach activity that supports our ED&I plans.



We took part in events to encourage diversity and inclusion, including Bristol Pride 2023, Springboard and Bristol WORKS. We offered work experience opportunities and continue to host student placements in our Environmental Services team. We took steps to meet the civil service standard of apprentices accounting for 5% of our workforce:

- We had a total of 30 apprentices throughout the year:
 - twelve of these were new apprentices for 2023/24;
 - fifteen of these were degree level apprenticeships; and
 - going in to 2024/25 we have 17 apprentices.
- We introduced eight new apprenticeship standards not previously offered at the Inspectorate.
- Over 2023/24, on average 2% of our

workforce were apprentices.

We developed a new approach to delivering our Business Administration apprenticeships (our entry level offer into the Inspectorate for school and college leavers). This will be similar to our RTPI apprenticeship scheme in providing a wider experience across the organisation for those taking part and will improve the experience of the apprentice. This year we also appointed our second annual Boardroom Apprentice, which offers participants the opportunity to experience sitting on a public or third sector board, and we intend to remain an active

An apprenticeship standard is the job role the apprentice will be training for. Each standard outlines the skills, knowledge and behaviours an apprentice will need to have learned by the end of their apprenticeship.

participant in this scheme.

Apprentice journeys

'Having completed a BSc in Architecture, I was interested in the built environment, but no longer wished to pursue architecture as a career. For a while I struggled to see how I could use my degree elsewhere until I came across the Chartered Town Planner Apprenticeship. Completing my apprenticeship meant I could continue working and study at the same time without compromising on my earnings. Working at the Inspectorate has exposed me to a wide breadth of planning experience from appeal casework to Nationally Significant Infrastructure Projects, as well as being part of the wider Civil Service network. This has enriched my learning in a way I would not have gained through full time study alone.'

RTPI Apprentice Level 7

'Being an apprentice allowed me to work in a variety of roles and gain invaluable experience whilst also gaining a qualification. The combination of working and learning has gone hand in hand with creating a solid foundation for my future career.'

Business Administrator Level 3

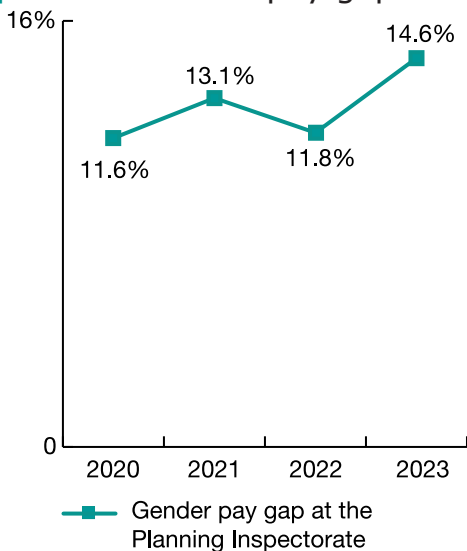
'I have been interested in undertaking further education for some time, and the Chartered Manager Degree Apprenticeship has allowed me to access Higher Education at a point when I didn't have enough UCAS points to do so on my own. Being able to study alongside my role has allowed me to put my theory learning into practice, and in the short time that I have been on the course, my management skills have already improved.'

Chartered Manager (Degree) Level 6

The Gender Pay Gap

Our most recent gender pay gap figure is 14.6% for 2023, up from 11.8% in 2022. Our gender pay gap is structural, meaning it is directly attributable to the large proportion of senior Inspectors being male and the substantial proportion of administrative roles being occupied by females. A factor in the increase between 2022 and 2023 is the changes to the appointments and structure of our Executive Team initially with more male colleagues in post. However, through fair, open and merit-based recruitment we have since made a number of female appointments to our senior team.

Graph 12 – Gender pay gap



On a grade-by-grade basis across office-based staff, gender pay gaps are small. We have continued this year to take active steps to recruit and promote more female Inspectors from a range of industries. Our ED&I plan recognises that we require

long-term solutions to fully address this issue.

Health, Safety and Wellbeing

Our health, safety and wellbeing project was completed in 2023/24 and all activities became part of our normal practices and culture. This includes a series of improvements relating to lone working and personal safety for our Inspectors, a new display screen equipment system that gives us assurance that all our people are provided with the right equipment to support them, and the delivery of a risk assessment policy and procedure and training for our managers.

The delivery of the project has highlighted areas we need to continue to develop including:

- driving for work;
- accident/incident and near-miss reporting and assurance; and
- the development of a stress and wellbeing action plan (which is intended to be rolled out in partnership with our Wellbeing Network).

Engagement, Learning and Development

As committed in our 2023/24 Business Plan, we have launched our learning and development strategy to the organisation and created a specialist learning and development function within the People Unit. The delivery plan is aligned to the 2024-27 Strategic Plan and 2024/25 Business Plan, and will prioritise the areas of:

- increasing management capability, initially focusing on improving performance;
- building our professions to support professional development; and
- delivering a learning and development framework that is clear and accessible to our people.

Having created and appointed our learning function, substantial work is underway on the first phase of this work.

Materials are being created to support the 2024-27 Strategic Plan with the delivery of our new Learning Management system and this will be underpinned by a focus on our workforce planning to meet both our current and future skills requirements.

Our Employee Engagement score in October 2023 was 67%, a slight increase on our previous score of 65%. It continues to be in line with the increases we have seen over the last five years and places us above the Civil Service benchmark for the first time. We specifically saw improvement in our Learning and Development and Organisational Work and Objectives and we have scored above the Civil Service benchmark in health, safety and wellbeing.

Recruitment, Resourcing and Workforce Planning

We continued to utilise our strategic workforce plan for our Inspectors and recruited 32 new Inspectors and made a further 44 promotions to support our need to increase our capacity to handle planning casework at different levels of complexity. We have started to focus on expanding our workforce planning across all areas of the organisation as this underpins the delivery of our Learning and Development plan.

We have continued to develop our attraction practices in a challenging recruitment market by utilising our online presence further. We have invested in targeted advertising and engaged with potential candidates through outreach activities and information sessions. This has resulted in the 128 appointments to the Inspectorate, a 84% success rate in filling vacancies.



Environmental Performance and Sustainability

Understanding and improving our environmental performance ensures our ways of working are sustainable. In 2023/24 we developed our Environmental Plan which sets the roadmap for the next three years.

The impact of our decisions and recommendations

Our 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 take into account legislative and regulatory policies and guidance, which can include environmental matters, in determining their decision or making a recommendation. 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, also has an impact on the environment. Our people are split between office-based and home-based working. In both cases we have an environmental impact through transport, heating, lighting, waste and water usage.

In our 2024-27 Strategic Plan, we have committed two objectives to reducing our environmental impact. These are:

- Ambition One, Objective Four: We will reduce our organisational impact on the environment when delivering

our casework.

- Ambition Three, Objective Five: We will enhance our approach to social value and reduce our environmental impact.

To deliver these objectives, we have developed an Environmental Plan for 2024-27. The Plan is aligned to our Environmental Policy and sets activities against four priorities: reducing our emissions, effectively managing our waste, applying environmentally responsible and aware procurement methods, and being open and transparent about our environmental performance.

Our disclosure of Greening Government Commitments data – As per guidance, our Annual Reports include a full breakdown of data demonstrating our compliance with the Greening Government Commitments. However, the ongoing refurbishment of our office space and our occupation of temporary accommodation, has made it difficult to collect full and accurate data over the 2023/24 period, we will therefore not be disclosing the full dataset in this report.

Task Force on Climate-related Financial Disclosure

The Inspectorate has reported on climate-related financial disclosures consistent with HM Treasury's Task Force on Climate-related Financial Disclosure's (TCFD) application guidance which interprets and adapts the framework for the UK public sector. We have partially complied

with the TCFD recommendations and disclosures around governance, see page 53. The note on page 42 explains why we have been unable to fully meet the recommended disclosure around metrics and targets (b).

This is in line with the central government's TCFD-aligned disclosure implementation timetable. We plan to make disclosures for Strategy, Risk Management and Metrics and Targets disclosures (a) and (c) in future reporting periods in line with the central government implementation timetable.

TCFD Explained

The Task Force on Climate-related Financial Disclosure (TCFD) was set up in 2015 and this led to a series of recommendations published in 2017.

The recommendations set out how organisations, from a range of sectors across the world, can assess and report on their risks and opportunities related to climate change. The recommendations are organised in to four themes: Governance, Strategy, Risk Management, and Metrics and Targets.

While the TCFD recommendations were designed for the private sector, they are being adopted more widely across different sectors and have become part of international standards. The UK Government has recognised the recommendations as one of the most effective frameworks for organisations to analyse and report climate-related financial information against. This information is needed for decision making and accountability in the annual report. Therefore, effective from 2023/24, they have been adopted for use by the UK public sector. Further guidance can be viewed on [GOV.UK Task Force on Climate-related Financial Disclosure \(TCFD\)](https://www.gov.uk/government/task-forces/task-force-on-climate-related-financial-disclosure)



Our office space

The refurbishment of Temple Quay House (our Bristol headquarters) began in November 2022 by the Government Property Agency (GPA), an Executive Agency transforming the way the Civil Service works and reshaping the relationship civil servants have with their place of work. Whilst it was the intention for all tenants of Temple Quay House to remain in the building, due to the potential impact on the health, safety and wellbeing of our people, the difficult decision was taken to stop working there in July 2023 and source alternative premises until the refurbishment is completed, currently due in August 2025.

Following extensive engagement and a search within the government estate (in which there was no suitable availability), we procured a small temporary office in central Bristol, occupying 2,895 square feet.

One of the draws of this office space is its alignment with Ambition Three of our new Strategic Plan (See section: The impact of our organisation page 42). The mission of the office provider is to stimulate long term economic growth by supporting business, inspiring young people to get involved and showcasing to the public and potential inward investors the exciting opportunities that exist.

When procuring the temporary office space, consideration of environmental factors was a key factor in our evaluation of potential spaces. Some of the highlights of our temporary office space are shown on page 44.



They proactively and positively contribute towards addressing the climate emergency. As an enterprise hub, they bring together communities to frame challenges to be addressed. They hold themselves to account to make a difference.



Despite being a Grade II listed building, they achieve a C energy efficiency rating.



Recycling facilities are provided for our people to minimise the amount of waste going to landfill. The café minimises single-use items by serving food and drink, to be consumed on the premises, in crockery rather than plastic or other alternatives.



They have secure bike storage for our people, as well as shower facilities to encourage cycling to work.



It is just a few minutes walk from Bristol Temple Meads railway station, Bristol's bus network, walking routes and cycle routes.








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. Each year we conduct around 18,000 site visits across all our appeal and application services, 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.

Table 1 shows travel in 2023/24 via the corporate travel contracts, broken down by mode of transport. It does not show travel in personal vehicles, and we do not have a vehicle fleet. There were 106 domestic flights taken in 2023/24, compared to 136 in 2022/23. There were no international flights taken, and 2% of cars hired were Ultra-Low Emissions Vehicles.

Table 1 Travel in 2023/24 via a corporate travel contract

Mode of transport				
Number of bookings	3,260	6,454	106	20
Kilometres travelled	1,343,696	1,572,387	42,800	-
CO2 emissions (tonnes CO2e)	414,840	39,670	10,786	-
% of travel emissions	89%	9%	2%	-
Comparison to 2022/23				-

Other travel improvements made in 2023/24:

- We removed barriers to enable our people to choose greener hire cars by reviewing our travel policy and implementing changes.
- We undertook communications to encourage people to choose greener hotels.
- We increased the use of our Car Club by 3% compared to 2022/23. The Car Club produces 72% lower emissions than the average car. The positive impact is amplified by the fact that 18.5 private cars are replaced by each Car Club vehicle, meaning the more Car Club car wheels that hit the tarmac, the fewer cars there are on the roads overall, improving air quality and congestion.
- We switched to e-tickets for rail travel, reducing the amount of hard copy tickets by 100% compared to 2022/23.

Supplies

We purchased 8,864 single use plastic items in 2023/24. Our single use plastic consumption is office supplies such as ballpoint pens and highlighters.

The volume of A4 paper purchased in 2023/24 (3,552 reams) was higher than in 2022/23 (1,805 reams).

Our paper usage in 2023/24 is a 35% reduction on the 2017/18 baseline.

Case study: Improving our business support processes

The Inspectorate's Business Support Team has been working hard to deliver its team Environmental Action Plan. Through this work, they have stripped out unnecessary waste, improved processes, saved money and reduced carbon emissions. The main purpose of the work is to provide great support services to our people so they can focus on delivering for our customers.

In July 2023, a review to streamline the outdated process on how stationery, IT consumables and Personal Protective Equipment was provided to our people

who work from home was completed. Goods were previously ordered to Bristol where they were held in storage. Employees then submitted a request and items were re-packaged and posted to them. Following the review, orders are now placed direct with our supplier. The key benefits are:

- Deliveries are now made direct to people at home, removing the delivery to the storage location in Bristol and re-posting to homes. The number of items couriered has reduced by 49% since July 2023.
- The amount of packaging used to securely post items twice has been reduced.
- Costs have been reduced as the direct delivery from our supplier is free and we no longer have to courier items from Bristol. Courier costs have reduced by 49% since July 2023.
- We no longer have a store in Bristol, enabling us to release the space, saving on the cost and associated heating, lighting, cooling etc.
- There will be less waste as people order items when they need them, removing the risk of stocking items that become out-of-date.

Sustainable procurement

We are committed to delivering social value through our commercial activities and supply chains, based around the following themes:

- COVID-19 recovery;
- tackling economic inequality;
- fighting climate change;
- equal opportunity; and
- wellbeing.

See the [procurement policy note](#) for more information on taking account of social value in the award of central government contracts.

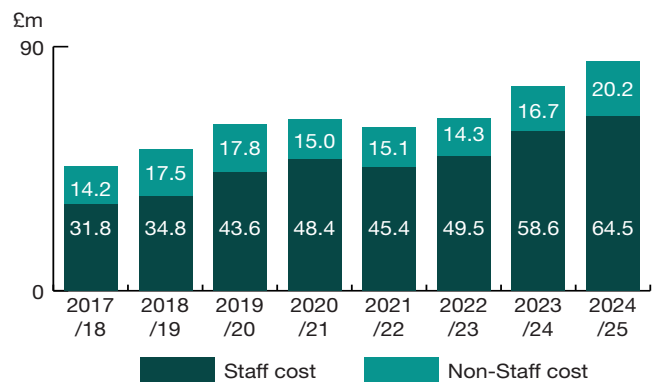
Financial Performance

We manage our finances efficiently and effectively to enable the delivery of our Strategic Plan. £59.3m of our revenue expenditure is funded by the Ministry of Housing, Communities & Local Government with £16.1m funded from income from Nationally Significant Infrastructure Projects, Local Plans and other casework.

We spent £75.3m in 2023/24 on resource expenditure, an increase of £11.5m from the previous year. This is mostly attributable to recruitment of £9.9m including £5.6m on inspectors, aligning with our priorities including clearing casework backlogs and preparing for additional NSIP applications, plus £2.9m in Digital to support changes to platforms to improve the flow of casework. This increase in expenditure is offset by a reduction of £2.4m in contractor and agency spend compared to the previous year.

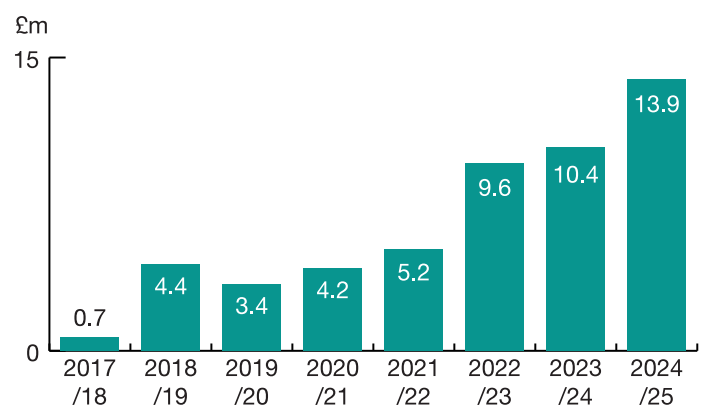
Due to the requirements of IFRS16 we were required to impair a right of use asset generating an accounting entry to the value of £1.2m (this is explained in full in a separate note to the accounts). In addition, our travel and subsistence costs and use of Planning Appeal Decision Suppliers, contributed an increase of £0.8m. The residual of the increase was mainly in the areas of accommodation charges (£0.4m), expenses and provisions for legal expenses and doubtful debts (£0.7m), IT, conference and courier services (£0.5m), with the remainder composed of smaller movements in operating expenses and depreciation.

Graph 13 - Resource Expenditure



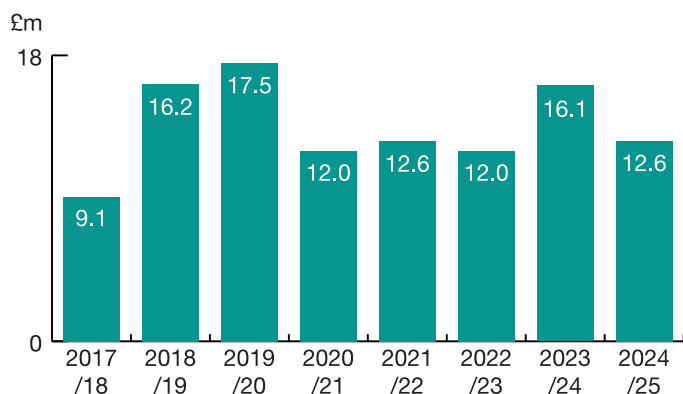
We spent an additional £0.8m on capital investment in 2023/24 to support our strategic objectives. We increased our expenditure on developing our systems in respect of appeals, applications and an Operational Data Warehouse by £2.2m. This was partly offset by a reduction of £1.4m on digital hardware, being the amount spent last year on a technical refresh including laptops, printers and iPhones.

Graph 14 - Capital Expenditure



We saw an increase in income of £4.1m in 2023/24. This was mainly attributable to an increase in income from NSIP applications of £5.2m offset by a reduction in local plans income of £1.2m.

Graph 15 - Generated Income



This financial year, we over recovered income by £3.7 million against our spending review position. This was due to a combination of inflationary increases to our fees, as well as an increase in volume in some casework. In the case of NSIP applications, we saw an increase in income over and above the spending review of £4.4m. We are able to increase our fees in this area of our work annually by inflation (CPI), at the point of calculation this was 10%. As such, £1m of the increase was due to inflation, with the remaining £3.4m being the result of an increase in volume. This was in part offset by a reduction in local plans income of £1.4m, with the residual balance arising in specialist casework where fees are also subject to an annual review in some instances.

In addition to our higher-than-expected recovery of income we returned £5.8m in capital funding at supplementary estimates, composed of £6.5m relating to the project to reform Nationally Significant Infrastructure Project casework explained above. This was offset in part by a request for an additional £0.7m of funding to cover the capitalisation of right of use assets, being our alternative accommodation during the refurbishment of Temple Quay House. Also, at supplementary estimates we returned

£1m in respect of depreciation.

Our taxpayers equity has increased by £10.1m from £23.1m to £33.2m due to an increase in our asset base following investment (see page 101).

Looking at this year's performance in a longer-term context, our staff costs in 2023/24 are 78% of our revenue expenditure, which is consistent with the past three years, having invested further in Inspector recruitment to secure the progress of casework and made progress in filling support staff vacancies, thus reducing dependency on agency staff and contractors.

Paul Morrison
Chief Executive

16 July 2024

Governance

This section covers our Chief Executive and Chief Officers' 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.

The remuneration and staff report sets out the pay and benefits received by the Chief Officers and Non-Executive Directors, disclosures on pay and pensions policies and details of staff numbers and costs.



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 Ministry of Housing, Communities and Local Government 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 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

16 July 2024

Directors' Report

The Planning Inspectorate is led by a group of Chief Officers 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 eight Boards, five Audit and Risk Assurance Committees, and three Remuneration Committees in 2023/24.



Adrian Penfold was appointed on 1 October 2023 as a Non-Executive Director and Chair of the Remuneration Committee for three years.

Adrian joins the Inspectorate with an extensive background in planning and is a member of the Office for Place Board. Visit <https://www.gov.uk/government/people/adrian-penfold> for more information.

Adrian attended three Boards and two Audit and Risk Assurance Committees. He did not attend any Remuneration Committees in 2023/24.



Emir Feisal was appointed on 1 October 2023 as a Non-Executive Director and Chair of the Audit and Risk Assurance Committee for four years.

Emir is a Chartered Accountant and a specialist in transformation change and essential resource planning, with the majority of his career spent at the Sunday Times as Associate Managing Editor. Visit <https://www.gov.uk/government/people/emir-feisal> for more information.

Emir attended four Boards and two Audit and Risk Assurance Committees. He did not attend any Remuneration Committees in 2023/24.



Oliver Munn was appointed on 1 October 2023 as a Non-Executive Director for three years.

Oliver joined the UK Health Security Agency in March 2022 as Chief Operating Officer, later becoming the Director General Health Protection Operations in July 2022. Visit <https://www.gov.uk/government/people/oliver-munn> for more information.

Oliver attended four Boards, two Audit and Risk Assurance Committees and one Remuneration Committee in 2023/24.



Madeleine Burch was appointed on 1 January 2024 through the Boardroom Apprentice scheme for one year. Madeleine is a Change and Improvement Manager at the Royal Borough of Greenwich Council. Madeleine attended three Boards and one Audit and Risk Assurance Committee. She did not attend any Remuneration Committees in 2023/24.



Paul Morrison - Chief Executive Officer was appointed on 14 December 2022.

Paul joined 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 eight Boards, five Audit and Risk Assurance Committees, and three Remuneration Committees in 2023/24.



Joanne Butcher - Chief Finance Officer was appointed in August 2023.

Joanne is a member of the Chartered Institute of Public Finance and Accountancy with significant years' experience in finance and commercial. Visit <https://www.gov.uk/government/people/joanne-butcher> for more information.

Joanne attended seven Boards and five Audit and Risk Assurance Committees in 2023/24.



Sean Canavan - Chief Strategy Officer was appointed on 1 April 2022.

Sean is a Chartered Town Planner with over 30 years' experience of planning in local government. Visit <https://www.gov.uk/government/people/sean-canavan> for more information.

Sean was in attendance for seven Board meetings and four Audit and Risk Assurance Committees in 2023/24.



Rachel Graham - Chief Digital and Information Officer was appointed in May 2022.

Rachel is an experienced digital, data and analytical leader working in Government for over 20 years.

Visit <https://www.gov.uk/government/people/rachel-graham> for more information.

Rachel was in attendance for six Boards and four Audit and Risk Assurance Committees in 2023/24.



Richard Schofield - Chief Planning Inspector was appointed in May 2022.

Richard is a Chartered Town Planner and the most senior planning inspector with over 10 years' experience at the Inspectorate. Visit <https://www.gov.uk/government/people/richard-schofield> for more information.

Richard was in attendance for five Board meetings and one Audit and Risk Assurance Committee in 2023/24.



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 was in attendance for seven Boards and three Audit and Risk Assurance Committees in 2023/24.

Members of the Planning Inspectorate Board who left in 2023/24

Sally Dixon - appointed on 22 July 2019 as a Non-Executive Director. Sally's contract expired on 21 July 2023. Visit <https://www.gov.uk/government/people/sally-dixon> for more information. Sally attended three Boards, three Audit and Risk Assurance Committees, and one Remuneration Committee at the Inspectorate in 2023/24.

Stephen Tetlow - appointed on 22 July 2019 as a Non-Executive Director. Stephen's contract expired on 30 September 2023. Visit <https://www.gov.uk/government/people/stephen-tetlow> for more information. Stephen attended four Boards, three Audit and Risk Assurance Committees, and two Remuneration Committees at the Inspectorate in 2023/24.

Dr Rebecca Driver - appointed on 31 December 2019 as Non-Executive Director and Chair of the Audit and Risk Assurance Committee. Rebecca's contract expired on 30 September 2023. Visit <https://www.gov.uk/government/people/rebecca-driver> for more information. Rebecca attended four Boards, three Audit and Risk Assurance Committees, and two Remuneration Committees at the Inspectorate in 2023/24.

Zaffrin O'Sullivan - appointed on 1 January 2023 through the Boardroom Apprentice scheme for one year which ended on the 31 December 2023. Zaffrin is a qualified solicitor and works as an in-house lawyer in the TV industry. Zaffrin attended three Board meetings at the Inspectorate in 2023/24.

Simon Levi - Interim Chief People Officer was appointed 8 March 2023 as the Interim Chief People Officer and left the Inspectorate on 7 August 2023. Simon worked as Head of HR at the Inspectorate for almost four years. Simon was in

attendance for three Boards, two Audit and Risk Assurance Committees, and one Remuneration Committees in 2023/24.

Shilpi Sahai - Chief People Officer from July 2023 to March 2024. Shilpi was in attendance for two Boards, one Audit and Risk Assurance Committee and one Remuneration Committee.

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

Data protection incidents

In 2023/24 there were no data breaches which met the threshold for reporting to the Information Commissioner's Office (ICO).

Governance Statement

The Planning Inspectorate is an arm's length body sponsored by the Ministry of Housing, Communities & Local Government. Our governance arrangements are the controls we have in place to uphold our public duty with integrity.

This Governance Statement covers the period from 1 April 2023 to 31 March 2024. 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 Inspectorate'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.

Paul is satisfied that he has the necessary level of assurance through rigorous review of the controls, especially risk management and audit findings, advice from the Board and ARAC (Audit and Risk Committee), and through recommendations taken to the Executive Team.

Our corporate governance framework underwent review in 2023/24 to align with our 2023/24 Business Plan. As a result, we discontinued, at Board level, our quarterly Strategic Assurance Panels and, at organisation level, our People Board, Customer Board and Digital and Data Board, with the duties absorbed in to other existing governance.

In addition, we reformed the format of our quarterly review meetings so that these bring all the Inspectorate's Senior Leadership Team together to

review, challenge and make decisions in relation to the delivery of the Business Plan and to provide assurance on key selected elements of corporate assurance. Standing items include budget allocation, resourcing, corporate structure and priorities.

To align with our 2024/25 Business Plan our corporate governance framework is undergoing further review. This will include consideration of our requirements under the recommendations set out by the Task Force for Climate Related Financial Disclosures, please see page 43 for an explanation. Currently, all papers which go to Executive Team and Board meetings require the authors to state whether the item in question has an environmental impact. However, in the reporting period 2023/24 this impact was not a deciding factor. Our Executive Team and management were closely involved in the development of our 2024-27 Environmental Plan. From 2024/25 this Plan will be monitored by senior leadership on a quarterly basis.



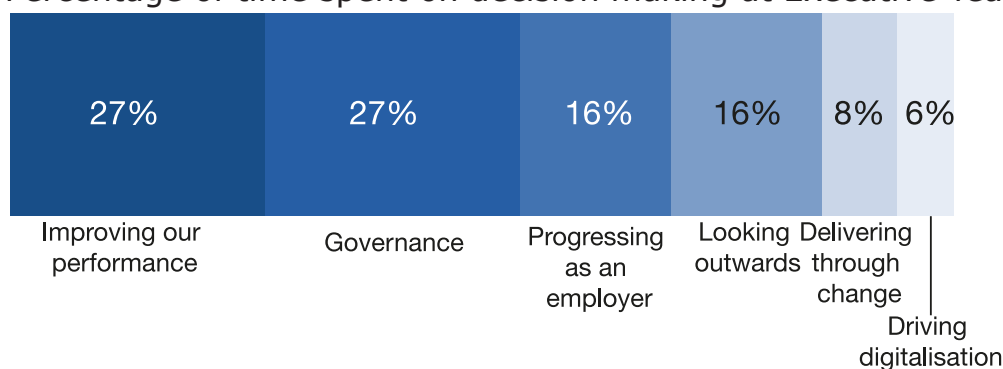
Accounting Officer Meetings

Accounting Officer meetings are called by MHCLG and are chaired by the Director of Leasehold, Land and Planning Systems. 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 MHCLG. The meetings typically focus on progress against the priorities set for the year by MHCLG. Midway through the 2023/24 year we agreed to move from four to six meetings per year, to align with the best-practice guidance on the governance of arms-length bodies.

Executive Team meetings

The Executive Team is composed of all the Chief Officers and is chaired by the Chief Executive. 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 people, key stakeholders and customers and gives direction to the Inspectorate. In the last year a quarter of the items on the Executive Team agenda focused on improving out performance, with a further quarter of agenda time focused on governance: tracking of budgets, strategic risk management and future governance and reporting structures. The remainder of the time focused on our priorities to progress as an employer (with focus on HR-specific policies, office facilities and being an inclusive workplace), deliver through change (including preparing for the introduction to the Levelling-up and Regeneration Act) and driving digitalisation through our services. As standard, the Executive Team review our media channels and stakeholder interactions. The breakdown of time is in graph 16 below.

Graph 16 - Percentage of time spent on decision making at Executive Team meetings



Some of the key actions taken by the Executive Team in 2023/24 were:

- agreeing priorities for 2024/25 as part of the strategic and business planning processes, including budget allocation, new balanced scorecard to monitor performance, productivity measures, unit costs and priority vacancies;
- reviewing the corporate governance structure to support and align with the 2024/25 Business Plan;
- agreeing areas of focus to further improve our people's engagement across the organisation learning and development plans;
- agreeing to vacate Temple Quay House and secure alternative accommodation for office based staff for health, safety and wellbeing reasons;
- implementing a customer service improvement plan, improving response times to customer enquiries and complaints and meeting regulatory obligations;
- agreeing our stakeholder engagement matrix, key messages and communications plans;
- reviewing our Strategic Risk Register, mitigation plans, risk appetite statements and policy and guidance related to risk management;
- agreeing on the Environmental Policy development and action plan;
- developing a pay and reward strategy for the organisation;
- agreeing a new conflict of interest policy, process and reporting for the Inspectorate; and
- approving the 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 balanced scorecard, 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

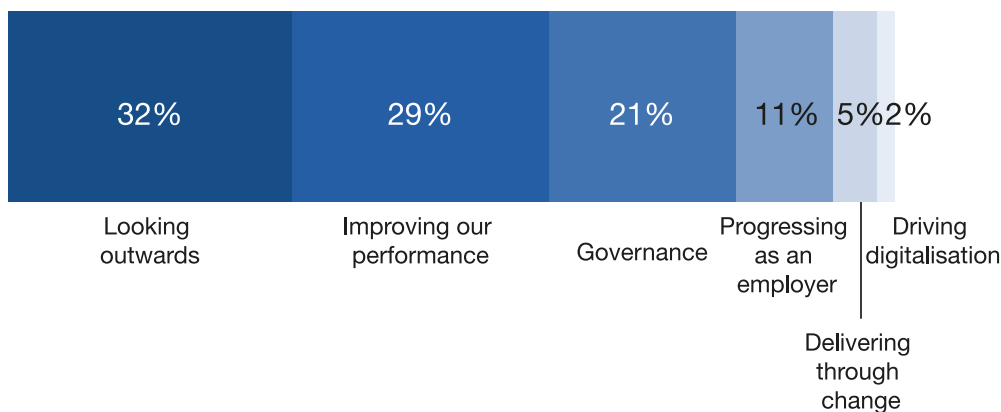
The Board is advisory. It aims to provide assurance to our sponsors about our progress in delivering our strategy through insight, challenge and support to the Executive Team.

Trudi Elliott is the independent Non-Executive Chair of the Board. Members include the other Non-Executive Directors, the Chief Executive and the Executive Team, and a representative from MHCLG. In January 2024 as part of the Board Apprentice scheme, our second Boardroom Apprentice joined the Inspectorate Board and will be in post until December 2024.

The Board met eight times in 2023/24. Attendance is shown in the Directors’ Report, pages 50-51. Every meeting included:

- an update from MHCLG on Ministerial priorities;
- an update from the Inspectorate’s Chief Executive; and
- a review of the Board level balanced scorecard, which includes data about operational performance across our wide range of work, the health, safety and wellbeing of our people, our financial position and delivery against our Business Plan.

Graph 17 - Percentage of time spent on decision making at Board



Throughout the year, the Board focused on:

- freedom of information and customer complaint performance improvement;
- health, safety and wellbeing of the Inspectorate’s people;
- NSIP reforms, including changes to the wider consenting system and the Inspectorate’s role;
- Section 62a Local Planning Authority designations implemented by the Secretary of State, the Inspectorate’s role in handling the applications and the effect on operational performance;
- the Strategic Plan, Business Plan, priorities, budget and resourcing;
- pay flexibility ambitions;
- learning and development strategy;
- the Non-Executive Director Boardroom apprentice scheme, offering a place on the Inspectorate Board;
- outcomes of the Board’s external effectiveness review recommendations, including creating and monitoring an action plan;

- the Board, ARAC and Remuneration Committee terms of reference, approving each terms of reference for 2024/25;
- the Strategic Risk Register, the addition of new risks and appetite and tolerance statements; and
- GDPR, redaction and data.

Remuneration Committee

The Remuneration Committee met three times during 2023/24. Attendance is shown in the Directors' Report, pages 50-51.

The purpose of the Committee is to make final recommendations to the Board on all aspects of remuneration decisions for the Inspectorate's Senior Civil Servants (SCS) in accordance with the guidance in the Pay Strategy. The Board recommendation will be submitted to MHCLG for decision. The Committee:

- discussed and made recommendations to MHCLG on 2022/23 Executive Team performance;
- received an update on the SCS pay remit and budget and non-SCS pay;
- reviewed and provided comments on 2023/24 Executive Team goals;
- discussed 2023/24 Executive Team mid-year performance against goals; and
- provided advice to MHCLG on the 2023/24 goals and performance of the CEO.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) 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.

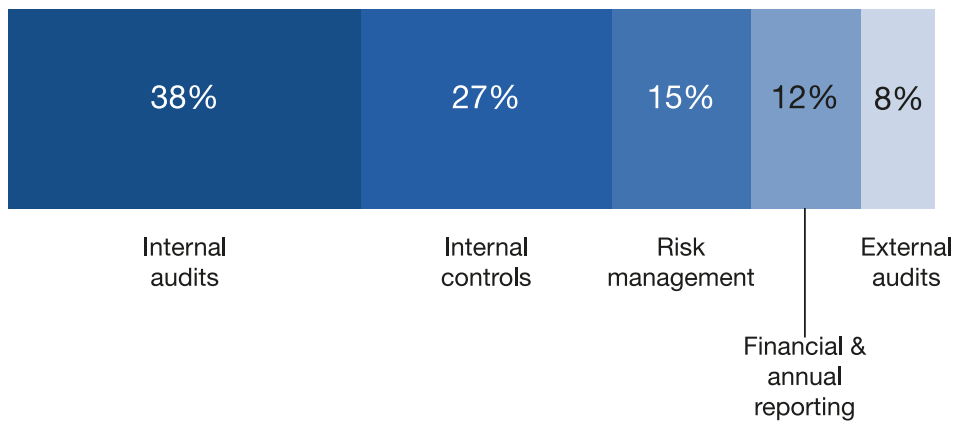
The Chair of ARAC is Emir Feisal. The other two members are Non-Executive Directors Oliver Munn and Adrian Penfold. The meetings are also attended by a range of executives and experts, representatives of MHCLG, the National Audit Office (NAO) and the Government Internal Audit Agency (GIAA).

The Committee met five times this year. Attendance is shown in the Directors' Report, pages 50-51 During the year, the Committee:

- reviewed the risk assurance process and internal controls, including the whistleblowing policy and progress made to strengthen the process, complaint management, risk appetite, and fraud and bribery procedures;
- assessed how we identify and manage risks, both at a strategic and unit level;
- reviewed compliance with functional standards;
- 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;
- escalated issues that the Committee thought would benefit from more focused discussions, such as benefits management, mandatory training completion and customer complaints reporting;
- reviewed the Accounting Officer's assessment of the effectiveness of internal controls;
- reviewed the Committee's own effectiveness, including whether the Accounting Officer was content with the assurances provided.

All of the discussions were supported by quality papers and presentations.

Graph 18 - Percentage of time spent on decision making at Audit and Risk Assurance Committee



Effectiveness review

The purpose of an effectiveness review is to ensure our governance is effective and our corporate governance meetings are responsive, inclusive and participatory with appropriate escalation routes in place.

The Chair of the Board commissioned Lesley Cowley, Chair of the Driver and Vehicle Licensing Agency and Chair of Companies House to lead the Board effectiveness review. Findings were reported to the Board in November 2023. The Board endorsed the report and the major and supporting recommendations set out in the report. The major recommendations are:

- The Board should use the opportunity of the new NEDs joining the Inspectorate to discuss and agree:
 - the focus of the Board, ARAC and REMCOM;
 - the boundaries between each body, and between each body and the Executive Team;
 - Board culture, diversity, ways of working, meeting norms and how best to balance support and challenge;
 - the information that the Board will require to ensure Board oversight, challenge and support;
 - how best to ensure that the Board develops an understanding of the needs of the Inspectorate’s customers in all parts of the UK; and
 - the roles of the Chair and NEDs in relation to stakeholder engagement.
- The Board should review its work programme to ensure that more Board time is allocated to the regular consideration of strategic matters and future challenges. A timetable of Strategic Plan, Business Plan and related updates should be agreed.
- The Executive Team should perform an assessment of where the gaps exist, or potentially exist, between the Strategic and Business Plans and the Inspectorate’s capabilities, particularly in terms of people resource.
- The Board should discuss and agree its approach to the oversight of performance going forward and the levels of performance reporting to the Board, Board committees and the Executive Team.
- The Board should task the Chief Executive and Executive Team with the production of a new Board Performance Management Report that enables reporting to the Board on targets that flow directly from the Strategic Plan, and it’s measures.
- A review and update of the Board, ARAC and REMCOM ToRs should take place,

- particularly to align the ToRs with the updated Framework Document.
- Planning for the next recruitment of new NEDs should begin well in advance of the end of the current NED terms, including lessons learned.
- NEDs should have staggered terms of appointment or re-appointment in order that all do not complete their terms at the same time.
- The Executive Team should be tasked with developing proposals to ensure that the Board is able to listen and respond to stakeholders, including Inspectorate staff.
- Board effectiveness reviews should be systematically carried out on an annual basis with results and recommendations reported to the Board, who should then track the status of agreed recommendations.

At the time of drafting, the majority of these actions have been progressed and completed.

Compliance with the Corporate Governance Code

Our governance arrangements are compliant with the HM Treasury's Code of Good Practice for Central Government Departments, 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 Leasehold, Land and Planning Systems at MHCLG.

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.

In June 2023 our [Framework Agreement](#) was formally approved by HM Treasury and in July 2023 it was published by MHCLG on GOV.UK. The Agreement sets out the broad governance framework within which we and MHCLG operate. It defines:

- our core responsibilities;
- the governance and accountability processes that apply between MHCLG and us; and
- how the relationship works in practice, especially in relation to governance and financial matters.

Our Risk Profile

We use risk management to realise our Strategic Plan, identifying risks and issues arising in an evolving environment, taking decisions to mitigate threats and to plan for potentially emerging scenarios within our immediate spheres and in the wider world.

Strategic risk management

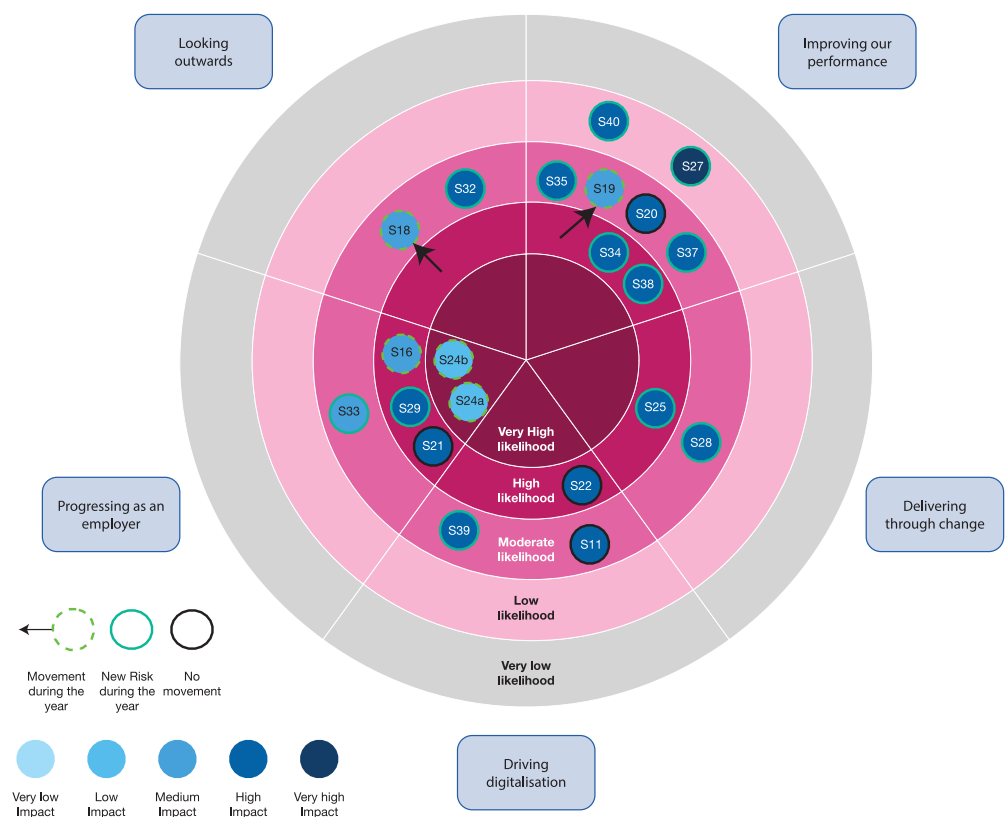
We are proactive in the management of our strategic risks to fulfil our objectives and meet our duty to achieve value for public money. Each strategic risk is owned by a member of the Executive Team who assesses it using a five-by-five scoring matrix. This generates a score which is a combination of likelihood, to reflect the probability of the risk, and impact, to reflect the consequences of the risk materialising.

Our overarching objective is overall compliance with the Orange Book best practice risk management principles for government. In addition, all strategic risks are assessed to ensure compliance with industry requirements specific to each area of work.

For the 2023/24 year we have mapped our risks across the five objectives within our business plan; looking outwards, improving our performance, delivering through change, driving digitalisation and progressing as an employer. The following heat map (figure 1) shows each of our strategic risks across

the five priorities, represented by the five wedges of the circle. Each strategic risk is represented by a disc which shows their relative likelihood, which is greater the closer to the centre they are. The colour of the disc indicates the level of impact, the darker the shade indicating the highest level of impact. The arrows indicate where risk trajectory has changed during the year. The effectiveness of our risk management process and internal control is reviewed periodically by our Internal Audit service provided by the Government Internal Audit Agency.

Figure 1 - Risk Heat Map



Our risk profile through 2023/24

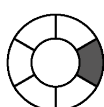
The tables on pages 62-66 summarise the strategic risk profile for the Inspectorate and the changes over the past twelve months. We conduct horizon scanning to identify cross-cutting risks that may impact the Inspectorate. This includes identification of political, economic, social, technological, legal and environmental factors. These factors may impact on our existing risks and help us identify and categorise new risks. Our risk profile at the end of the 2023/24 financial year shows that the scores for all our risks are between eight and 16, displaying a top end reduction of four points from 2022/23. There has been movement in

the scores throughout the year. There have been four instances of agreeing risks to close, in addition to 12 new risks being added. This reflects our ability to consistently and effectively respond to changes in our environment, whether these are internal or external in nature. As part of a holistic deep dive for the 2024/25 financial year, further potential risks are being identified and added to the register as appropriate. This demonstrates the importance of regular reviews to consider the relevance of context and effectiveness of mitigations, in addition to identifying new areas of focus for continual improvement to our risk response.

Key: Risk categories



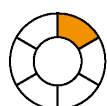
Reputation and credibility



Operational delivery



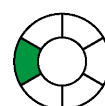
Financial



People



Compliance/Legal/Regulatory



Innovation

Risk appetite explanation				
<p>Averse</p> <p>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.</p>	<p>Minimalist</p> <p>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.</p>	<p>Cautious</p> <p>Preference for safe options that have low degree of inherent risk and impact on performance.</p>	<p>Open</p> <p>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.</p>	<p>Eager</p> <p>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.</p>

<p>Data protection</p> <p>Lack of robust controls and an immature culture of data governance could lead to a data breach.</p> <p>Averse</p>		<p>Risk Score: 12 - No change</p>

<p>Health, safety and wellbeing</p> <p>Failure to address health, safety and wellbeing could result in a major accident, incident, near-miss or ill health.</p> <p>Averse</p>		<p>Risk Score: 12 - Down from 16 (Impact has reduced but likelihood has stayed the same)</p>

<p>Ability to react to and be prepared for external change</p> <p>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>Risk Score: 9 - Down from 12</p>

<p>Our progress in improving services is set back due to volumes and resources</p> <p>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>Cautious</p>		<p>Risk Score: 9 - Down from 16</p>

<p>Long term operational model not sustainable</p> <p>The mismatch between demand and insufficient operational resource could lead to not meeting customer expectations, along with increased uncertainty and cost for the planning system.</p> <p>Cautious</p>		<p>Risk Score: 12 - No change</p>

<p>Future skills Consistently identifying and proactively addressing our future capability requirement and resource need, by actively adapting to evolving demands through the strategic workforce plan will create a well-equipped workforce and reduce reliance on contingent labour. Eager</p>		<p>Risk Score: 16 - No change</p>

<p>Value and quality of data 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. Cautious</p>		<p>Risk Score: 16 - No change</p>

<p>Strike action (Prospect) As a result of strike action, we may experience staff walkout which could affect ability to achieve objectives/casework. Minimalist</p>		<p>Risk Score: 10 - Down from 15 Impact has been reduced</p>

<p>Strike action (PCS) As a result of strike action, we may experience staff walkout which could affect ability to achieve objectives/casework. Minimalist</p>		<p>Risk Score: 10 - No change</p>

<p>Operational readiness for Planning Reform (LURA) changes Future operational changes, as a result of policy reforms, could not be fully understood or embedded. Cautious</p>		<p>Risk Score: 16 - New risk</p>

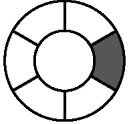
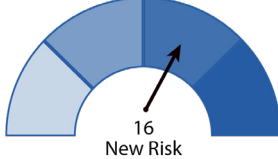

<p>Poor quality decisions Inconsistency in decision making may undermine the Inspectorate’s reputation as open, fair and impartial. Minimalist</p>		<p>Risk Score: 10 - New risk</p>

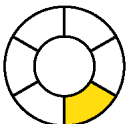


<p>National Infrastructure reform effect on performance, funding and reputation The Inspectorate could be unable or not ready to fully realise the change expected by NSIP reform. Cautious</p>		<p>Risk Score: 12 - New risk</p>

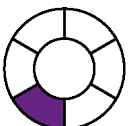


<p>Stress and workload Demand for business-as-usual activity and development projects could outstrip resource (people/time and money) supply without consideration of team responsibilities, leading to individual and team stress levels rising. Minimalist</p>		<p>Risk Score: 16 - New risk</p>

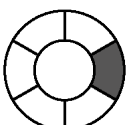


<p>Capacity and prioritising Lack of these could lead to failure to deliver our strategic objectives due to the lack of prioritisation and optimisation of our resources. Cautious</p>		<p>Risk Score: 12 - New risk</p>

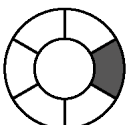


<p>Breakdown in confidence between staff and management Could lead to the perception that staff are not being kept appropriately informed and could lead to deterioration in staff relationships affecting output or retention of staff. Minimalist</p>		<p>Risk Score: 9 - New risk</p>

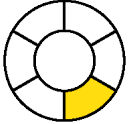


<p>Overreliance on specific contractors Overreliance on contractors in specific areas could lead to overspend in budget reducing ability to recruit establishment posts. Minimalist</p>		<p>Risk Score: 16 - New risk</p> 
		

<p>Compliance with functional standards Lack of adherence to functional standards due to resource and capacity issues contrary to the organisations obligations. Cautious</p>		<p>Risk Score: 12 - New risk</p> 
		

<p>Funding for establishment posts We are reviewing our competitiveness of salary points to ensure we remain able to attract talent, failure to do so could lead to recruitment and retention problems. Open/Receptive</p>		<p>Risk Score: 12 - New risk</p> 
		

<p>Specialist recruitment Failure to recruit and retain sufficient specialist skills could impact service delivery. Minimalist</p>		<p>Risk Score: 16 - New risk</p> 
		

<p>Cyber risk Inadequate controls could lead to a cyber incident or malicious attack against a digital service and achieving a breach of the Inspectorate's defences. Averse</p>		<p>Risk Score: 12 - New risk</p> 
		

<p>Fraud Inadequate internal controls, lack of oversight or presence of dishonest staff or third parties may lead to fraudulent activities. Averse</p>	 	<p>Risk Score: 8 - New risk</p> 
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Our Quality Assurance

Delivering high quality work is fundamental to our reputation as a highly respected, fair, open and impartial decision making body. Consequently, we take steps from recruitment through to output to ensure quality is maintained and, where necessary, improved.

Quality Assurance in relation to casework outcomes is a structured, repeatable process. It aims to ensure that our decisions, reports and recommendations, as well as our public hearing, examination and inquiry events, meet our users' needs by:

- being led by knowledgeable and professional decision makers;
- being delivered to appropriate timescales;
- being concise, easy to understand and authoritative;
- covering the key matters fairly, openly and impartially; and
- being free from significant errors.

The Quality Assurance process begins with recruitment, to ensure candidates are suitable for the role of a decision maker (which includes Planning Inspectors, Appeal Planning Officers and RTPI Apprentices) at the Inspectorate. Candidates are required to demonstrate that they have the appropriate behaviours, strengths and experience, including written and interpersonal skills. Once appointed, our decision makers are given extensive initial training on the areas of casework on which they will be deployed.

When this training is complete, all decision makers have ongoing access to in-house support, guidance and learning opportunities, in a variety of forms and casework areas. This ensures, among other things, that they remain up-to-date with changes to policy, case law and regulation.

We capture feedback from pre- and post-issue reviews of decisions, reports and recommendations, as well as from peer observations of hearings, examinations and inquiries. We also draw out lessons from High Court challenges to our work, whether successful or not. We feed learning from these processes back into our guidance for decision makers.

During 2023/24 we focused on improving our quality assurance processes in relation to peer review of casework. We revised the systems that we have in place for capturing peer review observations and on improving our data and analytical abilities in that area. This has assisted in closing the feedback loop between assurance and ongoing learning.

We report quarterly on the number of decisions that we have quality assured.

In addition, we meet stakeholder groups and interested parties from across the wider planning sector on a regular basis, to hear first-hand the experiences of their members and to seek solutions to mutual problems. We also provide an increasing amount of outreach and education to a wide range of our users, to ensure that there is clarity about what we do and do not find useful, so that our various processes can be as efficient as possible. We feed learning from these sessions back into our guidance for decision makers.

We undertake regular management reviews of the effectiveness of our internal assurance processes.

Internal 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. This provides 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. Ongoing reviews of mandatory compliance have continued to be undertaken and reviewed since our initial assessment in 2021/22 and, where appropriate, included in work plans going forwards.

Internal audits

A key source of independent assurance for the 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 Inspectorate'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 with returning to pre-pandemic working that includes off-site lone working, which the HIA concluded had effective controls in place. The HIA recognised that the Inspectorate has taken action to address appropriate areas highlighted in the 2022/23 opinion, and was pleased to report efforts made to address timely implementation of outstanding audit recommendations. The HIA acknowledged steps taken for a continuation of a strong core controls environment, the development of strategic arrangements in workforce planning, stakeholder management, and data and analysis to monitor business delivery and inform decision making. As with many bodies, the Inspectorate has been addressing capacity risks and, going forward, the HIA considers that it should focus on this in relation to casework.

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 62-66 are owned by the Executive Team. We provide visibility of our strategic risks to the MHCLG risk management team who undertake a review on an annual basis.

What we did in 2023/24

- Undertook a comprehensive review of the content of the Strategic Risk Register with the Executive Team, Board and ARAC, including detailed discussions with all risk owners. This included a review of our risk appetites, risk scoring methodology and consideration of our risk tolerances.
- Developed a holistic approach to risk management to ensure operational and strategic risks are appropriately linked, and to capture the impact of changes in risks and mitigations in a particular area.
- Engaged with staff to maintain the profile of risk management within the organisation, through regular meetings and via the intranet, including for Risk Awareness Week.

Plans for 2024/25

- Complete a review of the Strategic Risk Register and implement the new risk appetite and tolerance approach across strategic, unit and local registers.
- Undertake a series of deep-dive reviews of strategic risks, focusing on material detail and potential impacts to objectives, and establish a benchmark for the activities.
- Review the way we document risks across the Inspectorate, including consideration of an appropriate and fit-for-purpose tool to manage risk in an effective, timely and trackable manner.
- Host a series of workshops and webinars to enhance risk management awareness and culture.

Business continuity

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

What we did in 2023/24

- Updated Business Continuity Plans with the outcomes of the business continuity exercise carried out in 2022/23.

Plans for 2024/25

- Undertake a business continuity scenario, considering lessons learned from the previous exercise.
- Develop the Business Continuity and Disaster Recovery approach.
- Host a series of workshops and webinars to enhance business continuity awareness and further improve culture.

Fraud and bribery

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'.

What we did in 2023/24

- Raised awareness across the Inspectorate, including sharing a blog for Counter Fraud Awareness Week.
- Initiated research into appropriate training materials for all staff.

Plans for 2024/25

- Review the Inspectorate's Fraud Risk Assessment.
- Complete an annual review of the Inspectorate's Counter Fraud Strategy.
- Introduce a Counter Fraud Framework and Policy to best support activities to detect and identify threats and instances of fraud.
- Enhance counter fraud awareness and further improve culture, including during Counter Fraud Awareness Week (October 2024).

Change management

The delivery of change activity in the Inspectorate is co-ordinated through the Business Plan. The prioritisation of change is determined by the Executive Team, who also assess and agree changes to our delivery approach and the inclusion or removal of Business Plan initiatives. A core team, along with key Business Partners, perform the full range of project management functions. These range from assessing and challenging changes and progress, reviewing our ability to deliver changes, and advising and agreeing budget variances when needed.

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

What we did in 2023/24

- Integrated the reporting of change initiatives and projects with wider Business Plan reporting. Key decisions are escalated to the Executive Team.
- Raised the level of project delivery skills in the core team through a skills development programme.
- Implemented further recommendations to improve our benefits management.

Plans for 2024/25

- Embed the new approach to benefit definition, tracking and reporting.
- Establish revised processes and templates to support all change initiatives across the organisation to maximise efficiencies.
- Continue to develop and implement changes to the governance model for change in line with wider governance reform.
- Implement iterative change planning to align with future business planning and development.
- Upskill key colleagues across the Inspectorate on project delivery skills.

Whistleblowing

Our people can report misconduct anonymously via telephone, an online web report or email using the SeeHearSpeakUp confidential service. Reports are routed to our Nominated Officers, who can also be approached by whistleblowers directly, and will co-ordinate a response to any received reports.

One report was made, investigated and closed this year.

What we did in 2023/24

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

Plans for 2024/25

- Launch revised Raising Concerns and Dispute Resolution policies to simplify our approaches to handling complaints and concerns of all kinds.

Information security

The Inspectorate’s information security measures are being strengthened through a multi-programme approach. Last year’s GovAssure audit identified 55 recommendations for enhancing confidentiality, integrity and availability. Remediation activities are strengthening our defences against both existing and emerging cyber threats.

What we did in 2023/24

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

Plans for 2024/25

- Deploy a Data Loss Prevention solution to strengthen Data Privacy and align with best practices and Cyber Assessment Framework requirements.
- Conduct a review of policies relating to information security, data protection and records management.
- Carry out service-level digital asset discovery to enhance and improve our management of risk.
- Prepare our systems and processes for introduction of Secure By Design principles in 2024.

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.

What we did in 2023/24

- Implemented most of the findings of our 2023 review into how we handle court challenges, including increasing the number of expert users of our systems and enhancing our data quality assurance processes.
- Closely tracked the introduction of new planning legislation and updated our guidance and procedures.
- Analysed legal challenges to identify lessons learned and updated our guidance for Inspectors.

Plans for 2024/25

- Complete the remaining 2023 review findings by designing and introducing a new digital platform for recording and managing data relating to court challenges.
- Continue to 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.

Data protection

Data protection in the Inspectorate has matured steadily with the implementation of the Governance Project which was initiated to improve processes, organisational culture and accountability in relation to data protection.

What we did in 2023/24

- Delivered data protection training.
- Identified and put in place data sharing agreements.
- Improved the Data Protection Impact Assessment (DPIA) process, making it more user-friendly.
- Prepared for new data protection legislation and provided advice on implementation of redaction procedures.

Plans for 2024/25

- Continue to assess the requirement for, and put in place, data sharing agreements.
- Develop and put in place an assurance framework to assess the Inspectorate's adherence to data protection laws and procedures.
- Implement changes to procedures and policies brought about by enactment of the Data Protection and Digital Information Bill.
- Help the Inspectorate to implement a governance framework for the adoption of Generative AI tools.
- Support the adoption of Privacy Enhancing Technologies such as Synthetic Data to improve data protection capabilities.

Human resources

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 Resources Functional Standard is 'good', however, we are keen to improve this. In compliance with business appointment rules, the department is transparent in the advice given to individual applications for senior staff: advice regarding specific business appointments has been published on the [Inspectorate's GOV.UK page](#).

What we did in 2023/24

- Launched our three-year Learning and Development Strategy.
- Maintained compliance with Human Resources Functional Standards focusing on the learning and development and pay and reward requirements.
- Increased diversity and inclusivity within the Inspectorate, and embedded this in all aspects of talent management from workforce planning and recruitment to skills development.

Plans for 2024/25

- Deliver the line management and leadership development phases of our learning and development strategy.
- Engage with senior leadership across the organisation to create consistent strategic workforce plans.
- Complete a review of people management processes and launch line manager training on all aspects of their role.

Health, safety and wellbeing

We continue to progress in all areas of health, safety and wellbeing, and have developed a one-year plan for delivery. In 2023/24 we recorded 16 near misses, 7 accidents and 15 incidents with one accident being reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations. We have identified this control area as a strategic risk, please see page 62.

What we did in 2023/24

- Continued with the stress project group to address this risk.
- Implemented policy and procedure for Display Screen Equipment (DSE), home-working and risk assessments.
- Trained all managers in risk assessment and tasked managers to develop team risk assessments.
- Rolled out DSE assessment and training, putting reasonable adjustments in place as required.

Plans for 2024/25

- Develop and implement policy and procedure in relation to driving for work, accident, incident and near-miss reporting, electrical safety, working at height and Personal Protective Equipment.
- Continue to develop procedures to manage workplace stress.
- Review our use of lone worker protective technology.

Conflict of interest

All of our people, contractors and Non-Executive Directors are required to declare any potential conflicts, in line with the Nolan Principles of Public Life or the Franks Principles, on appointment and as they arise. It is a standing agenda item for the Board, Audit and Risk Assurance Committee and Executive Team Meetings. Declarations were noted at the following meetings: two at Board, one at an Audit and Risk Assurance Committee and three at Executive Team meetings. On each occurrence it was agreed that the member who made the declaration did not need to remove themselves from discussion. All Directors check and update the [declarations of interest register](#) as part of the Annual Report and Accounts process.

A refresh of the Inspectorate's Conflict of Interest policy took place this year to ensure we have consistent processes, including on how we record decisions, and to make it clearer to understand and act upon potential conflicts. The new policy is written in practical language and includes example case studies.

What we did in 2023/24

- Launched the refreshed Conflict of Interests policy.
- Provided guidance and training on the refreshed policy.
- Implemented improved recording and assurance procedures.

Plans for 2024/25

- Continue to monitor disclosures and decisions and where necessary update the Board-level declarations of interest register.

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 86 new contracts.

Overall, 12 contracts were procured on a single tender basis without competition; all were below the Public Contracts Regulations thresholds.

We have managed our suppliers through a range of techniques dependent on value, criticality and contract type. Taking a collaborative approach, we delivered value for money, increased innovation and transferred skills to our people. We shared risks with suppliers and agreed liabilities and insurances, formalised in the terms and conditions of our contracts.

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

What we did in 2023/24

- Developed a contract management framework to improve the way we manage contracts and supplier relationships.
- Recruited new members of the team, including an apprentice and a new Head of Service position.
- Began preparations and learning to ensure readiness for new procurement regulations.

Plans for 2024/25

- Launch the contract management framework and commercial strategy.
- Develop and implement a new, digital procurement system.
- Continue to prepare, implement and embed new procurement regulations.
- Procure a more diverse, environmentally friendly supply chain to support the [Social Value Model](#) objectives.

Property

Our headquarters in Temple Quay House, Bristol (provided through the Government Property Agency) is undergoing a large-scale refurbishment. The original plan was for the Inspectorate to remain as tenant in the building. However, in July 2023, we took the decision to close Temple Quay House to our staff to protect their health, safety and wellbeing.

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

What we did in 2023/24

- Procured a small, temporary office solution following the closure of Temple Quay House to our staff. An inviting, professional, collaborative office and meeting facility has been created to enable people to work together.
- Managed changes for our people, ensuring their health, safety and wellbeing were protected.
- Reduced storage and cleared our office space in Temple Quay House to enable the refurbishment to progress.
- Progressed the design of our final office facilities for our 'home zone'.

Plans for 2024/25

- Finalise the design of our final office facilities for our 'home zone'.
- Procure a larger temporary office solution to enable more people to work in an office until the refurbishment of Temple Quay House is completed.
- Continue to manage change for our people, ensuring their health, safety and wellbeing is protected.

Management information

We need to understand our data and its quality to ensure we provide good management information. The Inspectorate’s Information Management System (IMS) includes a business data catalogue, a master data map, and an information asset register. This establishes information ownership, defines our data model, and records where data flows and is mastered. A clear understanding of our data and where we store it ensures secure use of management information and decision-making based on sound evidence.

Our self-assessment rating against both the Digital Data and Technology Functional Standard and the Analysis Functional Standard is ‘good’.

What we did in 2023/24

- Enhanced management reporting and automated processes to improve timeliness and accuracy.
- Expanded and refined our data model and IMS.
- Developed the Operational Data Warehouse (ODW) for better integration and analytics.
- Introduced a Data Quality Framework (DQF) for rigorous data quality assessment and enforcement.
- Implemented measures and analytics for demand forecasting and decision-making efficiency.
- Initiated the development of a semi-automatic redaction tool for better data privacy.

Plans for 2024/25

- Fully integrate the DQF within the IMS to enhance data governance.
- Shift official statistics publications from monthly to quarterly.
- Complete Inspectorate’s data estate integration within the ODW.
- Develop live management tools for real-time performance monitoring.
- Implement AI tools to enhance operational efficiency.
- Upgrade our internal management systems for better clarity and user engagement.

Financial controls

We are accountable to MHCLG for how we prepare and spend our budget allocation. 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.

What we did in 2023/24

- Developed standardised monthly reports for dissemination to budget managers to aid understanding and communication of key points.
- Developed activity-based costing for greater alignment of costs to business plan activities and to set daily rates for re-chargeable casework.
- Developed standardised procedures for income collection.

Plans for 2024/25

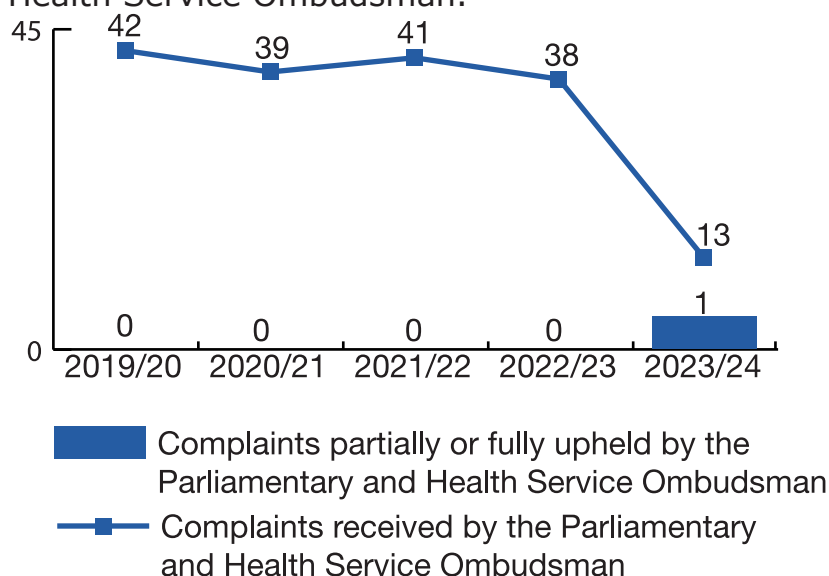
- Fully roll out new corporate and individual budget holder management reports with the provision of appropriate training.
- Review the effectiveness of an activity-based costing and price setting model, updating it to reflect current business activity.
- Support operational teams in various legislative planning reforms ensuring cost is understood and appropriate charge out rates set.

External 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 failure 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. This is known as our complaints analysis process, through which we establish root cause of all upheld complaints and work with relevant teams to understand learnings and initiate corrective action.

Customers can escalate their complaints to the Parliamentary and Health Service Ombudsman. In 2023/24 we received 13 complaints, of which one was upheld by the Parliamentary and Health Services Ombudsman. Eight recommendations were made by the Ombudsman, of which five have been complied with so far.

Graph 19 - Complaints received and partially or fully upheld by the Parliamentary and Health Service Ombudsman.



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

16 July 2024

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 of the Senior Civil Service (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body (SSRB). The Cabinet Office advises the department in March or April each year of the government's response to the SSRB recommendations and produces guidance for departments to follow. Bonuses are based on performance level attained and are made as part of the appraisal process. Bonuses relate to the performance year in which they become payable to the individual. Bonuses reported for the year 2023/24 relate to performance in 2022/23, bonuses reported for 2022/23 relate to performance in 2021/22.

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. Accrued pension benefits for directors are not included in this table for 2023/24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

The single total figures of remuneration for Directors, for the year ended 31 March 2024 and in brackets the comparative figures for the year ended 31 March 2023, are shown in Table 2.

Table 2 - Single total figures of remuneration for Directors for the year ended 31 March 2024

	Salary and fees paid	Bonus	Taxable benefits	Pension related benefits*	Total for 2023/24 (2022/23)**
	£'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)	130-135	0-5	-	-	135-140
	(35-40 125-130 full-year equivalent)	(-)	(-)	(33,000)	(70-75)
Executive Directors					
Joanne Butcher Chief Finance Officer (from September 2022)	75-80	0-5	-	-	80-85
	(35-40 70-75 full-year equivalent)	(0-5)	(-)	(16,000)	(50-55)
Sean Canavan Chief Strategy Officer	80-85 (75-80)	0-5 (-)	- (-)	- (30,000)	85-90 (100-105)
Rachel Graham Chief Digital and Information Officer (from March 2023)	65-70 80-85 full-time equivalent	0-5	-	-	65-70
	(5-10 75-80 full-year full-time equivalent)	(-)	(-)	(20,000)	(25-30)
Richard Schofield Chief Planning Inspector (from March 2023)	85-90	0-5	-	-	85-90
	(5-10 80-85 full-year equivalent)	(-)	(-)	(31,000)	(35-40)
Graham Stallwood Chief Operating Officer	110-115 (105-110)	0-5 (0-5)	- (-)	- (42,000)	115-120 (145-150)
Simon Levi Interim Chief People Officer (from March 2023 until August 2023)	30-35 75-80 full-year equivalent	0-5	-	-	30-35
	(5-10 70-75 full-year equivalent)	(0-5)	(-)	(-)	(5-10)
Shilpi Sahai Chief People Officer (from July 2023 to March 2024)	65-70 80-85 full-year equivalent	-	-	-	65-70
	(-)	(-)	(-)	(-)	(-)

	Salary and fees paid	Bonus	Taxable benefits	Pension related benefits*	Total for 2023/24 (2022/23)**
	£'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
Non-Executive Directors					
Trudi Elliott Chair, Non-Executive	20-25 (20-25)	- (-)	- (-)	- (-)	20-25 (20-25)
Emir Feisal Director, Non-Executive (from October 2023)	5-10 10-15 full-year equivalent (-)	- (-)	- (-)	- (-)	5-10 (-)
Oliver Munn Director, Non-Executive (from October 2023)	5-10 10-15 full-year equivalent (-)	- (-)	- (-)	- (-)	5-10 (-)
Adrian Penfold Director, Non-Executive (from October 2023)	5-10 10-15 full-year equivalent (-)	- (-)	- (-)	- (-)	5-10 (-)
Sally Dixon Director, Non-Executive (until July 2023)	0-5 10-15 full-year equivalent (10-15)	- (-)	- (-)	- (-)	0-5 (10-15)
Dr Rebecca Driver Director, Non-Executive (until September 2023)	5-10 10-15 full-year equivalent (10-15)	- (-)	- (-)	- (-)	5-10 (10-15)
Stephen Tetlow Director, Non-Executive (until September 2023)	5-10 10-15 full-year equivalent (10-15)	- (-)	- (-)	- (-)	5-10 (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.

*Accrued pension benefits for directors are included for 2022/23 only.

** Totals for 2023/24 exclude pensions benefits.

Directors' pension disclosure

This section of the document has been subject to audit. Accrued pension benefits for directors are not included in this table for 2023/24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

Table 3 - Directors' pension disclosure

	Real increase in pension and related lump sum at pension age	Total accrued pension at pension age at 31/03/24 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 31/03/23	As at 31/03/24	Real Increase
Paul Morrison Chief Executive (from December 2022)	-	-	685	-	-
Joanne Butcher Chief Finance Officer (from July 2023) Interim Chief Finance Officer (from September 2022)	-	-	47	-	-
Sean Canavan Chief Strategy Officer	-	-	400	-	-
Rachel Graham Chief Digital and Information Officer (from March 2023)	-	-	227	-	-
Richard Schofield Chief Planning Inspector (from March 2023)	-	-	213	-	-
Graham Stallwood Chief Operating Officer	-	-	108	-	-
Shilpi Sahai Chief People Officer (from July 2023 until March 2024)	-	-	-	-	-

Any members affected by the Public Service Pensions Remedy were reporting in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022/23, but are reported in the legacy scheme for the same period in 2023/24.

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 2024. 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 4 - Fair pay disclosure

	2023/24	2022/23
Change in highest paid Director's total pay	8%	-11%
Change in highest paid Director's bonus	N/A	N/A
Average change in total pay of employees	4%	8%
Average change in bonuses of employees	-2%	21%
Band of Highest Paid Director's Total Remuneration (£'000)	135-140	125-130
Median Total – Inspector	£64,761	£60,643
Remuneration Ratio - Inspector	2.12	2.06
Median Total - Support	£36,807	£28,248
Remuneration Ratio - Support	3.74	4.43

There was staff turnover in the highest paid Director in 2022/23 which meant that there was no entitlement to a bonus payable. In 2023/24 a bonus was paid but the percentage would have been compared to the ineligible bonus for the prior year. The change in highest paid Director's bonus is, therefore, marked as non-applicable for both years.

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 5 - Fair pay percentile ratios for the whole workforce

	2023/24			2022/23		
	Pay ratio	Total pay	Salary	Pay ratio	Total pay	Salary
25th Percentile	4.4	£31,543	£31,360	4.4	£28,994	£28,809
50th Percentile	2.6	£53,574	£53,483	2.8	£45,100	£45,100
75th Percentile	2.1	£65,566	£65,383	2.0	£62,604	£62,438

The average change in total pay is reflective of the annual pay rise agreed from the annual pay remit. The average change in bonuses and performance pay remained consistent. However, the percentage change was impacted by new starters whose bonus does not become payable until the following year's pay rise. Bonus payments made were a one-off payment pro-rata to all staff.

The banded remuneration of the highest paid Director in the financial year 2023/24 was £135,000-£140,000 (2022/23: £125,000-£130,000). This was 2.12 times (Inspectors); 3.74 times (support) (2022/23: 2.06 (Inspectors); 4.43 (support)). The median remuneration of the workforce, which was £64,761 (Inspector); £36,807 (support) (2022/23: £60,643 (Inspector); £28,248 (support)). The remuneration ratio 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. 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 MHCLG's gender pay gap report 2023 - GOV.UK <https://www.gov.uk/government/publications/MHCLG-gender-pay-gap-report-and-data-2023/MHCLGs-gender-pay-gap-report-2023>.

In 2023/24, nil employees received remuneration in excess of the highest paid Director (2022/22: nil). However, temporary staff, necessary to provide essential cover for vacant posts, received remuneration rates in excess of the highest paid Director, with nine remaining in post at 31 March 2024. Remuneration ranged from £186,000 to £10,500 (2022/23 £158,700 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 2023/24, we employed (average, full-time equivalent) 839 staff (see Table 6). This total was made up of 46% women, and 54% men which included 3 women and 5 men at Senior Civil Service grades. 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 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.

The average number of full-time equivalent persons permanently employed by us (including senior management) during the year to 31 March 2024 was as follows in Table 6. Turnover rate in 2023/24 was 8.81% (2022/23 10.1%), when broken down this was 3.37% for Planning Inspectors/Appeals Planning Officers and 5.44% for all other staff. Turnover rates excluding fixed term appointments was 6.42%.

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. At 31 March 2024, 72 staff (67 as at 31 March 2023) were on contracts for a fixed term duration.

Table 6 - Average Number of full-time equivalent staff employed in year
(This table has been subject to audit)

Permanent (average)	2023/24	2022/23
Senior Civil Service Pay Band 2	1	1
Senior Civil Service Pay Band 1	6	5
Grade 6-7 (Senior Staff)	53	44
Salaried Inspector	411	375
Support	133	120
Caseworkers	235	218
Total	839	763
Less Secondments	(1)	(1)
Add Agency	15	21
Total Employed	853	783

Trade Unions

The organisation formally recognises two Unions: Public and Commercial Services, representing mostly office-based staff, and Prospect, representing 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 a pay and reward programme. 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 2023/24 consultations with Trade Unions included: Pay and Reward; Dispute Resolution; Bullying, Harassment and Discrimination (including Sexual Harassment); Supporting Attendance; Organisation Design; Risk Assessment Policy and Procedure; DSE and Homeworking Policy and Procedure.

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

Table 7 - Trade Union representation

Employees who were relevant Union officials during the period	Full-time equivalent
20	941

Note: FTE based on point of time rather than 13 month average used in staff cost section.

Table 8 - Percentage of time spent on facility time

Percentage of time	Number of employees
0%	17
1-50%	3
51-99%	-
100%	-

Table 9 - Percentage of pay bill spent on facility time

Total cost of facility time	£90,511.09
Total pay bill	£57,858,655
Facility time cost as percentage of pay bill	0.16%

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

Table 10 - 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 2023/24 was 5.8 days compared to 5.9 days in 2022/23. 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 2023/24 remained low at 8%, this figure is the same as 2022/23 and 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 have recently released 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. We are also reviewing our workplace adjustments information to make sure the process is easily understood.

Staff costs

This section of the document has been subject to audit.

Table 11 includes the total staff costs for the 2023/24 financial year, as shown in the Financial Statements.

Table 11 - Total staff costs

	2023/24	2022/23
Wages and salaries	41,663	34,384
Social security costs	4,763	4,025
Other pension costs	11,148	9,362
Sub Total	57,574	47,771
Agency staff	1,067	1,739
Total net staff costs	58,641	49,510

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 2023/24, employers' contributions of £11,048,752 were payable to the pension scheme (2022/23: £9,413,279) 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 2023/24 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 £41,360 (2022/23: £31,114) 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 £213 (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 2024 were £4,751 (2022/23: £2,314). Contributions prepaid at that date were £nil (2022/23: £nil). Two persons (2022/23: nil) retired early on ill-health grounds.

Expenditure on consultancy and contingent labour

In 2023/24, the Planning Inspectorate incurred zero spend (2022/23: £495,480) on contracts which were categorised as consultancy. The reduction arose following the cessation of projects, concluded by the 2022/23 year end.

Our total contingent labour spend for 2023/24 was £4,278,169 (2022/23: £4,350,993), 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;
- Planning Appeal Decision Services – flexible Inspector resource engaged on a fee per case basis through a dynamic purchasing system as and when work is available.

One contract for contingent labour were in scope of the Cabinet Office spend controls, requiring approval from the Inspectorate's Accounting Officer and 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 Cyber Security as a Service and Data Capability as a Service contracts.

Off-payroll engagements

We engaged in off-payroll contracts (see the following tables for further analysis) across a range of professional disciplines including digital, data, health, safety and commercial. The short-term engagements supported a specific need in the organisation while transforming the organisation or backfilling vacancies in our establishment. This year, we have worked towards reducing the use of contingent labour where possible and appropriate. This shall continue into the next financial year.

Table 12 - Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater	As at March 2024
Number of existing engagements.	8
Of which...	
Number that have existed for less than one year at time of reporting.	7
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.	-
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 13 - Off-payroll workers engaged during the year

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater	As at March 2024
Number of temporary off-payroll workers engaged during the year ended 31 March 2024.	45
Of which...	
Not subject to off-payroll legislation.	-
Subject to off-payroll legislation and determined as in-scope of IR35.	44
Subject to off-payroll legislation and determined as out-of-scope of IR35.	1
Number of engagements reassessed for consistency/assurance purposes during the year.	22
Of which: Number of engagements that saw a change to IR35 status following the consistency review.	-

Table 14 - 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 2023 and 31 March 2024	As at March 2024
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.	8

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.

There was one departure that cost less than £100,000 during 2023/24.

Consultations in 2023/24

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

- Dispute Resolution
- Bullying, Harassment and Discrimination (including Sexual Harassment)
- Supporting Attendance
- Organisation Design
- Risk assessment policy and procedure
- DSE and Homeworking policy and procedure
- Recruitment Policy

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 Ministry of Housing, Communities & Local Government. Initial indicative allocations are agreed as part of HM Treasury Spending Review exercises and are refined annually as necessary through the Ministry of Housing, Communities & Local Government business planning round. Since 1st April 2020, we are fully funded from the Ministry of Housing, Communities & Local Government programme budgets and this classification of our funding is reviewed annually.

The detailed accounts for the 2023/24 financial year are included in the 'Financial Statements' part of this publication. A brief summary of our performance against budget is provided in Table 15.

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 £65.6m (2022/3 £56.9m) and the capital budget was £16.9m. The approved total budget from the Ministry of Housing, Communities & Local Government was reduced by £6.8m in 2023/24 in recognition of the change in the timing of the Nationally Significant Infrastructure Projects reform work (£5.8m capital) and a reduction in depreciation due to uncertainty around the required treatment of right of use assets (£1m). We ended the year with an underspend against revised budget of £3m, as shown in Table 15. A more detailed analysis of financial performance is provided in the Financial Performance section of this document.

During 2023/24 the total value of adverse costs paid out was £0.6m with £0.5m of costs awarded to the Planning Inspectorate. This amounted to 108 cases in total including 38 refused, 14 won and 8 lost with 48 outstanding (13 of which relate to prior year cases).

Table 15 - 2023/24 Budget, outturn and underspend

	Original budget £'000	Revised budget £'000	Outturn £'000	Underspend £'000
Staff & related costs	56,401	57,516	58,641	1,125
Non-pay running costs	17,900	16,859	14,218	(2,641)
Receipts	(12,400)	(14,681)	(16,081)	(1,400)
Net costs	61,901	59,694	56,778	(2,916)
Ring-fenced costs	3,500	2,406	1,132	(1,274)
Total programme costs	65,401	62,100	57,910	(4,190)
Non-cash costs (Annually Managed Expenditure - AME)	185	1,432	1,348	(84)
Total operating expenditure	65,586	63,532	59,258	(4,274)
Capital expenditure	16,938	11,141	10,426	(715)

Table 16 shows the current provisional allocations and working assumptions for the budget. The Planning Inspectorate received an indicative budget for 2024/25 financial year, which will be confirmed in a formal budget delegation. These figures are subject to change.

Table 16 - Current provisional allocations

	2024/25 £'000
Net Costs	56,917
Ring-fenced costs	14,509
Total programme costs	71,426
Annually managed expenditure	700
Total operating expenditure	72,126
Capital expenditure	13,950
Total budget	86,076

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 Note 2 for restatement explanation).

Table 17 - Income and costs for casework activity

	2023/24			2022/23 Restated		
	Cost £'000	Income £'000	Net £'000	Cost £'000	Income £'000	Net £'000
National Infrastructure	20,123	(11,515)	8,608	12,669	(6,324)	6,345
Local Plans	3,394	(2,179)	1,215	4,384	(3,395)	989
Other Major Specialist casework	3,264	(1,515)	1,749	3,314	(1,508)	1,806
Totals	26,781	(15,209)	11,572	20,367	(11,227)	9,140

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

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 was one reportable case in 2023/24, being the impairment of the right of use asset as described in note 10 to the accounts, this amounted to £1,247K (nil reportable cases in 2022/23).

There were 40 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 2024 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 Ministry of Housing, Communities & Local Government as part of our normal spending review submissions.



Paul Morrison
Chief Executive

16 July 2024

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 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Planning Inspectorate's

- Statement of Financial Position as at 31 March 2024;
- 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 2024 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 issued 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 issued 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;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued 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.
- 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 the Planning Inspectorate's 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 and the Audit and Risk Committee 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 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 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 sufficient appropriate audit evidence 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

17 July 2024

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

Financial statements for the year ended 31 March 2024

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

Statement of comprehensive net expenditure

	Note	2023/24 £'000	2022/23 £'000
Other operating income		(16,081)	(12,016)
Operating income	4	(16,081)	(12,016)
Staff costs	3a	58,641	49,510
Other administrative costs	3b	15,451	14,324
Total operating expenditure		74,092	63,834
Net expenditure for the year		58,011	51,818
Other comprehensive net expenditure			
Right of use asset impairment	3b	1,247	-
Comprehensive net expenditure for the year		59,258	51,818

All of the Planning Inspectorate's income and expenditure for the year was derived from continuing activities.

The Notes on pages 104-118 form part of these accounts.

Statement of financial position

	Note	31 March 2024 £'000	31 March 2023 £'000
Non-current assets			
Property, plant and equipment	5, 10	1,727	3,615
Intangible assets	6	26,831	16,591
Prepayments greater than one year	7	60	13
Total non-current assets		28,618	20,219
Current assets			
Trade and other receivables	7	3,416	4,373
Cash and cash equivalents	8	12,334	8,138
Total current assets		15,750	12,511
Total assets		44,368	32,730
Current liabilities			
Trade and other payables	9	(9,577)	(7,546)
Other liabilities	10	(841)	(813)
Provisions	13	(101)	-
Total current liabilities		(10,519)	(8,359)
Other liabilities	10	(676)	(1,237)
Total non-current liabilities		(676)	(1,237)
Assets less liabilities		33,173	23,134
Equity			
General fund		33,173	23,134
Total taxpayers' equity		33,173	23,134

The Notes on pages 104-118 form part of these accounts.

The accounts on pages 99-118 were approved by the Inspectorate's Board on 16 July 2024 and signed on its behalf by:



Paul Morrison
Chief Executive

16 July 2024

Statement of cash flows

	Note	2023/24 £'000	2022/23 Restated £'000
Cash flows from operating activities			
Net operating expenditure		(58,011)	(51,818)
Adjustments for non-cash transactions	3b, 4	1,547	1,232
(Increase)/Decrease in trade and other receivables	7	910	1,735
Less movement in bad debt provision	3b	(95)	(12)
Increase/(Decrease) in trade payables	9	2,031	(892)
Less movements in payables relating to items not passing through the SOCNE	5, 6	(33)	(515)
Use of provisions	13	-	(73)
Interest paid	10	37	24
Net cash outflow from operating activities		(53,614)	(50,319)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(173)	(1,578)
Purchase of intangible assets	6	(10,669)	(7,527)
Sale of property, plant and equipment	5	-	10
Net cash outflow from investing activities		(10,842)	(9,095)
Cash flows from financing activities			
Funding from the Ministry of Housing, Communities and Local Government		69,100	61,500
Payments to right-of-use buildings lease		(448)	(897)
Net cashflow from financing activities		68,652	60,603
Net (decrease)/increase in cash and cash equivalents in the period	8	4,196	1,189
Cash and cash equivalents at the beginning of the period	8	8,138	6,949
Cash and cash equivalents at the end of the period	8	12,334	8,138

The Notes on pages 104-118 form part of these accounts.

Statement of changes in taxpayers' equity

	Note	£'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	3b	63
Notional charges	3b	115
Funding from the Ministry of Housing, Communities and Local Government		61,500
Balance at 31 March 2023		23,134
Changes in Taxpayers' Equity for 2023/24		
Total comprehensive expenditure		(59,258)
Non-cash charges – auditor's remuneration	3b	67
Notional charges	3b	130
Funding from the Ministry of Housing, Communities and Local Government		69,100
Balance at 31 March 2024		33,173

The Notes on pages 104-118 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 2023/24 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 and right of use assets.

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 9), right of use assets (see Note 10), contingent liabilities (see Note 11) and provisions (see Note 13). 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 HM 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 Ministry of Housing, Communities and Local Government's 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 2 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 10 for details of the specific treatment. Where leases that are determined to be right of use assets are of low value, or where the term ends within 12 months, the Planning Inspectorate applies the short term or low value exemption mandated by the FReM. The Planning Inspectorate did not reassess whether a contract is or contains a lease at the date of initial application, it applied the requirements of IFRS 16, presuming that entities had been applying the guidance in IAS17 and IFRIC 4 appropriately in the past.

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 Ministry of Housing, Communities and Local Government, 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 licenses 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. New in-house software assets are under construction relating to the appeals service and an occupational data warehouse, these will be amortised once 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.

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 10. The Planning Inspectorate did not reassess whether a contract was or contained a lease at the date of initial application, it applied the requirements of IFRS 16, presuming that entities had 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 2024. 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 2023/24, after reviewing obligations £100,491 was provided (£nil 2022/23).

Note 1.1n Segmental reporting

The Planning Inspectorate, as an Executive Agency of the Ministry of Housing, Communities and Local Government, 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 2).

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
International Financial Reporting Standards 18 Presentation and Disclosure in Financial Statements	December 2019	Implementation is not expected before 2027/28

Disclosure for Financial Year 2023/24

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.

A further new standard IFRS18 Presentation and Disclosure in Financial Statements is expected to be introduced from the financial year 2027/28. The Planning Inspectorate will undertake a detailed review of the requirements of the standard, but initial assessment is that there are unlikely to be material additional disclosures.

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 2024/25 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 2023/24 Financial Statements.

Note 2. 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.

Last year we reported that due to changes in some of the data collation systems within the inspectorate, it was not possible to run the unit cost model in the normal manner. An alternative method using the original data sources was therefore employed with the prior year restated for consistency in comparison. This year following development the prior method has been returned to. We have therefore restated the 2022/23 figures to be consistent with the reinstated methodology for comparative purposes. Amongst the changes in methodology last year was the move to use actual hours worked on cases rather than planned hours and secondly to use hours booked to all cases worked on in the year, whereas in prior years only hours booked against cases that had reached a decision were included. As stated in last year's accounts these changes were intended to be permanent and have been perpetuated through the newly reinstated model.

	2023/24			2022/23 Restated		
	Cost £'000	Income £'000	Net £'000	Cost £'000	Income £'000	Net £'000
Planning appeals	38,469	-	38,469	35,586	-	35,586
National Infrastructure	20,123	(11,515)	8,608	12,669	(6,324)	6,345
Local Plans	3,394	(2,179)	1,215	4,384	(3,395)	989
Enforcement appeals	6,550	-	6,550	5,167	-	5,167
Rights of Way	1,257	-	1,257	1,157	-	1,157
Compulsory purchase orders	405	(252)	153	365	(221)	144
Other Major Specialist Casework	3,264	(1,515)	1,749	3,314	(1,508)	1,806
Other	1,877	(620)	1,257	1,192	(568)	624
Totals	75,339	(16,081)	59,258	63,834	(12,016)	51,818

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 Ministry of Housing, Communities and Local Government but approximately 21% of its costs in 2023/24 (19% in 2022/23) 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, advertisements 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. 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 3. Operating expenditure

Note 3a. 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:

	2023/24 £'000	2022/23 £'000
Wages and salaries	41,663	34,384
Social security costs	4,763	4,025
Other pension costs	11,148	9,362
Sub Total	57,574	47,771
Agency staff	1,067	1,739
Total net staff costs	58,641	49,510

Note 3b. 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 Ministry of Housing, Communities and Local Government 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	2023/24 - £'000	2022/23 - £'000
Rentals:			
Hire of plant and machinery		362	277
Other payments formerly classified as operating leases under IAS17 (note 1.1e)		120	-
Total		482	277
Interest charges	10	37	24
Non-cash items:			
Depreciation	5, 10	1,114	1,024
Amortisation	6	18	18
Right of Use asset impairment		1,247	-
Provision for doubtful debt		95	12
Loss on disposal of asset		22	
Auditor's remuneration		67	63
Ministry of Housing, Communities and Local Government recharges		130	115
Apprenticeship Levy Training Services		94	61
In-year increase in provision		101	-
Total		2,888	1,293
Other expenditure:			
Planning Appeals Decision Services		1,562	1,325
Travel, subsistence and hospitality		2,479	2,038
Accommodation costs		1,211	957
Legal and professional services		1,974	1,820
Support Services		982	2,667
Information Technology		2,176	1,872
Ex gratia costs		216	42
Adverse costs		601	546
Bad debts and write offs		140	13
Telecoms		122	127
Training and conferences		504	361
Postal services		196	48
Office supplies		204	124
Other administration costs		924	790
Total		13,291	12,730
Total administrative costs		16,698	14,324

Note 4. Operating income

	2023/24 £'000	2022/23 £'000
Fees and charges		
Local plans	2,179	3,395
National infrastructure	11,515	6,324
Compulsory purchase orders	252	221
Other major specialist casework	1,515	1,508
Total Fees and charges	15,461	11,448
Recovery of adverse costs	526	512
Other	-	(5)
Total Miscellaneous income	526	507
Total Miscellaneous notional income	94	61
Total Operating income	16,081	12,016

Note 5. Property, plant and equipment

2023/24	Information Technology £'000	Right of use asset £,000	Total £,000
Cost or valuation			
At 1 April 2023	4,395	2,923	7,318
Additions	167	-	167
Disposals	(170)	-	(170)
Revaluation		328	328
Impairment		(1,247)	(1,247)
At 31 March 2024	4,392	2,004	6,396
Depreciation			
At 1 April 2023	2,827	876	3,703
Charged in year	446	668	1,114
Disposals	(148)	-	(148)
At 31 March 2024	3,125	1,544	4,669
Net book value at 31 March 2024	1,267	460	1,727
Net book value at 31 March 2023	1,568	2,047	3,615
Asset financing			
Owned at 31 March 2024	1,267		1,267
Right of use asset at 31 March 2024		460	460

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

Note 6. 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 £27million. 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 £10m 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 2024.

Internally Generated Information Technology

2023/24	Asset under construction £'000	In operation £'000	Total £'000
Cost or valuation			
At 1 April 2023	16,544	1,567	18,111
Additions	9,957	301	10,258
Reclassifications	(10,391)	10,391	-
At 31 March 2024	16,110	12,259	28,369
Amortisation			
At 1 April 2023	-	1,520	1,520
Charged in year	-	18	18
Disposals	-	-	-
At 31 March 2024	-	1,538	1,538
Net book value at 31 March 2024	16,110	10,721	26,831
Net book value at 31 March 2023	16,544	47	16,591
Asset financing			
Owned at 31 March 2024	16,110	10,721	26,831

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
Amortisation			
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

Note 7. 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	2023/24 £'000	2022/23 £'000
Trade receivables	1,564	1,832
Other receivables - VAT	122	535
Other receivables - Other	449	412
Doubtful Debt provision	(499)	(282)
Prepayments and accrued income	1,780	1,876
Total	3,416	4,373
Prepayments falling due after one year	60	13
Total	3,476	4,386

Note 8. Cash and cash equivalents

	2023/24 £'000	2022/23 £'000
Balance at 1 April	8,138	6,949
Net change in cash and cash equivalent balances	4,196	1,189
Balance at 31 March	12,334	8,138

All cash balances are held in the Government Banking Service.

Note 9. Trade payables and other current liabilities

Amounts falling due within one year	2023/24 £'000	2022/23 £'000
Trade payables	126	-
Other payables - VAT, taxation and social security	1,223	1,095
Other payables - including payroll deductions	1,374	1,353
Accruals and deferred income	6,854	5,098
Total payables at 31 March	9,577	7,546

Note 10. 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 IFRS16 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 are 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 was therefore our judgement in the previous financial year 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.

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.

During the course of the 2023-24 financial year there were changes to the scope of the refurbishment works, with the consequent impact of an elongation to the schedule for completion. Additionally, during the course of the year we took the decision to vacate the building, as the level of disruption was not conducive to a working environment. Subsequent to this access was withdrawn in order to carry out major works in our area of the building. These events have given rise to two accounting implications:

1. We are required to pay full rent until re-occupation of the building at which time we will occupy a smaller floor area. Therefore, the value of the rent has increased due to the delay in re-occupation, with the consequence being an increase in the value of the asset, valuation being the net of future rental payments and implied interest. A revaluation has therefore been accounted for from the point of our having been informed of the elongation of the refurbishment programme being 29th November 2023.
2. Having recognised a revaluation at 29th November 2023, there is a further accounting event at the point at which access to the building was withdrawn, being 8th January 2024. At this date we have recognised an impairment as we were unable to use the asset. At present we anticipate the building works being complete and re-occupation of the building occurring in July 2025, we have therefore judged that an asset still exists as on the basis of those timescales we will be in full occupation for the last six months of the original capitalisation period.

Notwithstanding the impairment to the asset, the Planning Inspectorate remains liable to the Government Property Agency for the rental throughout the period of the refurbishment, this being so, whilst the asset has been impaired the liability has not.

The requirements of the PES (Public Expenditure System) require us to charge implied interest on IFRS16 Right of Use Assets at the extant rate of interest at the point of an event in the life of that asset. Therefore, the rate of interest remains as at the point of capitalisation, unless there is a subsequent event. The revaluation and impairment taking place in this financial year are both events requiring a change in the interest to be applied. The interest rates are set on calendar years and at the point of each event a different interest rate was in place, as such the following rates have now been applied over the life of the asset:

- 1st April 2022 - 28th November 2023 0.95%
- 29th November 2023 - 7th January 2024 3.51%
- 8th January 2024 - 31st March 2026 4.72%

These events have the following impact on the financial statements:

Statement of Financial Position

- Opening gross book value £2,922,840
- Revaluation effective 29th November 2023 £326,588
- Impairment effective 8th January 2024 £1,246,544
- Closing gross book value £2,002,884
- Cumulative depreciation £1,543,415
- Closing net book value £459,469

- Current liabilities were £896,804 being the value of the rental payments due, inclusive of £55,633 interest chargeable in year to the SoCNE
- Long term liabilities were £692,888 being the value of the rental payments due, inclusive of £16,512 interest chargeable in year to the SoCNE

Statement of Comprehensive Net Expenditure

The contractual value of rental payments in 2023/24 was £896,804, this has been reversed out as required by the standard and replaced with:

- Depreciation for the year of £667,778
- Interest for the year of £37,365

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.

Where leases that are determined to be right of use assets are of low value, or where the term ends within 12 months, the Planning Inspectorate applies the short term or low value exemption mandated by the FReM. In September 2023 the Planning Inspectorate entered into a lease for temporary office space during the refurbishment of Temple Quay House, this was for a period of 12 months and therefore the exemption was applied.

Note 11. Contingent liabilities disclosed under IAS 37

There were two types of contingent liability which existed at 31 March 2024, 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 £162,500 (2022/23: £185,000);
- 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 £177,000 (2022/23: £96,000).

Note 12. Other financial commitments

Ministry of Housing, Communities and Local Government manages a significant contract for technology services on our behalf and the commitment is reflected in full in the Ministry of Housing, Communities and Local Government's Annual Report and Accounts.

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

	2023/24 £'000	2022/23 £'000
Not later than one year	1,024	846
Later than one year and not more than five years	191	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:

	2023/24 £'000	2022/23 £'000
Not later than one year	1,928	742

Note 13. Provisions

	Ex gratia £'000	Adverse costs £'000	Total £'000
Balance at 1 April 2023	-	-	-
Provided in the year	21	80	101
Utilised in the year	-	-	-
Written back in the year	-	-	-
Balance at 31 March 2024	21	80	101
Balance at 1 April 2022	73	-	73
Utilised in the year	(73)	-	(73)
Written back in the year	-	-	-
Balance at 31 March 2023	-	-	-

Ex gratia payments are non-statutory payments, generally made as a result of an acknowledged error causing unnecessary expenditure for the claimant. This can

include cases where maladministration is found by the Parliamentary Ombudsman. The provision is the best estimate based on the available information.

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

Note 14. 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 15. Related-party transactions

The Ministry of Housing, Communities and Local Government 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 16. Events after the reporting period

The Planning Inspectorate's financial statements are laid before the Houses of Parliament by the Secretary of State of the Ministry of Housing, Communities and Local Government.

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.

Glossary of terms

AI	Artificial Intelligence
ARAC	Audit and Risk Assurance Committee
CEO	Chief Executive Officer
CPI	Consumer Price Inflation
MHCLG	Ministry of Housing, Communities and Local Government
DPIA	Data Protection Impact Assessment
DSE	Display Screen Equipment
DQF	Data Quality Framework
ED&I	Equality, Diversity and Inclusion
ENSRA	East Norwich Strategic Regeneration Area
GDPR	General Data Protection Regulation
GIAA	Government Internal Audit Agency
GPA	Government Property Agency
HIA	Head of Internal Audit
HR	Human Resources
ICO	Information Commissioner's Office
IMS	Information Management System
LURA	Levelling-up and Regeneration Act
ODW	Operational Data Warehouse
NED	Non-Executive Director
NSIP	Nationally Significant Infrastructure Project
REMCOM	Remuneration Committee
RTPI	Royal Town Planning Institute
SCS	Senior Civil Service
TCFD	Task Force on Climate-related Financial Disclosure
ToRs	Terms of Reference
UCAS	Universities and Colleges Admissions Service

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